

EVOLUTION
THROUGH
INNOVATION







VISION

The model Credit Union and leading provider of financial and other services in the Caribbean

MISSION

To satisfy members' needs through creativity and foresight by providing competitive financial and other products and services

CORE VALUES

Respect | Integrity | Honesty | Fairness | Trust

THE NATIONAL ANTHEM

Forged from the love of liberty
In the fires of hope and prayer
With boundless faith in our destiny
We solemnly declare:
Side by side we stand
Islands of the blue Caribbean Sea,
This our native land
We pledge our lives to thee.
Here every creed and race
Find an equal place,
And may God bless our Nation.
Here every creed and race
Find an equal place,
And may God bless our Nation.

THE 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.

O 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.



CONTENTS

▶	Message from the President of RHAND Credit Union	6
▶	Notice of the 74th Annual General Meeting	8
▶	Standing Orders	11
▶	Composition of the Board of Directors and Statutory Committees 2021 – 2022	12
▶	Minutes of the 73rd Annual General Meeting	14
▶	Minutes of the Special General Meeting	26
▶	Report of the Board of Directors	30
▶	Report of the Education Committee	44
▶	Report of the Credit Committee	50
▶	Report of the Supervisory Committee	58
▶	Report of the Nominating Committee	68
▶	Independent Auditor's Report	78
▶	Financial Statements	80
▶	2022 Quantitative Objectives, Proposed Capital Expenditure and Financial Projections	126
▶	Resolutions	129
▶	Appendix - List of Members who Died in 2021	130

A MESSAGE FROM THE PRESIDENT



“Protecting The Legacy” was the theme adopted by RHAND twenty-five years ago as we remembered and paid tribute to our Founding Fathers on our 50th Anniversary.

This theme saw several innovations, including changes to our bye laws to strengthen our membership bond, increases in the number of services available to members and the addition of two branch offices, one in Arima and the other in Tobago.

Our operations have undergone structural changes in the establishment of departments with adequate staffing to ensure that the necessary services to members are not only improved but also readily available.

Two basic tenets of Credit Unionism are stated as: **“Not for Profit, Not for Charity, BUT for SERVICE”** and **“People Helping People”**, and these are underlined by the Co-operation between RHAND and all its members. This **Cooperation** becomes most evident in ALL members firstly depositing budgeted amounts, as well as excess funds, into their Shares and Deposit Saving accounts on a regular basis; and secondly by faithfully repaying all loans.

I wish to emphasize to members that their savings are the lifeblood of the loan process, whether granting of, receiving, or for making investments on their behalf. Members, I strongly advise you to make savings a priority since this is the first and strongest of several pillars on which the organisation stands. Repayment of members’ funds borrowed, is the second pillar.

RHAND has always kept faith with these tenets in the face of the ever-changing environments and reaps the reward of always being able to satisfy members’ financial needs.

This year, as we celebrate our 75th Anniversary our theme is **“EVOLVING THROUGH INNOVATION”**

Innovation still continues to be in the forefront of our efforts to build on the successes of the past 75 years.

The last two decades have seen financial markets rise and fall at shorter, more unpredicted intervals, and through it all RHAND has stood in the gap for all its members, and their co-operation has allowed it to stand strong. Management will continue to improve communication and collaboration so that all RHAND's members achieve the designation – "ACTIVE" making it an even stronger organisation.

The COVID-19 pandemic has compelled the world to seek out novel ideas. Similarly, RHAND continues to improve its electronic systems in order to provide core services to all members who prefer to communicate through this medium.

Furthermore, the second year of this pandemic has been the most difficult in recent memory for RHAND. Except for the first meeting following the Annual General Meeting, all Board and Executive Committee meetings were held virtually.

- I thank God through our Lord and Savior Jesus Christ for his love and mercy during the past year.
- I extend my deepest condolences to the immediate families as well as the RHAND family of all those who passed away during 2021.
- I sincerely thank all RHAND members for your support, especially for enduring the inconveniences caused by all of the health protocols as you attempted to access the services offered.
- Special thanks to the management and staff for their sterling efforts in providing the service requested by members.
- Thank you, members of the Credit and Supervisory Committees, for your efforts in supporting the work of the Credit Union.
- Thank you to the members of the Executive Committee for your hard work and support during our term.
- A very special thank you to the Board of Directors for your guidance and support as we lead the organisation that is RHAND.

I look forward to your continued support for our organisation and I know that with God's grace, RHAND will continue to stand as a bastion of support for its membership.

A handwritten signature in black ink, appearing to read 'M. Gibbs', is written over a solid horizontal line.

Martin Gibbs
President – Board of Directors



NOTICE OF
THE 74TH ANNUAL GENERAL MEETING



NOTICE OF THE 74TH ANNUAL GENERAL MEETING

Notice is hereby given that the 74th Annual General Meeting of RHAND Credit Union Co-operative Society Limited will be held virtually, on Saturday, May 21, 2022, commencing at 1:00 p.m.

The Meeting will be facilitated through the internet via links provided to a closed Zoom meeting portal.

AGENDA

1. Adoption of the Standing Orders
2. President's Address
3. Minutes of the 73rd Annual General Meeting of April 24, 2021
4. Minutes of the Special General Meeting of January 28, 2021
5. Matters arising out of the Minutes of the General Meetings
6. Reports 2021
 - Board of Directors
 - Education Committee
 - Credit Committee
 - Supervisory Committee
 - Independent Auditor
 - Financial Statements
 - Nominating Committee
7. Election of Officers for the 2022/2023 Term
8. 2022 Quantitative Objectives, Proposed Capital Expenditure and Financial Projections
9. Motions
10. Resolutions
11. Other Business

Dated this 4th day of May, 2022
BY ORDER OF THE BOARD,



Desmond Noel

Secretary – Board of Directors

NOTE:

Having regard to the fact that the AGM will be online with digital presentations, all members who wish to participate in the AGM must register by Thursday 19th May, 2022 at 4:00 p.m.

Members are required to provide proper identification when registering.

Members can register via the AGM-registration portal on our website, email agm@rhand.org.tt, or call 62-RHAND ext 1271 - 1273.

Only registered members will be emailed a link, with accompanying instructions, to access the virtual meeting

STANDING ORDERS

1. The microphones of all participating members shall be kept muted except where permitted by the Chairperson.
2. The videos of all participating members shall remain off unless addressing the Chairperson.
3. Members addressing the Chairperson must be appropriately attired.
4. Members will type their question into the chat box. The AGM Moderator will collate and transmit questions to the Chairperson.
5. A member shall address the meeting ONLY when called upon and unmuted by the Chairperson to do so.
6. No member shall address the meeting except through the Chairperson. All speeches shall be clear and relevant to the specific subject before the meeting.
7. A member shall use the Raise Hand button ONLY when:
 - a) He/she is a mover or seconder of a motion.
 - b) He/she is raising a point of order.
 - c) He/she requires to object or to explain.
 - d) He/she requires the urgent attention of the Chair. The member shall identify himself/herself prior to proceeding.
8. On any agenda item, a member is permitted:
 - a) One question and
 - b) His/her contribution shall not exceed two (2) minutes. Except with the permission of the Chairperson.
9. A member may not speak twice on the same subject, except:
 - a) A member rising on a “point of order” shall state the point clearly and concisely (a point of order must have relevance to the Standing Orders).
 - b) The mover of a motion – who has the right to reply.
 - c) To object or to explain (with the permission of the Chair).
10. The mover of a “procedural motion” – (adjournment, lay on the table, motion to postpone) shall have no right to reply.
11. Only one amendment shall be before the meeting at one and the same time.
12. When a motion is withdrawn, any amendment to it falls.
13. If there is an equality of voting on an amendment and if the Chairperson does not exercise his casting vote, the amendment is lost.
14. The Chairperson shall have the right to a “casting vote”.
15. No speeches shall be made after the “question” has been put and carried or negated.
16. No member shall impute improper motives against another.
17. A member shall not “call” another member “to order” but may draw the attention of the Chairperson to a “breach of order”. On no account can a member call the Chairperson “to order”.
18. Provision shall be made for the protection of the Chairperson from vilification (personal abuse).
19. Should a tie occur at the election for the Board of Directors or Credit Committee or Supervisory Committee, that tie will be broken by a run-off.
20. No form of recording of the proceedings shall be allowed without the permission of the Chairperson.

COMPOSITION OF
THE BOARD OF DIRECTORS AND STATUTORY
COMMITTEES 2021-2022

BOARD OF DIRECTORS



MARTIN GIBBS
PRESIDENT



JOYCELYN HUNTE
VICE PRESIDENT



DESMOND NOEL
SECRETARY



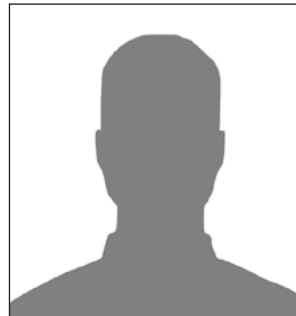
SIMONE HUGGINS
ASSISTANT SECRETARY



REYNOLD COOPER
TREASURER



GLEND A BRUCE
DIRECTOR



DAVID MAYNARD
DIRECTOR



CHARLENE DAVIDSON
DIRECTOR



CHERYL-ANN BRUCE METIVIER
DIRECTOR



CHARMAINE ISABELLE CUMMINGS
DIRECTOR



DAVE WILLIAMS
DIRECTOR



BRIAN B. CAESAR
DIRECTOR



MYRTLE PILGRIM-EDWARDS
1ST SUBSTITUTE



KRISTED HERBERT
2ND SUBSTITUTE

COMPOSITION OF
THE BOARD OF DIRECTORS AND STATUTORY
COMMITTEES 2021-2022

SUPERVISORY COMMITTEE



CLAUDETTE BROWN
CHAIRMAN



ERICA CHARLES
SECRETARY



PAMELA OGISTE
MEMBER



NADINE ELLIS
MEMBER



PATRICIA WILLIAMS
MEMBER



VICTOR LAPTISTE
1ST SUBSTITUTE



MARISHA ALEXANDER
2ND SUBSTITUTE

CREDIT COMMITTEE



SUSAN HINDS-MORGAN
CHAIRMAN



PATRICIA E. HARRY
SECRETARY



JENNIFER JAMES
MEMBER



DON FINLEY
MEMBER



LENUS JOSEPH
MEMBER



VICTOR KIRTON
1ST SUBSTITUTE



KRYSTAL ALEXANDER
2ND SUBSTITUTE



MINUTES OF
THE 73RD ANNUAL GENERAL MEETING



MINUTES OF THE 73RD ANNUAL GENERAL MEETING

Held virtually at RHAND Credit Union's Head Office at 57-61 Abercromby Street, on Saturday, April 24, 2021.

1. INTRODUCTION

- 1.1 The 73rd Annual General Meeting of RHAND Credit Union Co-operative Society Limited commenced virtually at 1:05 p.m. The Chairman, Mr. Reynold Cooper, welcomed all members to the meeting and noted that it was being convened virtually for the second time in two years due to the COVID-19 Pandemic. He stated that the Board was there to report on its stewardship over the past year. He encouraged all members to actively participate in the meeting especially during the voting on motions which may be tabled and voting for candidates to serve as members of the Board and the Supervisory and Credit Committees. He then acknowledged the presence of members of the Co-operative Division present to monitor the proceedings.
- 1.2 The Chairman advised that a minimum of two hundred (200) members were required to be in attendance for the meeting to be considered duly constituted and requested a Credentials Report before proceeding. The Moderator reported that there was a combined total of three hundred and forty (340) members virtually and physically in attendance. The Annual General Meeting was therefore duly constituted and could proceed.
- 1.3 The Chairman introduced Ms. Joycelyn Hunte, Vice-President, to assume conduct of the proceedings. Ms. Hunte welcomed members to the 73rd Annual General Meeting and invited those present as well as those in attendance virtually to stand for the playing of the National Anthem. She subsequently asked members to remain standing and invited Rev. Clifford Rawlins to say a prayer of invocation. Upon completion Ms. Hunte invited members to recite the Credit Union Prayer - the Peace Prayer of St. Francis of Assisi, which was shared on screen for members' ease of reference. Ms. Hunte then led the membership in observing a minute of silence for RHAND members who had departed this life during the previous year.
- 1.4 The Credentials Report was again repeated. The moderator advised that there were four hundred and seven (407) members present. This was followed by a tutorial presentation to guide members on how they were required to participate in the afternoon's proceedings.

2. NOTICE OF MEETING AND ADOPTION OF STANDING ORDERS

- 2.1 The Chairman introduced Mr. Martin Minguell, Secretary, who read the Notice and Agenda of the Meeting into the record. He then read the Standing Orders into the record of the meeting.
- 2.2 The Standing Orders were duly adopted on a motion by Edris Thompson which was seconded by Wendy Hazel Holder. Having been so moved the motion was put to the vote and carried.
- 2.3 The Annual Report was then accepted by the meeting as being read on a motion by Esther Mc Ewen which was seconded by Anthony Tang. Having been so moved the motion was put to the vote and carried. The Secretary thanked members for their service to RHAND and handed conduct of the meeting back to the Chairman.

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

3. THE PRESIDENT'S ADDRESS

- 3.1 The Chairman, Mr. Reynold Cooper, read an excerpt from the President's Address which he advised was published and could be viewed in its entirety in the Annual Report.

4. CONFIRMATION OF MINUTES

THE 72ND ANNUAL GENERAL MEETING HELD ON 10TH OCTOBER 2020

- 4.1 The Chairman reported that an Errata Sheet had been printed to take account of the errors, amendments, corrections, and omissions identified in the Minutes of the 72nd Annual General Meeting of 10th October 2020. He explained that these fell into the categories of typographical errors or misstatements, none of which had affected the substance of the Annual Report. He advised that the Errata Sheet was available on the Society's website and invited members to submit any additional errors, amendments, corrections, or omissions which may have been missed, via email. The Minutes were then tabled for the consideration of the meeting. The Moderator reminded members of the option to ask questions via the Q&A button on screen.
- 4.2 The Minutes of the 72nd Annual General Meeting as presented, including the amendments and corrections of the Minutes as indicated on the Errata Sheet, were confirmed on a motion of Shelly Slater which was seconded by Nekeisha Baptiste. Having been so moved the motion was put to the vote and carried.

5. MATTERS ARISING OUT OF THE MINUTES OF THE 72ND ANNUAL GENERAL MEETING

- 5.1 There were no matters arising out of the Minutes of the 72nd Annual General Meeting.

6. REPORTS 2020

REPORT OF THE BOARD OF DIRECTORS

- 6.1 The Report of the Board of Directors was tabled for consideration of the meeting. Members were satisfied and did not seek any explanations regarding its contents. The Report of the Board of Directors was adopted on a motion by Marlene Riley Mohammed which was seconded by Beulah Dalrymple. Having been so moved the motion was put to the vote and carried.

REPORT OF THE EDUCATION COMMITTEE

- 6.2 The Report of the Education Committee was tabled for consideration of the meeting and no questions were posed by Members. The Report of the Education Committee was adopted on a motion by Mary Lou Edmund Marcano which was seconded by Carol Herrera. Having been so moved the motion was put to the vote and carried.

REPORT OF THE CREDIT COMMITTEE

- 6.3 The Chairman introduced Ms. Jennifer James, Chair of the Credit Committee. The Report of the Credit Committee was then tabled for the consideration of the meeting.

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

- 6.4 Member Victor Kirton enquired whether all loans had been assessed and approved. Ms. Jennifer James reported that three thousand eight hundred and thirty-five (3,835) loan applications had been approved by the General Manager, with the Credit Committee having approved one hundred and fifty (150). A total of 3.8 percent of loans applied for had been approved. Ms. James undertook to provide a complete response to Mr. Kirton as well as publish her response on the website for the benefit of other members.
- 6.5 Member Lynette Collins referred to page 43 of the Report and enquired why there were six (6) loans that were not fully secured. Ms. James explained that this could have happened in the case of a medical emergency or some other urgent matter where members in good standing would be granted loans with a small exposure. She explained further that the exposure on such loans would normally be wiped off within one (1) year but depending on the size, loans could fall within eligibility within three (3) to six (6) months.
- 6.6 Member Avalyn Macey enquired whether there was a mandatory minimum time between loan applications. Ms. James responded that the time between applications was dependent on the quantum of the loan, the repayment amount, and the repayment time.
- 6.7 Member Wendy Hazel Holder asked for clarification about the criteria for loan approvals by the General Manager versus the Credit Committee. Ms. James referred her to page 44 of the Credit Committee's Report which outlined approval levels for the Credit Committee and the managers and staff with responsibility for loan approvals.
- 6.8 The Report of the Credit Committee was adopted on a motion by Sherma Marcelle which was seconded by Junior Mitchell. The Chairman reminded members that only a simple majority was required to pass the motion. Having been so moved the motion was put to the vote and carried.

REPORT OF THE SUPERVISORY COMMITTEE

- 6.9 The chairman introduced Ms. Claudette Brown, Chair of the Supervisory Committee. The Report of the Supervisory Committee was tabled for the consideration of the Meeting by Ms. Brown. Members were satisfied with the Supervisory Committee's Report and did not require any explanation of its contents.
- 6.10 The Report of the Supervisory Committee was adopted on a motion by Esme Forde which was seconded by Jennifer Alexander. Having been so moved the motion was put to the vote and carried.

INDEPENDENT AUDITOR'S REPORT

- 6.11 The Chairman invited Mr. Daniel Bissoondial, Audit Partner of BDO, Chartered Accountants, to present the Independent Auditor's Report. Mr. Bissoondial advised that BDO had *"...audited the financial Statements of RHAND Credit Union Co-operative Society Limited ... which comprise the statement of financial position as at December 31, 2020 and the statement of comprehensive income, statement of changes in institutional capital, statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies."* He further stated that it was the Auditor's opinion that *"...the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards..."*

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

- 6.12 Members were satisfied with the Independent Auditor's Report and did not request any further explanation of its contents. The Report of the Independent Auditor was adopted on a motion by Karen Hodge Taurel which was seconded by Allison Henry. Having been so moved the motion was put to the vote and carried.

FINANCIAL STATEMENTS

- 6.13 The Chairman invited the General Manager, Mr. Ainsley Andrews, to present the Financial Statements. Mr. Andrews shared a video presentation of the Financial Statements for the year ending 31st December 2020 titled "*Enduring the Unprecedented; Recalibrating for the New Normal.*" He advised that his presentation would focus on Assets, Institutional Capital, Revenue and Surplus and proceeded to give a broad overview of these areas. Some of the main highlights of his presentation included the following:
- 6.13.1 There had been a steady increase in RHAND's assets over the four-year period 2016 to 2020 which saw the asset base grow from \$590.8M to \$721.9M.
- 6.13.2 Revenue streams which saw an increase over the 2016 to 2020 period had been disrupted by the economic impact of the pandemic on delinquency and collections.
- 6.13.3 There was a 4.6 percent reduction in the surplus between 2019 and 2020 which was because of delinquency due to the economic impact of the pandemic and back pay and salary increases further to collective bargaining which covered a record six-year period.
- 6.13.4 As at 31st December 2020 RHAND's Institutional Capital Ratio, after downward adjustment for market and other fluctuations, stood at 12.7 percent, which was well above the international benchmark of 10 percent for Credit Unions.
- 6.13.5 The main items of expenditure for 2020 were: Loan Loss Expense or Expected Credit Loss, which increased by 58.3 per cent; Personnel Expense which increased by 21.7 percent; Administrative Expenses which decreased by 7.4 percent and Loan Protection Expense which decreased by 15.8 percent.
- 6.13.6 The focus was now on rebuilding disrupted revenue sources, arresting unwanted expenses, maximizing the returns from expenditure invested, and returning surplus margins to the trend of a positive extrapolation.
- 6.13.7 The Board would be working closely with the Credit Committee and Credit Administration Department to monitor the efforts to regularize non-performing loans and affected members and to provide additional policy support as needed.
- 6.13.8 In concluding, Mr. Andrews shared some of the key areas of focus for 2021 which would assist in the Society's efforts to '*adapt and thrive in the new normal.*' These included employing lessons learned over the past year to plan and prepare for future unexpected events; increasing online access to services for members; improving facilities for in-person transactions to take into account the new protocols; aligning expenses to value creation; and finding solutions to meet members' borrowing needs. He thanked members for participating.
- 6.14 The Chairman stated that the floor was open for members who wished to ask questions. While waiting he reminded members the RHAND now ranked sixth among Credit Unions with an asset

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

base of approximately \$721M. He stated that RHAND was sound because it had not tried to expand very quickly, preferring instead to ensure that savings and investments were secure.

- 6.15 Members were satisfied with the General Manager's Report on the Financial Statements and did not request any further explanation of its contents. The Report was adopted on a motion by Leanna Wellington which was seconded by Shanieka Wilson. Having been so moved the motion was put to the vote and carried. The Chairman thanked members for their participation.

7. QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS FOR 2021

- 7.1 The General Manager tabled the Budget for members' consideration. He advised that the Budget which could be viewed on pages 108 to 110 of the Annual Report, contained the Quantitative Objectives, Capital Expenditure and Financial Projections for the 2021/2022 Term and opened the floor for questions and/or comments from members. He took the opportunity to remind members of the Special General Meeting convened in January of 2021 stating that decisions taken then would have facilitated the utilisation of some of the amounts budgeted in the proposed Capital Expenditure. This he explained was used in the acquisition of the property in Arima which was earmarked as the new home for RHAND's Arima branch.

- 7.2 Members were satisfied with the General Manager's presentation of the Budget and did not request any further explanation of its contents. The Budget for the 2021/2022 Term was adopted on a motion by Angela Charles-David which was seconded by Betty Ann Smith. Having been so moved the motion was put to the vote and carried. The Chairman thanked members for their participation.

8. ELECTION OF OFFICERS FOR THE 2021/2022 TERM – REPORT OF THE NOMINATING COMMITTEE

- 8.1 The Chair of the Nominating Committee, Ms. Avelon Perry, was invited to present the Report of the Nominating Committee. Ms. Perry reported that adjustments had been made to the nominating process to comply with COVID-19 measures and to provide members with adequate time to view nominee profiles and elect appropriate officers to the Board of Directors and the Statutory Committees. While attempts had been made to mount an aggressive campaign to solicit young professionals to serve, the time between the Committee's appointment in November 2020 and the date of the election did not facilitate the planning and execution of this.

