

# Empowerment Through Inclusion

2023 Annual Report



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



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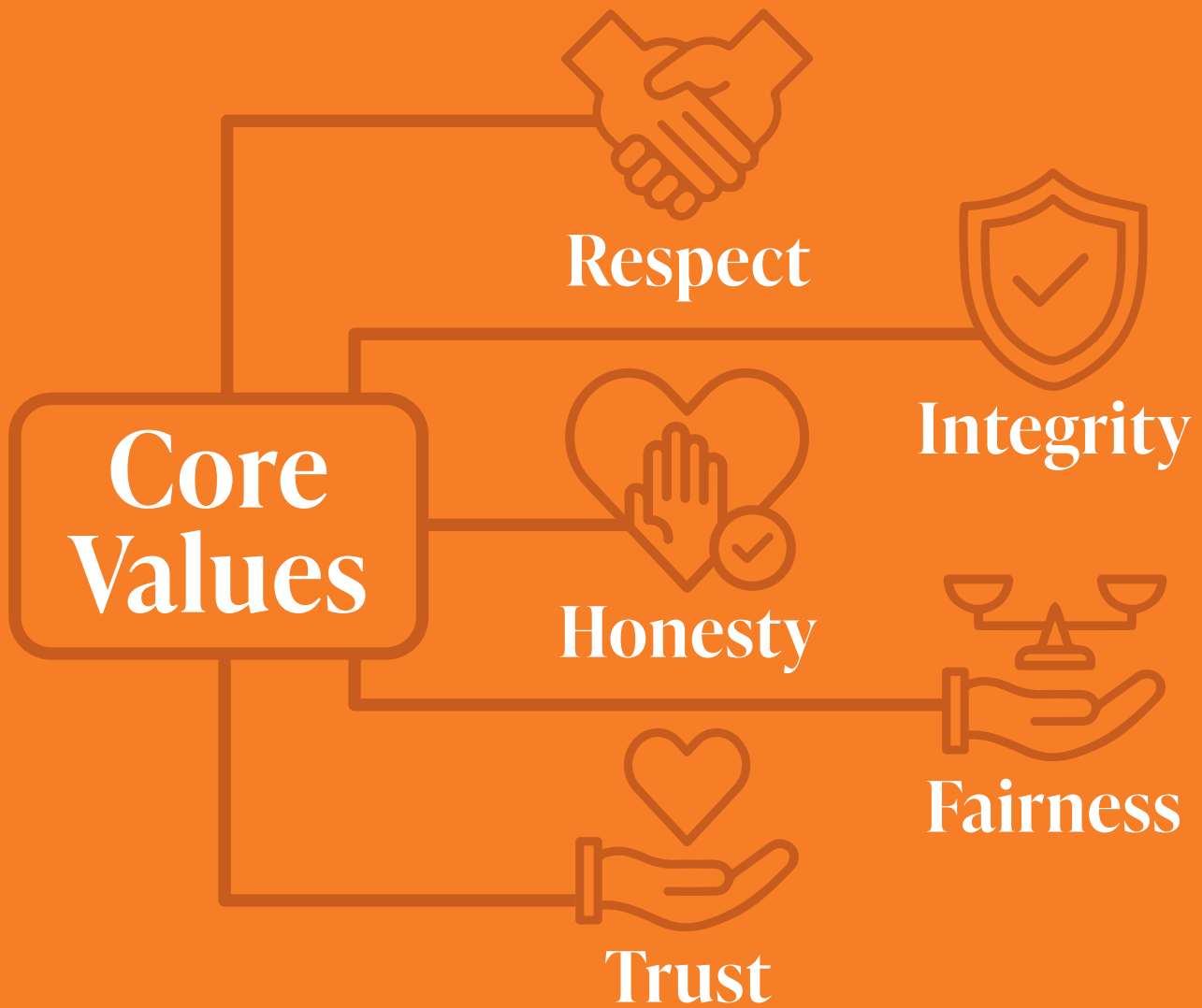
# Vision

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.





# 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.



Layout, Design and Board Portraits  
by ID Design Studio





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# A Message from The President

OF RHAND CREDIT UNION

Empowerment through Inclusion:  
A Financial Odyssey towards Sustainable Futures

Ladies and Gentlemen,

It is with great pleasure and a sense of responsibility that I stand before you today as the President of our Credit Union. Our journey together has been remarkable, filled with shared achievements, and marked by the spirit of unity that binds us as a community. Today, I wish to address you on a topic that resonates deeply with our values and mission – “Empowerment through Inclusion.”

As the intricacies of life are navigated, we are confronted by the knowledge that true empowerment comes from inclusion. Financial inclusion, at its core, is about providing access to affordable and appropriate financial services to all members of our community, irrespective of their background. It is about breaking down the barriers that restrict individuals from realizing their full potential and participating actively in economic activities.

Financial inclusion is not just a strategic goal; it is a powerful catalyst for change. When individuals have access to access to credit, savings and investment products, they are not just managing money; they are shaping destinies – theirs as well as those of the wider communities. Well utilised, financial inclusion is the key that unlocks the door to economic prosperity, education, healthcare, and ultimately, a better quality of life.

Empowering individuals through financial inclusion means recognizing, embracing and addressing the diversity within our community. It means understanding that each member has unique financial needs, aspirations, and challenges. Our Society has taken significant strides to customize our services, ensuring that every member, regardless of financial background, has access to products and tools that meet their specific requirements.

Consider, for instance, the impact of providing microfinance services to aspiring entrepreneurs within our community. By extending small loans and financial literacy programs, we can empower individuals to start and grow their businesses. This not only transforms individual lives but also contributes to the collective economic development of our community.

Our commitment to empowerment therefore extends to the communities we serve. RHAND recognizes the interconnectedness of financial well-being and community development. In direct support of our Co-operative Principles, by investing in community-based financial inclusion initiatives, we are fostering economic resilience, reducing inequality, and creating a foundation for sustainable growth.

One notable example is our continued support for member development projects that focus on enhancing financial literacy. By educating our community of members on the principles of budgeting, saving, and investing, we are sowing the seeds for a financially literate and empowered society.

As we navigate the path towards empowerment and sustainability, it is crucial to align our efforts with broader global aspirations. The United Nations Sustainable Development Goals (SDGs) provide a roadmap for a better and more sustainable future. Financial inclusion is not just a means to an end; it is an integral part of achieving several of the goals.

Sustainable development goal number 1 is – No Poverty. By providing financial services to those who have been economically marginalized, we contribute directly to the eradication of poverty. Access to credit and savings

## A Message from The President

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enables individuals and communities to build a financial safety net, breaking the cycle of poverty. Similarly, goal number 4 – Quality Education, is closely tied to financial inclusion. A family's financial stability ensures that children have the resources they need to attend school regularly, affording them the opportunity to break free from the chains of limited educational access.

Our pursuit of financial inclusion is not merely a moral imperative; crucial to realising sustainable growth. Inclusive economies are more resilient, innovative, and adaptable. As we empower individuals and communities, we create a ripple effect that extends beyond financial metrics.

An inclusive financial system fosters entrepreneurship and innovation, driving economic growth. By tapping into the vast potential of all our members, we lay the groundwork for a more dynamic and robust community, ready to face the challenges of the future.

While we celebrate our achievements in the realm of financial inclusion, it is essential to acknowledge the challenges that lie ahead. Inclusivity requires ongoing commitment and innovation. The digital divide, for instance, poses a significant hurdle in ensuring that all members of our community can access and benefit from financial services. As we move forward, we must harness technology to bridge this gap, ensuring that no one is left behind.

In each of these challenges lies an exciting opportunity. Our Credit Union is well-positioned to leverage emerging technologies, such as mobile banking and digital financial services, to reach a wider audience. By fully harnessing the power of these tools, we not only enhance accessibility but also create more efficient and cost-effective solutions for our members, without sacrificing the service-first approach for which RHAND is known.

Empowerment through inclusion is a joint effort; it requires the active participation of each member of our Credit Union. Your engagement, feedback, and support are invaluable in shaping the direction of our financial inclusion initiatives. As we continue to innovate and expand our services, we encourage you to share your insights, challenges, needs, and aspirations. Together, we can create a more inclusive and resilient financial ecosystem.

Let us collectively reaffirm our commitment to the ideals that define us as a Credit Union – community, empowerment, and inclusion. By embracing financial inclusion as a guiding principle, we not only uplift individuals but also fortify the foundation of our community for generations to come.

Empowerment through inclusion is not just a vision; it is a journey we undertake together. As we navigate this financial odyssey, let us remember that true success lies not just in our collective achievements but in the positive impact we create in the lives of every member of our community.

In closing, I extend my deepest condolences to the immediate families as well as the RHAND family of all those who passed away in 2023. Our thoughts are with you, and we stand together in solidarity during these difficult times.

**“Empowerment through inclusion is a joint effort; it requires the active participation of each member of our Credit Union...Together, we can create a more inclusive and resilient financial ecosystem.”**



I express my sincere gratitude to all RHAND members for your unwavering support, especially for enduring the inconveniences in this post-pandemic environment as you sought to access the services offered. Your resilience and commitment to our community do not go unnoticed.

A special acknowledgment goes to the management and staff for their sterling efforts in providing the services requested by our members. Your dedication to excellence is the backbone of our Credit Union, and we are truly grateful for your hard work.

I also want to extend my heartfelt thanks to the members of the Credit and Supervisory Committees for your tireless efforts in supporting the work of the Credit Union. Your commitment to ensuring transparency and accountability is vital to our success.

To the members of the Executive Committee, I appreciate your hard work and unwavering support during our term. Your leadership has been instrumental in steering our Credit Union towards its goals.

A very special thank you to the Board of Directors for your guidance and support as we lead the organization that is RHAND. Your wisdom and strategic vision continue to shape our journey, and we are privileged to have your stewardship.

As we look ahead, I am confident in the continued support of our membership. With God's grace, RHAND will not only endure but stand as a bastion of support for its members. Together, we will navigate challenges, celebrate victories, and continue our shared commitment to empowerment through inclusion.

Thank you, and may our journey forward be marked by unity, resilience, and the enduring spirit that defines us as a community.

**Simone Petal Dawn Huggins**

*President- Board of Directors*



# Notice of The 76th Annual General Meeting

A Snapshot



## The meeting would be held using a Hybrid format

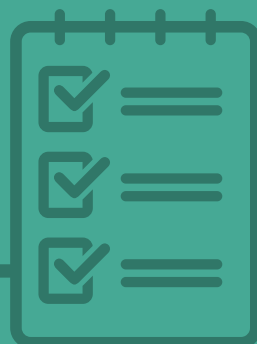
Virtually through the internet via links provided to a closed Zoom meeting portal; and simultaneously in-person.



## Note

Members wishing to participate in the AGM must pre-register online via our AGM registration portal

## Agenda





# Notice of The 76th Annual General meeting

Notice is hereby given that the 76th Annual General Meeting of RHAND Credit Union Co-operative Society Limited will be held on **Saturday - 20th April 2024 commencing at 1:00pm.**

The meeting would be held using a Hybrid format:

1. Virtually through the internet via links provided to a closed Zoom meeting portal; and
2. Simultaneously in-person with limited seating available at the following two (2) venues:
  - Trinidad (host location) -Police Credit Union Flagship Building, Eastern Main Road, Barataria and
  - Tobago – Shaw Park Cultural Complex, Scarborough..



## Agenda

1. Adoption of the Standing Orders
2. President's Address
3. Minutes of the 75th Annual General Meeting of 15th April 2023
4. Minutes of the Special General Meeting of 14th September 2023
5. Matters Arising out of the Minutes of the General Meetings
6. Reports 2023
  - Board of Directors
  - Education Committee
  - Credit Committee
  - Supervisory Committee
  - Independent Auditor's
  - Financial Statements
  - Nominating Committee
7. Election of Officers for the 2024/2025 Term
8. 2024 Quantitative Objectives, Proposed Capital Expenditure and Financial Projections
9. Motions
10. Resolutions
11. Other Business

Dated this 3rd day of April 2024

BY ORDER OF THE BOARD,

*Desmond B. Noel.*

**Desmond Noel**

*Secretary - Board of Directors*





## Note



1. Members wishing to participate in the AGM must pre-register online via our AGM registration portal on our website <https://rhand.org.tt/> or email at [agm@rhand.org.tt](mailto:agm@rhand.org.tt) along with your name, contact number, date of birth and a copy of valid identification. Members can also register by calling 62-RHAND ext. 1271 – 1273, or visiting any Branch where the necessary assistance would be provided.
2. Pre - Registration will end on Monday 15th April 2024 at 4:00pm.
3. Members will have the option to select the preference of their attendance, that is, either virtually or in-person.
4. Members who registered to participate virtually will not be allowed to attend in-person. Likewise, members who registered to participate physically will not be allowed to attend virtually.
5. Reservations are required for members attending the in-person meeting. Reservations will only be available on a first-come-first-serve basis, due to the limited seating capacity (250 persons) at both venues.
6. Only Registered members will be emailed a link, with the accompanying instructions to access the virtual meeting.
7. The voting will be done electronically. As such, all members must pre-register with a valid email address and a mobile phone number.
8. Please use a reliable and functioning email address to pre-register for virtual attendance. The Zoom link to join the meeting will be sent to the email used for pre-registration.
9. The 2023 Annual Report is available for download on our website <https://rhand.org.tt/>



## Standing Orders

Hybrid meetings are meetings or events that feature at least one group of in-person/face-to-face attendees connecting virtually with other meeting attendees. Therefore, each group of people or each environment will have its own rules and regulations to follow. The Standing orders are divided into two sections - In-person/face-to-face and Virtual/Remote. Both sections will guide you about your active participation in the meeting.

### In-Person/Face-To-Face Attendance

- A member will stand when addressing the Chairperson and shall identify himself/herself.
- A member's contribution shall be clear and relevant to the subject before the Meeting.
- A member shall address the meeting when called upon by the Chairperson to do so, after which he/she immediately takes his/her seat.
- No member shall address the Meeting except through the Chairperson.
- A member may not speak twice on the same subject except:

- He/she is the mover of a motion - in which he/she has a right to reply, or
- He/she rises to object or explain (with the permission of the Chair).

### Virtual/Remote Attendance

By default, members' microphones and cameras are turned off for the duration of the meeting, except when allowed by the Chairperson to make audio/video contributions to the meeting.

To make a contribution a member shall:

- i. Type in the Q&A to post questions to the Chair.
- ii. Use the "Raise hand" function available on the Zoom platform,
- iii. Wait to be recognised by the Chairperson.

A member shall address the meeting ONLY when called upon by the Chairperson to do so. The member must:

- i. Ensure they are named correctly when joining the meeting to be recognised by the Chair.
- ii. If called upon by the Chairperson to ask a question via audio, the member would be allowed 2 minutes to do so.

- iii. For members who were allowed to submit audio questions, members are asked to mute the microphone at the end of the contribution.

A member can also use the “Chat” feature via “Q&A” to:

- i. Ask a question,
- ii. Raise a point of order,
- iii. Raise an objection,
- iv. Signal the need for the urgent attention of the Chair,
- v. The AGM moderator shall collate all matters raised via the Chat and transmit the same to the Chair.

All members are asked to utilise the Help Desk to share any issues they are having so that the team can troubleshoot during the session with minimal interruptions.

### **Both In-Person And Virtual Attendance:**

Members must:

- i. Keep their phones on Silent and NOT on Vibrate to avoid distractions.
- ii. Ensure that their microphone is muted when taking any urgent calls.
- iii. Ensure that their contribution is clear and relevant to the subject before the Meeting.

A member may not speak twice on the same subject, except:

- i. 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).
- ii. The mover of a motion – who has the right to reply.
- iii. To object or to explain (with the permission of the Chair).

On any agenda item, a member is permitted:

- i. One question and
- ii. His/her contribution shall not exceed two (2) minutes. Except with the permission of the Chairperson.

No speeches shall be made after the “question” has been put and carried or denied.

The Mover of a Procedural Motion - (adjournment, lay on the table, motion to postpone) shall have no right of reply.

A member raising a “Point of Order” shall state the point clearly and concisely. (A “point of order” must have relevance to the “Standing Orders”).

A member shall not call another member “to order” - but may draw the attention of the Chairperson to a “breach of order”.

In no instance can a member call the Chairperson “to order”.

Only one amendment should be before the meeting at any time.

When a motion is withdrawn, any amendment to it fails.

The Chairperson has the right to a “Casting Vote”.

If there is equality of voting on an amendment, and if the Chairperson does not exercise a Casting Vote, the amendment is lost.

Provision shall be made for the protection of the Chairperson from vilification (personal abuse).

No member shall impute improper motives against another member.

Electronic recording of these proceedings is prohibited unless prior permission is obtained from the Chairperson.

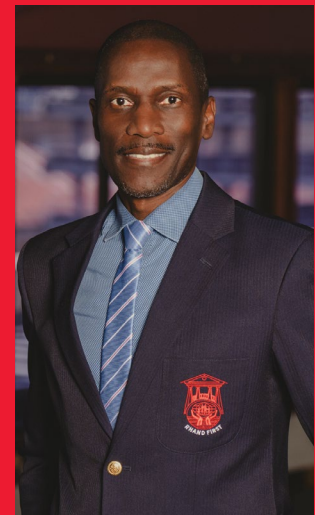
All members shall professionally conduct themselves. The use of rude or abusive language will not be tolerated during the meeting’s proceedings.

# The Board of Directors and Statutory Committees

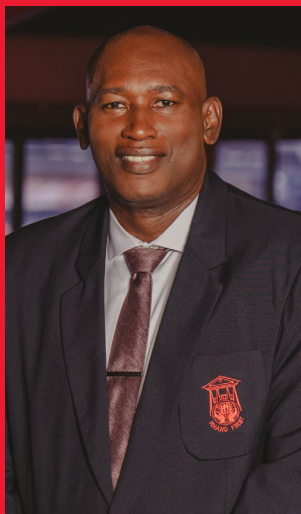
## 2023-2024 The Board of Directors



Ms. Simone Petal Dawn Huggins  
*President*



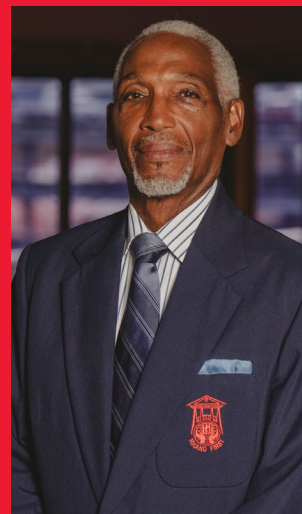
Mr. Brian Caesar  
*Vice President*



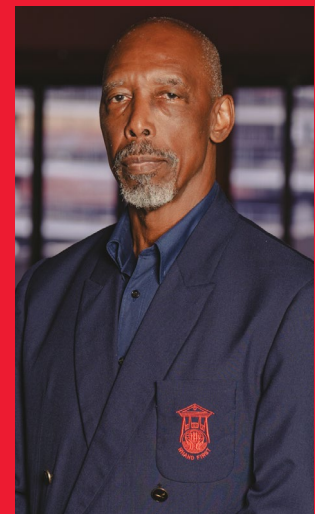
Mr. Desmond Noel  
*Secretary*



Ms. Charlene Davidson  
*Assistant Secretary*



Mr. Dave Williams  
*Treasurer*



Mr. Martin Gibbs  
*Director*



**Mr. Kristed Herbert**  
*Director*



**Mr. Martin Minguell**  
*Director*



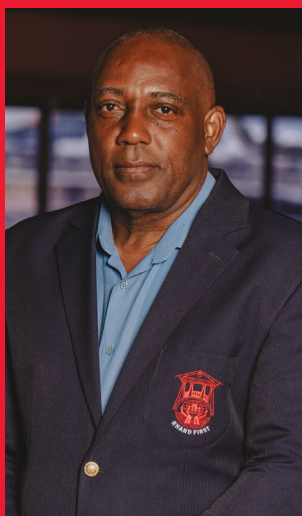
**Mr. Sherwin Williams**  
*Director*



**Ms. Pamela Ogiste**  
*Director*



**Mrs. Linda Renaud-Medford**  
*1st Substitute*



**Mr. Ivor Superville**  
*2nd Substitute*



**Mr. David Maynard**  
*Director*



**Ms. Tracey-Ann Riley McLeod**  
*Director*

# Supervisory Committee



Ms. Claudette Brown  
*Chairperson*



Ms. Marisha Alexander  
*Member*



Mrs. Marilyn Mora-Francis  
*Member*



Mrs. Mary Lou Edmund Marciano  
*Member*



Ms. Michelle Burris  
*1st Substitute*



Ms. Sparkle Anicia Inniss  
*2nd Substitute*



Ms. Nadine Ellis  
*Secretary*



# Credit Committee

Ms. Stacy Monroe-Frank  
*Secretary*



Ms. Krystal Alexander  
*Member*



Ms. Carolyn Byer  
*Member*



Ms. Inesha Clauzel  
*Member*



Ms. Nathifa Lewis  
*Member*



Mr. Tesfa Watson  
*Member*



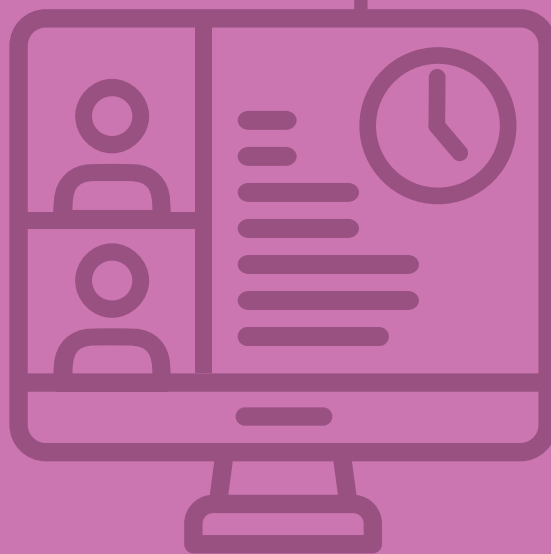
Ms. Sandra Price  
*2nd Substitute*





# Minutes Of The 75th Annual General Meeting

A Snapshot



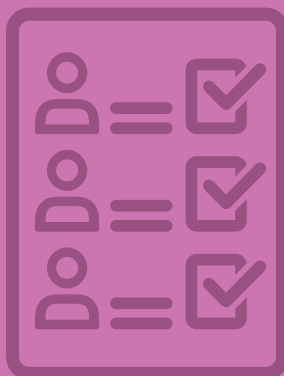
## Held using a Hybrid Format

Virtually through a closed Zoom meeting portal; and simultaneously in-person at the Radisson Hotel. Saturday, April 15th, 2023



## Acceptance of the Minutes

of the 74th Annual General Meeting. The 74th Annual General Meeting held on 21st May 2022 AGM.



## Election Results

of officers for the 2023/2024 Term

# Minutes of The 75th Annual General Meeting

**held using a Hybrid format - Virtually through the internet via links provided to a closed Zoom meeting portal; and simultaneously in-person at the Radisson Hotel, Wrightson Road, Port of Spain and Shaw Park Cultural Complex, Scarborough on Saturday, April 15, 2023.**

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### 1.0 INTRODUCTION

1.1 The 75<sup>th</sup> Annual General Meeting of RHAND Credit Union Co-operative Society Limited commenced at 1:27 p.m., with a total of four hundred and sixty-five (465) members present online and in-person. The Chairman and President, Mr. Desmond Noel, acknowledged the Members of the Board of Directors, Supervisory, Credit and Board-Appointed Committees, the General Manager and Staff and he also acknowledged the presence of Rev. Clifford Rawlins and the members of the Co-operative Division present to monitor the proceedings.

