



TRINIDAD & TOBAGO  
POLICE CREDIT UNION



# ANNUAL 2017 REPORT

PCU  
BEGINS  
WITH ME





**Trinidad and Tobago Police Credit Union  
Co-operative Society Limited**

# Update **YOUR** membership account now!

**Financial Obligations 2010 ( As amended 2014 )**

**Your Credit Union is mandated by law to comply  
with all financial regulations.**

**Help us maintain our Customer Due Diligence  
and update your records now with:**

- ① **Two valid forms of ID ( Passport / National Identification Card / Driver's Permit )**

---
- ② **Permanent Address and Proof thereof (Utility Bill)**

---
- ③ **Nature and place of occupation**

---
- ④ **Updated telephone contact number (s) and valid e-mail address**

This applies to ALL MEMBERS who have not updated their records within the last 12 months. If there has been any changes to the above documents (Expiration of IDs, Name Change, Change of Address), come in and update your account today.

Kindly visit the nearest branch and update now.

\*\*You may also email scanned copies to [respond@policecreditunion.com](mailto:respond@policecreditunion.com) Insert your Full name & Account Number in the Subject line.

**Thank you for your urgent cooperation.**

**\*\*Original documents must be verified by the attending clerk at  
any of our branch offices between 8:00am - 3:00pm**



**TRINIDAD & TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**60th ANNUAL GENERAL MEETING**

**APRIL 21ST, 2018**

**BOUGAINVILLEA HALL, CENTRE OF EXCELLENCE, MACOYA.**



Trinidad and Tobago Police Credit Union

# DID YOU KNOW THESE ARE OUR MEMBERS TOO?

Join today for a great financial investment.



Visit our website at [www.policecreditunion.com](http://www.policecreditunion.com)

Like us on [facebook](#).

follow us [twitter](#)

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**MAIN DIVISION**  
#62 Tenth Street, Barataria  
674-6514

**ARIMA**  
#45 Sorzano Street  
667-0622

**TOBAGO**  
Mt. Marie Road, Scarborough  
639-4155

**SAN FERNANDO**  
17-19 Irving Street  
652-1587

## Vision:

To be the Premier Financial Institution that meets the needs of a diverse membership.

## Mission:

We are a dynamic and dedicated Credit Union, committed to robustly sustaining the trust, confidence and financial security of our valued members, through the provision of service excellence, customer and staff care, driven by cutting edge technology and a highly motivated, professional team, in a state of the art environment.

## Theme:

“PCU Begins with Me”

## Values:

Member focused Trinidad and Tobago Police Credit Union as a service provider must focus on the efficient and effective delivery of superior service to all its members.

Employee centered Trinidad and Tobago Police Credit Union must provide a work place conducive to employees' professional development through continuous learning so that a culture of engaged employees (knowledgeable, well-trained, customer focused, efficient, committed and resourceful) can be formed.

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## PRAYER OF ST. FRANCIS OF ASSISI

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;

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.





# NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 60th Annual General Meeting of the Trinidad & Tobago Police Credit Union Co-operative Society Limited takes place at Bougainvillea Hall, Centre of Excellence, Macoya, Tunapuna on Saturday 21st April, 2018 beginning at 1:00 p.m. promptly.

## AGENDA

### NATIONAL ANTHEM

### INVOCATION

1. [a] Credential Committee's Report
- [b] Notice of Meeting
- [c] Adoption of Standing Orders
- [d] President's Address
- [e] Feature Address
- [f] Vote of Thanks

### 2. GREETINGS

### 3. MINUTES OF 59TH ANNUAL GENERAL MEETING HELD ON 25.03.17

### 4. BUSINESS ARISING FROM THE MINUTES

### 5. REPORTS

- [a] Board of Directors
- [b] Credit Committee
- [c] Supervisory Committee
- [d] Education Committee
- [e] Auditors

### 6. NOMINATING COMMITTEE'S REPORT AND NOMINATIONS

### 7. ELECTIONS

### 8. RESOLUTIONS

### 9. GENERAL BUSINESS

### 10. CLOSING REMARKS

Members wishing to attend our 60th Annual General Meeting are requested to confirm their attendance at any of our branches. On the day of the meeting registration commences at 12 noon and ceases at 2:00 p.m. Members are required to be seated by 12:45 p.m. Annual Reports are expected to be available online from April 16, 2018.

MEMBERS ARE REQUIRED TO PROVIDE IDENTIFICATION FOR REGISTRATION ON THE APRIL 21, 2018

By Order of the Board  
Gale Charles  
SECRETARY





# STANDING ORDERS

1. (a) A member shall stand when addressing the Chair.  
(b) Speeches are to be clear and relevant to the subject before the Meeting.
2. A member shall address the Meeting only when called upon by the Chair to do so.
3. No member shall address the Meeting except through the Chairman.
4. A member may not speak twice on the same subject except:  
(a) The mover of a motion who has the right of reply.  
(b) He rises to object or to explain (with the permission of the Chair)
5. The mover of a 'Procedural Motion' e.g. Adjournment, Laying on the table, or Postponement, shall have no right of reply.
6. No speeches shall be made after the 'Question' has been put and carried or negatived.
7. A member rising on a 'Point of Order' is to state the point clearly and concisely. A 'Point of Order' must have relevance to the 'Standing Orders'.
8. A member shall not call another member to order but may draw the attention of the Chair to a Breach of Order.
9. A question shall not be put to the vote if a member desires to speak on it or move an amendment to it. However, the motion 'that the question be now put' may be moved at any time.
10. Only one amendment shall be before the Meeting at any time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairman shall have the right to a 'casting vote'.
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
14. The Chairman shall protect members from vilification.
15. No member shall impute improper motives against another.



# PRESIDENT'S ADDRESS



Fitzroy Frederick  
President

Fellow cooperators, my discourse to you today will largely focus in Change, a word that we seldom like to hear, a word that evokes fear and trepidation and conjures mixed emotions. But when change comes, the question that arises is, are we sufficiently adaptable to navigate the new circumstances. Well the future lies in our hands and your Credit Union has made a conscious decision to embrace the changes that will occur.

Barack Obama, the 44th President of the United States of America once said, "Change will not come if we wait for some other person or some other time. We are the ones we've been waiting for, we are the Change."

If we are to glean from these words, we must realize that change begins with us. We must be the agents of change and change is all about moving forward.

My dear members, there is no secret that our economy is undergoing tremendous change, cutbacks by the Government, layoffs in several industries and sectors and some companies have even closed down. We are called upon to tighten our belts and develop creative ways to live and do business.

The Honorable Minister of Public Utilities Mr. Robert Le Hunte speaking at Powergen's 16th Biennial Employee Recognition Awards Ceremony at Hyatt Regency Port of Spain on Saturday 11th November, 2017 said, "What makes a country great, and would get it through these difficult times are the attributes of the people. The readiness of the citizens to work towards a better future is also the key."

How we budget, how we save and more importantly how we leverage our skills can turn this crisis into opportunities and create a change in the economic paradigm. Against this backdrop is the global economy with its attendant shocks, depressed oil and gas prices challenged by new discoveries in many countries of the world including Guyana and Grenada and numerous forms of alternative energy.

Where does PCU stand amidst all this uncertainty and what is our response; well your Board of Directors and Management have been proactive and vigilant while employing a risk based approach to our system of corporate governance in keeping with best practice. As we seek to become more efficient and innovative, we have begun the process of rebranding our organization with a new corporate image one that would improve the overall awareness and relevancy in the market place. We believe our words must be synonymous with our actions and include our social responsibility towards the environment that would help us to reduce our carbon footprint. We propose to improve the characteristics of



## PRESIDENT'S ADDRESS *(continued)*

our products as we respond to our diverse membership who is not only police officers but civilian members as well. We believe it is our sacred duty to help you achieve your vision in these challenging times and we are committed to that. This is bolstered by a professional Management team supported by a hard working staff complement.

Our Strategic Plan 2016-2020 has been approved and establishes a road map for the future. It focuses on key deliverables.

- Training and Development
- Aggressive Marketing
- Greater use of Technology
- Increase Membership Base
- Management of the Delinquency Portfolio

As we seek to grow our business to cater for the demands of greater and more improved services to you, there is a concomitant need for better accommodation to provide for the expanding operations, one that is consistent and responsive to a modern business enterprise. Our proposed Flagship Building in Bankers Row in the metro-pole of San Juan, would ensure we assume pride of place in the financial services sector. The Board views this period of adjustment as an ideal opportunity for construction of our new head office and believes there is no better time than now as the environment is favorable to material and labour cost, key components for a successful building project. We believe that our business model is aligned to our strategy that would give a competitive edge.

We see the next generation as the foundation of the movement and as we build the bridge to secure their future goals and aspirations, we are reminded by the words of Pierre Teilhard de Chardin, the 20th Century Philosopher who stated that, "The future belongs to those who give the next generation reason for hope." We have begun to respond to their needs and have recently launched our mobile banking with a suite of exciting features and several others to come on stream, where you would be connected anytime anywhere.

We commend wholeheartedly you, our cherished members for your support over the past sixty years and in the words of Frederick Douglass that great African American social reformer, "If there is no struggle there is no progress." The sacrifice we make today will determine our quality of life tomorrow. We are the owners and gate keepers of this Credit Union and remember PCU begins with you. Let us develop the resilience of that mystical character Hulk as immortalized by Soca artist Blacks but as our Calypso Monarch 2018 Helon Francis entreated, "Change the change for a better nation, but change won't change despite what we do, if change doesn't start with you."

God Bless.

Fitzroy G. Frederick M.O.M  
PRESIDENT



# MINUTES OF THE 59TH ANNUAL GENERAL MEETING

## 1. COMMENCEMENT

1.01 At 1:25 p.m., the Chairman, Mr. Fitzroy Frederick, called the meeting to order. He indicated that the Credential Officer reported that there were two hundred and ninety (290) members present and registered for the meeting.

1.02 The National Anthem was played.

1.03 Mrs. Christine Mc Millan said the opening prayer and thereafter invited all present to recite the Credit Union prayer.

1.04 The Chairman thanked Mrs. McMillan for her inspiring words and proceeded to introduce the members of the Board that were present, and explained the absence of the Vice President, Mr. Fitzroy Phillips, who was out of the jurisdiction.

1.05 He then introduced the Featured Speaker, Mr. Wayne Estrada, and the Chief Executive Officer, Mr. Neil Marquez.

1.06 He then invited Ms. Gillian Dickson, Supervisor, Arima Branch, to receive a token of appreciation on behalf of the Credit Union, for her years of dedicated service.

1.07 The Chairman invited the meeting to listen to the Security briefing which was done via a recording.

1.08 The Secretary, Mr. Aldric Neptune, read the Notice of the 59th Annual General Meeting, and the Standing Orders. He then asked that the Agenda and Standing Orders be adopted.

1.09 On a motion moved by Mrs. Patsy Joseph, seconded by Mr. Shurland Tracey, the Notice of the 59th Annual General Meeting and the Standing Orders were adopted.

## 1.10 PRESIDENT'S ADDRESS

1.10.01 The President welcomed all present to the 59th Annual General Meeting.

1.10.02 He quoted from Professor Brian Copeland, Principal of the University of the West Indies who said, "As a society, people tend to ignore their history, but it is necessary to put down landmarks to remember the past". He reminded the meeting that in 2016 the Credit Union celebrated its 60th Anniversary by honouring its founding members.