- 8.2 Ms. Perry reported that because of new challenges due to digitization, increase in financial crimes and intense competition the following recommendations were being made to strengthen the operations and nomination procedures of the Nominating Committee:

- 8.2.1 Meaningful screening of nominees to ensure the candidates with the desired skill sets and talents are recommended to the AGM;
- 8.2.2 A progressive nomination process with a strategic approach guided by the Board of Directors; and
- 8.2.3 An aggressive marketing approach and collaboration with the Youth Arm to attract a diverse group of nominees.

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

- 8.3 On behalf of the Nominating Committee, Ms. Perry expressed gratitude for the support of the Board and especially to the management and staff for their professionalism and dedication.
- 8.4 The meeting adopted the report of the Nominating Committee on a motion by Nadine Ellis which was seconded by Lennox Sylvester. Having been so moved the motion was put to the vote. The motion was carried.
- 8.5 Following the adoption of the Report of the Nominating Committee, the Chairman vacated the Chair deferring to the Returning Officer, Mrs. Daphne Moore. The Returning Officer explained the voting process which was followed by the presentation of nominees. There was then a video tutorial on how to utilize the virtual Annual General Meeting voting process.
- 8.6 The Returning Officer then commenced the voting process via the digital portal and members proceeded to cast their votes.
- 8.7 The following persons were elected to the Board of Directors, the Credit Committee and Supervisory Committee:
- Board of Directors**
Brian Caesar
David Maynard
Simone Petal-Dawn Huggins
Dave Williams
Myrtle Pilgrim Edwards (First Substitute)
Kristed Herbert (Second Substitute)
- Supervisory Committee**
Patricia Williams
Erica Charles
Victor Laptiste (First Substitute)
Marisha Alexander (Second Substitute)
- Credit Committee**
Patricia Harry
Susan Hinds-Morgan
Victor Kirton (First Substitute)
Krystal Alexander (Second Substitute)
- 8.8 Members having accepted the results of the election, a motion for the destruction of the digital ballots was moved by Marcena La Rhode and seconded by Lolita Wheeler. Having been so moved the motion was put to the vote and carried.
- 8.9 The Chairman thanked the Returning Officer and congratulated the newly elected members of the Board, Supervisory Committee and Credit Committee.

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

9. MOTIONS

9.1 There were no Motions received or tabled at this meeting.

10. RESOLUTIONS

10.1 The Secretary tabled the following Resolutions for consideration:

APPOINTMENT OF AUDITORS

Be it resolved that the firm of Chartered Accountants – BDO, be appointed as the Auditors of the Society for the financial year ending December 31, 2021.

BUILDING FUND

Be it resolved that pursuant to Bye-Law 15(h) (ix), that the sum of \$750,000 be allocated from the surplus for the year ended December 31, 2020 to the Building Fund.

DIVIDEND ON SHAREHOLDINGS

Be it resolved that a dividend of 3.00% on the average monthly share balance held by each member for the year ended December 31, 2020, be declared for the year ended December 31, 2020 and that the proceeds of this dividend distribution be credited to the Share Savings and Savings Deposit Accounts of each member by way of credits of 30% and 70% respectively of the entitlement for each member.

PATRONAGE REFUND

Be it resolved that a Patronage Refund of 2.00% on the interest paid on the loans of members in 2020, where the loans are less than 90 days past due, for the year ended December 31, 2020, be declared for the year ended December 31, 2020.

Where the loans are 20 days or less past due, the proceeds of this refund shall be credited to the Savings Deposit Accounts of each qualified member.

Where the loans are more than 20 days but less than 90 days past due, the proceeds of this refund shall be credited to the loan of each qualified member.

PROPOSED BAD DEBT WRITE-OFF AGAINST THE LOAN PORTFOLIO

Composition of Loans to be written off:

Status	No. of Accounts	Loan Balance
Arbitration	114	\$3,754,488.00
Uneconomical To Pursue	4	\$2,591.40
Irrecoverable	32	\$1,343,194.69
TOTAL	150	\$5,100,274.09

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

Status Definitions:

- **ARBITRATION:** internal efforts to recover the funds exhausted, matter before or to be presented to the Commissioner's office to elicit payment.
- **UNECONOMICAL TO PURSUE:** cost to continue pursuing recovery exceeds the respective loan balances.
- **IRRECOVERABLE:** primarily where the member is unemployed, unable to work, known to be residing abroad, or whereabouts unknown, and any other qualifying reason for which a debt may be deemed irrecoverable.

Whereas RHAND Credit Union Co-operative Society Limited (RHAND) makes every effort to recover non-performing loans in pursuance of the Delinquency Control policies and procedures of the Society.

And Whereas RHAND's 150 non-performing loans valued \$5,100,274.09 are more than 365 days past due and the efforts to recover have been deemed futile thus far.

And Whereas RHAND has previously made loan loss provisions which fully cover the amount of \$5,100,274.09.

And Whereas the Board continues to pursue the recovery of non-performing loans even after they have been written off from the active loan portfolio.

Be it resolved that those 150 accounts reviewed and approved by the Board of Directors in the sum \$5,100,274.09 be written-off during the 2021 financial year.

HONORARIA

Be it resolved that honorarium in the gross sum of \$306,667 (\$230,000 net of income tax liability) be declared for the year ended December 31, 2020.

10.2 The meeting adopted the Resolutions as presented on a motion by Esme Forde and seconded by Cecelia Greaves. The motions were duly carried.

10.3 The Secretary then tabled a Resolution which he advised had been inadvertently omitted from the Brochure. He read the said Resolution into the record of the meeting as follows:

“Resolution to waive the hundred thousand dollars (\$100,000.00) contribution by RHAND Credit Union to the Cummings Fraser Foundation for the 2020 financial year.

Whereas, in the first quarter of the financial year 2020, RHAND Credit Union had to realise the impact of the COVID-19 pandemic on financial organisations and on its financial performance.

Whereas the 2019-2020 Board of Directors in considering RHAND's projected financial performance expected a decline in revenue and surplus.

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

Whereas the Board of Directors embracing “people helping people” had to engender ways to assist Members that were financially “on the edge or possibly falling through the cracks”

Whereas the Board, at its Statutory Meeting, undertook to redirect the Hundred Thousand Dollars (\$100,000.00) allocated in the 2020 budget for the Cummings Fraser Foundation to immediately impact in the lives of RHAND’s Members who were experiencing financial difficulty and more specifically could not continue their loan payments for various reasons.

Be it resolved that this 73rd Annual General Meeting agree to uphold the decision for the Board of Directors to vary the 2020 Financial Projections/Budget and not transfer the contribution by RHAND Credit Union in the sum of One Hundred Thousand Dollars (\$100,000.00) to the Cummings Fraser Foundation for the 2020 Financial year.”

- 10.4 This motion was moved by the Secretary and seconded by Rachel Absolam Browne. The Resolution as presented was adopted with two hundred and seventy-seven (277) members voting in favour, eight (8) members voting against, and thirty-seven (37) members abstaining. The motion was carried.

11. OTHER BUSINESS

- 11.1 The Moderator shared the following comment from member Anthony Tang: *“Congratulations to the Management and Staff of RHAND for running our organisation under trying times. Secondly, although the COVID-19 pandemic has caused challenges, it has also created the opportunity by allowing me to attend after 20 years because of being on the other side of the world.”* The Chairman expressed his appreciation for this comment.
- 11.2 The Chairman then advised that the questions submitted via the portal during the meeting would be addressed. Since questions pertained to the Credit Committee, he invited Ms. James, Chairperson, to again take the floor.
- 11.2.1 Member Adana Dick enquired whether there would be another loan special. Ms. James deferred to the General Manager, Ainsley Andrews, who advised that although there were specials planned to occur as the year progressed, however, he could not confirm the specifics at that time.
- 11.2.2 Member Sheena Stephen enquired about the length of time it took for a loan to be approved and sent to the Credit Committee. Ms. James responded that approval could occur on the same day provided the application had all the necessary requirements and attachments needed for processing the loan.
- 11.2.3 Member Trudy Lewis enquired why members were required to submit a utility bill as well as a letter stating the purpose for loans that were within their shares. Ms. James responded that, because the loan policy allowed members to borrow more than their shares, it was necessary to reconfirm members’ addresses so that in the event of delinquency that member could be located. She reminded members that this was the practice at all financial agencies.
- 11.2.4 Member Allison Niles enquired about the strategies that would be implemented to recover non-performing loans. She also asked whether these were covered by insurance. The General Manager was asked to respond. Mr. Andrews confirmed that loans were insured in the event of death and

MINUTES OF THE 73RD ANNUAL GENERAL MEETING

that strategies for debt recovery included correspondence to the member, assistance from third parties and other members as well as social media.

- 11.2.5 Member Codi Gordon enquired whether RHAND would consider longer loan repayment terms stating that he had noted that other Credit Unions had longer loan repayment terms. Ms. James responded that the term of the loan repayment was dependent on the purpose of the loan so that, while consumer loans have a sixty (60) month limit vehicle loans and property mortgages tended to be longer.
- 11.2.6 Member Beulah Dalrymple enquired about the criteria used to deny withdrawal of share savings. Ms. James reminded that membership was based on shares which was the lifeblood of the Credit Union. Unlike other financial service providers, when a member applied for a consumer loan at the Credit Union the shares held by that member determined what level of borrowing could be accessed. Shares are members' borrowing power so that, when shares are pledged, they are held as equity for the loan. Where the purpose of the loan far exceeds the value of shares held, for example in the case of property or vehicle purchase, the equity of the loan's purpose would be added to the share equity to secure the loan.
- 11.2.7 Member Avalon Macey enquired whether there was a time restriction of six (6) months between loan applications and member Afiya Simon enquired about the criteria for refinancing loans. Ms. James explained that once a member's shares were sufficient to accommodate the loan sought, the Debt Service Ratio was within allowable limits and the member demonstrated an ability to repay they could access loans as often as necessary.
- 11.2.8 Member Anthony Ramkissoon enquired about upcoming loan promotions and whether loan repayment terms could be increased to facilitate members' Debt Service Ratios. The General Manager confirmed that there would be loan promotions but advised that the specifics had not yet been determined. He also advised that members' loan repayment terms were adjusted to cater for their Debt Service Ratio on a case-by-case basis.
- 11.3 The Chairman thanked members for attending and staying to the end of the meeting and congratulated members who had been elected to serve.
- 11.4 There being no further business the meeting ended at 3:39 p.m.

Respectfully Submitted,



Desmond Noel

Secretary – Board of Directors

MINUTES OF THE SPECIAL GENERAL MEETING

Held virtually at RHAND Credit Union's Head Office at 57-61 Abercromby Street, on Thursday January 28, 2021.

1. INTRODUCTION

- 1.1 The Chairman, Mr. Reynold Cooper, called the meeting to order at 6:02 p.m. He welcomed members and advised that two hundred (200) members were required to constitute a quorum but at the last Credential Report there were 165 members present. He asked members to be patient for a few minutes as the meeting awaited another Credential Report.
- 1.2 The Chairman called the meeting to order again at 6:08 p.m. He welcomed members to the Special General Meeting and advised that the meeting was now duly constituted with an attendance of two hundred and five (205) members. After making a few housekeeping announcements, the Chairman took the opportunity to introduce the other members of the Executive i.e. Mr. Martin Minguell (Secretary), Ms. Petal-Dawn Hinkson (Assistant Secretary), Mrs. Glenda Bruce (Treasurer) and Ms. Joycelyn Hunte, Vice President. He then handed over the proceedings to Ms. Hunte.
- 1.3 Ms. Hunte welcomed members and noted that this would be RHAND's second virtual meeting. She then invited members to stand for the playing of the National Anthem. On completion Ms. Hunte asked members to continue standing for the recitation of the Credit Union Prayer. This was followed by a video tutorial which demonstrated how members should participate in the virtual meeting.

2 NOTICE OF MEETING AND ADOPTION OF STANDING ORDERS

- 2.1 The Secretary, Mr. Minguell, read the Notice of the Meeting, into the record which included the following Agenda items after which the Standing Orders were also read into the record:
 1. *Resolution for Capital Expenditure to facilitate acquisition of property.*
 2. *Amendment to Bye-Law 4(b) (ii).*
- 2.2 The Standing Orders were then duly adopted as read on the motion by the Secretary which was seconded by Wendy Hazel Holder. Having been so moved the Standing Orders were adopted with one hundred and eighty-four (184) members voting in favour and five (5) abstaining.

3 RESOLUTIONS

3.1 Resolution for Capital Expenditure to facilitate the acquisition of property

- 3.1.1 The Secretary tabled the '**Resolution for Capital Expenditure to facilitate the acquisition of property**' for the consideration of the meeting. After a brief video presentation the Secretary proffered a preamble which explained why the timing and cost of the property acquisition was justified.

The rationale for the Resolution was outlined by Secretary Minguell. He stated that several major corporations were restructuring their operations and, as a result, properties were becoming available. Although RHAND Credit Union had already acquired a commercial property in the Arima district, a building in a more strategic and convenient location was now on the market and its acquisition would facilitate a faster change from the present rental arrangement and offer greater accessibility to members. He advised that, at an opportune time and in an appropriate manner, the land previously acquired would be sold to offset the cost of the new acquisition.

- 3.1.2 The Secretary then read the Resolution into the record as follows:

"Whereas the Proposed Capital Expenditure and Financial Projections budgeted for financial year ending December 31, 2021 is to be presented to the 73rd Annual General Meeting for approval; and

MINUTES OF THE SPECIAL GENERAL MEETING

Whereas the Proposed Capital Expenditure for 2021 budget is for the sum of Thirty Million Dollars (\$30,000,000); and

Whereas the opportunity has arisen for RHAND Credit Union to acquire land with a commercial building in a more strategic and convenient location in Arima; and

Whereas this Special General Meeting is now asked to give permission to the Board of Directors to expend Fifteen Million Dollars (\$15,000,000) of the Capital Expenditure Budget for 2021;

Be it resolved that this Special General Meeting approve the Capital Expenditure of Fifteen Million Dollars (\$15,000,000) to facilitate the acquisition of the identified property in Arima.”

- 3.1.3 The Secretary then moved a motion for the adoption of the ‘Resolution for Capital Expenditure to facilitate the acquisition of property’ which was seconded by Dave Williams.
- 3.1.4 The Chairman then invited members to ask questions and/or make comments before the motion was put to the vote. The following were the questions posed by members which were responded to by the General Manager, Mr. Ainsley Andrews.

Member John Lewis enquired about the cost of the TSTT locations and the source of finance to acquire it. Mr. Andrews advised that the \$10.7M purchase price would be financed through funds set aside for long-term investments.

Member Cheryl Green enquired about the cost of purchase, the value of the land and the type of facilities available at the new site. Mr. Andrews explained that the \$10.7M was the cost for the entire location including the land and building. He stated that the plan was to renovate to suit RHAND’s purpose as a fully operational branch.

Member Paula Inniss enquired about the cost to outfit the property. Mr. Andrews stated that although the final figure would only be known after acquisition and design plans were completed, the amount allocated was the difference between the purchase price and the \$15M requested in the Resolution. The intention was not to exceed this amount.

Member Lynette enquired why the land in Arima had not been sold before attempting to purchase the new property. Mr. Andrews advised that if the land had to be sold first, by the time that transaction was completed, RHAND may miss out on the opportunity to acquire the new property.

Member Brian Caesar sought clarification on the amount of the Capital Expenditure Budget of \$3M as stated by the Secretary. Mr. Andrews confirmed that the Capital Expenditure Budget was in fact \$30M.

Member Fazila Mohammed-Charles enquired about the valuation of the TSTT property. Mr. Andrews advised that the valuation figure was \$10.7M.

Member Imtiaz Hyder Ali enquired about the number of floors in the building and the square footage of usable space. Mr. Andrews advised that it was a two-story building but he did not have at hand details regarding the square footage of usable space.

Member Codi Gordon enquired whether the cost of adequate staff and equipment to outfit the building would be a separate cost. Mr. Andrews clarified that there already existed a branch operation at a rented location in Arima so that it would be a matter of transferring that staff and equipment to the new location.

MINUTES OF THE SPECIAL GENERAL MEETING

Member Sean McMillan enquired whether the organisation would consider a virtual office rather than a brick-and-mortar branch as had been done by other institutions. Mr. Andrews advised that the plan was to strategically relocate the existing full-service branch to property owned by RHAND and eliminate the rental arrangement, however, virtual services would also be provided for members.

Member Thecla Huggins-Stanley enquired why information on this acquisition had not been sent to members before the meeting. Mr. Andrews explained that the Board had only recently approved the acquisition and that, subsequently, information would have been posted on the Special General Meeting site.

Member Stacey Yallery enquired about the effect this acquisition would have on the payment of dividends. Mr. Andrews confirmed that the acquisition would not impact the payment of dividends.

- 3.1.5 There being no further questions the motion was put to the vote and adopted with one hundred and seventy-two (172) members voting in favour, ten (10) members voting against, and twenty-three (23) members abstaining. The Chairman thanked members for their support of this Resolution.

3.2 Resolution for the amendment of Bye-Law 4 (b) (ii)

- 3.2.1 The Secretary then tabled the ***'Resolution for the amendment of Bye-Law 4 (b) (ii)'*** for the consideration of the meeting with a brief video presentation. He informed the meeting that the amendment to the Bye-laws required a three-quarter majority of the members present, voting in favour for the Resolution to be successfully carried.

- 3.2.2 The Secretary then explained to the meeting why the Board of Directors considered the amendment to the Bye-laws necessary. The existing Bye-Law required that membership applications ***"...be signed by the applicant and at least one member who is in good standing."*** While this method historically benefited the Society in assisting with managing the quality of its membership it was now proving to be a limiting factor where member recruitment activities were concerned. An aging membership, depressed economy and increased competition in the financial services sector also contributed to this. Amending this Bye-law would positively impact RHAND's loan portfolio, the quality of the Group Health Plan and the overall suite of benefits the Society would be able to feasibly offer members.

- 3.2.3 The Secretary then read the existing Bye-law 4 (b) (ii), the proposed Bye-law amendment and the Resolution for Bye-law 4 (b) (ii) into the record as follows:

"Existing Bye-law 4 (b) (ii)

An application under Bye-law (b) (ii) shall be made on the prescribed form addressed to the Secretary and shall be signed by the applicant and at least one member who is in good standing.

Proposed Bye-law amendment

An application under Bye-law (b) (ii) shall be made on the prescribed form addressed to the Secretary and shall be signed by the applicant.

Resolution for Bye-law 4 (b) (ii)

Be it resolved, that Bye-Law 4(b)(ii) be amended to read:

"An application under Bye-Law 4(b) (ii) shall be made on the prescribed form addressed to the Secretary and shall be signed by the applicant."

MINUTES OF THE SPECIAL GENERAL MEETING

- 3.2.4 The Secretary then moved for the adoption of the Resolution which was seconded by Victor Kirton.
- 3.2.5 The Chairman then invited members to ask questions and/or make comments before the motion was put to the vote. The following were the questions posed by members which were responded to by the General Manager, Mr. Ainsley Andrews:

Member Trevor Percival enquired about the number of inactive members and what was being done about reducing the number. Mr. Andrews advised that there were currently 7,007 inactive members which represented 32% of the membership. However, RHAND would be embarking on a special six-month project specifically designed to reach out to inactive members and encourage them to reactivate their relationship with RHAND.

Member John Lewis stated that there was an error in the Resolution as it showed as '4 (b) (i).' Mr. Andrews advised Mr. Lewis that he was correct but confirmed that the Bye-law under consideration was '4 (b) (ii).'

Member Roslyn Khan-Cummings enquired whether new applicants would be vetted. Mr. Andrews confirmed that vetting for new applicants was done through the current compliance processes.

Member Victor Laptiste enquired whether non-nationals were being catered for. Mr. Andrews advised that they were not as there had been no change in that regard.

Member Lauren Skinner-Rollock enquired about what happens if active members become unemployed during the pandemic. Mr. Andrews responded that it did not affect the Resolution. Secretary Minguell clarified that members experiencing difficulties making payments on their loans had a right of approach to RHAND through either the Credit Department or the Credit Committee for consideration in that regard.

Member Margaret George enquired about the minimum age of children becoming members. Mr. Andrews advised that the minimum age was 10 and that the child must be a child of a member.

There being no further questions the motion was put to the vote and adopted with two hundred and twenty (220) members voting in favour, fourteen (14) members voting against, and fourteen (14) members abstaining. The Chairman thanked members for their support of this Resolution.

4 OTHER MATTERS

- 4.1 The President thanked members for attending and supporting the passing of the two Resolutions, thereby expressing confidence in the leadership offered by the Board of Directors.
- 4.2 There being no further business the virtual meeting concluded at 6:58 p.m.

Respectfully Submitted,



Desmond Noel
Secretary – Board of Directors



REPORT OF THE BOARD OF DIRECTORS



REPORT OF THE BOARD OF DIRECTORS

1. INTRODUCTION

- 1.1 The Board of Directors is pleased to present to the general membership, its Report on the affairs of RHAND Credit Union Co-operative Society Limited for the year ended December 31, 2021

2. COMPOSITION OF THE BOARD OF DIRECTORS

- 2.1 The following Members were elected to the Board of Directors at the 73rd Annual General Meeting held on Saturday April 24th, 2021.

Mr. Brain Caesar
Col. Dave Williams
Ms. Simone Huggins
Mr. David Maynard

- 2.2 Mrs. Myrtle Pilgrim-Edwards was elected as the 1st Substitute Member while Mr. Kristed Herbert was elected as the 2nd Substitute Member.

- 2.3 The full Board comprised the following Members (listed in alphabetical order):

Glenda Bruce	David Maynard
Brian Caesar	Cheryl Metivier
Reynold Cooper	Desmond Noel
Isabel Cummings	Dave Williams
Charlene Davidson	
Martin Gibbs	
Simone Huggins	
Joycelyn Hunte	

Substitute Members

Myrtle Pilgrim-Edwards (Resigned on April 28, 2021)
Kristed Herbert

- 2.4 The term of office of Directors – Mr. Martin Gibbs, Ms. Joycelyn Hunte, Mr. Reynold Cooper and Ms. Charlene Davidson comes to an end at this 74th Annual General Meeting.