1.2 The Chairman introduced the Members on the Head Table as well as the Chair of the Committees, welcomed the membership and mentioned the intention to share the Credit Union's successes, challenges and to discuss initiatives expected for this year and beyond.

1.3 Just as a reminder, the Chairman stated the role of the Office of the Co-operative Development for the conduct of the meeting, the role of the moderators re credential reports and keeping an orderly flow of the meeting, online etiquette and the role of the Returning Officer in the conduct of elections.

He also notified the membership of video presentations for election candidates and the voting process.

1.4 The Chairman requested a Credentials Report, and the moderator stated that there were five hundred and nine (509) members present both virtually and in-person at the meeting locations. He then called the meeting to order, having met the quorum.

1.5 The Chairman then invited the Vice President, Mr. Brain Caesar, to lead with the singing of the National Anthem. Rev. Clifford Rawlins was called on to lead with the Credit Union Prayer and the Invocation Prayer. Mr. Caesar then directed the membership to the relevant pages in the brochure addressing members who passed, including member of staff Kendol Preddie and requested that a Minute of Silence be observed.

1.6 The Chairman again asked for a credentials report and with a total of five hundred and thirty (530) members present online and in-person, a video tutorial for online voting, questions and polls were played to familiarize the membership of the processes.

### 2.0 NOTICE OF MEETING AND ADOPTION OF STANDING ORDERS

2.1 The Chair introduced Ms. Simone Petal Dawn Huggins, Secretary, who read the Notice and Agenda of the Meeting, as well as the Standing Orders into the record.

2.2 The Standing Orders were moved on a motion by Terasita Da Silva and seconded by Lucille Mayers-Cheekes. Having been so moved, the motion was put to the vote and even though there was a delay at the Tobago location, the Standing Orders were eventually adopted.

2.3 The Annual Report was then accepted as having been read by the meeting on a motion made by Sheneika Wilson and seconded by Princess Joefield. Having been so moved, the motion was put to the vote, approved and carried.

### 3.0 THE PRESIDENT'S ADDRESS

3.1 The Chair stated that he did not intend to make any amendments to the President's Address but wanted to highlight certain aspects. He mentioned that the Board took two important strategic decisions, the first being to set up an Ad Hoc Committee to review the financial performance of RHAND as the external environment had an adverse effect on the investment portfolio, and second, the Board decided to amend its strategic plan to consider the likely challenges expected.

3.2 The Chairman pointed out initiatives that members should look forward to in the coming year, including the expectation of the use of ICT technology in business for a faster interaction transaction, the upgrading of the PBX system and, lastly, the intention

to operationalize the OneRHAND Wealth Management Services Limited which would bring in an additional source of revenue to RHAND.

3.3 The Chair thanked all members of the Board, Management and Statutory Committees for all the achievements in this difficult climate and was confident that RHAND had a bright future. He also thanked the supporters, the Office of the Commissioner of Co-operative Development, Credit Union League and fellow Credit Unions.

### 4.0 ACCEPTANCE OF ERRORS, AMENDMENTS, CORRECTIONS, OMISSIONS TO THE ANNUAL REPORT

4.1 The Chair moved to errors and omissions to the Annual Report in its entirety. He pointed out on page 15, at the Supervisory Committee, Jennifer Harvey-Bethel, Member that it should be 2nd Substitute from the 2021 AGM.

4.2 Member Salome Kent Reid also pointed out on page 25 of the Annual Report, at 8.1.3, that it should be amended to read 'she' not 'he'.

“... members should look forward to in the coming year, including the expectation of the use of ICT technology in business for a faster interaction transaction ...”



# Minutes of The 75th Annual General Meeting

4.3 The Chair stated that the correction was accepted, and the motion was moved by Sylvester Paul and seconded by Marianne Kent. This motion was put to a vote and approved.

## 5.0 ACCEPTANCE OF THE MINUTES OF THE 74TH ANNUAL GENERAL MEETING HELD ON 21st MAY 2022

5.1 The Chair asked for the acceptance of the Minutes of the 74<sup>th</sup> Annual General Meeting and this motion was moved by Lezroy Kylon McKellar and seconded by Rev. Dr. Mary Lou Edmund Marcano. The motion for the Acceptance of the Minutes was then put to a vote and adopted.

## 6.0 CONFIRMATION OF MINUTES OF THE 74TH ANNUAL GENERAL MEETING HELD ON 21st MAY 2022

6.1 The Chair called for the confirmation of the Minutes of the 74<sup>th</sup> Annual General Meeting. This motion was moved by Claudette Brown and seconded by Linda Renaud Medford. The motion for the Confirmation of the Minutes was put to a vote and approved.

## 7.0 MATTERS ARISING OUT OF THE MINUTES OF THE 74TH ANNUAL GENERAL MEETING

7.1 The Chair tabled Matters Arising out of the Minutes of the 74<sup>th</sup> Annual General Meeting and invited questions from the membership.

7.2 Member Tesfa E.H. Watson asked from online: "Is there any way this Q&A can continue from the last question instead of going back to the first question, where I have to scroll to the last question every time?" The moderator stated that the Help Desk will assist, and the Chair noted the

challenges but indicated it did not come under 'Matters Arising'.

## 8.0 REPORTS 2022 REPORT OF THE BOARD OF DIRECTORS

8.1 The Chair tabled the Board of Directors' Report for the meeting's consideration, which covered the global and domestic macroeconomic environment overview, the domestic financial system overview, regulatory developments, activities and significant accomplishments. Members were invited to submit questions or comments arising from the Board of Directors' Report.

8.2 Member Corinne Tang drew the Chairman's attention to page 39 at 5.1 and asked what is the average age of the youth applicants admitted into the membership, to which the Chair replied 10 years old. She then asked why not under ten, because it would teach children to start saving and investing from an early stage. The Chair indicated that the Board could revisit that point. The Report of the Board of Directors was then moved by Judith Derby and seconded by Alicia Jones. Having been so moved, the motion for the adoption of the Board of Directors Report was approved.

## REPORT OF THE EDUCATION COMMITTEE

8.3 The Chair introduced Mr. Brian Caesar, Vice President, to present the Education Committee's Report. The Report of the Education Committee was tabled for consideration, which highlighted the mandate of the Committee relating to publicity and education and its strategic role embodied in RHAND's vision and mission. There were no questions posed by Members. The Report of the Education Committee was adopted on a motion moved by Pamela





“There was also the promise to improve communication and collaboration with stakeholders to ensure Members’ financial safety and stability.”

Ogiste which was seconded by Marianne Kent. Having been so moved, the motion was put to the vote and approved.

#### REPORT OF THE CREDIT COMMITTEE

8.4 The Chair introduced Ms. Carolyn Byer, Chair of the Credit Committee, to present. The Report of the Credit Committee was tabled for consideration, highlighting its statutory role, composition, credit supervision regarding loan application approvals, disability benefits and settlement of death claims. Special mention was also made regarding the Committee Members’ participation in the Anti-Money Laundering (AML) Training and Credit Management Training workshops. There was also the promise to improve communication and collaboration with stakeholders to ensure Members’ financial

safety and stability. Members were then invited to submit questions.

8.5 Member Sofia Rosemund commented that she would appreciate more classes on planting and gardening. Ms. Byer replied that while that had nothing to do with loans and share withdrawals, other members had requested same, so the Education Committee may address this matter.

8.6 Member Anita Hankey enquired, “What is the Society doing with regard to the high delinquency rate related to loans?” Ms. Byer responded that RHAND used traditional methods of calling, texting, sending letters and emails to delinquent members but have recently introduced debt collections, which seems to be working to get back monies.

## Minutes of The 75th Annual General Meeting

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- 8.7 Member Joanne Young Drakes asked for a breakdown of the shares and savings deposits figure of \$38,719,345. Ms. Byer referred her to Tables C2, C3 and C4 in the brochure for the breakdown.

Ms Young Drakes asked if those tables were directly related to what was outstanding and assumed it covered general loans and was not focussed on non-defunct loans. The General Manager, Mr. Ainsley Andrews, responded that the \$38M represented all loans 30 days and over in arrears and that the information was readily available and could be produced with the breakdown of categories per month subsequent to the meeting.

- 8.8 Member Jewel Green commented that as a result of Covid, she supposed the delinquency rate would have increased. She then asked what the Credit Committee was doing to get the rate down from eight (8%) per cent closer to six (6%) per cent that was stated as the standard. Ms Byer responded that credit administration had debt consolidation facilities and the Education Committee put in skilled courses to assist members in generating more income to financially help themselves.

- 8.9 Member Damion Hector enquired of the Credit Committee, "What is the current rate of borrowing against your accumulated share amount? How much can you borrow against your share amount?" Ms. Byer replied that you can borrow up to three times the amount of shares you have in the credit union. The General Manager added that if purchasing a vehicle or property, the amount is based on overall collateral, so there was no real limit on what your income could afford.

- 8.10 Online Member Nicole Williams asked what the Credit Union was doing to remain

“... what the Credit Union does is manage the supplemental costs e.g. no processing fee, which help offset overall interest costs, legal fees are reduced because of borrowing from a credit union and you also get personalized guidance.”

competitive against the banks in becoming the preferred choice for mortgages for members between 28 to 40 years old. The General Manager stated that the reality is that Credit Unions cannot really compete against the banks as far as interest rates were concerned, where banks offer mortgage rates as low as four (4%) percent and have lower cost of funds, so the banks have an advantage. He said what the Credit Union does is manage the supplemental costs e.g. no processing fee, which help offset overall interest costs, legal fees are reduced because of borrowing from a credit union and you also get personalized guidance. He then invited interested persons to contact the Credit Administration Department or email [loans@rhand.org.tt](mailto:loans@rhand.org.tt) to get guidance on achieving their goals.

8.11 Member Lana O’Keiffe expressed her dismay at unsuccessfully trying to meet with the manager even though she was never delinquent. Mr Andrews took note of her name and assured her that the Credit Manager Mr. Brown would call her.

8.12 Member Avalyn Macy enquired why there were applications for share withdrawals. Ms. Byer stated that it was usually for personal use but the Credit Committee determines, once all criteria is met, if the member is able to get a share withdrawal.

8.13 Director David Maynard commented that both the Credit Chair and the General Manager indicated members can get up to three times their shares but he questioned whether the statement was correct or is it three times up to \$50,000. Ms. Byer confirmed that it was three times up to \$50,000.

8.14 The Chair thanked the members and Patricia Harry was the mover for the adoption of the Credit Committee’s Report, which was seconded by Cecelia Edwards Sealy. The Moderator indicated there were other questions online for the Credit Committee but they would be collated and provided to the Board or addressed under ‘Other Business’ if there was time. Having been so moved, the motion was put to the vote and approved.

### REPORT OF THE SUPERVISORY COMMITTEE

8.15 The Chair introduced Ms. Erica Charles, Chair of the Supervisory Committee, to present. The Report of the Supervisory Committee was tabled for consideration at the meeting. The highlights mentioned were challenges from training of new members, cash counts, verifying loan audits, checking

on delinquency and asking members to be more proactive. Exposure to training for the upkeep of high standards was also mentioned as well as the relationship with the Audit Committee and internal auditor.

There being no questions, the motion to adopt the Report of the Supervisory Committee was moved by Sylvester Paul and seconded by Sheneika Wilson. Having been so moved, the motion was put to the vote and approved.

### INDEPENDENT AUDITOR’S REPORT

8.16 The Chair invited Mr. Daniel Bissoondial, Audit Partner at 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 comprised the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in members’ equity, 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, 2022, and of its financial performance and its cash flows

8.17 for the year then ended in accordance with International Financial Reporting Standards...”

The Chairman invited questions for the Auditor’s from the membership and Director David Maynard expressed that since Share Capital is now reflected as ‘Share Savings’, they appear as a liability on the Balance Sheet and when the Income Statement is being prepared, the major source of income is

## Minutes of The 75th Annual General Meeting

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loans, which are funded by share savings. He stated that one of the principles in preparing Financial Statements is matching, so you match expenses or revenue generated in terms of expenses used to generate that revenue. He then put his first question to the auditor, being: "Since Share Savings are now shown as liabilities, do you see the value in adding more information to clarify what the Net Surplus really represents?" Director Maynard's second enquiry which he wanted shared with the membership for their edification was why the write-off of a loan in a given financial year is not an expense of that financial year, because it had implications for some of the decision-making at RHAND.

8.18 Mr. Bissoondial replied to the first question, stating that members' shares are a liability and is, therefore, shown on the Balance Sheet, but it is not shown on the Statement of Comprehensive Income because that just captures the income and expenses. He asked if the suggestion was that liabilities be on the income statement. Director Maynard clarified that the return on the shares is not captured, so there is not a proper matching. He stated the major asset of Credit Unions is loans, the interest income on loans were on the revenue side of the Income Statement but the returns to Share Savings there was no related cost, so he suggested that instead of saying Net Surplus, they may want to say something like Net Surplus Before Returns on Share Savings, so that it doesn't mislead outsiders reading the Statement. Mr. Bissoondial countered that the presentation was according to international standards and he assumed that was something similar to earnings per share for listed companies to see the correlation to how much their shares generated in revenue for that year. He stated that the Board can decide to add additional disclosures but it was not a requirement of the standard at the point in time..

8.19 Director Maynard reminded Mr. Bissoondial of the second question which was to explain why a write-off of a loan in a given year is not an expense but it is a charge to the allowance for doubtful debts which was built up previously and not a current charge in the financial year when the write-off takes place. Mr. Bissoondial responded that accounting standards require you, once you have a loan, to anticipate how much of that loan is going to go bad. So, every year an estimate is made and provision is made for that in your books under Provision for Doubtful Debts, so when it does go bad, it does not become an expense to the Credit Union, it goes to set off against the provision that was originally created.

8.20 Member Marlene Riley-Mohammed questioned the findings arrived at, regarding the Credit Union, in reference to the auditing and if there were recommendations. Mr. Bissoondial replied that the audit report reflected that there was nothing materially misstated and in accordance with international standards, it was their opinion that the financials were materially correct. Also, that recommendations would be provided to the Board and it is at their discretion to disseminate that to the members.

Mr. Sherwin Williams, Chair of the Audit Committee, interjected that when the Auditor's do their review, they submit a Management Letter, which is a more detailed assessment with possible deficiencies, and recommendations of possible solutions are submitted for Management's discretion. Management responses are then checked to see if the recommendations were implemented.

8.21 Member Marlene Riley-Mohammed enquired as to the last time the auditor responded to a Management Letter. Mr. Williams stated that there is a current one for this financial



year that they were awaiting a management response on possible shortcomings, but every year one is done and the last one was in 2022. He saw no issue in it being disseminated to members.

8.22 Member Anita Hankey commented that additional disclosures would improve operational transparency and notwithstanding the international standard associated with auditing, she endorses the need for its consideration by the Board of Directors.

8.23 The Chair stated that RHAND is always willing to provide disclosures to members and there being no more questions, a motion was moved by Glenda Bruce and seconded by Lezroy Kylon Mc Keller for the Adoption of the Report of the External Auditor's. Having been so moved, the motion was put to the vote and approved.

**FINANCIAL STATEMENTS**

8.24 The Chair 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 31<sup>st</sup> December 2022. Some of the main highlights of his presentation included: Incorporation and Business Activities, Basis of Accounting, Use of Judgements and Estimates, Significant Accounting Policies, Financial Risk Assessment, Significant Accounting Estimates and Judgements, Cash and Cash Equivalents and Investment Securities, among others. He then opened the floor to any questions regarding the financial performance.

8.25 There being no questions, Mr. Andrews invited the membership to send any questions afterwards and the Board will

provide written responses on the website. A motion was then moved by Linda Renaud-Medford and seconded by Rev. Dr. Mary Lou Edmund Marcano. Member Anita Hankey asked for the six-plus minutes financial video to be made available to members and the General Manager agreed. The motion was put to the vote and approved.

**9.0 QUANTITATIVE OBJECTIVES, PROPOSED CAPITAL, EXPENDITURE AND FINANCIAL PROJECTIONS FOR 2023**

9.1 The Chair invited the General Manager, Mr. Ainsley Andrews, to present the Budget and this was tabled for members' consideration. The highlights of those projections included: The aim to move the Total Income which generated \$50.178M and the aim last year was to generate \$56.358M this year; Incurred Expenses totalling \$40.94M for 2022 was brought down to \$38.125M for this year, generating improvement in the surplus position which was ventilated; and with a low Net Surplus for 2022 of \$13.23M and they are budgeting to bring it up to 18.23M for 2023.

9.2 Mr. Andrews mentioned the initiatives being pursued, which includes the completion of the first phase of Head Office renovations, which means the Credit Administration services and Member Relations services will be on one floor. He stated that RHAND was also seeking to support the country's Micro and Small Business development through the launch of its own SME programme for members, amongst others. He then opened the floor for any questions.

9.3 Member Victor Kirton commented on the initiatives, that a timeframe was not given for completion of the first floor and the work on the completion of the automation. He also addressed the problems with the PBX in terms

## Minutes of The 75th Annual General Meeting

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of people calling and only getting a recording and, therefore, no assistance was given for their matters, and he stated that it was critical for the advancement of the organisation and should be dealt with urgently.

Mr. Andrews, on the first point, replied that the timeframe for all phases were unavailable but Board approval will be sought for finalization of the plans to determine overall costs and properly map out all phases. He reminded members of the purchase of the TSTT building next to Head Office for expansion of operations and the intention to rent out space to earn additional income. Mr. Andrews then stated that with regard to the PBX platform, negotiations were being had with TSTT to address challenges or another option would be alternative providers like FLOW or Digicel, but he assured the issue was a priority and being dealt with.

- 9.4 Member Victor Kirton asked for an explanation for the increase at page 132 regarding projections for buildings, for computer facilities and Furniture, Fixtures and Fittings. Mr. Andrews responded that it primarily pertained to the opening of the new Arima branch office, renovations to the Head Office building and the number of technology upgrades on hardware and software for computers, which cannot be avoided.
- 9.5 Member Victor Kirton also enquired as to where the increase in the rental income was coming from at page 133 under Projected, as opposed to Actual in 2022. Mr. Andrews explained that it was from the two buildings purchased from TSTT in Arima and next door in Port of Spain, but there was a leaseback arrangement for portions of the building with their equipment and they were late in payment, so there is outstanding rent for 2023. He also said that the 4th Floor rental

for events is also a supplemental source of income and should resume for 2023.

Mr. Kirton then queried collecting rent on the Bacolet Street and Tragarete Road properties, to which Mr. Andrews stated that the Bacolet property was unoccupied and the Tragarete Road property never resumed rental but there was an active sale of the property to the Shell Invaders Panyard next door.

- 9.6 Member Anita Hankey submitted an online inquiry concerning the planned initiatives aimed at reducing expenses. In reply, Mr. Andrews stressed that the foremost priority lay in addressing the loan protection expense and implementing robust cost management strategies. Additionally, he highlighted the importance of reversing the unrealized losses incurred from the investment portfolio in 2022, as these actions were expected to significantly contribute to the reduction of expenses.
- 9.7 Lusandra Roberts, a member from Tobago, indicated an error and mentioned that the correct figure for the Proposed 2022 (\$) sum on page 132, first column, should be \$29,788,316. Mr. Andrews acknowledged the mistake, apologized, and agreed with the correction.
- 9.8 There being no further questions on the General Manager's presentation, the 2023 Budget - Quantitative Objectives and Proposed Capital Expenditure and Financial Projections was adopted on a motion by Glenda Bruce which was seconded by Claudette Brown. Having been so moved, the motion was put to the vote and carried.

### 10.0 REPORT OF THE NOMINATING COMMITTEE

- 10.1 The Chairman called for a credential report, then subsequently, Ms. Debra D'Abreau, the Chair of the Nomination Committee, was

report was officially tabled for consideration, member Thecla Huggins Stanley rose and expressed appreciation towards the General Manager, Ainsley Andrews, for his budget presentation. Additionally, she suggested that Mr. Andrews present virtually prior to the AGM to accommodate members who may require a more comprehensive review of the documents.

The Report of the Nominating Committee was formally presented for consideration. Members were then invited to submit any questions they may have regarding the report.

- 10.2 Member Marlene Riley-Mohammed raised an inquiry during the meeting concerning the nominees who were not given an opportunity to submit their documents. She sought clarification on the criteria for nomination as specified in the Bye-Laws and the Co-operative Societies Act, particularly concerning the specific requirements and qualifications that render individuals eligible nominees.

In response, Ms. D'Abreau stated that the criteria for nomination included being a member in good standing, at least 18 years of age, not bankrupt or convicted of any crime, and not currently serving on a Board or Committee of another credit union. These criteria were clearly outlined in the advertisements and on the procedures sheet.

- 10.3 Member Marlene Riley-Mohammed further expressed the viewpoint that members who did not complete their declaration forms should not be considered in breach of any requirement and should have been duly informed of this. The Chair clarified that an incomplete declaration form does not qualify as a valid proposal and, therefore, would not have been taken into consideration.

- 10.4 Member Elizabeth Williams from Tobago highlighted potential conflicts of interest concerning Inesha Clauzel's employment at First Citizens' Bank and Dr. Mary Lou Edmund Marcano's current service on the Board of Directors for the COPOS Credit Union.

The Chair addressed the inquiry by clarifying that Dr. Mary Lou Edmund Marcano is not presently serving on the Board of City of Port of Spain Credit Union. Regarding Inesha Clauzel, the Chair highlighted that her employment at First Citizens' Bank brings valuable competency and current experience in the financial sector to RHAND, and it does not constitute a conflict of interest.

Following the Chair's comments, Dr. Mary Lou Edmund Marcano provided a response by specifying the past positions she held at COPOS and RHAND, along with the corresponding timeframes. She asserted that her current positions would not generate any ill-will or create grievances for RHAND Credit Union.

- 10.5 Member Victor Kirton requested clarification on whether the identities of the rejected nominees could be disclosed. In response, the Chair restated the eligibility criteria outlined in the Bye-Laws and emphasized that the lack of attestation to the proposal rendered the identification of specific candidates unnecessary. The Chair further explained that candidate numbers are assigned to ensure confidentiality and information security, preventing the revelation of their identities during the AGM or any other occasion.

- 10.6 Member Gail A. Reid commented: "Failure to meet the requirements and standards for an advertised position means they cannot be considered. This is an understood and acceptable practice."