1.10.03 He reiterated the co operative mantra, "People helping People" and spoke of the loyalty and commitment of our members to that philosophy.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 1.10.04 He compared the early days of the Credit Union to the present as it relates to our staff compliment, membership and infrastructural growth, adding that we ought to be proud of the steps we have taken, but be prepared for any eventuality that may come without warning.
- 1.10.05 He advised the membership to put the right people in the right places and referred to Mr. Richard Branson of Virgin Group of Companies when he admonished us to rely on the judgement and leadership skills of those people.
- 1.10.06 He added that, while we were not blind to the challenges of the future, we are building a strong organisation and the uniqueness of the Police Credit Union Brand will provide the gateway to our future and generational wealth.
- 1.10.07 He ended his address by reminding the meeting to keep our trust and loyalty in the organisation as we continue to work together.
- 1.10.08 The President concluded his address and invited Mr. Wellington Virgil to introduce the Feature Speaker; Mr. Wayne Estrada, President, Eastern Credit Union.
- 1.11 FEATURE ADDRESS
- 1.11.01 Mr. Estrada thanked the President, Directors, management and staff for the invitation to address the Police Credit Union's 59th Annual General Meeting.
- 1.11.02 He congratulated the Credit Union on its performance figures for the previous years and commended the organisation on its proposal to build its flagship building.
- 1.11.03 He informed the meeting as a member of the Police Credit Union and having been in the Credit Union Movement for over 38 years, that one of his mantras was "enjoy your moments" because all things come to an end.
- 1.11.04 In his address he shared his 5 P's – "Proper Preparation Prevents Poor Performance". He then played a video extract of Steve Harvey to elaborate on the point.
- 1.11.05 He spoke to building stronger teams by using incentive and giving additional responsibilities as the need arises.
- 1.11.06 Collective responsibility formed part of his presentation and the importance of establishing a united front.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

1.11.07 He advised the Board to keep its ear to the ground to find out the needs of the membership and its staff and to seek to satisfy them; cautioning that if the Credit Union did not satisfy those needs its competitors would do so.

1.11.08 Mr. Estrada's presentation was well received by an appreciative audience.

1.11.09 Mrs. Christine Mc Millan thanked Mr. Estrada for his words of wisdom and presented him with a token of appreciation on behalf of the Board of Directors and the membership.

### 2. GREETINGS

2.01 Greetings and congratulations were expressed by the following:

- Mr. Ronald Jones, President, TECU Credit Union.
- Mr. Wayne Cordner, CUNA Caribbean
- Ms. Esme Raphael, President, Central Finance Facility
- Ms. Yvette Hall, President, Public Services Credit Union
- Mr. Joshua Spencer, President, Agricola Credit Union
- Ms. Dianne Joseph Chief Operating Officer, Co-operative Credit Union League of Trinidad and Tobago
- Mr. Alfred Sandy, President, Telephone Workers Credit Union
- Mr. Nigel Matthew, NEM Leadership Consultants
- Mr. Kent Byer, Chairman, LINCUI Ltd.
- Mr. Anthony Elias, Chairman, Credit Union Deposit Insurance Fund
- Mr. Kerwyn Valley, Chief Executive Officer, KCL Brokers.
- Mrs. Cassie Ann George-Cowie, Co-operative Development Division
- Mr. Carlton Guy, President, Mt. Pleasant Credit Union
- Mr. Victor Quintin, President, PECU Credit Union

2.02 The Chairman reminded the Meeting of the use of the electronic voting system and directed their attention to the brochure, where they can re-familiarise themselves with the process.

### AGENDA AMENDMENT

On a motion moved by Mr. Harold Phillip, seconded by Mr. Shurland Tracey, Agenda Item no. 9 was moved to no. 6, and the Agenda renumbered to reflect same. The meeting carried the motion.

### 3. READING AND CONFIRMATION OF THE MINUTES OF THE 58TH ANNUAL GENERAL MEETING

3.01 On a motion moved by Mr. Steve Waldron, seconded by Mr. Kevon Beatrice, the Minutes of the 58th Annual General Meeting were taken as read.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

### 3.02 CORRECTIONS AND/OR OMISSIONS TO THE MINUTES OF THE 58TH ANNUAL GENERAL MEETING

- 3.02.01 Ms. Lolita Wheeler observed that the date of the meeting; '23rd April 2016', was omitted on page 6.
- 3.02.02 Mrs. Clare Creese-Woodley observed that on page 13, item 5.06.06 and 5.06.20 the first name 'Cleavy' was spelt incorrectly.
- 3.02.03 Mr. Anderson Gonzales observed that on page 14, item 6.07 the word 'he' should be replaced with 'she'.
- 3.02.04 Mr. Harold Phillip observed an error on page 41 of the report as it relates to a sum of money which was corrected to read \$26,297,873.
- 3.02.05 Mrs. Yvonne Davidson – Mc Kenzie observed that part of her name was omitted at page 10 item 4.08.01
- 3.03 On a motion moved by Mr. Nigel Williams, seconded by Mr. Kevon Beatrice, the Minutes of the 58th Annual General Meeting were confirmed.

### 4. BUSINESS ARISING FROM THE MINUTES OF THE 58TH ANNUAL GENERAL MEETING

#### 4.01 DOCUMENTING THE HISTORY OF THE POLICE CREDIT UNION

- 4.01.01 The Chairman indicated that the Committee was still gathering information as to the documenting of the Police Credit Union's History.

#### 4.02 RECRUITMENT OF NEW MEMBERS

- 4.02.01 The Chairman advised that over 500 members joined the Credit Union over the past year and that the efforts were ongoing to attract new members.

#### 4.03 LOANS FACILITY AND MORATORIUMS

- 4.03.01 The President advised that moratoriums were closely monitored after 6 months and that this facility was offered to members who were unable to treat with their financial commitment to the Credit Union.
- 4.03.02 Mr. Anderson Gonzales enquired as to a mortgage loan facility.
- 4.03.03 The Chairman indicated that to grant mortgage loans to the members would be a capital-intensive exercise and that at that time it was not a viable option for the Credit Union to undertake alone.



## MINUTES OF THE 59<sup>TH</sup> ANNUAL GENERAL MEETING *(continued)*

- 4.03.04 He indicated that the Credit Union was pursuing partnerships with other credit unions e.g. TECU and Eastern, and that the members can also be directed to Central Finance Facility to access mortgages should the need arise.
- 4.04 CONSTRUCTION OF THE FLAGSHIP BUILDING
- 4.04.01 Mr. Alexander Prince requested an update on the construction of the Flagship building and was advised by the Chairman that the matter would be discussed in its entirety at item 6 on the Agenda.
- 4.05 The Chairman asked for a minute of silence to honour those who would have died under various circumstances over the past year.
- 4.05.01 One minute of silence was observed.
- 4.06 Mr. Julien Johnson commented that when planning the Credit Union's Sports and Family Day the unique culture of Tobago as it relates to Sundays should be given due consideration. The Chairman thanked Mr. Johnson for his contribution and observation.
5. REPORTS
- 5.01 On a motion moved by Mr. Anderson Gonzales, seconded by Mr. Alexander Prince, the Reports were adopted.
- 5.02 CREDIT COMMITTEE REPORT
- 5.02.01 The Chairman of the Credit Committee Mr. James Clarke guided the meeting through the Credit Committee Report.
- 5.02.02 Mrs. Kathleen Weekes enquired whether the "Back Pay Account" was a new account and was advised by Mr. Clarke that it was. She then enquired if one was interested in a loan outside of the backpay loan, whether both accounts are consolidated to determine eligibility. Mr. Clarke reiterated that it was a separate account.
- 5.02.03 Mr. Anslem Richards then enquired as to where the new account was accounted for, since it was not in the Financial Statement.
- 5.02.04 The Chairman called on the Treasurer, Mr. Leslie Charles, who indicated that in the Financial Statements the shares purchased with the back-pay funds were taken as part of the members' shares.
- 5.02.05 Mrs. Clare Creese-Woodley enquired as to the difference between an auto purchase and a vehicle loan as seen in Table 1, Page 30.





## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 5.02.06 Mr. Clarke advised that an auto purchase fell in the category of a personal loan based on shares, whereas, the vehicle loan was a special loan granted to members specifically for the purchase of a motor vehicle, and it was not based on shares.
- 5.02.07 Mr. Alexander Prince sought leave of the Chairman to ask a question in relation to recovery of bad debts and was advised that it will be dealt with by the Treasurer subsequently.
- 5.03 SUPERVISORY COMMITTEE REPORT
- 5.03.01 The President called on Mr. Phillip Wilson, Chairman of the Supervisory Committee, to give a brief overview of the activities of the Committee over the past year.
- 5.03.02 Mr. Wilson indicated that the Committee felt that they should provide self-leadership and with that in mind developed a manual to standardize the operations of the committee for continuity.
- 5.03.03 He also recommended that online learning be a part of the strategy to inform and educate the membership on the operations of the organisation.
- 5.04 EDUCATION COMMITTEE REPORT
- 5.04.01 The President called on the Education Committee Chairman, Mrs. Pamela Schullera-Hinds to guide the meeting through the Education Committee Report.
- 5.04.02 Mrs. Schullera-Hinds indicated that there were (6) six major events for the past year and elaborated on the change in marketing strategy used for the Christmas Treat.
- 5.04.03 Mr. Anderson Gonzales commended the Committee on their hard work throughout the year and suggested that they may be over burdened with events. He advised that the Committee should look at the aspect of education for the betterment of the members.
- 5.04.04 Mrs. Kathleen Weekes enquired as to whether there were projections for the New Year and advised that there should be some programmes to educate the members on overcoming some of the current economic challenges.
- 5.04.05 She also enquired as to whether the Committee kept track of the scholarship awardees over the years and if they are currently being utilised by the Committee.
- 5.04.06 The Education Committee Chairman advised that the term of the Committee has concluded, and directions and projections would be set by the Board for the new committee, however, she indicated that one of the previous awardees was sourced as the featured speaker for the 2016 S.E.A awards.