3. EXECUTIVE COMMITTEE

- 3.1 As mandated by the Bye-laws, at the Inaugural Meeting, the Members of the Board elected an Executive Committee. The Executive Committee for the 2021/2022 Term comprised the following:

Martin Gibbs	-	President
Joycelyn Hunte	-	Vice President
Desmond Noel	-	Secretary
Simone Huggins	-	Assistant Secretary
Reynold Cooper	-	Treasurer

- 3.2 In order to discharge its responsibility during the period under review, the Executive Committee met weekly and whenever necessary for a total of forty-seven (47) meetings.

4. MEETINGS OF THE BOARD OF DIRECTORS

- 4.1 The Board held Twelve (12) Regular and Thirteen (13) Special meetings during the period January 01, 2021 to December 31, 2021. Attendance of Members at Board Meetings are detailed at **Table B1**.

REPORT OF THE BOARD OF DIRECTORS

Table B1: Attendance At Board Meetings

	REGULAR			SPECIAL			REMARKS
	P	Ex	A	P	Ex	A	
Martin Gibbs	12	0	0	12	0	1	
Joycelyn Hunte	11	1	0	11	2	0	
Desmond Noel	12	0	0	13	0	0	
Simone Huggins	12	0	0	13	0	0	
Reynold Cooper	12	0	0	12	1	0	
Glenda Bruce	11	1	0	11	1	1	
David Maynard	12	0	0	10	2	1	
Charlene Davidson	10	2	0	11	2	0	
Cheryl-Ann Bruce-Metivier	11	1	0	12	0	1	
Charmaine Cummings	11	0	1	13	0	0	
Dave Williams	6	1	1	5	4	1	Elected as Director at 2021 AGM
Brian Caesar	8	0	0	9	1	0	Elected as Director at 2021 AGM
Kristed Herbert	11	1	0	8	4	1	Elected as 2nd Alternate at 2021 AGM
Martin Minguell	4	0	0	3	0	0	End of Term in Office as Director
Petal Dawn Hinkson	4	0	0	2	1	0	End of Term in Office as Director
Myrtle Pilgrim-Edwards	3	1	0	3	0	0	Resigned as 1st Alternate on 28 April 2021

5. MEMBERSHIP

- 5.1 During the year 2021, one thousand, two hundred and seventy-five (1,275) Adults and seventy-one (71) Youth Applicants were admitted to Membership. A total of two hundred and fifty-three (253) members, excluding the one hundred and three (103) who passed away (Appendix 1), ceased membership in 2021. As at December 31, 2021, the total membership of RHAND Credit Union stood at 22,438.
- 5.2 The Members of the Board of Directors, Members of the Statutory Committees, Management and Staff of RHAND Credit Union, wish to extend condolences to the family and friends of the above deceased members of the extended RHAND family.

6. GLOBAL MACROECONOMIC ENVIRONMENT OVERVIEW

- 6.1 The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.
- 6.2 Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower than previously forecasted, largely reflecting forecast markdowns in the two largest economies. A revised assumption removing President Biden's Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply

REPORT OF THE BOARD OF DIRECTORS

shortages contributed to downward revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced that downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective. (<https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>)

- 6.3 Global inflationary pressures, influenced mainly by supply-side constraints, mounted during the second half of 2021. Such pressures led to a tightening of monetary policies in several countries. In the United States, with inflation above its target for the ninth consecutive month, the Federal Reserve significantly reduced its net asset purchases in a bid to restrain monetary expansion. The Bank of England had its first rate hike by a major central bank since the onset of the pandemic. Many emerging and developing economies also continued on a path of interest rate rises, to deal with domestic inflation and in anticipation of the potential impact of higher interest rates in advanced economies on capital flows. (<https://www.central-bank.org.tt/sites/default/files/latest-news/monetary-policy-announcement-december-2021.pdf>)

Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

- 6.4 It must be highlighted that Britain made the bold move to begin the transition to living with the virus and relax significant pandemic restrictions when Prime Minister Johnson announced in January that mandatory mask wearing and work-from-home recommendations would have ended on January 26, 2022. This was predicated on hospitalisations and deaths having not risen by the same extent as the record high COVID cases, in part due to Britain's booster rollout and the variant's lesser severity. President Johnson's pledge to avoid lockdowns and live with the virus contrasts with a zero tolerance approach to COVID-19 in China and Hong Kong, and tougher restrictions in many other European countries. <https://www.reuters.com/world/uk/betting-omicron-has-peaked-british-pm-johnson-set-lift-covid-rules-2022-01-19/>

The above developments have created sufficient uncertainty regarding the potential impact on the local economy and by extension RHAND's investment portfolios. We will continue our stance of maintaining a well diversified portfolio and monitoring the local and US markets throughout the course of the year with a view to taking the necessary mitigating strategies accordingly.

7. DOMESTIC MACROECONOMIC ENVIRONMENT OVERVIEW

- 7.1 Following the prolonged lockdown period in 2021, Trinidad and Tobago is expected to grow in 2022. Growth is expected to be fairly broad-based. On the energy front, higher natural gas production is expected, as several projects being undertaken by major players are anticipated to come on stream in the first half of 2022. Full year production in non-energy sectors will also surpass 2021 levels, once there are no major reversals towards significant restrictions on mobility. At the same time, the nature of businesses will evolve in the direction of more electronic transactions and lower onsite activities, posing a challenge to the survival of some firms that are slow to adapt.

REPORT OF THE BOARD OF DIRECTORS

Higher prices, particularly imported inflation, will however pose a challenge. The international shortage of shipping containers, higher shipping costs (freight and insurance) are expected to persist into the early months of 2022, alongside some pressure on prices of international agricultural commodities. The widely expected rise in interest rates in the US and other areas will also feature into the calibration of domestic monetary policy and affect the public sector debt dynamics. (<https://www.central-bank.org.tt/sites/default/files/latest-news/economic-bulletin-january-2022.pdf>)

- 7.2 The most up to date source for labour market statistics remains the Ministry of Labour (MoL). Bearing in mind that it only includes registered retrenchment notices and does not capture other forms of job separation. The information is presented for assessing the market trends only.

The MoL reported a decrease in retrenchments in 2021. However, the numbers would have excluded those who lost jobs due to business closures. Most of the retrenchments during the first ten months of 2021 occurred in the distribution, restaurants and hotels, energy, and manufacturing industries.

It is noted that for 2022, major retrenchments at Scotiabank and TSTT have been publicized.

Amid elevated economic uncertainty, lifting of COVID-19 restrictions during the latter portion of 2021 is expected to bring development for labour market conditions. It is also expected that over the years small business creation and expansion will play an evolutionary role in the market and RHAND intends to play a contributory role in the development of that sector.

- 7.3 The impact of the pandemic on prices and pricing must be highlighted as sourced from the Central Bank of Trinidad and Tobago's (CBTT) Economic Bulletin - January 2022.

In November 2021, core inflation (the change in the costs of goods and services, exclusive of those from the food and energy sectors) jumped to 3.0 per cent. The increase in core inflation was driven by faster price increases in housing (driven by higher costs for homeownership), transport (given a rise in fares announced by several taxi and maxi taxi associations in October and November 2021), and Furnishings (as prices for several household items including major appliances, small tools as well as cleaning and maintenance products increased during the month). Meanwhile, price increases in alcoholic beverages and tobacco and health care costs (primarily in over-the-counter pharmaceutical products and dental services) slowed. Price indicators for clothing and footwear continued to decline (most likely from the continued growth in online shopping). Food inflation accelerated over the review period, reflecting in the main, higher food import prices.

Special mention must be made of retail price indicators for building materials, which were heavily impacted by external factors such as international supply chain disruptions and elevated prices for imported materials.

- 7.4 RHAND will continue to be guided by the domestic macroeconomic indicators as these impact all our stakeholders directly. The Credit Union shall monitor the local economic climate and accordingly adjust our strategies geared toward educating our membership, continuing to attract new quality members, expanding new loan business and delinquency management.

REPORT OF THE BOARD OF DIRECTORS

8. DOMESTIC FINANCIAL SYSTEM OVERVIEW

8.1 When the pandemic first shut down the country in 2020, the CBTT lowered the Repo rate (the rate at which the central bank of a country lends money to commercial banks, typically used as an inflation management tool) and the primary reserve requirement of commercial banks to increase liquidity in the financial system and reduce the cost of borrowing. In December 2021, the Repo rate remained unchanged. However, given indicators of rising inflation, upward movement in the Rate is expected in 2022

8.2 Focusing on our primary competitors, Commercial banks' interest rates declined, as did bank interest spreads (difference between interest charged and interest paid), up to September 2021. While the banking spread declined, indicators of banking profitability were relatively unaffected. Return on assets of commercial banks remained unchanged and Return on equity incrementally declined over the same period. The net interest income to gross income of commercial banks declined by 1.2%. Meanwhile, the ratio of non-interest income (primarily bank charges, processing fees and commissions) to gross income increased by 1.2% over the same period thereby offsetting the decline in interest income.

RHAND remains committed to an income growth strategy that does not rely on charges and fees.

8.3 With elevated economic uncertainty and strained labour market conditions, negative growth in consumer borrowing remained as a cloud over the wider financial services system. In this regard, RHAND will continue to exercise extra due diligence in its lending efforts while seeking to sustain growth trends to our primary asset.

The adverse impact of the pandemic on employment and earning capability influenced households to reduce their borrowing appetite. Overall lending to consumers contracted by 2.5% per cent year-on-year in November 2021. On a year-on-year basis, lending for the purchase of motor vehicles, debt consolidation, bridging finance and home improvement/renovation, and credit card loans all narrowed. On the other hand, lending for refinancing, medical, insurance and appliances all expanded.

It must be noted however, that business lending expanded for the first time in more than three years (a very positive signal of future economic growth), and coupled with real estate lending contributed to positive growth in the overall credit sector.

8.4 New players continue to emerge in the short term consumer lending market such as Term Finance and Caribbean Microfinance (Maritime) offering employer-specific unsecured, high rate 1-year loans. Since RHAND caters for the full breadth of lending needs of its members, these together with many of the existing industry players (registered money lenders such as Island Finance, Courts and JMMB Express, commercial banks, and many others) remain trained on infiltrating and deteriorating our market/wallet. Improving our service delivery, member education and overall member experience, remain key to our sustainability and that of the wider Credit Union Movement.

RHAND will continue the review of its lending infrastructure to enhance the borrowing experience.

REPORT OF THE BOARD OF DIRECTORS

9. REGULATORY DEVELOPMENTS

- 9.1. In December 2020 an Implementation Committee established by Cabinet began work on the recommendations of the Cabinet-Appointed Committee For The Future Of The Credit Union Sector. The establishment of a new regulator, more robust performance monitoring and the tightening of financial requirements remain among the key objectives of the Committee and it is expected, barring any new political disruptions, that major change will be coming to the Sector within the next 2-5 years.
- 9.2. In a major step toward exercising our role as a sector leader in the pending evolution of the Credit Union Sector, RHAND will be rejoining the Co-operative Credit Union League of Trinidad and Tobago. Our reputation as a solid financial institution and a model member of the Movement is well known and it is expected that RHAND will be a valuable contributor in shaping the Sector's future.

10. ASSET BASE GROWTH FOR 2020 AND PROJECTED GROWTH FOR 2021

- 10.1 Despite the domestic assessments in Sections 7 through 9 above, RHAND was able to enjoy an unprecedented asset growth of \$64,199,220 or 8.89 % (compared to 5.42% in 2020) for the year ended December 31, 2021 (**Table B2**). This was achieved primarily through above target loan growth and property acquisitions. Through our strategic initiatives, the Credit Union is targeting asset base growth for 2022 of \$55,222,337 or 7.00% (compared to the 5% 2021 target).

Table B2: Total Assets – 2017 - 2021

Year	Total Assets (\$)	Increase (\$)	(%)
2017	621,309,195	30,522,763	5.17
2018	645,507,360	24,198,165	3.89
2019	684,780,180	39,272,820	6.08
2020	721,897,994	37,117,814	5.42
2021	786,097,214	64,199,220	8.89

11. LOANS PORTFOLIO

- 11.1 In 2021, the domestic financial system was challenged by generally reduced demand for consumer lending and a tempered growth in mortgage lending. Coupled with the high system liquidity and low Repo rate, these formed the recipe for continued aggressive competition.
- 11.2 In an effort to maintain relevance and retain wallet share, RHAND pursued a year-long strategy of preferred-interest rate loan promotions. This resulted in portfolio growth of \$45.7M or 11%, against targeted growth of 8.14% (refer to **Table B3**), however at the cost of reduced returns.

While 2022 still holds significant uncertainties, the Credit Union is focused on maximizing the momentum gained from 2021 combined with our member-focused strategies to pursue to in pursuit of continuing our growth trajectory.

REPORT OF THE BOARD OF DIRECTORS

Table B3: Gross Loan Principal Balances Outstanding 2017 – 2021

Year	Balances Outstanding	Increase/(Decrease)	(%)
	(\$)	(\$)	
2017	409,952,626	11,123,302	2.79
2018	400,666,277	(9,286,349)	(2.27)
2019	399,781,916	(884,361)	(0.22)
2020	413,615,936	13,834,020	3.46
2021	459,354,554	45,738,618	11.06

11.3 LOAN DELINQUENCY

As at December 31, 2021, the gross delinquency ratio (all loans in arrears) improved from 9.60% in 2020 to 8.92% (**Table B4**). This amounted to 574 loans in arrears with a value of \$40,961,189. Of these, 429 loans were 90 days or more in arrears and classified as non-performing (WOCCU Standard). Thus, the delinquency ratio according to the WOCCU Standard was 6.41% compared to 6.93% in 2020.

Additionally, based on required audit adjustments to the Expected Credit Loss (ECL) model, the loan loss provision (expense) for 2021 was ramped up to \$2.96M (compared to the budgeted \$1.20M).

11.4 Approval has been granted for the use of Collectors and Bailiffs to support the recovery effort in 2022 against those members whose loans were in arrears prior to the Pandemic. The Board will continue its direct oversight of our delinquent loans and pandemic-affected members. It is expected that our continued policy support and collaboration with the Credit Committee and Credit Administration Department will continue to yield positive results.

Table B4: Delinquency Statistics (RHAND and WOCCU Standards)

Year	Number of Delinquent Loans	Total of Delinquent Loan Balances (\$)	Delinquency Ratios	
			Total %	WOCCU %
2017	352	25,711,592	6.27	5.34
2018	408	28,476,864	7.11	5.63
2019	509	27,926,494	6.99	4.99
2020	580	39,714,235	9.60	6.93
2021	574	40,961,189	8.92	6.41

12. SHARE CAPITAL PORTFOLIO

12.1 The total share capital of the Credit Union stood at \$455,977,910 as at December 31, 2021, representing an increase of \$27,949,205 or 6.53% (against targeted growth of 4.00%), over the previous year (**Table B5**).

REPORT OF THE BOARD OF DIRECTORS

Table B5: Share Capital 2017 – 2021

Year	Share Capital (\$)	Increase (\$)	(%)
2017	383,553,933	12,250,867	3.30
2018	395,379,647	11,825,714	3.08
2019	411,696,995	16,317,348	4.13
2020	428,028,705	16,331,710	3.97
2021	455,977,910	27,949,205	6.53

13. EARNINGS PERFORMANCE AND OPERATING EFFICIENCY PROFILE

13.1 For the financial year ended December 31, 2021, RHAND Credit Union realized an operating surplus of \$20,714,001 (**Table B6**), which represents a Net Profit Margin of 38.72% for the financial year, compared to a Net Profit Margin of 40.29% for the year 2020 financial year.

Table B6: Operating Surplus And Net Profit Margin 2017 – 2021

Income/Expenses Captions	2017 (\$)	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)
Interest on Loans	41,504,714	43,432,734	41,177,963	40,447,069	41,492,313
Investment Securities	4,798,086	5,903,511	9,221,595	11,132,044	10,488,764
Other Income	1,429,183	2,127,062	2,124,358	1,655,813	1,518,346
Total Income	47,731,983	51,463,307	52,523,916	53,234,926	53,499,423
Total Expenses	27,004,710	30,329,483	30,034,392	31,786,475	32,785,422
Operating Surplus	20,727,273	21,133,824	22,489,524	21,448,451	20,714,001
Net Profit Margin	43.42%	41.07%	42.82	40.29	38.72
Expenses to Income Ratio	56.58%	58.93%	57.18%	59.71%	61.28%

Table B7: Comprehensive Income And Return On Assets 2017 - 2021

Income /Assets /Return Captions	2017 (\$)	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)
Operating Surplus	20,727,273	21,133,824	22,489,524	21,448,451	20,714,001
Unrealized/Actuarial Gain(Loss)	3,078,101	(4,416,137)	7,293,325	(1,809,521)	18,568,081
Comprehensive Income	23,805,374	16,717,687	29,782,849	19,638,932	39,282,082
Average Assets	606,047,814	633,408,278	665,143,770	703,339,087	753,997,604
Return On Assets	3.93%	2.64%	4.48%	2.80%	5.21%

REPORT OF THE BOARD OF DIRECTORS

- 13.2 The most significant adverse cost variances for the year 2021 occurred under the expense items of Loan Protection expenses and Loan Loss expense/Expected Credit Loss (ECL) which totaled \$4,958,086 compared with a budgeted \$2,400,000 (an increase of 106.6%). The ECL variation was primarily the result of an adjustment to the model as per the auditor's recommendation. The decade old decision to self-fund our loan protection expenses operate at a disadvantage at this time and the Credit Union is dedicated to transferring this risk back to an external insurer in 2022. **Table B8** details these and other major cost items.

Table B8: Expenses Highlighting Major Cost Items 2017 – 2021

Expenses Captions	2017 (\$)	2018 (\$)	2019 (\$)	2020 (\$)	2021 (\$)
Personnel costs	11,463,827	11,475,555	12,464,320	15,171,557	13,693,917
Interest on Savings and Time Deposits	2,255,688	2,225,231	2,107,835	2,162,017	2,269,756
Life Savings Insurance Expenses	915,057	987,889	746,257	725,825	932,007
Loan protection Expense	1,092,306	2,200,621	1,800,946	1,516,324	1,791,615
Education Committee Expenses	987,081	1,048,243	1,005,005	147,660	402,740
Legal and Professional Services	887,905	1,277,005	122,755	671,984	911,061
Loan loss expense/Expected Credit Loss	1,000,000	346,116	1,225,595	1,939,900	3,166,471
Depreciation Expense	996,817	1,111,845	967,061	975,274	1,028,554
Advertising & Promotion	447,031	671,759	527,363	923,838	1,079,928
Other Expenses	6,958,998	8,985,219	9,067,225	7,552,096	7,509,373
Total Expenses	27,004,710	30,329,483	30,034,392	31,786,475	32,785,422

14. EFFICIENCY, PROFITABILITY AND FINANCIAL STRENGTH AND SOUNDNESS REVIEW

- 14.1 As a guide for assessing the strength of the Credit Union's balance sheet, the safety and soundness of the Credit Union's financial structure and the efficiency and profitability of the Credit Union's operations, the following ratios are presented in **Table B9**.

REPORT OF THE BOARD OF DIRECTORS

Table B9: PEARLS and EFFICIENCY RATIOS

Financial Ratio Equation	RHAND Value		Standard of Excellence	COMMENT
	2020	2021		
1) Net Institutional Capital Ratio				
$\frac{\text{Fund}^* + \text{Undivided Balances} + \text{Earnings}}{\text{Total Assets}} = \frac{\$99,463,949}{\$786,097,214}$ <p><i>*Reserve, Education & Building Funds</i></p>	12.70%	12.65%	Minimum of 8.00%	RHAND value more favourable than standard
2) Liquidity Adequacy Ratio				
$\frac{\text{Cash and Cash Equivalents} + \text{Inv. Securities} < 2 \text{ yrs}}{\text{Total Assets}} = \frac{\$117,065,736}{\$786,097,214}$	15.50%	14.89%	Maximum of 20.00%	RHAND value more favourable than standard
3) Asset Quality Ratio				
$\frac{\text{Total Delinquent Loans}}{\text{Gross Loans}} = \frac{\$40,961,189}{\$459,354,553}$	9.60%	8.92%	Maximum of 5.00%	RHAND value less favourable than standard
4) Total Operating Expenses To Average Asset Ratio				
$\frac{\text{Total Operating Expenses}}{\text{Average Assets}} = \frac{\$32,785,422}{\$753,997,604}$	4.52%	4.35%	Maximum of 5.00%	RHAND value more favourable than standard
5) Efficiency Ratio				
$\frac{\text{Non-Interest Expenses} - \text{IFRS9 Expenses}}{\text{Total Income} - \text{Interest Expenses}} = \frac{\$30,515,666 - 3,166,471}{\$53,499,423 - 2,269,756}$	54.36%	53.39%	Maximum of 55.00%	RHAND value more favourable than standard
6) Return On Average Members' Equity				
$\frac{\text{Comprehensive Income}}{\text{Ave. Institutional Capital} + \text{Ave Share Savings}} = \frac{\$39,282,082}{\$126,485,458 + 442,003,307}$	3.71%	6.91%	Minimum of 5.00%	RHAND value more favourable than standard

REPORT OF THE BOARD OF DIRECTORS

15. ACTIVITIES AND SIGNIFICANT ACCOMPLISHMENTS

15.1 Amidst our operational challenges with managing the impact of the Pandemic, your Board, apart from our continuous review of governance infrastructure, was able to pursue and achieve the following for the year ended December 31, 2021:

- Moved into our interim Tobago Branch Office at Sangster's Hill Mall.
- Completed the acquisition of the neighbouring Abercromby Street building (formerly TSTT) and a new home for our Arima Branch (another former TSTT building) in the heart of the Borough's commercial district.
- Commenced renovation of the new Arima Branch (completion expected by April 2022).
- Finalized the simplification of new-membership requirements through the removal of the recommender requirement on membership forms.
- Approved and began the roll-out of our Strategic Plan for period 2022-2024.
- Approved the Credit Union's resumption of membership in the Credit Union League of Trinidad & Tobago, which took effect January 2, 2022.
- Maintained our leadership role in the Sector for conducting virtual meetings and virtual events. This culminated in the Movement's first virtual calypso show.

