



**ANNUAL REPORT 2015**

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# Eastern Credit Union



**Be a part of our skills bank**  
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**GROUP 1** Plumbers • Carpenters  
Masons • Joiners

**GROUP 2** Hairdressers, Cosmetologists  
Nail Technicians, Seamstresses

**GROUP 3** Graphic Artist • Printer  
Designer

**GROUP 4** Caterer • Mixologist  
Cake Decorator

**GROUP 5** Miscellaneous Skills  
(Skills not covered in groups 1-4)

## Criteria

- 1 Applicant must be a member of Eastern Credit Union.
- 2 Applicant must show evidence of skills in given area (certification, registration, and badge) and must be working or teaching in given field.
- 3 Member must be 18 years or older.

Suitable applicants will be interviewed by members of the Education Committee and those successful will then form part of our Skills Bank and Business Exposition.

For further details contact Call Centre at  
800-4ECU (4328) or 800-LOAN (5626)  
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## CREDIT UNION PRAYER

*Lord,*

Make me an instrument of Thy peace

Where there is hatred,

Let me sow Love

Where there is injury, Pardon

Where there is doubt, Faith

Where there is despair, Hope

Where there is darkness, Light

And where there is sadness, Joy

*Oh, Divine Master,*

Grant that I may not so much seek

To be consoled, as to console;

To be understood, as to understand;

To be loved, as to love

For it is in giving, that we receive

It is in pardoning,

That we are pardoned

And it is in dying

That we are born to eternal life

AMEN

## PRESIDENT'S MESSAGE

Last year and the first quarter of 2016 have been challenging in many ways.

At the national level there are signals in the economy that are cause for concern for government and business. Falling oil prices are impacting the sustainability of both private and public sector organizations and we are witnessing the social-economic chain effects of those low prices as a number of companies either contract or face closure. Additionally the challenge of less foreign exchange available to the system will create some additional hardships for ordinary citizens as well as the discussions on the removal of the fuel subsidy, matters which we must plan to address. More recently, the IMF has conveyed apprehension about the rising levels of public debt.

We, however, at the Eastern Credit Union, have managed to have a good year despite these sobering challenges at the national level.

Sound investments and responsible stewardship of our resources have defined our management team and have continued to shape a credit union that is unlike any other in Trinidad and Tobago or in the Caribbean region.



**Wayne Estrada** PRESIDENT

We have built on the successes of the past 43 years to create a viable institution that provides a bright and assured future for our employees, our diverse membership and their children, all of whom are in fact owners.

From its inception, Eastern has been that star lighting the way for thousands of hard working people seeking to improve their lives and those of their families. It is the modest investments of many that have grown this business over the past four decades from a nominal investment of \$58.50 in 1973, into the \$2B enterprise that it is today.

Over 170,000 persons depend on Eastern and continue to have faith in our Credit Union and our ability to distribute the financial resources for the benefit of all even in the most volatile economic conditions. It is a faith that we have affirmed repeatedly – and will continue to do so in the next term, as we pursue new opportunities to protect and grow your hard-earned savings.

Over the past year: -

- Our asset base has grown by \$114 million from \$1.76 billion in December 2014 to \$1.9 billion in December 2015
- Our credit rating was upgraded by the CariCRIS regional credit rating agency
- Our Bureau de Change operations received Central Bank approval following a very detailed assessment
- We successfully concluded negotiations with our representative union for a new collective agreement for workers in Bargaining Units 1 and 3 and paid arrears of salaries and emoluments amounting to several million dollars
- Our Education Committee delivered several educational programmes and social events for the benefit of our members
- Our auditors have investigated our processes and have made recommendations to strengthen our controls which we have accepted.
- We have reviewed our Information system infrastructure and will be correcting areas of weakness identified
- We conducted several in-house training programmes for the benefit of our elected officials

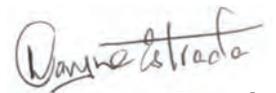
- We have implemented new mechanisms to our governance processes that will add greater transparency and accountability in the decision-making process

We must now look ahead with confidence, managing our risk consistent with best practices while we aim to deliver new services and products based on the ever-changing needs of our members.

Today, we are well-positioned to take on bigger projects and to take advantage of the unique opportunities that are available in the market despite the current economic circumstances. We must work diligently to remain competitive with other financial institutions and to differentiate ourselves as a progressive financial institution.

As we work at strengthening the organisation, a key focus will be on customer service and operational efficiencies. We must of necessity pay closer attention to our governance procedures taking into account the more demanding standards established for financial institutions both locally and internationally including those of our umbrella body the World Council of Credit Unions (WOCCU).

On behalf of the members of ECU Executive team and our Board of Directors we remain deeply committed to providing our membership with the best available products and service as we forge towards the development of a better quality of life for our members.

  
**Wayne Estrada**  
 President

## VISION

‘We will be the premier financial co-operative regionally with an international presence, exceeding members’ economic and social expectations.’

## MISSION

‘We are a Dynamic Financial Co-operative delivering superior quality service to our membership in accordance with sound business practices.’

## CORE VALUES

Member Focused | Honesty and Integrity | Innovativeness  
Professionalism | Confidentiality | Accountability | Impartiality

## STRATEGIC PRIORITIES

Enhancing Member Experience  
Employee Engagement  
Financial Sustainability  
Cooperative Social Responsibility

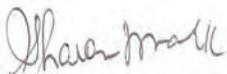
## NOTICE AND AGENDA

Notice is hereby given that the Forty Second (42<sup>nd</sup>) Annual General Meeting of Eastern Credit Union Co-operative Society Limited will take place at the Regency Ballroom of the Hyatt Regency Trinidad, 1 Wrightson Road, Port of Spain on Saturday April 16<sup>th</sup> 2016 at 10.00 A.M.

### **AGENDA**

#### **10:00 AM**

1. National Anthem
2. Invocation/Credit Union Prayer
3. Reading of Notice convening the 42<sup>nd</sup> Annual General Meeting
4. Adoption of Standing Orders
5. Credentials Committee Report
6. Welcome Remarks
7. Confirmation of Minutes of the 41<sup>st</sup> Annual General Meeting of Saturday March 28<sup>th</sup>, 2015
8. Matters Arising from the Minutes
9. Reports
  - Board of Directors
  - Supervisory Committee
  - Credit Committee
  - Education Committee
  - Auditors' Report
  - Consolidated Audited Financial Statements 2015
10. Credentials Committee Report
11. Amendment of Bye-laws
12. Nominating Committee Report
13. Credentials Committee Report
14. Election of Officers
15. Resolutions
16. General Business
17. Closing Observations



Sharon Mark (Ms.)

#### **Secretary**

Registration will begin at 8:00 AM

Please present **VALID IDENTIFICATION** for Registration

**ONLY MEMBERS** of the Credit Union can be allowed access to the meeting.

In order to facilitate catering arrangements members are required to register at any Branch, or by contacting the Call centre at 800-4ECU (4328) by **Thursday 14<sup>th</sup> April 2016**.

**STANDING ORDERS**

1. (a) Where possible, a Member shall stand when addressing the Chair.  
(b) Contributions are to be clear and relevant to the subject before the meeting.
2. A Member shall only address the meeting when called upon by the Chairman to do so, after which, he/ she shall immediately take his/her seat.
3. No Member shall address the meeting except through the Chairman.
4. A Member may not speak twice on the same subject except:  
(a) The Mover of a motion who has the right of reply.  
(b) He/ She rises to object or to explain (with the permission of the Chair)
5. The Mover of a "Procedural Motion" (Adjournment, Lay on the table, Motion to Postpone) shall have no right of reply.
6. No contributions are to be made after the "Question" has been put and carried or negative.
7. A Member rising on a "Point of Order" is to state the point clearly and concisely, (A "Point of Order" must have relevance to the "Standing Orders")
8. (a) A Member shall not "Call another Member to order" but may draw the attention of the Chair to a "Breach of Order"  
(b) In no event can a Member call the Chair to order
9. A "Question" shall not be put to the vote if a Member desires to speak on it or move an amendment to it, except a "Procedural Motion: The Previous Question" "Proceed to the Next Question" or the Closure: "That the Question be Now Put" may be moved at any time.
10. Only one amendment should be put before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it falls.
12. The Chairman shall have the right to a "casting vote".
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
14. Provision is to be made for protection by the Chairman from vilification (personal abuse).
15. No member shall impute improper motives against another Member.

**MINUTES OF 41<sup>ST</sup> ANNUAL GENERAL MEETING  
OF EASTERN CREDIT UNION CO-OPERATIVE SOCIETY LIMITED  
HELD AT THE GYMNASIUM, LA JOYA FACILITY, ST. JOSEPH  
ON SATURDAY, MARCH 28, 2015**

**1.0 COMMENCEMENT/PRAYER**

The Chairman, Mrs. Gloria Rolingson, called the meeting to order at 10.05 a.m. A recorded version of the National Anthem was played and the Credit Union Prayer was recited by those present.

The Chairman welcomed everyone and also introduced those at the Head Table. She called on the Secretary/General Manager to read the Notice of Meeting.

**2.0 NOTICE OF MEETING AND AGENDA**

The Secretary/General Manager, Ms. Sharon Mark, read the Notice and Agenda of the 41<sup>st</sup> Annual General Meeting.

**3.0 1<sup>ST</sup> CREDENTIALS COMMITTEE REPORT**

A Credentials Committee Report at 10.05 a.m. revealed that four hundred and twelve (412) members were registered.

**4.0 ACKNOWLEDGEMENT OF GUESTS**

The Chairman acknowledged the presence of the following specially invited guests:

Mr. Andre Goindoo	-	CUNA Caribbean Insurance Society Limited
Mr. Darren Hunte	-	President, Clico Credit Union
Mr. Dorwin Manzano	-	Credit Union Deposit Insurance Fund
Mr. Neil Alexander	-	PKF, Chartered Accountants & Business Advisors
Mrs. Renée Lisa Phillip	-	PKF, Chartered Accountants & Business Advisors
Ms. Claudia Wiltshire	-	Assistant Secretary, Telephone Workers' Credit Union
Mr. Mark Trotman	-	Teachers' Credit Union
Mr. Brian Matthew	-	Aero Services Credit Union
Ms. Deborah Ann Scott	-	Co-operative Division, Ministry of Labour and Small & Micro Enterprise Development

**5.0 ADOPTION OF STANDING ORDERS**

The Standing Orders were adopted on a motion moved by Ms. Stephanie Wilson (San Juan/Barataria Branch) and seconded by Ms. Doreen St. Hill (St. Joseph Branch).

**6.0 MINUTES OF 40<sup>TH</sup> ANNUAL GENERAL MEETING**

**6.1 Amendment**

At page 8, Item 9.0: In the 3<sup>rd</sup> line, delete "Louisiana" and insert "Madison".

**6.2 Confirmation**

The Minutes, as amended, were confirmed on a motion moved by Mr. Trevor Rogers (Tunapuna Branch) and seconded by Mrs. Joan Trim-Pierre (Tunapuna Branch).

**7.0 MATTERS ARISING****7.1 Young Members**

The Youth Conversation held at the Hyatt Regency Hotel on October 25, 2014 was a success. Youth from credit unions within the Caribbean were also in attendance.

**7.2 Maxi Taxis**

More than two hundred (200) loans were issued for maxi taxis.

**7.3 New IT Platform**

The new IT platform was successfully implemented in January 2014. Additionally, Eastern Credit Union introduced Mobile and Internet Banking and more than four thousand (4,000) members have registered to use these services.

**7.4 ATM Installation**

Eastern Credit Union did not obtain approval to install an ATM at the Port in Tobago. Therefore, an alternative location is being sought.

**7.5 Housing**

A property comprising approximately sixteen acres was purchased in Valencia. An estimated one hundred and three (103) apartment lots are to be developed. Approvals have to be revised and renewed before construction begins.

**7.6 Washrooms**

One member disagreed with the statement in the Minutes that washrooms can be accessed at all of Eastern Credit Union's branches. He made specific reference to the Port of Spain Branch. The membership was given the undertaking that this issue will be dealt with.

**7.7 Branch Infrastructure**

The issue was once again raised that Eastern Credit Union branch infrastructure does not cater for differently-able members.

**8.0 2<sup>ND</sup> CREDENTIALS COMMITTEE REPORT**

A Credentials Committee Report at 10.30 a.m. revealed that five hundred and two (502) members were registered.

## 9.0 BOARD OF DIRECTORS REPORT

Mrs. Gloria Rolingson, President, presented the Board of Directors Report. Some highlights in the Report were as follows:

- Alternative accommodation is being sought for the Chaguanas, Sangre Grande and Tobago Branches and a site is also being sought for another branch in downtown Port of Spain.
- ECU has maintained its rating of BBB- from CariCris in 2014.
- Members can now pay their utility bills on line.
- Eastern Credit Union has made a contribution of \$100,000.01 to a fund set up by the Credit Union Movement to assist in procuring professional services to help with the legislative reform effort.

Member's suggestions included:

- A committee should be established to treat with human resource issues.
- A branch should be opened in the eastern part of Tobago. A counter argument was that no more branches should be established because of the cost involved. Instead, once or twice per month visits can be organised to schools.
- The new Board should monitor the international issues faced by the credit union movement.

## 9.1 Acceptance

The Board of Directors Report was accepted on a motion moved by Mr. Conrad Enill (Port of Spain Branch) and seconded by Mr. David Taitt (St. Joseph Branch).

## 10.0 3<sup>RD</sup> CREDENTIALS COMMITTEE REPORT

A Credentials Committee Report at 11.00 a.m. revealed that five hundred and ninety-six (596) members were registered.

## 11.0 4<sup>TH</sup> CREDENTIALS COMMITTEE REPORT

A Credentials Committee Report at 11.30 a.m. revealed that seven hundred and fifteen (715) members were registered.

## 12.0 SUPERVISORY COMMITTEE REPORT

Mr. Kirk Ferguson, Chairman of the Supervisory Committee, presented the Report. Some main points mentioned in the Report were:

- Audit template guidelines were developed and will be handed over to the new Supervisory Committee.
- Two loan audits were undertaken and everything was found to be in order.
- A proper hand over will be made to the incoming Supervisory Committee.

Mr. Ferguson provided the under-mentioned responses to questions raised:

- No additional lands should be purchased before houses have been constructed on the Las Viviendas property and at least half of them are sold.
- One strategy being considered for the Oval Booth is to rent it on occasions.

One member commented that the size of the Port of Spain facility is inadequate.

### **12.1 Acceptance**

The Report of the Supervisory Committee was accepted on a motion moved by Mr. Conrad Enill (Port of Spain Branch) and seconded by Mr. Thomas Henry (Barataria Branch) with one (1) member voting against.

*The meeting was suspended at 1.00 p.m. and resumed at 2.20 p.m.*

### **13.0 5<sup>TH</sup> CREDENTIALS COMMITTEE REPORT**

A Credentials Committee Report at 2.15 p.m. revealed that nine hundred and ninety-one (991) members were registered.

### **14.0 CREDIT COMMITTEE REPORT**

Mrs. Pearl Yatali-Gonzales, Chairman of the Credit Committee, presented the Report. Some highlights of the Report were as follows:

- The loan portfolio grew by 8.5% to \$1.190 billion in 2014.
  - Loans granted in 2014 amounted to 29,511 with a value of \$464.9 million. This granted represented a 3% increase in the dollar value over 2013.
  - As at December 31, 2014 the Collections Unit recovered \$15M, thereby reducing reliance on external agencies.
  - At the end of 2014, delinquency ratio stood at 8.2%

Members made the following suggestions:

- Management should institute stronger measures to improve collection efforts.
- Special arrangements should be made for Tobago members who need to appear before the Credit Committee for loans.
- With regard to loans considered by the Credit Committee and Branches, information on the number of loans that were deferred, the number declined and the specific reasons for declining those loans should be included in the Report.

**14.1 Acceptance**

The Credit Committee Report was accepted on a motion moved by Mr. Trevor Rogers (Tunapuna Branch) and seconded by Mrs. Rhona Adams-Arrindell (St. Joseph Branch) with one (1) member voting against.

**15.0 EDUCATION COMMITTEE REPORT**

Mr. Clyde Herbert, Chairman of the Education Committee presented the Report of the Education Committee. The Report indicated that:

- Sixty (60) SEA students received awards valued at \$700.00 each and three awards valued at \$2,000 each were granted to members attending COSTATT and Arthur Lok Jack Graduate School of Business. These awards were distributed to students based on merit or economic need.
- Miss Kaylene Rigsby of Chaguanas R.C. School won the Primary School Calypso Competition.
- Four Children's Christmas Parties were held in December 2014: one (1) in Tobago and three (3) in Trinidad.

Members made the following comments:

- Reintroduce the Members' Calypso Competition.
- The Education Committee and the Credit Committee should collaborate in order to educate members on debt service ratio and how the Cooperative Societies Act operates.
- Miss Deborah Picou (Member) pledged \$15,000 from her school with a matching \$15,000 from Eastern resources to treat with social issues in her secondary school. She proposed that this project should be introduced at the Five Rivers Secondary school at which she works.
- Eastern Credit Union should continue its membership drive in schools.

**15.1 Acceptance**

The Report was accepted on a motion moved by Ms. Avyann Ferguson (Port of Spain Branch) and seconded by Mrs. Rhona Adams-Arrindell (St. Joseph Branch).

**16.0 AMENDMENT OF AGENDA**

On a motion moved by Mr. David Taitt (St. Joseph Branch) and seconded by Mr. Trevor Rogers (Tunapuna Branch) and unanimously accepted by the meeting, the Agenda was amended to treat with "Elections" before the Auditors' Report and Financials.

**17.0 NOMINATING COMMITTEE REPORT**

The Chairman of the Nominating Committee, Ms. Alana Blackman, presented the Report. Members made the following suggestions:

- Succession planning for the Board of Directors should be implemented before the next Annual General Meeting.
- Eastern Credit Union has outgrown one-day Annual General Meetings. Consideration should be given to either a two-day or three-day event.
- The Nominating Committee Report should contain the eligibility criteria for nomination.

- Members should have a substantial share saving, other than \$250.00, before being considered eligible for nomination to the Board and other Committees.
- Because of the large number of persons nominated for the Board of Directors, it may be necessary to institute other limitations for qualifying.

### 17.1 Acceptance

The Nominating Committee Report was accepted on a motion moved by Mr. Wayne Estrada (Port of Spain Branch) and seconded by Mr. Christopher Power (Chaguanas Branch) with one member voting against.

### 18.0 6<sup>TH</sup> CREDENTIALS COMMITTEE REPORT

A Credentials Committee Report at 3.55 p.m. revealed that one thousand and fifty-nine (1,059) members were registered.

### 19.0 ELECTION OF OFFICERS

Miss Debra Ann Scott, the Returning Officer and her team from the Co-operative Development Division of the Ministry of Labour and Small & Micro Enterprise Development conducted the elections. Miss Scott informed the gathering that Mr. Yannick Antoine was still eligible for election to the Supervisory Committee despite his absence from the Annual General Meeting.

Mr. Brian Moore was nominated from the floor for the Board of Directors.

### 19.1 Election Results

The election results were as follows:

#### Board of Directors

Names	No. of Votes	Tenure
Gerard Mathews	149	3 years
Marlene Attzs	123	3 years
Darius Figuera	119	3 years
Wayne Estrada	111	3 years
Conrad Enill	108 (1 <sup>st</sup> Alternate)	1 year
Gary Cross	104 (2 <sup>nd</sup> Alternate)	1 year
Stephanie Wilson	101	
Richard Noray	80	
Kirk Ferguson	61	
Lindhurst Murray	52	
Shelly-Ann Daniel	51	
Annette McKenzie	48	
Wendell Dottin	43	
Christopher Power	39	
Janelle Chapman	29	

Brian Moore	24
Gerard Collins	08

**Supervisory Committee**

<b>Names</b>	<b>No. of Votes</b>	<b>Tenure</b>
James George Thomas	167	1 year
Wendy Williams	159	1 year
Deborah Picou	140	1 year
Jacquelyn Humphrey	137	1 year
Stacy Alleyne	128	1 year
Thomas Henry	123 (1 <sup>st</sup> Alternate)	1 year
Cyril Barran	120 (2 <sup>nd</sup> Alternate)	1 year
Trevor Rogers	112	
Marcia Maynard	103	
Janice Johnson-Lorde	58	
Sharmela Dilraj-Boodoo	52	
Yannick Antoine	35	

**Credit Committee**

<b>Names</b>	<b>No. of Votes</b>	<b>Tenure</b>
Pearl Gonzales	230	1 year
Mary Thompson	222	1 year
Rhona Adams-Arrindell	202	1 year
Richard Griffith	199	1 year
Delroy Burris	155	1 year
Kenneth Wilson	117 (1 <sup>st</sup> . Alternate)	1 year
Mahmud Muhammad	98 (2 <sup>nd</sup> Alternate)	1 year
Jameel Mohammed	75	
Sharon Vanderhyden	09	
Kevin Jeremiah	05	

**19.2 Destruction of Ballots**

A motion for destruction of the ballots was moved by Mr. David Taitt (St. Joseph Branch) and seconded by Mr. James George Thomas (Port of Spain) Branch.

**20.0 AUDITORS' REPORT**

Mr. Neil Alexander, a representative of PKF, Chartered Accountants & Business Advisors, presented the Auditors' Report.

**20.1 Acceptance**

The Auditors' Report was approved on a motion moved by Mr. David Taitt (St. Joseph Branch) and seconded by Mrs. Pearl Yatali-Gonzales.

## 21.0 CONSOLIDATED FINANCIAL STATEMENTS 2014

Mrs. Sherry Ann McDonald Joseph, Eastern Credit Union's Group Financial Comptroller presented the Consolidated Financial Statements for the period ended December 31, 2014. The Report highlighted the following:

- Assets grew by 8.3%
- The loan portfolio increased by 8.5%
- Share portfolio grew by 6.8%
- Surplus increased by 24%

The following suggestions came from the floor:

- Members should be encouraged to increase their share savings.
- Members should be provided with training in finances.
- Professionals must be paid for their time, especially in light of the impending legislation and liability to Directors.
- Provide the membership with information on the amount of stipend paid to Directors and Committee Members.
- Assistance should be provided to members in understanding the importance and the issues surrounding money and the management of money.

## 21.1 Acceptance

The Consolidated Financial Statements 2014 were approved on a motion moved by Mr. David Taitt (St. Joseph Branch) and seconded by Mrs. Pearl Yatali-Gonzales.

## 22.0 2015 BUDGET

The Group Financial Comptroller, Mrs. Sherry Ann McDonald Joseph, presented the Budget for 2015.

Some projections were as follows:

- Income of approximately \$175.2 million
- Expenses of \$107.2 million
- Surplus of \$67.9 million

## 22.1 Acceptance

The Budget for 2015 was accepted on a motion moved by Mr. Conrad Enill (Port of Spain Branch) and seconded by Mr. Richard Griffith (Port of Spain Branch).

## 23.0 RESOLUTIONS

The membership approved the under-mentioned Resolutions:

**23.1 Dividend**

*"Be it resolved*

That in accordance with Bye-Law 15(b) (v), a dividend of 3.25% be approved for the financial year ended 31<sup>st</sup> December 2014 and that such dividend be credited to Members' Share Accounts consistent with Bye-Law 25(c) (i) and be it further resolved that dividends due to members whose accounts have become delinquent be credited to their outstanding loan and interest balances."

**23.2 Special Shares**

*"Be it resolved:*

That in accordance with Bye Law 6(a) 1 and 6(b) dividend of 4.25% be declared and credited to members' Deposit Accounts and be it further resolved that dividends due to members whose Special Share Accounts are below the required amount be credited to their Special Share Accounts."

**23.3 Patronage Refund**

*"Be it resolved*

That a patronage refund of 5% be declared for the financial year ended 31<sup>st</sup> December 2014 and credited to Members' Deposit Accounts.

**23.4 Education Fund**

*"Be it resolved*

That 3% of the realized surplus for the financial year ended 31<sup>st</sup> December 2013 be appropriated to the Education Fund."