## Minutes of The 75th Annual General Meeting

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- 10.7 The Report of the Nomination Committee was adopted on a motion by Glenda Bruce, which was seconded by Charlene Roberts. Having been so moved, the motion was put to the vote and carried.
- 11.0 ELECTION OF OFFICERS FOR THE 2023/2024 TERM**
- 11.1 Following the motion to adopt the Report of the Nominating Committee, the Chairperson vacated the Chair deferring to the Returning Officer, Mrs. Daphne Moore. The Returning Officer called for the playing of the videos of the nominee profiles for the Board of Directors, the Supervisory Committee and the Credit Committee. The presentation of the nominees was preceded by an explanation of the hybrid voting process (live and online) by the ROSE I.T. personnel.
- 11.2 Following additional instructions provided by the Returning Officer, the voting procedure commenced through the digital portal. Members proceeded to exercise their voting rights by casting their votes for each respective category.
- 12.0 MOTION**
- 12.1 With the voting portal closed, the Chair returned to the head table to receive the results of a credential report. Subsequently, the Annual General Meeting proceeded with a motion presented by Director David Maynard and seconded by Thecla HugginsStanley.
- 12.2 The motion's Resolutions are as follows:  
**"Be it resolved** that the actions of the Members of the Board of Directors of the Society, with respect to the method to be employed for the provision of the credit life benefit to the members are beyond the limits of the authority as duly delegated to them by the general membership; and  
**Be it resolved** that the decision taken by the Members of the Board of Directors in this matter on the afternoon of April 03, 2023, without reference to the general membership and without due regard to the mandate of the Special General Meeting of November 14, 2009, is ultra vires with respect to the scope of the authority of the Board and therefore the decision taken is null, void and of no effect; and  
**Be it resolved** that the Members of the Board of Directors of RHAND Credit Union be estopped from outsourcing the arrangements for the provision of the credit life protection benefit for members of the Society to an external service provider, unless or until such time as a General Meeting is called for the purpose of the presentation and consideration of alternative proposal from the Members of the Board of Directors, for the provision of the benefit."
- 12.3 On the Chairman's invitation for comments regarding Director Maynard's motion, member Thecla Huggins Stanley questioned the potential benefits resulting from the Board's decision in comparison to the existing plan for the Loan Protection Fund.  
  
In response, the Chair clarified that the Loan Protection Fund would continue to exist, but with a strategic shift from self-insurance to a third-party insurance provider. This decision was made with the intention of saving expense, reducing costs (expenditure) and increasing the surplus.  
  
General Manager Andrews intervened to provide clarification, pointing out that self-

“The ultimate objective is to enhance future dividend payouts by lowering the organization’s overall expenses and strengthening its financial position.”

insurance entails higher costs than paying an insurance provider’s annual premium. The ultimate objective is to enhance future dividend payouts by lowering the organization’s overall expenses and strengthening its financial position.

- 12.4 In direct response to Director Maynard’s motion, the Chair provided a comprehensive overview of several key aspects, including the establishment of the Loan Protection Fund, annual payments associated with it, fund management considerations, the transfer of risk to an insurance provider, and the consequential impact of the fund on RHAND’s Net Surplus. The Chair also acknowledged the various factors that influenced the Board’s decision in this matter.
- 12.5 Member Debra D’Abreau expressed concern regarding excluding significant factors such as age, premium rates, payment schedules, ageing and death, which insurance companies typically consider in similar decisions. The

member also recommended that these factors be thoroughly discussed at an upcoming Special General Meeting.

- 12.6 Director Maynard reiterated the unresolved question of whether the Board exceeded its authority and acted beyond its scope, which needed a response. Additionally, Director Maynard proposed that the Directors be prohibited from outsourcing credit life protection arrangements until a Special or General Meeting is convened to address this issue. In response, the Chair stated that, according to received advice, the Board did not deviate from its authorized boundaries.
- 12.7 On a point of clarity, Director Martin Minguell underscored that the mover of the motion possessed the right to conclude the discussion, thereby precluding any additional debate on the subject. Director Minguell further asserted that the motion must proceed to the floor for a formal vote.
- 12.8 The Chair and General Manager responded to the motion as presented, and then placed the following Resolution before the membership for voting:
- “**Be it resolved** that the members of the Board of Directors of RHAND Credit Union be estopped from outsourcing the arrangement for the provision of the credit life protection benefit for the members of the Society to an external service provider, unless and until such time as a General Meeting is called for the purpose of the presentation and consideration of alternative arrangements from the members of the Board of Directors for the provision of this benefit.”
- 12.9 The credential report was received, and the motion as read and presented by Director David Maynard was carried by a majority vote.

# Minutes of The 75th Annual General Meeting

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## 13.0 RESOLUTIONS

- 13.1 The Chair called for the meeting to accept treating the Resolutions under one motion. Having been so moved by Emmanuel Walker and seconded by Martin Gibbs, the motion was put to the vote and carried.
- 13.2 The Chair tabled the following Resolutions for consideration:

### DIVIDEND ON SHAREHOLDINGS

**Be it resolved** that a dividend of 2.5% on the average monthly share balance held by each member for the year ended December 31, 2022 be declared for the year ended December 31, 2022 and that the proceeds of this dividend distribution be credited to the Savings Deposit Accounts of each member.

### PATRONAGE REFUND

**Be it resolved** that a Patronage Refund of 2.50% on the interest paid on the loans of

members in 2022, where the loans are less than 90 days past due, for the year ended December 31, 2022 be declared for the year ended December 31, 2022.

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, 2022.

- 13.3 The Chair, having received the results of another credential report, adopted the Resolutions as presented. The motion was put to the vote and duly carried.

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## 14.1 ELECTION RESULTS OF OFFICERS FOR THE 2023/2024 TERM

- 14.1 The following persons were elected to the Board of Directors, the Credit Committee and the Supervisory Committee:

- **Board of Directors**

- Pamela Ogiste
- Martin Gibbs
- Desmond Benedict Noel
- TracyAnn Riley Mc Leod
- Linda Renaud-Medford  
*(First Substitute)*
- Ivor Superville  
*(Second Substitute)*

- **Credit Committee**

- Inesha Clauzel
- Stacy Monroe-Frank
- Nathifa Lewis
- Tesfa Watson  
*(First Substitute)*
- Sandra Price  
*(Second Substitute)*

- **Supervisory Committee**

- Claudette Allison Brown
- Mary Lou Edmund Marcano
- Michelle Burris  
*(First Substitute)*
- Sparkle Anicia Inniss  
*(Second Substitute)*



14.2 Members having accepted the results of the election, a motion for the destruction of the digital ballots was moved by Emmanuel Walker and seconded by Terasita Da Silva. Having been so moved, the motion was put to the vote and carried.

### 15.0 OTHER BUSINESS

15.1 Director Minguell enquired about the omission of the appointment of an Auditor and the Building Fund under the Resolutions. In response, the Chair indicated that the issue of the Auditor's was purposefully left unanswered in the Resolutions due to the Board's intentions to convene a Special Annual General Meeting (AGM) solely for the appointment of an Auditor.

The Chair also indicated the Board decided not to allocate the Building Fund for the year, it not being a statutory requirement.

15.2 Member Greta Grimes expressed deep disappointment regarding the change of the medical plan from Sagicor to Beacon, deeming it both ineffective and poorly timed in terms of payment returns. In response, the General Manager acknowledged the

concerns and informed her that a meeting was scheduled with the broker to reassess the level of service provided to the members.

15.3 Director David Maynard made reference to pages 31 and 32 of the Annual Report from the previous Annual General Meeting (AGM), highlighting that a similar complaint was previously raised. In response, the General Manager clarified that the number and nature of meetings conducted in the previous year differed from those to be held this year, thereby implying potential reasons for the difference in approach and results hoped to be achieved.

### 16.0 VOTE OF THANKS

16.1 The Chair invited Director Dave Williams present in Tobago to move the vote of thanks. Director Williams obliged and thanked all members, RHAND's staff and service providers for their attendance and participation in the 75<sup>th</sup> Annual General Meeting of RHAND Credit Union Society Co-operative Limited.

16.2 There being no further business, the meeting concluded at 7:42 p.m.

Respectfully Submitted,

*Desmond B. Noel.*

**Desmond Noel**

*Secretary - Board of Directors*



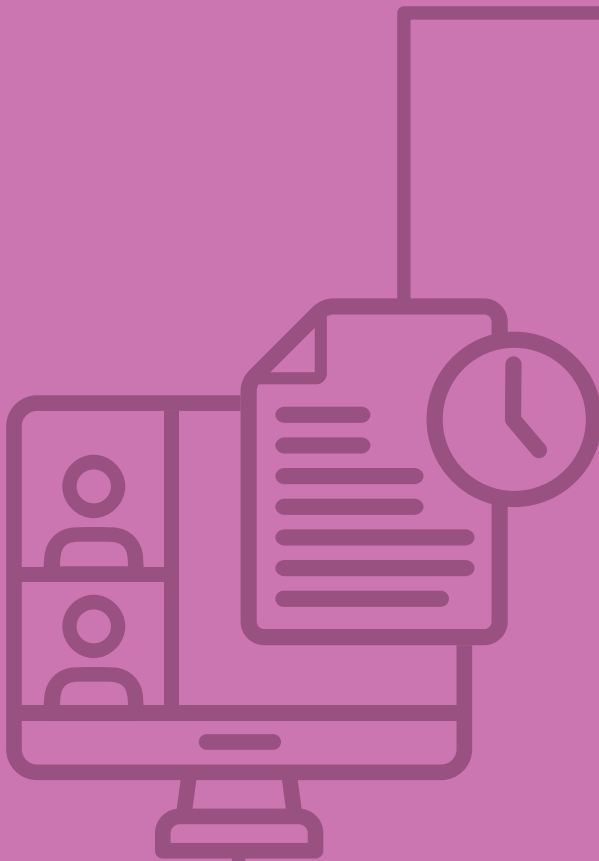
“ ... Patronage Refund of 2.50% on interest paid on the loans to members in 2022...be declared for the year ... ”





# Minutes of The Special General Meeting

A Snapshot



## Held Virtually and Simultaneously in Person

in Trinidad (host location) 4<sup>th</sup> Floor, RHAND Credit Union's Head Office at Abercromby Street, Port of Spain; and in Tobago, Shaw Park Complex, Scarborough.



## Vote of Thanks

The Chairperson and President of RHAND Credit Union Co-operative Society Limited, Ms. Simone Petal Dawn Huggins thanked all members for their patience and participation. She also thanked the Co-operative Development Division officers for their appearance.



## Notice of Meeting

Agenda and Standing Orders



# Minutes of The Special General Meeting

**Held on Thursday, September 14, 2023, at 5:53 p.m. virtually through links to a private Zoom portal and simultaneously in-person in Trinidad (host location) 4<sup>th</sup> Floor, RHAND Credit Union's Head Office at Abercromby Street, Port of Spain; and in Tobago, Shaw Park Complex, Scarborough.**

## 1.0 INTRODUCTION

1.1 The Chairperson and President, Ms. Simone Petal Dawn Huggins, introduced herself and called for a credential report at 5:08 p.m. which totaled (132) members in attendance. The meeting was stood down and another credential check was called at 5:24 p.m. for a total of (167) members in attendance. It was stood down again and recalled at 5:37 p.m., where the credential report showed a total of (173) members in attendance.

1.2 There was yet another call for credentials at 5:49 p.m. for a total of (191) members in attendance. This prompted the Chairperson, Ms. Huggins, to remind members of a possible adjournment at the expiration of one hour if a quorum is not present, according to Bye-Law 15(f)(ii), and that adjournment shall be taken to a date not less than fourteen (14) days thereafter. And members will be informed accordingly, at least five (5) days before that date thereof.

1.3 The meeting was stood down once again to allow for members to attend within the allotted time. A credential check was once more taken at 5:52 p.m. and the requirement quorum of 200 was surpassed with an attendance total of (202) members.

## 2.0 CALL TO ORDER

2.1 The Chairperson, Ms. Simone Petal Dawn Huggins, called the meeting to order at 5:53 p.m. after confirming the credential report as (203) members in attendance. She greeted members by re-introducing herself and the other Executive members, as well as the

General Manager. She also welcomed the Co-operative Development Division officers and made a final call for credentials at 5:55 p.m., which totaled (206) members.

- 2.2 Housekeeping Announcements were made, followed by a Safety Briefing.
- 2.3 The Chairperson invited the Vice President, Mr. Brian Bernard Caesar, to assume conduct of the next part of the proceedings. Mr. Caesar invited those present, as well as those online, to stand for the playing of the National Anthem, as well as recite the Credit Union Prayer – the Peace Prayer of St. Francis of Assisi. He asked for a credential report at 6:02 p.m. which totalled (206) members attending. A tutorial video for online voting, questions, and polls was then played.

### 3.0 NOTICE OF MEETING, AGENDA AND STANDING ORDERS

- 3.1 The Chairperson introduced the Secretary, Mr. Desmond Noel, who read the Notice of the Meeting and Agenda. He then read the Standing Orders into the record, which included In-Person/Face-to-Face Attendance, Virtual/Remote Attendance, and Both In-Person and Virtual Attendance.
- 3.2 The Standing Orders were duly adopted on a motion moved by Director Charlene Davidson and seconded by Claudette Brown. Having been so moved, the motion was put to the vote and accepted.

### 4.0 RESOLUTION TO BE CONSIDERED

- 4.1 The Chairperson invited Director Martin Gibbs, member of the Audit Committee, to present the Resolution for the Consideration to the SGM and he read the Preamble and Resolution into the record as follows:

### **Resolution for the Consideration of this Special General Meeting of RHAND Credit Union Co-operative Society Limited.** **Thursday 14<sup>th</sup> September 2023**

#### **PREAMBLE**

At a Special Meeting of the Audit Committee convened on 27<sup>th</sup> July 2023, the Audit Committee conducted an evaluation of Proposals submitted by External Audit services providers in response to a Request for Proposals.

Request for Proposals were dispatched to seven (7) well-known audit firms. Four (4) firms sent correspondence declining our invitation and three (3) submitted proposals for consideration. As a result of the scores of Audit Committee members present at that meeting, Binder, Dijker and Otte (BDO) was evaluated to be the preferred service provider for External Audit services.

The Audit Committee consequently recommended to the Board that BDO be approved as the preferred service provider for recommendation to the Membership for its approval. Via Round Robin No. 5 dated 28<sup>th</sup> July 2023, the Board approved that BDO be recommended to the Membership for appointment as RHAND Credit Union Co-operative Society Limited's External Auditor for the financial year ending December 31, 2023.

#### **RESOLUTION**

**Whereas** at a Special Meeting of the Audit Committee convened on 27<sup>th</sup> July 2023 the Audit Committee conducted an evaluation of Proposals submitted by External Audit services providers.

**And whereas**, as a result of the scores of Audit Committee members present at that meeting, BDO was evaluated to be the preferred service provider for External Audit services.



## Minutes of The Special General Meeting (Hybrid)

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- And whereas** the Audit Committee consequently recommended to the Board that BDO be approved as the preferred service provider for recommendation to the Membership for its approval.
- And whereas**, via Round Robin No. 5 dated 28<sup>th</sup> July 2023, the Board approved that BDO be recommended to the Membership for appointment as RHAND Credit Union Co-operative Society Limited's External Auditor for the year 2023.
- And whereas** the Board's recommendation for the appointment of BDO as the External Auditor for RHAND Co-operative Society Limited for the year 2023 is presented to this Special General Meeting for approval.
- Be it resolved** that this Special General Meeting approve the appointment of BDO as the External Auditor for RHAND Co-operative Society Limited for the year 2023.
- 4.2 The consideration for the Acceptance of the Resolution was then moved by Mr. Martin Gibbs and seconded by Ms. Pamela Ogiste.
- 4.3 The Chairman opened the floor to questions from members who then made their contributions.
- 4.4 Member Denise Grappie wanted clarification as to the correct date under "Resolution", Chapter No. 4, which was mentioned as 23<sup>rd</sup> July 2023, and the date on the paper which was 28<sup>th</sup> July 2023. Director Martin Gibbs explained that the Audit Committee's meeting was on 27<sup>th</sup> July 2023 where they submitted its recommendation to the Board online and the Board called a Round Robin online on the 28<sup>th</sup> of July 2023, where they voted either way about the recommendation.
- 4.5 Online Member Roslyn inquired as to whether any local firms were evaluated and if RHAND is subject to the guidelines of the Office of Procurement Regulations with the new procurement rules. Also, whether BDO is registered with the regulator. Mr. Gibbs responded that it is an international firm with an office in Trinidad, where they would be doing the audit of RHAND's work. He also confirmed that the firm is on the list of recommended providers of audit services by the Commissioner for Co-operative Development.
- 4.6 Member Wayne Skinner asked if the current auditing company was also invited to submit a proposal. Mr. Gibbs replied that BDO was the latest audit provider and after getting a feel for the market again, requests for proposals were sent out and they topped the group.
- 4.7 Member Leslie Attong inquired as to the cost of this service. Mr. Gibbs responded that the proposed figure was \$150,000 to \$160,000 but the exact costing would come on completion of the job. He also stated that the figures are always placed in the Financial Statements at the end of the year.
- Leslie Attong also asked what other criteria were used for evaluation. Mr. Gibbs stated that all the firms were evaluated on the same criteria, all of which he couldn't recall, but they rated them and the average of all the different marks were given out. He also added that it could be made available to members upon request.
- 4.8 Member Carlene Phillip questioned whether this money was budgeted for and Mr. Gibbs



answered in the affirmative, stating that the audit services are budgeted for every year.

4.9 Member Shivan Ramcharan asked if the change in Auditor's is expected to be done frequently or every two to three years. Director Gibbs responded that probably every five to six years there would be a review, where firms' proposals would be received and re-evaluated.

#### **5.0 ADOPTION OF THE RESOLUTION**

5.1 A credential report was requested as at 6:34 p.m. and there was a total of (209) members in attendance.

5.2 Having been so moved, the motion was put to the vote and the Resolution was approved.

#### **6.0 VOTE OF THANKS**

6.1 The Chairperson and President of RHAND Credit Union Co-operative Society Limited, Ms. Simone Petal Dawn Huggins thanked all members for their patience and participation. She also thanked the Co-operative Development Division officers for their appearance.

6.2 The Special General Meeting concluded at 6:41 p.m



Respectfully Submitted,

*Desmond B. Noel.*

**Desmond Noel**

*Secretary - Board of Directors*



# Report of The Board of Directors

A Snapshot



## Introduction

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, 2023



## Recognition and Best Wishes

## Global Macroeconomic Environment Overview





# 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, 2023

## 2. Composition of The Board of Directors

- 2.1. The following Members were elected to the Board of Directors at the 75th Annual General Meeting held on Saturday April 15th, 2023.

- Pamela Ogiste
- Martin Gibbs
- Desmond Benedict Noel
- Tracy-Ann Riley-Mc Leod

- 2.2. Mrs. Linda Renaud Medford was elected as the 1st Substitute Member while Ivor Superville was elected as the 2nd Substitute Member.

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

- Brian Caesar
  - Charlene Davidson
  - Martin Gibbs
  - Kristed Herbert
  - Simone Petal Dawn Huggins
  - David Maynard
  - Martin Minguell
  - Desmond Noel
  - Pamela Ogiste
  - Tracy Ann Riley-Mc Leod
  - Dave Williams
  - Sherwin Williams
- Substitute Members*
- Linda Renaud Medford
  - Ivor Superville

- 2.4. The term of office of Directors – Mr. Brian Caesar, Ms. Simone Petal Dawn Huggins, Mr. David Maynard and Mr. Dave Williams comes to an end at this 76th 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 2023/2024 Term comprised the following:

- Simone Petal Dawn Huggins: *President*
- Brian Caesar *Vice: President*
- Desmond Noel: *Secretary*
- Charlene Davidson: *Assistant Secretary*
- Dave Williams: *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-eight (48) meetings.

## 4. Meetings of The Board of Directors

4.1 The Board held Twelve (12) Regular and Seventeen (17) Special meetings during the period January 01, 2023 to December 31, 2023. Attendance of Members at Board Meetings are detailed at Table B1.

**Table B1: Attendance At Board Meetings**

	Regular			Special			Remarks
	Present	Excused	Absent	Present	Excused	Absent	
Simone Huggins	12	-	-	17	-	-	
Brian Caesar	12	-	-	15	2	-	
Dave Williams	11	1	-	17	-	-	
David Maynard	12	-	-	17	-	-	
Kristed Herbert	12	-	-	16	1	-	
Charlene Davidson	11	1	-	15	2	-	
Martin Minguell	7	5	-	17	-	-	
Sherwin Williams	10	2	-	15	2	-	
Pamela Ogiste	8	-	-	8	-	-	Elected as Director at 2023 AGM
Martin Gibbs	8	0	0	8	0	0	Elected as Director at 2023 AGM
Desmond Noel	12	-	-	17	-	-	Elected as Director at 2023 AGM
Tracy-Ann Riley-McLeod	7	1	-	5	2	1	Elected as Director at 2023 AGM
Linda Renaud-Medford	12	-	-	17	-	-	Elected as 1st Substitute at 2023 AGM
Ivor Superville	8	-	-	8	-	-	Elected as 2nd Substitute at 2023 AGM
Cheryl-Ann Bruce-Metivier	4	-	-	7	2	-	End of Term in Office
Charmaine Cummings	4	-	-	7	-	2	End of Term in Office
Michele Rouff	4	-	-	5	4	-	End of Term in Office
Andrea Rago	0	-	4	1	2	6	End of Term in Office

## 5. Membership

5.1. During the year 2023, one thousand, two hundred and seventy-five (1275) Adults and seventy-one (71) Youth Applicants were admitted to Membership. A total of two hundred and fifty-three (253) members, excluding the ninety-nine (99) who passed away (Appendix 1), ceased membership in 2023. As of December 31, 2023, the total membership of RHAND Credit Union stood at 23,980.

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 fight against inflation, elevated interest rates, the run on several US banks, and geopolitical tension across several areas of the world weighed on global economic activity in 2023 and will continue to do so in 2024.
- 6.2 The conflict involving Israel and Hamas in the Middle East has the potential to become a global disruptive force, potentially rivalling the impact of the Russia-Ukraine war. Although any related disruptions to global trade and economic activities are not anticipated to be as severe, another major conflict is undesirable for the global economy, especially given the challenges of the past three years. While fears of a global recession have diminished, concerns about inflation persist, particularly with current levels surpassing the targets of the US Federal Reserve, Bank of England, and the European Central Bank. Despite major central banks not expected to rapidly increase policy rates, there is a possibility of additional inflation-related measures that might lead to a decline in growth in 2024. Other risks to growth include slower-than-expected growth in China, heightened energy prices due to ongoing production curtailments by the Organization of the Petroleum Exporting Countries (OPEC), and the potential for new rounds of financial sector instability in major markets such as the US and UK.
- 6.3 On an annual average basis, global growth is predicted to reach 3.0 percent in 2023 and then decline to 2.9 percent in 2024. The 2024 prediction has been revised downward by 0.1 percentage points in relation to the July 2023 World Economic Outlook (WEO) Update. The underlying growth trajectories of the main countries have also undergone more significant revisions, with the United States receiving better estimates and China and the euro area receiving smaller revisions.
- 6.4 The balance of risks for inflation beyond 2023 has shifted up, reflecting upward revisions to the baseline projection. The risk that core inflation in 2024 will be higher than in 2023 is assessed at about 15 percent. The scenarios assess several risks to the outlook. Upside risks include greater-than-expected disinflation effects from fading supply disruptions and a greater boost to global demand from a stronger recovery in investment in advanced economies. Downside risks include further loss of growth momentum in China, longer-than-expected transmission lags and larger effects from the ongoing global monetary tightening cycle, and tighter financial conditions in emerging markets. (<https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023>)
- 6.5 Interest Rates: A Critical Tool for Central Banks
- 6.5.1 Central banks worldwide are grappling with the challenges of taming inflation while maintaining economic growth. In 2023, central banks around the world embarked on a wave of interest rate hikes, driven by concerns over persistently high inflation. This marked a historic shift from the era of ultra-low interest rates that dominated the past decade. The Federal Reserve is expected to pause its rate hike cycle in early 2024, as inflation shows signs of moderating and the economy faces headwinds. However, further increases may be necessary if inflation remains persistently high.
- 6.5.3 A US recession in 2024 looms, fuelled by aggressive interest rate hikes, a global economic slowdown, and geopolitical uncertainties. While bright spots exist, like a strong labour market and resilient

consumer spending, the potential for a soft, hard, or delayed recession demands informed decision-making.