16. RECOGNITION AND BEST WISHES

16.1 The Board of Directors wishes to recognize all the individuals who have contributed to the many successes achieved by RHAND Credit Union in the Year 2021 – Members of the Joint Management Team (Board of Directors and Statutory Committees), Members of Staff and most importantly you, our members.

Best wishes and God's blessings to everyone for the 2022-2023 term, and continue to keep yourselves and loved ones safe as we pilot through the tail end of this global pandemic.



Martin Gibbs
President – Board of Directors



Desmond Noel
Secretary – Board of Directors



REPORT OF THE EDUCATION COMMITTEE



REPORT OF THE EDUCATION COMMITTEE

1. INTRODUCTION

The Education Committee is a Board-appointed Committee as stipulated in RHAND Credit Union's Bye-Law 21(a); which states, "This Committee shall be in charge of publicity and education and shall supply strategic support to the Board of Directors in achieving the objectives of the Society;" consequently, its strategic role is inextricably linked to the Mission, Vision and Strategic Direction of RHAND Credit Union.

2. OBJECTIVE OF THE COMMITTEE

The Education Committee is a feature of all organizations operating under the Co-operative Society business model. The Committee enables the Co-operative Principle through Education, Training and Information to its members, members' children, employees and the general public, promoting self-development, development of the Credit Union and the values and benefits of co-operation.

3. FORMATION DETAILS

As is customary the Committee was appointed after the hosting of the Annual General Meeting. In 2021, this meeting was held on the 24th of April, 2021.

The members named hereunder were appointed by the Board of Directors to the

Education Committee in 2021

Joycelyn Hunte	-	Chairperson
Cheryl Bruce-Metivier	-	Secretary
Simone Huggins	-	Board Member
Charlene Davidson	-	Board Member
Charmaine Isabelle Cummings	-	Board Member
Gerard Sampson	-	Manager - Marketing

Education Assistance Sub - Committee

Cheryl Bruce-Metivier	-	Convenor
Simone Huggins	-	Member

Youth Sub Committee

Simone Huggins	-	Convenor
Chenice Peniston-Williams	-	Member
Mumtaz Maharaj	-	Member
Reuben Cruikshank	-	Member
Nefertari Thomas	-	Member
Christelle Noel	-	Member
Korena Peters	-	Member
Tamika Serrette	-	Member
Ayoka Gill	-	Member
Petal Huggins	-	Member

REPORT OF THE EDUCATION COMMITTEE

4. ACTIVITIES AND EVENTS

The world, and by extension Trinidad and Tobago, continues to be in the throes of the COVID-19 Pandemic. As a very agile organization, RHAND learned to quickly adjust to the new reality of providing services virtually to satisfy our members' needs. The Education Committee, with the support of the Social Affairs Sub-Committee, the Education Assistance Sub-Committee, the Youth Sub-Committee and the Marketing Team worked together to achieve the mandate of the overarching Committee - the Education Committee.

In adjusting to the "new normal", the Committee sought collaboration with various agencies such as the Youth Training and Employment Partnership Programme (YTEPP), Central Bank of Trinidad and Tobago, the National Entrepreneurship Development Company Limited (NEDCO) and the Cipriani College of Labour and Co-operative Studies, to deliver its programmes.

The Collaboration with the Cipriani College of Labour and Co-operative Studies, resulted in the development of a specialty Credit Union Management Programme. The Programme will be certified, and participants would receive a certificate which will be co-branded (RHAND and the College). The roll out of the programme will be in February of 2022.

We are of the view that this collaborative approach was very successful, and it is expected to continue in the future.

Youth Sub-Committee

- Members of the Youth Sub-Committee registered under the name "RHAND Royals" participated in a debate competition hosted by the Telephone Workers Credit Union (TWCU). This was a very enriching and rewarding experience for members.
- Christmas Cheer- Committee members presented a Christmas hamper to the Autistic Society of Trinidad.

Secondary Entrance Assessment (SEA) and May Cherrie Honour Awards

Eighteen (18) SEA Scholarship awards were presented in 2021. Sixteen (16) to students from Trinidad and two (2) from Tobago. The presentation ceremonies were scaled down in observance of the COVID-19 regulations, but awardees and their parents were given a photo opportunity at Head Office and the Tobago Branch Office.

There were no May Cherrie Awards in 2021 based on the advice of the Principal of St. Martin's Welfare Association Early Childhood Centre.

Credit Union Month Activities

- The Social Affairs Sub-Committee in collaboration with TUCO hosted RHAND's first virtual calypso show via Zoom (For members); and via YouTube and Facebook (for non-members). This show apart from being one of the Credit Union Month activities, was also in celebration of Calypso History Month.
- Health and Wellness with RHAND

REPORT OF THE EDUCATION COMMITTEE

Membership Skills Development Programme (MSDP)

As mentioned earlier, the programmes listed hereunder were implemented through collaboration with various agencies:

- Financial Literacy - Central Bank of Trinidad and Tobago
- Building Entrepreneurial Capacity – NEDCO
- Mental Health Well-being - NWRHA
- Virtual Health Fair (2 sessions) _NWRHA
- Who Needs Mental Health Support – NWRHA

Christmas Cheer

For the second year, RHAND was unable to host its signature Children’s Christmas Party due to the COVID-19 restrictions.

In observance of the Yuletide Spirit, RHAND’s corporate social responsibility and in recognition of the tremendous loss endured by families, a novel event entitled “Christmas Miracles on Abercromby Street” was delivered. In this regard members were asked to nominate individuals or families who would benefit from the receipt of food vouchers valued at TTD\$1,000.00 and gifts for their children.

The event was well supported by members. Seventy-nine sets of food vouchers were distributed to deserving families in Trinidad and fifteen to families in Tobago.

5. CONCLUSION

The Committee expresses its gratitude to: (1) The Manager and staff of the Marketing Department for their continued support and (2) The faithful Members of RHAND, who actively participated in all the programmes and events. Let us all continue to be safe during this pandemic, practice safe physical distancing and sanitization protocols, and may the Almighty God continue to shower his blessings on our Credit Union.



Joycelyn Hunte
Chairperson-Education Committee



Cheryl Bruce-Metivier
Secretary-Education Committee



REPORT OF THE CREDIT COMMITTEE



REPORT OF THE CREDIT COMMITTEE

1. INTRODUCTION

- 1.1 For the financial year ended December 31, 2021, the Credit Committee is pleased to report on its statutory role as outlined in Regulation 34 of the Co-operative Society Act and Section 23 (a) of the Bye-laws of the Society, that is, the Supervision of Credit.

2. COMPOSITION OF THE CREDIT COMMITTEE

- 2.1 At the 73rd Annual General Meeting held virtually on Saturday 24th April, 2021 the following members were elected to serve on the Credit Committee.

Mrs. Susan Hinds Morgan	-	Member
Ms. Patricia E. Harry	-	Secretary
Mr. Victor Kirton	-	First Substitute
Ms. Krystal Alexander	-	Second Substitute

Mrs. Susan Hinds Morgan and Ms. Patricia E. Harry were elected to serve for a period of two (2) years consistent with the provisions of Section 23(b) (ii) of the Bye-laws of the Society.

- 2.2 At the first meeting of the Credit Committee, Mrs. Susan Hinds Morgan and Ms. Patricia E. Harry were elected as Chairperson and Secretary respectively.

- 2.3 The full Committee for the 2021/2022 Term comprised the following members:

Mrs. Susan Hinds Morgan	-	Chairperson
Ms. Patricia E Harry	-	Secretary
Ms. Jennifer James	-	Member
Mr. Don Finley	-	Member
Mr. Lenus Joseph	-	Member

- 2.4 The term of office of the following three (03) members of the Credit Committee comes to an end at this 74th Annual General Meeting:

Ms. Jennifer James
Mr. Don Finley
Mr. Lenus Joseph

3. ATTENDANCE AT MEETINGS

- 3.1 The members of the Credit Committee attended one hundred (100) Regular Meetings and four (04) Joint Management Committee Meetings. The attendance of members of the Credit Committee at Meetings is detailed at **Table C1**.

REPORT OF THE CREDIT COMMITTEE

TABLE C1: Attendance at Credit Committee Meetings

MEMBERS	Regular			Special			Remarks
	P	Ex.	A	P	Ex	A	
Susan Hinds Morgan	94	6	-	4	-	-	Emergency/Bereavement
Patricia E. Harry	100	-	-	4	-	-	
Jennifer James	99	1	-	3	1	-	Connectivity Issues
Lenus Joseph	98	2	-	4	-	-	Family related
Don Finley	100	-	-	3	-	1	Policy

4. CREDIT SUPERVISION

- 4.1 One hundred and two (102) loan applications were processed by the Credit Committee. Two (02) members were interviewed to conclude the processing of their applications.
- 4.2 Of the one hundred and two (102) loan applications, eleven (11) required sanctioning by the Board of Directors as the loans were not fully secured.
- 4.3 Forty-one (41) of the said loans recommended by the Internal Risk Review Committee (IRRC) were approved by the Credit Committee.
- 4.4 For the financial year, three thousand, five hundred (3,500) loan applications were approved by the other approving agents namely: General Manager; Credit Manager; Branch Manager, Tobago; Branch Manager, Arima; Senior Supervisor; Credit Officer Tobago; Supervisor I; Senior Clerk- Lending; and Clerk-Lending. When added to the loan applications approved by the Credit Committee and disbursed, the total loans granted in 2021 were three thousand, six hundred and two (3,602).
- 4.5 Table **C2** captures the levels at which loan approvals were granted, while **Tables C3, C4a** and **C4b** profile the classification of loans approved and disbursed.

Table C2: Approving Authority for Loans Granted

AUTHORITY	NUMBER OF LOANS	(%) OF LOANS	APPROVAL LIMIT (\$)
Credit Committee	102	2.8	1,000,000
General Manager	208	5.7	500,000
Credit Manager	976	27.1	500,000
Branch Manager - Tobago	576	16.0	200,000
Branch Manager - Arima	525	14.6	200,000
Senior Supervisor	363	10.1	200,000
Supervisor I	324	9.0	100,000
Senior Clerk-Lending	528	14.7	75,000
Clerk-Lending	0	0	50,000
Total	3,602	100	

REPORT OF THE CREDIT COMMITTEE

Table C3 Particulars of Loans Disbursed by the Credit Union

Class of Loan	2021		2020	
	Number of Loans	\$ Value	Number of Loans	\$ Value
Consumer Expenses	2,097	66,124,297	2,818	77,962,372
Debt Consolidation	424	44,267,911	199	11,005,398
Education & Training Financing	71	2,858,567	49	1,401,770
Home Improvement	756	41,651,395	695	29,667,398
Investment Financing	13	654,900	9	490,000
Medical Expenses Financing	123	2,594,727	95	1,793,396
Motor Vehicle Financing	60	7,453,923	96	11,585,648
Real Estate Financing	36	18,283,592	19	7,610,715
SME & Other Entrepreneurial Venture	22	1,411,418	5	347,814
Total	3,602	185,300,730	3,985	141,864,511

Table C4a: Particulars of Loans Disbursed by the Tobago Branch Office

Class of Loan	2021		2020	
	Number of Loans	\$ Value	Number of Loans	\$ Value
Consumer Expenses	162	4,216,749	246	5,502,755
Debt Consolidation	227	25,319,583	151	13,243,026
Education and Training Financing	41	1,148,892	63	2,069,617
Enterprise/Business Funding	0	0	0	0
Home Improvement	233	16,781,451	237	11,303,105
Investment in Financial Assets	28	1,652,160	25	1,237,171
Medical Expenses	31	867,715	25	705,165
Motor Vehicle Acquisition	77	4,951,799	87	4,507,335
Real Estate Acquisition	8	3,152,810	0	0
RHAND Retirees Cruise	0	0	0	0
SME & Other Entrepreneurial Venture	4	254,359	0	0
Total	811	58,345,518	834	38,568,174

REPORT OF THE CREDIT COMMITTEE

Table C4b: Particulars of Loans Disbursed by Arima Branch Office

Class of Loan	2021		2020	
	Number of Loans	\$ Value	Number of Loans	\$ Value
Consumer Expenses	406	6,229,640	564	8,162,287
Debt Consolidation	173	15,498,557	127	6,034,406
Education and Training	54	1,480,552	44	962,439
Enterprise/Business Funding	0	0	0	0
Home Improvement	308	15,543,465	333	12,923,306
Investment Financial Assets	4	88,000	19	741,280
Medical Expenses	80	1,261,285	67	811,205
Motor Vehicle Acquisition	33	3,561,919	44	4,792,082
Real Estate Acquisition	8	2,411,000	1	130,000
RHAND Retirees Cruise	0	0	0	0
SME & Other Entrepreneurial Venture	6	455,900	0	0
Total	1,072	46,530,318	1,199	34,557,005

5. LOAN PAYMENT DEFERRALS

5.1 RHAND continued to provide assistance to its members who were impacted by COVID-19 including moratoria of debt repayment inter-alia. In this regard, the Credit Committee processed forty-three (43) applications on a case by case basis for three (3) months deferral. Of this figure, forty-one (41) were recommended for approval and submitted to the Board of Directors for final consideration. Two (2) applications were not recommended as they did not meet the criteria.

6. NON-PERFORMING LOANS

6.1 As at December 31, 2021, there were five hundred and seventy-four (574) loans in arrears with a value of \$40,961,189 on the books of the Society, resulting in a delinquency ratio of 8.92%. However, using World Council of Credit Union's (WOCCU) Standard the delinquency ratio is 6.41%.

Of the 574 non-performing loans, 102 loans were one (1) month in arrears which were attributed to late remittances of salary deductions, standing order payments and over the counter payments.

7. ADMINISTRATION OF LOAN PROTECTION BENEFITS

7.1 The Credit Committee advised the Board of Directors on the settlement of fifty-two (52) Death Claims/Benefit with a dollar value of two million, two hundred and eighty-seven thousand, three hundred and thirteen dollars and fourteen cents (\$2,287,313.14).

7.2 There were no Disability Claims/Benefits for the year.

8. SHARE SAVINGS WITHDRAWAL APPLICATIONS

8.1 The Credit Committee processed four hundred and fifteen (415) share savings withdrawal applications. Of this figure, three hundred twenty-two (322) applications were approved with a

REPORT OF THE CREDIT COMMITTEE

dollar value of one million, three hundred and ninety-six thousand, four hundred and ninety-six dollars and seventy-seven cents (\$1,396,496.77). Ninety-three (93) of said applications with a dollar value of four hundred and thirty-five thousand, seven hundred and forty-two dollars and eighty-three cents (\$435,742.83) were denied. There was a twenty percent (20%) increase in share savings withdrawal applications which was attributed to financial stress due to the COVID-19 Pandemic.

9. MONITORING OF FILES

9.1 Generally, files were monitored with the relevant notes outlining the concerns of the Credit Committee being affixed thereon. Due to the Ministry of Health COVID-19 Guidelines, the Committee was unable to monitor files at the Arima and Tobago Branch Offices as it would have been difficult to socially distance.

10. PARTICIPATION ON BOARD APPOINTED COMMITTEES

10.1 During the period under review, one member of the Credit Committee served on the Annual General Meeting Planning Committee.

11. TRAINING

11.1 During the period under review, members of the Credit Committee participated in workshops as follows:

- An Introduction to the Bankruptcy and Insolvency Act
- Annual AML/CFT Training Workshop (mandatory)
- COVID-19 and the Need for Care in Counselling Members
- Governance and Leadership – the 2030 Vision

12. CONCLUDING REMARKS

12.1 Uncertainty followed 2021 with the mutation of the COVID-19 virus. It caused many untimely deaths and changed the way we lived, worked and interacted. New habits were formed which led to different ways of dealing with our personal finances among other things.

In that regard, we have noticed an increasing trend of share withdrawals, understandably but more so, of relatively large sums. We implore you to try to remain consistent with your savings, build up your reserves and use only if there are absolutely no other options. It will pay off in the long run. Please remember that when you withdraw your shares, most times, it takes a longer time to rebuild or replace them. In addition, your earning potential on shares will drop and further you are decreasing your ability to borrow which could put you in a financial hole. Lastly, do have a plan for spending, if you didn't have one, now is the time to develop and implement one. Spend within your monthly earnings. Prioritise, prioritise your expenses and concentrate on building your shares.

12.2 We want to conclude by expressing the Credit Committee's deep gratitude to firstly, our fellow members because without you, we would not be here today. We also sincerely thank the Board of Directors, the Statutory and Board-Appointed Committees, the General Manager and his

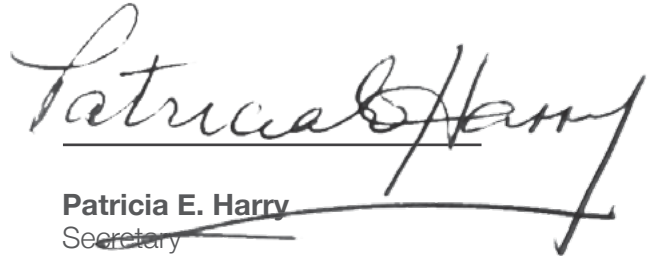
REPORT OF THE CREDIT COMMITTEE

Management Team and Staff for the guidance and unwavering support in charting this course. All of whom deserve our profound thanks and appreciation.

Please keep safe.



Susan Hinds Morgan
Chairperson



Patricia E. Harry
Secretary



REPORT OF THE SUPERVISORY COMMITTEE



REPORT OF THE SUPERVISORY COMMITTEE

1. INTRODUCTION

The Supervisory Committee, in accordance with the Co-operative Societies Act, Chap. 81:03 and the Bye-laws of RHAND Credit Union Cooperative Society Limited, submits to the members its Report for the Administrative and Financial Year of January 01st to December 31st, 2021. The activities conducted by the Committee during the audited period were to ensure the Credit Union complied with the various authorities that govern the institution.

2. COMPOSITION OF THE SUPERVISORY COMMITTEE

At the 73rd Annual General Meeting held on April 24th, 2021; the following members were elected to serve on the Supervisory Committee:

- Mrs. Patricia Williams
- Ms. Erica Charles
- Mr. Victor Laptiste and Ms. Marisha Alexander were elected as 1st and 2nd Substitutes, respectively.

In accordance with Bye-law 24(c)(iii), the inaugural meeting of the Committee was held on May 5th, 2021. Ms. Claudette Brown and Ms. Erica Charles were elected in the positions of Chairperson and Secretary, respectively.

Further, in accordance with Bye-Law 24(c)(i), the five (5) members who comprised the Supervisory Committee for the 2021/2022 term were as follows:

- | | | |
|--------------------------|---|-------------|
| • Ms. Claudette Brown | - | Chairperson |
| • Ms. Erica Charles | - | Secretary |
| • Mrs. Patricia Williams | - | Member |
| • Ms. Pamela Ogiste | - | Member |
| • Ms. Nadine Ellis | - | Member |

At this 74th Annual General Meeting of 2022, the term of office for the following members comes to an end:

- Ms. Claudette Brown
- Ms. Pamela Ogiste
- Ms. Nadine Ellis

3. THE AUTHORITY OF THE SUPERVISORY COMMITTEE

Bye-law 24 (a) states that the Supervisory Committee is the Statutory Internal Auditors of the Credit Union and as such, has the following powers and duties:

- Make an examination of the affairs of the Society, including an examination of its books, at least semi-annually and, if the Committee thinks it necessary, make a report of its findings to the Commissioner for Co-operative Development.
- Make an annual report of its audit and submit same to the Annual General Meeting of the members.

REPORT OF THE SUPERVISORY COMMITTEE

- Attest (at least one (1) member) the monthly statement prepared by the General Manager of the Society.

4. MEETINGS AND ATTENDANCES AT MEETINGS

4.1 Statutory and Special Meetings

The Supervisory Committee held 12 Statutory and 2 Special meetings. A record of attendance is as follows:

Table S1: Attendance at Meetings

Name of Member	Statutory			Special			Remarks
	P	Ex	Ab	P	Ex	Ab	
Claudette Brown	12	-	-	2	-	-	
Erica Charles	11	-	1	2	-	-	
Patricia Williams	12	-	-	2	-	-	
Pamela Ogiste	11	1	-	2	-	-	
Nadine Ellis	12	-	-	2	-	-	
Linda Renaud-Medford	4	-	-	-	-	-	End of Term of office as 1st Substitute
Victor Laptiste	5	3	4	1	1	-	
Marisha Alexander	6	2	-	1	1	-	Elected as 2nd Substitute at 2021AGM

4.2 Macro Committee Meetings

The Supervisory Committee was invited to Macro Committee Meetings called by the Board of Directors to discuss the following:

- The Quarterly Financial Statements
- Loan for a Statutory Committee member

4.3 Other Meetings

The Supervisory Committee participated in the work of the Board-Appointed AGM Planning and AGM Brochure Committees via virtually held meetings.

5. WORK PROGRAMME OF THE COMMITTEE

For the period under review the following key areas of the operations of the Credit Union were examined and reports and recommendations were submitted to the Board of Directors:

- Attestation of the monthly Financial Statements
- Credit Administration Review
- Review of the Delinquency Portfolio
- Review of Minutes of Meetings of the Board of Directors
- Conduct of Cash Counts
- Review of Branch Operations
- Review of the Education Committee Activities

REPORT OF THE SUPERVISORY COMMITTEE

- Review of Human Resources
- Review of Anti-Money Laundering, Counter Financing of Terrorism and Proliferation Financing (AML/CFT/PF) Compliance

6. OBSERVATIONS ON AREAS OF EXAMINATION

6.1 Examination of the Financial Records and Attestation of the Monthly Statements

Under the provisions of Bye-Law 24(a) IV, the Committee examined the monthly Financial Statements to ensure that the expenditure incurred was for the benefits of the operations of the Society.

The Accounting Books and records of the Society were examined on a sample basis in order to determine whether the records formed a reliable basis for the preparation of the Financial Statements.

Methodology

COVID-19 afforded the Committee to adopt an innovative approach in part to the Attestation of the Financial Statements. More reliance was placed on the use of technology in certain areas.

Observations

Observations arising out of the examination were discussed with the Manager Finance and Accounting and the General Manager and recommendations were submitted to the Board of Directors.

From our examination, expenditure incurred was in the best interest of the operations of the Credit Union and was properly supported by relevant documents.

The Committee would like to thank the Finance Department and the General Manager for their timely response to the request for documents and information.