## MINUTES OF THE 59<sup>TH</sup> ANNUAL GENERAL MEETING *(continued)*

- 5.04.07 Mr. Anslem Richards suggested that a community learning network be created where the Committee can release tips on financial management and financial issues periodically to the membership.
- 5.04.08 The President thanked Mr. Richards for his suggestion which tied in with the Supervisory Committee's online learning proposal.
- 5.04.09 Mr. Jason Donawa suggested that members who were retired or close to retirement be afforded the same opportunity as the younger members to assist them in becoming self-sufficient.
- 5.04.10 The President thanked all the members for their suggestions.
- 5.05 AUDITOR'S REPORT AND FINANCIAL STATEMENTS
- 5.05.01 The President invited Mr. Neil Alexander of PKF to guide the meeting through the Auditor's Report.
- 5.05.02 Mr. Alexander explained that the International Standards in Financial Auditing had changed the format of the Auditor's Report; he went on to explain the various changes and then proceeded to read the Audit Opinion.
- 5.05.03 The Chairman thanked Mr. Alexander for ensuring that the Financial Report was in keeping with international standards.
- 5.05.04 Mr. Anslem Richards indicated that he observed a significant increase in 'Inventory Holdings', and questioned the profitability of the Consumer Department.
- 5.05.05 He also questioned the Undivided Surplus amount, and enquired as to how this was calculated.
- 5.05.06 The Accounts Manager, Mrs. Bernadette Prescott, and the Treasurer, Mr. Leslie Charles, explained how the Undivided Surplus was calculated and directed the Meeting to the schedule on page 6 of the Financial Statements to clarify the issue.
- 5.05.07 In relation to the inventory holdings, Mr. Charles explained that the Credit Union was negotiating a shared services agreement with other credit unions which would translate into increased sales. He noted that in preparation for this, the Credit Union increased its holdings.
- 5.05.08 Ms. Lolita Wheeler inquired into the reduction of the loan interest, despite the increase in loans. She then enquired into the decrease in 'bad debts recovery'.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 5.05.09 Mr. Charles reminded Ms. Wheeler that the interest rate was reduced to 1%. He then explained that since there was an increase in the volume of loans the loan interest amount also increased.
- 5.05.10 Mr. Charles further responded that with respect to the issue of bad debts the Credit Union was experiencing a challenge, but noted that strategies were being implemented to rectify this. He congratulated those members who were meeting their financial obligations and urged them to continue to do so.
- 5.05.11 Ms. Candice Bernard enquired as to the employment status of the delinquent members and the Credit Union's ability to compel their adherence.
- 5.05.12 Mr. Charles explained the processes that the credit union must go through, including seeking permission from the Co-operative Department, to recover bad debts.
- 5.05.13 Mr. Alexander Prince commended the Board of Directors on the measures they had taken thus far in the debt recovery process and suggested that communication with the Office of the Commissioner of Police and the use of the Civil Courts to recover outstanding funds could further assist that thrust.
- 5.05.14 Mrs. Yvonne Davidson-Mc Kenzie enquired as to whether the Organisation was tracking the performance of its loans to ascertain where the source of the delinquency was.
- 5.05.15 She reminded the meeting that at the last meeting she suggested that, relative to the Investment Portfolio, instead of the interest income being aggregated, it should be presented individually according to the different investments, so that their performance can be determined.
- 5.05.16 She also enquired whether the impending property tax was factored into the organisation's projections or budget statements in relation to the proposed Flagship Building and other properties the Credit Union owned.
- 5.05.17 Mr. Charles attempted to deal with the questions at hand but advised that in relation to the Investment Portfolio; based on the sheer volume of the information, the member should visit the Credit Union's office to obtain the information requested.
- 5.05.18 Mrs. Davidson-Mc Kenzie indicated her dissatisfaction and enquired as to whether the information could be categorized to facilitate the process.
- 5.05.19 The Chairman indicated that all issues as it related to the Flagship Building would be ventilated at Agenda item 6.
- 5.05.19 Mr. Royce Rigaud inquired into the projections for the Mt Marie Guest House.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 5.05.20 The Chairman informed Mr. Rigaud that the Real Estate Committee was in the process of developing a plan for converting Mr. Marie Guest House into an income generating property and that a report would be forthcoming at the next Annual General Meeting.
- 5.05.21 Mr. Anslem Richards congratulated the Board of Directors on the increase in the Credit Union's share holdings and the loan portfolio. He then proceeded to caution the Board on the need for tighter financial management of the operations of the Credit Union, as he perceived that even with the reduction in the interest rates the surplus should not be what it was.
- 5.05.22 Ms. Karen Davidson enquired as to the composition of the Real Estate Committee.
- 5.05.23 The Chairman advised that the Committee was chaired by a member of the Board of Directors and supported by a consultant, Mr. Carlton Romain.
- 5.05.24 Mrs. Creese-Woodley enquired whether there was a predetermined loan amount that could be granted to non members and directed the meeting to page 56 of the Bye Laws Section 24 (a) (ii) – General Loans.
- 5.05.25 The Chairman advised that the said proviso was in the Credit Union Act and there were safeguards in place i.e. 'the consent of the Commissioner'.
- 5.05.26 Mr. Fitzroy Browne commented that the clause was unfair, i.e. that someone who was not financially contributing to the Society could access loans from the Organization with permission from the Commissioner for Co-operative.
- 5.05.27 He further requested that the membership vote for the removal of this clause.
- 5.05.28 The Chairman advised Mr. Browne to raise the issue under other matters, so it can be treated with.
- 5.05.29 Mr. Anslem Richards enquired into the performance of the vehicle loan and asked which of the loans were performing poorly.
- 5.05.30 The Chairman informed the member that the vehicle loan had been performing creditably. He advised that the Recoveries Committee, under whose purview delinquent loans fell, had been working well to curb the bad debts.
- 5.05.31 Mr. Anslem Richards observed that there was an increase in advertising expenses by 100% and requested an explanation of the benefit obtained by the Credit Union from this increase.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 5.05.32 He was advised of the various promotions the Credit Union held for the financial year under review.
- 5.05.33 Ms. Marcia Douglas enquired as to the cost of the refurbishing of the building at 61 Tenth Street, Barataria. She was directed to page 33 and 34 of the brochure.
- 5.05.34 Mr. Nigel Williams observed that the building maintenance cost increased from \$490,754 in 2015 to almost double in 2016 and requested accountability for the significant increase.
- 5.05.35 The Chairman informed Mr. Williams that the Credit Union had several buildings which needed maintenance and repairs done on a regular basis, i.e. a roof changing at 61 Tenth Street, flooding at San Fernando Branch and the construction of a ramp for the differently abled at the San Fernando Branch. He further stated that the buildings need to be kept in prime condition to maintain their value.
- 5.05.36 Mr. Anslem Richards advised that something needed to be done as it concerned the Consumer Department to impact the Net Surplus positively.
- 5.05.37 The Chairman indicated that the Consumer Committee was working feverishly on a plan to deal with issues impacting that department.
- 5.05.38 On a motion moved by Mrs. Janelle Wilson, seconded by Mrs. Josephine Prince, the reports were accepted by the meeting.

### AGENDA AMENDMENT

On a motion moved by Mr. Anslem Richards, seconded by Mr. Roy Gordon, Agenda Items No. 7 & 8 were moved to Nos. 6 & 7 respectively to facilitate members from Tobago exercising their franchise since return flights to Tobago were at 5:30 p.m. The motion was carried by the meeting.

### 6. NOMINATION COMMITTEE REPORT AND NOMINATIONS

- 6.01 On a motion moved by Mr. Steve Waldron, seconded by Mr. Phillip Wilson, the Nominating Committee's Report was tabled for discussion.
- 6.02 The Chairman called upon the Chairman of the Nominating Committee, Ms. Gale Charles, to provide highlights of the Report.
- 6.03 Ms. Gale Charles highlighted the need for orientation and team building workshops for the Management Team to ensure a smooth transition.
- 6.04 She then read the Nominating Committee Report from page 40 of the Annual General Meeting Brochure.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

6.05 On a motion moved by Mr. Phillip Wilson, seconded by Mr. Steve Waldron, the Nominating Committee Report was adopted by the Meeting.

### 7. ELECTIONS

7.01 The President handed the proceedings over to the Returning Officer, Mr. Selwyn Malcolm.

7.02 A short video on the Electronic Voting Process was then played.

7.03 Mr. Selwyn Malcolm introduced himself to the Meeting and advised that he was the Returning Officer for the day's elections.

7.04 Mr. Malcolm advised the members present of the number of vacancies for the Board of Directors, Supervisory and Credit Committees. He then invited the nominees for the Board of Directors, the Credit Committee and the Supervisory Committee to stand in the order in which they were called so that they could be seen by the membership, and the nominees presented themselves.

7.05 He advised the Tobago members to vote first since their ground transportation to the airport was present.

7.06 Voting commenced at 4:45 p.m.

### BREAK FOR MEALS AND THE CASTING OF BALLOTS

### RESUMPTION OF MEETING

### 8. MANDATE TO CONSTRUCT FLAGSHIP BUILDING

8.01 At 5:45 p.m., the President requested the members of the Board of Directors to return to the podium.

8.02 The President addressed the membership concerns that were raised at the Special General Meeting held on held on February 2, 2017, where the Board of Directors was mandated to clarify several issues, inclusive of the proposed financial options for the project. A video presentation and mini brochure was provided to the membership to aid in addressing these concerns.

8.02 The Chairman then opened the floor for discussion.

8.03 Mr. Sheridan Hill enquired as to what were the issues with the current accommodations that warranted a new building.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 8.04 The Chairman advised that the present accommodations were small and did not provide the space needed for staff to effectively supply efficient service. It was noted that the location of the proposed Flagship provided easier access for business to members.
- 8.05 Mr. Raymond Craig expressed the view that the Credit Union should consider decentralising its activities and indicated that an office in Sangre Grande, Central and Point Fortin was needed.
- 8.06 He further stated that San Juan was rife with traffic constraints and opined that investing in a recessionary period was risky.
- 8.07 Additionally, he observed that renovations to the #61 Tenth Street, Barataria's building cost \$8 million.
- 8.08 The Chairman corrected the member citing the renovations cost at \$5.7m and advised that the Credit Union owns property in Sangre Grande and intends to construct a branch office for the members' benefit.
- 8.09 Mr. Raymond Craig noted that the document prepared and submitted to the membership did not answer all questions posed at the Special General Meeting.
- 8.10 Mr. Craig also indicated that the dividend decreased from 5% to 4% but there was no change to the Honorarium.
- 8.11 He also added that borrowing more than \$100 million would result in a decreased future dividend pay-out.
- 8.12 Mrs. Yvonne Davidson-Mc Kenzie commended the Credit Union's use and application of technology in communicating to the membership.
- 8.13 She then dissented to the increase of physical assets and suggested the use of technology to aid members in Mayaro and Point Fortin etc, and suggested that educating non-technical members may prove to be more cost effective.
- 8.14 Furthermore, she indicated that the proposed Flagship Building did not facilitate adequate parking, although she applauded the organisation on 'going green' with the proposed building.
- 8.15 Concerns were raised that a traditional loan was the favoured option for the project and that the implications of property tax would be more than the organisation could bear.
- 8.16 Mr. Anslem Richards suggested that a feasibility study be done as a \$13 million per annum mortgage could be strenuous on the organisation to mitigate financial difficulties.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

8.17 He enquired as to the current office space required by the Credit Union and was advised that the increased space in the Flagship Building would cater for revenue generation.

8.18 Mr. Julien Johnson questioned the decision of not purchasing the property previously occupied in Sangre Grande, with the view of decentralising the Credit Union is important since it is difficult for him to visit the Arima Branch to conduct business.

8.19 The President requested that the discussions be interrupted at this point to receive the elections results.

### 9. ELECTIONS RESULTS

9.01 The Returning Officer announced the election results as follows:-

#### 9.02 Board of Directors

Mr. Auldric Neptune	361 votes
Mr. Wellington Virgil	341 votes
Mrs. Christine Mc Millan	267 votes
Mr. Steve Waldron	257 votes
Mr. Vernly Gift	255 votes
Mr. Leslie Charles	250 votes
Mr. Anderson Gonzales	233 votes

9.02.01 The five nominees who were elected to the Board of Directors were Auldric Neptune, Wellington Virgil, Christine Mc Millan, Steve Waldron and Vernly Gift, and the alternates were Leslie Charles and Anderson Gonzales.

#### 9.03 Supervisory Committee

Mr. Errol Dillon	224 votes
Mr. Leonard Charles	216 votes
Mr. Laurence Squires	199 votes
Mr. Neal Rawlins	195 votes
Mr. Herbert Moore	133 votes
Mr. Dwane Murray	131 votes
Mr. Gerald Jagroop	99 votes
Mr. Richardson Samuel	75 votes

9.03.01 The three nominees who were elected to the Supervisory Committee were Errol Dillon, Leonard Charles and Laurence Squires, and the alternates were Neal Rawlins and Herbert Moore.





## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

### 9.04 Credit Committee

Mr. James Clarke	324 votes
Ms. Ingrid Maxwell	296 votes
Ms. Lystra Sebro	227 votes
Mr. Nafeez Mohammed	209 votes
Mr. Nigel Williams	159 votes
Mrs. Eutlyn Lewis	75 votes

9.04.01 The three nominees who were elected to the Credit Committee were James Clarke, Ingrid Maxwell and Lystra Sebro, and the alternates were Nafeez Mohammed and Nigel Williams.

9.05 The Chairman extended congratulations to the newly elected members.

9.06 On a motion moved by Mr. Nigel Williams, seconded by Mrs. Kathleen Weekes, the motion to destroy the ballots was passed.

### 10. CONTINUATION OF DISCUSSIONS ON THE MANDATE TO CONSTRUCT THE FLAGSHIP BUILDING

10.01 Ms. Karen Davidson raised the concern of the Flagship Building having the ability to facilitate parking for the Credit Union's Annual General Meetings.

10.02 She also indicated that the construction of the building would negatively impact the members' savings.

10.03 Mr. Nigel Williams congratulated the Board on its efforts to comply with the mandate given at the Special General Meeting but noted that pertinent questions were not answered such as whether or not investing in this project would impact the operation of the Organisation, whether dividends would be affected and whether the Consumer Department would remain accessible to members.