- 6.5.4 Despite the economic slowdown, many companies are expected to report strong earnings growth in 2024, driven by pent-up demand, cost-cutting measures, and improving economic conditions. This could bolster corporate profits and stock prices. When central banks cut interest rates, it can stimulate economic activity, boost asset prices, and help borrowers. Major indices have reacted positively to the falling inflation in the fourth quarter of 2023 and the potential for interest rate cuts by the US Federal Reserve in early to mid-2024.
- 6.6 RHAND's equity portfolio has benefited positively from the volatility, this time in the US foreign equity market. RHAND will continue to strategically rebalance certain elements of its portfolio while closely monitoring both the local and US markets.

## 7. Domestic Macroeconomic Environment Overview

- 7.1 While showing some signs of resilience in early 2023, the local economy continues to grapple with the combined challenges of inflationary pressures, relatively high international interest rates, and geopolitical tensions, posing immediate constraints to local economic activity.
- 7.2 In 2022, the GDP of Trinidad and Tobago expanded by 1.5%. Growth reached 3% in the first quarter of 2023, attributable to the stability of the non-energy sector. With a forecasted growth rate of 2.7% in 2023 and comparable estimates for 2024 and 2025, the economic recovery is anticipated to continue. The non-energy sector is expected to increase by 2.6% in 2024 and 2% in 2025, resulting in balanced growth in both the energy and non-energy sectors. (<https://www.firstcitizensgroup.com/tt/news-insights/fy2023-2024-budget-highlights/>)
- 7.3 Real GDP grew by 3.0 per cent (year-on-year) in the first quarter of 2023 reflecting strong expansion in the non-energy sector (4.2 per cent) accompanied by marginal growth in the energy sector (0.3 per cent). Headline inflation eased further in August 2023 to 4.1 per cent (year-on-year), down from 4.7 per cent recorded in July 2023. The deceleration in headline inflation came from slower price movements in food as core inflation remained unchanged. (<https://www.central-bank.org.tt/sites/default/files/latest-news/monetary-policy-announcement-september-2023.pdf>)
- 7.4 Headline inflation slowed to 4.0% in August 2023 (year-on-year) compared with 4.7% a month earlier while core inflation dropped to 3.7% (December 2022: 6.7%)
- 7.5 RHAND will consistently incorporate the CBTT Government yield curve into its investment portfolio to ensure that the organization accounts for inflation in its investment decisions. On the lending side, RHAND will actively monitor inflation, absorbing shocks where possible to bring benefits to its members. RHAND will continue to be guided by domestic macroeconomic indicators, as these directly impact all stakeholders. The Credit Union shall vigilantly monitor the local economic climate and adjust its strategies, accordingly, focusing on educating its membership, attracting new quality members, expanding its loan business, and effectively managing delinquencies.



“ In the twelve months to March 2023, consumer credit grew by 6.2 per cent, higher than the 4.2 per cent expansion observed in September 2022. ”

## 8. Domestic Financial System Overview

- 8.1 The CBTT's monetary policy was positioned to continue facilitating ample system liquidity with the aim of ensuring an uninterrupted supply of credit to the economy.
- 8.2 Liquidity remained ample and credit buoyant, commercial banks' daily average excess liquidity average year to date increased to \$6.1 billion as at Oct 2023 from \$4.5 billion when compared to the same period in 2022 driven by fiscal injections as well as net redemptions of open market operation instruments. Liquidity is additionally influenced by Open Market Operations, which involve the buying and selling of securities in the open market by a Central Bank. Furthermore, Central Bank interventions in the foreign exchange (forex) market also play a significant role in shaping liquidity conditions.
- 8.3 The CBTT Monetary Policy Committee kept the Repo rate remained unchanged at 3.50% after evidence of a progressive decline in domestic inflation and gradual economic recovery, facilitated by credit that was expanding just above the pace of headline inflation.

- 8.4 In the twelve months to March 2023, consumer credit grew by 6.2 per cent, higher than the 4.2 per cent expansion observed in September 2022. The uptick in loans was mainly driven by the Refinancing, Consolidation of Debt and Credit Cards categories. For the twelve-month period ending March 2023, the aforementioned loan categories recorded increases of 4.3 per cent, 7.0 per cent and 10.8 per cent, respectively. (<https://www.central-bank.org.tt/sites/default/files/reports/monetary-policy-report-may-2023-20231606.pdf>)
- 8.5 Real estate mortgage lending activity grew steadily. On a year-on-year basis, real estate mortgage loans grew by 5.4 percent in March 2023, slightly higher than the 3.4 per cent increase observed in September 2022. In March 2023, residential real estate mortgage loans and commercial real estate mortgage loans grew by 5.0 per cent and 6.4 per cent, respectively. (<https://www.central-bank.org.tt/sites/default/files/reports/monetary-policy-report-may-2023-20231606.pdf>)
- 8.6 RHAND Credit Union recognizes the challenges posed by a fiercely competitive financial services sector. In our commitment to improving service delivery, member education, and the overall member experience, we acknowledge the complexities brought about by intense competition within the financial industry. Our sustainability, as well as that of the wider Credit Union movement, hinges on addressing these challenges strategically. In this context, RHAND remains steadfast in its dedication to an income growth strategy that diverges from relying on nuisance charges and fees. We understand the importance of navigating the competitive landscape thoughtfully. To enhance the borrowing experience for our members, we are actively engaged in the continuous review and improvement of our lending infrastructure. By tackling these challenges head-on, RHAND Credit Union aims to not only thrive in a fiercely competitive environment but also contribute positively to the evolution of the Credit Union movement.

## 9. Regulatory Developments

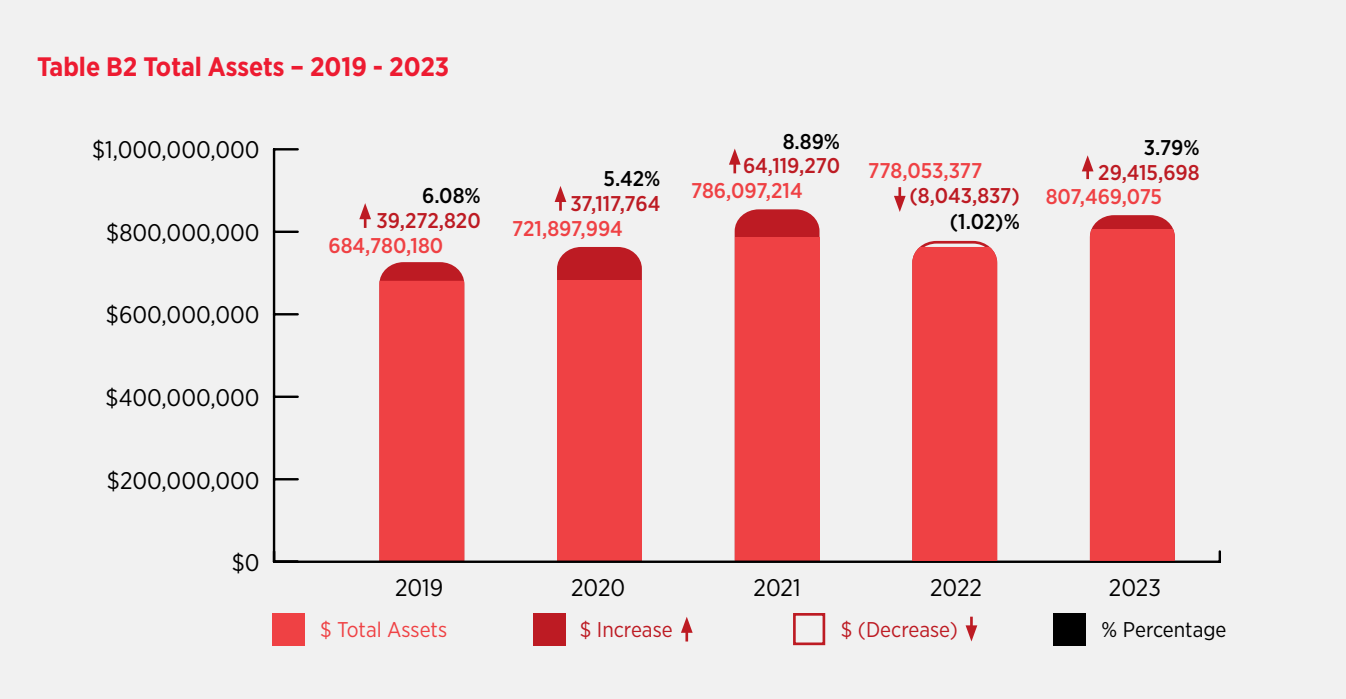
- 9.1. The work of the Cabinet-appointed Implementation Committee continued in 2023 toward the establishment of a new regulator (an Independent Co-operative Authority) to govern the Credit Union Movement more efficiently with the following progress:
- 9.1.1. A Policy Proposal Document (PPD) for the Independent Co-operative Authority was drafted by the Committee and dispatched to the Movement for review before submission to the line Ministry. In the interim, diagnostic exercises are being conducted for all Credit Unions to assess the financial health of individual Credit Unions and the collective Movement.
- 9.1.2. Representation has been through the Ministry of Finance for the relevant amendments to the Public Assistance Act and the Exchequer & Audit Act that will allow for the encashment/processing of government cheques and the assignment of government employee salaries and wages to Credit Unions.
- 9.1.3. A second Diagnostic into the Financial Health of the Credit Union Sector (requiring individual Credit Unions to provide a breadth of financial data) was conducted, this time incorporating Non-Financial Co-operatives. Periodic diagnostic exercises are expected to continue until the Independent Authority and the mandatory Deposit Insurance come to fruition.

# Report of The Board of Directors

9.2. RHAND has continued to play an active role both directly and indirectly in these developments as a valuable contributor in shaping the Sector’s future.

## 10. Asset Base

10.1. RHAND experienced modest net asset growth of \$29.4M or 3.78% (compared to -1.02% in 2022) for the year ended December 31, 2023 (Table B2). Through our strategic initiatives, the Credit Union is targeting an ambitious asset base growth for 2024 of \$64.6M or 8.00% (compared to the 3.00% targeted for 2023).



## 11. Loans Portfolio

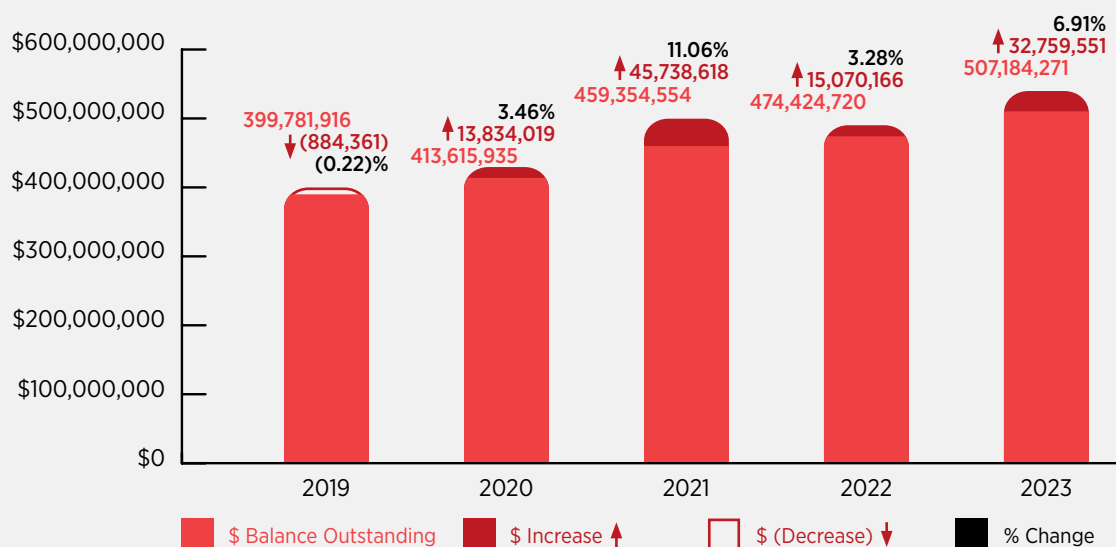
11.1. The global fight against inflation did trickle down to the local economy as the consumer market was price sensitive with the ‘man on the street’ being impacted by retail price hikes pegged against fixed personal income. This however did not slow consumer borrowing but did heighten the aggressive pursuit by lending institutions for wallet share.

11.2 Targeted number of new loans booked for 2023 were exceeded (\$203M vs \$200M) and we benefitted from a \$32.7M or 6.9% net growth of the gross loan portfolio (up from 3.3% for 2022). Refer to Table B3.

Despite doubling the portfolio growth, the performance was subdued by the volume of existing loans lost to competitors reflected in the flat growth over the last 2 months with total loans settling at \$507M after peaking at \$510M.

11.3 RHAND will consistently reassess the essential infrastructure and strategies to guarantee that the positive trajectory in the portfolio’s performance is sustained throughout the year 2024.

**Table B3: Gross Loan Principal Balances Outstanding 2019 - 2023**



### 11.4. Loan Delinquency

Delinquency remained relatively flat against the portfolio growth. As at December 31, 2023, the gross delinquency ratio (all loans in arrears) continued its improved, albeit incrementally, from 8.16% in 2022 to 8.08% (Table B4). This amounted to 572 loans in arrears with a value of \$40.9M. Of these, 465 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 6.20% compared to 6.27% in 2022.

Additionally, based on the implementation of some modifications to our Expected Credit Loss (ECL) model (a recommendation of the last external audit), the loan loss provision (expense) for 2023 was ramped up to \$3.72M (compared to the budgeted \$2.11M).

- 11.5. Tactics employed over the last quarter yielded very positive results and as such a similar yet slightly more intense approach will be used month on month in 2024 with a view to pursuing an aggressive reduction to 5.00% by the year's end.

“Tactics employed over the last quarter yielded very positive results and as such a similar yet slightly more intense approach will be used month on month in 2024 ...”

## Report of The Board of Directors

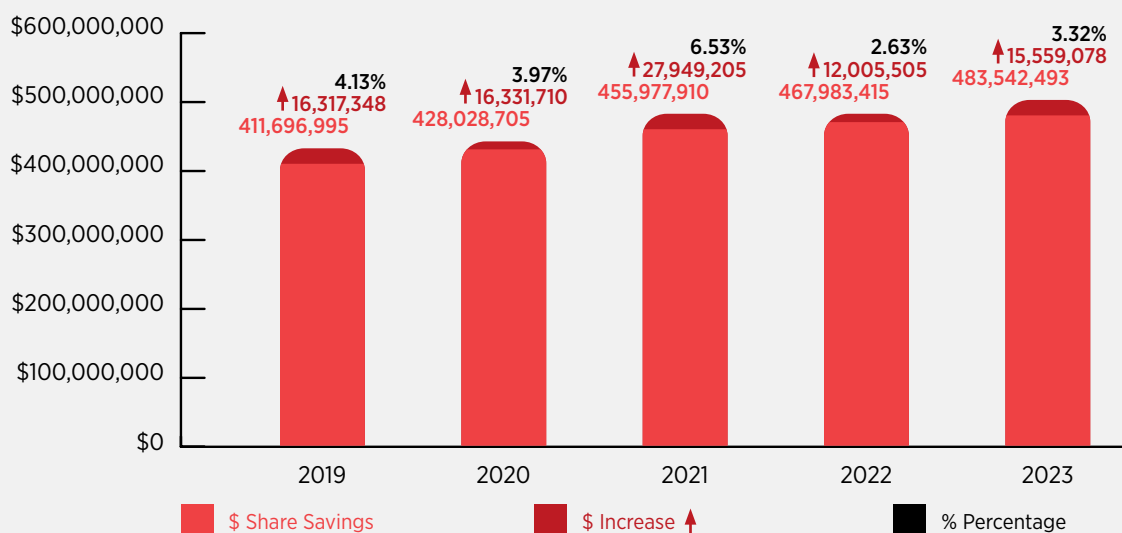
**Table B4: Delinquency Statistics (RHAND and WOCCU Standards)**

Year	Number of Delinquent Loans	Total of Delinquent Loan Balances (\$)	Delinquency Ratios	
			Total	WOCCU
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
2022	586	38,719,345	8.16	6.27
2023	572	40,965,317	8.08	6.20

## 12. Share Savings Portfolio

- 12.1. The total share savings of the Credit Union stood at \$483.5M as at December 31, 2023, representing an increase of \$15.6M or 3.32% (against targeted growth of 4.39%), over the previous year (Table B5).

**Table B5: Share Savings 2019 – 2023**



## 13. Earnings Performance And Operating Efficiency Profile

- 13.1. For the financial year ended December 31, 2023, RHAND Credit Union realised an operating surplus of \$28,397,304 (Table B6), which represents a Net Profit Margin of 43.95% for the financial year, compared to a Net Profit Margin of 24.42% for the year 2022. This drastic improvement in reported performance was almost exclusively attributable to the performance of our investment portfolios (for a second consecutive year) as actual unrealized investment gains reached at \$4.25M against 2022 unrealized investment losses of \$4.67M (an aggregate positive movement of \$8.92M).





**Table B6: Operating Surplus And Net Profit Margin 2019 – 2023**

<b>Income/Expenses Captions</b>	<b>2019 (\$)</b>	<b>2020 (\$)</b>	<b>2021 (\$)</b>	<b>2022 (\$)</b>	<b>2023 (\$)</b>
Interest on loans	41,177,963	40,447,069	41,492,313	45,304,356	48,492,549
Investment securities	9,221,595	11,132,044	10,488,764	6,955,783	13,307,032
Other income	2,124,358	1,655,813	1,518,346	1,918,294	2,814,437
Total Income	52,523,916	53,234,926	53,499,423	54,178,433	64,614,018
Total Expenses	30,034,392	31,786,475	32,785,422	40,947,905	36,216,714
Operating Surplus	22,489,524	21,448,451	20,714,001	13,230,528	28,397,304
Net Profit Margin	42.82%	40.29%	38.72%	24.42%	43.95%
Expenses to Income Ratio	57.18%	59.71%	61.28%	75.58%	56.05%

**Table B7: Comprehensive Income And Return On Assets 2019 - 2023**

<b>Income/Assets/Return Captions</b>	<b>2019 (\$)</b>	<b>2020 (\$)</b>	<b>2021 (\$)</b>	<b>2022 (\$)</b>	<b>2023 (\$)</b>
Operating Surplus	22,489,524	21,448,451	20,714,001	13,230,528	28,397,304
Unrealized/Actuarial Gain (Loss)	7,293,325	(1,809,521)	18,568,081	(10,284,536)	(5,934,258)
Comprehensive Income	29,782,849	19,638,930	39,282,082	2,945,992	22,463,046
Average Assets	665,143,770	703,339,087	753,997,604	782,075,296	792,761,226
Return On Assets	4.48%	2.79%	5.21%	0.38%	2.83%

## Unrealized Gains on Investments

Fair Value  
Through  
Profit & Loss **\$4.25M**

Compared  
with a  
budgeted **\$697.70K**

An Increase of 509.1%

- 13.2. The more significant variances (against budget) for the year 2023 were incurred in both income and expense lines. Under the income items we saw Unrealized Gains on investments categorised as Fair Value Through Profit & Loss (FVTPL) totalled \$4.25M compared with a budgeted \$697.70K (an increase of 509.1%) – this was the result of foreign equities performance racing past expert predictions for that year. Additionally, Realized Gain on Investment Securities experienced a 43.3% positive jump, the result of (i) the sale, by one broker (FCIS), of our US Equities to facilitate their transitioning trading platforms and (ii) the mandatory disposal of our Clico Investment Fund and its reinvestment of the proceeds in Republic Bank shares and Government Bonds. On the Expenses side, the unpredictable Loan Protection expenses totalled \$1M (approximately 50% less than budgeted), Expected Credit Loss (ECL) – Loans expense amounted to \$3.71M (75% more than budgeted due to required changes to the provisioning model), and Salaries & Benefits settled at \$15.06M (11% less than budgeted).
- 13.3. Additionally, the following should be noted regarding other noticeable movements in expenditure from 2022 to 2023:
- the full erasure of the unrealized loss of \$4.67M which accounted for almost 9% of total expenditure in 2022.
  - the approximate 96% decrease in Loss on disposal of property and equipment expense was attributable to the mandatory treatment of aged work-in-progress items on the books (\$2.59M in 2022) to the disposal of aged furniture and computer equipment (\$106K in 2023).
  - the approximate 12% decrease in Repairs, maintenance and cleaning expenses was due to delays in executing some of our ICT Department's initiatives.
  - the approximate 60% decrease in Loan protection expense was only attributable to an unpredictable death rate of members.
  - the approximate 40% increase in Education Committee expenses which was attributable to larger registration numbers for the Childrens' Christmas Parties and general increases in the cost of goods and services.
  - The 100% increase in the Expected Credit Loss expenses was the result of required/directed adjustments to our Expected Credit Loss calculation model which realized a greater provisioning requirement.
  - the approximate 26% increase in Board & Committees' expenses was primarily and significantly due to the drastic improvements in the amount of training and development engagements for elected officers.
  - the approximate 72% increase in Annual and Special General Meeting Expenses was a result of costs incurred for fully hybrid AGM as well as approximately 30% increase in event related costs overall.

Table B8 details these and other major cost items.

**Table B8: Expenses Highlighting Major Cost Items 2019 – 2023**

<b>Expense Line Items</b>	<b>2019 (\$)</b>	<b>2020 (\$)</b>	<b>2021 (\$)</b>	<b>2022 (\$)</b>	<b>2023 (\$)</b>
Salaries & staff benefits	12,464,320	15,171,557	13,693,917	14,098,396	15,060,903
Unrealised gain/(loss) on FVTPL securities	-	-	-	4,668,265	-
Loss on disposal of property and equipment	22,488	6,619	2,034	2,593,876	106,314
Interest on Savings and Time Deposits	2,107,835	2,162,017	2,269,756	2,226,743	2,129,181
Repairs, maintenance and cleaning	2,130,195	1,740,868	1,799,761	2,201,060	1,942,652
Loan protection expense	1,800,946	1,516,324	1,791,615	2,541,537	1,007,807
Advertising and Promotions	527,363	923,838	1,079,928	1,320,129	1,238,435
Education Committee expenses	1,005,005	147,660	402,740	918,797	1,284,760
Expected Credit Loss Expenses	1,225,595	1,939,900	3,166,471	1,984,774	3,971,410
Stationery, printing and related expenses	527,363	923,838	650,075	930,186	858,569
Board & Committees' Expenses	1,017,867	850,614	848,247	1,142,320	1,440,290
Annual and Special general meetings	502,689	331,430	426,059	586,369	1,007,865
Other expenses	6,692,726	6,071,810	6,654,819	5,735,453	6,168,528
<b>Total Expenses</b>	<b>30,034,392</b>	<b>31,786,475</b>	<b>32,785,422</b>	<b>40,947,905</b>	<b>36,216,714</b>

## Cummings Fraser Foundation

Established in 2011, the Cummings Fraser Foundation is our approved RHAND funded Non Profit Foundation to assist members affected by serious injury & health issues, personal disaster and natural disaster.