6.2 Credit Administration Review

Audits were conducted on the Society's Loan Portfolio with the objective of ensuring:

- Adherence to the Co-operative Societies Act and its supporting Regulations, RHAND's Bye-Laws and the Credit Administration Policy Manual.
- Securities held for Mortgage Loans were valid and adequate.

Methodology:

A random sample of approved loans was selected for auditing in accordance with the provisions of Bye-Law 24(b) and the Programme of Work of the Supervisory Committee.

REPORT OF THE SUPERVISORY COMMITTEE

Observation:

In keeping with the Co-operative Society's Act, RHAND's Bye-Laws and the Credit Administration Policy Manual, it was observed that compliance in the granting and disbursement of loans was satisfactory. Additionally, it is important to know that all findings were brought to the attention of the Supervisor of Loans and the Manager, Credit Administration.

6.3 Review of the Delinquency Portfolio

Audits conducted on the delinquency portfolio were done to ascertain the success of implemented measures at reducing the number of non-performing loans.

As of December 31st, 2021 there were 574 non-performing loans with a value of \$40,961,189 on the books of RHAND Credit Union. This represents a Delinquency Ratio of 8.92% and a World Council of Credit Unions Standard (WOCCU Std) Ratio of 6.41%. The corresponding period of 2020 showed a figure of 580 non-performing loans with a value of \$39,714,235, a delinquency ratio of 9.60% and a WOCCU Std Ratio of 6.93%. This represents a decrease from last year's delinquency ratio and warrants kudos to the work of the Delinquency Department and the willingness of members to cooperate with RHAND.

Recommendations:

Members are encouraged to approach RHAND when unforeseen circumstances reduce their ability to meet the monthly loan commitments so that mutual arrangements can be made to avoid delinquency. Let us continue to be our brothers' keeper in the spirit of true co-operation.

6.4 Review of Minutes of Meetings of the Board of Directors

The Committee received and reviewed minutes of meetings held by the Board of Directors. The main objective of the review was:

- To monitor decisions and work in progress by the Board of Directors, ensuring that they are in keeping with the Co-operative Societies Act and Bye-Laws of RHAND Credit Union.

Based on the review, the Committee can report that the Board is making efforts to be compliant.

6.5 Conduct of Cash Counts

The Statutory Cash Counts were conducted at both Head Office and the Arima Branch Offices on December 31st, 2021. This exercise did not reveal any excesses or shortages of cash.

Due to the increase in positive cases of COVID-19 and the need to follow social distancing according to protocols established by the Ministry of Health, neither a Mid-Year Cash Count nor Surprise Cash Counts were conducted during the period under review.

REPORT OF THE SUPERVISORY COMMITTEE

6.6 Audit of Branch Operations

Positive COVID-19 cases resulted in closures of both Branch Offices during this period, however, in spite of those interruptions, the Committee was able to conduct audit exercises to ensure compliance with the policies and guidelines established by RHAND and the Co-operative Societies Act.

Arima Branch Office

Among the audits conducted were Cash and Credit Administration. The Committee is satisfied with the operations at this branch.

Tobago Branch Office

As with the Arima Branch, Credit Administration Audits were conducted during 2021. In the case of the Statutory Cash Audit, usually conducted on the last working day of the year; this exercise was only accomplished on January 04th, 2022. This was due to the temporary closure of the Branch from the latter half of December 2021 to January 3rd 2022, as a result of a COVID-19 compromised situation at the Office. The long-awaited relocation of the Tobago Branch Office was finally accomplished in February of 2021. Over the last couple of years, the major complaint or clamour from members for a relocation, was mainly because of the inability of persons to comfortably park their vehicles without fear of being wrecked or ticketed. Although this situation has been minimised, the Supervisory Committee now faces a further challenge as it relates to a satisfactory/comfortable workspace. Nevertheless, comfort is to be had in the fact that this is a temporary relocation, pending the construction of the new Tobago Branch Office. We commit to continue the work of the Committee, under the circumstances as best as we can.

6.7 Review of the Education Committee Activities

Section 21 (a) of the Bye Laws of RHAND Credit Union states the role of the Education Committee is as follows:

“This Committee shall be in charge of publicity and education and shall supply strategic support to the Board of Directors in achieving the objectives of the Society...”.

As indicated in its Minutes, the Committee held virtual meetings to orchestrate innovative ways to meet the urgent and social needs of the membership through digitization and virtual methodologies through the following mediums:

- Member Outreach: Health and Wellness & Will and Estate Planning
- Members Skill and Development Program (MSDP) Classes
- Secondary Entrance Assessment Scholarship Scheme
- Credit Union Month Celebrations

Members of the Youth Arm of the Credit Union sought to re-launch the recycling project.

One of the greater achievements of the Committee for 2021 was the introduction of a Christmas initiative to assist needy families from among the membership of the organisation as well as non-

REPORT OF THE SUPERVISORY COMMITTEE

members. This highly subscribed successful event which brought cheer to 95 homes throughout the country was called “Christmas Miracles on Abercromby Street”.

6.8 Review of Human Resources

Human Resource is one of the most essential elements in an organisation and the efficiency of that machinery helps in achieving internal and external Benchmarking.

In an effort to ensure that RHAND continues to achieve remarkable success in the Financial Services Sector, an examination was undertaken of the policies, practices and procedures of the Human Resource System of the organisation.

In this regard an audit was conducted which focused on determining whether the existing policies and procedures were current and being followed.

The reviewed areas included:

- Security checks on new employees.
- The academic qualifications for the current job positions.
- Orientation training for new employees.
- Annual Performance Appraisal.
- Training with respect to Anti Money Laundering Procedures.
- Completed and signed Confidentiality Agreements.

Observations:

Findings of the audit revealed that there were areas that needed improvement and it was brought to the attention of the General Manager with recommendations where applicable.

6.9 Review of AML Compliance

Reviewing of the internal auditor and external auditor reports for the years ending 2019/2020 and 2020 respectively, assessed the Credit Union’s adherence to the Financial Intelligence Unit of Trinidad and Tobago (FIUTT) and RHAND’s Anti-Money Laundering, Counter Financing of Terrorism and Proliferation Financing (AML/CFT/PF) Compliance Manual.

Observations

- The sampling sizes for the audits in the respective areas were adequate.
- Thorough audits were done based on the reporting information.
- Findings observed and recommendations, were noted.
- The reports were comprehensive, detailed, and easy to interpret.

To mitigate any risk to the Credit Union, the Supervisory Committee recommends that RHAND adhere to the findings and recommendations in the reports. Additionally, the relevant legislative changes must be reflected in the Compliance Programme when next reviewed.

REPORT OF THE SUPERVISORY COMMITTEE

7. TRAINING

The Supervisory Committee continued to participate in training opportunities and attend workshops and conferences geared towards expanding members' knowledge towards the enhancement of their performance in accomplishing their duties more proficiently and becoming more well-informed on Credit Union matters.

As such, members participated in the following:

Training Sessions:

- In-house mandatory training session on Anti-Money Laundering, Counter Financing of Terrorism and Proliferation Financing (AML/CFT/PF) facilitated by Global Forensic Institute.
- The University of the West Indies, Open Campus – Introduction to Auditing
- Cipriani College of Labour and Cooperative Studies – Essential Skills for the Supervisory Committee Member
- Fortinet Network Security Academy (NSE) Training Institute – Information Security Awareness

Workshops and Conferences:

- Cooperative Credit Union League of Trinidad and Tobago
 - Special Virtual Workshop on Bankruptcy and the Insolvency Act, Chapter 9:70 of the Laws of Trinidad and Tobago
 - Directors'/Committee Members Leadership Conference
 - 21st Annual Regional Leadership Conference
- Cooperative Credit Union League of Trinidad and Tobago in collaboration with The Caribbean Confederation of Credit Unions – Risk Governance Workshop
- Global Women's Leadership Network - Trinidad and Tobago Sister Society International Credit Union Day 2021 Celebrations – Leadership Conference.

REPORT OF THE SUPERVISORY COMMITTEE

8. APPRECIATION

The Supervisory Committee commends the Board of Directors, Credit Committee and other Sub-Committees, Management Team & Executive Assistants and Staff for their devotion to duty and commitment to the Society, especially during this critical period of our history. The COVID- 19 pandemic and its variants would be with us for some time to come, and RHAND's continued success and survival depend on how effectively we manage during these challenging times. The members of this Committee sincerely thank you for entrusting us with the responsibility of being your oversight Committee. Along with other committed members, we look forward in the future to serving you, our loyal members, to the best of our abilities.

Respectfully submitted,

Claudette Brown	-	Chairperson
Erica Charles	-	Secretary
Pamela Ogiste	-	Member
Patricia Williams	-	Member
Nadine Ellis	-	Member



Claudette Brown
Chairperson



Erica Charles
Secretary



REPORT OF THE NOMINATING COMMITTEE



REPORT OF THE NOMINATING COMMITTEE

1. Composition

The Nominations Committee (the Committee) is appointed by the Board of Directors (BOD) in accordance with Bye-Law 17 a. The Chairperson of the Committee for the 2021/2022 Term was appointed at the 2nd Statutory Meeting of the BOD held on Wednesday June 30, 2021. An additional three (3) members were appointed at the 4th Statutory Meeting of the Board held on August 25, 2021. The gap between the periods of appointment is reflective of the challenges faced by the RHAND in identifying members to serve. The Nominations Committee for the 2021/2022 Term comprised -

- | | | |
|--|---|-------------|
| • Ms. Debra D'Abreau | - | Chairperson |
| • Rev. Dr. Mary Lou Edmund Marcano | - | Secretary |
| • Ms. Desdra Bascombe | - | Member |
| • Mrs. Michelle Superville - Craigwell | - | Member |

The Committee convened its First Virtual Meeting on September 8, 2021.

2. Terms of Reference

The mandated activities of the Committee for ensuring the selection of suitably qualified persons for election at the 2022 Annual General Meeting included the revision of the Nominations Procedures and Form, the Nominations Campaign and the examination of eligibility criteria in adherence with the relevant Bye Laws.

3. Nominations for Annual General Meeting 2022

i. Eligibility Status

For the Term 2021/2022, the Nominations Committee assessed eligibility in adherence to Bye Law 25 General Rules For Boards And Committees and Bye Laws 18, 23 and 24 specific to eligibility criteria for the Board, Credit and Supervisory Committees, respectively. Members are reminded that the amendments to Bye Law 18 (c) v), 23 (c) vii) and 24 (d) vii) for the Term Limits were approved by the Commissioner for Co-operative Development (Commissioner) on November 22, 2018. The amendment to the Bye-Laws are listed in the last pages of the Bye-Laws approved by the Commissioner on November 12, 2019.

Accordingly, the Nominations Committee applied the Term Limits from 2019 to Outgoing Serving Members identified by the Board as at December 22, 2021. The Nominations Advertisement for AGM 2022 – commenced on January 3 and closed on January 21, 2022.

ii. Vacancies

The Secretary of the Board of Directors advised the Nominations Committee on December 22, 2021 that a total of sixteen (16) vacancies are to be filled for AGM 2022 as follows:- six (6) for the Board of Directors, five (5) for the Credit Committee and five (5) for the Supervisory Committee. The two (2) Substitutes in each case were also identified as outgoing for this Term 2021/2022, in accordance with Bye Laws 18 (b), 23 (b) (ii) and 24 (c) (ii) respectively.

REPORT OF THE NOMINATING COMMITTEE

The Outgoing Serving Members are-

For the Board of Directors:-

Mr. Reynold Cooper, Mr. Martin Gibbs, Ms. Joycelyn Hunte, Ms. Charlene Davidson, Vacant 1st Substitute and Mr. Kristed Herbert 2nd Substitute.

A total of six (6) vacancies are to be filled for the Board of Directors.

For the Credit Committee:

- Ms. Jennifer James
- Mr. Don Finley
- Mr. Lenus Joseph
- Mr. Victor Kirton - 1st Substitute
- Ms. Krystal Alexander - 2nd Substitute

A total of five (5) vacancies are to be filled for the Credit Committee

For the Supervisory Committee:

- Ms. Claudette Brown
- Ms. Pamela Ogiste
- Ms. Nadine Ellis
- Ms. Marisha Alexander - 1st Substitute
- Mr. Victor Laptiste - 2nd Substitute

A total of five (5) vacancies are to be filled for the Supervisory Committee.

iii. Nominees for AGM 2022

Twenty-seven (27) nominations were received and recorded on January 25, 2022 . A second opening was conducted on February 2, 2022 to view applications that were received via email but sent to the Spam Folder. The receipt, opening and recording of all nominations were witnessed on both occasions by the Secretary, Supervisory Committee and a representative of the Internal Audit Department - RHAND.

The opening exercise on Feb 2 2022 yielded one (1) completed nomination form and five (5) emails. These emails were written expressions of interest in being nominated for AGM 2022 and no applications were submitted.

An Assessment of the twenty-eight (28) Nominations officially received indicated that no further action could be taken on eight (8) of these nominations as:

- One (1) nomination was received by both email and in the drop box. This was later counted as one submission.
- No further action could be taken on five (5) of the nominations due to Incomplete Nomination Procedure Forms - AGM 2022 submissions. These Nominations did not comply with the requirement to identify either a Proposer and/or a Secunder, and

REPORT OF THE NOMINATING COMMITTEE

- The application of the formally approved date of the term limits, in accordance with the Bye Laws resulted in no further action being taken on two (2) submissions from Outgoing Serving Members.

Following the favourable results of the Audit of Good Standing, twenty (20) Nominees were deemed eligible for interview between March 11 to March 14, 2022 - seven (7) for the Board of Directors, six (6) for the Credit Committee and seven (7) for the Supervisory Committee.

iv. Re-opening of Nominations

The Nominations Committee on January 19, 2022 made a written recommendation requesting that the Board seek an interpretation of bye Laws on term limits from the Commissioner for Co-operative Development.

On March 31, 2022 the Nominations Committee was advised by the Secretary, Board of Directors of the ruling of the Commissioner on the implementation of the term limits. Prior to the ruling, the Nominations Committee determined that some Outgoing Serving Members on the Board of Directors were eligible for re-election. Subsequent to the ruling, based on the language of Bye Law 18 (c) v) for the Board of Directors, two (2) Outgoing Serving Members who had submitted Nominations for AGM 2022 withdrew their Nominations. The ruling also resulted in one (1) serving Member demitting office having inadvertently exceeded the maximum terms to serve, in accordance with the term limits.

Consequently, the original six (6) vacancies for the Board of Directors identified in December 2021 increased to seven (7) vacancies given the addition of the vacancy created with the serving Member demitting office. To fully constitute the Board of Directors a total of seven (7) vacancies are to be filled at the AGM 2022 - five (5) full serving Members and two (2) substitutes.

At a joint sitting between the Nominations Committee and the Board of Directors held on Friday April 8, 2022 the decision was taken by the Board to re-open the Nominations Process for the Board of Directors, only. Nominations were re-opened from April 12 to April 14, 2022. On April 20, 2022 an opening of Nominations exercise was undertaken. A total of eleven (11) nominations were received – eight (8) by dedicated Nominations email and three (3) by the Drop Box located at the Port of Spain Office. No Nominations were received from the Drop Boxes placed at the Branch Offices in Arima or Tobago.

An assessment of these eleven (11) Nominations officially received, recorded and opened on April 20, 2022 indicated that no further action could be taken on seven (7) submissions as:

- four (4) Nominations which were received by emailed were statements of interest. No formal Nomination Forms was attached to these emails.
- One (1) Nomination was incomplete. The Forms were not signed by the Nominee, the Proposer and the Secunder
- One (1) Nomination by email was duplicated. This Nomination was later counted as one (1) submission.
- The Secunder for one (1) Nomination was not in Good Standing.

REPORT OF THE NOMINATING COMMITTEE

Following the favourable results of the Audit of Good Standing, five (5) Nominees were deemed eligible for interview on April 23, 2022 for the Board of Directors.

v. Results of the Interviews:

On the occasions of the interviews held on March 11 to March 14, 2022 and on April 23, 2022 the Nominees were interviewed by a five (5) member panel comprising an Independent Interviewer and the Members of the Nominations Committee. Each Nominee was assessed on the subject matter issues related to the Credit Union environment and were scored on a scale of 1 to 5, with 1 being unsatisfactory; 2 need improvement; 3 meets expectations, 4 exceeds expectations and 5 Outstanding. Nominations selected and recommended for election at AGM 2022 attained a scoring between 3 to 4.

vi. Recommendations

Board of Directors (10)	Credit Committee (6)	Supervisory Committee (7)
Claudette Brown	Krystal Alexander	Marisha Alexander
Natruda Campbell	Carolyn Byer	Nadine Ellis
Charlene Davidson	Inesha Clauzel	Carlene Green
Tulani Drayton	Don Finley	Sharon Jack
Kristed Herbert	Neisha Herbert	Koreen London
Pamela Ogiste	Stacy Monroe-Frank	Tianna Patterson
Linda Renaud-Medford		Nicolette Wright
La Toya Smith		
Beverly Ann Trim- Frank		
Sherwin Williams		



Debra D'Abreau
Chairperson
Nominating Committee 2021/2022
April 26, 2022



FINANCIAL STATEMENTS



CONTENTS

Statement of Management's Responsibilities	77
Independent Auditor's Report	78 - 79
Statement of Financial Position	80
Statement of Comprehensive Income	81
Statement of Changes in Institutional Capital	82
Statement of Cash Flows	83
Notes to the Financial Statements	84 - 124

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of RHAND Credit Union Co-operative Society Limited (the "Credit Union") which comprise the statement of financial position as at December 31, 2020, the statement of comprehensive income, statement of changes in institutional capital, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.
- Ensuring that the Credit Union keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures the security of the Credit Union's assets, detection/prevention of fraud, and the achievement of the Credit Union's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Credit Union will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Ainsley Andrews
General Manager

April 4, 2022



Lister Puckerin
Manager, Finance

April 4, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of
RHAND Credit Union Co-operative Society Limited

Opinion

We have audited the financial statements of RHAND Credit Union Co-operative Society Limited (the "Credit Union"), which comprise the statement of financial position as at December 31, 2021, and the statement of comprehensive income, statement of changes in institutional capital, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and we have fulfilled our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

INDEPENDENT AUDITOR'S REPORT

they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for BDO, consisting of the letters 'BDO' in a stylized, blue, handwritten-style font.

April 21, 2022
Port of Spain,
Trinidad, West Indies

STATEMENT OF FINANCIAL POSITION

(Expressed in Trinidad and Tobago Dollars)

As at December 31, 2021	Notes	2021	2020
ASSETS			
Cash and cash equivalents	7	31,603,458	35,041,561
Investment securities	8	240,846,263	238,138,606
Accounts receivable and prepayments	9	7,846,074	6,200,121
Net loans to members	10	446,380,744	403,640,183
Property and equipment	11	59,420,675	38,877,523
TOTAL ASSETS		\$786,097,214	\$721,897,994
INSTITUTIONAL CAPITAL AND LIABILITIES			
INSTITUTIONAL CAPITAL			
Reserve fund		36,888,461	34,601,831
Education fund		4,399,467	3,734,427
Loan protection fund	15	3,716,027	3,372,082
Building fund		17,500,000	16,750,000
Investment re-measurement reserve		36,322,227	18,395,746
Undivided earnings		40,676,021	36,614,626
TOTAL INSTITUTIONAL CAPITAL		139,502,203	113,468,712
LIABILITIES			
Accounts payable and accruals	12	15,071,196	13,546,025
Members' deposit savings		86,999,876	76,371,397
Members' time deposits		88,444,829	89,556,455
Retirement benefit obligation	13	101,200	926,700
Members' share savings	14	455,977,910	428,028,705
TOTAL LIABILITIES		646,595,011	608,429,282
TOTAL INSTITUTIONAL CAPITAL AND LIABILITIES		\$786,097,214	\$721,897,994

The accompanying notes form an integral part of these financial statements.

On April 4, 2022, the Board of Directors of RHAND Credit Union Co-operative Society Limited authorised these financial statements for issue.