**23.5 Auditors**

*"Be it resolved*

That the firm PKF Chartered Accountants & Business Advisors (Trinidad) be retained as Auditors for the year 2015.

**23.6 Loan Write Off**

*"Be it resolved*

That 539 accounts with balances totalling \$14,695,595.47 and representing accounts that were statute barred and where efforts to collect have been pursued and repayments seem uncertain, be written off against provisions set aside for such loans."

**24.0 GENERAL BUSINESS**

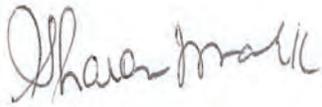
There was no other business.

**25.0 CLOSING OBSERVATIONS**

The Chairman thanked members for their attendance and participation. She also thanked the note-takers, sound recorders and other media personnel for service provided. The Chairman then congratulated the newly elected Officials to the Board and Committees and also the employees who provided invaluable service to the AGM.

**26.0 ADJOURNMENT**

There being no further business to discuss, the meeting ended at 6.37 p.m.



**Ms. Sharon Mark**  
**Secretary/General Manager**



**Eastern**  
Credit Union  
LEADING THE WAY.

# Executive Management



**Sharon Mark**  
SECRETARY/GENERAL MANAGER



**Steve Albino**  
DEPUTY CHIEF EXECUTIVE OFFICER (Ag.)



**Sherry-Ann McDonald-Joseph**  
GROUP FINANCIAL COMPTROLLER



**Kester Regis**  
GROUP EXECUTIVE MANAGER  
MARKETING, RESEARCH AND  
BUSINESS DEVELOPMENT



**Dr. Hazel Carter-Strachan**  
GROUP EXECUTIVE MANAGER  
HUMAN RESOURCES



**Marilyn Michael**  
EXECUTIVE MANAGER  
BRANCH OPERATIONS AND FINANCIAL  
ADVISORY SERVICES



**Bernadette Stewart**  
EXECUTIVE MANAGER, CREDIT  
ADMINISTRATION (Ag.)



**Wayne Estrada**  
PRESIDENT



**Janelle Benjamin**  
VICE PRESIDENT



**Gloria Rolingson**  
ASSISTANT SECRETARY



**Clyde Herbert**  
EXECUTIVE COMMITTEE MEMBER



**Don Isaac**  
EXECUTIVE COMMITTEE MEMBER



**Helen Bernard**  
DIRECTOR



**Eastern**  
Credit Union  
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# Board of Directors



**Gerard Mathews**  
DIRECTOR



**Marlon Mark Phillips**  
DIRECTOR



**Harvey Borris**  
DIRECTOR



**Darius Figuera**  
DIRECTOR



**Conrad Enill**  
DIRECTOR



**Alana Blackman**  
DIRECTOR

## BOARD OF DIRECTORS REPORT FOR THE 2015 FISCAL YEAR

### **The Credit Union Difference**

The year 2015 was one in which the credit union operated in a new environment and where new challenges were faced by the organization. This was a year of transition and the direct assistance of the majority of our directors and committee members was critical in the success being reported.

We wish to record our appreciation for the work of the staff of the credit union who continues to represent the ideals of the founding fathers of the credit union and who will be instrumental in the transformation that is required as a result of the new economic environment.

Today, forty-three years after our birth, we build on a strong foundation created at a time of mounting unemployment, relatively low wages in the public and private sectors and growing evidence of poverty of our citizens.

In an environment of uncertainty and restlessness twenty-two pioneers with an investment of \$58.50 who refused to believe that they were helpless created the Eastern Credit Union where together we could make a difference.

Today, as we account for the stewardship of 2015, we are pleased to provide details on our performance. The benefits that we have been able to distribute to our members for 2015 amount to \$117,781,717 or an adjusted benefit of 9 per cent dividend as follows:

Dividends and Patronage Refunds to Members	\$33,250,833
Provision for members who are unable to repay loans	\$30,597,418
Payment/Benefit to members who are employed with the credit union	\$53,933,466

### **Board of Directors Composition**

The Board comprised the following persons as at the date of this report:

President	-	Wayne Estrada
Vice President	-	Janelle Benjamin
Assistant Secretary	-	Gloria Rolingson
Executive Member	-	Don Isaac
Executive Member	-	Clyde Herbert
Director	-	Helen Bernard
Director	-	Gerard Mathews

Director	-	Marlon Mark Phillips
Director	-	Harvey Borris
Director	-	Darius Figuera
Director	-	Conrad Enill
Director	-	Alana Blackman
1 <sup>st</sup> Alternate	-	Gary Cross

### **Changes during the Period**

During the period under review the following changes were made:

Ms. Alana Blackman served as President for the period April to 9<sup>th</sup> November 2015 after which Mr. Wayne Estrada was elected as President.

Dr. Marlene Attzs served as Assistant Secretary from April until her resignation on 2<sup>nd</sup> December, 2015.

Mrs. Gloria Rolingson replaced Dr. Attzs as Assistant Secretary.

The first Alternate Mr. Conrad Enill replaced Dr Attzs as a member of the Board of Directors.

### **Executive Management Team Composition**

Group CEO and Secretary of the Society	-	Sharon Mark
Deputy Group CEO (Acting)	-	Steve Albino
Group Financial Comptroller	-	Sherry Ann Mc Donald-Joseph
Group Executive Manager, Marketing, Research and Business Development	-	Kester Regis
Executive Manager, Branch Operations and Financial Advisory Services	-	Marilyn Michael
Executive Manager, Credit Administration (Ag.)	-	Bernadette Stewart

During the year the following managers were appointed to act in the under mentioned positions :

Mr. Steve Albino - Group Executive Manager, Human Resources

Mrs. Shurla McEachnie-Christmas - Executive Manager, Credit Administration

Mr. Johan Borde - Executive Manager BOFAS .

We wish to thank these employees for their contribution to the Executive Management Team.

Dr. Hazel Carter-Strachan was recently appointed as our new Group Executive Manager, Human Resources and we welcome her to our credit union.

### **The New Economic Global Environment**

There is no doubt that Trinidad and Tobago is faced with many new challenges due to changes in the Global Energy Markets. Sharp declines in oil and gas prices dominated the performance of the global commodities markets in 2015 and were the main contributors to the slowdown in many emerging market economies.

In July 2015, the regional credit rating agency CariCRIS upgraded its credit ratings for Eastern Credit Union Co-operative Society Limited (ECU) by 1 notch to *CariBBB* (Foreign and Local Currency ratings) on the regional rating scale, and *ttBBB* on the Trinidad and Tobago (T&T) national scale. In outlining its rating rationale the agency stated that it reflected ECU's *"improved asset quality as evidenced by its declining non-performing loans to gross loans ratio, and its above-average earnings, profitability and operating cashflows compared to the T&T peer sample."* It also held the view that *"ECU's leadership of the T&T credit union market also enhances its income earning and resource raising potential."* This assessment certainly serves as an endorsement to the strength, success and stability of our credit union.

### **The Local Economy**

The Trinidad and Tobago economy, which depends heavily on the fortunes of the energy sector, was adversely affected by these trends. Official statistics published in the *Review of the Economy 2015* indicate that the economy experienced real growth of merely 0.2 percent in that year, with the Finance, Services and Real Estate sector growing by an impressive 8.6 percent. Available employment data indicate that during the second half of the year job losses increased steadily and this situation is expected to worsen in 2016.

A closer examination of the statistics available for the year 2015 reveals that the financial sector experienced relatively high levels of liquidity during the year and this persisted into 2016. The Central Bank of Trinidad and Tobago utilized the traditional tools available to manage this liquidity including its open market operations and increases in the repo rate with the result that the prime commercial bank rates began to trend upwards towards the end of the year.

The sluggish domestic economic environment and higher interest rates have resulted in relatively modest growth in private sector credit. This resulted in the slowdown in real estate mortgage lending and business lending. However, consumer lending continued to show robust growth during the year.

Despite the shocks prevailing in the external environment and in the face of many internal challenges, the challenge for the Board of Directors of the credit union was the attainment of the strategic goals and targets set for the year 2015.

### **Financial Results**

We are pleased to report that the financial results for the year ended December 31<sup>st</sup> 2015 while achieved, were further impacted by the requirement to create provisions which could not be deferred. Expenses increased by \$36.2 million from \$106.3 million in 2014 to \$142.5 million in 2015, an increase of 34 percent.

**Income and Expenditure Statement**

The following impacted on the financials:

- Income from our operations amounted to \$181.4 million, compared to \$161.7 million in the previous year, representing an increase of 12.2 percent. Income: interest on loans, increased by 12.7 percent in 2015 to \$151.2 million.
- Expenditure for the year was higher than budgeted as the salaries and emoluments negotiated under a new Collective agreement were paid to employees.
- The payment of arrears of salaries and emoluments (\$8.5 million) to Bargaining Units 1 and 3 of our employees following the conclusion of negotiations for a new collective agreement with the representative trade union BIGWU.
- Based on these revised terms and conditions, salaries and benefits payable to employees now average \$4.1 million per month. This amount is expected to increase in 2016 when negotiations for a new collective agreement for employees in Bargaining Unit 2 are completed.
- The increase in provision for delinquent loans by \$30.6 million (compared to \$14.8 million in 2014) was made in accordance with the PEARLS standards applicable to such provisioning and based on the advice of our auditors. 68 percent of the loans included in our delinquent portfolio have been outstanding for more than one year.

**Balance Sheet Statement**

The Asset base of our credit union stood at \$1.9 billion at the end of December 2015 from \$1.76 billion in the previous year, Loans outstanding increased from \$1.16 billion in 2014 to \$1.31 billion in 2015.

**Surplus**

Surplus realized for the year under review was \$38.9 million. Based on these results the Board of Directors is recommending the distribution to our membership as follows :

- Patronage refund of 5%
- Dividend on shares of 2%
- Dividend on Special Shares of 3%.

The payment of patronage refunds and dividends to our members are two of the more significant benefits that distinguish the advantages of membership in a credit union compared with doing business in other financial institutions. Many persons do not take these factors into consideration when comparing the lending rates offered by other institutions with those of their credit union. Additional benefits include insurance protection on loans and share savings, which enables debts to “die” with the debtors and increases the amount of share savings payable to beneficiaries of a deceased member.

	2015	2014
<b>Loans</b>	\$1,315,940,282	\$1,156,673,859
<b>Total Shares</b>	\$1,333,948,369	\$1,226,471,710
<b>Deposits</b>	\$365,232,099	\$324,419,614
<b>Total Assets</b>	\$1,908,226,071	\$1,764,187,572
<b>Reserve Fund</b>	\$85,792,856	\$81,982,446
<b>Interest on Loans</b>	\$151,198,946	\$134,240,606
<b>Income</b>	\$181,398,417	\$161,694,989
<b>Net Surplus</b>	\$38,944,736	\$55,383,743

### **Delinquency Control and Management**

Our Collections Unit continues to pursue aggressively collections on all outstanding loans including those that are written off. Their efforts have borne some fruit as in 2015 the Unit collected \$20,942,333 from delinquent members and \$425,518 from loan accounts that were previously written-off. Consequently, our delinquency ratio is moving downwards, closer to the recommended standard of 5 percent.

The Board of Directors encourages members to give priority to making their loan payments on a timely basis. In the event that members encounter difficulties in meeting their obligations, we invite you to contact your branches in order to work out mutually acceptable arrangements to settle outstanding payments. This would ensure that you do not impair your credit rating by becoming delinquent. Our branch personnel are available to provide financial advice to our members to enable them to manage their affairs more effectively.

### **Strategic Oversight**

During 2015, your Board of Directors worked tirelessly to provide strategic oversight to management in the pursuit of the targets and objectives set for the year 2015. It accomplished much of this through the functioning of the special purpose Committees established in the following areas:

- Housing,
- Risk Management,
- Corporate Governance,
- Finance and Investments,
- Human Resources/ Industrial Relations,

We thank the executive management team for going the extra mile to support the work of these Committees.

**Branch Operations Review**

Our nine (9) Branches are pivotal to the sustainability of the institution and we herewith provide a capsule account of Shares, Deposits, Loans and New members for the year 2015 with comparative figures for the year 2014.

**BRANCH PERFORMANCE AS AT DECEMBER 31ST 2014 & 2015**

Branch	2014			2015		
	Shares	Ordinary Deposits	Loans	Shares	Ordinary Deposits	Loans
	\$	\$	\$	\$	\$	\$
Arima	134,366,225	22,625,979	106,677,514	169,615,791	27,396,405	163,797,244
Barataria	194,643,774	33,570,522	155,815,018	234,303,956	36,551,427	236,002,066
Chaguanas	63,181,429	11,066,373	65,335,328	84,787,788	14,378,532	111,084,821
Port of Spain	299,020,282	45,920,544	280,268,956	356,377,238	48,580,769	398,380,930
San Fernando	119,587,233	7,219,138	133,683,353	154,252,895	19,183,995	222,800,136
Sangre Grande	46,573,027	10,424,129	45,259,661	60,836,075	11,031,877	75,627,378
St. Joseph	165,142,265	27,156,901	162,242,291	200,831,877	29,685,976	251,591,017
Tobago	34,181,788	4,329,189	46,479,244	47,088,330	5,813,984	83,134,117
Tunapuna	142,245,859	27,239,844	99,731,361	169,954,861	26,025,096	150,828,864
<b>TOTAL</b>	<b>1,198,941,882</b>	<b>199,552,619</b>	<b>1,095,492,724</b>	<b>1,478,048,811</b>	<b>218,648,061</b>	<b>1,693,246,571</b>

## BRANCH PERFORMANCE AS AT DECEMBER 31ST 2014 &amp; 2015

Branch	2014		2015	
	New Members	Shares	New Members	Shares
Arima	986	\$3,070,700	935	\$3,536,017
Barataria	496	\$1,939,162	763	\$3,826,779
Chaguanas	742	\$2,298,207	735	\$3,502,124
Port of Spain	1,157	\$4,286,560	1,137	\$4,166,855
San Fernando	531	\$2,751,151	780	\$5,574,931
Sangre Grande	498	\$1,602,176	529	\$1,986,214
St. Joseph	572	\$2,186,294	552	\$2,411,730
Tobago	505	\$2,218,415	449	\$2,085,480
Tunapuna	425	\$1,531,580	532	\$1,656,404
<b>TOTAL</b>	<b>5,912</b>	<b>\$21,884,243</b>	<b>6,412</b>	<b>\$28,746,535</b>

**Industrial Relations Continuing Developments**

In October 2015 we successfully completed negotiations with the representative trade union BIGWU for salaries for employees falling into Bargaining Units 1 and 3. The items agreed to, included salary increases of 13% over three years ( Yr1 - 5%, Yr2 - 5%, Yr3 - 3% ) and COLA of \$250.00. The Collective Agreements covered the periods March 1, 2013 to February 28, 2016 (BU 1) and August 1, 2013 to July 31, 2016 (BU 3). Negotiations for Bargaining Unit 2 (Branch Managers) are scheduled to be completed by Mid-Year 2016. Arrears of salaries and emoluments amounting to \$6.8 million and \$1.8 million respectively were paid to employees in November and December of 2015.

The Board of Directors wishes to express its gratitude to the negotiating team and looks forward to continuing a healthy working relationship with the Banking and General Workers Trade Union (BIGWU).

**Preparing for New Credit Union Legislation**

The Board of Directors is committed to ensuring that Eastern Credit Union plays a major role in influencing the introduction of a new legislative regime that facilitates the levels of transparency and accountability that are needed to ensure that the savings and investments of our membership are protected adequately.

We are also committed to ensuring that this new legislative framework should reinforce and not undermine the philosophy and operating principles of the Credit Union movement. The Board will continue to work with other units in the movement to review changes proposed.

We wish to thank our brother credit union TECU and the umbrella bodies including the Co-operative Credit Union League of Trinidad and Tobago, the Association of Cooperative Credit Union Presidents, and the Central Finance Facility for the lead role they have undertaken in the reform process and pledge our continued support for their efforts.

We also mounted an in-house seminar for elected officials, facilitated by former President Mr. Nigel Matthew, on *Implications of the New Legislation* on February 23<sup>rd</sup> 2016 and wish to thank him for his very informative presentation.

### **Board Leadership Development through Conferences and Seminars**

The financial landscape is evolving at a very unprecedented rate. Credit unions are now under greater scrutiny at all levels and different countries are at different stages of development. These experiences are available at international seminars and conferences where emerging trends and experiences in new legislative and technological advances are presented.

These fora provide opportunities for management and elected officials to keep the leadership abreast of developments within the international and regional financial services sectors. They also enable the Credit union to obtain information on the initiatives being pursued by the wider credit union movement and individual credit unions in order to respond to the growing needs of their membership.

Strategies to attract the youth membership and developments in technology are two areas of focus which are of particular interest to your credit union officials as we seek to maintain our competitive edge in the credit union sector.

Directors and Committee members and Management represented the credit union at the following events:

1. Regional Leadership Conference - Suriname
2. CCCU Convention 58<sup>th</sup> Annual International Convention - Mexico
3. World Council of Credit Union Conference (WOCCU)- Denver Colorado, USA
4. Caribbean Development Educator (Carib DE) Training Programmes- Barbados and St. Lucia

### **Governance Challenges**

Despite these positive trends, however, there were some occurrences during the year that tested the crisis management skills of many of the Directors and required us to expend many hours trying to protect our beloved institution from the effects of unwarranted public displays of mischief and misinformation. At the heart of this were alleged irregularities associated with the Las Viviendas investment. This matter was the subject of an investigation by the external auditors who concluded that there were no irregularities associated with the purchase of the property. The need for housing for members continues to be an objective of the credit union and efforts to provide the housing solution as agreed by the 2013 AGM. This investment when completed will increase the surplus of the credit union while satisfying the members' need for housing.

On the basis of all the information available the Directors were advised to proceed with the investment mindful of the issues that were highlighted for additional review before going forward. These matters were fully discussed at a Special General Meeting which was held on January 11<sup>th</sup> 2016. The members mandated the Board to exercise leadership and maturity in the affairs of managing the credit union and requested that all members work in building a strong and secure democratic people's organization.

We wish to thank our treasured members for their continuing loyalty to the society and for their recognition that elected officials ought to exercise good governance and restraint for the greater good of protecting the members' hard-earned savings in our credit union.

### ***Thanks to our dedicated members.***

We once again thank all our Members for their loyalty and dedication to Eastern which has enabled us to grow stronger in 2015, and we specially thank the staff for their service to the institution.

### ***Obituaries***

The Board of Directors extends its condolences to the families of members who passed on during the year 2015. May their souls rest in peace.

We also take this opportunity to express our deepest sympathy to our longstanding members Mr. and Mrs. Anthony Lambie upon the passing, in February 2016, of their daughter, Natalie Lambie-Knox, a treasured employee of our Credit Union. She will be missed dearly.

## DECEASED MEMBERS 2015

1	Abbott	June	19	Antoine	Augustus
2	Adams	Jamilla	20	Armstrong	Leonard
3	Adams	Charmain	21	Atkinson	Joy
4	Adams	Junior Anthony	22	Augustine	Emmanuel
5	Agard	Irwin	23	Bacchus	Hayden
6	Agge	Annette	24	Bancroft	Allison
7	Ajodha	Balliram	25	Baptiste	Robert
8	Alexander	Mc Verne	26	Barker	Dennis
9	Alexander	Judy	27	Bartholomew	Leo
10	Alfred	Keron	28	Benjamin	Royston
11	Alfred	Lorna	29	Benjamin	Jasmin
12	Ali	Edward	30	Benn	Cleaver
13	Allain	Gregory	31	Bhopa	Farouk
14	Allert	Rachel	32	Billy	Everest
15	Andrews	Joy Alma	33	Blackman	Michael Anthony
16	Andrews	Barbara	34	Boodoo	Euphemia
17	Andrews	Gertrude	35	Boodoosingh	Cleveland
18	Anoop	Kenny	36	Boodoosingh	Shairoon

## DECEASED MEMBERS 2015

37	Borneo	John P	79	Clarke	Alexander
38	Bovell	Brian Mario	80	Clarke	Andrew
39	Boxill	Karen	81	Claxton	Chester
40	Boyen	George	82	Cochrane-Payne	Pheria
41	Branche	Julietta	83	Corbie	Veronica
42	Brathwaite	Heather	84	Cordice	Eulalie
43	Brathwaite	Jean	85	Coward	Laurence
44	Braveboy	Dorril	86	Cox	Karen
45	Bridgelal	Parasram	87	Crevelle	Francis
46	Briggs	Anthony	88	Crichlow	Keith
47	Brown	Germaine	89	Cuffy	Terry
48	Brown	Anthon	90	Daber	Prakash
49	Brown	Grafton	91	Dandrade	Agnes
50	Brown	Claire	92	Daniel	Kenrick
51	Browne	Derek	93	Dasine	Renzie
52	Browne	Marian	94	David	Fabister
53	Bruce	Victor	95	De Four	Henry
54	Buntyn	Akiba	96	De Freitas	Joan
55	Burrows	Calvin	97	Dennis	Yvonne
56	Bushell	Berdette	98	Diaz	Frank William
57	Cain	Denise	99	Dingwall	Gordon
58	Caliste	Adria Irma	100	Dollaway	Bernard
59	Campbell	Michael Andrew	101	Donald	Keston
60	Campbell	Lynette	102	Dos Santos	Richard
61	Carter	Cheverghn	103	Doughty	Michael
62	Caruth	Ernest	104	Dowers	Angela
63	Chandler	Jeffrey	105	Doyle	Frederick
64	Chandler-Madlom	Jennifer	106	Doyle	Lennox
65	Chapman	Mark	107	Du Feal	Josanne
66	Charleau	Theodora Irma	108	Dupont	Kyle
67	Charles	Bransford	109	Durity	Angela
68	Charles	Kevin	110	Eastman	George
69	Charles	Christopher	111	Edwards	Preston
70	Charles	Lynette	112	Edwards	Junior
71	Charles	Floyd	113	Edwards	Yolande
72	Charles	Herman	114	Edwards	Bernard
73	Chaumette	Sanderson	115	Edwards	Prince
74	Cheekan	Rita	116	Elder	Catherine Cheryl
75	Chickory Ramnarine	Stephanie	117	Emmanuel	Victor
76	Chouthi	Sandra Mohanie	118	Estrada	Natasha
77	Clarke	Joanna	119	Felician	Augustine
78	Clarke	Patricia	120	Felix	Theophilus

## DECEASED MEMBERS 2015

121	Forde	Winston	163	Hull	Clayton
122	Foster	Michael Winston	164	Hurst	Elton
123	Francis	Judy	165	Husein	Charles
124	Francis	Edward	166	Hypolite	Patricia
125	Francois	Dianne	167	Inniss	Brenda
126	Frank	Elize	168	Isaac	Kirt
127	Frederick	Felix	169	Isaac	Lennox
128	Gabriel	Carole	170	Jack-Pontiflet	Gerard
129	Garraway	Donald	171	Jackson	Wendy
130	Gaskin	Ricardo	172	Jacob	Octave
131	Gillead	Cathy Ann	173	Jacobs	Joan
132	Glasgow	Lionel	174	Jagdeo	Radika
133	Glasgow-Agostini	Ada	175	Jahoor	Afgan
134	Glean	Gloria	176	James	Joycelyn
135	Gomez	Patricia	177	James	Cherry-Ann
136	Gomez	Ronald	178	James	Sylbert
137	Gonzales	Agnes	179	James	Dianne
138	Gonzales	George	180	James-Gibbs	Marion
139	Gonzales	Deborah	181	James-Malchan	Pamela
140	Goodluck	Cornelius	182	Jobity	Daphne
141	Gosein	Sumintra	183	Job-Jones	Anitha
142	Grace	Franklyn	184	Job-Tommy	Linda
143	Grant	Arnold	185	John	Muriel
144	Grant	Felix	186	Jones	Trevor
145	Green	Nigel	187	Jones	Rosey
146	Griffith	Cretia	188	Joseph	Lilla
147	Griffith	Yvonne	189	Joseph	Shawn
148	Guerra	Charmaine	190	Joseph	Cynthia
149	Guy	Montgomery	191	Joseph	Sharon
150	Harper	Diana A	192	Joseph	Mark T
151	Harris	Tricia	193	Joseph	Stella
152	Harry	Michelle	194	Joursingh	Harrichan
153	Haynes	Natalie	195	Joyeau	Hazel
154	Henry	Ron	196	Kassie	Paul D
155	Hernandez	Basmattee	197	Keane	Emerson
156	Hernandez	Veneta	198	Keith-Phillips	Judy
157	Holder	Roland	199	Khan	Junior
158	Holder	Mervyn	200	King	Henry
159	Holder	Olson	201	Kirton	Ena
160	Hollingsworth	Marcia	202	Laloo	Krishna
161	Horsford	Virginia	203	Lange	Dennis
162	Huggins	Adolphus Henry	204	Lawrence	Anthony