## OneRHAND

Limited is our approved For-Profit Company that was established in 2021 to pursue profit generating opportunities which the Act would restrict our Credit Union.

## Report of The Board of Directors

### 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.

**Table B9: PEARLS and EFFICIENCY RATIOS**

Financial Ratio Equation	RHAND Value (%)		Standard of Excellence	Comment
	2022	2023		
<b>1 Net Institutional Capital Ratio</b>				
$\frac{\text{Fund Balances}^* + \text{Undivided Earnings}}{\text{Total Assets}} = \frac{\$ 113,581,017}{\$ 807,469,075}$	12.74	<b>14.07</b>	Minimum of 10.00%	RHAND value <i>more</i> favourable than standard
<i>*Reserve, Education &amp; Building Funds</i>				
<b>2 Liquidity Adequacy Ratio</b>				
$\frac{\text{Cash, Cash Equivalents} + \text{Inv. Securities} < 2 \text{ yrs}}{\text{Total Assets}} = \frac{\$ 89,894,849}{\$ 807,469,075}$	11.73	<b>11.13</b>	Maximum of 20.00%	RHAND value <i>more</i> favourable than standard
<b>3 Asset Quality Ratio</b>				
$\frac{\text{Total Delinquent Loans}}{\text{Gross Loans}} = \frac{\$ 40,965,317}{\$ 507,184,271}$	8.16	<b>8.08</b>	Maximum of 5.00%	RHAND value <i>less</i> favourable than standard
<b>4 Total Operating Expenses To Average Asset Ratio</b>				
$\frac{\text{Total Operating Expenses}}{\text{Average Assets}} = \frac{\$ 36,240,974}{\$ 792,761,226}$	5.24	<b>4.57</b>	Maximum of 5.00%	RHAND value <i>more</i> favourable than standard
<b>5 Efficiency Ratio</b>				
$\frac{\text{Non-Interest Expenses} - \text{IFRS9 Expenses}}{\text{Total Income} - \text{Interest Expenses}} = \frac{\$ 34,087,533 - 3,971,410}{\$ 64,614,018 - 2,129,181}$	70.71	<b>48.20</b>	Maximum of 55.00%	RHAND value <i>more</i> favourable than standard
<b>6 Return On Average Members' Equity</b>				
$\frac{\text{Comprehensive Income}}{\text{Ave. Institutional Capital} + \text{Ave. Share Savings}} = \frac{\$ 22,463,046}{\$ 132,605,142 + 475,762,954}$	0.49	<b>3.69</b>	Minimum of 5.00%	RHAND value <i>less</i> favourable than standard

### 15. Activities and Significant Accomplishments

15.1. Your Board has been engaged in continuous review of our governance infrastructure, strategic and operational oversight and in the professional development of elected officers. In this regard we were able to pursue and achieve the following for the year ended December 31, 2023:

15.1.1. Hosted our first fully hybrid AGM. While the most expensive approach, it has facilitated the largest participation in seven years.

15.1.2. Partnered, together with CLICO Credit Union and the Credit Union League (CCULTT), on the first local Fintech Sprint initiative - the Fintech Sprint being a collaboration between the Trinidad & Tobago

International Financial Centre (TTIFC) and the United Nations Capital Development Fund (UNCDF) to develop a digital payment solution for the membership of the Movement.

- 15.1.3. Submitted a position paper to the CCULTT and our regulator on the Draft Policy Proposal Document on the Independent Co-operative Authority.
- 15.1.4. Developed an enhanced Diagnostic Tool on behalf of the Cabinet-Appointed Implementation Committee for assessing the financial health of all Credit Unions.
- 15.1.5. Expanded training and development opportunities for elected officers through participation in CCULTT workshops, the CaribDE training programme (first time participation) in Trinidad and Jamaica, and the Caribbean Confederation of Credit Unions conference in Puerto Rico.
- 15.1.6. Earned recognition from the CCULTT for the Credit Union's active (reactivated) role in events across the movement after almost two decades.
- 15.1.7. Resurrected efforts to operationalize the Cummings Fraser Foundation and OneRHAND (A Board-committee has been tasked with compiling a comprehensive business plan for Members' consideration of an initial investment in this wholly owned subsidiary by RHAND) – both are expected to become active in 2024.
- 15.1.8. Approved an increase in the value of SEA Awards from \$700 to \$1000 and the number of scholarships from 18 to 30. This is to take effect with the next batch of awardees.
- 15.1.9. Our asset base has officially crossed the \$800M mark, growing by 5.5% (up from -1% for 2022)
- 15.1.10. Completed efficiency assessment exercises across various operational areas which yielded the development of several operational efficiency improvement projects, the benefits of which will be realized in 2024.

## 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 2023 – 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 2024-2025 term and continue to keep yourselves and your loved ones safe.



**Simone Petal Dawn Huggins**  
*President - Board of Directors*



**Desmond Noel**  
*Secretary - Board of Directors*



# Report of The Education Committee

A Snapshot



## Introduction

The Education Committee is pleased to report to the Membership the activities that took place for the period January to December 2023.

## Other Activities of the Education Committee





# Report of The Education Committee

## 1. Introduction

The Education Committee is pleased to report to the Membership the activities that took place for the period January to December 2023.

## 2. Objective of The Committee

- a. The Education Committee is a Board-Appointed Committee that is governed by Bye Law 21(a) of the Credit Union which states,
- b. The Mandate: It is “***in charge of publicity and education and shall supply strategic support to the Board of Directors in achieving the objectives of the Society.***”
- c. Publicity and education are therefore made available to, not only the Board and Statutory Committees, but also to its staff, membership, and to an extent, publicity to the entire population via its advertisements.
- d. Therefore, the main purpose of this Committee is to link the Mission, Vision and Strategic direction of the Credit Union and at the same time, enhance the knowledge of its staff and by extension, its membership and others in the public domain.

## 3. Formation Details

The under-mentioned members were appointed to the Education Committee for 2023 by the Board of Directors:

- Brian Caesar: *Vice President of RHAND and Chair of the Committee*
- Linda Renaud-Medford: *1st Alternate (BoD) and Secretary of the Education Committee*
- Emmanuel Walker: *Former President of RHAND and Convenor for the Social Affairs and Education Assistance Sub-Committees*
- Charlene Davidson: *Board Member*
- Pamela Ogiste: *Board Member*
- Judy Joseph: *Co-opted Member*
- Nefertari Thomas: *Convenor for Youth Sub-Committee*
- Gerard Sampson: *Marketing Manager (Ex Officio)*



The Education Committee is pleased to report to the Membership the activities that took place for the period January to December 2023.

The Education Committee achieves its objectives through the operations of the under-mentioned Sub-Committees:

**i. Social Affairs Sub-Committee:**

This Sub-Committee was responsible for organizing the signature event of RHAND – **‘The Children’s Christmas Party’**, both in Trinidad and Tobago. Both parties turned out to be of great success for this year 2023.

**ii. Education Assistance Sub-Committee:**

a. This Sub-Committee was responsible for the selection of eight (8) students for the Secondary Education Assessment (SEA) Awards based on:

- 1. Merit** (academic performance) and,
- 2. Merit and Need** (academic performance and in need) cases.

On **Merit**:

- Eight (8) from Trinidad
- Two (2) from Tobago

On **Merit and Need**:

- Four (4) from Trinidad
- Four (4) from Tobago

b. Counselling sections were offered to eight (8) students because it was observed that their academic standards were falling.

c. Three (3) students were selected for the May Cherrie Awards in Trinidad.

d. The under-mentioned recommendations were made:

- An increase in the number of S.E.A scholarships offered annually from eighteen (18) to thirty (30).
- An increase in the grant from seven hundred dollars (\$700.00) to one thousand dollars (\$1,000.00) for the S.E.A Awardees.
- An increase in the grant from five hundred dollars (\$500.00) to seven hundred dollars (\$700.00) for the May Cherrie Awardees.



“ Courses were offered for skill development, mainly virtual, because of limited accommodation for conducting face-to-face sessions. ”

### iii. Membership Skills Development Sub-Committee:

Courses were offered for skill development, mainly virtual, because of limited accommodation for conducting face-to-face sessions. They are as follows:

- Agriculture: Maintaining a kitchen garden
- Appetizers and Dips (formerly Baking and Pastry – Part II)
- Basic Sewing
- Digital Literacy
- Digital File Management and Virtual Meeting
- Financial Literacy by the Central Bank of Trinidad and Tobago
- Microsoft Office
- Quick Meals
- Will and Estate Planning

#### iv. Youth Sub-Committee:

Activities undertaken by this Sub-Committee were as follows:

- International Beach Clean-Up Campaign: The location cleaned was Point Gourde.
- Financial Webinar
- International Credit Union Day
- 3rd Annual Youth Debate Competition
- Volunteered support at The Children Christmas Party: in Trinidad (Sunday 26th November) and in Tobago (Sunday 3rd December), 2023.
- Charity presentation: The St. Mary's Children's Home was gifted a Massy Stores Voucher valued \$1,500.00 and was presented to Mr. Derwin Henry, Supervisor III.

#### 4. Other Activities of The Education Committee

The Committee was also engaged in the following activities:

- a. The Inauguration Ceremony for the Board of Directors, Supervisory and Credit Committees which was held on Saturday 13th May 2023 at 3.00 pm on the 4th Floor, RHAND Head Office.
- b. The Orientation for the Board and Statutory Committees which was conducted by Mr. Jerome Chambers from the Co-operative Credit Union League of Trinidad and Tobago.
- c. Good Governance, De-Risking and Public Confidence (Governance Forum) by Caribbean Credit Union Development Education Programme – January 2023.
- d. Training in Anti-Money Laundering, Counter Financing of Terrorism, Counter Proliferation of Financing which was conducted by NEM Leadership Consultants.
- e. Training conducted by the Co-operative Credit Union League of Trinidad and Tobago:
  - i. Loan Assessment Workshop – No. 3
  - ii. Understanding Financial Statements
  - iii. Anti-Money Laundering, Counter Financing of Terrorism, Counter Proliferation of Financing (AML/CFT/CPF)
- f. Retreat for the Board of Directors was held on Saturday 1st July 2023 at Ortinola Great House, LP 11A, Acono Road, Maracas Valley and was conducted by ODYSSEY CONSULTinc Limited operated by Principal Consultant Mr. L. Anthony Watkins.
- g. Celebration of International Credit Union Day (Thursday 19th October 2023) and Credit Union month
- h. RHAND Christmas Event: This constitutes a socializing event of Staff, Board and Statutory Committees.
- i. Youth Committee member, Ms. Korena Peters, participated at the CaribDE 48 Programme held at the Hyatt Regency, Trinidad, from January 7th to 13th, 2024."



**Brian Caesar**

Chairperson



**Linda Renaud - Medford**

Secretary



# Report of The Credit Committee

A Snapshot



## Introduction

For the fiscal year ended December 31, 2023, the Credit Committee is pleased to report on its statutory role as outlined in Regulation 34 of the Co-operative Societies Act and Section 23 (a) of the Bye-laws of the Society, that is, the Supervision of Credit.

## Credit Supervision

The Credit Committee processed one hundred and sixty-six (166) loan applications. One (1) member was interviewed to conclude the processing of their application.

## Concluding Remarks

For the past three years a steady increase in the number of share withdrawals was observed.



# Report of The Credit Committee

## 1. Introduction

- 1.1 For the fiscal year ended December 31, 2023, the Credit Committee is pleased to report on its statutory role as outlined in Regulation 34 of the Co-operative Societies 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 75th Annual General Meeting held on Saturday 15th April 2023 the following members were elected to serve on the Credit Committee.

- Ms. Inesha Clauzel: *Member*
- Mrs. Stacy Monroe-Frank: *Member*
- Ms. Nathifa Lewis: *Member*
- Mr. Tesfa Watson: *1st Substitute*
- Ms. Sandra Price: *2nd Substitute*

- 2.2 At the first meeting of the Credit Committee, Mrs. Stacy Monroe- Frank and Ms. Krystal Alexander were elected as Chairperson and Secretary, respectively. On 28th April 2023 Ms. Sandra Price resigned.

- 2.3 The full Committee for the 2023/2024 Term comprised the following members:

- Mrs. Stacy Monroe-Frank: *Chairperson*
- Ms. Krystal Alexander: *Secretary*
- Ms. Inesha Clauzel: *Member*
- Ms. Nathifa Lewis: *Member*
- Mr. Tesfa Watson: *Member*

- 2.4 The term of office of the following members of the Credit Committee ends at this 76th Annual General Meeting:

- Ms. Carolyn Byer
- Ms. Krystal Alexander
- Ms. Nathifa Lewis



### 3. Attendance at Meetings

3.1 The members of the Credit Committee attended one hundred (100) Regular Meetings and three (3) Joint Management Committee Meetings. The attendance of members of the Credit Committee at Meetings is detailed at Table C1.

**TABLE C1: Attendance at Credit Committee Meetings**

Member	Regular			Special			Remarks
	P	Ex.	A	P	Ex	A	
Stacy Monroe-Frank	82	18		3			Elected full member on April 15th, 2023 (AGM)
Krystal Alexander	99	1		2	1		
Carolyn Byer	97	3		3			
Inesha Clauzel	90	10		2	1		Elected full member on April 15th, 2023 (AGM)
Nathifa Lewis	69	2		1	0		Elected full member on April 15th, 2023 (AGM)

## Report of The Credit Committee



### 4. Credit Supervision

- 4.1 The Credit Committee processed one hundred and sixty-six (166) loan applications. One (1) member was interviewed to conclude the processing of their application.
- 4.2 Three (3) of the said loan applications required sanctioning by the Board of Directors as the loans were not fully secured.
- 4.3 Thirty-seven (37) of said loans recommended by the Internal Risk Review Committee (IRRC) were approved by the Credit Committee.
- 4.4 For the fiscal year, other approving agents namely: General Manager; Credit Manager; Branch Manager, Tobago; Branch Manager, Arima; Supervisor II; Credit Officer Tobago; Supervisor I; Senior Clerk - Lending; and Clerk - Lending, approved four thousand and thirteen (4013) loan applications.

When added to the loan applications approved by the Credit Committee, the total loans granted in 2023 were Four thousand one hundred and seventy-nine (4179).

- 4.5 Table C2 captures the levels at which 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	166	4.0	1,000,000
General Manager	197	4.7	500,000
Credit Manager	1157	27.7	500,000
Manager - Tobago	393	9.4	200,000
Manager - Arima	546	13.1	200,000
Senior Supervisor	374	8.9	200,000
Clerk 11 Tobago	49	1.2	75,000
Supervisor I	333	8.0	100,000
Senior Clerk- Lending	964	23.1	75,000
Clerk- Lending	0	0	50,000
<b>Total</b>	<b>4179</b>	<b>100</b>	



**Table C3: Particulars of All Loans Approved and Disbursed by Credit Union**

Class of Loan	2023		2022	
	Number of Loans	Value (\$)	Number of Loans	Value (\$)
Consumer Expenses	3050	106,515,323.06	3006	107172196
Debt Consolidation	291	28,400,361.34	238	19575669
Education & Training Financing	33	1,214,418.01	52	1675668
Home Improvement	681	37,973,768.10	701	29664542
Investment Financing	5	227,354.73	13	355758
Medical Expenses Financing	40	1,527,907.67	89	1931879
Motor Vehicle Financing	35	5,558,112.96	40	5976022
Real Estate Financing	35	21,047,440.48	46	20281454
Sme & Other Entrepreneurial Venture	9	468,199.61	9	365773
<b>Total</b>	<b>4179</b>	<b>202,912,885.96</b>	<b>4194</b>	<b>186,998,961</b>

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

Class of Loan	2023		2022	
	Number of Loans	Value (\$)	Number of Loans	Value (\$)
Consumer Expenses	447	16,242,657	302	10,896,907
Debt Consolidation	141	16,267,487	176	21,574,884
Education&Training Financing	48	2,075,880	83	3,055,423
Home Improvement	155	11,270,832	265	20,631,177
Investment Financing	19	1,435,322	26	1,789,815
Medical Expenses Financing	18	1,250,870	27	1,460,949
Motor Vehicle Financing	36	4,988,418	66	3,742,453
Real Estate Financing	5	3,839,460	4	1,150,072
Sme & Other Entrepreneurial Venture	0		0	0
<b>Total</b>	<b>869</b>	<b>57,370,926</b>	<b>949</b>	<b>64,301,680</b>

## Report of The Credit Committee

**Table C4b: Particulars of Loans Disbursed by Arima Branch Office**

Class of Loan	2023		2022	
	Number of Loans	Value (\$)	Number of Loans	Value (\$)
Consumer Expenses	686	12,681,314	562	8,026,284
Debt Consolidation	230	22,752,492	169	13,418,423
Education & Training Financing	50	676,803	85	2,338,073
Home Improvement	385	24,178,997	322	13,135,550
Investment Financing	1	36,000	8	66,110
Medical Expenses Financing	44	618,785	78	1,021,078
Motor Vehicle Financing	35	3,132,336	40	3,769,356
Real Estate Financing	4	1,337,000	4	934,746
Sme & Other Entrepreneurial Venture	17	955,563	17	1,186,359
<b>Total</b>	<b>1,452</b>	<b>66,369,292</b>	<b>1,285</b>	<b>43,895,979</b>

## 5 Loan Payment Deferrals

5.1 There were no applications for deferral of payments to be processed by the Credit Committee for the period ending December 31st, 2023.

## 6 Non-Performing Loans

6.1 There were five hundred and seventy-two (572) non-performing loans, with a value of \$40,965,317 on the books of the Society as of December 31, 2023, resulting in a delinquency ratio of 8.08% (WOCCU std - 6.20%).

## 7 Administration of Loan Protection Benefits

7.1 The Credit Committee advised the Board of Directors on the settlement of thirty-four (34) Death Benefit Claims with a dollar value of one million, two hundred and fifty-eight thousand, nine hundred and sixty-five dollars and eighty-eight cents (\$1,258,965.88).

## 8 Share Savings Withdrawal Applications

8.1 The Credit Committee processed four hundred and fifty-four (454) share savings withdrawal applications. Of this figure two hundred and fifty-eight (258) applications, with a dollar value of one million two hundred and ten thousand, seven hundred and thirty-eight dollars and seventy-seven

cents (\$1,210,738.77) were approved. One hundred and ninety-six (196) share savings withdrawal applications with a dollar value one million fifty-five thousand seven hundred and two dollars and six cents (\$1,055,702.06) were denied. When compared to last year (2022), a slight decrease of 8.5% in share savings withdrawal applications was observed. This may be attributed to slow economic recovery from the COVID 19 pandemic, and members adhering to the credit committee's guide of one share withdrawal per year.

### 9. Monitoring of Files

9.1 The Credit Committee monitored Seventy-two (72) files in keeping with the loan policies set out by the Board of Directors.

### 10. Training

10.1 During the period under review, members of the Credit Committee also participated in the following workshops:

- Flex Computing
- CCD Orientation Training
- Internet and Social Media Security Training
- AML/CFT Training

### 11. Concluding Remarks

11.1 For the past three years a steady increase in the number of share withdrawals was observed. For this year 2023 however there has been a slight decrease in share withdrawal applications.

The committee would like to commend its members in their efforts in reducing the number of share withdrawal applications. The committee would also like to remind members to make use of their deposit accounts. Savings in this account will assist in the event of emergencies and reduce the need to deplete their share savings, thereby increasing dividend earning power.

This can only make the society stronger and sustainable in the ever-increasing competitive market.

11.2 The Credit Committee expresses their heartfelt thanks to our members for the opportunity to serve you. We also thank the Board of Directors, the Statutory and Board-Appointed Committees, the General Manager and his Management Team and Staff for their unwavering support. It has indeed been a pleasure working with you and for the benefit of all members.



**Stacy Monroe-Frank**

*Chairperson*



**Krystal Alexander**

*Secretary*



# Report of The Supervisory Committee

A Snapshot



## Introduction

Warm regards are extended to the Board of Directors, Statutory Committees and General Membership of RHAND Credit Union Co-operative Society Limited.



## Audit of Branch Operations



## Appreciation

The members of the Supervisory Committee wish to thank our valuable members who we continue to hold in high esteem and who have entrusted us to serve within the past year.



# Report of The Supervisory Committee

## 1. Introduction

Warm regards are extended to the Board of Directors, Statutory Committees and General Membership of RHAND Credit Union Co-operative Society Limited. The Supervisory Committee is pleased to submit to members its report for the Fiscal Year of 1st January 2023 to 31st December 2023.

As the Statutory Internal Auditor's of the society and in accordance with Bye-Law 24, the Work Programme undertaken during the period is in keeping with ensuring compliance with the laws governing this noble society.

## 2. Composition of The Supervisory Committee

At the 75th Annual General Meeting held on 15th April 2023, the following members were elected to serve on the Supervisory Committee:

- Ms. Claudette Brown
- Rev Dr. Mary Lou Edmund-Marcano

Ms. Michelle Burris and Ms. Sparkle Inniss 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 19th April 2023. Ms. Claudette Brown and Ms. Nadine Ellis were elected to the positions of Chairperson and Secretary, respectively.

Further, in accordance with Bye-Law 24(c)(i), the five (5) members who comprise the Supervisory Committee for the 2023-2024 term were as follows:

- |   |   |
|---|---|
| • Ms. Claudette Brown: <i>Chairperson</i> | • Mrs. Marilyn Mora-Francis: <i>Member</i>        |
| • Ms. Nadine Ellis: <i>Secretary</i>      | • Rev. Dr. Mary Lou Edmund-Marcano: <i>Member</i> |
| • Ms. Marisha Alexander: <i>Member</i>    |   |

At this 76<sup>th</sup> Annual General Meeting of 2024 the term of office for the following members comes to an end:

- Ms. Nadine Ellis
- Ms. Marisha Alexander
- Mrs. Marilyn Mora-Francis

### 3. The Authority of The Supervisory Committee

Bye-Law 24 (a) states that the Supervisory Committee is the Statutory Internal Auditor’s of the Credit Union and as such, have 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.
- 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 Regular and Special Meetings

The Supervisory Committee held nine (9) Statutory meetings and six (6) Special meetings up to the time of reporting.

A record of attendance is as follows:

Name of Member	Meetings								Remarks
	Regular				Special				
	P	V	Ex	Ab	P	V	Ex	Ab	
Claudette Brown	9	0	0	0	6	0	0	0	Elected as a Member at the 2023 AGM
Nadine Ellis	9	0	0	0	6	0	0	0	End of Term of Office as a full Member
Marisha Alexander	7	0	0	2	6	0	0	0	End of Term of Office as a full Member
Marilyn Mora-Francis	9	0	0	0	6	0	0	0	End of Term of Office as a full Member
Mary Lou Edmund-Marcano	9	0	0	0	6	0	0	0	Elected as a Member at the 2023 AGM
Michelle Burris	9	0	0	0	5	0	1	0	End of Term of Office as 1 <sup>st</sup> Substitute
Sparkle Inniss	8	0	1	0	6	0	0	0	End of Term of Office as 2 <sup>nd</sup> Substitute

#### 4.2 Macro Committee Meetings

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

- 2023 Draft Budget Projections
- Loan applications for Statutory Committee Members



“Management must be complemented for their efforts in ensuring that the requested documents and reports were received promptly.”