President



Treasurer



Member, Supervisory Committee

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in Trinidad and Tobago Dollars)

For the year ended December 31, 2021	Notes	2021	2020
Income			
<i>Interest income</i>			
<i>calculated using the effective interest rate method:</i>			
- Loans		41,492,313	40,447,069
- Investment securities		7,776,906	7,243,071
Unrealised gain on investment securities at FVTPL		2,711,858	3,888,973
Other income	19	1,518,346	1,655,813
Total income		53,499,423	53,234,926
Expenditure			
Administrative expenses	20	(9,165,610)	(8,208,209)
Board and committees' expenses	21	(848,247)	(850,614)
Life savings insurance expense		(932,007)	(725,825)
Loan protection expense	15	(1,791,615)	(1,516,324)
Expected credit loss on loans to members	10	(2,957,737)	(1,862,847)
Expected credit loss on investment securities		(208,734)	(77,053)
Interest on members' deposits		(2,269,756)	(2,162,017)
Member education, training and development expenses		(402,740)	(147,660)
Salaries and staff benefits	22	(13,693,917)	(15,171,557)
Green fund levy		(157,720)	(155,570)
Realized loss on foreign investment securities		(357,339)	(908,799)
Total expenditure		(32,785,422)	(31,786,475)
Net surplus for the year		20,714,001	21,448,451
Other comprehensive income			
Unrealised gain/(loss) on investment securities at FVOCI		17,926,481	(1,875,720)
Net actuarial gain on retirement benefit obligation	13	641,600	66,200
Total other comprehensive income/(loss)		18,568,081	(1,809,520)
Total comprehensive income for the year		\$39,282,082	\$19,638,931

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN INSTITUTIONAL CAPITAL

(Expressed in Trinidad and Tobago Dollars)

For the year ended December 31, 2021	Reserve Fund	Education Fund	Loan Protection Fund	Building Fund	Investment Re-measurement Reserve	Undivided Earnings	Total
Year ended December 31, 2021							
Balance as at January 1, 2021	34,601,831	3,734,427	3,372,082	16,750,000	18,395,746	36,614,626	113,468,712
Total comprehensive income for the year	-	-	-	-	17,926,481	21,355,601	39,282,082
Appropriation for the year:							
- 10% to the Reserve Fund	2,135,560	-	-	-	-	(2,135,560)	-
- 5% to the Education Fund	-	1,067,780	-	-	-	(1,067,780)	-
- 10% to the Loan Protection Fund	-	-	2,135,560	-	-	(2,135,560)	-
- Transfer to Building Fund	-	-	-	750,000	-	(750,000)	-
	36,737,391	4,802,207	5,507,642	17,500,000	36,322,227	51,881,327	152,750,794
Dividends	-	-	-	-	-	(13,248,591)	(13,248,591)
Entrance fees	151,070	-	-	-	-	(151,070)	-
Member education, training and development expenses	-	(402,740)	-	-	-	402,740	-
Loan protection expense	-	-	(1,791,615)	-	-	1,791,615	-
Balance as at December 31, 2021	\$36,888,461	\$4,399,467	\$3,716,027	\$17,500,000	\$36,322,227	\$40,676,021	\$139,502,203
Year ended December 31, 2020							
Balance as at January 1, 2020	32,309,246	2,806,354	2,736,941	16,000,000	20,271,466	32,094,551	106,218,558
Total comprehensive income for the year	-	-	-	-	(1,875,720)	21,514,651	19,638,931
Appropriation for the year:							
- 10% to the Reserve Fund	2,151,465	-	-	-	-	(2,151,465)	-
- 5% to the Education Fund	-	1,075,733	-	-	-	(1,075,733)	-
- 10% to the Loan Protection Fund	-	-	2,151,465	-	-	(2,151,465)	-
- Transfer to Building Fund	-	-	-	750,000	-	(750,000)	-
	34,460,711	3,882,087	4,888,406	16,750,000	18,395,746	47,480,539	125,857,489
Dividends	-	-	-	-	-	(12,388,777)	(12,388,777)
Entrance fees	141,120	-	-	-	-	(141,120)	-
Member education, training and development expenses	-	(147,660)	-	-	-	147,660	-
Loan protection expense	-	-	(1,516,324)	-	-	1,516,324	-
Balance as at December 31, 2020	\$34,601,831	\$3,734,427	\$3,372,082	\$16,750,000	\$18,395,746	\$36,614,626	\$113,468,712

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(Expressed in Trinidad and Tobago Dollars)

For the year ended December 31, 2021	2021	2020
Cash flows from operating activities		
Net surplus for the year	20,714,001	21,448,451
Adjustments for non-cash items:		
Depreciation	1,028,554	975,274
Expected credit loss on loans to members	2,957,737	1,862,847
Expected credit loss on investment securities	208,734	77,053
Loss on disposal of property and equipment	2,034	6,619
Unrealised gain on investment securities at FVTPL	(2,711,858)	(3,888,973)
Retirement benefit asset – IAS 19 adjustment	(183,900)	(628,700)
Operating cash flow before changes in operating assets and liabilities	22,015,302	19,852,571
Increase in accounts receivable and prepayments	(1,645,953)	(329,989)
Increase in net loans to members	(45,698,298)	(13,807,095)
Increase in accounts payable and accruals	1,525,171	181,239
Increase in members' deposit savings	10,628,479	11,283,492
(Decrease)/ increase in members' time deposits	(1,111,626)	2,766,119
Increase in members' share savings	27,949,205	16,331,710
Net cash generated from operating activities	13,662,280	36,278,047
Cash flows from investing activities		
Proceeds from disposal of property and equipment	-	1,588
Purchase of property and equipment	(21,573,740)	(1,679,011)
Purchase net of proceeds from disposal and maturity of investments	17,721,948	(43,161,062)
Net cash used in investing activities	(3,851,792)	(44,838,485)
Cash flows from financing activities		
Dividends distribution	(13,248,591)	(12,388,777)
Net cash used in financing activities	(13,248,591)	(12,388,777)
Decrease in cash and cash equivalents for the year	(3,438,103)	(20,949,215)
Cash and cash equivalents, beginning of year	35,041,561	55,990,776
Cash and cash equivalents, end of year	\$31,603,458	\$35,041,561

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

1. Incorporation and Business Activities

RHAND Credit Union Co-operative Society Limited (the “Society” or “Credit Union”) was registered under the Co-operative Societies Act of Trinidad and Tobago Ch: 81:03 on March 27, 1947. The registered office of the Credit Union is located at 57-61 Abercromby Street, Port of Spain, with branch operations in Arima and Scarborough, Tobago. Its objectives are to promote the economic and social welfare of its members, to encourage the spirit and practice of thrift, self-help and co-operation among members and to promote the development of co-operative ideas.

2. Basis of Accounting

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in Trinidad and Tobago dollars. These financial statements are stated on a historical cost basis, except for the measurement at fair value of investments securities and certain other financial instruments.

3. Use of Judgements and Estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 6.

4. Significant Accounting Policies

(a) Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided using both the reducing balance method and the straight-line method. Land is not depreciated.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Car park	10%	Straight line
Building	2%	Straight line
Furniture, fixtures and fittings	10%	Reducing balance
Office equipment	20%	Reducing balance
Telephone facilities	33 ⅓%	Reducing balance
Other equipment	12 ½%, 33 ⅓%	Reducing balance
Motor vehicles	25%	Reducing balance
Computer facilities	20%	Reducing balance

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.

(b) Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, investment securities, loans to members, accounts receivable, accounts payable, members' deposit savings, members' time deposits and members' share savings. The standard treatment for recognition, derecognition, classification and measurement of financial instruments is described in notes (i) – (iv) below.

i. Recognition and initial measurement

The Society initially recognises financial instruments on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value less transaction costs. However, for an item not measured at Fair Value through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue are included in the carrying value initially recognised.

ii. Classification

The Society classifies all of its financial assets based on the business model for managing the asset and the asset's contractual terms, measured at either:

- Amortised cost
- Fair Value through Other Comprehensive Income ("FVOCI")
- Fair Value through Profit or Loss ("FVTPL")

The Society only measures cash and cash equivalents and loans to members and other financial investments at amortised cost if both of the following conditions are met:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

- The financial asset is held within a business model with the objective to hold the financial asset in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below.

Business model assessment

The Society determines its business model at the level that best reflects how the Society manages its financial assets to achieve its business objective.

The Society's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported by the Society's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- The expected frequency, value and timing of sales are also important aspects of the Society's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Society's original expectations, the Society does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As the second step of its classification process, the Society assesses the contractual terms of financial instruments to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Credit Union applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Financial assets or financial liabilities held for trading

The Society classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit-making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit-taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in the statement of comprehensive income. Interest and dividend income or expense are recorded in the statement of comprehensive income according to the terms of the contract, or when the right to payment has been established.

iii. Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Society has access at that date. The fair value of a liability reflects its non-performance risk.

When one is available, the Society measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Society uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Society determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Society measures assets and long positions at a bid price and liabilities and short positions at an ask price.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

The Society recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

iv. Impairment

The Society recognises loss allowances for Expected Credit Loss (“ECL”) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

The Society measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments on which credit risk has not increased significantly since their initial recognition.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Society expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Society if the commitment is drawn down and the cash flows that the Society expects to receive.

Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see (iv)) and ECL is measured as follows.

- If the expected restructuring will not result in the derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in the derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

At each reporting date, the Society assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- the significant financial difficulty of the borrower or issuer;
- a breach of contracts such as a default or past due event;
- the restructuring of a loan or advance by the Society on terms that the Society would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Society cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Society presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision, and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the investment remeasurement reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Society determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of comprehensive income.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Society's procedures for recovery of amounts due.

(c) 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 value of shares held at the end of each month.

(d) Foreign currency

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the statement of financial position 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.

(e) Provision

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 statement of financial position 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.

(f) Retirement benefit

The Society operates a defined benefit plan for all employees who have completed at least three months of continuous service with the Credit Union and have attained the age of eighteen (18) years but are not yet sixty (60) years at the time of enrolment. Provision is made for

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

pension benefits based on employees' salaries. Pension benefits are based upon contributions made by employees and the Credit Union during employment and determined by actuarial valuations of the Pension Fund Plan. International Accounting Standard 19 – Employee Benefits, requires the use of actuarial techniques on an annual basis to measure the present value of the defined benefit obligation, the related current service cost and the actuarial gains and losses that are recognised in the financial statements.

The Plan was established by Trust Deed dated August 18, 1988, made between the RHAND Credit Union Co-operative Society Limited and Republic Bank Limited and is approved by the Board of Inland Revenue and registered with the Inspector of Financial Institutions. Its operations are governed by the aforementioned Trust Deed, Rules and the applicable laws of the Republic of Trinidad and Tobago. The Trustee, Republic Bank Limited has elected to fund the benefits by way of a Deposit Administration Contract with the Pan-American Life Insurance Company Limited.

(g) Taxation

The profits arising from the Society are exempt from income tax, as per the Corporation Tax Act section 6 (1) (d). The Society pays Green Fund Levy at 0.3% of its gross receipts.

(h) Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risks of change in value. These are shown at cost, which is equivalent to fair value.

Cash and cash equivalents also comprise cash balances that are payable on demand and deposits with maturities of three months or less from the date of acquisition. Bank overdrafts are disclosed as current liabilities.

(i) Members' deposit savings and time deposits

Members' deposits are initially measured at fair value, net of any transaction costs directly attributable to the issuance of the instrument. Members' deposits are subsequently measured at amortised cost, using the effective interest rate method.

(j) Members' shares

Upon opening an account at the Society, new members are required to subscribe for a minimum of one share. Subsequently, every member subscribes at least twelve shares per annum to his/her share capital in the Society. Members can withdraw all or any portion of their unencumbered shares from the Society at any time.

Members' shares are classified as other financial liabilities under the International Accounting Standard (IAS) 32 Financial Instruments: Disclosure and Presentation and are measured at par value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(k) Accounts payable and accruals

Liabilities for creditors and other payables are classified as accounts payable and accruals and initially measured at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortised cost using the effective interest rate method.

(l) Funds and reserves

Included within this financial statement caption are the following funds and reserves:

i. Reserve Fund

In accordance with the Act (Section 47(2)) and Bye-Law 12(a) of the Society, at least 10% of the net surplus of each year is transferred to the Reserve Fund. The reserve fund is indivisible, and no member is entitled to any specific share thereof.

Under Regulation 47 of the Co-operative Society Act 1971, the Reserve Fund of a Society may, with the approval of the Commissioner, be applied to meet bad debts or losses sustained through extraordinary circumstances over which the Society has no control.

ii. Education Fund

In accordance with Bye-law 12(a) of the Credit Union, an amount of 5% of the net surplus for the year, is transferred to the education fund. This fund is to be used for educational purposes.

iii. Loan Protection Fund

The Loan Protection Fund provides loan protection coverage for members, which allows the loan balance, up to a maximum of \$100,000, to be liquidated in the event of the death of the member before his/her indebtedness to the Credit Union has been repaid.

iv. Building Fund

In accordance with Bye-law 12(a)(v) of the Credit Union, an amount of \$750,000 of the net surplus for the year is transferred to Building Fund. The building fund was established for the construction and or expansion of the Society's offices.

v. Investment Re-Measurement Reserve

The Society created an investment re-measurement reserve to include unrealised gain/losses on investments recorded as fair value through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(m) Revenue recognition

Revenue comprises interest on loans to members, which is computed on the effective interest rate method, as well as income from investments. The Effective Interest Method is used in the calculation of the amortised cost of investment securities held at amortised cost, and in the allocation and recognition of the interest income.

The interest charged on loans to members is calculated at rates varying between 0.5% and 1.5% per month on the reducing balance and is recognised on the accrual basis net of provisions for expected credit losses.

All other income is recognised on an accrual basis.

(n) Leases

The Society accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Society obtains substantially all the economic benefits from the use of the asset; and
- The Society has the right to direct use of the asset.

The Society considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Society obtains substantially all the economic benefits from the use of the asset, the Society considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Society has the right to direct use of the asset, the Society considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Society considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Society applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of 12 months or less.

The Society has one lease which is considered a short-term lease and as such has been exempted from IFRS 16 requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(o) New, revised and amended standards and interpretations not yet effective

i. New and amended standards adopted by the Society

There were no new IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after January 1, 2021, that were adopted and had a material impact on the Society.

ii. New standards, amendments and interpretations issued but not effective and not early adopted

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the Society's future financial statements in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the note below.

- In May 2020, the IASB issued the following, which are effective for annual reporting periods beginning on or after January 1, 2022:
 - o minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.
 - o amendments to IFRS 3, which update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
 - o amendments to IAS 37, which specify the costs a Society includes when assessing whether a contract will be lossmaking and is therefore recognised as an onerous contract. These amendments are expected to result in more contracts being accounted for as onerous contracts because they increase the scope of costs that are included in the onerous contract assessment.
 - o amendments to IAS 16, which prohibit a Society from deducting amounts received from selling items produced while the Society is preparing the asset for its intended use from the cost of property, plant and equipment. Instead, a Society will recognise such sales proceeds and any related costs in profit or loss.

- In January 2020, the IASB issued amendments to IAS 1, which clarify how an entity classifies liabilities as current or non-current. The amendments initially had an effective date of January 1, 2022, however, in July 2020 this was deferred until January 1, 2023 as a result of the COVID-19 pandemic. These amendments are expected to have a significant impact on many entities, with more liabilities being classified as current, particularly those with covenants relating to borrowings. The IASB, at its meeting held in June 2021, tentatively decided to amend the requirements in IAS 1 with respect to the classification of liabilities subject to conditions and disclosure of information about such conditions and to defer the

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

effective date of the 2020 amendment by at least one year to annual reporting periods beginning no earlier than on or after January 1, 2024.

- In February 2021, the IASB issued amendments to IAS 1, which change the disclosure requirements with respect to accounting policies from 'significant accounting policies' to 'material accounting policy information'. The amendments provide guidance on when accounting policy information is likely to be considered material. The amendments to IAS 1 are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.
- In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.
- In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption under IAS 12.15, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

Other standards, amendments and interpretations to existing standards in issue but not yet effective are not considered to be relevant to the Society and have not been disclosed.

iii. Standards and amendments to published standards early adopted by the Society

The Society did not early adopt any new, revised or amended standards.

(p) Comparative figures

Certain changes in presentation have been made during the year and comparative figures have been restated accordingly.

5. Financial Risk Management

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:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(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.

i. Investment securities

The Society invests mainly in medium-term bonds consisting of 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 not traded, any changes in market values will not impact the statement of comprehensive income.

ii. Loans to members

The Society generally invests in fixed-rate loans for terms not exceeding five years, however, the Society has a significant mortgage loan portfolio with terms ranging from 6 to 30 years. All loans are funded mainly from members' deposits and shares.

(b) Credit risk

Credit exposures arise principally in lending activities that lead to loans. Credit risk relates to the failure by counterparties to discharge their obligations and could reduce the amount of future cash inflows from financial assets on hand at the statement of financial position date. All lending activities are conducted with various counterparties and it is in pursuing these activities that the Society becomes exposed to credit risk.

It is expected that this area of business will continue to be the principal one for the Society in the future and with loans currently comprising a significant portion of the Society's assets and being responsible for a substantial portion of the revenue generated, it is anticipated that the Society will continue to be exposed to credit risk well into the future. The management of credit risk is therefore of utmost importance to the Society and an appropriate organizational structure has been put in place to ensure that this function is effectively discharged; management therefore carefully manages its exposure to credit risk. Exposure to credit risk is managed through appropriate credit policies, procedures, practices and audit functions, together with approved limits. Exposure is also managed by obtaining tangible collateral.

i. Credit risk management

In its management of credit risks, the Society has established an organizational structure that supports its lending philosophy. This structure comprises the Board of Directors, the

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Credit Committee, the Internal Risk Review Committee (IRRC), the General Manager, the Credit Administration Department, the Internal Audit Department, and the Supervisory Committee. The Board of Directors maintains general oversight to ensure that policies and procedures are consistent with the strategic direction and credit philosophy of the Society and that they serve to bring the required level of protection over assets that are exposed to credit risks. The Board also sanctions amendments to credit policies, the delegation of lending authority to senior management and credit requests exceeding the authority of management.

The Credit Committee, the statutory body appointed by the membership to approve loans and to provide oversight of the loan portfolio, has delegated authority for specific areas to the General Manager, with an appropriate reporting system, to facilitate day to day decision making and timely implementation of decisions. The IRRC reviews all credit requests exceeding the authority of the General Manager. The major focus of the Manager, Credit Administration Department is to formulate credit policies, monitor compliance with them and on a continuous basis to assess their relevance to the changing business environment. Most of these policies and procedures are established and communicated through the Society's written Credit Policy Manual and Credit Procedures & Guidelines Manual. These documents set out in detail the current policies governing the lending function and provide a comprehensive framework for prudent risk management of the credit function. Major areas of focus are general credit criteria and control risk mitigants over the Credit Portfolio among others. The Internal Audit Department monitors the effectiveness of credit procedures and policies and may recommend changes to strategies to improve the effectiveness of policies.

ii. Credit risk measurement

As part of the on-going process of prudent risk management, the Society's policy is to perform Credit Bureau credit checks at the time of approval in addition to a preset ranking (Credit Classification System). The ranking is guided by a model developed for the Society for this purpose. The model utilizes a scale incorporating a rating of 0 to 15 with 0 being too new to rate. These have been consolidated into five (5) rating bands which have been set in relation to the total credit portfolio. The rating process is exercised at the discretion of the Delinquency Control Unit of the Credit Administration Department.

iii. Credit classification system

The Society's Credit Classification System is outlined as follows:

Classification	Description	Rating
Pass	Standard/Pass	1, 2, 3
SM	Special mention	0, 4, 5, 6, 12
SS	Substandard	7, 8, 13, 14
D	Doubtful	9, 10
L	Loss	11, 15

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

iv. Risk limit control and mitigation policy

The Society structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower. The Society monitors its concentration of credit exposure so that no single borrower default will have a material impact on the Society. These limits are implemented and monitored by the Manager, Credit Administration via the stipulations of the Society's Credit Policy Manual. In instances where it is strategically beneficial and adequately documented, the Society would seek approval on an exception basis for the variation to its standard approved limits from the Board of Directors.

Collateral

The principal collateral types for loans and advances are:

- Cash deposits;
- Cash equivalents such as cash surrender values of life insurance policies and shares listed on the TTSE;
- Mortgage Bills of Sale over motor vehicles; and
- Mortgages over residential properties.

The Society does not take a second or inferior collateral position to any other lender on advances outside the lending value calculated as per the Society's stipulated guidelines. The Society recognizes that the value of items held as collateral may diminish over time resulting in loans being less protected than initially intended. To mitigate the effect of this, margins are applied to security items in evaluating coverage. The Society assesses the collateral value of credits at the point of inception and monitors the market value of collateral during periodic review of loan accounts in arrears as per the Credit Policy.

v. Impairment and provisioning policies

The Society's impairment policy is covered in detail in Note 4(b).

The Society's impairment provisioning model was developed using a multi-criteria decision-making model for determining Expected Credit Loss. The data used to develop this model are based on records and data of the Society backed by economic and financial estimates based on management's experience and professional judgment.

The model calculates an unbiased and probability-weighted estimation of Expected Credit Loss utilizing the following approach:

$$\text{Expected Credit Losses (ECL)} = \text{EAD} \times \text{LDG} \times \text{PD}$$

Where,

- EAD – Exposure at Default
- LDG - Loss Given Default
- PD – Probability of Default

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

The model utilized the following inputs:

1. The paper from the World Council of Credit Unions (WOCCU) on IFRS 9 Loan Loss Accounting for Cooperative Financial Institutions;
2. Expert judgment - As provided by the internal (and MBA qualified) IFRS 9 Project team comprising the General Manager (former Credit Manager), Finance Manager, the Senior Supervisor in charge of delinquency management and the Acting Senior ICT Administrator.
3. The implementation of IFRS 9 impairment requirements by banks, detailed by the Global Public Policy Committee of representatives of the six largest accounting networks (GPPC).

Exposure at Default (EAD)

The Exposure at Default is the principal amount that is estimated to be at risk of non-recoverability at default. This is reflective of the carrying value of the asset adjusted for the expected changes in the exposure after the reporting date. These changes are influenced by various factors given that each loan type has unique features and equally unique credit exposures. The Society's Exposure at Default (EAD) factors these variables by firstly stratifying the portfolio of assets by type.

In assessing the Society's loan portfolio it was determined that all loans fall into three broad categories/ types based on the interest rate, contractual period, collateral, and purpose. These types are:

- Consumer- for which loans are typically partially secured by the assignment and typically experience reducing exposures over the life of the loan.
- Motor Vehicles - for which loans are typically fully secured by the assignment and typically remain with coverage at par or with small exposures over the life of the loan.
- Real Property (Mortgages) - for which loans are typically fully secured by the assignment and typically remain with a buffer of coverage during the life of the loan.

Adjusting for value of member shares held

The Society's standing policy on loans requires the drawdown on shareholdings (cash) associated with a given loan upon delinquency (30 days past due). Further to this, once encumbered, members are not permitted to withdraw shares that are held against borrowings.

As such, according to policy and operating practice, the credit loss exposure is reduced by the carrying value of the encumbered shares being that encumbered shares would be liquidated by the time default occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

As at December 31, 2021

Stage	Type	Balance	Shares held	EAD
Stage 1 - Performing Loans	Consumer	234,714,558	115,553,717	119,160,841
	Motor Vehicle	26,812,766	10,155,050	16,657,715
	Mortgage	156,866,040	45,734,734	111,131,306
	Total Performing Loans	418,393,364	171,443,501	246,949,862
Stage 2 - Under performing Loans	Consumer	6,184,755	2,241,313	3,943,442
	Motor Vehicle	419,830	73,794	346,036
	Mortgage	4,921,832	492,043	4,429,789
	Total Under Performing Loans	11,526,417	2,807,150	8,719,267
Stage 3 - Non-performing Loans	Consumer	13,520,906	1,531,619	11,989,287
	Motor Vehicle	2,309,636	139,236	2,170,400
	Mortgage	13,604,231	252,383	13,351,848
	Total Non-Performing Loans	29,434,773	1,923,238	27,511,535
	TOTAL	\$459,354,554	\$176,173,889	\$283,180,664

As at December 31, 2020

Stage	Type	Balance	Shares held	EAD
Stage 1 - Performing Loans	Consumer	210,420,501	147,377,411	63,043,090
	Motor Vehicle	30,916,758	12,127,771	18,788,987
	Mortgage	132,634,058	47,753,795	84,880,263
	Total Performing Loans	373,971,317	207,258,977	166,712,340
Stage 2 - Under performing Loans	Consumer	4,874,000	2,278,927	2,595,073
	Motor Vehicle	2,088,199	333,076	1,755,123
	Mortgage	4,016,376	691,458	3,324,918
	Total Under Performing Loans	10,978,575	3,303,461	7,675,114
Stage 3 - Non-performing Loans	Consumer	12,160,964	1,990,895	10,170,068
	Motor Vehicle	2,136,445	89,671	2,046,774
	Mortgage	14,368,635	398,403	13,970,232
	Total Non-Performing Loans	28,666,044	2,478,969	26,187,075
	TOTAL	\$413,615,936	\$213,041,407	\$200,574,529

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Probability of Default (PD)

This is the likelihood of a member defaulting (90 days past due). In estimating the likelihood of a borrower's default (PD), the Society used an internal benchmark which examined the delinquency rate of each loan type portfolio stratified by stages for the period 2016-2020.