## DECEASED MEMBERS 2015

205	Lawrence-Bodie	Christiana	247	Mohammed	Tazim
206	Layne	Randolph	248	Mohan	Kenrick
207	Leacock	Edith	249	Montano	Judith
208	Lee	Jennifer	250	Moore	Clement
209	Lennard	Crawford	251	Moosahaib	Dad Khan
210	Lewis	Shirley Polina	252	Moses	Francis
211	Lewis	Lynette	253	Muzzammil	Abdul
212	Lewis	Erica	254	Narine	Keshore Harry
213	Lewis	Sylvia	255	Nelson	Gerald
214	Lewis	Hamilton	256	Neptune	Eslyn
215	Lopez	Phillipa Ann	257	Nicholas	Louise
216	Lopez	Erica	258	Niles	David
217	Lord	Beverly	259	Noel	Patricia
218	Lovell	Crystal	260	Noel	Benedict Joseph
219	Luces	Andrew	261	O'Brien	Sylvester
220	Luke	Dillian	262	Orr	Vernessa
221	Lynch	Anthony	263	Patrick	James
222	Lynch	Carl	264	Paul	Joyce
223	Maharaj	Anand	265	Paul	Cyril
224	Maraj	Parasram	266	Paul	Hugh
225	Maraj	Ashoka	267	Pegus	Joel
226	Marshall	Antonia	268	Persad	Christian
227	Matamoro	Nizia	269	Persad	Rajkumar
228	Matthews	Felix	270	Persad	Ann Marie
229	Maynard	Sherman	271	Phillander	Anthony
230	Mc Kay	Russell	272	Phillip	Paul
231	Mc Kenna	Kenrick	273	Phillips	Lloyd
232	Mc Kenzie Snr.	Philip Augustus	274	Pierre	Marven
233	Mc Letchie	Carol	275	Pope-Richards	Carol
234	Mc Nicol-Hypolite	Ann Marie	276	Prescott-Garraway	Ingrid
235	Melville	Gregory	277	Proctor	Jacinto
236	Millette	David	278	Quamina	Cecil
237	Mills	Loretta	279	Quashie	Keshawn
238	Mitchell	Garvin	280	Quintyne	Pearline
239	Mitchell	Joyann Althea	281	Rabathaly	Cherryl
240	Mitchell	Timothy	282	Ragbir	Dennis
241	Mitchell	Kareem	283	Ramasar	Isaac
242	Modeste	Vilya	284	Ramcharan	Brian
243	Mohammed	Mark	285	Ramdeen	Mardel
244	Mohammed	Regina	286	Ramkissoon	Sookraj
245	Mohammed	Yacoob	287	Ramnarine	Goolcharran
246	Mohammed	Sayida	288	Rampersad	Irma

## DECEASED MEMBERS 2015

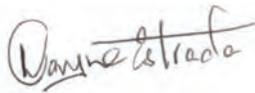
289	Ramsingh	Hammond	330	Superville	Andrew
290	Raymond	Derek	331	Superville	Isidor
291	Reyes	Nicholas Peter	332	Taviere	Marcel
292	Richardson	Rita	334	Theodore	John
293	Richardson	Terrence	335	Thom	Romena
294	Richardson	Ita	336	Thomas	Joel
295	Riley	Cecil	337	Thomas	John
296	Rivers	Elizabeth	338	Thomas	Hermina
297	Roberts	Hilaire	339	Thomas	Cheryl Ann
298	Robinson	Che	340	Thomas	Kevin
299	Robinson	Linton	341	Thomas	Percy
300	Rodriguez	Ronald	342	Thompson	Dale
301	Romain	Philippa	343	Timothy	Brent
302	Roopan	Gyanchan	344	Timothy	Lester
303	Russell	Keith Jr.	345	Tinto	Aku
304	Sam	Basdeo	346	Tiotis	Niguel
305	Sampson-Pereira	Stacey	347	Tom	Marjorie
306	Samuel	Terrance	348	Torres	Cynthia
307	Scott	Evelyn	349	Torres	Fitz
308	Scott-Eailey	Laurel	350	Trim	Cheryl-Ann
309	Sealey	Eugenia	351	Tyrrell	Mervyn
310	Seepersad	Sookdeo	352	Vanderpool-Gulston	Antoinette
311	Simmons	Lincoln	353	Vidal	Mario
312	Simon	Donne	354	Vincent	Julien
313	Simon-Elcock	Claudette	355	Vincent	Krishna
314	Sirjoosingh	Grace	356	Walcott	Eldon
315	Slocum	Dwayne	357	Wharton	Floyd
316	Smith	Arthur	358	Wharwood	Hasani
317	Solomon	Patricia	359	Williams	Karlene Lavaughn
318	Soodeensingh	Patricia	360	Williams	Cora
319	Sookdeo	Savitri	361	Williams	Anthony
320	Sookwah	Basdeo	362	Williams	Paul
321	Sorzano	Malcolm	363	Williams	Roger
322	Springer	Claudette	364	Williams	Joel
323	Springer	Eldon	365	Williams	Grantley
324	St George	Roger	366	Williamson	Jean
325	St Louis	Brian	367	Wilson	Yvette
326	St.Hill	Richard	368	Wood	Michael
327	St.Hillaire	Jocelyn	369	Woods	Angela
328	Stafford	Matthew	370	Wyse	Leroy Winston
329	Stewart	Janet			

***Outlook for the Future***

The actions taken by the Board of Directors have stabilized the credit union, however the International Monetary Fund has advised that the Trinidad and Tobago economy will continue to experience recessionary conditions for the rest of 2016 as low prices will prevail in the energy sector. This will in turn impact negatively on the performance in other sectors as well as employment and investment activity.

We are confident however that with a strong leadership team, and the support of the committed and hard-working employees and the confidence of our members that in 2016 we will be able to surpass the performance of previous years.

We also acknowledge that the resolve, loyalty and sacrifice of our members are vital ingredients to ensuring that our credit union continues on its path of success, transforming the lives of our membership and building on the strong foundation established by the pioneers and the many others who served with dedication over the past forty-three years.



**Wayne Estrada**  
**President**

**BOARD OF DIRECTORS ATTENDANCE AT MEETINGS  
APRIL 2015-FEBRUARY 2016**

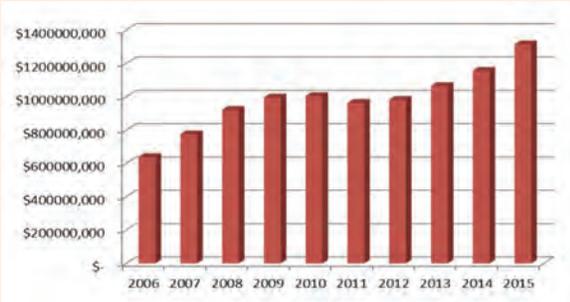
	BOARD			SPECIAL BOARD			EXECUTIVE		
	PRES	ABS	EXC.	PRES	ABS	EXC.	PRES	ABS	EXC.
Wayne Estrada	11	-	1	15	-	-	3	-	-
Janelle Benjamin	9	-	3	13	-	2	13	-	-
Gloria Rolingson	12	-	-	15	-	-	3	-	-
Don Isaac	11	-	1	14	-	1	13	-	-
Clyde Herbert	9	-	3	13	-	2	2	-	-
Helen Bernard	10	-	2	10	-	5	-	-	-
Gerard Mathews	12	-	-	15	-	-	-	-	-
Darius Figuera	10	-	-	14	-	1	-	-	-
Marlon Mark Phillips	12	-	-	11	-	4	-	-	-
Harvey Borris	10	-	2	13	-	2	10	-	-
Conrad Enill	3	-	1	-	-	-	-	-	-
Alana Blackman <sup>1</sup>	7	-	-	9	-	1	10	-	-
Dr. Marlene Attzs <sup>2</sup>	6	-	1	7	-	4	10	-	-

1 Alana Blackman was suspended by the Supervisory Committee with effect from November 20th 2015

2 Dr. Attzs resigned w.e.f. December 2<sup>nd</sup> 2015

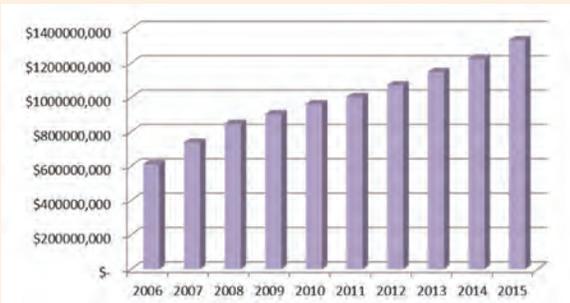
PERFORMANCE HIGHLIGHTS

LOANS TO MEMBERS



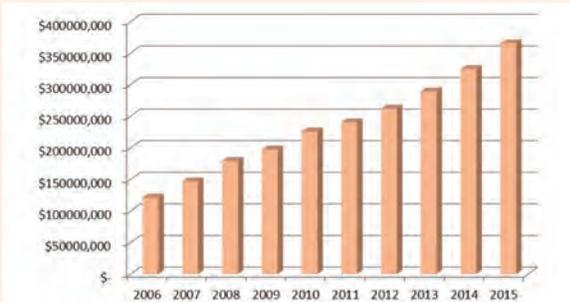
2006	\$639712,891	2011	\$964333,637
2007	\$775938,255	2012	\$982683,186
2008	\$921889,830	2013	\$1065591,874
2009	\$996244,194	2014	\$1156673,859
2010	\$1005010,007	2015	\$1315940,282

TOTAL SHARES



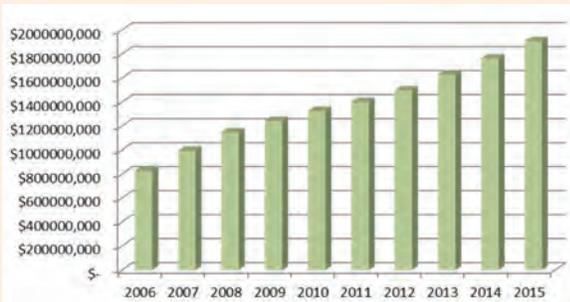
2006	\$611876,487	2011	\$1002186,872
2007	\$737176,272	2012	\$1070758,123
2008	\$846148,293	2013	\$1148347,400
2009	\$902426,992	2014	\$1226471,710
2010	\$961613,243	2015	\$1333948,369

DEPOSITS



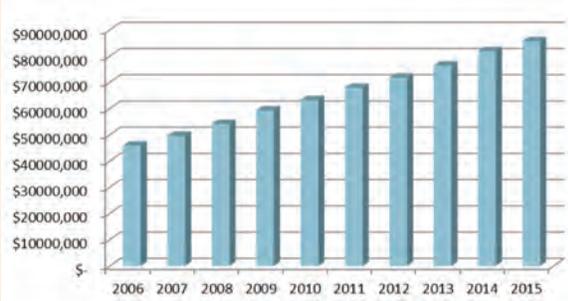
2006	\$121080,195.00	2011	\$240180,293.00
2007	\$146718,453.00	2012	\$261930,468.00
2008	\$179091,617.00	2013	\$289275,816.00
2009	\$197297,162.00	2014	\$324419,614.00
2010	\$225624,547.00	2015	\$365232,099.00

TOTAL ASSETS



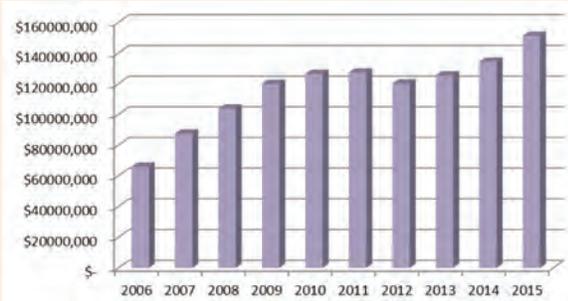
2006	\$829249,519	2011	\$1400727,798
2007	\$994271,322	2012	\$1497962,204
2008	\$1148026,542	2013	\$1628481,889
2009	\$1243430,344	2014	\$1764187,572
2010	\$1326436,810	2015	\$1908226,071

RESERVE FUND



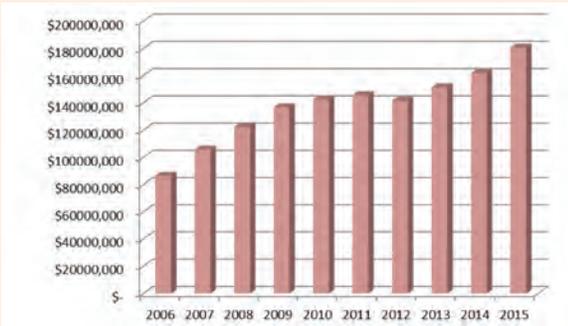
2006	\$45928,162	2011	\$67978,382
2007	\$49698,248	2012	\$71889,248
2008	\$54160,513	2013	\$76442,594
2009	\$59340,051	2014	\$81982,446
2010	\$63240,068	2015	\$85792,856

INTEREST ON LOANS



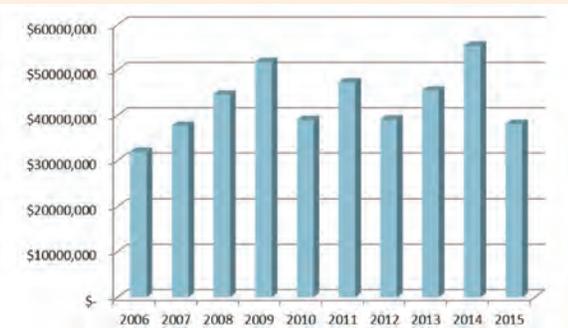
2006	\$65921,463	2011	\$127282,796
2007	\$87496,636	2012	\$120139,786
2008	\$103806,362	2013	\$125393,419
2009	\$119826,039	2014	\$134240,606
2010	\$126434,001	2015	\$151198,946

INCOME



2006	\$86336,569	2011	\$145606,888
2007	\$105650,278	2012	\$141651,443
2008	\$122305,260	2013	\$151295,181
2009	\$136609,154	2014	\$161694,989
2010	\$142429,169	2015	\$181,398,417

NET SURPLUS



2006	\$31976,806	2011	\$47275,494
2007	\$37666,967	2012	\$39096,684
2008	\$44608,143	2013	\$45517,249
2009	\$51779,936	2014	\$55383,743
2010	\$38978,998	2015	\$38,944,736



# *Credit Committee*



From Left:

**Pearl Gonzales (Chairman) Rhona Adams Arrindell,  
Richard Griffith, Delroy Burris and Mary Thompson**

## CREDIT COMMITTEE REPORT 2015-2016

### 1.0 Introduction

The Credit Committee, elected at the 41<sup>st</sup> Annual General Meeting, performed its duties in accordance with our Bye-Laws and our Board appointed guidelines, policies and procedures. We respectfully present our report on activities for fiscal 2015-2016.

### Overview

Fiscal 2015-2016 followed the challenging trends of the previous year for the financial industry, however our Board, Management Team and staff stayed the course. As a result, despite an environment of economic downturn and increased competition, our loan portfolio grew by year over year. Also, through strategic and focused efforts of our credit union, the delinquency portfolio was reduced from 8.2% in 2014 to 6.7% in 2015 thus moving us even closer to the desired PEARLS ratio of 5%.

Over the past five years our members have benefitted from our ability to increase the disbursement of loans through the resulting increase in share earnings from the surplus generated as reflected in Table 1.

Table 1

YEAR	No. of Loans	Value of Loans Disbursed	Interest Income	Surplus	% Increase in Surplus
2011	26755	313.6	127.2	47.2	21.3
2012	25515	373.0	120.1	39.0	-17.3
2013	29195	452.1	125.4	45.5	16.7
2014	29511	464.9	134.2	56.2	23.5
2015	29865	597.8	151.2	38.1	-32.2

### 2.0 Inaugural Meeting

In accordance with the provisions of Section 21 of our Bye-Laws, the Credit Committee held its first meeting on Tuesday March 31<sup>st</sup>, 2015. At this meeting, as is customary a Chairman and Secretary were elected. They are:

Pearl Yatali-Gonzales - Chairperson

Richard Griffith – Secretary

The other members of the Committee are: Mary Thompson, Rhona Arrindell, and Delroy Burris

The two alternates are: 1<sup>st</sup> Kenneth Wilson and 2<sup>nd</sup> Mahmud Muhammad

### 3.0 Training and Development

During its Term the Credit Committee attended several in-house training programmes, which covered the topics: Compliance, Anti-Money laundering, Credit Risk Management, Documentary completion and Eastern Credit Union's policies and procedures. The Secretary attended the Credit Union League's four day Leadership Conference, while the Chairman attended the Credit Union Management Programme which is a programme for all Credit Union sponsored by your Credit Union in partnership with Cipriani Labour College.

Additionally, Managers and their Lending Officers sat in at Credit Committee meetings to engender a better understanding of the workings of both aspects of the job as we strive to meet member needs and adhere to the practice of prudent lending. The committee believes that such training sessions form a critical part of our readiness for the adoption of impending legislation, without a break in our stride to better meet member needs.

### 4.0 Operations

The Credit Committee performed its duty of oversight on all loans and considered those loans which exceeded the Board delegated authority of Key Officers. The Committee, meeting weekly or as required, performed its duties of credit application reviews, dividend withdrawal requests, Bids and loan approvals. Additionally, it met with those members experiencing financial problems for which existing policies/procedures could not serve.

The Credit Committee considered 113 loans during the period under review. The total value of loans considered amounted to \$107,848,490.49. Of these four (4) were declined and one was deferred.

Where necessary, the committee enlisted the services and input of the Board via its Waiver Committee to provide support for members whose loan requests fell outside of the Credit Union's established lending criteria. Fifty (50) loans valued at \$66,869,171.81 were sanctioned by the Waiver committee. There were no loans presented to the waiver committee which were rejected. In several instances the Waiver Committee, practicing our policy of careful consideration of members requests, sought additional information or security before adjudicating on the facility.

In 2015 our Loan Portfolio grew by \$176,218,488 to \$1,366,617,726 or 14.8% above the \$1,190,399,238 recorded in 2014. Figures 1 and 2 provide a visual of this information along with a break out of the loan accounts according to type.

Total Loans Portfolio:

FIGURE 1  
DISTRIBUTION OF LOANS BY TYPE (\$) - 2015

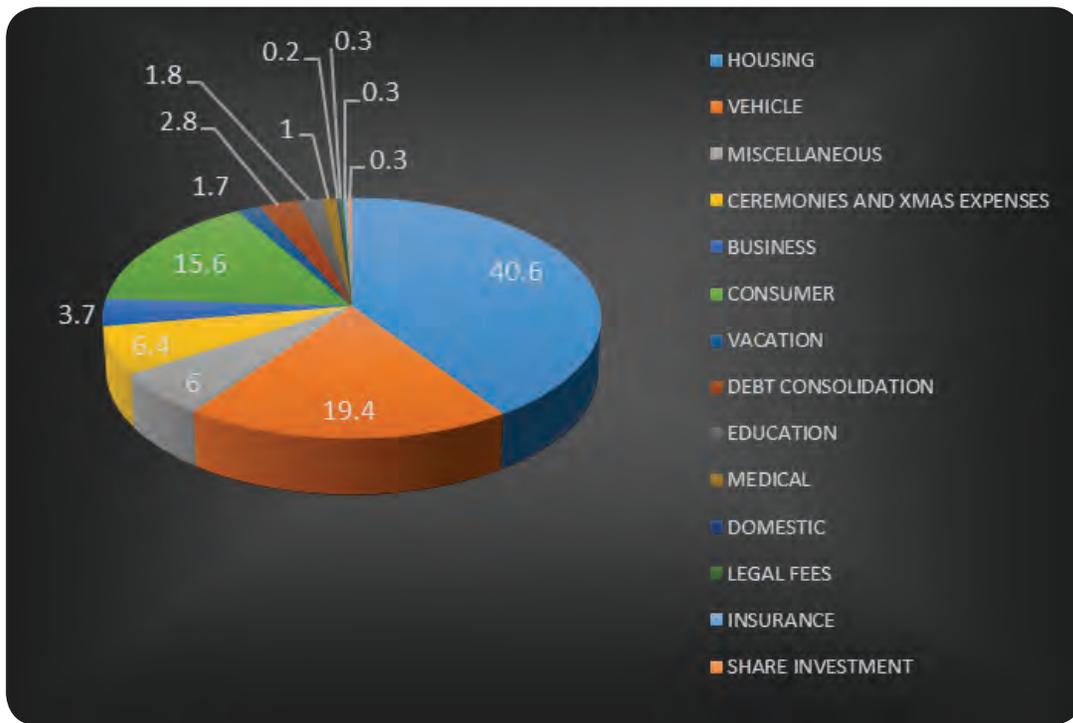


FIGURE 2  
DISTRIBUTION OF LOANS BY TYPE (#) - 2015

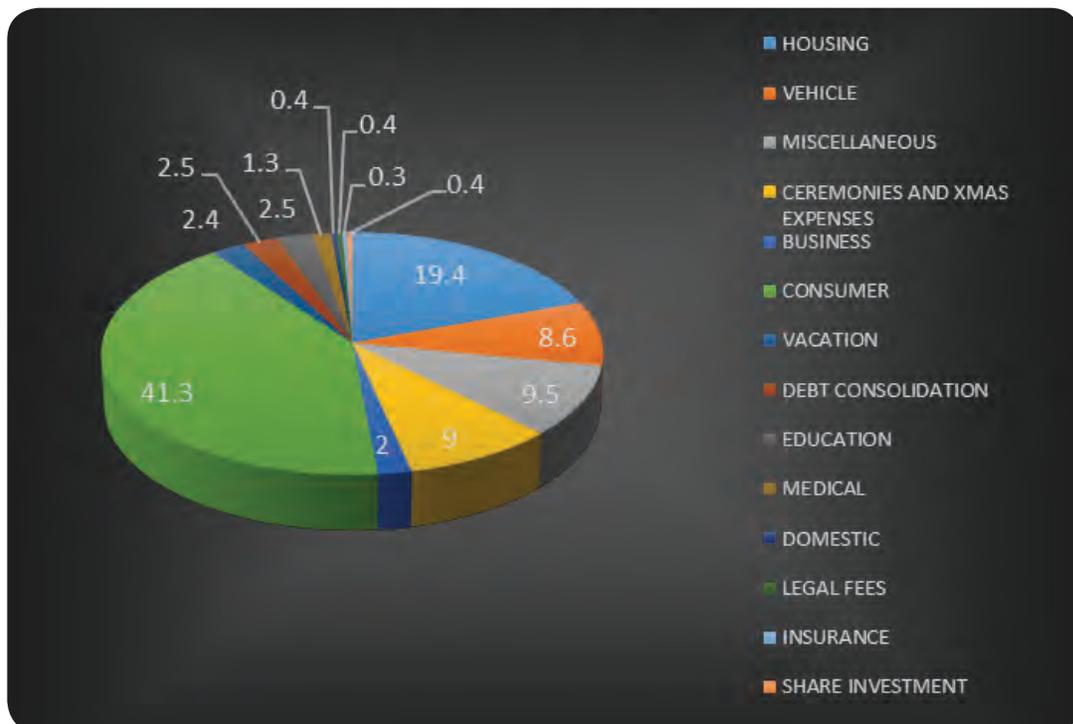
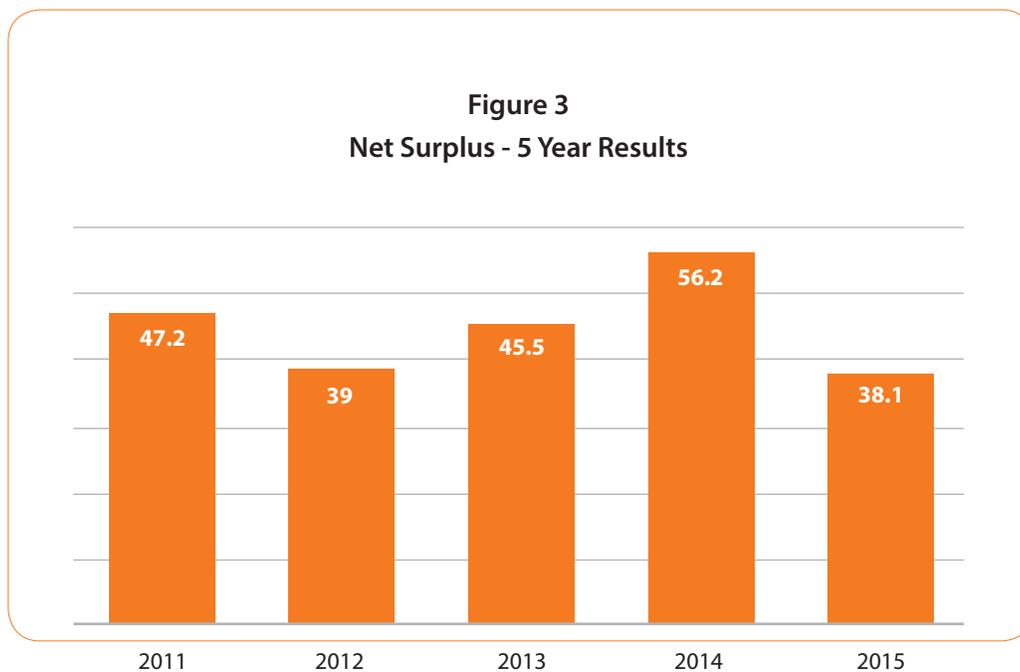