10.04 Mrs. Clare Creese-Woodley enquired as to the status of the ongoing negotiations between the Credit Union and its employees.

10.05 The Chairman indicated that the matter was before the Ministry of Labour and Small Enterprise Development.

10.06 Mr. Alexander Prince reminded the membership of the lost opportunity for the Credit Union to own property at the southern side of the Aranguetz Savannah.

10.07 He further stated that the properties owned in Barataria could be revenue earners and reminded the membership that all major Credit Unions possess Flagship



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

Buildings. It was maintained that whilst more information would be required, development of the Flagship Building should not be delayed.

- 10.08 Mr. Harold Phillip, whilst agreeing with Mr Prince, also requested more information, in particular, the maintenance costs i.e. elevators and air condition units etc.
- 10.09 He also brought forward the negative impact a reduced dividend would have on retired members.
- 10.10 He then sought to move a vote to postpone the discussion on the topic until more information could be sourced.
- 10.11 Mr. Wayne Estrada brought forward the fact that after the construction of their La Joya location, Eastern Credit Union increased its membership size and stature and were now nearing the \$3billion mark.
- 10.12 He added that after TECU developed their flagship building they were able to rent the facilities initially to the Government of Trinidad and Tobago, and now retains assets of over \$2billion.
- 10.13 He indicated that technology had its place and would satisfy some, however, the clear majority of the members would appreciate a personal touch.
- 10.14 Mr. Estrada went on to question why the Credit Union continued the practice of renting facilities to host its Annual General Meetings. , pointing out that the property was situated in the 'Bankers Row' of San Juan and that the police presence would add value to them and a level of prestige to the Credit Union, which would then increase its attractiveness to potential members.
- 10.15 The Chairman informed the meeting that the project should take between 18 months to 24 months to be completed and that all the prerequisite approvals were obtained.
- 10.16 He also explained that the building would occupy the entire block between the Priority Bus Route and the Eastern Main Road for ease of access to the membership.
- 10.17 Mr. Fitzroy Browne enquired as to how many floors of the Flagship building would be occupied by the Police Credit Union.
- 10.18 Mr. Neil Marquez, Chief Executive Officer, explained that the Auditorium on the 4th floor would be used by the Credit Union as well as rented out. The 2nd and 3rd floors would be occupied by staff and the 1st floor will be leased to corporate entities.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 10.19 Mr. Anslem Richards indicated that his views should not be misconstrued as a vote against the project, but indicated that more information on the feasibility and bankability of the project would be needed.
- 10.20 He stated that his interest in the projections as it related to rental of the space and how it is proposed to service the mortgage for the next 10 years.
- 10.21 He cited the decrease in our net surplus and suggested the organisation present a strategic plan going forward.
- 10.22 Mr. Trevor Yearwood, of KCL Brokers, sought to deal with some of the concerns raised. He indicated that the organisation had done a cash flow projection and simulation using real data from the Credit Union which showed that the debt service coverage ratio was acceptable for coverage up to at least \$1.25-\$1.50 of each \$1. The Credit Union would be able to cover each \$1 in excess of that by at least \$2.50.
- 10.23 Mr. Harold Phillip indicated that upon receiving this information there is need for it to be studied and requested that the figures be circulated to the membership.
- 10.25 On a motion moved by Mr. Harold Phillip, seconded by Mr. Sheridan Hill, the motion for voting on the construction of the Flagship Building was deferred to a future meeting of the membership. The motion was carried by the meeting.
11. RESOLUTIONS
- 11.01 The Chairman read the Resolutions on page 42 of the brochure, under the headings Dividends, Honorarium, Auditors, and Maximum Liability.
- 11.02 Mrs. Yvonne Davidson-McKenzie queried the wording of a phrase under Maximum Liability.
- 11.03 On a motion moved by Mr. Sheridan Hill, seconded by Mr. Phillip Wilson, the Resolutions were carried by the meeting.
- 11.04 The Chairman advised the meeting that Dividend Cheques were now available for collection.
12. GENERAL BUSINESS
- 12.01 The Chairman advised the meeting that the floor was now open for general discussion.
- 12.02 The Chairman invited the Manager Accounts, Mrs. Bernadette Prescott, to present the 2017 Budget to the Meeting.



## MINUTES OF THE 59TH ANNUAL GENERAL MEETING *(continued)*

- 12.03 On a motion moved by Mr. Kevon Beatrice, seconded by Mr. Shurland Tracey, the Meeting adopted the 2017 Budget.
13. CLOSING REMARKS
- 13.01 The Chairman extended heartfelt congratulations to those members who were successful in their bids for appointments to serve, and also his gratitude to all persons involved in making the 59th Annual General Meeting a success.
- 13.02 There being no further business, the meeting concluded at 8:00 p.m.

Ms. Gale Charles  
SECRETARY, BOARD OF DIRECTORS



# BOARD OF DIRECTORS



Fitzroy Frederick  
President



Auldric Neptune  
Vice President



Richard Taylor  
Treasurer



Gale Charles  
Secretary



Christine Mc Millan  
Assistant Secretary



Barbara P. Wills  
Ag. Assistant Secretary



Fitzroy Phillips  
Director



Renee Bain Keller  
Director



Vernly Gift  
Director



Margaret Sampson Browne  
Director



Wellington Virgil  
Director



Steve Waldron  
Director



Leslie Charles  
1st Alternate



Anderson Gonzales  
2nd Alternate



# BOARD OF DIRECTORS' REPORT

## INTRODUCTION

"The sooner we let go of holding on, the sooner we can hold on to the beauty of what's unfolding before us. Nothing was ever meant to stay the same forever." (Julianne O'Connor). As we reflect on the year in review with some interest, we note that your Police Credit Union has moved from strength to strength in the face of an economic environment which tested most organizations, even those with superior resources. Whilst dwelling in the past does not bode well for a successful future, it is good to pause on our journey and reflect upon the fact that although we are not where we want to be, we are not where we started.

We continue to be challenged by the prevailing economic conditions, the uncertainty posed by the impending legislation, money laundering and terrorist financing dilemma and the sometimes arbitrary sanctions imposed by various legislative, oversight bodies and or service providers.

The growth in membership and assets during this period is reflective of a mounting awareness of the solid and competitive nature of your credit union. It speaks to service excellence from the entire organisation. At this juncture I would like to pause and commend both staff and management for the satisfactory conclusion of the recent negotiating process. Though contentious at times, it tested the resilience of all concerned but it did not consume us all. As such, there is reason for optimism and in the words of Sarah Ban Breathnach, "today expect something good to happen to you no matter what occurred yesterday". Consequently we look forward to stronger and more unified relationships in the future.

The Credit Union, during the year 2017, scanned its business environment, reviewed its outlook and plotted a strategic course in keeping with its mandate from you our beloved members. Our Strategic Plan was created with contributions from you and other stakeholders, with your Management team taking the lead in plotting this course. We heard you express a need for your Credit Union to be closer to you and although we are unable to provide physical structures in every community, with the advent of our new mobile banking system you would be able to interact with your Credit Union with the touch of a button.

Though we had planned to commence our Flagship Building in 2017, your decision to postpone the construction of our building is one that the board has abided by and will continue to do so. We scanned our internal environment and where we were deficient, we attempted to rectify this and in doing so we sought to improve our human resource capital by acquiring the services of a new Chief Operations Officer in the person of Mr Johann Borde. Mr. Borde brings to our esteemed organisation a wealth of knowledge in the areas of Marketing, Human Resource and Industrial Relations, as well as extensive knowledge of the Credit Union movement. A livewire by personality, his appointment has created a synergy with our Chief Executive Officer Mr. Neil Marquez and our top notch team of Managers. This strengthening of our team is expected to assist with the propulsion of our credit union into one of the top three positions in the movement.

This organization has always prided itself on its vibrant and knowledgeable membership that continues to make us proud, causing your voices to be heard in various ways, not the least of which is, in your selection of the persons to manage the Credit Union on your behalf. The philosophy of the Credit Union movement 'People helping People' is alive and well but your credit union is intent on taking the philosophy one step further by adding "Generational wealth creation" to its core values. This speaks to your children and your grandchildren being a part of this organisation. We have sought to facilitate this by our S.E.A. and Advanced level scholarships and by our constant reminder via our staff to "Join the family".



## BOARD OF DIRECTORS' REPORT *(continued)*

Wealth creation speaks to saving, investing and sacrificing for the future and whilst the concept of instant gratification is one that has taken over the world, we urge you to be measured in your deliberations when contemplating the various proposals by the persons that you have entrusted with the strategic management of your Credit Union, bearing in mind that theirs is fiduciary responsibility.

As alluded to earlier, notwithstanding the challenges faced, the organization continues to show resilience and this is evident by the increased growth and ability to exceed the budgeted surplus of \$26.3M. The liquidity ratio at the end of the financial year was 19% which is within the accepted range of 15%-20%. Additionally, our asset base increased to \$788.9M representing an 8% increase over the previous year.

Low yields are still a reality in the current investment climate and all indicators suggest that this situation will persist well into the medium-term. As such, short-term investments remain a preferred option for the organization. Nonetheless, the Credit Union continues to focus on its primary source of revenue generation i.e. its lending activity.

## COMPOSITION OF THE BOARD OF DIRECTORS.

**Table 1: Board of Directors Attendance**

Name	Position	Attendance		Total
		Present	Excused	
Fitzroy Frederick	President	34	-	34
Auldrie Neptune	Vice President	33	1	34
Richard Taylor	Treasurer	25	9	34
Gale Charles	Secretary	29	5	34
Christine Mc Millan	Assistant Secretary	5	29	34
*Barbara Wills	Aq. Assistant Secretary	27	7	34
*Fitzroy Phillips	Director	6	12	18
Renee Bain-Keller	Director	12	6	18
Vernly Gift	Director	17	1	18
*Margaret Sampson-Browne	Director	7	11	18
Wellington Virgil	Director	16	2	18
Steve Waldron	Director	15	3	18
Leslie Charles	1st Alternate	13	5	18
Anderson Gonzales	2nd Alternate	6	6	12

\* Denotes outgoing Director eligible for re-election



## BOARD OF DIRECTORS' REPORT *(continued)*

### MEMBERSHIP

Our membership as at December 31, 2017 was 14,120 members (7,986 Police Officers and 6,134 Civilians).

### FINANCIAL PERFORMANCE- KEY FINANCIAL PERFORMANCE INDICATORS

Table 2 reflects our key financial performance indicators over the last five years.

Table 2: Key Financial Performance Indicators:

	2017	2016	2015	2014	2013
	%	%	%	%	%
Profitability	41.51	46	51	52.26	52.32
Return on Average Loans	9.12	9.17	11.63	11.26	11.55
Return on Total Assets	3.69	4.56	5.41	5.55	5.74
Return on Investments	2.24	2.75	1.87	2.21	2.35
Growth in Total Assets	7.7	8.7	6.7	6.7	10.27
Growth in Shares	7.08	8.9	6.3	5.3	12.15
Growth in Loans	4.48	8.56	5.97	6.18	13.95
Growth in Institutional Capital	2.71	2.70	7.55	8.70	6.13
Delinquency	1.58	0.97	0.76	0.65	1.21
Loans to Total Assets	69.2	71.4	71.4	71.7	72.10
Loans to Shares	93.5	95.9	96.2	96.5	95.7





## BOARD OF DIRECTORS' REPORT *(continued)*

### P.E.A.R.L.S RATIO

Our Credit Union continues to subscribe to the standards of the P.E.A.R.L.S ratios. The performance indicators for 2017 are listed hereunder;

Table 3: P.E.A.R.L.S. Ratio

Description	Goal	Archived	
		2017	2016
Protection Ratio: <u>Provision for Loan Losses</u> Delinquent Loans > 12 Months	100%	100%	100%
Effective Financial Structure Ratio: <u>Net Loans</u> Total Assets	70%-80%	69%	71%
<u>Institutional Capital</u> Total Asset	> 10%	15%	16%
Asset Quality Ratio: <u>Non-Earning Assets</u> Total Assets	< 5%	10%	10%
Rates of Return Ratio: <u>Net Loan Income</u> Ave. Net Loan Portfolio	11%-12%	9%	10%
<u>Net Income</u> Average Assets	>8	4%	5%
Liquidity Ratio: <u>Liquid Assets – Short-term Payables</u> Total Deposits + Shares	>15%	19%	16%
Signs of Growth Ratio: Growth in (Net) Loans Growth in Shares Growth in Institutional Capital Growth in Total Assets	= Inflation > Asset Growth > Asset Growth	4% 7% 3%	9% 9% 3%



**BOARD OF DIRECTORS' REPORT** *(continued)*

**NET SURPLUS**

The Board of Directors is proud to inform that the Credit Union achieved a net surplus of \$29.1M. Once again, this achievement is attributed to the support given by the committed and diligent staff, a loyal membership and the strategic approach implemented by our management team. Accordingly, we will be proposing a dividend payment of 4% which, in the current economic climate, is to be considered a very favourable return on investment.