An average rate for stage 1 and 2 was calculated using delinquency data over a five-year period and adjusted utilizing forward-looking assumption which historically had a material impact on the Society's credit quality. For stage 3, a 100% probability of default was applied on the basis that the default criteria were met by all loans at this stage.

The probability of default was calculated as follows:

$$PD = AR \times (1+WF1+WF2+WF3)$$

Where,

- AR = Average Delinquency Rate (Over a 5-year period)
- W = Weighting by the correlation between delinquency and key economic factors
- F = Economic Factor (Four year average unemployment rate, GDP and Inflation rate)

Loss Given Default (LGD)

This is the share of a member's loan principal that is expected to be unrecoverable if a borrower defaults, expressed as a percentage (or expected loss percentage). The Default is defined as 90 days or more past due.

LGD was determined for each of the 9 sub-buckets based on a different rationale applied to each of the 3 primary buckets. The respective details follow:

Calculation of Loss Given Default (LGD)

Using WOCCU's guidelines for establishing expected loss percentages, the option of a 3-Year Weighted Average approach was determined to be best. The formula was expressed as:

$$ex = (3L0 + 2L1+L2)/6$$

Where:

- ex = the expected loss percentage for each Sub-bucket.
- L0 = losses as a percentage of face value incurred on similar loans over the previous 12 months.
- L1 = losses as a percentage of face value incurred on similar loans 12-24 months ago
- L2 = losses as a percentage of face value incurred on similar loans 24-36 months ago

This metric was calculated using information extracted from the Society's Annual Report for the year ended December 31, 2020 (Note 5(b)(vii)(c)-Individually Impaired).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

L0 was represented by the ratio of Impairment allowance / Loans to members for 2021.
L1 was represented by the ratio of Impairment allowance / Loans to members for 2020.
L2 was represented by the ratio of Impairment allowance / Loans to members for 2019.

Expected Credit Loss

The final ECL is measured in a way that reflects the time value of money. This meant that cash shortfalls associated with default are discounted back to the statement of financial position date, using the effective interest rate (EIR) (i.e. the same rate used to recognize interest income) or an approximation and the weighted average time to maturity on the portfolio.

The ECL for Stage 1 of the portfolio (12 Month ECL) was calculated by dividing the average ECL (ECLA) balance for these assets by the portfolio. Stage 2 and 3 (Lifetime ECL) incorporated the weighted average time to maturity as its time factor (5.77 years).

Thus $ECL = ECL / (1 + EIR)^t$

The ECL provision for the loan portfolio of the Society for the year ended December 31, 2021, is estimated to be \$12,973,810 (2020: \$9,975,753).

vi. **Maximum exposure to credit risk before collateral held or other credit enhancement**

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.

	2021	2020
Cash and cash equivalents with banks and other financial institutions	31,016,121	33,774,998
Investment securities net of equities	181,911,781	191,372,598
Accounts receivable	7,375,575	5,429,494
Loans to members (gross)	459,354,554	413,615,936
	\$679,658,031	\$644,193,026

The above table represents a worst-case scenario of credit risk exposure to the Society without taking account of any collateral held or other credit enhancements attached.

Financial assets that are neither past due nor impaired

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	2021	2020
Cash and cash equivalents	31,016,121	33,774,998
Investment securities	181,911,781	191,372,598
Accounts receivable with full repayment expected	7,375,575	5,429,494
Loans to members	418,393,364	373,901,700
	\$638,696,841	\$604,478,790

vii. Loans to members and other financial assets

(a) Neither past due nor impaired

The composition of the portfolio of loans to members that were neither past due nor impaired on an individual basis is illustrated below by loan type.

	2021	2020
Consumer	234,714,558	210,361,020
Motor vehicles	26,812,766	30,906,622
Mortgages	156,866,040	132,634,058
Total	\$418,393,364	\$373,901,700

(b) Past due but not impaired

Loans to members less than 90 days past due are not considered impaired unless other information is available to indicate the contrary. The gross amount of loans to customers that were past due but not impaired on an individual basis are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	Up to 31 days	32 to 61 days	62 to 90 days	Total
As at December 31, 2021				
Consumer	4,150,865	1,874,473	159,416	6,184,754
Motor vehicles	292,946	49,594	77,290	419,830
Mortgages	2,954,843	1,966,989	-	4,921,832
Total	\$7,398,654	\$3,891,056	\$236,706	\$11,526,416
Fair value of collateral	\$3,761,248	\$3,021,311	\$104,400	\$6,886,959
As at December 31, 2020				
Consumer	3,541,154	1,392,327	-	4,933,481
Motor vehicles	1,840,058	208,080	50,197	2,098,335
Mortgages	2,506,051	1,480,543	29,781	4,016,375
Total	\$7,887,263	\$3,080,950	\$79,978	\$11,048,191
Fair value of collateral	\$6,206,026	\$3,820,993	\$74,524	\$10,101,543

	Consumer	Motor Vehicles	Mortgages	Total
As at December 31, 2021				
Loan to members	13,520,906	2,309,636	13,604,231	29,434,773
Fair value of collateral	1,583,324	604,539	13,650,827	15,838,690
Impairment allowance	(10,254,785)	(1,207,510)	(2,077,625)	(13,539,920)
As at December 31, 2020				
Loan to members	12,160,964	2,136,445	14,368,636	28,666,045
Fair value of collateral	2,394,170	895,976	11,723,748	15,013,894
Impairment allowance	(8,589,728)	(1,245,682)	(5,539,632)	(15,375,042)

(c) Individually impaired

Upon initial recognition of loans to customers, the fair value of the collateral is based on valuation techniques commonly used for the corresponding assets. In the subsequent periods, the fair values are referenced by market values for cash and cash equivalents; written down market value for motor vehicles based on annual discounting, and written down market value (at initial assignment) as outlined in the Credit Policy for real property.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(d) Loans to customers restructured

Restructuring activities include extended payment arrangements and modification of payment. Restructuring policies and practices are based on indicators or criteria that, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to instalment loans. In some cases, restructuring results in the assets continuing to be impaired but in most cases, restructuring is geared to facilitate correction of the root cause of impairment which eventually improves collectability of the assets.

	2021	2020
Number of loans restructured	286	83
Value of restructured loans	\$27,289,087	\$7,545,814

viii. Repossessed collateral

Repossessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. The Society does not assume the title of these assets, and as a result, they are not included in the statement of financial position.

No real and personal properties, held as collateral, were repossessed during 2021 (2020: \$2,309,000).

(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 and by having available an adequate amount of committed credit facilities.

The Society can 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

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Liquidity gap

The Society's exposure to liquidity risk is summarized in the table below which analyses the discounted cash flow of financial assets and liabilities based on the remaining period from the statement of financial position date to the contractual maturity date.

As at December 31, 2021	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Cash and cash equivalents	31,016,121	-	-	31,016,121
Investment securities	65,414,729	34,497,748	140,933,786	240,846,263
Accounts receivable	7,375,575	-	-	7,375,575
Loans to members (gross)	24,006,645	236,904,590	198,443,319	459,354,554
Total financial assets	127,813,070	271,402,338	339,377,105	738,592,513
Financial liabilities				
Members' savings and time deposits	175,444,705	-	-	175,444,705
Members' shares	455,977,910	-	-	455,977,910
Accounts payable	12,701,466	-	-	12,701,466
Total financial liabilities	644,124,081	-	-	644,124,081
Net position	\$(516,311,011)	\$271,402,338	\$339,377,105	\$94,468,432
As at December 31, 2020	Up to 1 year	1 to 5 years	Over 5 years	Total
Financial Assets				
Cash and cash equivalents	33,774,998	-	-	33,774,998
Investment securities	62,969,528	46,317,478	128,851,600	238,138,606
Accounts receivable	5,429,494	-	-	5,429,494
Loans to members (gross)	18,476,664	248,607,386	146,531,886	413,615,936
Total financial assets	120,650,684	294,924,864	275,383,486	690,959,034
Financial liabilities				
Members' savings and time deposits	165,927,851	-	-	165,927,851
Members' shares	428,028,705	-	-	428,028,705
Accounts payable	10,051,774	-	-	10,051,774
Total financial liabilities	604,008,330	-	-	604,008,330
Net position	\$(483,357,646)	\$294,924,864	\$275,383,486	\$86,950,704

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(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 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. Supervisory controls are also installed to minimise human error.

(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 Commissioner of Co-operative Development in the Ministry of Labour and Small and Micro Enterprise Development, as well as by the monitoring controls applied by the Society.

(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.

(h) Fair value

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

As at December 31, 2021	Carrying Value	Fair Value
Financial assets		
Cash at bank	31,016,121	31,016,121
Investment securities	240,846,263	239,814,700
Accounts receivable	7,375,575	7,375,575
Loans to members	459,354,554	459,354,554
	\$738,592,513	\$737,560,950
Financial liabilities		
Members' savings and time deposits	175,444,705	175,444,705
Members' shares	455,977,910	455,977,910
Accounts payable	12,701,466	12,701,466
	\$644,124,081	\$644,124,081

As at December 31, 2020	Carrying Value	Fair Value
Financial assets		
Cash at bank	33,774,998	33,774,998
Investment securities	238,138,606	237,702,153
Accounts receivable	5,429,494	5,429,494
Loans to members	413,615,936	413,615,936
	\$690,959,034	\$690,552,581
Financial liabilities		
Members' savings and time deposits	165,927,852	165,927,852
Members' shares	428,028,705	428,028,705
Accounts payable	10,051,774	10,051,774
	\$604,008,331	\$604,008,331

6. Significant Accounting Estimates and Judgements

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions in the process of applying the Society's accounting policies. See Note 4.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

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

- i. Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- ii. Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approval of modes used to measure ECL.
- iii. Impairment of financial instruments: determining inputs into the ECL measurement model, including the incorporation of forward-looking information. Determination of fair value of financial instruments with significant unobservable inputs.
- iv. Measurement of defined benefit obligation: key actuarial assumptions
- v. Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- vi. Which depreciation method for property and equipment is used.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position 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

IFRS 9 dictates that entities are to develop an impairment model that would reflect the general pattern of deterioration in the credit quality of financial instruments and in which the amount of expected credit losses recognized as a loss allowance or provision would depend on the level of deterioration in the credit quality of financial instruments since initial recognition. As such, RHAND has developed a three-stage model for its loan portfolio stratified (as defined by Note 4)

- (ii) Property and equipment

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

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

7. Cash and Cash Equivalents

	2021	2020
Cash in hand and at bank	7,222,976	9,063,371
Money Market Mutual Fund holdings and fixed deposits	22,075,250	24,288,016
Cash at broker	2,305,232	1,690,174
	\$31,603,458	\$35,041,561

8. Investment Securities

	2021	2020
Investment securities measured at FVTPL	85,462,278	95,193,775
Investment securities measured at FVOCI	104,598,048	86,552,314
Investment securities at amortised cost	50,785,937	56,392,517
	\$240,846,263	\$238,138,606

Investment securities measured at FVTPL

First Citizens Investment Services Limited Medium-Term Fixed Rate Notes	8,500,000	8,500,000
Guardian Asset Management and Investment Services Limited – Fixed Rate Note	3,036,083	3,036,083
Bourse Securities Limited - Repurchase Agreement	27,750,176	27,391,113
KCL Capital Market Brokers Limited – Assets Under Management	6,617,127	8,602,616
KCL Capital Market Brokers Limited – Participation Investment Certificate	890,663	4,006,458
Firstline Securities Limited – Commercial Paper Secured Notes	6,856,480	6,856,480
KSBM Asset Management Limited - Equities	20,811,749	18,365,434
Caribbean Finance Company Limited – Certificate of Deposit	1,000,000	8,035,591
Police Credit Union Co-operative Society Ltd – Direct Deposit	9,000,000	7,400,000
NCB Merchant Bank – Fixed Deposit	1,000,000	-
Home Mortgage Bank - Collateralized Mortgage Obligation	-	3,000,000
Total investment securities measured at FVTPL	\$85,462,278	\$95,193,775

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

	2021	2020
Investment securities measured at FVOCI		
Quoted equities		
Republic Bank Limited	2,045,495	1,970,044
Prestige Holdings Limited	1,272,502	1,381,574
Grace Kennedy Company Limited	915,000	577,500
Guardian Holdings Limited	570,000	397,100
Massy Holdings Limited	1,660,575	964,557
West Indian Tobacco Company Limited	1,992,150	824,820
One Caribbean Media Limited	158,760	174,240
Sagicor Financial Corporation	332,865	328,249
Jamaica Money Market Brokers Limited	521,433	437,184
Ansa McAl Limited	866,769	779,495
Scotiabank Trinidad and Tobago Limited	1,068,600	904,800
Royal Bank of Canada	227,140	175,737
National Commercial Bank of Jamaica	400,500	406,500
Angostura Holdings Limited	650,000	328,000
CLICO Investment Fund	737,195	593,375
First Citizens Bank Limited	17,764,735	12,271,898
Trinidad and Tobago NGL Limited	1,734,805	1,411,085
Exchange Traded Funds (ETF):		
First Citizens Investment Services Limited	5,204,209	4,474,418
Mutual Fund Units		
Trinidad and Tobago Unit Trust Corporation		
- Calypso Macro Index Fund	3,315,914	2,790,148
- Growth and Income Fund	62,680,591	55,361,590
First Citizens Investment Services Limited	478,810	
Total investment securities measured at FVOCI	\$104,598,048	\$86,552,314
Investment securities measured at Amortised cost:		
Bonds:		
Government of the Republic of Trinidad and Tobago	7,593,389	11,407,180
Government of St. Lucia	-	363,304
Housing Development Corporation	195,097	194,776
National Insurance Property Development Company	1,209,317	1,172,148
National Infrastructure Development Company Limited	102,586	119,867
Phoenix Park Gas Processors Limited	-	25,559
Trinidad and Tobago Mortgage Finance Company Limited	4,009,523	2,511,535
First Citizens Bank Limited	821,770	820,303
National Investment Fund	9,838,980	9,825,760
Methanol Holding Limited	5,118,182	5,056,908
Guardian Holdings Limited	5,033,333	5,051,559
HADCO Holdings Limited	17,191,360	19,962,484
Less: Expected Credit Loss	(327,600)	(118,866)
Total investments securities measured at amortised cost	\$50,785,937	\$56,392,517

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

9. Accounts Receivable and Prepayments

	2021	2020
Interest receivable on investments	1,988,374	1,226,010
Interest receivable on loans	1,893,792	1,426,417
CUNA Payment Protector & FIP Claims & FIP Payable	1,495,334	595,933
Other receivables and prepayments	1,433,613	1,671,189
Staff members' loans	584,961	830,572
LINCUC settlement advance & reserve	450,000	450,000
	\$7,846,074	\$6,200,121

10. Net Loans to Members

(a) Loans to Members

Member loans are initially measured at cost, net of loan origination fees and inclusive of transaction costs incurred. They are subsequently measured at amortised cost, using the effective interest rate method, less any impairment losses. Loans to members are reported at their recoverable amount representing the aggregate amount of principal, less any allowance or provision for impaired loans.

Impairment provisions for loans to members are recognised based on the three-stage approach within IFRS 9 as follow:

Stage 1 represents 12 months expected credit losses

- Applicable when no significant increase in credit risk;
- Entities continue to recognise 12-month expected losses that are updated at each reporting date;
- Presentation of interest on a gross basis.

Stage 2 represents lifetime expected credit losses

- Applicable in case of a significant increase in credit risk;
- Recognition of lifetime expected losses;
- Presentation of interest on a gross basis.

Stage 3 represents - lifetime expected credit losses (net interest)

- Applicable in case of credit impairment;
- Recognition of lifetime expected losses;
- Presentation of interest on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

The table below shows the staging of loans to members and the related expected credit losses based on the Society's adoption of IFRS 9.

As at December 31, 2021	Stage 1 0-30 days in arrears	Stage 2 31-90 days in arrears	Stage 3 >90 days in arrears	Sum Total
Gross loan	418,393,364	11,526,417	29,434,773	\$459,354,554
Expected Credit losses	(5,846,786)	(182,063)	(6,944,961)	\$(12,973,810)

As at December 31, 2020	Stage 1 0-30 days in arrears	Stage 2 31-90 days in arrears	Stage 3 >90 days in arrears	Sum Total
Gross loan	\$373,971,317	\$10,978,575	\$28,666,044	\$413,615,936
Expected Credit losses	\$(3,310,021)	\$(95,760)	\$(6,569,972)	\$(9,975,753)

(b) Loans to members are stated at principal outstanding net of expected credit losses.

	2021	2020
Loans to members	459,354,554	413,615,936
Less: Expected Credit loss	(12,973,810)	(9,975,753)
	\$446,380,744	\$403,640,183

(c) Analysis of movement in expected credit loss

	2021	2020
Expected credit loss at beginning of the year	9,975,753	8,085,981
ECL adjustment	40,320	26,925
Expected credit loss for the year	2,957,737	1,862,847
Expected credit loss at end of the year	\$12,973,810	\$9,975,753

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

11. Property & Equipment

	Land	Car Park	Building	Work-in-Progress
Cost				
Balance as at January 1, 2021	26,144,808	186,868	10,166,886	4,218,727
Additions	-	-	20,848,194	543,184
Disposals	-	-	-	-
Balance as at December 31, 2021	26,144,808	186,868	31,015,080	4,761,911
Accumulated Depreciation				
Balance as at January 1, 2021	-	(186,868)	(5,863,126)	-
Charges for the year	-	-	(341,484)	-
Disposals	-	-	-	-
Balance as at December 31, 2021	-	(186,868)	(6,204,610)	-
Net book value	\$26,144,808	\$-	\$24,810,470	\$4,761,911
Cost				
Balance as at January 1, 2020	26,144,808	186,868	10,166,886	2,894,841
Additions	-	-	-	1,344,754
Disposals	-	-	-	-
Reclassification	-	-	-	(20,868)
Balance as at December 31, 2020	26,144,808	186,868	10,166,886	4,218,727
Accumulated Depreciation				
Balance as at January 1, 2020	-	(186,868)	(5,659,788)	-
Charges for the year	-	-	(203,338)	-
Disposals	-	-	-	-
Balance as at December 31, 2020	-	(186,868)	(5,863,126)	-
Net book value	\$26,144,808	\$-	\$4,303,760	\$4,218,727

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

Furniture Fixtures & Fittings	Office Equipment	Telephone Facilities	Other Equipment	Motor Vehicle	Computer Facilities	Total
3,634,053	778,115	338,000	2,949,625	467,627	9,251,361	58,136,070
27,342	9,884	-	71,452	-	73,684	21,573,740
-	-	-	(4,134)	-	(6,039)	(10,173)
3,661,395	787,999	338,000	3,016,943	467,627	9,319,006	79,699,637
(2,546,331)	(635,037)	(317,097)	(2,149,215)	(404,580)	(7,156,293)	(19,258,547)
(105,819)	(28,293)	(5,996)	(138,612)	(14,075)	(394,275)	(1,028,554)
-	-	-	3,103	-	5,036	8,139
(2,652,150)	(663,330)	(323,093)	(2,284,724)	(418,655)	(7,545,532)	(20,278,962)
\$1,009,245	\$124,669	\$14,907	\$732,219	\$48,972	\$1,773,474	\$59,420,675
3,602,158	773,615	338,000	2,930,541	467,627	8,968,217	56,473,561
11,027	4,500	-	19,084	-	299,647	1,679,012
-	-	-	-	-	(16,503)	(16,503)
20,868	-	-	-	-	-	-
3,634,053	778,115	338,000	2,949,625	467,627	9,251,361	58,136,070
(2,472,671)	(603,785)	(308,689)	(1,997,082)	(386,459)	(6,676,225)	(18,291,567)
(73,660)	(31,252)	(8,408)	(152,133)	(18,121)	(488,363)	(975,275)
-	-	-	-	-	8,295	8,295
(2,546,331)	(635,037)	(317,097)	(2,149,215)	(404,580)	(7,156,293)	(19,258,547)
\$1,087,722	\$143,078	\$20,903	\$800,410	\$63,047	\$2,095,068	\$38,877,523

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

12. Accounts Payable and Accruals

	2021	2020
Death/disability claims payable	6,929,977	6,023,257
Other payables and accruals	3,386,733	1,424,224
Interest payable on members' time deposits	1,323,220	1,126,222
Cummings/ Fraser Foundation Account	860,000	760,000
Backpay accrual	800,000	2,324,507
Members' FIP premiums payable	694,862	914,378
Unclaimed members' deposits	547,730	547,730
Vacation pay accrual	503,852	374,333
Unclaimed members' share savings	24,595	24,595
Sharon FYFE "Coopers" Account	227	227
Non-members receipts	-	26,552
	\$15,071,196	\$13,546,025

13. Retirement Benefit Obligation

(a) Change in Present Value of Defined Benefit Obligation

	2021	2020
Opening present value of defined benefit obligation	20,887,100	19,925,900
Current service cost	1,092,300	731,000
Interest cost	1,106,000	1,027,600
Plan participants contributions	329,000	348,500
Actuarial gain on obligation	(1,125,500)	(240,200)
Benefits paid	(378,000)	(905,700)
Closing present value of defined benefit obligation	\$21,910,900	\$20,887,100

(b) Change in Fair Value of Plan Assets

	2021	2020
Opening fair value of plan assets	19,960,400	18,304,300
Administrative expenses	(44,300)	(29,200)
Expected return on plan assets	1,031,700	937,500
Actuarial loss on plan assets	(483,900)	(174,000)
Employer contributions	1,394,800	1,479,000
Plan participants contributions	329,000	348,500
Benefit paid and administrative expenses	(378,000)	(905,700)
Closing fair value of plan assets	\$21,809,700	\$19,960,400

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(c) Items for Inclusion in Statement of Financial Position

	2021	2020
Present value of defined benefit obligation	21,910,900	20,887,100
Fair value of plan assets	(21,809,700)	(19,960,400)
Net retirement benefit obligation	\$101,200	\$926,700

(d) Items for Inclusion in Statement of Comprehensive Income

	2021	2020
Current service cost	1,092,300	731,000
Interest cost	74,300	90,100
Administrative expenses	44,300	29,200
	\$1,210,900	\$850,300

(e) Reconciliation of Opening and Closing Statement of Financial Position Entries

	2021	2020
Opening retirement benefit obligation	926,700	1,621,600
Net pension cost	1,210,900	850,300
Actuarial gain on obligation	(641,600)	(66,200)
Society contributions paid	(1,394,800)	(1,479,000)
Closing retirement benefit obligation	\$101,200	\$926,700

(f) Actual Return on Plan Assets

	2021	2020
Expected return on plan assets	1,031,700	937,500
Actuarial loss on plan assets	(483,900)	(174,000)
	\$547,800	\$763,500

(g) Expected Society Contributions

	2021	2020
Expected Society Contributions	\$359,150	\$1,120,200

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

(h) Summary of Principal Assumptions

	2021	2020
Discount rate at start of year	5%	5%
Discount rate at end of year	5.05%	5%
Future salary increase	3%	3%
Expected return on assets	4.73%	5%

(i) Major Categories of Plan Assets

	2021	2020
Deposit Administration Contract	100%	100%

Sensitivity of Present Value of Defined Benefit Obligation

Should the discount rate increase by 1%, the obligation will decrease by \$4,299,000 (2020: \$3,400,800) and should the rate decrease by 1%, the obligation will increase by \$3,369,000 (2020: \$4,430,200). Should there be a 1% increase in expected salary growth, the obligation will increase by \$1,814,000 (2020: \$1,731,500) and should there be a 1% decrease, the obligation will decrease by \$1,590,000 (2020: \$1,481,500). The weighted average duration of the obligation is 18.9 years (2020: 21 years).