Table 2

2015 LOAN PORTFOLIO SEGMENTATION				
TYPE	TOTAL # OF LOANS	% OF TOTAL # OF LOANS	\$ VALUE \$M	% OF \$ VALUE
HOUSING	6249	19.4	554.4	40.6
VEHICLE	2772	8.6	264.4	19.4
MISCELLANEOUS	3061	9.5	82.3	6
CEREMONIES AND XMAS EXPENSES	2912	9	87.8	6.4
BUSINESS	633	2	50.8	3.7
CONSUMER	13310	41.3	212.8	15.6
VACATION	771	2.4	22.7	1.7
DEBT CONSOLIDATION	797	2.5	38	2.8
EDUCATION	795	2.5	24.2	1.8
MEDICAL	412	1.3	13.6	1
DOMESTIC	138	0.4	3	0.2
LEGAL FEES	120	0.4	4	0.3
INSURANCE	109	0.3	4.3	0.3
SHARE INVESTMENT	127	0.4	3.8	0.3
<b>TOTAL</b>	<b>32206</b>	<b>100</b>	<b>1366.1</b>	<b>100</b>

Interest income/Surplus



#### 4.0 DELINQUENCY

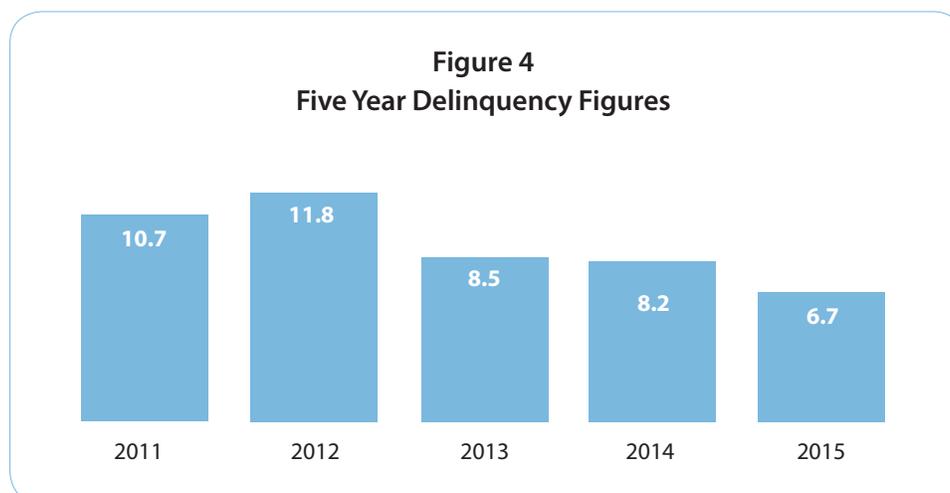
The challenges of increased cost of living, unemployment, underemployment, as well as, unplanned events such as accidents, major illnesses, member's non-communication with their credit union continued to impact our non-performing loan portfolio. However, the efforts to aggressively manage this portfolio have seen some benefits.

The December 2014 Delinquency portfolio was reported as 8.5%. For December 2015 this figure stands at 6.72% which brings us much closer to the desired 5% ratio recommended by the international PEARLS standard. The Collections Unit, senior management and staff have all worked towards bringing this portfolio within the industry recommended or better rating. We take this opportunity to encourage this effort and invite you our members to stay the course, keep your commitments to your credit union and help reduce the cost of delinquency management, thus increasing your actual surplus.

It is the committee's belief that the coming year will be even more challenging for our members. As such individual financial management education and continued commitment to the credit union will be necessary to ensure that the desired trend of a reducing delinquent portfolio can be maintained. Our members must develop a sound understanding of the overarching negative impact which the defaulting on loans has on their credit union.

The loan loss provision continues to be maintained at levels sufficient to meet losses that may occur due to the non-payment of loans. An aggressive posture in dealing with long-term delinquencies and removing those obligations from our portfolio has been established by senior management and is fully supported by the Credit Committee.

The committee remains encouraged by the management's stated goal of reducing the occurrence of non-performing loans in the credit union through the two key steps of lending prudently and aggressively managing the delinquent portfolio. Figure 4 reflects the encouraging results of the Credit Union's teamwork in this aspect of its management. This year we will consider a write off of \$17.4 million. This will better prepare us for dealing with the delinquency portfolio in a more efficient manner.



## 5.0 LOOKING FORWARD

### **Credit Risk Management: A New look at the role of the Credit Committee**

As part of its commitment to continuous learning, the Committee asked itself the question: *“How can we as members of the credit committee effectively contribute to ECU’s credit management operational efficiency and effectiveness?”* In seeking answers a discussion with an internationally certified Credit Union Developer/Trainer was facilitated. As a result of the information shared and members’ discussions, it was agreed that our credit union needs have changed considerably and the Credit Committee is called upon to act in an enhanced capacity in order to effectively serve the membership. It was agreed that the role of the Credit Committee has to be revisited since the organization has the capacity to approve most loans at its Management/Executive levels; the Committee was being called to serve in an expanded capacity. Some of the key learnings from these sessions/dialogues were that the Committee should:

- Ensure a common framework/language for evaluating credit risk is implemented
- Have a wide-eyed view of credit risk appetite of ECU
- Have oversight of the credit risk management policies/practices
- Monitor and evaluate ECU’s Credit risk exposure
- Make recommendations to the board on strategic Credit Administration Decisions
- Report to the board on policy changes, significant credit loss and related issues raised by the internal auditors

Many of these changes would require amendments to our bye laws and so we recommend and will support the incoming committee in facilitating any such changes.

## 6.0 CONCLUSION

The Committee appreciated the support of all staff in facilitating its efforts to serve the members through an effective loan review/approval process. It is our belief that the continued practice of accurate documentation and sound loan proposals will make for improved quality in the lending practices of our credit union.

On behalf of myself and the members of the Committee I take this opportunity to express our appreciation to the Board of Directors, all elected Officials and the staff for their support which was so willingly provided during our tenure.

May God continue to bless our Credit Union and guide and protect our membership in the year ahead.

### Credit Committee Attendance - April 2015- March 2016

MEMBER	PRESENT	ABSENT	EXCUSED
Pearl Gonzales	40	-	4
Mary Thompson	34	-	10
Rhona Adams-Arrindell	40	-	4
Delroy Burris	37	-	7
Richard Griffith	34	-	10



**Pearl Yatali-Gonzales**  
Chairman



# *Supervisory Committee*



From Left:

**Wendy Williams (Chairman) Deborah Picou, James George Thomas,  
Stacy Alleyne and Jacquelyn Humphrey**

## SUPERVISORY COMMITTEE REPORT 2015-2016

The Supervisory Committee is pleased to present this report to the 42<sup>nd</sup> Annual General Meeting (AGM) of the Eastern Credit Union Co-operative Society Limited (ECU) having served for the period March 2015 to April 2016.

### Composition of the Supervisory Committee

The following members were elected by the membership at the 41<sup>st</sup> AGM held on 28<sup>th</sup> March, 2015. Subsequently, in accordance with Byelaw 22 (a), a Chairman and a Secretary were elected by the Committee.

Wendy Williams	Chairman
Jacquelyn Humphrey	Secretary
James Thomas	Member
Deborah Picou	Member
Stacy Alleyne	Member
Thomas Henry	1 <sup>st</sup> Alternate
Cyril Barran	2 <sup>nd</sup> Alternate

The Supervisory Committee held several meetings including eleven (11) Statutory Meetings up to the time of submission of this report to treat with the affairs of the Credit Union.

The Committee for the purpose of continuity met with the Chairman of the Supervisory Committee for the 2014- 2015 term for the handing over of documents and proposed action items. Subsequent to this meeting the present Committee compiled the following action items for the preceding term which included but were not limited to the following:

1. A review of the operational manual, policies and past and present reports of the Board and Supervisory Committee
2. Verification of members' files (elected officers and general membership)
3. A review of the AGM Verbatim Report
4. The conduct of Financial, Operational, Compliance, Information Systems and Internal Controls Audits
5. Review of and action taken based on reports of the internal and external auditors.

In an attempt to adequately prepare the Committee to effectively perform the required duties, members were provided with copies of the Byelaws, the Operating Guide for the Supervisory Committee (2009) and the Co-operative Societies Act. Members were also exposed to training sessions in the following areas:

- 1) Elected Officers Retreat-“Elevating Our Perspectives, Thriving vs Striving”
- 2) Credit Union Organisation and Management
- 3) Leadership
- 4) The Lending Process
- 5) Compliance

The Committee acknowledged the financial status of the organization during this term and chose to access internal training to assist in the reduction of expenditure. The Committee wishes to express gratitude to the following persons for the assistance rendered to the Committee.

Mr. Steve Albino - Executive Manager, Credit Administration

Ms. Thayne Borel - Internal Auditor

Mrs. Marilyn Michael - BOFAS

### **AUTHORITY OF THE SUPERVISORY COMMITTEE**

During the term the Supervisory Committee was guided by Byelaws 22(e) i-viii which outlines the duties of the Committee.

The Committee shall:

***(i) Make an examination of the affairs of the Society at least bi-annually, including an audit of its books and if necessary, convene a Special General Meeting and submit its report at such meeting.***

The following were undertaken in keeping with the aforementioned Byelaw.

### **Housing**

A Housing Committee was formed in 2013 arising out of a need to provide affordable houses to the membership. In 2014 a decision was made by the Board to purchase the property known as Las Viviendas situated in Valencia. In 2015 questions were asked about due diligence with regards to the said purchase. In August 2015 the Board made a request to the Supervisory Committee to launch an investigation into alleged discrepancies in the process. The Board of Directors also commissioned an external audit to be undertaken by PKF.

On Monday 11<sup>th</sup> January, 2016 the Committee submitted a report to the Board to which reference was made in the Special General Meeting. At that time the report was not final as the Committee was awaiting the report from PKF. On receipt and perusal of the said report on 25<sup>th</sup> February, 2016, the Committee is of the view that the two concerns for which the investigation was commissioned have been addressed. There was no comingling of funds. Further, the drawings were worth the price paid.

In 2015, a decision was made by the Board of Directors to purchase another property at Sangre Grande owned by the sibling of Director Harvey Borris. It must be noted that the then President, Ms. Alana Blackman, having informed the Board that all documents were in order proceeded to have the down-payment made in the absence of the valuation report. This decision was subsequently rescinded as this and other provisos were not fulfilled.

**Review of Delinquency**

Delinquency during this financial year stood at 6.72% as at 31<sup>st</sup> December, 2015. It must be noted that any attempt to reduce this figure to the accepted PEARLS ratio (5%) lies with adherence to the loan policy and diligent follow up by employees as this will prevent loans from becoming delinquent. Focus should not only be attaining targets but also in ensuring that the overall financial health of the Society is maintained. In addition, a new perspective on the part of members to honour their commitments in repaying their loans must be encouraged.

**Decision Making**

The Committee as observers recognized that some information presented to the Board during the period April, 2015 to November, 2015 was inadequate or erroneous which led to decisions being taken in direct contravention to good governance. It is on this premise that the Committee recommended that members of the Board be provided with sufficient information as well as time to peruse documents or conduct research if necessary before engaging in decision making. Abstaining from voting which in some instances led to bad decisions going forward must not be a part of this Society. Each person was elected to have a position on matters and that should always be practiced.

**Cost of Legal Services**

Some of these decisions would have resulted high cost in legal services. The Committee is of the view that much of the cost could have been avoided if the Board of Directors had engaged in proper deliberations and prudent decision making. During this year the validity of decisions, in some instances, was considered following the decisions.

**Review of HR/IR issues**

The Committee believes that hard work must be rewarded. The negotiations process was followed and the Committee was pleased when a settlement was agreed upon. The Committee also took interest in issues with regards to three employees and raised their matters with the HR/IR Committee Chairman who assured that they were being addressed.

**Review of the Management Letter and Internal Auditor's Reports**

The Committee perused reports of both the internal and external auditors over the period under review and found that some of the issues were not adequately being addressed.

**Examination of Elected Officers' files**

The files of Elected Officers were examined and it was found that each officer was in good standing.

**Awards of Contracts**

The Committee reviewed the award of contracts for April, 2015 at ECU's subsidiary, EPL Properties Ltd, and found that they were given to Companies that were registered in March, 2015. The Supervisory Committee is of the view that these new companies did not have a past track record and therefore their ability to deliver in terms of staff complement and performance was questioned.

### IT Audit

In August 2014 the last Supervisory Committee highlighted the need for an IT audit to identify the potential risks to the organization. This Supervisory Committee continued the call in 2015 and is pleased to note that an allocation was made for this activity prior to the IT crisis in February, 2016.

### Overseas Conferences

The Supervisory Committee recognizes the importance of training for all who are committed, willing and able to propel the organization. It is on this premise and the awareness of the existing financial constraints of the Society that the Committee recommends that the Board of Directors takes a position to allow persons who understand and accept that they are responsible for their learning be given interest free loans to attend.

### Fit and Proper

Fit and proper as a prerequisite for suitable persons to the Board of Directors and Statutory Committees has once again become a matter of great importance. This year the Committee observed behaviours which were in direct contravention of good governance. The Committee recommends that ECU and the Central Bank include Psychometric Testing for nominees who offer themselves for service. Persons who understand collective responsibility rather than personal gain should be elected to ensure that ECU continues to lead the way.

### *(ii) Report to the Annual General Meeting.*

***(iii) By the unanimous vote of all its members, if it deems such action to be necessary to the proper conduct of the Society, suspend any Board or Committee Member and call a Special General Meeting to act on such suspension. The members present at that meeting may by a majority vote, sustain such suspension and remove such Board or Committee member or reinstate such Board or Committee member.***

### Suspension of a Director

One of the most challenging matters arising during this term was the conduct of Ms. Alana Blackman and her eventual suspension as Director by the Committee. This suspension followed a call by the Committee for Ms. Blackman to account for the observed breaches committed during her tenure as President from April, 2015 to November, 2015.

The breaches as outlined in the Letter of Suspension are as follows:

- 1) Giving inaccurate information to the Board with regards to the handing over of the vehicle of the President from Director Rolingson to you
- 2) Misleading Directors in making a decision which would have cost the organization fourteen million dollars
- 3) Involvement in creating and hiring a secretary without Board approval
- 4) Preventing the tabling of reports of the Supervisory Committee which is against policy
- 5) Withholding information from the Board with regards to recommendations for acting positions
- 6) Withholding of information from the Supervisory Committee
- 7) Guiding actions by the General Manager that did not receive Board approval
- 8) Instructing the General Manager to delay special meetings called by Directors in accordance with Bye laws

- 9) Misrepresenting your profession
- 10) Calling for a Special General Meeting to treat with a matter that is currently under investigation by External Auditor PKF
- 11) Withholding minutes of a meeting of the EPL Properties Ltd Board at a Special Meeting of the ECU Board when it was available on soft copy and was referred to several times by the your good person as the item needed to provide information and guide decision making

Ms. Blackman was invited to attend a Special Meeting of the Supervisory Committee on Thursday 19<sup>th</sup> November, 2015 at 6:00pm for an opportunity to account. The Committee subsequently changed the date of the meeting to Tuesday 17<sup>th</sup> November, 2015 upon Ms. Blackman's request to have the meeting held on any date prior to 18<sup>th</sup> November, 2015.

The Special Meeting of the Supervisory Committee was properly constituted on Tuesday 17<sup>th</sup> November, 2015. The Committee having reached item number 4 on the Agenda which allowed for her response to account for her actions which the Committee deemed as breaches based on the law, policies and values could not be done as she had opted to not be present at the meeting. Instead a letter from her attorneys instructing the Committee to stop the Meeting or face further legal action was presented to the Committee.

All elected officers must be forever mindful that they have a fiduciary responsibility which must be taken seriously. The Supervisory Committee was elected by the Supreme Authority to ensure that due diligence and compliance are adhered to in the conduct of the affairs of the Credit Union. No elected officer must be allowed to be 'a law unto himself'. Also, all information provided by the General Manager/Secretary to the Supervisory Committee showed that Ms. Blackman's actions were in direct contravention to good governance.

As such, the Supervisory Committee in keeping with its mandate to be the 'Watchdog' of the organization and guided by Bye laws 22 (e) (iii), by unanimous vote took the decision to suspend Ms. Blackman as Director as such action was deemed to be necessary to the proper conduct of the Society.

During the period 23<sup>rd</sup> November, 2015 to 21<sup>st</sup> December, 2015 the Supervisory Committee exchanged letters and emails and held meetings with the Commissioner for Co-operative Development and his officers to deliberate on the suspension.

The Supervisory Committee wishes to highlight to the Supreme Authority that information coming from the office of the Commissioner up to the 21<sup>st</sup> December, 2015 was that no official dispute had been submitted to the office by Ms. Blackman.

The General Manager/Secretary in correspondence dated Monday 4<sup>th</sup> January, 2016 invited the Chairman to attend a meeting on Tuesday 26<sup>th</sup> January, 2016 at the office of the Commissioner to hold discussions with the Board of Directors and Ms. Blackman 'in an attempt to bring about a voluntary settlement'. On the day of the meeting the Chairman was told that that Ms. Blackman had called the Office of the Commissioner and informed that she was unable to attend the meeting.

In a letter dated February 25<sup>th</sup> 2016 the Commissioner invited the Chairman of the Supervisory Committee to attend a meeting on 18<sup>th</sup> March, 2016 in an attempt to bring about a voluntary settlement.

### **Conduct of a Director**

The Supervisory Committee also found that the conduct of Director Harvey Borris during this term was *inimical to the good repute or interest of the Society*. Although the Committee had communicated to Director Borris that there was no intention to remove him as a Director, he chose not to account for his behaviour pointing to an injunction he had filed against ECU and its servants and/or agents on 20<sup>th</sup> November, 2015. The Committee implores all elected officers to adhere to the core values of member focused, honesty and integrity, innovativeness, professionalism, confidentiality, accountability and impartiality.

***(iv) If it deems such action necessary, call a Special General Meeting any matter, which the Committee shall submit to the meeting.***

### ***(v) Attest the Financial Statements as presented by the General Manager of the Society***

One Supervisory Committee Member was assigned to examine and attest to the Financial Statements monthly. A concern was that these statements were not presented at the Branches in their entirety nor were they posted on a monthly basis.

***(vi) Keep itself fully informed as to the financial condition of the Society by examining, at least every six months, the cash, bank accounts, shares and deposit accounts, securities and applications for loans made during the period under examination.***

The Supervisory Committee made two scheduled visits to all Branches where observations of Cash Counts were conducted. It was observed that all internal controls were evident. Also, one surprise visit was done at some branches where it was found in some instances that there were some discrepancies. The Committee continues to stress the need for due diligence and compliance.

***(vii) Satisfy itself that for each loan proper documents are on file and that each application embodies the purpose for which the loan was made and that the security offered is adequate.***

### **Review of loans and loan applications**

Following training with the Credit Administrator the Supervisory Committee undertook the examination of members files through sampling and findings of the internal auditors. It was found that in many instances discrepancies identified in files were not corrected. Further, at three Joint Meetings with the Board to consider loans from the period September, 2015 to December, 2015, it was found that document prepared by the Acting Credit Administrator contained erroneous information. The Committee implores all as to their responsibility to ensure due diligence and compliance.

**(viii) The Committee shall be given observer status at Board and other Committee meetings.**

The Supervisory Committee given observer status attended meetings of the Board of Directors and all sub-committees to follow discussions. Minutes of all meetings attended were reviewed by the Committee. These actions provided an opportunity for members of the Supervisory Committee to determine whether actions and decisions of the Board and sub committees were in keeping with the core values, policies and byelaws of the ECU and the Co-operative Societies Act. It was through these observations that the Committee was able to deliberate and make recommendations and decisions for the proper governance of the Society.

Respectfully Submitted,



**Wendy Williams**  
**Chairman**

**APRIL 2015 – FEBRUARY 2016**

	PRESENT	ABSENT	EXCUSED
Wendy Williams	13	-	-
Jacquelyn Humphrey	10	-	3
James George Thomas	10	-	3
Deborah Picou	11	-	2
Stacy Alleyne	11	-	2



# *Education Committee*



From Left:

**Janelle Benjamin (Chairman) Darius Figuera, Don Isaac, Clyde Herbert,  
Gary Cross, Richard Noray**

## EDUCATION COMMITTEE REPORT 2015-2016

### The People behind it all . . .

The team assigned to the Education Committee for the term 2015-2016, displayed a level of enthusiasm and dedication that can be described as second to none. With late nights and a display of unwavering stamina, they were able to fulfill the mandate as assigned to the Committee by the Bye-Laws of the organization.

From envisioning ways to capture the interest and meet the needs of our members to execution that required precision and timing, this team had the right mix of Directors, co-opted members and staff, all with a common focus. **“Service to our members”**.

### Who are they? Meet the team...

The Members of the Committee for the 2015-2016 term were as follows:

- |                               |                        |
|-------------------------------|------------------------|
| • <b>Ms. Janelle Benjamin</b> | <b>Chairperson</b>     |
| • <b>Mr. Darius Figuera</b>   | <b>Secretary</b>       |
| • <b>Mr. Don Isaac</b>        | <b>Member</b>          |
| • <b>Mr. Clyde Herbert</b>    | <b>Member</b>          |
| • <b>Dr. Marlene Attzs</b>    | <b>Member</b>          |
| • <b>Mr. Gary Cross</b>       | <b>Member</b>          |
| • <b>Mr. Richard Noray</b>    | <b>Co-opted Member</b> |
| • <b>Ms. Vanessa Mc Kenna</b> | <b>Co-opted Member</b> |

*Dr. Marlene Attzs resigned on the 1<sup>st</sup> December 2015, and was subsequently replaced on the Committee, by Alternate Director Mr. Gary Cross.*

### Our mandate . . .

PURSUANT to S23 (f) of the Society’s Bye-Laws, the committee was charged with the responsibility to:

- i. Be in charge of publicity, education and training programmes and the holding of seminars and conferences.
- ii. Provide educational material for use by members
- iii. Prepare and submit to the Board a budget to cover the cost of its programmes and activities and ensure that funds allocated are used for the specified purposes.