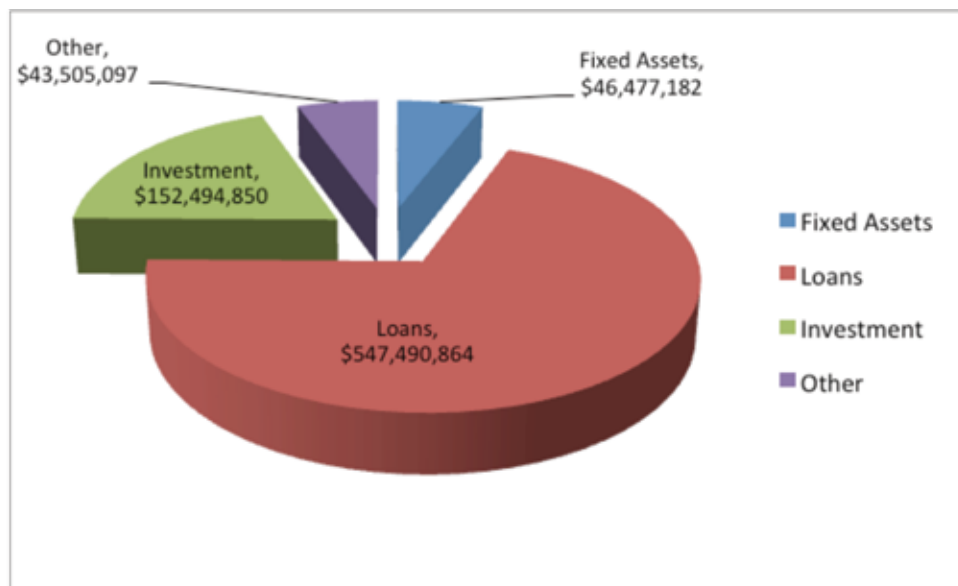
Table 4: Return on Assets / Net Surplus

	2017	2016	2015	2014	2013
Net Surplus (\$)	29,175,781	32,186,569	35,432,452	34,124,602	32,582,475
Total Assets (\$)	788,967,993	734,456,492	675,852,087	634,749,688	594,933,856
Return on Assets %	3.69	4.56	5.41	5	5

**ASSET MIX**

Table 5: Asset Mix

Fixed Assets	Loans	Investments	Other	Total
\$ 46,477,182	\$ 547,490,864	\$ 152,494,850	\$ 43,505,097	\$ 788,967,993



Graph 1: Asset Mix



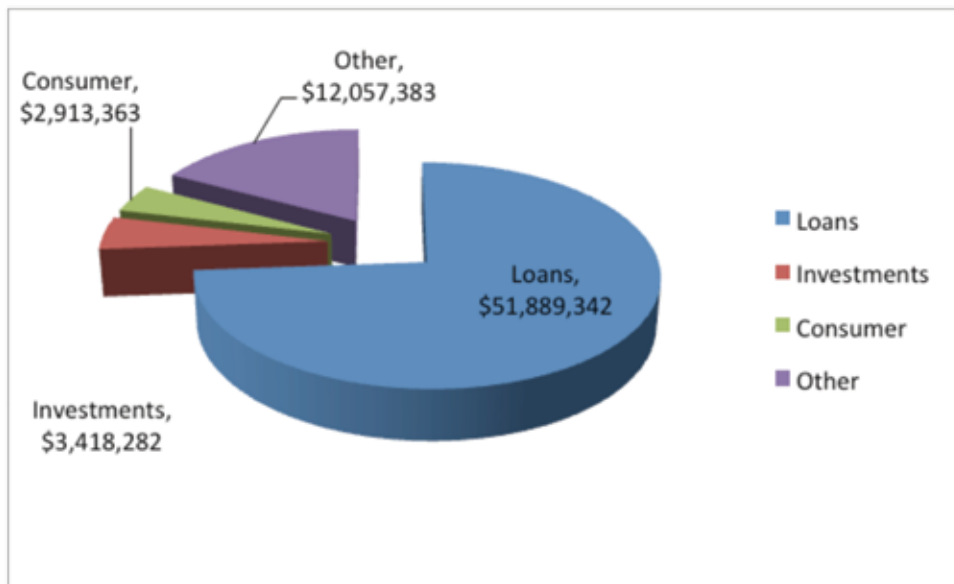
**BOARD OF DIRECTORS' REPORT** *(continued)*

**INCOME MIX**

Returns on Loans, Investment, Consumer Sales and Commissions earned constitute our core income stream. It should be noted that loan interest, our largest category of income was 74% of total income for the period under review.

Table 6: Income Mix

Loans	Investments	Consumer	Other	Total
\$ 51,889,342	\$ 3,418,282	\$ 2,913,363	\$ 12,057,383	\$ 70,278,370



Graph 2: Income Mix

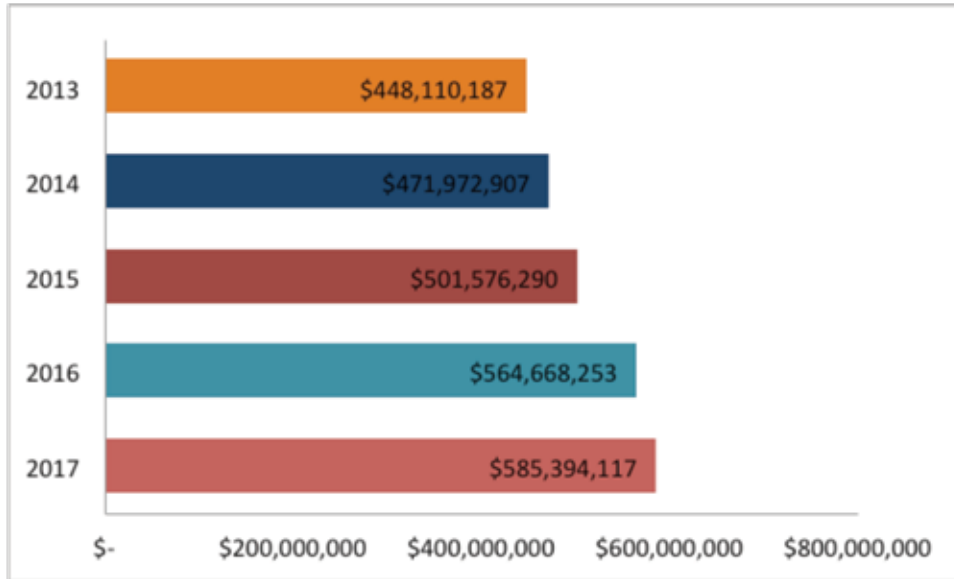
**SHARE GROWTH**

Table 7: Growth in Share

	2017	2016	2015	2014	2013
Shares (\$)	585,394,117	546,668,253	501,576,290	471,972,907	448,110,187
Growth (\$)	38,725,864	45,091,963	29,603,383	23,862,720	48,538,423
Growth %	7.08	8.9	6.27	5.33	12.15



BOARD OF DIRECTORS' REPORT *(continued)*



Graph 3: Growth in Shares Portfolio

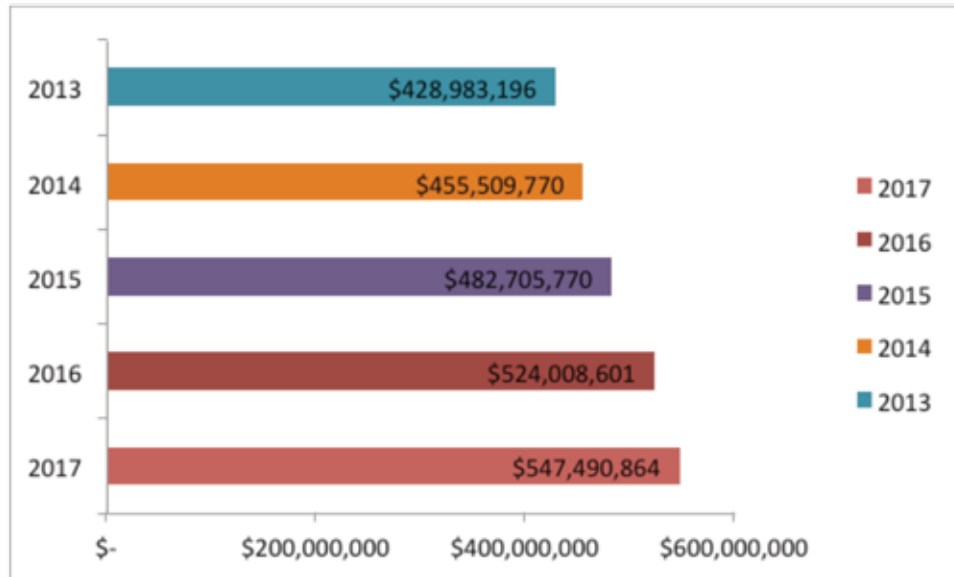
LOAN GROWTH

Table 8: Growth in Loans

	2017	2016	2015	2014	2013
Loans (\$)	547,490,864	524,008,601	482,705,747	455,509,770	428,983,196
Growth (\$)	23,482,263	41,302,854	27,195,977	26,526,574	52,527,934
Growth %	4.48	8.56	5.97	6.18	13.95



BOARD OF DIRECTORS' REPORT (continued)



Graph 4: Growth in Loans

CONSUMER DIVISION

Although the Consumer Division's performance during the last year fell below expectations, registering a negative net surplus of \$141,374, this aspect of the Credit Union's operations remains a priority as it continues to afford us a comparative advantage within the sector. In our recently completed Strategic Plan, management has signalled that significantly greater emphasis will be placed on the growth and development of this area of the business by way of more data driven purchasing and pricing, better management of inventory through the use of technology, timely and well planned sales events, as well as the establishment of a larger number of alliances with other Credit Unions, as well as a more highly trained sales staff. All of these strategies, combined with a more aggressive marketing drive as part of the rebranding exercise, are expected to increase the profitability of the Consumer Division.

Table 9: Consumer Division

	2017	2016	2015	2014	2013
Net Surplus (\$)	(141,374)	250,337	447,808	246,721	822,056
Sales (\$)	9,722,356	11,563,775	9,012,188	7,683,104	8,095,838
Profitability %	-	2	5	3	10



## BOARD OF DIRECTORS' REPORT *(continued)*

### DELINQUENCY

In 2017, our efforts to collect bad debts proved quite fruitful in that we were able to recover funds in the sum of \$156,237, which represents a 62% increase over the previous year. Delinquency now stands at \$8.6M which represents 1.58% of the total loan portfolio.

Assisted by a more robust strategy implemented by the Recoveries Committee, along with closer monitoring and aggressive follow up by the staff of the Recoveries Department, it is our intention to contain delinquency within the Prudential Standard of 10%. It is expected that our members would support this effort by honouring their financial commitments as agreed to when the loan was approved.