#### 4.3 Other Meetings

Members of the Supervisory Committee participated in the work of the following Board-Appointed Committees:

- Ad hoc Committee for the RHAND Head Office Building Renovation Project.
- Co-operative Credit Union League of Trinidad and Tobago Ad hoc Committee - Review of Policy Proposal Document for the development of an Independent Co-operative Authority for the Co-operative Sector
- Annual General Meeting Planning Committee
- Annual General Meeting Brochure Committee

### 5. Work Programme of The Committee for January 2023 to December 2023

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
- Conduct of Cash Counts
- Review of Anti-Money Laundering/Counter Financing of Terrorism and Proliferation Financing (AML/CFT/PF) Compliance
- Review of Branch Operations



- Review of the Delinquency Portfolio
- Review of the Education Committee Activities
- Audit of Human Resources
- Review of the Minutes of the Meetings of the Board of Directors
- Review of Policies (Governance, and Credit Policy)
- Review of the Verbatim Notes of the 2023 Annual General Meeting
- Statutory Deductions Compliance

## 6. Observations on Areas of Examination

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

Arising out of our duties, as stated in Bye-Laws 24(a) IV, the Committee examined the monthly Financial Statements of the Credit Union. Observations and recommendations were brought to the attention of the General Manager and the Manager Finance and Accounting.

Management must be complimented for their efforts in ensuring that the requested documents and reports were received promptly.

### 6.2 Credit Administration Review

Audits were conducted on the Loan Portfolio with an objective to determine whether there were:

- 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 were selected for auditing in accordance with the provisions of Bye-Laws 24(b) and the Programme of Work of the Supervisory Committee.

#### *Observation*

In keeping with RHAND's Bye-Laws and Credit Administration Policy Manual, there was satisfactory compliance in the approval and disbursement of loans. All findings were brought to the attention of the Supervisor of Loans and the Manager, Credit Administration for review.

### 6.3 Conduct of Cash Counts

Statutory and mid-year cash counts were conducted at Head Office and Branch Offices at Arima and Tobago for the year ended 2023. Due to flight issues on the Tobago airbridge, the mid-year cash count was conducted on 4th July 2023. These exercises did not reveal any excesses or shortages of cash. One surprise cash count was conducted at Arima Branch on 29th August 2023.

## Report of The Supervisory Committee

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### 6.4 Review of Anti-Money Laundering/Counter Financing of Terrorism and Proliferation Financing Portfolio

The Internal Audit focused on assessing compliance with Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Counter Proliferation Financing (CPF) regulations from January 2022 to December 2022. Primary emphasis focused on the Credit Union's AML/CFT/CPF Policies and Procedures Compliance Manual, Internal and External Auditor's reports and relevant legislations, regulations, and guidelines pertaining to AML/CFT/CPF. After examining the reports, the Supervisory Committee became aware of the recommendations presented by the Internal and External Auditor's and Management's responses. The Committee aims to carefully oversee the execution of these recommendations, ensuring that robust internal control systems are established and functioning effectively to protect the Credit Union.

### 6.5 Audit of Branch Operations

During the period under review, audits were conducted at Head Office, Arima and Tobago Branch Offices. Specific attention was focused on the operations at all branches of RHAND to ensure compliance and adherence to the Credit Policy, the Bye-Laws and the Co-operative Societies Act in the administration of loans. From the sample selected, loans were approved within those stipulated guidelines.

The Committee wishes to thank all Managers and staff of these branches for their cooperation during these audits.

### 6.6 Review of the Delinquency Portfolio

As at 31<sup>st</sup> December 2023 there were 572 non-performing loans with a value of \$40,965,317.00 on the books of RHAND Credit Union. This represents a Delinquency Ratio of 8.08%, which is above the PEARLS Ratio of 5%. The corresponding period of 2022 showed a figure of 586 non-performing loans with a value of \$38,719,345.00 and a delinquency ratio of 8.16%.

The Committee notes that the reported figures do not reflect any improvement in the portfolio. The efforts on the part of RHAND to contact our members are recognized. There however needs to be a rigorous collection drive to collect outstanding monies. The Committee will continue to closely monitor this portfolio.

### 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..."*



The Committee held monthly meetings, inclusive of special meetings to plan several activities geared towards educating the membership, and for the purpose of unity and social interaction.

The following highlights some of the events hosted by the Education Committee during the 2023 term:

- Physical Health Sessions
- SEA Award Ceremony
- May Cherrie Awards
- Annual Beach Clean Up
- Health Fair - Held at Head Office and Tobago Branch as part of Credit Union Month Celebrations
- Children's Christmas Party

#### *Opinion*

It was revealed through the sample of meeting minutes received from the Education Committee that several initiatives were undertaken and successfully completed while some remain in progress. Commendations are bestowed upon the Education Committee for all the initiatives undertaken and accomplished.



“... there must be effective management of human resources as its functions can improve the organization ...”

## 6.8 Audit of Human Resources

Human resources are considered the most important asset of any organization as the human element plays a major part in the overall success of any organization. As such, there must be effective management of human resources as its functions can improve the organization to develop the capability to weather the changes that will continue to be part of the organizational landscape.

Conducting a Human Resources (HR) audit is a strategic and proactive process that involves the systematic review of HR policies, procedures, and practices within an organization. The importance of conducting an HR audit lies in its ability to identify areas of strength and areas needing improvement, ensuring legal compliance, and contributing to overall organizational effectiveness.

The HR Audit that was conducted was to ensure that RHAND continues to achieve remarkable success in the Financial Services Sector. The examination was undertaken of the policies, practices and procedures of the Human Resource System of the organization with the focus on determining whether the existing policies and procedures were current and being followed.

The reviewed areas included:

- Organizational Structure
- Security checks on new employees
- Orientation training for new employees

- The academic qualifications for the current job positions
- Annual Performance Appraisal
- Training with respect to Anti Money Laundering Procedures
- Separation/Off boarding of Employees

### *Observation*

The findings of the audit revealed that there were areas that needed improvement and they were brought to the attention of the General Manager with recommendations where applicable.

### **6.9 Review of Minutes of the Meetings of the Board of Directors**

During the period under review the Committee received minutes of meetings of the Board of Directors. Based on the review, the committee is satisfied that decisions taken by the Board are in accordance with the Bye-Laws and are for the benefit of the membership and the entire organization.

### **6.10 Review of Policies**

#### *1. Governance Policy*

A review of RHAND's Governance Policy highlighted the need for RHAND to continue its successful Governance through the introduction of Strategic Programmes, which would identify tools aimed at assisting Management with sound, as well as strategic, decision making.


The Governance Review suggested that RHAND, on its journey of providing financial stability to its members, must forge ahead with excellence and a driving force to adhere to the tools mentioned in the Governance Policy.

#### *2. Credit Policy*

RHAND's existing Credit Policy supports its members in good standing, by offering financial products via loans. This represents one of its primary business activities, which is a major portion of the Credit Union's asset base. A review carried out on the current Credit Policy revealed that RHAND must ensure that its loans' portfolio continues to support the overall operating performance. This is done through the adoption of sound financial intermediation and credit administration practices, in the management of its daily business operations, to ensure that risks, such as delinquency or inadequate collateral are at a minimum or non-existent.

### **6.11 Review of the Verbatim Notes of the 2023 Annual General Meeting**

A comprehensive assessment of the Verbatim Notes of the 75<sup>th</sup> Annual General Meeting was conducted to ensure that recommendations and concerns raised by the membership were brought to the attention of Management for necessary action.



**“The Committee wishes to express our sincerest gratitude to the Manager and Staff of the Human Resources Department for their co-operation in the audit.”**

#### **6.12 Statutory Deductions Compliance**

An audit was conducted to verify the accuracy of the statutory deductions for employees and to ensure that employee deductions for P.A.Y.E., National Insurance and Health Surcharge were remitted to the governing bodies within the specified time as stipulated by law.

The audit revealed that RHAND is compliant in the conduct of this function. The Committee wishes to express our sincerest gratitude to the Manager and Staff of the Human Resources Department for their cooperation in the audit.

### **7. Training**

The Supervisory Committee continued to embrace the training opportunities aimed towards becoming more proficient in the execution of our duties.

Members participated in the following:

#### *1. Training*

- NEM Leadership Consultants - Anti-Money Laundering/Combating the Financing of Terrorism
- Co-operative Credit Union League of Trinidad and Tobago - Understanding Financial Statements
- Commissioner for Co-operative Division - Orientation Training for Board and Statutory Committees
- RHAND Information Communication and Technology (ICT) Department - The use of the FLEX System, Office 365 and other required ICT training.
- In-House Training under the leadership of the Chairperson, members of the Supervisory Committee were exposed to training in the understanding of RHAND's Financial Statements.

#### *2. Workshops*

- 44<sup>th</sup> Caribbean Credit Union Development Education (CaribDE) Programme
- Caribbean Development Education (CaribDE), Corporate Governance Forum “Good Governance, De-risking and Public Confidence.”

- Caribbean Confederation of Credit Unions Annual International Convention and Annual General Meeting
- Co-operative Credit Union League of Trinidad and Tobago - Education Workshop

### 8. Internal Audit Function

During the period under review the Supervisory Committee maintained a good working relationship with the Internal Audit Department through the Board Appointed Audit Committee. Based on the reports received, the committee is satisfied with the work of the Internal Auditor.

### 9. Appreciation

The members of the Supervisory Committee wish to thank our valuable members who we continue to hold in high esteem and who have entrusted us to serve within the past year.

Thank you for granting us the opportunity to review the operations of the Credit Union. Additionally, we thank God for the ability to work cohesively as a team which allowed us to meet projected deadlines.

We sincerely thank the Board of Directors, Credit Committee, Management and members of staff for supporting us throughout the term. Your combined efforts and facilitation allowed us to ensure that RHAND Credit Union remains a leading financial provider of good products and services for its members and prospective new members.

May God's grace and mercy remain amongst us as we continue to work to achieve RHAND Credit Union Co-operative Society Limited goals in 2024 and beyond.

Respectfully submitted,

Ms. Claudette Brown: *Chairperson*

Ms. Nadine Ellis: *Secretary*

Ms. Marilyn Mora-Francis: *Member*

Ms. Marisha Alexander: *Member*

Rev. Dr. Mary Lou Edmund-Marcano: *Member*

Ms. Michelle Burriss: *1st Substitute*

Ms. Sparkle Inniss: *2nd Substitute*



**Ms. Claudette Brown**

*Chairperson*



**Ms. Nadine Ellis**

*Secretary*





# Report of The Nominations Committee

A Snapshot



## The Nominations Committee (the NC)

was appointed by the Board of Directors and executed its functions in accordance with section 17 of the Bye Laws of RHAND Credit Union Cooperative Society Limited (“RHAND”). The inaugural meeting of the NC was held on September 20th 2023 where the Chairperson and members elected the Secretary.

## Firstly as is the practice

nominees were invited to meet either in person or virtually for the NC to ascertain their interests, understand their motivation for service, and to respond to concerns.





# Report of The Nominations Committee

This Nominations Committee (“the NC”) was appointed by the Board of Directors and executed its functions in accordance with section 17 of the Bye Laws of RHAND Credit Union Cooperative Society Limited (“RHAND”). The inaugural meeting of the NC was held on September 20th 2023 where the Chairperson and members elected the Secretary. The members of the NC are:

- Ms. Avelon Perry – Chairperson
- Ms. Eleanor Wells – Secretary
- Ms. Jeneece Isaac – Member
- Ms. Cherisse Nixon – Member
- Victor Kirton - Member

At the request of the NC, Ms. Mary Placide was co-opted to understudy the NC and assist with the performance of NC activities during this term. Ms. Placide commenced service to RHAND in this capacity on November 24th, 2023.

In executing our mandate, the NC operated with strict confidentiality, transparency and diligence to ensure that the members nominated for election to the Board of Directors and Statutory Committees at the 76th Annual General Meeting (AGM) are suitably qualified and well presented to the membership. The key activities of the NC, detailed below, were to:

- Solicit nominations from membership;
- Screen nominees for eligibility; and
- Prepare nominees for presentation at AGM.

## **Solicitation of Nominations**

The NC was advised of the vacancies and outgoing Officers from the Board of Directors, Credit, and Supervisory Committees (Table 1). The term of all substitutes on the Board of Directors and Statutory Committees will also expire. To ensure adequate nominees were obtained, the nominations notice was posted in daily newspapers, at all offices of RHAND, on the Credit Union’s social media pages, as well as via electronic blasts (such as SMS and email) to members. The nomination campaign commenced on November 22nd 2023. Members were invited to submit completed nomination packages, which included guidelines for completion, by January 5th 2024.



**Table 1 – Outgoing Officers and Vacancies**

<b>Committee</b>	<b>Board of Director</b>	<b>Credit Committee</b>	<b>Supervisory Committee</b>
<b>Names of Outgoing Officers</b>	Brian Caesar Dave Williams David Maynard* Simone Petal Dawn Huggins	Carolyn Byer Krystal Alexander Nathifa Lewis	Nadine Ellis* Marisha Alexander Marilyn Mora-Francis

*\*Officers that are at the conclusion of their second term in office and not eligible for election at this AGM.*

At a meeting held on January 9th 2024 to open nominations, a total of 37 nomination packages were received, both via email and from nomination boxes posted at the offices of RHAND. The Internal Auditor of RHAND and a representative of the Supervisory Committee witnessed the opening and emptying of nomination boxes and verified the number of nominations received.

**Screening of Nominees**

The NC reviewed the nomination packages received to ensure they were accurately completed and that the nominees met the criteria outlined in the Bye Laws of RHAND (namely sections 23(c), 24(d), 25(a)). The findings of the review are as follows:



- i. Five (5) nominations did not include a proposer or seconder for the nominee. The NC observed that such incomplete submissions prevailed among both the younger members and first-time nominees. This can be corrected with improved guidance from members.
- ii. Three (3) nominees submitted duplicate nomination packages for the same Committee. The nominees were however found to have met all other criteria.
- iii. One (1) nominee did not meet the criteria of section 18(c)(v), as the Officer served 2 consecutive terms on the Board of Directors.

Subsequent to this initial review, a request via the Board of Directors for checks to be conducted on twenty-eight (28) nominees confirmed that all members nominated were in good standing (section 25(a)(ii) of the Bye Laws). As such, Table 2 is a summary of the nominee review.

**Table 2 - Summary of Nominee Review**

	<b>Nominations Received</b>	<b>Nominations rejected/disqualified</b>	<b>Nominees eligible for election</b>
<b>Board of Directors</b>	12	3	9
<b>Credit Committee</b>	12	1	11
<b>Supervisory Committee</b>	13	5	8
<b>Total</b>	<b>37</b>	<b>9</b>	<b>28</b>

**Preparation of nominees for presentation at the AGM**

Further to screening of nomination packages, the NC invited each nominee to participate in an interview, attend an orientation session, and record video messages for presentation at the AGM. The NC employed technology for these activities, including a software for nominees to select dates and times for interviews and videography sessions and a virtual platform to facilitate interviews and the orientation session.

Firstly, as is the practice, nominees were invited to meet either in person or virtually for the NC to ascertain their interests, understand their motivation for service, and to respond to concerns. These interviews were conducted from January 25th to February 8th 2024. Twenty-six (26) of the twenty-eight (28) nominees eligible for election presented themselves to be interviewed. Secondly, nominees were given the opportunity to record a forty (40) second video presentation and have their portrait taken to accompany personal details that will inform members during the election process. Subsequently four (4) nominees withdrew their nomination as a result of personal and professional commitments.

Lastly, an orientation session was conducted on March 16th 2024 to provide nominees with an understanding of the role and function of the Committees and the culture of RHAND as well as an opportunity to network with fellow candidates. Twenty-one (21) nominees benefitted from this orientation inclusive of seven nominees from Tobago.

At the end of the process, the twenty-four (24) nominees listed at Table 3 below were screened and have been deemed suitably qualified for election at the 76<sup>th</sup> AGM.

**Table 3 – Names of Nominees before the 76th AGM**

Board of Directors	Credit Committee	Supervisory Committee
1. Brian Bernard Caesar	1. Carolyn Byer	1. Davy Gerard Rajah
2. Desiree Hackett-Murray	2. Craig Neal M Forbes-Warner	2. Erica Charles
3. Ivor Superville	3. Keisha Latoya Martin	3. Latoya Brathwaite Celestine
4. Joy Benjamin	4. Margaret Cynthia Williams	4. Marilyn Mora-Francis
5. Kelvin T. Martin	5. Shele Johnson-Edwards	5. Mesha Preddie
6. Linda Renaud-Medford	6. Stephanie F Elias	6. Michelle Lisa Burris
7. Simone Petal Dawn Huggins	7. Tesfa Eyesus Harayo Watson	7. Patricia Williams
8. Zwade Smith		8. Renatta Moore-Dindyal
		9. Sparkle Inniss

The NC thanks the Board of Directors and the membership for the opportunity to serve for this term and offers sincere wishes and good fortune to all nominees. The members of the Committee were especially grateful for the opportunity afforded to participate in virtual training conducted by the Cooperative Credit Union League of Trinidad and Tobago on Nomination Committee. Heartfelt thanks are also extended to management and staff for their cooperation and efficiency that facilitated the work of this Committee.

Cooperatively,



**Ms. Avelon Perry**  
Chairperson



**Ms. Eleanor Wells**  
Secretary





# Audited Financial Statements Contents

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 **RIHAND**  
Credit Union  
Celebrating 75

**EMPOWER**  
YOUR FINANCIAL FUTURE  
WITH A CREDIT UNION

ER  
LIMITED





# Statement of Management's Responsibilities

For the year ended December 31, 2023

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, 2023, the statement of comprehensive income, statement of changes in members' equity, 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 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.

A stylized white signature of Ainsley Andrews on a blue background.

**Ainsley Andrews**

*General Manager*

*March 25, 2024*

A stylized white signature of Lister Puckerin on a blue background.

**Lister Puckerin**

*Manager, Finance*

*March 25, 2024*



# Independent Auditor's Report

A Snapshot



## In our opinion

the accompanying financial statements present fairly, in all material respects, ...in accordance with International Financial Reporting Standards

**Auditor's  
Responsibilities for the  
Audit of the Financial  
Statements**





# 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, 2023, and the statement of comprehensive income, statement of changes in members' equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

## 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, 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 judgement 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 BDO logo is displayed in white, stylized, cursive capital letters.

March 25, 2024

Port of Spain,

Trinidad, West Indies



# Statement of Financial Position

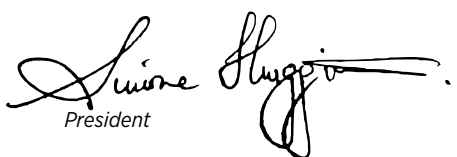
As at December 31, 2023

*(Expressed in Trinidad and Tobago Dollars)*

	Notes	2023 (\$)	2022 (\$)
<b>Assets</b>			
Cash and cash equivalents	7	50,885,627	32,287,954
Investment securities	8	209,085,267	219,494,235
Accounts receivable and prepayments	9	6,731,149	6,577,314
Net loans to members	10	492,009,088	459,466,000
Property and equipment	11	48,757,944	60,227,874
<b>TOTAL ASSETS</b>		<b>\$807,469,075</b>	<b>\$778,053,377</b>
<b>Members' Equity And Liabilities</b>			
<b>Members' Equity</b>			
Reserve fund		41,351,325	38,340,179
Education fund		4,282,360	4,147,256
Loan protection fund	14	4,339,586	2,507,663
Building fund		17,500,000	17,500,000
Investment re-measurement reserve		20,002,233	25,936,491
Undivided earnings		50,179,893	39,123,297
<b>TOTAL MEMBERS' EQUITY</b>		<b>137,655,397</b>	<b>127,554,886</b>
<b>Liabilities</b>			
Accounts payable and accruals	12	16,511,454	15,622,753
Members' deposit savings		90,024,576	86,538,169
Members' time deposits		79,735,155	80,354,154
Members' share savings	13	483,542,493	467,983,415
<b>TOTAL LIABILITIES</b>		<b>669,813,678</b>	<b>650,498,491</b>
<b>TOTAL MEMBERS' EQUITY AND LIABILITIES</b>		<b>807,469,075</b>	<b>778,053,377</b>

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

On, March 25, 2024 the Board of Directors of RHAND Credit Union Co-operative Society Limited authorised these financial statements for issue.