In keeping with this mandate, the Committee hosted the following Educational Activities for the 2015-2016 term:

- **MEMBERS’ FAMILY BREAKFAST 24<sup>th</sup> OCTOBER 2015** – Formerly our “New Members Orientation” and “Breakfast with the President” – Our Concept for 2015 was to highlight that the welcoming of our new members is more of a ritual aimed at welcoming them in the family fold of Eastern Credit Union.

New Members from across the Network were treated to tokens, a 'brief history of Eastern Credit Union' and an introduction to our products and services.

It was abundantly clear from the participants present that the experience was a memorable one. The Committee was especially pleased with the outcome of this initiative and proposes to host similar sessions throughout the branch network in 2016.

- **SANCTUARY SERIES ON I95.5 FM** – The Committee continues to focus its efforts on enlightening and empowering the membership by promoting activities and our products and services designed to ensure that we connect with our shareholders. As such, the Committee continues to sponsor the Sanctuary segment on I95.5FM which runs every Monday morning between the hours of 7:30am to 7:35am. Given the vast listenership that has significantly increased over our four (4) years of hosting this programme, the Committee now proposes to expand its offerings for 2016 to include business tips, and a youth development series.
- **AMATEUR PHOTOGRAPHY COMPETITION** – Featured the Organisation's First Commemorative Calendar, which now showcases the twelve winners of our now Annual Amateur Photography Competition.

The Competition focused on Amateur photographers, and the Committee was greeted with over 50 applicants. Of the final 25 shortlisted, the top 12 were chosen, and all received tokens of appreciation, with the top 3 winners being awarded part cash and part credits to their accounts. Given the overwhelming response, a similar initiative is proposed for 2016.

- **SEA MOTIVATIONAL WORKSHOP** - The 29<sup>th</sup> SEA Motivational Workshop was held between the 7<sup>th</sup> – 12<sup>th</sup> March 2016 in Trinidad, and on the 14<sup>th</sup> March 2016 in Tobago. In attendance were 4,000 students representing 135 member schools throughout Trinidad and Tobago. Students were exposed to creative approaches to topics geared at equipping them for the transition from primary to secondary school.
- **EDUCATION AWARDS CEREMONY 2015** - The Committee hosted its 22<sup>nd</sup> Annual Education Awards Ceremony on Friday 20<sup>th</sup> August 2015 at The Arima Banquet Hall and Conference facility, upstairs the Arima Branch of Eastern Credit Union. Following the SEA results in 2015, along with transcripts from the tertiary level institutions, Seventy six (76) SEA students received awards valued at \$700.00, and four (4) awards were granted to tertiary students valued at \$2,000.00 each. Awards were distributed to deserving students based on merit and economic need.

The Guest speaker at this award function was Pastor Clive Dottin, who was our Motivational Speaker, and who provided an inspirational perspective on the *"Impact of Social Media on Youth Development and the transition from Primary to Secondary School"*. All attendees, including students, parents, guardians and guests, benefitted from this experience.

- **POST BUDGET REVIEW** – The Society through the efforts of the Education Committee hosted a Post Budget Review of the 2015/2016 National Budget Presentation on Monday 12<sup>th</sup> October 2015. These discussions centered around the economic measures being implemented by the newly elected Government, and its effects on our citizens and by extension our membership, individually and collectively. The panel consisted of a group of professionals, namely:
  - Mr. David Adullah – Political Leader of the Movement for Social Justice (MSJ)
  - Mr. Conrad Enill – Former Minister of Energy and Energy Affairs and Minister in the Ministry of Finance
  - Dr. Marlene Attzs – Lecturer in the Department of Economics at the University of the West Indies
  - T’Vaughn Lewis – University of the West Indies Youth Representative.

This forum allowed the membership to voice their concerns about the new Economic climate. More than 100 members benefitted from this initiative.

- **ECU’S CHILDREN CHRISTMAS PARTY** – Two Major Christmas Events were held in 2015, aimed at bringing Yuletide cheer to our junior members. These events proved to be a tremendous success, as we were able to bring Christmas cheer to approximately 500 children in both Trinidad and Tobago.
- **OUR ANNUAL PRIMARY SCHOOLS’ CALYPSO COMPETITION** – This year’s 27<sup>th</sup> Primary School Calypso Competition, held on the 4<sup>th</sup> February 2016, boasted 200 member schools, with 15 successful participants, and over 350 student supporters.

Josiah James of Arima Boys R.C. School now holds the crown, as he was able to captivate his audience with his stellar performance.

- **SKILLS BANK INITIATIVE 2015**- This Initiative which is ongoing, is geared to encourage members with businesses/skills/trades to register on our website or at our branches and to be listed in our Skills Bank Directory; as our focus is encouraging our members to support each other.
- **QUARTERLY NEWSLETTER PUBLICATIONS** – During its tenure, the Committee published three (3) editions of its quarterly newsletter, *“The Wheel”*, which highlights:
  - the Society’s events and activities;
  - staff and members’ achievements
  - the Education Committee’s educational programmes.

These newsletters are widely distributed to our Membership, our sister credit unions and other major stakeholders, thus giving us an opportunity to showcase our milestones, even as we continue to lead the way.

## Reaching the community . . .

Understanding that Charity begins at home and ends abroad, the Committee agreed that before we can expand our horizons, we must meet the needs of our members here within the borders of Trinidad and Tobago.

To achieve this, the Committee sought to extend its local reach, by:

- Organizing to have the Organization's presence felt at the "**Annual Tobago Blue Food Festival**" – Eastern was able to host a booth at this event which allows the island to showcase some of its local talent. The organization was able to connect with existing members, as well as increase its member base, by new applicants who signed up to become members of our society. The employees of the Tobago Branch, who manned our booth, recorded an impressive 79 persons visiting the booth, many of whom opened new accounts with us.
- **Honouring our Local Talent** – The Committee, at its 27<sup>th</sup> Annual Schools' Calypso Competition held on the 4<sup>th</sup> February 2016, was able to honour the work and contribution of Winston Scarborough - "**D Original De Fosto Himself**". The Committee and by extension the Organization, believes in promoting local talent and honouring our stalwarts while they are alive... As such "**D Original De Fosto Himself**" joined a long list of honourees at Eastern's prominent Calypso event 2016.

## Cooperative Social Responsibility (CSR) . . .

### DIABETES WALK

Our annual Diabetes Walk held in Tobago continued to be a massive success, as we saw participants from both Trinidad and Tobago coming out in their numbers to support this initiative.

With over 250 persons attending this event, we were able to make a substantial contribution to the support and eradication of Diabetes, on behalf of our Members.

- In keeping with the Credit Union Movement's Theme for 2015, of "**People Helping People**", the Committee sought to extend its reach to our communities, and "**lending a helping hand where it was needed most**", and so the Committee achieved the following:
  - **We Care Deaf Support Network** – *the Committee was able to contribute to this group, whose service surrounds providing a support network for the hearing impaired. In addition to the donation provided by the Education Committee, each Director/Committee Member, under the direction of the Chairperson of the Committee, agreed and contributed financially from their stipend towards the work of this group.*
  - **St. Augustine Secondary School's Foreign Student Exchange Programme Initiative - 2015**
  - **Our own K'Arece Rogers' participation in an International Youth Conference.**

## What Next?

For the year 2016, the Committee proposes to:

- **Launch a Lecture Series** aimed at assisting members with understanding the financial climate we are in, and how to survive it, through:
  - Budgeting
  - Saving
  - Life style changes, etc
- **Offer Bursaries for our tertiary level students**, studying at the University.
- **Offer a range of free Legal Clinics**, throughout Trinidad and Tobago, where on specified dates, the Society will have qualified Attorneys offering legal advice free of charge to our members.
- **Host a Small Business Symposium and Workshop**, where the Society aims to partner with Small businesses, to ensure that its members are given that head-start in becoming successful entrepreneurs. This event will feature a number of professionals to advise start-up businesses and existing business owners on the dos and don'ts of entrepreneurship.
- **Revive our Regional Partnerships** – our Credit Union currently holds MOU's with Credit Unions in Barbados, Jamaica and Grenada. The Committee is proposing for its 2016/2017 term to engage our sister societies with an aim of easing the transition for our Youth Members who venture to these islands for study purposes; as it will allow them the support of fellow Credit Unionists on 'strange soil'; as our relationships and the care and support extended to those Members will be guided by common standards.

## What can you do...?

The Education Committee promises a tremendous experience for our Members in the upcoming term and aims to empower and equip our members for daily living and for the unpredictable future that lies ahead.

Then this is what you can do:

1. Support the work of the Committee, by:
  - i. Attending the Empowerment Sessions/Education Seminars that the Society will host from time to time
  - ii. Keep abreast of what the Society is doing by logging on to our social media, such as Facebook, our ECU Website: [www.easterncutt.com](http://www.easterncutt.com), Instagram, etc.
  - iii. Supporting our Sanctuary Programme aired on I95.5fm every Monday morning at 7:30am
  - iv. Taking advantage of the many support systems we have for you our members
  - v. Responding to our calls for you to take part in our many promos , and giving feedback
  - vi. Lending a helping hand to each other, as we are all in this together!

### Recommendation . . .

In recognition of the on-going recession and the need for Education training and re-skilling of our Members, the Committee has developed a Comprehensive training programme, which focuses on:

- Entrepreneurial Activity
- Small Business Development
- Youth Empowerment
- Legal Clinics
- Leadership, Coaching and Mentorship

In furtherance of this therefore, it is envisaged that an improved allocation will be made available to facilitate these activities, amongst others.

### Appreciation . . .

The Committee would like to extend heartfelt thanks to all those who assisted in easing the burden of the Committee, and made our work an enjoyable task. Special thanks to the Marketing Team, for their support, time and effort, in bringing the many events to fruition, and to the GEM-Marketing for his partnering with us over the term, which allowed us to successfully fulfill our mandate.

Additionally, special thanks are extended to the Board of Directors and other Elected Officials, who supported the efforts of the Committee by their attendance at functions, and by offering constructive feedback, which allowed the Committee to constantly raise the bar in their deliverables.

Thanks to the Membership of Eastern Credit Union, for your tremendous and consistent support, and we look forward to a better and brighter term of serving you.



**Janelle Benjamin**  
Chairman

## RESOLUTIONS

### 1. Patronage Refund

Be it resolved: That a patronage refund of 5% be declared for the financial year ended 31st December 2015 and credited to members' Deposit Accounts.

### 2. Dividend

Be it resolved: That in accordance with Bye-Law 15(b) (v) a dividend of 2% be approved for the financial year ended 31st December 2014 and that such dividends be credited to members' Share Accounts consistent with Bye-law 25(c) (i) and be it further resolved that dividends due to members whose accounts have become delinquent be credited to their outstanding loan and interest balances.

### 3. Special Shares

Be it resolved: That in accordance with Bye-Law 6(a) (1) and 6(b) dividend of 3% be declared and credited to members' Deposit Accounts and be it further resolved that dividends due to members whose Special Share Accounts are below the required amount be credited to their Special Share Accounts.

### 4. Education Fund:

Be it resolved: That in accordance with Bye-Law 25(b) 3% of the realised surplus for the financial year ended 31st December 2015 be appropriated to the Education Fund.

### 5. Auditors

Be it resolved: That the firm PwC be appointed as Auditors for the year 2016.

### 6. Write-Off

Be it resolved: That 730 accounts valued at \$17,430,115.27 and representing accounts that were statute barred and where efforts to collect have been pursued and repayments seem uncertain, be written off against provisions set aside for such loans.

# HIGHLIGHTS



Member Family Breakfast

## Children's Christmas Party Trinidad and Tobago



## ECU Education Awards & Photography Competition



# HIGHLIGHTS

## Primary School Calypso Competition - Honouring DeFosto



## ECU SEA Workshop





# *Nominating Committee*



From Left:

**Director Helen Bernard (Chairman) Director Wayne Estrada,  
Reynold Cooper, Gary Cross, Fabien Keil**

## NOMINATING COMMITTEE REPORT 2015-2016

### 1.0 INTRODUCTION

The composition of the Nominating Committee of the Board of Directors of Eastern Credit Union following the 2015 Annual General Meeting was as follows:

Director Darius Figuera	Chairman
Director Don Isaac	Member
Mr. Vondell Taylor	Member
Mr. Reynold Cooper	Member
Mr. Fabien Keil	Member

The Committee was reconstituted in January 2016 as a consequence of the resignation of the Chairman – Director Darius Figuera (December 2015), Director Don Isaac (December 2015) and Member Vondell Taylor (January 2016).

The Present Committee is as follows:-

Director Helen Bernard	Chairman
Director Wayne Estrada	Member
Mr. Reynold Cooper	Member
Mr. Gary Cross	Member
Mr. Fabien Keil	Member

The Committee, building on the work of the original Nominating Committee, approached its tasks with diligence and was assisted by Ms. Josanne Antoine of the Marketing Department, Eastern Credit Union.

### 2.0 COMMITTEE'S MANDATE

The Committee focused on training, re-training and preparing members to serve on the Board and Statutory Committees. With the proposed legislative reform of the Co-operative Societies Act and the Regulations in the forefront, the Committee stressed the importance of training for elected officers to meet the new fit and proper criteria.

### 3.0 TRAINING INITIATIVES

#### 3.1 CREDIT UNION ORGANISATION AND MANAGEMENT PROGRAMME

The Committee conducted the 4<sup>th</sup> Credit Union Organisation and Management Training Programme during the period September 12, 2015 to October 10, 2015. The training experience consisted of nine (9) Modules and attracted thirty-five (35) participants from the credit union movement inclusive of members of Eastern Credit Union.

The programme concluded with a Graduation Ceremony on Saturday October 10, 2015. One direct benefit of this programme is its acceptance by the Cipriani College of Labour and Co-operative Studies (CCLCS) as appropriate certification for entry into the College's Diploma, Associate Degree and Degree Programmes. The Committee was informed that eleven (11) Graduates have sought entry into the CCLCS Programmes.

### **3.2 NOMINATION PROCESS**

#### **ELIGIBILITY CRITERIA**

No person shall be eligible for election to the Board of Directors or the Credit Committee or the Supervisory Committee of Eastern Credit Union unless the nominee fulfills the following requirement:

- Persons who stand for election to the Board and Statutory Committees of Eastern must be a Member of the said Credit Union for at least one year preceding the date of nomination
- Persons who stand for election to the Board and Statutory Committees of Eastern must have contributed at least two hundred and fifty dollars (\$250.00) in shares at the end of the last financial year immediately preceding nomination (consistent with bye-laws 4(b) (vii) and (viii))
- They are not delinquent in his/her loan repayment on the date of his/her nomination application
- Over the age of 18 years
- A citizen of Trinidad & Tobago or a person lawfully admitted permanent residency who is ordinarily a resident in Trinidad & Tobago\
- Not an employee of Eastern Credit Union
- Not an undischarged bankrupt
- Not of unsound mind and has not been convicted of:
  - An indictable offence
  - A criminal offence involving dishonesty in connection with the promotion or management of a corporation or co-operative
  - An offence involving fraud

A notice to members was published on Monday 12<sup>th</sup> November 2015 at all branches of Eastern Credit Union, the print media, ECU's website and social media inviting eligible members to serve on the Board of Directors, Credit Committee and Supervisory Committee. Prospective candidates were required to submit the completed Nomination Form to any Branch of the Credit Union on or before Thursday January 14<sup>th</sup> 2016. The closing date, however, was extended to Thursday 26<sup>th</sup> January 2016. Thirty-five (35) persons responded to the call to serve.

The Candidates were interviewed on February 19<sup>th</sup>, 23<sup>rd</sup> and 29<sup>th</sup> 2016 for the Board of Directors, the Supervisory Committee and the Credit Committee respectively to ensure compliance with

the criteria established in the Bye Laws. One (1) respondent did not attend the interview, three (3) did not meet the eligibility criteria consistent with bye-laws 4(b) (vii) and (viii) and one (1) withdrew their nomination by letter to the Nominating Committee.

### **3.3 ORIENTATION PROGRAMME FOR NOMINEES**

On March 3, 2016, an Orientation Training Programme was organised for the nominees. The purpose of the training programme was to familiarise participants with the basic functions of the Board and Statutory Committees and the importance of team effort at the policy making levels of the institution.

Case Studies were used in the training process to allow members to apply the requisite skill sets required for the desired office. The facilitators were the former Head of the Public Service and Member of the Nominating Committee – Mr. Reynold Cooper, Consultant on Credit Administration – Mr. Charles Mitchell and Industrial Relations and Co-operative Consultant – Mr. Stephen Thomas.

### **4.0 APPRECIATION**

The Committee thanks the following Directors and Statutory Committee Members whose term of office ends at the 2016 Annual General Meeting:

#### **BOARD OF DIRECTORS**

Ms. Alana Blackman

Mr. Harvey Borris

Mr. Conrad Enill

Mr. Clyde Herbert

Mr. Marlon Phillips

(Mr. Conrad Enill served the unexpired term on the resignation of Dr. Marlene Attzs)

#### **SUPERVISORY COMMITTEE**

Ms. Stacy Alleyne

Ms. Jacquelyn Humphrey

Ms. Deborah Picou

Mr. James Thomas

Ms. Wendy Williams

#### **CREDIT COMMITTEE**

Mrs. Rhona Adams-Arrindell

Mr. Delroy Burris

Mr. Richard Griffith

Mrs. Pearl Gonzales

Ms. Mary Thompson

**68 5.0 MATTERS OF INTEREST**

The Committee obtained feedback with regard to nomination from the floor from the prospective candidates who have been interviewed. Most candidates indicated that since there is a Nominating Committee, there should be no nomination from the floor. The consensus was that as Eastern Credit Union is leading the way then it should ensure that all candidates be screened as fit and proper before being elected to serve. In addition, there was the view that persons with litigations against the organisation ought not to be elected to serve on the Board and Statutory Committees.

As a result of the views expressed by the candidates, the Committee has recommended to the Board of Directors that a policy should be established prohibiting persons with litigations against the organisation from serving on the Board and Statutory Committees.

**NOMINEES RECOMMENDATIONS**

Accordingly, the Committee, therefore, recommends all the candidates listed below as worthy selections for the Board of Directors and Statutory Committees.

**5.1 BOARD OF DIRECTORS**

Ronald Bobb  
 Conrad Enill  
 Pearl Gonzales  
 Clyde Herbert  
 Francisca Lassalle  
 Lindhurst Murray  
 Marlon Phillips  
 Sherwin Welch  
 Stephanie Wilson  
 Brian Moore  
 Richard Noray

**5.2 SUPERVISORY COMMITTEE**

Stacy Alleyne  
 Cyril Barran  
 Stephanie Benjamin  
 Nurah Cordner  
 Sharon Francis  
 Richard Griffith  
 Thomas Henry  
 Deborah Picou  
 David Taitt  
 James Thomas  
 Mary Thompson  
 Wendy Williams

### 5.3 CREDIT COMMITTEE

Rhona Adams-Arrindell

Denise Andrews

Delroy Burris

Jacquelyn Humphrey

Mahmud Muhammad

Trevor Rogers

Patricia Ward

Tazrel Williams

Kenneth Wilson

A brief profile of each nominee is presented in this brochure.

### 6.0 CONCLUSION

The Committee wishes to remind the Membership that it is their responsibility to ensure that the most suitable candidates are elected to the various committees. This is necessary to guarantee the continued growth, progress and financial stability of Eastern Credit Union Co-operative Society Limited.



**Helen Bernard**  
**Chairman**

## NOMINATION PROFILES 2016

### BOARD OF DIRECTORS

#### BOBB, RONALD

**Place of Work:** N/A

**Position:** Retired Chief Executive Officer,  
Arima Borough Corporation

**Credit Union Experience:**

- Past President and Director – Eastern Credit Union
- Served on the Credit Committee
- Attended the Orientation Seminar for Board and Committees
- Member for Nineteen (19) years



#### ENILL, CONRAD

**Place of Work:** UWI- Arthur Lok Jack Graduate School of Business

**Position:** Lecturer

**Credit Union Experience:**

- Director –Eastern Credit Union
- Mentor & Presenter at CaribDE 2011, 2013, 2015
- Credit Union Development Educator & International Credit Union Development Educator Training Programme in Denver and Dallas Texas
- Attended the Orientation Seminar for Board and Committees
- Member for Twenty-six (26) years.