Table 10: Delinquency

	2017	2016	2015	2014	2013
Delinquent Loans (\$)	8,689,823	5,113,316	3,694,465	2,993,565	5,239,314
Total Loans (\$)	547,490,864	524,008,601	482,705,747	455,509,770	428,983,196
Delinquent %	1.58	0.97	0.76	0.65	1.2



## BOARD OF DIRECTORS' REPORT *(continued)*

### CONDOLENCES.

The Board of Directors, members of the Management Committee, Staff as well as members will like to convey our sincere sympathy to the loved ones of our dearly departed members.

Table 11: Condolences

No.	Date of Death	Account No.	Name
1	1-Jan-17	60203075	Ann Lee Sam-Hinds
2	10-Jan-17	10205614	Harold Mischier
3	10-Jan-17	10210037	Anthony Monsegue
4	16-Jan-17	10209182	Jerry Manmohan
5	20-Jan-17	60201191	Agustin Carraballo
6	25-Jan-17	10205243	Clyde Dorant
7	25-Jan-17	10214541	Kester Best
8	27-Jan-17	10214923	Rene James
9	29-Jan-17	10212420	Ruthwen Ramkalawan
10	1-Feb-17	10206674	Kelvin Sifontis
11	8-Feb-17	10208127	Rawland Thomas
12	11-Feb-17	60205744	Linda Raghunanan
13	12-Feb-17	10206597	Francis Cooper
14	18-Feb-17	10215869	Ronald Nathasingh
15	19-Feb-17	10207267	Elvyn Meyers
16	20-Feb-17	10210520	Fitzgerald Pritchard
17	24-Feb-17	60204668	Sandra Rajkoomar
18	11-Mar-17	10210972	Marva Edwards-David
19	12-Mar-17	60205484	Chanroutie Mohammed
20	13-Mar-17	10212403	Roger Charles
21	12-Apr-17	10212878	Perry St. Rose
22	14-Apr-17	10208681	Aldwin Dick
23	14-Apr-17	10212359	Sylvester Malco
24	18-Apr-17	60206333	Anne Marie Kerr
25	25-Apr-17	60202973	Kenrick Kawal



## BOARD OF DIRECTOR'S REPORT *(continued)*

No.	Date of Death	Account No.	Name
26	27-Apr-17	10206629	Malcolm Bailey
27	29-Apr-17	10212880	Raymond Sookdeo
28	12-May-17	60202125	Franklyn Callender
29	18-May-17	10211021	Samuel Walters
30	3-Jun-17	10211245	Junior Jack
31	19-Jun-17	60200634	Veda Campbell
32	27-Jun-17	10207526	Irvin Phillips
33	5-Jul-17	10212836	Jewel Groden
34	17-Jul-17	10207567	Buzz Antoine
35	20-Jul-17	60200909	Ephraim Burton
36	23-Jul-17	10207759	John Raeburn
37	25-Jul-17	60207806	Everton Briggs
38	1-Aug-17	10211838	Anthony Craig
39	2-Aug-17	10208979	Selvorne Lewis
40	16-Aug-17	10213047	Dale Nelson
41	16-Aug-17	10215320	Vernon Sampson
42	26-Aug-17	60206020	Alicia Roach
43	29-Aug-17	10208981	Errol Toussaint
44	31-Aug-17	60203249	Mervyn Mitchell
45	7-Sep-17	10216849	Sherwin Lela
46	7-Sep-17	60201473	Shurlan Diaz
47	8-Sep-17	60202996	Allison Wildman
48	9-Sep-17	20206690	Dave Cyrus
49	14-Sep-17	10207832	Terrence Williams
50	20-Sep-17	10211252	Conrad Thomas
51	28-Sep-17	10211356	Andy Francois
52	4-Oct-17	10213026	Unis Saunders
53	11-Oct-17	10215161	Joseph Campbell
54	30-Oct-17	20201288	Mc Donald Constantine
55	4-Nov-17	10212386	Premnath Harripersad
56	8-Nov-17	10211953	Anthony Spence
57	11-Nov-17	10207884	Lynn Roy
58	5-Dec-17	10215134	Durgapersad Ramjumarsingh
59	11-Dec-17	20208284	Richard Babwah
60	18-Dec-17	10209118	Peter Mason





TRINIDAD & TOBAGO POLICE CREDIT UNION



*Remembering Mrs. Christine Mc Millan*  
*25 October 1950 - 13 March 2018*

It is with profound regret that the Board of Directors, Management, Staff and cherished members of the Trinidad and Tobago Police Credit Union extend our deepest condolences to the family of Assistant Secretary, Mrs. Christine Mc Millan who passed away on Tuesday 13th March 2018.

Mrs. Mc Millan was a proactive and insatiable Credit-unionist who gave wholeheartedly to the service of Police Credit Union on every committee she served. During her active years at the Trinidad and Tobago Police Service at the rank as Senior Superintendent and after retirement, she was much involved on the Board for the past 20 years and exemplified the co-operative philosophy. As a member of the Police Credit Union for over 36 years, Mrs. Mc Millan's participation in the Credit union movement was an admirable quality many hoped to possess. Her presence at Sports and Family Days, 5K's, AGM's will undoubtedly be missed.

Mrs. Mc Millan's dedication to her family, affable personality, sociability, work spirit was an invaluable role in the Credit Union.

Our hearts are now void with this loss as she would be greatly missed by all who knew her warm spirit and smile will be forever remembered. Mrs. Mc Millan will always be remembered as a prayer warrior, a woman of faith and dedicated to her family.

From her family at the Police Credit Union, may she rest in peace.

## In loving memory of Elder Erin Folami (Esmond King)

Retired Police Sergeant #6714

Who transitioned this life on Thursday 22nd March 2018. Baba Folami was a dedicated police officer and an avowed credit unionist who worked tirelessly in the early years to build the membership of The Police Credit Union. He aggressively promoted the Cooperative philosophy to all and sundry and truly espoused the mantra of 'people helping people'.

He served on many Committees, focus groups and together with another dedicated board member Benjamin Watson, established the Consumer Department in the 1980's to provide household items to the members. This signified his firm belief in Cooperative Economics that advocates among other things building your own business and profiting from them together. (Ujamaa 4th principle of Kwanzaa). Baba Folami was cultural aficionado and a walking encyclopedia on the history of the steel-pan and calypso indigenous aspects of the African culture.

He protected and served selflessly, not only the citizens of Trinidad and Tobago but all cooperators, and shared that sense of community to all who seek his wise counsel.

He was loved by all and would be sadly missed.

*'Nothing will work unless you do'.  
Maya Angelo.*





## BOARD OF DIRECTOR'S REPORT *(continued)*

### PROJECTIONS FOR 2018

- To realize a net surplus of \$23.2M.
- To grow our membership by 8%

### CONCLUSION

We are in an exciting time in our credit union's history and we are poised to enter a realm that is unknown but where our hopes, dreams and aspirations are within reach. This is a time when your Board will remain vigilant to ensure the stability of your organisation but will be looking ahead towards opportunities which will promote wealth creation. We ask you to be our eyes and ears and to remember that "The sum of the whole is greater than the sum of its parts" in other words we are stronger together than we are apart.

Our members and our staff are our greatest assets in our journey to all-round success, so let us ALL remember to be strategic in our thinking because we are the owners and managers of our credit union and our future depends on us. So as the creators of Star Trek said "Let us boldly go where no man has gone before".

At this point, it is noteworthy to mention again that we have exceeded our targeted net surplus of \$26.3M and are pleased to declare a dividend payment of 4%.

Let us remember to be kind to one another and seek the blessings of the Lord for one another, for as the bible says Job was blessed when he prayed for his friends, Job 42:10.

God bless you all  
Sincerely,

Ms. Gale Charles  
SECRETARY, BOARD OF DIRECTORS



# CREDIT COMMITTEE



Ingrid Maxwell  
Chairman



Lystra Sebro  
Secretary



James Clarke  
Member



Franklyn Archie  
Member



Carlyle Bascombe  
Member



# CREDIT COMMITTEE'S REPORT

## INTRODUCTION

The Credit Committee welcomes this opportunity to report to the membership and wishes to express its appreciation for the privilege to serve for the year under review.

The year 2017 was indeed a very challenging period for our Credit Union. We saw a decrease in the demand for some loans, an increase in the level of delinquency and withdrawal of shares, and the liquidation of loans against shares. This was primarily due to financial constraints experienced by members as a result of the downturn in the national economy.

The Credit Committee's mandate as outlined under Section 23 (b) in the Trinidad and Tobago Police Credit Union Bye Laws, is to manage the loans portfolio, which is the main generator of this organisation's revenue. The Committee fulfilled this role with a sense of equity as we addressed the financial needs of our members.

During this period, the Committee, based on its recommendations, and at times on the members' request, held weekly discussions with members who received counselling on the prudent management of their financial affairs. Members have indicated that they have benefited tremendously from these meetings.

## COMPOSITION OF THE CREDIT COMMITTEE

The 59th Annual General Meeting of the Society was held on Saturday March 25th, 2017 at Centre of Excellence, Macoya and the under-mentioned persons were elected to serve:

- Mr. James Clarke
- Ms. Ingrid Maxwell
- Ms. Lystra Sebro

## ALTERNATES

- Mr. Nafeez Mohammed 1st Alternate
- Mr. Nigel Williams 2nd Alternate

The first three officers, together with incumbents, Mr. Franklyn Archie and Mr. Carlyle Bascombe, constituted the Committee for the year under review.

On March 29, 2017, Ms. Lystra Sebro and Mr. Carlyle Bascombe were selected to the post of Secretary and Chairman respectively. Ms. Ingrid Maxwell subsequently replaced Mr. Bascombe as Chairman.



## CREDIT COMMITTEE'S REPORT *(continued)*

Outgoing and eligible for re-election to the:

Credit Committee

- Mr. Franklyn Archie
- Mr. Carlyle Bascombe

The Board of Directors

- Ms. Lystra Sebro

### LOAN ADMINISTRATION

The Committee held a total of 134 meetings at the respective branches

Barataria	- 81
San Fernando	- 49
Arima	- 01
Tobago	- 03

For the period January 1, 2017 to December 31, 2017, a total of ten thousand one hundred and twenty-six (10,126) loan applications, valued \$186,105,887.54 were approved. This sum represented a decrease of (3%) when compared with ten thousand seven hundred and seven (10,707) loan applications valued \$191,600,404.56 for the year 2016.

### LOAN SALE

### SHARE INCENTIVE LOAN

The Share Incentive Loan continues to be an attraction to members. This loan was designed to encourage members to increase their share capital, thereby increasing their borrowing power. It also gave them the opportunity to acquire immediate funding for their financial needs. The Income generated from this loan facility in 2017, was \$8,743,275.00

### BACKPAY LOAN

The Back Pay Loan was re-introduced in 2017. In order for members to qualify for this loan, they were required to deposit their back pay or part thereof, to a Special Back Pay Share Account. Having done so, they were entitled to a loan in the sum of twice the deposited amount at a minimal interest rate of 0.75 %. The Income derived from this loan in 2017 was \$8,780,332.42

### SPECIAL VEHICLE LOAN

In 2017, the Special Vehicle Loan was in high demand by members, as they seek to purchase new and foreign used vehicles. The value of this loan for the period under review was \$17,087,362.25, as compared with \$5,238,674.21 for the year 2016.