  
*Siime Huggio*  
 President

  
*Gillian*  
 Treasurer

  
 Chairperson, Supervisory Committee



# Statement of Comprehensive Income

For the year ended at December 31, 2023  
*(Expressed in Trinidad and Tobago Dollars)*



	Notes	2023 (\$)	2022 (\$)
<b>Income</b>			
Loan Interest income		48,492,549	45,304,356
Investment Securities income		6,404,329	6,907,088
Unrealised gain on investment securities at FVTPL		4,252,569	-
Realized gain on investment securities		2,650,134	48,695
Other income	18	2,814,437	1,918,294
<b>Total income</b>		<b>64,614,018</b>	<b>54,178,433</b>
<b>Expenditure</b>			
Administrative expenses	19	(10,553,036)	(12,465,015)
Board and committees' expenses	20	(1,440,290)	(1,142,320)
Life savings insurance expense		(594,932)	(743,412)
Loan protection expense	14	(1,007,807)	(2,541,537)
Expected credit loss expense - loans to members	10	(3,715,591)	(1,961,213)
Expected credit loss expense - investment securities		(255,819)	(23,561)
Interest on members' deposits		(2,129,181)	(2,226,743)
Member education, training, and development expenses		(1,284,760)	(918,797)
Salaries and staff benefits	21	(15,060,903)	(14,098,396)
Green fund levy		(174,395)	(158,646)
Unrealised loss on investment securities at FVTPL		-	(4,668,265)
<b>Total expenditure</b>		<b>(36,216,714)</b>	<b>(40,947,905)</b>
<b>Net surplus for the year</b>		<b>28,397,304</b>	<b>13,230,528</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Unrealised loss on investment securities at FVOCI	22	(5,934,258)	(10,385,736)
Net actuarial gain on retirement benefit obligation			101,200
<b>Total other comprehensive loss</b>		<b>(5,934,258)</b>	<b>(10,284,536)</b>
<b>Total comprehensive income for the year</b>		<b>22,463,046</b>	<b>2,945,992</b>

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



# Statement of Changes in Members Equity

For the year ended at December 31, 2023  
*(Expressed in Trinidad and Tobago Dollars)*

	Reserve Fund (\$)	Education Fund (\$)	Loan Protection Fund (\$)	Building Fund (\$)	Investment Remeasurement Reserve (\$)	Undivided Earnings (\$)	Total (\$)
<b>Year ended December 31, 2023</b>							
Balance as at January 1, 2023	38,340,179	4,147,256	2,507,663	17,500,000	25,936,491	39,123,297	127,554,886
Total comprehensive (loss) /income for the year	-	-	-	-	(5,934,258)	28,397,304	22,463,046
<b>Appropriation for the year:</b>							
- 10% to the Reserve Fund	2,839,731	-	-	-	-	(2,839,731)	-
- 5% to the Education Fund	-	1,419,864	-	-	-	(1,419,864)	-
- 10% to the Loan Protection Fund	-	-	2,839,730	-	-	(2,839,730)	-
	<b>41,179,910</b>	<b>5,567,120</b>	<b>5,347,393</b>	<b>17,500,000</b>	<b>20,002,233</b>	<b>60,421,276</b>	<b>150,017,932</b>
Dividends and Patronage Refund	-	-	-	-	-	(12,362,535)	(12,362,535)
Entrance fees	171,415	-	-	-	-	(171,415)	-
Member education, training and development expenses	-	(1,284,760)	-	-	-	1,284,760	-
Loan protection expense	-	-	(1,007,807)	-	-	1,007,807	-
<b>Balance as at December 31, 2023</b>	<b>41,351,325</b>	<b>4,282,360</b>	<b>4,339,586</b>	<b>17,500,000</b>	<b>20,002,233</b>	<b>50,179,893</b>	<b>137,655,397</b>
<b>Year ended December 31, 2022</b>							
Balance as at January 1, 2022	36,888,461	4,399,467	3,716,027	17,500,000	36,322,227	40,676,021	139,502,203
Total comprehensive (loss) /income for the year	-	-	-	-	(10,385,736)	13,331,728	2,945,992
<b>Appropriation for the year:</b>							
- 10% to the Reserve Fund	1,333,173	-	-	-	-	(1,333,173)	-
- 5% to the Education Fund	-	666,586	-	-	-	(666,586)	-
- 10% to the Loan Protection Fund	-	-	1,333,173	-	-	(1,333,173)	-
- Transfer to Building Fund	-	-	-	-	-	-	-
	<b>38,221,634</b>	<b>5,066,053</b>	<b>5,049,200</b>	<b>17,500,000</b>	<b>25,936,491</b>	<b>50,674,817</b>	<b>142,448,195</b>
Dividends and Patronage Refund	-	-	-	-	-	(14,893,309)	(14,893,309)
Entrance fees	118,545	-	-	-	-	(118,545)	-
Member education, training and development expenses	-	(918,797)	-	-	-	918,797	-
Loan protection expense	-	-	(2,541,537)	-	-	2,541,537	-
<b>Balance as at December 31, 2022</b>	<b>38,340,179</b>	<b>4,147,256</b>	<b>2,507,663</b>	<b>17,500,000</b>	<b>25,936,491</b>	<b>39,123,297</b>	<b>127,554,886</b>

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



# Statement of Cash Flows

For the year ended at December 31, 2023  
*(Expressed in Trinidad and Tobago Dollars)*

	2023	2022
Cash flows from operating activities		
Net surplus for the year	28,397,304	13,230,528
Adjustments for non-cash items:		
Depreciation	1,145,435	824,132
Expected credit loss on loans to members	3,715,591	1,961,213
Expected credit loss on investment securities	255,819	23,561
Loss on disposal/write-off of property and equipment	(337,077)	2,593,876
Realized gain on investment securities	(2,650,134)	(48,695)
Unrealised gain/(loss) on investment securities at FVTPL	(4,252,569)	4,668,265
<b>Operating cash flow before changes in operating assets and liabilities</b>	<b>26,274,369</b>	<b>23,252,880</b>
(Increase)/decrease in accounts receivable and prepayments	(153,835)	1,268,760
Increase in net loans to members	(36,258,679)	(15,046,469)
Increase in accounts payable and accruals	888,701	551,557
Increase/(decrease) in members' deposit savings	3,486,407	(461,707)
Decrease in members' time deposits	(618,999)	(8,090,675)
Increase in members' share savings	15,559,078	12,005,505
<b>Net cash generated from operating activities</b>	<b>9,177,042</b>	<b>13,479,851</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property and equipment	11,331,414	9,760
Purchase of property and equipment	(669,842)	(4,234,967)
Proceeds from sale or maturity of investments net of purchases of investments	11,121,594	6,323,161
<b>Net cash provided by investing activities</b>	<b>21,783,166</b>	<b>2,097,954</b>
<b>Cash flows from financing activities</b>		
Dividends and patronage refund distribution	(12,362,535)	(14,893,309)
<b>Net cash used in financing activities</b>	<b>(12,362,535)</b>	<b>(14,893,309)</b>
<b>Increase in cash and cash equivalents</b>	<b>18,597,673</b>	<b>684,496</b>
Cash and cash equivalents, beginning of year	32,287,954	31,603,458
<b>Cash and cash equivalents, end of year</b>	<b>\$50,885,627</b>	<b>\$32,287,954</b>

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



# Notes to The Financial Statements

For the year ended at December 31, 2023  
*(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. Material Accounting Policy

### 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:

Car park	10%	Straight line
Building	2%	Straight line
Furniture, fixtures and fittings	10%	Reducing balance

## Notes to The Financial Statements

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Office equipment	20%	Reducing balance
Telephone facilities	33⅓%	Reducing balance
Other equipment	12½%, 33⅓%	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")
- 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:

- 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.

### *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.

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 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;

## Notes to The Financial Statements

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- 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.

### *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. 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.

### **f. 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.

### **g. 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.

### **h. 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

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### **i. 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.

### **j. 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 58 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) (v.) 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**

The building fund was established for the construction and or expansion of the Society's offices, in accordance with Bye-law 12 (A) (v.) of the Credit Union. No amounts were transferred during the year ended December 31, 2023 and 2022.

#### **v. Investment measurement reserve**

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

**k. 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 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.

**l. New, revised and amended standards and interpretations not yet effective****i. New and amended standards adopted by the Society**

The Society adopted the following new Standard and amendments with a transition date of January 1, 2023. There were no significant changes made to these financial statements resulting from the adoption of this new standard/amendment

- 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.
- 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.

**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 Company'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.

- The IFRS Interpretations Committee issued an agenda decision in June 2020 - Sale and leaseback with Variable Payments. The Amendments provide a requirement for the seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments

## Notes to The Financial Statements

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Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. As a result of the COVID-19 pandemic, the Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after January 1, 2024.

- Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.
- On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it concludes that a currency is not exchangeable into another currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

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.



## 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:

### 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 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 pre-set 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:

<b>Classification</b>	<b>Description</b>	<b>Rating</b>
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

**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

## Notes to The Financial Statements

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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:

Expected Credit Losses (ECL) =  $EAD \times LGD \times PD$  Where,

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

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:

- Instalment- 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.

### As at December 31, 2023

Stage	Type	Balance (\$)	Shares held (\$)	EAD (\$)
Stage 1 <i>Performing Loans</i>	Consumer	276,372,029	153,198,646	151,471,978
	Motor Vehicle	17,932,618	8,322,106	10,960,284
	Mortgage	171,961,974	54,898,290	128,849,251
<b>Total Performing Loans</b>		<b>466,266,621</b>	<b>216,419,042</b>	<b>291,281,513</b>
Stage 2 <i>Under performing Loans</i>	Consumer	6,315,811	2,612,611	4,007,520
	Motor Vehicle	70,285	13,110	57,175
	Mortgage	3,102,669	730,890	2,391,498
<b>Total Under Performing Loans</b>		<b>9,488,765</b>	<b>3,356,611</b>	<b>6,456,193</b>
Stage 3 <i>Non-performing Loans</i>	Consumer	16,235,295	1,618,779	14,640,223
	Motor Vehicle	1,240,970	64,152	1,176,818
	Mortgage	13,952,621	459,672	13,499,404
<b>Total Non-Performing Loans</b>		<b>31,428,886</b>	<b>2,142,603</b>	<b>29,316,445</b>
<b>TOTAL</b>		<b>\$507,184,271</b>	<b>\$221,918,256</b>	<b>\$327,054,151</b>

### As at December 31, 2022

Stage	Type	Balance	Shares held	EAD
Stage 1 <i>Performing Loans</i>	Consumer	250,802,066	153,655,283	127,631,614
	Motor Vehicle	21,778,251	10,756,842	12,765,834
	Mortgage	163,417,439	55,727,790	118,809,008
<b>Total Performing Loans</b>		<b>435,997,756</b>	<b>220,139,915</b>	<b>259,206,456</b>
Stage 2 <i>Under performing Loans</i>	Consumer	4,332,768	1,653,359	2,717,637
	Motor Vehicle	592,061	131,126	515,602
	Mortgage	3,762,856	524,159	3,258,201
<b>Total Under Performing Loans</b>		<b>8,687,685</b>	<b>2,308,644</b>	<b>6,491,440</b>
Stage 3 <i>Non-performing Loans</i>	Consumer	17,669,087	2,374,474	15,307,213
	Motor Vehicle	1,663,845	63,673	1,627,008
	Mortgage	10,406,347	381,274	10,025,073
<b>Total Non-Performing Loans</b>		<b>29,739,279</b>	<b>2,819,421</b>	<b>26,959,294</b>
<b>TOTAL</b>		<b>474,424,720</b>	<b>225,267,980</b>	<b>292,657,190</b>

### 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 2019-2023.

For stages 1 and 2, the probability of default was calculated using a linear regression equation that includes a slope, intercept, and economic factors historically shown to have a material impact on RHAND's credit quality.

## Notes to The Financial Statements

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$Y=MX+C$  Where,

- M = The slope shows the impact of changes in the unemployment rate on the delinquency rate.
- X = Economic Factors (An average of unemployment, inflation, and Gross Domestic Product rates).
- C = The intercept serves as a reference point for understanding the baseline level of the dependent variable and aids in interpreting the effects of changes relative to the independent variable.

For stage 3 100% probability 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, 2022 (Note 5(b)(vii)(c)-Individually Impaired).

L0 was represented by the ratio of Impairment allowance / Loans to members for 2023.

L1 was represented by the ratio of Impairment allowance / Loans to members for 2022.

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

### **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 (6.9 years).

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

The ECL provision for the loan portfolio of the Society for the year ended December 31, 2023, is estimated to be \$15,175,183 (2022: \$14,958,719).

#### 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.

	2023 (\$)	2022 (\$)
Cash and cash equivalents with banks and other financial institutions	49,960,371	31,532,735
Investment securities	155,287,087	170,980,907
Accounts receivable	6,158,403	6,233,385
Loans to members (gross)	507,184,271	474,424,720
	<b>718,590,132</b>	<b>683,171,747</b>

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

	2023 (\$)	2022 (\$)
Cash and cash equivalents	49,960,371	31,532,735
Investment securities	155,287,087	170,980,907
Accounts receivable with full repayment expected	6,158,403	6,233,385
Loans to members	466,266,620	435,997,756
	<b>677,672,481</b>	<b>644,744,783</b>

## Notes to The Financial Statements

### 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.

	2023 (\$)	2022 (\$)
Consumer	276,372,028	250,802,066
Motor vehicles	17,932,618	21,778,251
Mortgages	171,961,974	163,417,439
	<b>466,266,620</b>	<b>435,997,756</b>

#### 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:

	Up to 31 days (\$)	32 to 61 days (\$)	62 to 90 days (\$)	Total (\$)
<b>As at December 31, 2023</b>				
Consumer	4,628,451	1,687,359	-	6,315,810
Motor vehicles	12,849	57,435	-	70,285
Mortgages	2,501,207	649,129	-	3,150,336
<b>Total</b>	<b>7,142,507</b>	<b>2,393,923</b>	<b>-</b>	<b>9,536,430</b>
<b>Fair value of collateral</b>	<b>3,452,250</b>	<b>260,000</b>	<b>-</b>	<b>4,010,330</b>
<b>As at December 31, 2022</b>				
Consumer	2,582,506	1,951,825	85,140	4,619,471
Motor vehicles	274,930	317,131	-	592,061
Mortgages	2,803,159	965,375	-	3,768,534
<b>Total</b>	<b>5,660,595</b>	<b>3,234,331</b>	<b>85,140</b>	<b>8,980,066</b>
<b>Fair value of collateral</b>	<b>3,083,254</b>	<b>2,550,000</b>	<b>-</b>	<b>5,633,254</b>



*c. Individually impaired*

	Consumer (\$)	Motor Vehicles (\$)	Mortgages (\$)	Total (\$)
<b>As at December 31, 2023</b>				
Loan to members	16,235,295	1,240,970	13,952,621	31,428,886
Fair value of collateral	985,541	362,299	13,655,761	15,003,601
Impairment Allowance	(11,599,068)	(778,033)	(2,503,003)	(14,880,104)
<b>As at December 31, 2022</b>				
Loan to members	17,669,087	1,663,845	10,406,347	29,739,279
Fair value of collateral	1,029,570	299,483	9,488,761	10,817,814
Impairment Allowance	(12,631,879)	(1,312,776)	(2,244,472)	(16,189,127)

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.

*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.

	2023	2022
Number of loans restructured	96	72
<b>Value of restructured loans</b>	<b>\$10,226,293</b>	<b>\$7,624,688</b>

**viii. Repossessed collateral**

Repossession 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.

## Notes to The Financial Statements

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Real and personal properties valued at \$212,313 which were as held collateral, were repossessed during the year ended 2023 (2022: No properties) and efforts ongoing to liquidate for value by mortgage sale.

### **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.

#### ***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.

	Up to 1 year (\$)	1 to 5 years (\$)	Over 5 years (\$)	Total (\$)
<b>As at December 31, 2023</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	49,960,371	-	-	49,960,371
Investment securities	149,711,790	29,872,118	29,501,359	209,085,267
Accounts receivable	6,158,403	-	-	6,158,403
<b>Loans to members (gross)</b>	<b>17,896,879</b>	<b>199,481,891</b>	<b>289,805,501</b>	<b>507,184,271</b>
<b>Total financial assets</b>	<b>223,727,443</b>	<b>229,354,009</b>	<b>319,306,860</b>	<b>772,388,312</b>
Financial liabilities				
Members' savings and time deposits	169,759,731	-	-	169,759,731
Members' shares	483,542,493	-	-	483,542,493
Accounts payable	13,296,999	-	-	13,296,999
<b>Total financial liabilities</b>	<b>666,599,223</b>	<b>-</b>	<b>-</b>	<b>666,599,223</b>
<b>Net position</b>	<b>(442,871,780)</b>	<b>229,354,009</b>	<b>319,306,860</b>	<b>105,789,089</b>
<b>As at December 31, 2022</b>				
Financial Assets				
Cash and cash equivalents	31,532,735	-	-	31,532,735
Investment securities	158,766,914	40,712,898	20,014,423	219,494,235
Accounts receivable	6,233,385	-	-	6,233,385
<b>Loans to members (gross)</b>	<b>23,294,500</b>	<b>222,074,523</b>	<b>229,055,697</b>	<b>474,424,720</b>
<b>Total financial assets</b>	<b>219,827,534</b>	<b>262,787,421</b>	<b>249,070,120</b>	<b>731,685,075</b>
Financial liabilities				
Members' savings and time deposits	166,892,323	-	-	166,892,323
Members' shares	467,983,415	-	-	467,983,415
Accounts payable	12,222,478	-	-	12,222,478
<b>Total financial liabilities</b>	<b>647,098,216</b>	<b>-</b>	<b>-</b>	<b>647,098,216</b>
<b>Net position</b>	<b>(427,270,682)</b>	<b>262,787,421</b>	<b>249,070,120</b>	<b>84,586,859</b>

## Notes to The Financial Statements

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### **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:

	Carrying Value (\$)	Fair Value (\$)
<b>As at December 31, 2023</b>		
<b>Financial assets</b>		
Cash at bank	49,960,371	49,960,371
Investment securities	209,085,267	207,496,501
Accounts receivable	6,158,403	6,158,403
Loans to members	507,184,271	507,184,271
	<b>772,388,312</b>	<b>770,799,546</b>
<b>Financial liabilities</b>		
Members' savings and time deposits	169,759,731	169,759,731
Members' shares	483,542,493	483,542,493
Accounts payable	13,296,999	13,296,999
	<b>666,599,223</b>	<b>666,599,223</b>
	<b>Carrying Value</b>	<b>Fair Value</b>
<b>As at December 31, 2022</b>		
<b>Financial assets</b>		
Cash at bank	31,532,735	31,532,735
Investment securities	219,494,235	217,798,675
Accounts receivable	6,233,385	6,233,385
Loans to members	474,424,720	474,424,720
	<b>731,685,075</b>	<b>729,989,515</b>
<b>Financial liabilities</b>		
Members' savings and time deposits	166,892,323	166,892,323
Members' shares	467,983,415	467,983,415
Accounts payable	12,222,478	12,222,478
	<b>647,098,216</b>	<b>647,098,216</b>

## 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 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.

## Notes to The Financial Statements

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.

## 7. Cash and Cash Equivalents

	2023 (\$)	2022 (\$)
Cash in hand and at bank	22,532,204	2,882,395
Money Market Mutual Fund holdings and fixed deposits	26,091,050	27,168,289
Cash at broker	2,262,373	2,237,269
	<b>50,885,627</b>	<b>32,287,954</b>

## 8. Investment Securities

	2023 (\$)	2022 (\$)
Investment securities measured at FVTPL	59,736,376	75,161,843
Investment securities measured at FVOCI	93,974,114	94,961,688
Investment securities measured at amortised cost	55,374,777	49,370,704
	<b>209,085,267</b>	<b>219,494,235</b>
<b>Investment securities measured at FVTPL</b>		
First Citizens Investment Services Limited Medium: Term Fixed Rate Notes	4,868,498	8,500,000
Bourse Securities Limited: Repurchase Agreement	29,751,795	29,233,544
KCL Capital Market Brokers Limited: Assets Under Management	4,371,427	4,059,477
Firstline Securities Limited: Commercial Paper Secured Notes	-	7,172,788
KSBM Asset Management Limited: Equities	20,744,656	16,196,034
Police Credit Union Co-operative Society Ltd: Direct Deposit	-	9,000,000
NCB Merchant Bank: Fixed Deposit	-	1,000,000
<b>Total investment securities measured at FVTPL</b>	<b>59,736,376</b>	<b>75,161,843</b>
<b>Investment securities measured at FVOCI</b>		
<b>Quoted equities</b>		
Republic Bank Limited	2,357,643	2,028,420
Prestige Holdings Limited	1,690,610	1,141,616
Grace Kennedy Company Limited	657,000	673,500
Guardian Holdings Limited	359,670	512,810
Massy Holdings Limited	1,385,394	1,423,350
West Indian Tobacco Company Limited	622,110	1,468,599
One Caribbean Media Limited	136,800	118,800
Sagicor Financial Corporation	304,656	281,063
Jamaica Money Market Brokers Limited	307,395	434,907
Ansa McAl Limited	787,654	750,355
Scotiabank Trinidad and Tobago Limited	1,087,320	1,218,516
Royal Bank of Canada	215,782	201,343
National Commercial Bank of Jamaica	170,000	228,000
Angostura Holdings Limited	439,000	480,000
CLICO Investment Fund	-	645,310
First Citizens Bank Limited	14,005,877	14,830,088
Trinidad and Tobago NGL Limited	913,055	1,926,546
Exchange Traded Funds (ETF):		
First Citizens Investment Services Limited	7,613,561	3,954,071
<b>Mutual Fund Units</b>		
Trinidad and Tobago Unit Trust Corporation		
- Calypso Macro Index Fund	4,680,119	4,212,107
- Growth and Income Fund	56,240,468	57,969,947
First Citizens Investment Services Limited	-	462,340
<b>Total investment securities measured at FVOCI</b>	<b>93,974,114</b>	<b>94,961,688</b>

## Notes to The Financial Statements

	2023 (\$)	2022 (\$)
<b>Investment securities measured at Amortised cost</b>		
<b>Bonds</b>		
Government of the Republic of Trinidad and Tobago	13,393,462	9,994,798
Housing Development Corporation	3,245,552	195,418
National Insurance Property Development Company	1,246,245	1,226,157
National Infrastructure Development Company Limited	4,034,441	86,616
Trinidad and Tobago Mortgage Finance Company Limited	5,153,980	2,348,193
First Citizens Bank Limited	2,376	822,968
National Investment Fund	5,056,005	9,852,201
Methanol Holding Limited	-	5,244,181
Guardian Holdings Limited	4,994,230	5,012,700
Police Credit Union Co-operative Society Limited	4,670,511	-
First Citizens Investment Services	1,357,995	-
HADCO Holdings Limited	12,826,959	14,938,633
Less: Allowance for expected credit loss	(606,979)	(351,161)
<b>Total investments securities measured at amortised cost</b>	<b>\$55,374,777</b>	<b>\$49,370,704</b>

## 9. Accounts Receivable and Prepayments

	2023 (\$)	2022 (\$)
Interest receivable on loans	2,008,058	1,967,524
Interest receivable on investments	1,852,298	1,336,636
Other receivables and prepayments	1,546,939	1,542,677
CUNA Payment Protector & FIP Claims & FIP Payable	725,302	877,127
LINCU Settlement Advance & Reserve	450,000	450,000
Staff members' loans	148,552	403,350
	<b>6,731,149</b>	<b>6,577,314</b>

## 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.

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.