#### GONZALES, PEARL

**Place of Work:** Self Employed

**Position:** Management Consultant

**Credit Union Experience:**

- Chairperson of the Supervisory and Credit Committees
- Credit Union Organisation & Management Programme
- Compliance Workshop
- Attended the Orientation Seminar for Board and Committees
- Member for fifteen (15) years



**HERBERT, CLYDE**

**Place of Work:** United Electrics Limited

**Position:** Managing Director

**Credit Union Experience**

- Served on the Board of Directors of Eastern Credit Union for two consecutive terms
- Past Chairman of the Education Committee
- Former Deputy Chairman of Eastern’s subsidiary company EPL Properties Limited
- Attended Credit Union Orientation Seminar
- Member for thirty-four (34) years



**LASSALLE, FRANCISCA**

**Place of Work:** Retired

**Position:** Retired Employee, Eastern Credit Union

**Credit Union Experience**

- Acting Group Executive Manager, Credit, Financial & Advisory Services
- Branch Manager for fourteen (14) years
- Acting Credit Comptroller
- Attended Credit Union Orientation Seminar
- Member for Nineteen (19) years



**MURRAY, LINDHURST**

**Place of Work:** MCM Company

**Position:** Managing Director and Justice of the Peace

**Credit Union Experience:**

- Served as an Alternate on the Board of Directors of Eastern Credit Union for two terms
- Attended Credit Union Orientation Seminar
- Member for twenty-nine (29) years



**PHILLIPS, MARLON**

**Place of Work:** Ministry of Education

**Position:** Educator

**Credit Union Experience:**

- Serving Member of the Board of Directors of Eastern Credit Union
- Former Chairman of the Credit Committee and a Member of the Nominating Committee.
- Attended Credit Union Orientation Seminar
- Graduate of the Credit Union Organisation & Management Programme
- Member for eighteen (18) years



**WELCH, SHERWIN**

**Place of Work:** Real Estate Finance Insurance & Taxation Services (REFITS)

**Position:** Principal

**Credit Union Experience:**

- Past Board Member of Rhand Credit Union
- Chairman of the Supervisory Committee of Eastern Credit Union
- Attended the Credit Union Orientation Seminar
- Member for twenty-two (22) years



**WILSON, STEPHANIE**

**Place of Work:** TATECO Credit Union

**Position:** Manager

**Credit Union Experience:**

- Founder Member – Eastern Credit Union
- Former Director at Eastern Credit Union
- Member for Forty-three (43) years



**MOORE, BRIAN**

**Place of Work** Trinidad and Tobago Bureau of Standards

**Position:** Corporate Secretary

**Credit Union Experience:**

- Served at the Unit Chapter, National and Regional levels in the capacity of Director and President
- Served on the Board of Directors at Eastern Credit Union
- Served as Chairman of the Education Committee
- Member for Twenty-six (26) years

**NORAY, RICHARD**

**Place of Work:** Ministry of Education

**Position:** Teacher and Radio Presenter

**Credit Union Experience:**

- Serving Member of the Education Committee
- Graduate of the 2015 Credit Union Organisation & Management Programme
- Attended Credit Union Orientation Seminar
- Member for Four (4) years



## SUPERVISORY COMMITTEE

### ALLEYNE, STACY

**Place of Work:** Self Employed

**Position:** Caterer

**Credit Union Experience:**

- Graduate of the 2015 Credit Union Organisation & Management Programme
- Serving Member of the Supervisory Committee
- Attended Credit Union Orientation Seminar
- Member for seven (7) years



### BARRAN, CYRIL

**Place of Work:** Auditor General Department

**Position:** Assistant Audit Director

**Credit Union Experience:**

- Graduate of the 2015 Credit Union Organisation & Management Programme
- Alternate Member of the Supervisory Committee
- Attended Credit Union Orientation Seminar
- Member for Twenty-seven (27) years



### BENJAMIN, STEPHANIE

**Place of Work:** COSTAAT

**Position:** Part-Time Lecturer and Sociologist

**Credit Union Experience:**

- Former Employee of Eastern Credit Union
- Attended Credit Union Orientation Seminar
- Member for Thirty-six (36) years



**CORDNER, NURAH RASALIE****Place of Work:** Archival Research Institute Foundation**Position:** Archivist**Credit Union Experience**

- Attended Credit Union Orientation Seminar
- Member for Thirty (30) years

**FRANCIS, SHARON****Place of Work:** Digicel TT**Position:** Quality Assurance & Training Analyst**Credit Union Experience:**

- Attended Credit Union Orientation Seminar
- Member for Fifteen (15) years

**GRIFFITH, RICHARD****Place of Work:** Trinidad and Tobago Fire Service**Position:** Fire Officer**Credit Union Experience:**

- Serving Member of the Credit Committee
- Former Member of Supervisory Committee
- Attended Leadership Conference in Suriname
- Compliance Workshop
- Attended Credit Union Orientation Seminar
- Graduate of the Credit Union Organisation & Management Programme
- Member for Twenty-three (23) years



**HENRY, THOMAS**

**Place of Work:** N/A

**Position:** Retired Accounting Executive

**Credit Union Experience:**

- Past President & Vice President of Eastern Credit Union
- Past Chairman of the Supervisory Committee
- Graduate of the Credit Union Organisation & Management Programme
- Attended Credit Union Orientation Seminar
- Member for Thirty-four (34) years



**PICOU, DEBORAH**

**Place of Work:** Ministry of Education

**Position:** Guidance Officer

**Credit Union Experience:**

- Member of the Supervisory Committee
- Graduate of the Credit Union Organisation & Management Programme
- Attended Credit Union Orientation Seminar
- Member for Twenty-six (26) years



**TAITT, DAVID**

**Place of Work:** Ministry of Local Government

**Position:** Public Servant

**Credit Union Experience:**

- Served as a Member on the Education and Supervisory Committees
- Served as the Chairperson of the Supervisory Committee for the Co-operative Credit Union League of Trinidad and Tobago
- Member for Twenty-eight (28) years



**THOMAS, JAMES GEORGE****Place of Work:** N/A**Position:** Retired Public Servant**Credit Union Experience:**

- Served on both the Supervisory and Credit Committees of Eastern Credit Union
- Graduate of the 2010 Credit Union Organisation & Management Programme
- Anti money Laundering & Terrorism Financing
- Attended Credit Union Orientation Seminar
- Member for Twenty-two (22) years

**THOMPSON, MARY****Place of Work:** N/A**Position:** Retired Credit Supervisor, Eastern Credit Union**Credit Union Experience:**

- Served on both the Supervisory and Credit Committees of Eastern Credit Union
- Anti money Laundering & Terrorism Financing
- Graduate of the 2010 Credit Union Organisation & Management Programme
- Attended Credit Union Orientation Seminar
- Member for Twenty-two (22) years

**WILLIAMS, WENDY DEBRA****Place of Work:** Ministry of Education**Position:** Principal**Credit Union Experience:**

- Serving Chairperson of the Supervisory Committee
- Liaison Officer for Eastern Credit Union
- Graduate of the 2012 Credit Union Organisation & Management Programme
- Attended Credit Union Orientation Seminar
- Member for twenty-eight (28) years



## CREDIT COMMITTEE

### ADAMS- ARRINDELL, RHONA

- Place of Work:** N/A
- Position:** Retired Head Member Relations, Eastern Credit Union
- Credit Union Experience:**
- Graduate of the Credit Union Organisation & Management Programme
  - Attended Credit Union Orientation Seminar
  - Member for twenty-eight (28) years



### ANDREWS, DENISE

- Place of Work:** National Maintenance, Training and Security Company Limited (NMTS)
- Position:** Senior Audit Clerk
- Credit Union Experience:**
- Attended Credit Union Orientation Seminar
  - Member for Seventeen (17) years



### BURRIS, DELROY

- Place of Work:** Ministry of Education
- Position:** Attorney-at-Law
- Credit Union Experience:**
- Serving Member of the Credit Committee of Eastern Credit Union
  - Attended Credit Union Orientation Seminar
  - Anti-Money Laundering & Terrorism Financing Training Seminar (AMLTF)
  - Member for Three (3) years



**HUMPHREY, JACQUELYN**

**Place of Work:** Ministry of Community Development, Arts and Culture

**Position:** Public Officer

**Credit Union Experience:**

- Serving Member of the Credit Committee of Eastern Credit Union
- Graduate of the 2012 Credit Union Organisation & Management Programme
- Attended Credit Union Orientation Seminar
- Member for Thirty-five (35) years

**MUHAMMAD, MAHMUD**

**Place of Work:** Ministry of National Security

**Position:** Police Officer

**Credit Union Experience:**

- Served as Chairman of the Supervisory Committee
- Member of the Credit Committee of Eastern Credit Union for three consecutive years
- Graduate of the 2012 Credit Union Organisation & Management Programme
- Attended the Credit Union Orientation Seminar
- Member for Twenty-two (22) years

**ROGERS, TREVOR**

**Place of Work:** Self Employed

**Position:** Caterer

**Credit Union Experience:**

- Previously served on the Supervisory Committee of Eastern Credit Union
- Graduate of the Credit Union Organisation & Management Programme
- Attended the Credit Union Orientation Seminar
- Member for Thirty-two (32) years



**WARD, PATRICIA**

**Place of Work:** N/A

**Position:** Retired Credit Supervisor,  
Eastern Credit Union

**Credit Union Experience:**

- Acted in the capacity of Branch Manager
- Credit Supervisor and Credit Officer
- Attended the Credit Union Orientation Seminar
- Member for Thirty-two (32) years



**WILLIAMS, TAZREL**

**Place of Work:** Ministry of Education

**Position:** Teacher

**Credit Union Experience:**

- Previously served on the Credit Committee of Eastern Credit Union for two terms
- Attended the Credit Union Orientation Seminar
- Member for Fifteen (15) years



**WILSON, KENNETH**

**Place of Work:** N/A

**Position:** Retired Teacher

**Credit Union Experience:**

- Previously served as Chairman of the Credit Committee and a Member of the Supervisory Committee of Eastern Credit Union
- Attended World Council of Credit Unions (WOCCU) Conference in Canada
- Attended Credit Union Orientation Seminar and related external credit union programmes
- Member for twenty-six (26) years



# **EASTERN CREDIT UNION CO-OPERATIVE SOCIETY LIMITED AND ITS SUBSIDIARY**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2015**

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## STATEMENTS OF MANAGEMENT RESPONSIBILITIES



**Eastern  
Credit Union**  
Co-operative Society Limited

**LEADING THE WAY.**

**OFFICES****Administrative Headquarters**

La Joya  
Eastern Main Road,  
St. Joseph  
Phone: 662-1184 - 6  
Fax: 662-1192

**Barataria Branch**

124 Eastern Main Road,  
Barataria  
Phone: 638-2148 or 674 - 6248  
Fax: 675-4413

**Port-of-Spain Branch**

22 Park Street, Port of Spain  
Phone: 624-5059 / 5061  
Fax: 625-5729

**St. Joseph Branch**

La Joya, Eastern Main Road,  
St. Joseph  
Phone: 662-1184 - 6  
Fax: 663-7974

**Tunapuna Branch**

133 Eastern Main Road,  
Tunapuna  
Phone: 662-4986 / 0588  
Fax: 645-3532

**Sangre Grande Branch**

168 Eastern Main Road,  
Sangre Grande  
Phone: 691-2178-9/ 691-2180-1/  
691-1803  
Fax: 668-5875

**Arima Branch**

42-43 Sorzano Street,  
Arima  
Phone: 667-3477/0599/4563  
Fax: 667-0559

**San Fernando Branch**

Cor. Penitence & St. James Street,  
San Fernando  
Phone: 652-2393 / 652-2919 / 653-1968  
Fax: 653-0790

**Chaguanas Branch**

12 Main Road,  
Chaguanas  
Phone: 671-2295 or 665-1185  
Fax: 671-5309

**Tobago Branch**

Main Street, Scarborough,  
Tobago  
Phone: 639-3599  
Fax: 660-7090

**CALL CENTRE**

800-4ECU (4328)  
800-LOAN (5626)

March 21st 2016

Eastern Credit Union Co-operative Society Limited

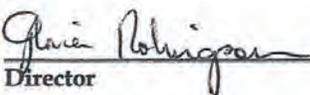
**Statement of Management Responsibilities**

It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the operating results of the Society for the year. It is also management's responsibility to ensure that the Society keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society.

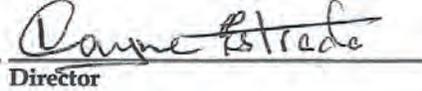
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards. Management are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Society and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of Management to indicate that the Society will not remain a going concern for at least the next twelve months from the date of this statement.

  
Director

Date: March 21st 2016

  
Director

Date: March 21st 2016



Chartered Accountants  
& Business Advisors

## INDEPENDENT AUDITORS' REPORT

### The Members

Eastern Credit Union Co-operative Society Limited

We have audited the accompanying consolidated financial statements of Eastern Credit Union Co-operative Society Limited and its Subsidiary, which comprise the consolidated statements of financial position as at 31 December 2015, the consolidated statements of comprehensive income, appropriated funds and undivided earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Eastern Credit Union Co-operative Society Limited and its Subsidiary as of 31 December 2015, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in blue ink that reads 'PKF'.

Port-of-Spain  
21 March 2016

Direct tel (868) 624-4569 | Direct fax (868) 624-4388  
Email [pkf-trinidad@trinidad.net](mailto:pkf-trinidad@trinidad.net)  
PKF | 90 Edward Street | Port-of-Spain | PO Bag 250 Belmont | Trinidad | WI

Directors Renee-Lisa Philip | Mark K. Superville

## STATEMENTS OF FINANCIAL POSITION

ASSETS

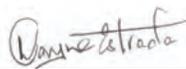
Credit Union 31 December				Group 31 December	
2014	2015		Notes	2015	2014
<b>Cash Resources:</b>					
\$ 128,018,885	\$ 125,428,210	Cash in hand and at bank	5	\$ 126,285,298	\$ 128,603,181
<u>131,459,831</u>	<u>129,524,112</u>	Short-term investments	6	<u>142,141,995</u>	<u>139,498,376</u>
		Total Cash Resources		<u>268,427,293</u>	<u>268,101,557</u>
<b>Other Assets:</b>					
14,865,947	10,497,504	Accounts receivable and prepayments	7	7,533,792	11,849,988
857,858	949,126	Deferred charges	8	949,126	857,858
341,172	286,737	Inventories	9	286,737	341,172
283,242,658	280,196,224	Long-term investments	10	221,282,683	224,975,757
1,156,673,859	1,315,940,282	Loans to members	11	1,315,940,282	1,156,673,859
23,768,606	22,777,725	Loans to subsidiary	12	-	-
<u>24,958,756</u>	<u>22,628,194</u>	Fixed assets	13	<u>106,673,878</u>	<u>114,969,803</u>
<u>1,504,708,856</u>	<u>1,653,275,792</u>	Total Other Assets		<u>1,652,666,498</u>	<u>1,509,668,437</u>
<b><u>\$ 1,764,187,572</u></b>	<b><u>\$ 1,908,228,114</u></b>	<b>Total Assets</b>		<b><u>\$ 1,921,093,791</u></b>	<b><u>\$ 1,777,769,994</u></b>

LIABILITIES AND MEMBERS' EQUITY

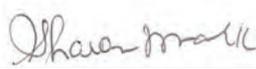
<b>Liabilities:</b>					
\$ 47,379,434	\$ 55,846,102	Accounts payable and accruals	14	\$ 53,474,177	\$ 48,171,834
324,419,614	365,232,099	Members' deposits		365,232,099	324,419,614
1,206,923,148	1,313,384,628	Members' shares (non-permanent)	15	1,313,384,628	1,206,923,148
-	-	Taxation payable		7,371	3,489
<u>-</u>	<u>-</u>	Deferred taxation	16	<u>3,002,996</u>	<u>2,203,347</u>
<u>1,578,722,196</u>	<u>1,734,462,829</u>	Total Liabilities		<u>1,735,101,271</u>	<u>1,581,721,432</u>
<b>Members' Equity:</b>					
19,548,562	20,563,741	Members' shares (permanent)	15	20,563,741	19,548,562
81,982,446	85,878,529	Reserve Fund	17	87,665,922	83,600,770
115,301	-	Education Fund	18	-	589,140
1,690,000	-	Small Business Development Company Fund		-	1,690,000
10,987,706	3,100,837	Investment Remeasurement Reserve	19	3,395,170	11,328,679
<u>71,141,361</u>	<u>64,222,178</u>	Undivided Earnings		<u>74,367,687</u>	<u>79,291,411</u>
<u>185,465,376</u>	<u>173,765,285</u>	Total Members' Equity		<u>185,992,520</u>	<u>196,048,562</u>
<b><u>\$ 1,764,187,572</u></b>	<b><u>\$ 1,908,228,114</u></b>			<b><u>\$ 1,921,093,791</u></b>	<b><u>\$ 1,777,769,994</u></b>

**Total Liabilities and Members' Equity**

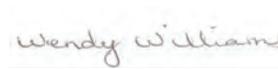
These financial statements were approved by the Board of Directors and authorized for issue on 21 March 2016 and signed on their behalf by:



Member,  
Board of Directors



General Manager



Member  
Supervisory Committee

(The accompanying notes form part of these financial statements)

## STATEMENTS OF COMPREHENSIVE INCOME

Credit Union For the year ended 31 December				Group For the year ended 31 December	
2014	2015		Notes	2015	2014
		<b>Income:</b>			
\$ 134,240,606	\$ 151,198,946	Interest on loans		\$ 151,198,946	\$ 134,240,606
9,961,659	10,974,200	Investment income		11,083,424	10,088,818
-	-	Rental income		2,599,025	1,740,789
<u>17,492,724</u>	<u>19,225,271</u>	Other income	24	<u>20,456,087</u>	<u>16,700,819</u>
<u>161,694,989</u>	<u>181,398,417</u>			<u>185,337,482</u>	<u>162,771,032</u>
		<b>Expenditure:</b>			
60,624,079	83,680,775	Administrative expenses	25	80,495,656	57,172,355
1,271,389	1,314,133	Board and committee expenses	26	1,612,904	1,625,960
395,744	333,980	Finance cost		348,759	415,528
2,856,647	3,191,327	Marketing expenses		3,333,404	2,954,525
<u>41,163,388</u>	<u>53,933,466</u>	Personnel costs	27	<u>58,080,226</u>	<u>44,978,060</u>
<u>106,311,247</u>	<u>142,453,681</u>	Total Expenditure		<u>143,870,949</u>	<u>107,146,428</u>
55,383,742	38,944,736	Net surplus before taxation		41,466,533	55,624,604
-	-	Taxation	28	<u>(831,108)</u>	<u>6,115,320</u>
55,383,742	38,944,736	Net surplus for the year		40,635,425	61,739,924
		Other comprehensive income:			
		Items that may be reclassified subsequently to profit or loss:			
<u>(348,452)</u>	<u>(6,733,145)</u>	Unrealised gain on available-for-sale financial assets		<u>(6,779,785)</u>	<u>(420,677)</u>
<b>\$ 55,035,290</b>	<b>\$ 32,211,591</b>			<b>\$ 33,855,640</b>	<b>\$ 61,319,247</b>

Total Comprehensive Income for the year

(The accompanying notes form part of these financial statements)

**STATEMENTS OF APPROPRIATED FUNDS AND UNDIVIDED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

Credit Union	Reserve Fund	Education Fund	Small Business Development Company Fund	Investment Remeasurement Surplus	Undivided Earnings
Balance as at 1 January 2014	\$ 76,442,594	\$ 756,932	\$ 1,690,000	\$ 11,336,158	\$ 57,491,201
Total comprehensive income		-		(348,452)	55,383,742
Appropriations:					
(i) 10% to Reserve Fund	5,538,374	-		-	(5,538,374)
(ii) 3% of the balance to the Education Fund	-	1,495,361		-	(1,495,361)
	81,980,968	2,252,293		10,987,706	105,841,208
			1,690,000		
Entrance fees	1,478	-	-	-	(1,478)
Education supplies and expenses	-	(2,136,992)	-	-	2,136,992
Dividends and interest rebate paid	-	-	-	-	(36,835,361)
<b>Balance as at 31 December 2014</b>	<b><u>\$ 81,982,446</u></b>	<b><u>\$ 115,301</u></b>	<b><u>\$ 1,690,000</u></b>	<b><u>\$ 10,987,706</u></b>	<b><u>\$ 71,141,361</u></b>
Balance as at 1 January 2015	\$ 81,982,446	\$ 115,301	\$ 1,690,000	\$ 10,987,706	\$ 71,141,361
Total comprehensive income	-	-	-	(6,733,145)	38,944,736
Appropriations:					
(i) 10% to Reserve Fund	3,894,474	-	-	-	(3,894,474)
(ii) Education Fund	-	1,709,404	-	-	(1,709,404)
	85,876,920	1,824,705	1,690,000	4,254,561	104,482,219
Transfer	-	-	(1,690,000)	-	-
Entrance fees	1,609	-	-	-	(1,609)
Education supplies and expenses	-	(1,824,705)	-	-	1,824,705
Transfer of realised gains on disposal of financial assets	-	-	-	(1,153,724)	-
Dividends and interest rebate paid	-	-	-	-	(42,083,137)
<b>Balance as at 31 December 2015</b>	<b><u>\$ 85,878,529</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,100,837</u></b>	<b><u>\$ 64,222,178</u></b>

(The accompanying notes form part of these financial statements)

**STATEMENTS OF APPROPRIATED FUNDS AND UNDIVIDED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

Group	Reserve Fund	Education Fund	Small Business Development Company Fund	Investment Remeasurement Surplus	Undivided Earnings
Balance as at 1 January 2014	\$ 77,425,300	\$ 1,059,154	\$ 1,690,000	\$ 11,749,356	\$ 60,092,304
Total comprehensive income	-	-	-	(420,677)	61,739,924
Appropriations:				-	
(i) 10% to Reserve Fund	6,173,992	-	-	-	(6,173,992)
(ii) 3% of the balance to the Education Fund	-	1,666,978	-	-	(1,666,978)
	83,599,292	2,726,132	1,690,000	11,328,679	113,991,258
Transfer	-	-	(1,690,000)	-	-
Entrance fees	1,478	(2,136,992)	-	-	(1,478)
Education supplies and expenses	-	-	-	-	2,136,992
Dividends and interest rebate paid	-	-	-	-	(36,835,361)
<b>Balance as at 31 December 2014</b>	<b><u>\$ 83,600,770</u></b>	<b><u>\$ 589,140</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 11,328,679</u></b>	<b><u>\$ 79,291,411</u></b>
Balance as at 1 January 2015	\$ 83,600,770	\$ 589,140	\$ 1,690,000	\$ 11,328,679	\$ 79,291,411
Total comprehensive income		-	-	(6,779,785)	40,635,425
Appropriations:				-	
(i) 10% to Reserve Fund	4,063,543	-	-	-	(4,063,543)
(ii) Education Fund	-	1,235,565	-	-	(1,235,565)
	87,664,313	1,824,705	1,690,000	4,548,894	114,627,728
Transfer	-	-	(1,690,000)	-	-
Entrance fees	1,609	-	-	-	(1,609)
Education supplies and expenses	-	(1,824,705)	-	-	1,824,705
Transfer of realised gains on disposal of financial assets	-	-	-	(1,153,724)	-
Dividends and interest rebate paid	-	-	-	-	(42,083,137)
<b>Balance as at 31 December 2015</b>	<b><u>\$ 87,665,922</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,395,170</u></b>	<b><u>\$ 74,367,687</u></b>

(The accompanying notes form part of these financial statements)

## STATEMENTS OF CASH FLOWS

Credit Union For the year ended 31 December			Group For the year ended 31 December	
2014	2015		2015	2014
<b>Operating Activities:</b>				
\$ 55,383,742	\$ 38,944,736	Net surplus before taxation	\$ 41,466,533	\$ 55,624,604
		Add items not involving cash:		
-	3,290,452	Bad debts written-off/expense	3,335,673	-
3,556,381	4,196,404	Depreciation	5,560,747	4,877,454
-	3,700,000	Change in investment loss provision	3,700,000	-
14,800,000	30,597,418	Loan loss expense (net of recoveries)	30,597,418	14,800,000
(380,728)	(2,323,940)	Net unrealized loss on short-term investments	(2,323,940)	(380,728)
-	(1,153,724)	Transfer of realised gains on disposal of financial assets	(1,153,724)	-
<u>(28,740)</u>	<u>(206,485)</u>	Gain on disposal of fixed assets	<u>(527,535)</u>	<u>(28,740)</u>
73,330,655	77,044,861	Changes in non-cash working capital amounts:	80,655,172	74,892,590
		Net change in accounts receivable, prepayments and deferred charges	889,255	(2,542,878)
(3,575,652)	986,723	Net change in inventories	54,435	14,269
14,269	54,435	Net change in accounts payable and accruals	5,302,343	5,165,676
4,237,646	8,466,668	Taxes paid	<u>(27,577)</u>	<u>(23,753)</u>
<u>-</u>	<u>-</u>	Cash provided by operating activities	<u>86,873,628</u>	<u>77,505,904</u>
74,006,918	86,552,687			
<b>Investing Activities:</b>				
869,297	990,881	Net change in loans to subsidiary	-	-
(105,881,985)	(189,863,841)	Net change in members' loans	(189,863,841)	(105,881,985)
(4,653,997)	(2,150,072)	Net change in fixed assets	(3,495,600)	(7,700,584)
3,720,856	(5,062,771)	Net change in long-term investments	(4,462,771)	3,720,856
<u>153,830</u>	<u>490,715</u>	Proceeds from disposal of fixed assets	<u>6,758,313</u>	<u>153,830</u>
(105,791,999)	(195,595,088)	Cash used in investing activities	<u>(191,063,899)</u>	<u>(109,707,883)</u>
<b>Financing Activities:</b>				
-	(1,690,000)	Net change in Small Business Development Company Fund	(1,690,000)	-
(36,835,361)	(42,083,137)	Dividends and interest rebate	(42,083,137)	(36,835,361)
78,124,310	107,476,659	Increase in members' shares	107,476,659	78,124,310
<u>35,143,798</u>	<u>40,812,485</u>	Increase in members' deposits	<u>40,812,485</u>	<u>35,143,798</u>
<u>76,432,747</u>	<u>104,516,007</u>	Cash provided by financing activities	<u>104,516,007</u>	<u>76,432,747</u>
44,647,666	(4,526,394)	Net change in cash resources	325,736	44,230,768
<u>214,831,050</u>	<u>259,478,716</u>	Cash resources, beginning of year	<u>268,101,557</u>	<u>223,870,789</u>
<b>\$ 259,478,716</b>	<b>\$ 254,952,322</b>	Cash resources, end of year	<b>\$ 268,427,293</b>	<b>\$ 268,101,557</b>
<b>Represented by:</b>				
\$ 128,018,885	\$ 125,428,210	Cash in hand and at bank	\$ 126,285,298	\$ 128,603,181
<u>131,459,831</u>	<u>129,524,112</u>	Short-term investments	<u>142,141,995</u>	<u>139,498,376</u>
<b>\$ 259,478,716</b>	<b>\$ 254,952,322</b>		<b>\$ 268,427,293</b>	<b>\$ 268,101,557</b>

(The accompanying notes form part of these financial statements)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**1. Registration and Objectives:**

The Society is registered under the Co-operative Societies Act Chapter 81:03. Its objectives are to promote the economic welfare of its members, encourage the spirit and practice of thrift, self-help and co-operation and promote the development of co-operative ideas. Its registered office is situated at La Joya Complex, Eastern Main Road, St. Joseph. Its fully owned subsidiary, EPL Properties Limited, incorporated in Trinidad and Tobago, is included in these consolidated statements.