14. Member' Share Savings

The By-Laws of RHAND Credit Union Co-operative Society Limited allows for the issue of an unlimited number of shares valued at \$5.00 each. In accordance with the International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2 redeemable shares have been treated as liabilities.

15. Loan Protection Fund

The Loan Protection Fund provides loan protection coverage for members, which allows the loan balance, up to a maximum of \$100,000, to be liquidated in the event of the death of the member before his/her indebtedness to the credit union has been repaid. For the year ended December 31, 2021, \$1,791,615 (2020: \$1,516,324) was expensed from the Fund and \$2,135,560 (2020: \$2,151,465) was allocated to the Fund. As at December 31, 2021, the balance stood at \$3,716,027 (2020: \$3,372,082).

16. 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

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

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

	2021	2020
Assets, Liabilities and Members' Equity		
Loans and other receivables		
Due from Directors, committee members, key management personnel	\$4,819,538	\$5,009,033
Due from LINCUI Limited	\$450,000	\$450,000
Shares, deposits and other liabilities		
Directors, committee members, key management personnel	\$2,990,602	\$4,234,854
Cummings/Fraser Foundation Account	\$860,000	\$760,000
Interest and other income		
Directors, committee members, key management personnel	\$390,318	\$430,237
Interest and other expenses		
Directors, committee members, key management personnel	\$71,112	\$ 94,747
Key management compensation		
Short-term benefits	\$2,140,558	\$2,427,427

17. 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, the current fair value of another financial instrument that is substantially the same and discounted cash flow analysis.

The following methods have been used to estimate the fair values of various classes of financial assets and liabilities:

(a) *Accounts receivable and Accounts payable*

The carrying amounts of accounts receivable and accounts payable are a reasonable approximation of the fair values because of their short-term nature.

(b) *Members' loans*

Loans are net of specific allowances 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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

(c) *Investment securities*

The fair values of investments are determined on the basis of market prices available at December 31, 2021.

(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 that approximate carrying values.

(e) *Members' share savings*

The carrying amounts of members' share savings are a reasonable approximation of the fair values because they are due on demand.

(f) *Classification of financial instruments at fair value*

The Society measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: Quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments. There were no transfers of financial instruments between levels during the year, neither were there any changes in the categorization from the prior year.

The following table shows the fair values of financial assets and financial liabilities, including their level in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment securities	32,918,524	157,141,802	-	190,060,326
Financial assets not measured at fair value				
Investment securities	-	-	50,785,937	50,785,937
Loans to members	-	-	446,380,744	446,380,744
Financial liabilities not measured at fair value				
Members' deposits	-	-	(175,444,705)	(175,444,705)
Members' savings	-	-	(455,977,910)	(455,977,910)
	\$32,918,524	\$157,141,802	\$(134,255,934)	\$55,804,392

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investment securities	23,926,157	157,819,932	-	181,746,089
Financial assets not measured at fair value				
Investment securities	-	-	56,392,517	56,392,517
Loans to members	-	-	403,640,183	403,640,183
Financial liabilities not measured at fair value				
Members' deposits	-	-	(165,927,852)	(165,927,852)
Members' savings	-	-	(428,028,705)	(428,028,705)
	\$23,926,157	\$157,819,932	\$(133,923,857)	\$47,822,232

18. 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 reserves and undivided earnings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

19. Other Income

	2021	2020
CUNA commissions	1,197,058	1,163,682
Entrance fees	151,070	141,120
Rental income	78,200	240,210
Other commissions	45,810	59,914
Miscellaneous income	42,818	43,928
Service charges	3,390	6,910
MSDP registration and education	-	49
	\$1,518,346	\$1,655,813

20. Administrative Expenses

	2021	2020
Repairs, maintenance and cleaning	1,799,761	1,740,868
Legal and professional services	1,170,917	815,059
Advertising & promotions	1,079,928	923,838
Depreciation	1,028,554	975,274
Property rental	891,171	733,167
Stationery, computer supplies, printing and postage	650,075	701,193
Annual and special general meetings	426,059	331,430
Telephone	385,045	354,313
Electricity	340,834	357,913
Bank charges	310,633	323,054
Insurances	260,857	203,114
Security	253,165	279,010
Miscellaneous expenses	206,564	155,164
LINCU Debit Card expenses	161,944	162,000
Cummings Fraser Foundation	100,000	-
Debt collector's commissions	52,183	83,495
Donations	18,000	9,800
Rates and taxes	17,075	32,648
SurePay fees & expenses	10,811	20,250
Loss on disposal of property and equipment	2,034	6,619
	\$9,165,610	\$8,208,209

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

21. Board and Committees' Expenses

	2021	2020
Honoraria	291,533	295,200
Subsistence	248,200	235,675
Meetings	207,389	273,964
Training	55,675	5,375
Entertainment and duty allowance	43,200	39,600
Conferences	2,250	800
	\$848,247	\$850,614

22. Salaries and Benefits

	2021	2020
Salaries and other staff benefits	13,762,268	15,724,408
Training and subsistence	115,549	75,849
Retirement Benefit Asset – IAS 19 adjustment	(183,900)	(628,700)
	\$13,693,917	\$15,171,557

23. Contingent Liabilities

The Society is involved in various claims and litigations and there are legal proceedings to which the Society is a party that, in the Society's opinion, would not have a significant effect on the Society's financial position or results of operations. No provision has been made in these financial statements as the Society's management do not consider that there is any probable loss.

24. Impact of COVID-19 on the Society

The World Health Organization declared the outbreak of a respiratory disease caused by a coronavirus as a "pandemic". First identified in late 2019 and known now as COVID 19, the outbreak has impacted thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

The COVID-19 pandemic has generated significant instability and high volatility in global capital markets. While the full impact is yet to be determined, it's expected that the adverse impact is likely to continue from the virus' knock-on effects (such as the global shipping crisis).

For 2021, no impairments were recorded as of the statement of financial position date as no triggering events or changes in circumstances had occurred as of year-end; however, due to continued uncertainty surrounding the situation, management's judgement regarding this could change in the future.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2021 (Expressed in Trinidad and Tobago Dollars)

The pandemic remained an adverse contributor to the Society's Loan Portfolio with members (or members of their households) that were previously impacted, still being financially challenged. The Society continues to provide financial counselling to members and rescheduling of loans where feasible.

Looking forward, the way in which new information must be incorporated into risk parameters needs to be carefully analyzed, given the prolonged nature of crisis and its residual impact when coupled with other macroeconomic factors.

One of the immediate effects of the health emergency is the increased credit risk. In order to continue the core business of lending, we will be required to distinguish between purely temporary phenomena, destined to be regularized in a short time, and longer lasting impacts which would require actions of more stringent underwriting and recovery measures and reclassification.

25. Subsequent Events

There were no events occurring after the reporting date and before the date of approval of the financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements. With the exception that dividends are proposed and declared after the Statement of Financial Position date is not shown as a liability in accordance with IFRS 10 – Events after the Reporting Period.

2022 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS

2022 Quantitative Objectives

Key Results Area	Budgeted	Actual	Increase/(Decrease)	
	2022 (\$)	2021 (\$)	(\$)	%
Share savings portfolio	475,977,910	455,977,910	20,000,000	4.39
Time deposits portfolio	89,444,829	88,444,829	1,000,000	1.13
Deposit savings portfolio	91,999,876	86,999,876	5,000,000	5.75
Loans portfolio (Gross)	491,517,809	459,354,553	32,163,256	7.00
Non-performing loans (Gross)	41,779,014	40,961,189	(817,825)	(2.00)
Investment Securities under 2 years	122,447,118	89,031,011	33,446,107	37.57
Investment Securities over 2 years	153,201,619	176,195,734	(22,994,115)	(13.05)

During the year 2022, the key initiatives for the Credit Union include:

- Pursuing member-centric rebranding aligned to our 75th anniversary
- Completion of the physical works to Arima branch and Member Floor @ Head Office
- Automation of the risk-based loan underwriting workflow
- Development and implementation of Mobile App (roll over project from 2021)
- Launch of our Risk-based Lending model of doing loan business (rolled over from 2021)
- Pursuit of automation/digitalization in identified operational processes
- RHAND rejoining the Credit Union League

2022 Proposed Capital Expenditure with 2021 Comparisons

Project/Item Of Expenditure	Proposed 2021 (\$)	Actual 2021 (\$)	Proposed 2022 (\$)
Buildings	30,300,000	21,304,638	13,310,000
Computer facilities	1,275,126	121,075	1,436,658
Furniture, fixtures and fittings	25,000	27,342	733,000
Office equipment	32,500	30,680	10,500
Other equipment	24,000	90,005	8,000
Total	31,656,626	21,573,740	15,498,158

2022 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS

2022 Financial Projections with Budgeted and Actual Results for 2021 and 2020

	2020		2021		2022
	BUDGETED \$	ACTUAL \$	BUDGETED \$	ACTUAL \$	BUDGETED \$
Income					
Interest Income Calculated using the effective Interest Method					
Interest on loans	45,914,969	40,447,069	49,015,414	41,492,313	47,067,319
Investment Securities	6,420,174	7,243,071	5,084,837	7,776,906	8,472,509
Unrealised Gain on FVTPL	533,719	3,888,973	837,384	2,711,858	1,456,822
Other income*	1,885,551	1,655,813	1,739,920	1,518,346	1,717,220
Total Income	54,754,413	53,234,926	56,677,555	53,499,423	58,713,870
Expenditure					
Administrative expenses **	10,471,799	8,208,209	11,770,776	9,165,610	12,197,240
Board and committees' expenses	1,285,000	850,614	1,247,900	848,247	1,366,500
Life savings insurance expense	840,000	725,825	780,000	932,007	840,000
Loan protection expense	1,200,000	1,516,324	1,200,000	1,791,615	1,500,000
Loan loss expense	600,000	1,862,847	1,200,000	2,957,737	2,000,000
Expected credit loss	120,000	77,053	18,000	208,734	18,000
Interest on members' deposits	2,276,235	2,162,017	2,310,299	2,269,756	2,438,137
Member education, training and development expenses	1,084,000	147,660	844,895	402,740	1,344,190
Salaries and benefits	16,054,763	15,171,557	17,136,527	13,693,917	5,801,794
Green Fund Levy	150,000	155,570	170,000	157,720	177,000
Foreign exchange loss	(300,000)	908,799	(300,000)	357,339	(600,000)
Total expenditure	33,781,797	31,786,475	36,378,397	32,795,422	37,082,860
Net surplus for the year	20,972,616	21,448,451	20,299,158	20,714,001	21,631,010

OTHER INCOME	2020		2021		2022
	BUDGETED \$	ACTUAL \$	BUDGETED \$	ACTUAL \$	BUDGETED \$
Rental Income	528,000	240,210	171,600	78,200	216,000
CUNA Commissions	900,000	1,163,682	1,140,000	1,197,058	1,176,000
Other Commissions	57,840	59,914	56,400	45,810	-
Service Charges	7,500	6,910	6,000	3,390	-
Entrance Fees	80,400	141,120	80,400	151,070	120,000
MSDP registration and education	282,500	49	250,000	-	169,700
Miscellaneous Income	29,311	43,928	35,520	42,818	35,520
TOTAL	1,885,551	1,655,813	1,739,920	1,518,346	1,717,220

2022 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL EXPENDITURE AND FINANCIAL PROJECTIONS

ADMINISTRATIVE EXPENSES	2020		2021		2022
	BUDGETED \$	ACTUAL \$	BUDGETED \$	ACTUAL \$	BUDGETED \$
Advertising and promotion Annual and Special	1,221,388	923,838	1,312,765	1,079,928	1,413,379
General Meetings	633,900	331,430	410,000	426,059	537,950
Bank charges	322,160	323,054	324,700	310,633	324,700
Debt collector's commissions	123,000	83,495	237,240	52,183	267,600
Depreciation	1,064,088	975,274	1,000,000	1,028,554	1,200,000
Donations	50,000	9,800	50,000	18,000	50,000
Electricity	466,000	357,913	472,200	340,834	479,700
Insurances	174,532	203,114	156,380	260,857	404,651
Legal and professional services	793,500	815,059	2,426,200	1,170,917	1,688,450
LINCU Debit Card expenses	162,000	162,000	162,000	161,944	162,000
Loss on disposal of fixed assets	60,000	6,619	240,000	2,034	240,000
Miscellaneous expenses	222,600	155,164	128,000	206,564	140,015
Rates and taxes	25,520	32,648	38,752	17,075	61,152
Property rental	888,000	733,167	878,004	891,171	338,004
Repairs, maintenance and cleaning	2,398,041	1,740,868	2,319,732	1,799,761	3,281,275
Security	305,200	279,010	296,745	253,165	288,768
Stationery, computer supplies, printing and postage	853,938	701,193	783,778	650,075	780,516
Telephone	607,932	354,313	434,280	385,045	439,080
Surepay fees & expenses	0	20,250	0	10,811	0
Cummings Fraser Foundation	100,000	0	100,000	100,000	100,000
TOTAL	10,471,799	8,208,209	11,770,776	9,165,610	12,197,240

RESOLUTIONS

APPOINTMENT OF AUDITORS

Be it resolved, that the firm of Chartered Accountants – BDO, be appointed as the Auditors of the Society for the financial year ending December 31, 2022.

BUILDING FUND

Be it resolved, that pursuant to Bye-Law 15 (h) (ix), that the sum of \$750,000 be allocated from the surplus for the year ended December 31, 2021 to the Building Fund.

DIVIDEND ON SHAREHOLDINGS

Be it resolved, that a dividend of 3.25% on the average monthly share balance held by each member for the year ended December 31, 2021 be declared for the year ended December 31, 2021 and that the proceeds of this dividend distribution be credited to the Share Savings and Savings Deposit Accounts of each member by way of credits of 25% and 75% respectively of the entitlement for each member.

PATRONAGE REFUND

Be it resolved, that a Patronage Refund of 2.0% on the interest paid on the loans of members in 2021, where the loans are less than 90 days past due, for the year ended December 31, 2021 be declared for the year ended December 31, 2021.

Where the loans are 20 days or less past due, the proceeds of this refund shall be credited to the Savings Deposit Accounts of each qualified member.

Where the loans are more than 20 days but less than 90 days past due, the proceeds of this refund shall be credited to the loan of each qualified member.

HONORARIA

Be it resolved, that honoraria in the gross sum of \$306,667 (\$230,000 net of income tax liability), be declared for the year ended December 31, 2021.

APPENDICES

Table 2: Members Who Died In 2021

		SURNAME	FIRST NAME			SURNAME	FIRST NAME		
1	14793	Hackett-Thompson	Rhonda	1/4/21	52	17232	Allen	Dianne	7/17/21
2	94	Bridgewater	Mark	1/5/21	53	384	Clarke	Gwendoline	7/17/21
3	9623	James	Stephen	1/10/21	54	17194	Sirjoo-Rampersad	Kamla	7/21/21
4	21853	Wiltshire	Monica	1/13/21	55	12199	Tudor	Ursula	7/21/21
5	5779	De Freitas	Irwin	1/15/21	56	19248	Bruce	Wendell	7/28/21
6	19396	Sandy	Marilyn	1/25/21	57	6116	Wilson	Veronica	7/31/21
7	20873	Narine	Kamla	1/26/21	58	18227	Jack	Arlene	8/1/21
8	3066	Mc Gowan	Alston	1/27/21	59	9306	Pilgrim-Romany	Geraldine	8/1/21
9	4537	Jones	Egbert	1/31/21	60	1665	Connell	Dorothy	8/3/21
10	17554	Phillip	Claudette	2/11/21	61	1678	Austin	Loretta	8/8/21
11	11138	Gordon	Raughn	2/15/21	62	18969	Tang Wing	Monica	8/9/21
12	328	Pierre	Vera	2/21/21	63	25770	Lucas	Joycelyn	8/11/21
13	12523	O'Connor	Elvis	2/24/21	64	1262	Brown-Williams	Irma	8/14/21
14	16668	Beharry	Prudence	3/3/21	65	12921	Beharrylal	Annie	8/28/21
15	2413	Solomon	Nicholas	3/4/21	66	19531	Edwards	Joan	8/30/21
16	10494	Nunes	Michael	3/5/21	67	10116	Jeffers	Cynthia	8/31/21
17	24772	Pitilal	Peter	3/5/21	68	24621	Springer	Cheryl-ann	9/10/21
18	2794	Finley	Earl	3/6/21	69	5019	Boyce	Marjorie	9/11/21
19	440	La Croix	Carlos	3/10/21	70	289	Culzac	Maria	9/18/21
20	3547	Chablal	Colette	3/13/21	71	1954	Brown	Lynn	9/23/21
21	14636	Hosein-Ali	Maureen	3/16/21	72	15432	Brooks	Annalee	9/28/21
22	6969	Seecharan	Susan	3/20/21	73	2864	Daly	Zanifa	10/10/21
23	8833	Daniel	Francis	3/27/21	74	2039	Dedier	Anthony	10/10/21
24	14411	Timothy	Rosalind	4/2/21	75	13570	Eastmond-Campbell	Cheryl	10/16/21
25	6932	Chuck	Marilyn	4/17/21	76	15197	Thomas	Mathew	10/21/21
26	1290	Davies	Penelope	4/22/21	77	739	Claxton	Hubert	10/25/21
27	16399	Fleming	Patrice	4/23/21	78	13652	O'Neil	Calvin	10/27/21
28	17096	Constantine	Carskey	4/24/21	79	21818	Dillon	Lennox	10/28/21
29	1027	Hutchinson	Annella	4/28/21	80	1442	Murray	Elsa	10/31/21
30	8808	Connelly	Carl	5/4/21	81	17511	Subero	Keston	10/31/21
31	7119	Laltoo	Jagdis	5/7/21	82	1304	Marshall-Malco	Marcelle	11/1/21
32	1509	Ash-Herbert	Beverly	5/11/21	83	7154	Norville-Culzac	Peter	11/1/21
33	18524	Williams	Gloster	5/11/21	84	3926	D'Abreau	Dean	11/2/21
34	22	Weekes	Gwendolyn	5/16/21	85	19259	Mc Kenna	Darien	11/3/21
35	4969	Subero	Joyce	5/18/21	86	12457	David-Cooper	Karen	11/5/21
36	12051	Jack-Pontiflet	Beatrice	5/22/21	87	23877	Bernard	Christiana	11/6/21
37	4844	Smart	Frederick	5/24/21	88	22932	Cromwell-Marrain	Lucille	11/7/21
38	16969	Tull	Luther	5/27/21	89	8157	Husbands	Edward	11/12/21
39	21237	Derrick	Kemba	5/28/21	90	10061	Weekes	Joan	11/14/21
40	4171	Wilson	Margaret	6/1/21	91	19447	George	Godfrey	11/19/21
41	8406	Martin	Hazel	6/4/21	92	17978	Crooks	Kenneth	11/22/21
42	3385	Williams	Emilita	6/7/21	93	15877	Lynch	Ann	11/22/21
43	16740	Bandele	Adande	6/10/21	94	6284	Bertrand	Donat	11/23/21
44	841	Hepburn	Lancelot	6/10/21	95	12977	Deane	Ingrid	11/25/21
45	14119	Ogeerally	Lillawatee	6/14/21	96	7484	Ganpat	Jerome	11/25/21
46	2269	Hepburn	Norbert	6/15/21	97	17738	Andrews	Maurice	11/27/21
47	19303	Ali	Janelle	6/17/21	98	5157	Harewood	Trevor	11/28/21
48	24810	Mac Donald	Selena	6/28/21	99	14334	Thompson	Eastlyn	11/30/21
49	6769	Roberts	Isaac	7/4/21	100	102	Maloney	Gemma	12/2/21
50	9402	Jules	Dionne	7/7/21	101	13035	St. Louis	Sean	12/5/21
51	7076	Singh	Kenrick	7/8/21	102	23730	Solomon	Jeanette	12/10/21
					103	22367	Hunte-Nimblett	Venecia	12/13/21