	Stage 1 0-90 days in arrears	Stage 2 91-120 days in arrears	Stage 3 >120 days in arrears	Sum Total
<b>As at December 31, 2023</b>				
Gross loan	466,266,620	9,488,765	31,428,886	507,184,271
<b>Expected Credit loss</b>	<b>(7,834,397)</b>	<b>(106,394)</b>	<b>(7,232,206)</b>	<b>(15,175,183)</b>
<b>As at December 31, 2022</b>				
Gross loan	435,997,756	8,687,685	29,739,279	474,424,720
<b>Expected Credit loss</b>	<b>(7,036,418)</b>	<b>(99,509)</b>	<b>(7,822,793)</b>	<b>(14,958,720)</b>

**b. Loans to members are stated at principal outstanding net of allowance for expected credit loss.**

	2023 (\$)	2022 (\$)
Loans to members	507,184,271	474,424,720
Less: allowance for Expected Credit Loss	(15,175,183)	(14,958,720)
<b>Net Loans To Members</b>	<b>492,009,088</b>	<b>459,466,000</b>

**c. Analysis of movement in allowance for expected credit loss**

	2023 (\$)	2022 (\$)
Allowance for Expected Credit Loss at beginning of the year	14,958,720	12,973,810
ECL adjustment	(3,499,127)	23,697
Expected Credit Loss expense for the year	3,715,590	1,961,213
<b>Allowance for Expected Credit Loss at end of the year</b>	<b>15,175,183</b>	<b>14,958,720</b>

## Notes to The Financial Statements

### 11. Property & Equipment

	Land (\$)	Car Park (\$)	Building (\$)	Work in Progress (\$)
<b>Cost</b>				
Balance as at January 1, 2023	41,644,808	186,868	14,799,299	6,624,706
Additions	-	-	-	410,157
Disposals/Write-offs	(10,765,704)	-	-	(110,873)
Transfers	(14,632)	-	5,433,204	(5,749,870)
<b>Balance as at December 31, 2023</b>	<b>30,864,472</b>	<b>186,868</b>	<b>20,232,503</b>	<b>1,174,120</b>
Accumulated Depreciation				
Balance as at January 1, 2023	-	(186,868)	(6,391,125)	-
Charges for the year	-	-	(478,347)	-
Disposals	-	-	-	-
<b>Balance as at December 31, 2023</b>	<b>-</b>	<b>186,868</b>	<b>(6,869,472)</b>	<b>-</b>
Net book value	30,864,472	-	13,363,031	1,174,120
<b>Cost</b>				
Balance as at January 1, 2022	26,144,808	186,868	31,015,080	4,761,911
Additions	-	-	75,219	3,633,002
Disposals	-	-	-	(2,560,807)
Transfers	15,500,000	-	(16,291,000)	791,000
<b>Balance as at December 31, 2022</b>	<b>41,644,808</b>	<b>186,868</b>	<b>14,799,299</b>	<b>6,625,106</b>
Accumulated Depreciation				
Balance as at January 1, 2022	-	(186,868)	(6,204,610)	-
Charges for the year	-	-	(186,515)	-
Disposals	-	-	-	-
<b>Balance as at December 31, 2022</b>	<b>-</b>	<b>(186,868)</b>	<b>(6,391,125)</b>	<b>-</b>
<b>Net book value</b>	<b>41,644,808</b>	<b>-</b>	<b>8,408,174</b>	<b>6,625,106</b>

Furniture, Fixtures and Fittings (\$)	Office Equipment (\$)	Telephone Facilities (\$)	Other Equipment (\$)	Motor Vehicles (\$)	Computers (\$)	Total (\$)
3,613,364	787,999	326,240	3,077,732	303,727	9,626,005	80,990,748
3,988	4,188	-	30,125	-	221,384	669,842
(181,860)	(222,190)	(1,869)	(33,232)	-	(401,853)	(11,717,581)
205,685	-	-	-	-	125,613	-
<b>3,641,177</b>	<b>569,997</b>	<b>324,371</b>	<b>3,074,625</b>	<b>303,727</b>	<b>9,571,149</b>	<b>69,943,009</b>
(2,666,415)	(687,577)	(315,621)	(2,356,923)	(267,133)	(7,891,212)	(20,762,874)
(119,991)	(19,973)	(3,045)	(120,267)	(8,170)	(395,642)	(1,145,435)
147,436	208,512	1,823	28,496	-	336,977	723,244
<b>(2,638,970)</b>	<b>(499,038)</b>	<b>(316,843)</b>	<b>(2,448,694)</b>	<b>(275,303)</b>	<b>(7,949,877)</b>	<b>(21,185,065)</b>
1,002,207	70,959	7,528	625,931	28,424	1,621,272	\$48,757,944
3,661,395	787,999	338,000	3,016,943	467,627	9,319,006	79,699,637
69,559	-	-	120,615	-	336,572	4,234,967
(117,590)	-	(11,760)	(60,226)	(163,900)	(29,573)	(2,943,856)
-	-	-	-	-	-	-
<b>3,613,364</b>	<b>787,999</b>	<b>326,240</b>	<b>3,077,332</b>	<b>303,727</b>	<b>9,626,005</b>	<b>80,990,748</b>
(2,652,150)	(663,330)	(323,093)	(2,284,724)	(418,655)	(7,545,532)	(20,278,962)
(100,464)	(24,247)	(4,272)	(131,725)	(10,742)	(366,617)	(824,132)
86,199	-	11,744	59,076	162,264	20,937	340,220
<b>(2,666,415)</b>	<b>(687,577)</b>	<b>(315,621)</b>	<b>(2,356,923)</b>	<b>(267,133)</b>	<b>(7,891,212)</b>	<b>(20,762,874)</b>
<b>946,949</b>	<b>100,422</b>	<b>10,619</b>	<b>720,409</b>	<b>36,594</b>	<b>1,734,793</b>	<b>60,227,874</b>

## Notes to The Financial Statements

### 12. Accounts Payable and Accruals

	2023 (\$)	2022 (\$)
Other payables and accruals	11,997,313	6,005,616
Death/disability claims payable	1,461,059	6,661,893
Interest payable on members' time deposits	1,082,086	993,027
Cummings/ Fraser Foundation Account	1,060,000	960,000
Unclaimed members' deposits	547,730	547,730
Vacation pay accrual	266,687	365,620
Non-members receipts	71,757	64,045
Unclaimed members' share savings	24,595	24,595
Sharon FYFE "Coopers" Account	227	227
	<b>16,511,454</b>	<b>15,622,753</b>

Included in other payables and accruals are accruals for retroactive salaries ("backpay") made by the Credit Union. This amount represents an estimate of the retroactive salaries due upon the conclusion of the collective bargaining agreements between the Society and the respective employees.

### 13. Members' Share Savings

The Bye-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.

### 14. 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, 2023, \$1,007,807 (2022: \$2,541,537) was expensed from the Fund and \$2,572,291 (2022: \$1,333,173) was allocated to the Fund. As at December 31, 2023, the balance stood at \$4,072,147 (2022: \$2,507,663).

### 15. 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.

	2023 (\$)	2022 (\$)
<b>Assets, Liabilities and Members' Equity</b>		
<b>Loans and other receivables</b>		
Due from Directors, committee members, key management personnel	11,355,667	3,680,297
Due from LINC Limited	450,000	450,000
<b>Shares, deposits and other liabilities</b>		
Directors, committee members, key management personnel	2,927,100	3,160,253
Cummings/Fraser Foundation Account	1,060,000	860,000
<b>Interest and other income</b>		
Directors, committee members, key management personnel	707,058	299,621
<b>Interest and other expenses</b>		
Directors, committee members, key management personnel	54,135	93,750
<b>Key management compensation</b>		
Short-term benefits	3,033,659	2,708,135

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

## Notes to The Financial Statements

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### c. Investment securities

The fair values of investments are determined on the basis of market prices available at December 31, 2023.

### 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.

	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
<b>As at December 31, 2023</b>				
<b>Financial assets measured at fair value</b>				
Investment securities	25,439,966	128,270,524	-	153,710,490
<b>Financial assets not measured at fair value</b>				
Investment securities	-	-	55,374,777	55,374,777
Loans to members	-	-	492,009,088	492,009,088
<b>Financial liabilities not measured at fair value</b>				
Members' deposits	-	-	(169,759,731)	(169,759,731)
Members' share savings	-	-	(483,542,493)	(483,542,493)
	25,439,966	128,270,524	(105,918,359)	47,792,131
<b>As at December 31, 2022</b>				
<b>Financial assets measured at fair value</b>				
Investment securities	28,363,223	141,760,308	-	170,123,531
<b>Financial assets not measured at fair value</b>				
Investment securities	-	-	49,370,704	49,370,704
Loans to members	-	-	459,466,000	459,466,000
<b>Financial liabilities not measured at fair value</b>				
Members' deposits	-	-	(166,892,323)	(166,892,323)
Members' share savings	-	-	(467,983,415)	(467,983,415)
	<b>28,363,223</b>	<b>141,760,308</b>	<b>(126,039,034)</b>	<b>(5,286,207)</b>

## 17. 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.

## 18. Other Income

	2023 (\$)	2022 (\$)
CUNA Commissions	1,300,104	1,264,810
MSDP registration and education	326,382	302,405
Gain on Disposal of PPE	443,391	22,092
Rental Income	421,125	162,000
Entrance Fees	171,415	118,545
Miscellaneous Income	141,134	38,251
Service Charges	10,686	9,475
Other Commissions	200	716
	<b>2,814,437</b>	<b>1,918,294</b>

## Notes to The Financial Statements

### 19. Administrative Expenses

	2023 (\$)	2022 (\$)
Repairs, maintenance and cleaning	1,942,652	2,201,060
Advertising & Promotions	1,238,435	1,320,129
Legal and professional services	1,198,731	1,321,795
Depreciation	1,145,436	824,129
Annual and Special general meetings	1,007,865	586,369
Stationery, computer supplies, printing and postage	858,569	930,186
Security	473,854	283,876
Telephone	467,181	407,483
Bank charges	437,977	418,723
Insurances	408,084	329,836
Debt collector's commissions	297,064	96,905
Electricity	265,663	278,512
Miscellaneous expenses	192,618	237,546
LINCU Debit Card expenses	161,944	161,944
Property rental	144,837	322,137
Loss on disposal/write-off of fixed assets	106,314	2,593,876
Cummings Fraser Foundation	100,000	100,000
Rates and taxes	65,968	8,039
Donations	35,400	17,800
SurePay fees & expenses	4,444	24,672
	10,553,036	12,465,015

Loss on disposal of property and equipment (2022) includes a write-off of work in progress of \$2,561,205 which represents costs incurred to prepare architectural designs and plans for an intended building for the Credit Union. This would have been previously included as property, plant and equipment as work in progress to be eventually included in the cost of the building upon completion. IAS 16 p67 (b) states that "the carrying amount of an item of property, plant and equipment shall be derecognised when no future economic benefits are expected from its use or disposal." As such, the work in progress was disposed of/written off during the year ended December 31, 2022.



## 20. Board and Committees' Expenses

	2023 (\$)	2022 (\$)
Meeting	423,743	349,706
Subsistence	336,331	278,855
Honoraria	293,984	292,023
Conferences	158,886	60,921
Entertainment and duty allowance	152,600	43,200
Training	68,746	116,115
Travelling	6,000	1,500
	<b>1,440,290</b>	<b>1,142,320</b>

## 21. Salaries and Benefits

	2023 (\$)	2022 (\$)
Salaries and other staff benefits	14,960,982	13,957,914
Training and subsistence	99,921	140,482
	<b>\$ 15,060,903</b>	<b>\$14,098,396</b>

## 22. Unrealized gain/(loss) on investment securities at FVOCI

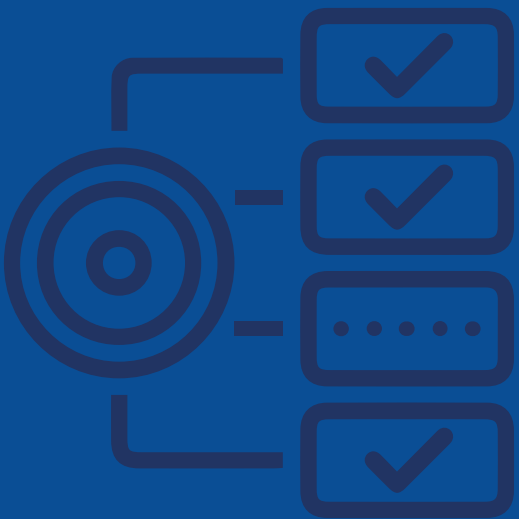
For the year ended December 31, 2023, the net unrealized loss on investment securities at FVOCI totalled \$5,934,258 (2022: loss of \$10,385,736). This movement represents the change in the investment remeasurement reserve, which comprises of unrealised fair value movement of investment securities held as FVOCI.

## 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. 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.



# 2024 Quantitative Objectives, Proposed Capital Expenditure And Financial Projections

*(Expressed in Trinidad and Tobago Dollars)*

## 2024 Quantitative Objectives

Key Results Area	Budgeted	Actual	Increase/(Decrease)	
	2024 (\$)	2023 (\$)	(\$)	(%)
Share capital portfolio	499,542,493	483,542,493	16,000,000	3.20
Time deposits portfolio	80,235,155	79,735,155	500,000	0.62
Savings deposits portfolio	91,324,576	90,024,576	1,300,000	1.42
Loans portfolio (Gross)	561,607,737	507,184,271	54,423,466	9.69
Total Delinquent loans	28,080,387	40,965,317	(12,884,930)	(45.89)
Investment Securities	216,398,139	209,085,267	7,312,872	3.38

During the year 2024, the key initiatives for the Credit Union include:

- Proposed expansion of the Educational Awards programme to include tertiary level awards to children of members
- The operationalization of OneRHAND Company Limited
- The establishment of a satellite office in the San Fernando vicinity
- Proposed Member-centric rebranding
- Commencement of renovation works to Head Office Complex, starting with the member areas
- Completion of Collective Bargaining negotiations for general staff (BIGWU) and security personnel (EPA) for period 2021 to 2023 (and proposing to also include 2024 to 2026)
- Completion of residual automation/digitalization projects, including the risk-based loan underwriting workflow
- Development of the 2025-2027 Strategic Plan

## 2024 Proposed Capital Expenditure with 2023 Comparisons

Project/Item of Expenditure	Budgeted	Actual	Budgeted
	2023 (\$)	2023 (\$)	2024 (\$)
Buildings	9,300,000	274,644	16,000,000
Computer facilities	2,153,470	178,602	1,068,116
Furniture, fixtures and fittings	565,700	3,988	535,000
Office equipment	17,000	4,188	19,190
Other equipment	181,860	98,147	132,838

## 2024 Quantitative Objectives, Proposed Capital Expenditure and Financial Projections

### 2024 Financial Projections with Budgeted and Actual Results for 2023 and 2022

	2022		2023		2024
	Budgeted (\$)	Actual (\$)	Budgeted (\$)	Actual (\$)	Budgeted (\$)
<b>Income</b>					
Interest Income Calculated using the effective Interest Method					
• Interest on loans	47,067,319	45,304,356	47,002,750	48,492,549	50,803,656
• Investment Securities	8,472,509	6,907,088	6,317,764	6,404,329	7,312,872
Unrealised Gain on FVTPL	1,456,822	-	697,696	4,252,569	1,023,238
Investment income (net)	-	48,695	-	-	-
Realised Gain on investment securities	-	-	-	2,650,134	-
Other income *	1,717,220	1,918,294	2,339,830	2,814,437	2,192,280
<b>Total Income</b>	<b>58,713,870</b>	<b>54,178,433</b>	<b>56,358,040</b>	<b>64,614,018</b>	<b>61,332,046</b>
<b>Expenditure</b>					
Administrative expenses **	12,197,240	12,465,015	11,260,816	10,553,036	12,242,358
Board and committees' expenses	1,366,500	1,142,320	1,472,618	1,440,290	2,275,989
Life savings insurance expense	840,000	743,412	672,000	594,932	602,400
Loan protection expense	1,500,000	2,541,537	2,000,000	1,007,807	1,500,000
Loan loss expense	2,000,000	1,961,213	2,113,138	3,715,591	1,480,900
Expected credit loss	18,000	23,561	70,475	255,819	123,170
Unrealised loss on FVTPL	-	4,668,265	-	-	-
Interest on members' deposits	2,438,137	2,226,743	2,183,816	2,129,181	2,183,091
Member education, training and development expenses	1,344,190	918,797	1,248,990	1,284,760	1,621,440
Salaries and benefits	15,801,793	14,098,396	16,923,435	15,060,903	15,459,330
Green Fund Levy	177,000	158,646	180,000	174,395	180,000
Foreign exchange loss	(600,000)	-	-	-	-
<b>Total expenditure</b>	<b>37,082,860</b>	<b>40,947,905</b>	<b>38,125,288</b>	<b>36,216,714</b>	<b>37,668,678</b>
<b>Net surplus for the year</b>	<b>21,631,010</b>	<b>13,230,528</b>	<b>18,232,752</b>	<b>28,397,304</b>	<b>23,663,368</b>



### \* Other Income Details

Other Income	2022		2023		2024
	Budgeted (\$)	Actual (\$)	Budgeted (\$)	Actual (\$)	Budgeted (\$)
Rental Income	216,000	162,000	613,000	421,125	243,000
CUNA Commissions	1,176,000	1,264,810	1,200,000	1,300,104	1,302,000
Other Commissions	-	716	-	200	-
Service Charges	-	9,475	4,800	10,686	3,240
Entrance Fees	120,000	118,545	118,000	171,415	120,000.00
MSDP registration and education	169,700	324,497	376,030	769,773	498,500
Miscellaneous Income	35,520	38,251	28,000	141,134	25,540
<b>TOTAL</b>	<b>1,717,220</b>	<b>1,918,294</b>	<b>2,339,830</b>	<b>2,814,437</b>	<b>2,192,280</b>



## \*\* Administrative Expenses Details

Other Income	2022		2023		2024
	Budgeted (\$)	Actual (\$)	Budgeted (\$)	Actual (\$)	Budgeted (\$)
<b>Administrative Expenses</b>					
Advertising and promotion	1,413,379	1,320,129	1,600,220	1,238,435	1,772,055
Annual and Special general meetings	537,950	586,369	852,950	1,007,865	1,003,800
Bank charges	324,700	418,723	378,000	437,977	422,460
Debt collector's commissions	267,600	96,905	552,000	297,064	462,000
Depreciation	1,200,000	824,129	1,020,000	1,145,436	1,181,091
Donations	50,000	17,800	60,000	35,400	60,000
Electricity	479,700	278,512	288,270	265,663	511,200
Insurances	404,651	329,836	385,371	408,084	339,564
Legal and professional services	1,688,450	1,321,795	944,800	1,198,731	1,169,100
LINCU Debit Card expenses	162,000	161,944	162,000	161,944	162,000
Loss on disposal of fixed assets	240,000	2,593,876	60,000	106,314	60,000
Miscellaneous expenses	140,015	237,546	203,065	192,618	195,165
Rates and taxes	61,152	8,039	25,632	65,968	13,866
Property rental	338,004	322,137	158,004	144,837	158,004
Repairs, maintenance and cleaning	3,281,275	2,201,059	2,997,189	1,942,652	3,060,824
Security	288,768	283,876	270,099	473,854	612,232
Stationery, computer supplies, printing and postage	780,516	930,186	794,017	858,569	429,960
Telephone	439,080	407,483	379,200	467,181	384,000
Surepay fees & expenses	-	24,672	30,000	4,444	6,000
Software & project development	-	-	-	-	139,038
Cummings Fraser Foundation	100,000	100,000	100,000	100,000	100,000
<b>TOTAL</b>	<b>12,197,240</b>	<b>12,465,016</b>	<b>11,260,816</b>	<b>10,553,036</b>	<b>12,242,359</b>

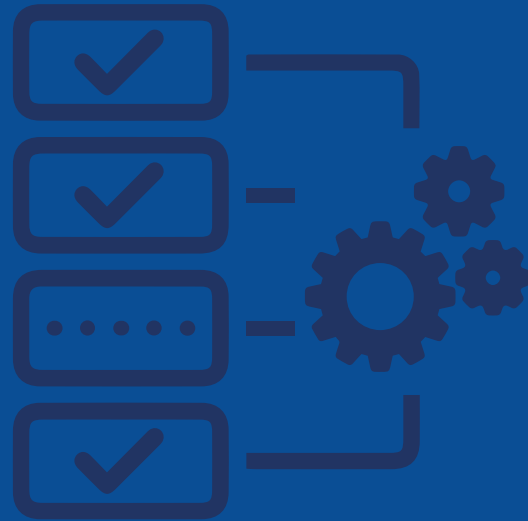
# Resolutions

## Appointment of Auditor's

Be it resolved that the firm of Chartered Accountants – BDO, be appointed as the Auditor's of the Society for the financial year ending December 31, 2024.

## Maximum Liability

Be it resolved that pursuant to Bye-Law 6 (d), the Maximum Liability that the Credit Union may incur in respect of loans or deposits, whether from members or non-members, be increased from \$200,000,000 to \$250,000,000 with immediate effect.



## Dividend on Shareholdings

Be it resolved that a dividend of 3.50% be declared on the average monthly share balance held by each member for the year ended December 31, 2023, and that the proceeds if this dividend distribution be credited as 70% to members' share savings accounts and 30% to their deposit savings accounts.

## Patronage Refund

Be it resolved that a Patronage Refund of 2.50% be declared on the loan interest paid for each qualified member with loans that were 31 days or less past due as at December 31, 2023, distributed as 70% to members' share savings accounts and 30% to their deposit savings accounts.

## 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, 2023.

Be it resolved that ...

<p>... a dividend of</p> <h1 style="margin: 0;">3.50%</h1> <p>be declared on the average monthly share balance average ...</p>	<p>... dividend distribution be credited as</p> <h1 style="margin: 0;">70%</h1> <p>to members' share savings accounts ...</p>	<p>... and</p> <h1 style="margin: 0;">30%</h1> <p>to their deposit savings accounts.</p>
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# Appendix

## Members Who Died in 2023

	<b>Acct.#</b>	<b>Surname</b>	<b>1st Name</b>	<b>Date</b>		<b>Acct.#</b>	<b>Surname</b>	<b>1st Name</b>	<b>Date</b>
1	16960	Walters	Anthony	01/01/23	26	6949	Hinds	Janice	06/03/23
2	8182	Sealy	Camilla	05/01/23	27	23278	Alfred	Shermarke	12/03/23
3	19183	Caby	Lionel	06/01/23	28	814	Smith	Hannibal	15/03/23
4	22641	Francis-Nicholas	Andra	06/01/23	29	24425	Oguneme	Adinam	19/03/23
5	15825	Stewart	Keren	06/01/23	30	2059	Samaroo	Mavis	20/03/23
6	23303	Preddie	Kendol	07/01/23	31	6703	Purcell	Norva	21/03/23
7	7928	Salandy	Bernadette	12/01/23	32	1741	Gellineau	Judith	25/03/23
8	24262	Noel	Christelle	14/01/23	33	4104	Henry	Flora	26/03/23
9	10915	Ruiz	Sylvia	16/01/23	34	14981	Hercules	Ava	28/03/23
10	16613	Daniel	Selwyn	20/01/23	35	12724	Samuel	Janice	30/03/23
11	2856	Daly	Anthony	22/01/23	36	12709	Jack	Brian	03/04/23
12	4847	Forde	Florine	27/01/23	37	10004	Williams	Erica	04/04/23
13	502	Forde	Esme	03/02/23	38	24157	Saunders	Kernella	18/04/23
14	2035	Samaroo	Pancham	03/02/23	39	26420	Wharff	Stephanie	11/04/23
15	8534	Dyett	John	07/02/23	40	7731	Jack	Claudia	13/04/23
16	3806	Taylor	Gloria	08/02/23	41	5733	Edwards	Stephanie	25/04/23
17	18704	Broome	Louise	11/02/23	42	13226	Augustine-Cummings	Jennifer	01/05/23
18	16955	Douglas	Oliver	11/02/23	43	1520	Omar	Jennifer	02/05/23
19	17898	Khan	Selwyn	14/02/23	44	29308	Peterson	Hazel-ann	03/05/23
20	8583	Dennis-parks	Veronica	15/02/23	45	10538	James-la Roque	Yvonne	05/05/23
21	18089	Lindsay-Clarke	Maria	17/02/23	46	4491	Williams	Advira	28/05/23
22	29144	John	Hewlet	24/02/23	47	10784	Felix	Philomen	10/06/23
23	19270	Mayers	Douglas	25/02/23	48	11678	Browne	Beverly	12/06/23
24	6843	Lander	Phillip	26/02/23	49	4136	Medina	Victoria	15/06/23
25	12819	Francois	Margaret	03/03/23	50	4335	Fabien	Maulton	17/06/23







In Memoriam

Allison

Prentice-Faustin

31st Oct. 1972 - 29th Aug. 2023

In loving memory Allison Prentice-Faustin, a cherished member of our Credit Union family. Her years of service were marked by dedication, a warm spirit, and a genuine commitment. We extend our deepest sympathies to the heir family and loved ones.



# Closing Message

As we conclude last year's journey, we extend our heartfelt gratitude to our valued members, partners, and dedicated staff who have made it possible for us to thrive. In the face of challenges, we have stood resilient, guided by our commitment to serve and support our community.

Looking ahead, we remain steadfast in our mission to empower financial well-being and foster prosperity for all. Together, let us continue to build upon our shared success and embrace the opportunities that lie ahead.

Thank you for entrusting us with your financial needs, and we look forward to a future of continued growth and mutual prosperity.