**2. Significant Accounting Policies:**

**a) Basis of financial statements preparation -**

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars, rounded to the nearest dollar. These consolidated financial statements are stated on the historical cost basis, except for the measurement at fair value of available-for-sale investments and certain other financial instruments.

**b) Basis of consolidation -**

The consolidated financial statements incorporate the financial statements of Eastern Credit Union Co-operative Society Limited and its wholly owned subsidiary, EPL Properties Limited. The Society has the power to govern the financial and operating policies of EPL Properties Limited so as to obtain benefits from its activities.

The results of EPL Properties Limited are included in the consolidated Statement of Comprehensive Income from the date of incorporation. Where necessary, adjustments are made to the financial statements of EPL Properties Limited to bring the accounting policies used in line with those used by Eastern Credit Union Co-operative Society Limited.

All significant inter-company transactions and balances have been eliminated on consolidation.

**c) Use of estimates -**

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Society's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

**2. New Accounting Standards and Interpretations -**

- i) The Society has not applied the following standard that became effective during the current year, as it does not apply to the activities of the Society or have a material impact on its financial statements:

IFRS 7 Financial Instruments: Disclosures - Mandatory effective date and transition disclosures (effective for accounting periods beginning on or after 1 January 2015).

- ii) The Society has not applied the following standards, revised standards and interpretations that have been issued but are not yet effective as they either do not apply to the activities of the Society or have no material impact on its financial statements, except for IFRS 9

## Financial Instruments:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Amendments regarding changes in methods of disposal (effective for accounting periods beginning on or after 1 January 2016).

IFRS 7 Financial Instruments: Disclosures - Servicing contracts and applicability to condense interim financial statements (effective for accounting periods beginning on or after 1 January 2016).

IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018).

IFRS 10 Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture (effective for accounting periods beginning on or after 1 January 2016).

IFRS 10 Consolidated Financial Statements - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).

IFRS 11 Joint Arrangements - Amendments regarding the accounting for acquisitions of an interest in a joint operation (effective for accounting periods beginning on or after 1 January 2016).

IFRS 12 Disclosure of Interest in Other Entities - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).

IFRS 14 Regulatory Deferral Accounts (effective for accounting periods beginning on or after 1 January 2016).

IFRS 15 Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2017).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**(i) New Accounting Standards and Interpretations (cont'd) –**

IFRS 16	Leases (effective for accounting periods beginning on or after 1 January 2019).
IAS 1	Presentation of Financial Statements - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2016).
IAS 7	Statement of Cash Flows - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2017).
IAS 12	Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealised losses (effective for accounting periods beginning on or after 1 January 2017).
IAS 16	Property, Plant and Equipment - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).
IAS 16	Property, Plant and Equipment - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).
IAS 19	Employee Benefits: Disclosures - Amendments regarding discount rate: regional market issue (effective for accounting periods beginning on or after 1 January 2016).
IAS 27	Separate Financial Statements - Amendments reinstalling the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements (effective for accounting periods beginning on or after 1 January 2016).
IAS 28	Investment in Associates - Amendments regarding the sale or contribution of assets between investor and its associate or joint venture (effective for accounting periods beginning on or after 1 January 2016).
IAS 28	Investment in Associates - Amendments regarding the application of consolidation exception (effective for accounting periods beginning on or after 1 January 2016).
IAS 34	Interim Financial Reporting - Amendments regarding disclosure of information "elsewhere in the interim financial report" (effective for accounting periods beginning on or after 1 January 2016).

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**(i) New Accounting Standards and Interpretations (cont'd) -**

IAS 38	Intangible Assets - Amendments regarding the clarification of acceptable methods of depreciation and amortisation (effective for accounting periods beginning on or after 1 January 2016).
IAS 41	Agriculture - Amendments bringing bearer plants into the scope of IAS 16 (effective for accounting periods beginning on or after 1 January 2016).

The adoption of IFRS 9 Financial Instruments may result in significant changes in the Society's classification and presentation of financial instruments.

**d) Fixed assets -**

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided using the diminishing balance method.

The following rates are considered appropriate to write-off the assets over their estimated useful lives are applied:

Buildings	-	1%
Furniture, fixtures and fittings	-	20%
Office and other equipment	-	10 - 33 1/3%
Computer hardware and software	-	20%
Motor vehicles	-	25%
Leasehold improvements	-	20%

No depreciation is provided on Land and Capital Work-in-Progress.

The assets' residual values and useful lives are reviewed at each reporting date, and adjusted as appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**e) Investments -**

The Society has classified all investments into the following categories:

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs for liquidity or changes in interest rates, exchange rates or equity prices. After initial recognition, available-for-sale investments are measured at fair value with unrealised gains or losses recognised in the Investment Re-measurement Reserve.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**e) Investments (cont'd) -**

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the reporting date, adjusted for transaction costs necessary to realise the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value.

Held to maturity

These are securities which are held with the positive intention of holding them to maturity and are stated at amortized cost less provisions made for any permanent diminution in value. Amortized cost is calculated by taking into account any premium or discounts on acquisition over the period of maturity using the effective interest rate method.

**f) Financial instruments -**

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised on the Society's Statement of Financial Position when the Society becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date on which the Society commits itself to purchase or sell an asset. A regular way purchase and sale of financial assets is a purchase or sale of an asset under a contract whose terms require delivery of the asset within the timeframe established generally by regulation or convention in the marketplace concerned.

When financial assets are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the asset.

Financial assets are derecognised when the contractual rights to receive the cash flows expire or where the risks and rewards of ownership of the assets have been transferred.

**Impairment of financial assets**

The Society assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**f) Impairment of financial assets (cont'd) -**

Objective evidence that a financial assets or group of financial assets is impaired includes observable data that comes to the attention of the Society about the following loss events:

- i)** Significant financial difficulty of the issuer or obligor.
- ii)** A breach of contract, such as default or delinquency in interest or principal payments.
- iii)** It becoming probable that the borrower will enter in bankruptcy or other financial reorganisation.
- iv)** The disappearance of an active market for that financial asset because of financial difficulties.
- v)** Observable data indicating that there is a measurable decrease in the estimated cash-flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including adverse changes in the payment status of borrowers in the Society or national or economic conditions that correlate with defaults on assets in the Society.

The Society first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Impairment losses are recorded in an allowance account and are measured and recognised as follows:

**i) Financial assets measured at amortised cost**

The difference between the assets' carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate is recognised in the Statement of Comprehensive Income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the previously recognised loss is reversed to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised at the date that the impairment is reversed. The amount of the reversal is recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**ii) Financial assets measured at cost**

**iii)**

The difference between the assets' carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the current market's rate of return for similar financial assets is recognised in the Statement of Comprehensive Income. These losses are not reversed.

**Financial liabilities**

When financial liabilities are recognised initially, they are measured at fair value of the consideration given plus transaction costs directly attributable to the acquisition of the liability. Financial liabilities are re-measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of twelve months or less and are carried at cost, which approximates market value.

Accounts receivable

Accounts receivable are initially measured at cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired.

Loans to members

Loans to members are stated at principal amounts outstanding net of allowances for loan losses. Specific provisions are made for potential losses on non-performing loans on the basis of net realisable value. Periodic portfolio reviews are conducted during the course of each year to determine the adequacy of provisions.

Loans are secured by various forms of collateral, including charges over tangible assets, certificates of deposit, and assignment of funds held with other financial institutions.

Accounts payable

Accounts payable are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Members' deposits

Members' deposits are stated at the principal amounts invested by members together with any capitalised interest. Members' deposits bear interest at rates that are not significantly different from current market rates and are assumed to have discounted cash flow values which approximate carrying values.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**f) Financial instruments (cont'd) -**

**Financial liabilities (cont'd)**

Members' shares

Members' shares (permanent) are classified as equity and members' shares (non-permanent) are classified as liabilities and stated at fair value. In accordance with the Society's bye-laws, shareholdings comprise the following:-

- a) Section 6 (b) requires every member, not being a minor, to purchase eight (8) special shares at twenty-five dollars (\$25.00) each; and
- b) Section 7 requires that every member shall purchase at least one (1) ordinary share valued at five dollars (\$5.00) each.

**g) Revenue recognition -**

Loan Interest

Interest charged on all loans to members is calculated between 0.56% to 1.75% per month on the outstanding balance at the end of each month in accordance with Section 12 of the Bye-laws and the General Loan Policy. Loan interest is accounted for on the cash basis.

Interest on non-performing loans is not accrued or taken into income on an ongoing basis because there is doubt as to the recoverability of the loans. Income from non-performing loans is taken into income on a cash basis, but only after specific provisions for losses have been made.

For non-performing loans, specific provisions are made for the unsecured portion of the loan. The amount of the provision is dependent upon the extent of the delinquency.

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard (IAS) #18.

**h) Dividends payable to members -**

Dividends are computed on the basis of the average value of shares held throughout the year, the average being determined on the basis of the lowest value of shares held in each month. Dividends that are proposed and declared after the reporting date are not shown as a liability in accordance with IAS #10 but are disclosed as a note to the financial statements.

**i) Foreign currency -**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the reporting date. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**2. Significant Accounting Policies (Cont'd):**

**j) Provisions -**

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**k) Taxation -**

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred income tax is provided, using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

**l) Comparative figures -**

Where necessary, comparative amounts have been adjusted to conform with changes in presentation in the current year.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**3. Financial Risk Management:**

**Financial instruments**

The following table summarizes the carrying amounts and fair values of the Group's financial assets and liabilities:

	<b>Book</b>	<b>2015</b>	<b>Fair</b>
	<b><u>Value</u></b>		<b><u>Value</u></b>
<b>Financial Assets</b>			
Cash in hand and at bank	\$ 126,285,298		\$ 126,285,298
Short-term investments	142,141,995		142,141,995
Accounts receivable and prepayments	7,533,792		7,533,792
Deferred charges	949,126		949,126
Long-term investments	221,282,683		219,099,911
Loans to members	1,315,940,282		1,315,940,282
<b>Financial Liabilities</b>			
Accounts payable and accruals	53,475,277		53,475,277
Members deposits	365,232,099		365,232,099
Members' shares (non-permanent)	1,313,384,628		1,313,384,628
	<b>Book</b>	<b>2014</b>	<b>Fair</b>
	<b><u>Value</u></b>		<b><u>Value</u></b>
<b>Financial Assets</b>			
Cash in hand and at bank	\$ 128,603,181		\$ 128,603,181
Short-term investments	139,498,376		139,498,376
Accounts receivable and prepayments	11,849,988		11,849,988
Deferred charges	857,858		857,858
Long-term investments	224,975,757		224,975,757
Loans to members	1,156,673,859		1,156,673,859
<b>Financial Liabilities</b>			
Accounts payable and accruals	48,171,834		48,171,834
Members deposits	324,419,614		324,419,614
Members' shares (non-permanent)	1,206,923,148		1,206,923,148

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**3. Financial Risk Management (Cont'd):**

**Financial risk factors**

The Society is exposed to interest rate risk, credit risk, liquidity risk, currency risk, operational risk, compliance risk and reputation risk arising from the financial instruments that it holds. The risk management policies employed by the Society to manage these risks are discussed below:

**a) Interest rate risk -**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk through the effect of fluctuations in the prevailing levels of interest rates on interest bearing financial assets and liabilities, including investments in bonds, loans, customer deposits and other funding instruments.

The exposure is managed through the matching of funding products with financial services and monitoring market conditions and yields.

**a) Interest rate risk -**

**i) Bonds**

The Society invests mainly in medium to long term bonds consisting of both floating rate and fixed rate instruments.

The market values of the fixed rate bonds are not very sensitive to changes in interest rates. The market values of the floating rate bonds are sensitive to changes in interest rates. The longer the maturity of the bonds, the greater is the sensitivity to changes in interest rates. Because these assets are being held to maturity and are not traded, any changes in market value will not impact the Statement of Comprehensive Income.

The Society actively monitors bonds with maturities greater than ten years, as well as the interest rate policies of the Central Bank of Trinidad and Tobago.

**ii) Loans**

The Society generally invests in fixed rate loans to members for terms that average five years, however, mortgage loans can extend to a maximum of twenty-five (25) years. These are funded mainly from member deposits and shares and loan repayments.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**3. Financial Risk Management (Cont'd):**

**Interest rate sensitivity analysis**

The Society's exposure to interest rate risk is summarized in the table below, which analyses assets and liabilities at their carrying amounts categorized according to their maturity dates.

	2015					
	<u>Effective Rate</u>	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Non-Interest Bearing</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash in hand and at bank	0.01%	\$ 29,992,058	\$ -	\$ -	\$ 96,293,240	\$ 126,285,298
Short term investments	1.46%	142,141,995	-	-	-	142,141,995
Accounts receivable and prepayments	0.00%	-	-	-	7,533,792	7,533,792
Deferred charges	0.00%	-	-	-	949,126	949,126
Long term investments	4.06%	71,141,724	45,822,809	90,459,488	13,858,662	221,282,683
Loans to members	12.23%	61,094,850	896,264,735	320,666,903	37,913,794	1,315,940,282
<b>Financial Liabilities</b>						
Accounts payable and accruals	0.00%	-	-	-	53,475,277	53,475,277
Members' deposits	0.68%	365,232,099	-	-	-	365,232,099
Members' shares	2.25%	1,313,384,628	-	-	-	1,313,384,628
<b>2014</b>						
	<u>Effective Rate</u>	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Non-Interest Bearing</u>	<u>Total</u>
<b>Financial Assets</b>						
Cash in hand and at bank	0.01%	\$ 66,568,300	\$ -	\$ -	\$ 62,034,881	\$ 128,603,181
Short term investments	1.69%	131,498,376	8,000,000	-	-	139,498,376
Accounts receivable and prepayments	0.00%	-	-	-	11,849,988	11,849,988
Deferred charges	0.00%	-	-	-	857,858	857,858
Long term investments	3.08%	5,784,291	109,698,128	92,621,949	16,871,389	224,975,757
Loans to members	11.51%	53,416,726	783,626,238	275,340,100	44,290,795	1,156,673,859
<b>Financial Liabilities</b>						
Accounts payable and accruals	0.00%	-	-	-	48,171,834	48,171,834
Members' deposits	0.73%	324,419,614	-	-	-	324,419,614
Members' shares	2.95%	1,206,923,148	-	-	-	1,206,923,148

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**3. Financial Risk Management (Cont'd):**

**b) Credit risk -**

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Society relies heavily on its written Policies and Procedures Manuals, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Society's lending philosophy; provide policy guidelines to team members involve in lending; establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration; as well as create the foundation for a sound credit portfolio.

The Society's loan portfolio is managed and consistently monitored by the Credit Committee and is adequately secured by collateral and where necessary, provisions have been established for potential credit losses on delinquent accounts.

Cash balances are held with high credit quality financial institutions and the Society has policies to limit the amount of exposure to any single financial institution.

The Society also actively monitors global economic developments and government policies that may affect the growth rate of the local economy.

**c) Liquidity risk -**

Liquidity risk is the risk that arises when the maturity dates of assets and liabilities do not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Society has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

The Society is able to make daily calls on its available cash resources to settle financial and other liabilities.

Risk management

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Society. The Society employs various asset/liability techniques to manage liquidity gaps. Liquidity gaps are mitigated by the marketable nature of a substantial segment of the Society's assets as well as generating sufficient cash from new and renewed members' deposits and shares.

To manage and reduce liquidity risk the Society's management actively seeks to match cash inflows with liability requirements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**3. Financial Risk Management (Cont'd):**

**c) Liquidity risk (cont'd) -**

Liquidity gap

The Society's exposure to liquidity risk is summarized in the table below which analyses assets and liabilities based on the remaining period from the Balance Sheet date to the contractual maturity date.

	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>2015 Over 5 years</b>	<b>Total</b>
<b>Financial Assets</b>				
Cash in hand and at bank	\$ 126,285,298	\$ -	\$ -	\$ 126,285,298
Short-term investments	142,141,995	-	-	142,141,995
Accounts receivable and prepayments	7,338,161	-	195,631	7,533,792
Deferred charges	949,126	-	-	949,126
Long-term investments	71,141,724	50,297,198	99,843,761	221,282,683
Loans to members	61,094,850	934,178,529	320,666,903	1,315,940,282
<b>Financial Liabilities</b>				
Accounts payable and accruals	53,475,277	-	-	53,475,277
Members' deposits	365,232,099	-	-	365,232,099
Members' shares (non-permanent)	1,313,389,628	-	-	1,313,389,628
	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>2014 Over 5 years</b>	<b>Total</b>
<b>Financial Assets</b>				
Cash in hand and at bank	\$ 128,603,181	\$ -	\$ -	\$ 128,603,181
Short-term investments	131,498,376	8,000,000	-	139,498,376
Accounts receivable and prepayments	11,654,357	-	195,631	11,849,988
Deferred charges	857,858	-	-	857,858
Long-term investments	22,655,680	109,698,128	92,621,949	224,975,757
Loans to members	97,707,521	783,626,238	275,340,100	1,156,673,859
<b>Financial Liabilities</b>				
Accounts payable and accruals	48,171,834	-	-	48,171,834
Members' deposits	324,419,614	-	-	324,419,614
Members' shares (non-permanent)	1,206,923,148	-	-	1,206,923,148

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**3. Financial Risk Management (Cont'd):**

**d) Currency risk -**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Society's measurement currency. The Society is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollar. The operation of a Bureau de Charge at the various branches also provide exposure to currency risk. The Society's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

**e) Operational risk -**

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously. In April 2008 a new IT platform was implemented. Supervisory controls are also installed to minimise human error. There is also an Internal Audit department that is adequately staffed with personnel who are equipped with the required skills, knowledge and expertise. Additionally, staff is often rotated and trained on an on-going basis.

**f) Compliance risk -**

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Inspector of Financial Institutions at the Central Bank of Trinidad and Tobago, as well as by the monitoring controls applied by the Society. The Society has a Internal Audit department, which does routine reviews on compliance.

**g) Reputation risk -**

The risk of loss of reputation arising from the negative publicity relating to the Society's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Society. The Society engages in public social endeavours to engender trust and minimize this risk.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**4. Critical Accounting Estimates and Judgments:**

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make judgements, estimates and assumptions in the process of applying the Society's accounting policies. See **Note 2 (c)**.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Society makes estimates and assumptions concerning the future. However, actual results could differ from those estimates as the resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Changes in accounting estimates are recognised in the Statement of Comprehensive Income in the period in which the estimate is changed, if the change affects that period only, or in the period of the change and future periods if the change affects both current and future periods.

The critical judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements, are as follows:

- i) Whether investments are classified as held-to-maturity investments, available-for-sale or loans and receivables.
- ii) Whether leases are classified as operating leases or finance leases.
- iii) Which depreciation method for fixed assets and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date (requiring management's most difficult, subjective or complex judgements) that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

i) Impairment of assets

Management assesses at each reporting date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Fixed assets

Management exercises judgement in determining whether future economic benefits can be derived from expenditures to be capitalised and in estimating the useful lives and residual values of these assets.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**5. Cash in Hand and at Bank:**

Credit Union			Group		
2014	31 December	2015	2015	31 December	2014
\$118,513,045	\$113,699,080				
<u>9,505,840</u>	<u>11,729,130</u>	Current/savings accounts	\$114,540,937		\$119,092,873
		Cash in hand	<u>11,744,361</u>		<u>9,510,308</u>
<b><u>\$128,018,885</u></b>	<b><u>\$125,428,210</u></b>		<b><u>\$126,285,298</u></b>		<b><u>\$128,603,181</u></b>

**6. Short-Term Investments:**

Credit Union			Group		
2014	31 December	2015	2015	31 December	2014
\$ 33,988,820	\$ 33,740,303	<u>Available-for-sale</u>	\$ 33,740,303		\$ 33,989,820
		Ansa Merchant Bank Limited			
2,039,900	2,067,610	Home Mortgage Bank			
9,324,340	9,403,850	- Mutual Fund	2,067,610		2,039,900
1,500,000	1,500,000	Republic Bank Limited	9,403,850		9,324,340
29,071,128	28,268,146	R. E. Matthews and Associates	1,500,000		1,500,000
		ROYTRIN Money Market Fund	28,268,146		29,071,128
		Trinidad and Tobago Unit Trust Corporation			
19,253	19,412	- US\$ Income Fund	19,412		19,253
32,558,188	32,856,527	- TT\$ Income Fund	45,474,410		40,596,733
		First Citizens Investment Services Limited			
3,000,000	3,000,000	- Fixed Income Paper	3,000,000		3,000,000
		Guardian Asset Management –			
14,958,202	15,168,264	TT\$ Income Fund	15,168,264		14,958,202
		Bourse Securities Limited –			
<u>5,000,000</u>	<u>5,000,000</u>	Repurchase Agreements	<u>5,000,000</u>		<u>5,000,000</u>
131,459,831	131,024,112		143,641,995		139,498,376
		<u>Held-to-maturity</u>			
<u>1,000,000</u>	<u>1,000,000</u>	Various overseas bonds held in	<u>1,000,000</u>		<u>1,000,000</u>
		foreign currencies			
132,459,831	132,024,112		144,641,995		140,498,376
<u>(1,000,000)</u>	<u>(2,500,000)</u>	Provision for investment loss	<u>(2,500,000)</u>		<u>(1,000,000)</u>
<b><u>\$131,459,831</u></b>	<b><u>\$129,524,112</u></b>		<b><u>\$142,141,995</u></b>		<b><u>\$139,498,376</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**7. Accounts Receivable and Prepayments:**

Credit Union 31 December			Group 31 December	
2014	2015		2015	2014
\$ 6,171,712	\$ 3,145,998	Accrued interest on investments	\$ 3,145,998	\$ 6,171,712
195,631	195,631	Claim recoverable	195,631	195,631
3,690,048	3,631,984	EPL Properties Limited	-	-
6,882,956	5,405,955	Other receivables	5,878,345	7,361,388
565,889	742,029	Prepayments	805,652	627,508
237,751	236,289	Recoverable expenses	236,289	237,751
-	-	Rent receivable	43,836	109,489
286,151	303,809	Staff loans and advances	392,232	310,700
-	-	Travel service receivable	-	-
18,030,138	13,661,695		10,697,983	15,014,179
<u>(3,164,191)</u>	<u>(3,164,191)</u>	Less: Provision for doubtful debts	<u>(3,164,191)</u>	<u>(3,164,191)</u>
<b><u>\$14,865,947</u></b>	<b><u>\$10,497,504</u></b>		<b><u>\$ 7,533,792</u></b>	<b><u>\$11,849,988</u></b>
		<u>Provision for doubtful debts</u>		
\$ 3,164,191	\$ 3,164,191	Balance, beginning of year	\$ 3,164,191	\$ 3,164,191
-	-	Bad debts written-off	-	-
-	-	Charge for the year	-	-
<b><u>\$ 3,164,191</u></b>	<b><u>\$ 3,164,191</u></b>	Balance, end of year	<b><u>\$ 3,164,191</u></b>	<b><u>\$ 3,164,191</u></b>

**8. Deferred Charges:**

Credit Union 31 December			Group 31 December	
2014	2015		2015	2014
<b><u>\$ 857,858</u></b>	<b><u>\$ 949,126</u></b>	San Fernando Agency	<b><u>\$ 949,126</u></b>	<b><u>\$ 857,858</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**9. Inventories:**