## CREDIT COMMITTEE'S REPORT<sup>\*</sup> (continued)

### CHRISTMAS LOAN

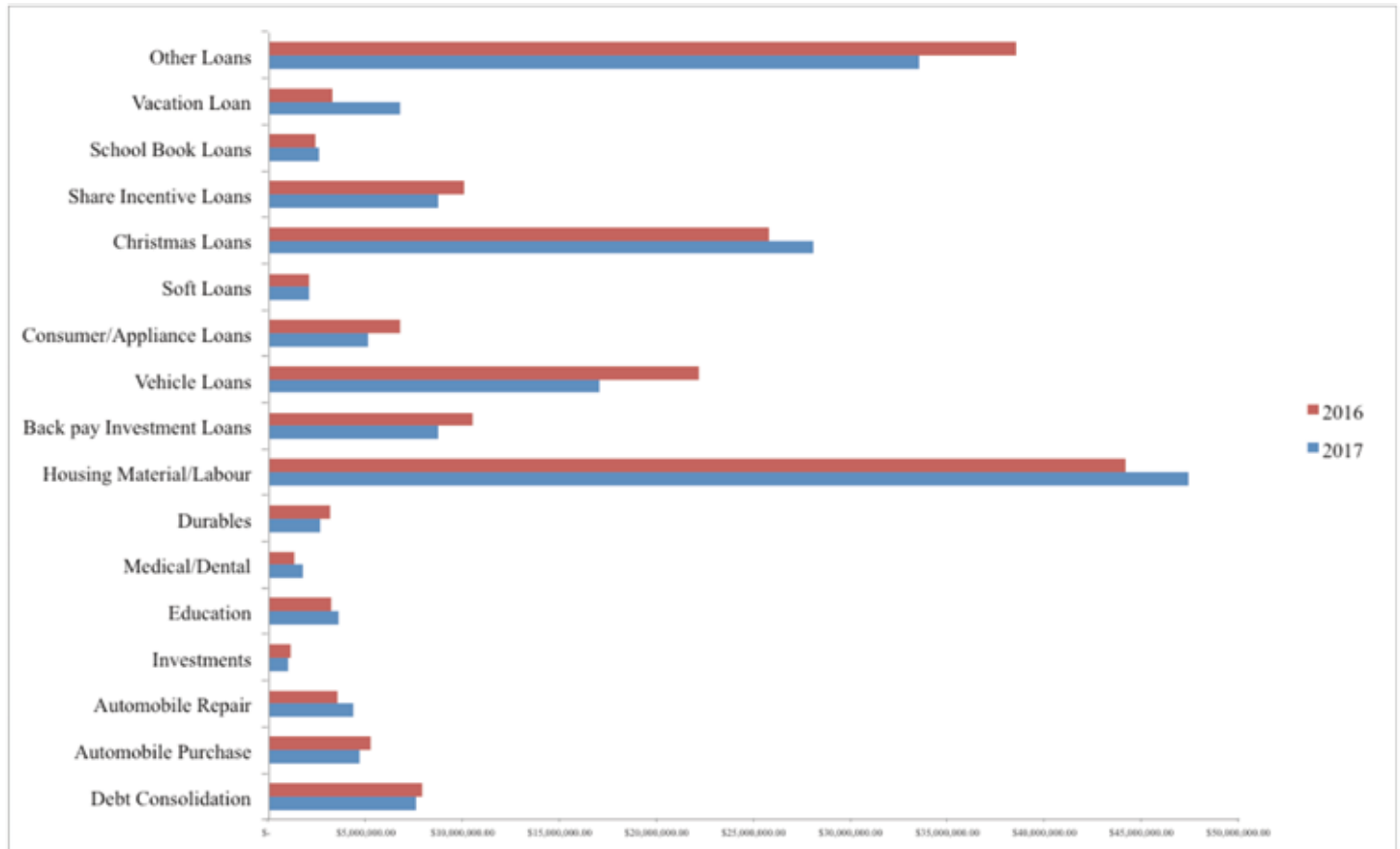
The purpose of this loan is to assist members in meeting their Christmas expenses. Income from this loan has increased from \$25,812,998.50 in 2016 to \$28,094,118.10 in 2017. The following chart demonstrates the distribution of loans in the various categories for 2016 and 2017:

Table #1: Loan Category Comparisons

Category	2017		2016	
	No. of Loans	Amount	No. of Loans	Amount
Debt Consolidation	332	7,618,881.26	335	7,916,430.32
Automobile Purchase	86	4,689,161.53	92	5,238,674.21
Automobile Repair	358	4,369,086.82	283	3,550,306.37
Investments	28	1,030,046.04	32	1,151,657.34
Education	226	3,609,168.78	256	3,225,222.12
Medical/Dental	111	1,780,752.21	103	1,357,540.76
Durables	238	2,651,698.50	277	3,142,267.69
Housing Material/Labour	1,541	47,447,914.52	1,579	44,225,567.67
Backpay Investment Loan	140	8,780,332.42	165	10,519,217.38
Vehicle Loans	188	17,087,362.25	237	22,189,176.50
Consumer/Appliance Loan	684	5,134,905.23	809	6,797,603.87
Soft Loans	416	2,095,710.00	439	2,109,066.50
Christmas Loans	1,745	28,094,118.10	1,588	25,812,998.50
Share Incentive Loans	455	8,743,275.00	504	10,108,189.83
School Book Loans	303	2,596,429.13	276	2,413,567.94
Vacation Loans	231	6,802,180.67	213	3,281,687.27
Other Loans	3,044	33,574,865.08	3,519	38,561,230.30
<b>Total Loans</b>	<b>10,126</b>	<b>186,105,887.54</b>	<b>10,707</b>	<b>191,600,404.57</b>



## CREDIT COMMITTEE'S REPORT *(continued)*



Graph 1: 2017 / 2016 Loan Comparison

## CONSUMER DEPARTMENT

The Consumer Department provided our members with excellent customer service and a wide range of contemporary, high quality and affordable products. In spite of this, there was a decline in the demand for the products.

In 2017, the Department realized sales to the value of \$5,134,905.23, as compared to \$6,797,603.87 for 2016. The difference represents a 24 % decrease in sales.

## DELINQUENCY

During the period under review, the Recoveries Committee held a total of forty (40) meetings and interviewed one hundred and five (105) members. Most of the members interviewed, made a pledge to resume their loan payments to the Credit Union. The fulfilment of their commitment had a positive effect in reducing the level of delinquency for 2017.





## CREDIT COMMITTEE'S REPORT *(continued)*

The staff of the Recoveries Department made several attempts to contact delinquent members, by various means, which caused some members to come in to discuss and make arrangements to address their delinquent accounts.

The Committee perused (442) files and approved 244 shares to loan liquidations on delinquent member's accounts, in the sum of \$4,038,454.34. This exercise assisted greatly in reducing the arrears of those accounts and the updating of loan payments for the fiscal year 2017.

However, it must be noted that there was an incremental increase of (1.58%) in the delinquency for the year 2017, when compared with (.97 %) for the previous year, 2016.

The Recoveries Committee effectively managed the delinquency portfolio in 2017, as 1.57% is well within the internationally acceptable delinquency ratio of 0% to 5%.

Members, your investments are fundamental in value to us. We are a phenomenal institution geared towards sustainability and greatness. We at Police Credit Union understand your expectation of high returns/ dividends and quality service for your investment. In light of building a healthy sustainable relationship we urge you to begin planning your retirement before approaching the age of 50 years. Members, who are experiencing challenges with meeting their financial commitment to the Credit Union, please visit the Recoveries Department and discuss with the Officers as to a way forward.

## LIQUIDATIONS

There were seven hundred and twenty-nine (729) liquidations to the value at (\$35,546,513.27) in 2017.

In the main, liquidations were done for the following purposes:

- The restructuring of loans for delinquent members
- Debt Consolidation with the banks
- Retrenchments
- Dismissals
- Mortgage
- Financial purposes
- Retirement
- Cessation of Membership

## RECOMMENDATIONS

In order for our Credit Union to remain competitive, urgent consideration should be given to the implementation of the following:

- A Mortgage Loan Policy, which would discourage members from liquidating their valued shares to qualify for loans at other financial institutions.
- A Debt Consolidation Loan Policy



## CREDIT COMMITTEE'S REPORT *(continued)*

- A Strategic Over-view on the loan portfolio
- Financial Management Training Sessions for Staff, Committees and Members. This can go a long way in educating members to manage their personal financial circumstances.
- The use of the various information technology (IT) platforms to interview and communicate with members concerning their loan applications.

### PRUDENTIAL STANDARD

For the year under review, the loan portfolio grew by 4.48% as compared to 2016 where the growth was 8.56 %. This slow growth in loans impacted on the loans to assets ratio. The ratio decreased to 69% in 2017, just below the prudential standard range of 70-80% due to the drop in the demand for loans.

### CONCLUSION

The Committee wishes to thank the Board of Directors, Chief Executive Officer, Managers, other Committee Members and our hard working and devoted staff for skilfully steering the Credit Union through this challenging economic period.

We thank all our members for giving us another opportunity to serve and would greatly appreciate your continued support.

Submitted,

Ms. Lystra Sebro  
SECRETARY



# SUPERVISORY COMMITTEE



Phillip Wilson  
Chairman



Leonard Charles  
Secretary



Laurence Squires  
Member



Harold Phillip  
Member



Errol Dillon  
Member



# SUPERVISORY COMMITTEE'S REPORT

## INTRODUCTION

The primary objective of the Supervisory Committee is encapsulated in its mandate which succinctly put, is to ensure that the Police Credit Union is managed in a manner that promotes the members' best interests in keeping with best practices. In pursuit of this mandate, the Committee is responsible for ensuring that the Board of Directors, Committees and the Chief Executive Officer, provide the staff with the requisite resources and by extension create an environment that nurtures and reaffirms the spirit of excellence so that the Credit Union can meet its strategic objectives.

The Credit Union essentially, must improve the economic, social and educational welfare of its members, by protecting, preserving and safeguarding the assets through a strong commitment to strict internal auditing and monitoring practices. The strategic objectives of the Credit Union ensure that it is managed effectively and efficiently.

## COMPOSITION OF THE COMMITTEE

At the Annual General Meeting held at the Center of Excellence, Macoya on Saturday 25th March 2017, the following members were elected:

- Mr. Phillip Wilson           Member - elected in 2016 to serve for 2 years
- Mr. Harold Phillip        Member - elected in 2016 to serve for 2 years
- Mr. Leonard Charles     Member - elected in 2017 to serve for 2 years
- Mr. Errol Dillon          Member - elected in 2017 to serve for 2 years
- Mr. Laurence Squires    Member - elected in 2017 to serve for 1 year
- Mr. Neal Rawlins         1st Alternate
- Mr. Herbert Moore        2nd Alternate

The Committee held its inaugural meeting on 29th March 2017. Mr. Phillip Wilson and Mr. Leonard Charles were elected as Chairman and Secretary respectively.

This Report summarizes the activities of the Supervisory Committee for the financial year January 1st 2017 to December 31st 2017 and the administrative period of March 2017 to March 2018. During the period under review, the Committee held several meetings with the management of the Credit Union and other stakeholders on a range of issues.

The Committee also audited the various Branches and Departments in accordance with approved policies and found that the organization is generally compliant with the policies developed by the Board for good governance.

The following files were reviewed:

- Board of Directors loan files
- Credit Committee loan files
- Chief Executive Officer personal and loan file



## SUPERVISORY COMMITTEE'S REPORT *(continued)*

- Education Committee loan files
- Head Office and Branches
- Consumer Division
- Internal Control and Audit
- Delinquency Portfolio
- Monthly Financial Statement
- Board and Executive Minutes
- Fixed Asset Register
- Management Letters from the external auditors
- A Sampling of Membership Loan Files

## BOARD OF DIRECTORS

The Committee commends the Board of Directors and the Chief Executive Officer and Management Team for the development of a Strategic Plan for the Credit Union for the period 2016-2020 which was approved by the Board of Directors on the January 15, 2018. We anticipate that this Strategic Plan will act as a road map for the organization until 2020.

## CREDIT COMMITTEE

It was John F. Kilduff who said, "No, a Credit Union does not exist to give away its assets as a charitable offering. Yes Yes and Triple yes, a credit union has always existed and continues to exist for one primary reason, to serve its members, the owners of the credit union.....Not for Profit, Not for Charity, But for service"

The Credit Committee's mandate is to provide productive loans to our members in accordance with the Credit Union's Credit Administration Policy. The Committee found that generally the Credit Committee exercised prudence in the management of the loan portfolio.