Credit Union 31 December			Group 31 December	
2014	2015		2015	2014
\$ 236,116	\$ 198,400	Stationery/office supplies	\$ 198,400	\$ 236,116
<u>105,056</u>	<u>88,337</u>	ATM Card Stock	<u>88,337</u>	<u>105,056</u>
<b><u>\$ 341,172</u></b>	<b><u>\$ 286,737</u></b>		<b><u>\$ 286,737</u></b>	<b><u>\$ 341,172</u></b>

**10. Long-Term Investments:**

Credit Union 31 December			Group 31 December	
2014	2015		2015	2014
		<u>Held-to-Maturity</u>		
		Bonds		
\$ 61,244,056	\$ 61,244,056	- Government of Trinidad and Tobago	\$ 61,244,056	\$ 61,244,056
471,390	471,390	- Government of Antigua and Barbuda	471,390	471,390
7,063,610	7,063,610	- Government of Belize	7,063,610	7,063,610
-	4,000,000	- First Citizens Bank Limited	4,000,000	-
10,008,633	8,678,998	- National Insurance Property Development Company Limited	8,678,998	10,008,633
1,721,008	1,521,008	- Prestige Holdings Limited	1,521,008	1,721,008
28,750,000	32,500,000	- Trinidad and Tobago Mortgage Finance Company Limited	32,500,000	28,750,000
2,657,757	2,282,757	- Urban Development Company of Trinidad and Tobago	2,282,757	2,657,757
5,000,000	3,333,333	- Telecommunications Services of Trinidad and Tobago	3,333,333	5,000,000
<u>549,999</u>	<u>-</u>	- Various overseas bonds held in foreign currencies	<u>-</u>	<u>549,999</u>
<b><u>\$117,466,453</u></b>	<b><u>\$121,095,152</u></b>		<b><u>\$121,095,152</u></b>	<b><u>\$ 117,466,453</u></b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**11. Loans to Members:**

Loans to members are stated at principal outstanding net of a provision for loan losses. The provision for loan losses is based on management's evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

<b>Credit Union</b>			<b>Group</b>	
<b>31 December</b>			<b>31 December</b>	
<b>2014</b>	<b>2015</b>		<b>2015</b>	<b>2014</b>
\$1,190,441,731	\$1,366,617,726	Loans to members	\$1,366,617,726	\$1,190,441,731
<u>(33,767,872)</u>	<u>(50,677,444)</u>	Less: Provision for loan losses	<u>(50,677,444)</u>	<u>(33,767,872)</u>
<b><u>\$1,156,673,859</u></b>	<b><u>\$1,315,940,282</u></b>		<b><u>\$1,315,940,282</u></b>	<b><u>\$1,156,673,859</u></b>

Provision for Loan Losses

<b>Credit Union</b>			<b>Group</b>	
<b>31 December</b>			<b>31 December</b>	
<b>2014</b>	<b>2015</b>		<b>2015</b>	<b>2014</b>
\$ 29,876,854	\$ 33,767,872	Balance, beginning of year	\$ 33,767,872	\$ 29,876,854
14,800,000	30,597,418	Charge for the year	30,597,418	14,800,000
(10,908,982)	(13,687,846)	Amounts written off	(13,687,846)	(10,908,982)
<u>\$ 33,767,872</u>	<u>\$ 50,677,444</u>	Balance, end of year	<u>\$ 50,677,444</u>	<u>\$ 33,767,872</u>

**12. Loans to Subsidiary:**

<b>Credit Union</b>			<b>Group</b>	
<b>31 December</b>			<b>31 December</b>	
<b>2014</b>	<b>2015</b>		<b>2015</b>	<b>2014</b>
<b><u>\$ 23,768,606</u></b>	<b><u>\$ 22,777,725</u></b>	Loans to subsidiary	<b><u>\$ _____</u></b>	<b><u>\$ _____</u></b>

These loans have been advanced to EPL Properties Limited, the fully owned subsidiary of Eastern Credit Union Cooperative Society Limited.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**13. Fixed Assets:**

**Credit Union**

<b>Cost</b>	<b>Furniture, Fixtures and Fittings</b>	<b>Office Equipment</b>	<b>Computer Hardware and Software</b>	<b>Other Equipment</b>	<b>Motor Vehicles</b>	<b>Leasehold Improvements</b>	<b>Capital work-in-progress</b>	<b>Total</b>
Balance as at 1 January 2015	\$ 13,507,270	\$ 16,428,975	\$ 39,081,740	\$ 4,341,147	\$ 1,399,296	\$ 8,818,736	\$ 319,695	\$ 83,896,859
Additions	228,072	545,062	550,526	58,756	319,000	275,087	247,114	2,223,617
Disposals	(252,004)	-	(15,000)	(150,000)	(562,475)	-	-	(979,479)
Transfers/Re-classifications	-	369,649	(70,440)	-	-	-	(372,754)	(73,545)
Balance as at 31 December 2015	13,483,338	17,343,686	39,546,826	4,249,903	1,155,821	9,093,823	194,055	85,067,452
<b>Accumulated Depreciation</b>								
Balance as at 1 January 2015	10,302,907	11,843,781	26,543,922	3,143,808	427,642	6,676,043	-	58,938,103
Charge for the year	363,596	956,288	1,759,372	286,262	261,730	569,156	-	4,196,404
Disposals	(216,299)	-	(7,000)	(149,999)	(321,951)	-	-	(695,249)
Balance as at 31 December 2015	10,450,204	12,800,069	28,296,294	3,280,071	367,421	7,245,199	-	62,439,258
<b>Net Book Value</b>								
Balance as at 31 December 2015	<u>\$ 3,033,134</u>	<u>\$ 4,543,617</u>	<u>\$ 11,250,532</u>	<u>\$ 969,832</u>	<u>\$ 788,400</u>	<u>\$ 1,848,624</u>	<u>\$ 194,055</u>	<u>\$ 22,628,194</u>
Balance as at 31 December 2014	<u>\$ 3,204,363</u>	<u>\$ 4,585,194</u>	<u>\$ 12,537,818</u>	<u>\$ 1,197,339</u>	<u>\$ 971,654</u>	<u>\$ 2,142,693</u>	<u>\$ 319,695</u>	<u>\$ 24,958,756</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**13. Fixed Assets (Cont'd):**

**Credit Union (cont'd)**

Cost	Furniture, Fixtures and Fittings	Office Equipment	Computer Hardware and Software	Other Equipment	Motor Vehicles	Leasehold Improvements	Capital work-in- progress	Total
Balance as at 1 January 2014	\$ 12,844,064	\$15,940,354	\$33,210,552	\$ 4,276,588	\$ 1,048,402	\$ 8,695,989	\$ 3,521,761	\$ 79,537,710
Additions	246,786	259,102	2,778,663	64,559	645,654	122,747	536,398	4,653,909
Disposals	-	-	-	-	(294,760)	-	-	(294,760)
Transfers/Re-classifications	416,420	229,519	3,092,525	-	-	-	(3,738,464)	-
Balance as at 31 December 2014	13,507,270	16,428,975	39,081,740	4,341,147	1,399,296	8,818,736	319,695	83,896,859
<b>Accumulated Depreciation</b>								
Balance as at 1 January 2014	9,994,295	11,002,433	25,066,036	2,872,581	462,356	6,153,779	-	55,551,480
Charge for the year	308,700	841,348	1,477,886	271,227	134,956	522,264	-	3,556,381
Disposals	-	-	-	-	(169,670)	-	-	(169,670)
Transfers/Re-classifications	(88)	-	-	-	-	-	-	(88)
Balance as at 31 December 2014	10,302,907	11,843,781	26,543,922	-	427,642	6,676,043	-	58,938,103
<b>Net Book Value</b>								
Balance as at 31 December 2014	<u>\$ 3,204,363</u>	<u>\$ 4,585,194</u>	<u>\$12,537,818</u>	<u>\$1,197,339</u>	<u>\$ 971,654</u>	<u>\$ 2,142,693</u>	<u>\$ 319,695</u>	<u>\$ 24,958,756</u>
Balance as at 31 December 2013	<u>\$ 2,849,769</u>	<u>\$ 4,937,921</u>	<u>\$ 8,144,516</u>	<u>\$1,404,007</u>	<u>\$ 586,046</u>	<u>\$ 2,542,210</u>	<u>\$ 3,521,761</u>	<u>\$ 23,986,230</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**13. Fixed Assets:**

**Group**

<b>Cost</b>	<b>Land and Buildings</b>	<b>Furniture, Fixtures and Fittings</b>	<b>Office Equipment</b>	<b>Computer Facilities</b>	<b>Other Equipment</b>	<b>Motor Vehicles</b>	<b>Leasehold Improvements</b>	<b>Capital work-in-progress</b>	<b>Total</b>
Balance as at 1 January 2015	\$ 97,875,310	\$ 16,021,817	\$ 16,844,990	\$ 39,864,690	\$ 7,815,529	\$ 1,744,494	\$ 8,818,736	\$ 978,306	\$ 189,963,872
Additions	704,758	251,287	588,562	567,421	666,979	319,000	275,087	247,114	3,620,208
Disposals	(6,517,066)	(256,012)	(12,019)	(15,000)	(150,000)	(562,475)	-	-	(7,512,572)
Transfers/re-classifications	607,548	-	369,649	(70,440)	-	-	-	(1,031,365)	(124,608)
Balance as at 31 December 2015	92,670,550	16,017,092	17,791,182	40,346,671	8,332,508	1,501,019	9,093,823	194,055	185,946,900
<b>Accumulated Depreciation</b>									
Balance as at 1 January 2015	12,079,412	11,840,146	12,076,728	26,965,287	4,725,497	611,075	6,695,924	-	74,994,069
Charge for the year	699,036	562,051	999,078	1,832,208	597,047	302,171	569,156	-	5,560,747
Disposals	(577,876)	(217,708)	(7,260)	(7,000)	(149,999)	(321,951)	-	-	(1,281,794)
Balance as at 31 December 2015	12,200,572	12,184,489	13,068,546	28,790,495	5,172,545	591,295	7,265,080	-	79,273,022
<b>Net Book Value</b>									
Balance as at 31 December 2015	<u>\$ 80,469,978</u>	<u>\$ 3,832,603</u>	<u>\$ 4,722,636</u>	<u>\$ 11,556,176</u>	<u>\$ 3,159,963</u>	<u>\$ 909,724</u>	<u>\$ 1,828,743</u>	<u>\$ 194,055</u>	<u>\$ 106,673,878</u>
Balance as at 31 December 2014	<u>\$ 85,795,898</u>	<u>\$ 4,181,671</u>	<u>\$ 4,768,262</u>	<u>\$ 12,899,403</u>	<u>\$ 3,090,032</u>	<u>\$ 1,133,419</u>	<u>\$ 2,122,812</u>	<u>\$ 978,306</u>	<u>\$ 114,969,803</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**13. Fixed Assets (Cont'd):**

**Group (cont'd)**

Cost	Land and Buildings	Furniture, Fixtures and Fittings	Office Equipment	Computer Facilities	Other Equipment	Motor Vehicles	Leasehold Improvements	Capital work-in-progress	Total
Balance as at 1 January 2014	\$ 92,683,586	\$ 15,333,731	\$ 16,312,674	\$ 33,903,942	\$ 7,425,921	\$ 1,393,600	\$ 8,695,989	\$ 6,809,532	\$ 182,558,975
Additions	1,372,429	271,666	302,797	2,868,223	389,608	645,654	122,747	1,726,533	7,699,657
Disposals	-	-	-	-	-	(294,760)	-	-	(294,760)
Transfers/re-classifications	3,819,295	416,420	229,519	3,092,525	-	-	-	(7,557,759)	-
Balance as at 31 December 2014	97,875,310	16,021,817	16,844,990	39,864,690	7,815,529	1,744,494	8,818,736	978,306	189,963,872
<b>Accumulated Depreciation</b>									
Balance as at 1 January 2014	11,419,344	11,290,464	11,194,431	25,413,581	4,203,865	591,867	6,173,660	-	70,287,212
Charge for the year	660,836	549,799	882,860	1,550,987	521,830	188,878	522,264	-	4,877,454
Disposals	-	-	-	-	-	(169,670)	-	-	(169,670)
Transfers/re-classifications	(768)	(117)	(563)	719	(198)	-	-	-	(927)
Balance as at 31 December 2014	12,079,412	11,840,146	12,076,728	26,965,287	4,725,497	611,075	6,695,924	-	74,994,069
<b>Net Book Value</b>									
Balance as at 31 December 2014	<u>\$ 85,795,898</u>	<u>\$ 4,181,671</u>	<u>\$ 4,768,262</u>	<u>\$ 12,899,403</u>	<u>\$ 3,090,032</u>	<u>\$ 1,133,419</u>	<u>\$ 2,122,812</u>	<u>\$ 978,306</u>	<u>\$ 114,969,803</u>
Balance as at 31 December 2013	<u>\$ 81,264,242</u>	<u>\$ 4,043,267</u>	<u>\$ 5,118,243</u>	<u>\$ 8,490,361</u>	<u>\$ 3,222,056</u>	<u>\$ 801,733</u>	<u>\$ 2,522,329</u>	<u>\$ 6,809,532</u>	<u>\$ 112,271,763</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**14. Accounts Payable and Accruals:**

Credit Union 31 December			Group 31 December	
<u>2014</u>	<u>2015</u>		<u>2015</u>	<u>2014</u>
\$ 18,327,083	\$23,642,325	CUNA Claims	\$ 23,642,325	\$ 18,327,083
27,123	396,809	Trade creditors	396,809	27,123
818,551	838,210	Interest payable	838,210	818,551
1,192,596	2,863,808	Other payables	491,883	1,984,996
2,693,706	1,375,921	Accrued expenses	1,375,921	2,693,706
302,351	678,018	Statutory deductions payable	678,018	302,351
(862)	-	Provision for retroactive salaries	-	(862)
22,348,133	25,377,302	Provision for severance	25,377,302	22,348,133
		Automated Teller Machine –		
<u>1,670,753</u>	<u>673,709</u>	Branch Settlement	<u>673,709</u>	<u>1,670,753</u>
<b><u>\$ 47,379,434</u></b>	<b><u>\$55,846,102</u></b>		<b><u>\$ 53,474,177</u></b>	<b><u>\$48,171,834</u></b>

**15. Members' Shares:**

According to the Bye-Laws of Eastern Credit Union Co-operative Society Limited, the capital of the Society may be composed of an unlimited number of shares of \$5 each. In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, redeemable shares have been treated as liabilities.

**16. Deferred Taxation:**

Credit Union 31 December			Group 31 December	
<u>2014</u>	<u>2015</u>		<u>2015</u>	<u>2014</u>
\$ -	\$ -	Balance at beginning of year	\$ 2,203,347	\$ 8,043,960
<u>-</u>	<u>-</u>	Effect of Statement of Comprehensive Income	799,649	<u>(5,840,613)</u>
<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	Balance at end of year	<b><u>\$ 3,002,996</u></b>	<b><u>\$ 2,203,347</u></b>

Deferred taxation is attributable to the following items:

\$ -	\$ -	Excess of written-down value over net book value	\$ 8,522,229	\$ 7,752,821
<u>-</u>	<u>-</u>	Tax losses carried forward	<u>(5,519,233)</u>	<u>(5,549,474)</u>
<b><u>\$ -</u></b>	<b><u>\$ -</u></b>		<b><u>\$ 3,002,996</u></b>	<b><u>\$ 2,203,347</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**17. Reserve Fund:**

In accordance with the Co-operatives Societies Act, 1971, Section 47 (2), 10% of the annual net surplus of the Society is charged to the Reserve Fund.

**18. Education Fund:**

The Board of Directors has set aside at the end of the year an amount to an Education Fund of 3% of the net surplus for the year, after making provision for the Reserve Fund. This fund is to be used for educational purposes of its members.

**19. Investment Re-measurement Reserve:**

In accordance with IAS #39, an investment re-measurement reserve has been created to capture unrealized gains/losses on available-for-sale investments.

**20. Dividends:**

The Board of Directors has proposed a dividend of **\$25.8 million** and interest rebate of **7.6 million** for the year ended 31 December 2015. This dividend is subject to approval by the membership at the Annual General Meeting and has not been included as a liability in these consolidated financial statements in accordance with IAS #10.

**21. Capital Risk Management:**

The Society manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Society's overall strategy remains unchanged from previous years.

The capital structure of the Society consists of equity attributable to members, which comprises issued members shares, reserves and undivided earnings.

**22. Fair Values:**

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. The existence of published price quotation in an active market is the best evidence of fair value. Where market prices are not available, fair values are estimated using various valuation techniques, including using recent arm's length market transactions between knowledgeable, willing parties, if available, current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

**NOTES TO THE FINANCIAL STATEMENTS**  
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The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

**a) Current assets and liabilities -**

The carrying amounts of current assets and liabilities are a reasonable approximation of the fair values because of their short-term nature.

**b) Members' Loans -**

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

**c) Investments -**

The fair values of investments are determined on the basis of market prices available at 31 December 2015.

**d) Members' deposits -**

Members' deposits bear interest at rates that are not significantly different from current rates and are assumed to have discounted cash flow values which approximate carrying values.

**23. Related Party Transactions:**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial decisions.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society.

A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out on commercial terms at market rates.

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

Balances and transaction with related parties and key management personnel during the year were as follows:

	31 December	
	2015	2014
<b>Assets, Liabilities and Members' Equity</b>		
<b>Loans and other receivables</b>		
Directors, committee members, key management personnel	\$ 7,311,625	\$ 6,260,643
<b>Shares, deposits and other liabilities</b>		
Directors, committee members, key management personnel	\$ 4,311,464	\$ 5,519,316
<b>Interest and other income</b>		
Directors, committee members, key management personnel	\$ 681,474	\$ 584,141
<b>Interest and other expenses</b>		
Subsidiary, directors, committee members, key management personnel	\$ 13,136,117	\$ 13,281,676
<b>Key management compensation</b>		
Short-term benefits	\$ 2,474,700	\$ 2,714,190

**24. Other Income:**

Credit Union			Group		
2014	31 December	2015	2015	31 December	2014
\$ 2,339,896		\$ 2,085,489		\$ -	\$ -
1,000,000		750,000		-	-
9,640,028		11,732,780	11,732,780		9,640,028
1,648,747		1,587,017	1,587,017		1,648,747
1,272,318		1,329,942	1,329,942		1,272,318
246,227		195,526	195,526		246,227
1,478		1,609	1,609		1,478
491,025		577,905	577,905		491,025
824,265		758,518	2,519,209		1,498,099
-		-	1,984,564		1,874,157
28,740		206,485	527,535		28,740
<u>\$ 17,492,724</u>		<u>\$ 19,225,271</u>	<u>\$ 20,456,087</u>		<u>\$ 16,700,819</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**25. Administrative Expenses:**

Credit Union			Group	
31 December			31 December	
2014	2015		2015	2014
\$ 565,648	\$ 845,442	Annual and special general meetings	\$ 845,442	\$ 565,648
205,200	205,200	Audit fees	253,200	255,200
-	3,290,452	Bad debt expense	3,335,673	-
-	112,494	Credit Union League dues	112,494	-
1,692,072	1,370,102	Computer supplies and expenses	1,370,102	1,692,072
3,556,381	4,196,404	Depreciation	5,560,747	4,877,454
147,098	118,585	Donations and sponsorships	125,540	152,046
2,136,992	1,824,705	Education supplies and expenses	1,824,705	2,136,992
1,480,543	1,481,726	Electricity	1,481,726	1,480,543
-	-	Green Fund Levy	15,809	17,205
5,751,713	4,703,669	Insurances	5,417,380	6,454,520
2,371,470	2,350,345	Interest on members' deposits	2,350,345	2,371,470
14,800,000	30,597,418	Loan loss expense (net of recoveries)	30,597,418	14,800,000
-	5,200,000	Loss on investments	5,200,000	-
3,425,491	3,074,401	Maintenance	4,853,881	4,290,200
535,239	568,018	Miscellaneous expenses	780,229	854,883
48,054	40,483	Motor vehicle expenses	56,811	66,116
1,159,683	1,286,675	Office expenses	1,531,445	1,267,468
914,436	697,691	Printing, postage and stationery	728,229	946,814
1,608,208	607,953	Professional services	793,842	2,234,251
13,942,979	14,547,717	Property rental	5,240,410	4,711,449
-	-	Rates and taxes	(19,000)	361,004
2,757,828	2,981,337	Security	3,959,140	3,677,430
359,423	241,108	Sports and family day expenses	241,108	359,423
458,892	538,110	Staff training	595,101	465,842
<u>2,706,729</u>	<u>2,800,740</u>	Telephone	<u>3,243,879</u>	<u>3,134,325</u>
<b><u>\$ 60,624,079</u></b>	<b><u>\$ 83,680,775</u></b>		<b><u>\$ 80,495,656</u></b>	<b><u>\$ 57,172,355</u></b>

**26. Board and Committee Expenses:**

Credit Union			Group	
31 December			31 December	
2014	2015		2015	2014
\$ 884,844	\$ 898,225	Stipend	\$ 1,196,996	\$ 1,239,415
283,280	287,117	Meeting expenses	287,117	283,280
13,920	10,677	Training and conferences	10,677	13,920
16,815	14,737	Entertainment	14,737	16,815
12,007	13,403	Corporate wear	13,403	12,007
53,742	45,750	Donations	45,750	53,742
<u>6,781</u>	<u>44,224</u>	Miscellaneous	<u>44,224</u>	<u>6,781</u>
<b><u>\$ 1,271,389</u></b>	<b><u>\$ 1,314,133</u></b>		<b><u>\$ 1,612,904</u></b>	<b><u>\$ 1,625,960</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

**27. Personnel Costs:**

Credit Union 31 December			Group 31 December	
<u>2014</u>	<u>2015</u>		<u>2015</u>	<u>2014</u>
\$ 39,953,229	\$ 52,843,470	Salaries and other staff benefits	\$ 56,990,230	\$ 43,767,901
<u>1,210,159</u>	<u>1,089,996</u>	Travelling and subsistence	<u>1,089,996</u>	<u>1,210,159</u>
<b><u>\$ 41,163,388</u></b>	<b><u>\$ 53,933,466</u></b>		<b><u>\$ 58,080,226</u></b>	<b><u>\$ 44,978,060</u></b>

**28. Taxation:**

Credit Union 31 December			Group 31 December	
<u>2014</u>	<u>2015</u>		<u>2015</u>	<u>2014</u>
\$ -	\$ -	Business Levy	\$ (31,459)	\$ (27,242)
-	-	Deferred taxation	(799,649)	5,840,613
<u>-</u>	<u>-</u>	Reversal of over-provision on corporation tax	<u>-</u>	<u>301,949</u>
<b><u>\$ -</u></b>	<b><u>\$ -</u></b>		<b><u>\$ (831,108)</u></b>	<b><u>\$ 6,115,320</u></b>
<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	Net surplus before taxation	<b><u>\$ 41,466,533</u></b>	<b><u>\$ 55,624,604</u></b>
\$ -	\$ -	Tax calculated at 25%	\$(10,366,633)	\$ (13,906,151)
-	-	Portion re Credit Union Activities	9,588,354	13,595,935
-	-	Business Levy	(31,459)	(27,242)
-	-	Expense not deductible for tax purposes	(1,325)	(7,290)
-	-	Exempt income	(19,835)	18,811
-	-	Permanent difference re: Fixed Assets which do not attract Wear and Tear Allowance	-	6,139,308
-	-	Reversal of over-provision on corporation tax	-	301,949
<u>-</u>	<u>-</u>	Other	<u>(210)</u>	<u>-</u>
<b><u>\$ -</u></b>	<b><u>\$ -</u></b>		<b><u>\$ (831,108)</u></b>	<b><u>\$ 6,115,320</u></b>

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**Administrative Headquarters - La Joya**

Eastern Main Road, St. Joseph  
Phone: 662-1184-6  
Fax: 662-1192

**Subsidiary:****EPL Properties Limited**

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