On the other hand, we as members on obtaining a loan, commit ourselves to an intrinsic responsibility, that is to be diligent in the repayment of our loans to the Credit Union.

## EDUCATION COMMITTEE

This Education Committee continues to host regular social events that are beneficial to the membership, amongst them are the Annual Secondary Entrance Awards (SEA) and the Annual Children's Christmas Treats. We commend the efforts of this Committee as they continue to support the Board in promoting the educational well-being of the membership. The Committee notes the efforts of the Marketing Department in 2017 and commends the organizing of seminars with the support of the Education Committee. Approximately 198 members participated in these Membership Development



## SUPERVISORY COMMITTEE'S REPORT *(continued)*

Seminars hosted by the Credit Union to the benefit of the membership. Among the seminars were Financial Planning and Will Preparation.

### HEAD OFFICE AND BRANCHES

The Head Office and Branches were audited during the period under review, to ensure that the operations of the Credit Union were in compliance with the Bye-Laws. The Committee having examined the operations observed that generally they were in accordance with the policies.

In this regard, we applaud the Management and Staff of the Credit Union, for settling negotiations with Bargaining Unit No.1 whilst negotiations with Bargaining Unit No:2 will soon start. We therefore anticipate a speedy resolution to the wage negotiation with this Bargaining Unit as well.

### FINANCIAL STATEMENTS

The organization produces its financial statements on a monthly basis. These statements are reviewed by the Finance Investment and Risk Committee, an ad hoc Committee created by the Board to assist with the management of the investment and risk portfolios. The Committee is guided in its deliberation by the Investment Policy. The Committee observed that the Credit Union generally complied with the Investment Policy as well as international best practices when investments are made.

### RECOMMENDATIONS

The Committee echoes the recommendation made in 2017 that the Board give favourable consideration to making available to the organization at large online learning. This is cost effective, portable and convenient.

### CONCLUSION

The Supervisory Committee extends best wishes to the Board of Directors, other Committees, the Chief Executive Officer, Management, Staff and membership of the Police Credit Union and extends a warm welcome to the recently appointed Chief Operating Officer Mr. Yohann Borde who joined the Police Credit Union Family in January 2018.

*"We need leaders not in love with money but in love with justice. Not in love with publicity but in love with humanity".*  
*Dr. Martin Luther King, Jr.*

Mr. Leonard Charles  
SECRETARY



# EDUCATION COMMITTEE



Kevon Beatrice  
Chairman



Janelle Wilson  
Secretary



Pamela Schullera-Hinds  
Member



Kelvin Stewart  
Member



Cydnee Mc Millan  
Member



# EDUCATION COMMITTEE'S REPORT

The Board of Directors at its first meeting selected members to serve on the Education Committee. In keeping with Bye Law 20(a) (1) and (2), five (5) members were selected to serve on the Education Committee for the year 2017. Mr. Fitzroy Frederick (President) was selected as the Board of Directors liaison.

At the Education Committee's first meeting Mr. Kevon Beatrice was selected as the Chairman and Mrs. Janelle Wilson as the Secretary. The other members included Mrs. Pamela Schullera-Hinds, Mr. Kelvin Stewart and Miss. Cydnee Mc Millan.

The Committee set about planning the events for 2017. These events included:

1. Secondary Entrance Assessment Awards
2. Pre-Membership Orientation Meeting
3. Member Orientation Meeting (New members joined within the last 18 months)
4. Annual Christmas Treats
5. Annual Christmas Function
6. Educational Development Programmes

## SECONDARY ENTRANCE ASSESSMENT (S.E.A.) AWARDS

There were two (2) Award Functions for S.E.A. applicants in the year 2017. There were some travel issues with the air and sea bridge to and from Tobago. This affected the logistics and the Committee took a decision to host one function on each island. The theme selected was "New Beginnings Expanding Horizons."

One hundred and sixty-two (162) applications were submitted, of which, one hundred and fifty-two (152) were successful and invited to the functions. Among the one hundred and fifty-two applicants, 12 were from Tobago. The first of the two S.E.A Awards Function was hosted at the Gymnasium of the Police Academy, St. James, on Saturday, 18th August 2017. The Tobago Function was held on August 28th, 2017 at the Police Credit Union Consumer Showroom in Tobago.

Each awardee received a token and a monetary award which was deposited onto their share savings account. Mr. Jason Williams; popular radio personality and Road March Winner (2010) was the scheduled Feature Speaker, but had to cancel due to an unforeseen development. Nevertheless, the Committee thanked him for accepting the invitation and wished him all the best. The versatile Pamela Schullera-Hinds, Committee member, rose to the occasion and delivered the Feature Address that mesmerized the young minds. They listened with rapt attention and seem inspired by the contribution.

## PRE - MEMBERSHIP ORIENTATION MEETING

The first Pre-membership Orientation Meeting took place on Thursday 5th October, 2017 at the Policy Academy for newly joined police officers. The meeting objective was to gain new members for the Police Credit Union. Approximately one





## EDUCATION COMMITTEE'S REPORT *(continued)*

hundred and fifty-four (154) trainees attended and were sensitized to the policies and practices of the Credit Union and the role and function of the various Committees and Departments.

They expressed their satisfaction with the information shared and were happy that they attended and membership forms were distributed. They were advised to submit the completed forms at any branch of the Credit Union as they seek to build their nest egg. A Membership Orientation Meeting (M.O.M) for newly joined members is carded for the end of February 2018.

## ANNUAL CHRISTMAS TREATS

Continuing in our quest to share and deliver good cheer our Annual Christmas Treats were held at four (4) venues: Guaico Secondary School, San Fernando Hill, St. Georges Ground Barataria and Gulf City Mall, Lowlands Tobago. Based on the economic environment the Education Committee planned to print 1,300 tickets and give 100 of those tickets to charity as part of our Corporate Social Responsibility. The children were treated to various sweets, chicken and chips, bouncy castles and a gift from Santa. They were extremely pleased with their gifts and actively participated in the activities.

The Committee relied on Branch sales as well as Committee members who were tasked with ticket sales. Unlike 2016, advertising was kept to a minimum using banners, posters, the daily newspapers and emails to inform the entire membership. It was a successful venture.

## ANNUAL CHRISTMAS FUNCTION

The Credit Union hosted an End of Year Christmas Cocktail on Saturday 16th December 2017 at the Eastern Credit Union's La Joya Auditorium in St Joseph. The Board of Directors, the Management Team, Staff and external stakeholders were present to socialize and share the Christmas cheer after all the hard work throughout the year. The following persons were also honoured:

- 1st Manager Egbert Lewis credited for having brought modern management practices to the Police Credit Union.
- One of the first Employee Ms. Eutlyn Lewis, who worked with the Police Credit Union from the days of 'Under the Steps' at Police Headquarters.
- Mr. McDonald Jacob, Senior Superintendent (Ag)– Top Caribbean Crime Fighter.
- Mr. Oswain Subero, Assistant Superintendent (Ag) – 2nd place Top Caribbean Community Police Officer.
- Mr. Clint Arthur Assistant Superintendent (Ag)– Top Caribbean Career Move.



## EDUCATION COMMITTEE'S REPORT *(continued)*

### CONCLUSION

We the members of the Education Committee wish to convey our heartfelt appreciation to the Board of Directors, the Board Liaison, Mr. Fitzroy Frederick, for the expression of support as we executed our mandate. We wish to also thank the Chief Executive Officer, his management and staff for their continued support of the Education Committee's initiatives and for their invaluable guidance and assistance throughout the year 2017.

The Committee extends congratulations to Mr. Stephen Williams, Commissioner of Police (Ag.), a former President of Police Credit Union, who was honoured in 2017 by the International Association of Women Police Conference in Australia with the UN inspired HeForShe Award.

The Committee would also like to extend its gratitude to the Marketing Officer; Ms. Jinell John, the co-opted members - Mr. Terrence Hinds, Mrs. Cynthia Romeo-Dick, Ms. Cheryl Ann Sampson-Moore, Mr. Wendell De Four and Ms. Mieve Harewood for their selfless service. In some instances they worked behind the scenes, sacrificed their family time and their resources to support the Education Committee's initiatives and by extension the Police Credit Union year after year. We propose to continue our members' development programmes in the year 2018.

Thanks and may God bless the Police Credit Union and its membership.

Yours co-operatively,

Mrs. Janelle Wilson  
SECRETARY

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**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

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# Trinidad & Tobago Police Credit Union Co-operative Society Limited

HEAD OFFICE: 61 TENTH STREET, BARATARIA, TRINIDAD, W.I.  
PHONES: 674-6514/0963/4681 ; 675-1296 FAX: 674-0160  
www.policecreditunion.com

**BANKERS:**  
SOCTIABANK  
TRINIDAD AND TOBAGO LTD.  
Eastern Main Road  
San Juan

March 21, 2018

Our Ref:  
Your Ref:

## STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Trinidad and Tobago Police Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position as at December 31, 2017, the Statement of Comprehensive Income, Appropriate Funds and Undivided Surplus and Cash Flows for the year hen ended, and a Summary of Significant Accounting Policies and other explanatory information;
- Ensuring that the Society keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Society's assets, detection/prevention of fraud, and the achievement of Society 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, including the Co-operative Societies Act; and
- Using reasonable and prudent judgment in the determination of estimates.

In preparing these audited Financial Statements, Management utilized 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 Society 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 authorized for issue, if later.

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

Co-operatively,

  
**PRESIDENT**

  
**TREASURER**

BRANCH OFFICES: 17-19 Irving Street, San Fernando • Phone 652-1587 • Fax 653-1294  
Mt. Marie Road, Scarborough, Tobago • Phone 639-4155 • Fax 639-1007  
45 Sorzano Street, Arima • Phone 667-0622 • Phone/Fax 667-1235  
Consumer Department: 62 Tenth Street, Barataria • Phone: 674-6514; 0963; 4681

## INDEPENDENT AUDITORS' REPORT

### The Members

**Trinidad and Tobago Police Credit Union Co-operative Society Limited**

### Opinion

We have audited the financial statements of Trinidad and Tobago Police Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2017, the statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Trinidad and Tobago Police Credit Union Co-operative Society Limited as at 31 December 2017 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Trinidad and Tobago Police Credit Union Co-operative Society Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other 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.

### Other information included in the Credit Union's 2017 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Annual Report, other than the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we concluded that there is a material misstatement of this other information, we are required to communicate the matter to the Board of Directors.

Telephone: (868) 235-5063  
Address: 111 Eleventh Street, Barataria, Trinidad, West Indies  
Mailing Address: PO Box 10205, Eastern Main Road, San Juan

Partners: Renée-Lisa Philip Mark K. Superville

## **INDEPENDENT AUDITORS' REPORT (Cont'd)**

### **Responsibilities of Management and the Board of Directors 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.

The Board of Directors is responsible for overseeing the credit union's financial reporting process.

### **Auditors' 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 auditors' 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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**INDEPENDENT AUDITORS' REPORT (Cont'd)****Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

- 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 auditors' 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 auditors' 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 the Board of Directors 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.



**Barataria**  
**TRINIDAD**  
**21 March 2018**

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**


**STATEMENT OF FINANCIAL POSITION**

		<u>ASSETS</u>	
		31 December	
	<u>Notes</u>	<u>2017</u> (\$)	<u>2016</u> (\$)
<b>Cash Resources:</b>			
Cash and cash equivalents	5	<u>139,010,037</u>	<u>109,340,357</u>
Total Cash Resources		<u>139,010,037</u>	<u>109,340,357</u>
<b>Other Assets:</b>			
Available for sale investments	6	28,003,023	25,165,509
Accrued interest on loans	7	4,534,278	5,176,661
Accounts receivable and prepayments	8	4,708,176	4,559,673
Inventories	9	3,142,568	4,300,005
Held to maturity investments	10	9,550,000	10,424,000
Loans to members	11	547,490,864	524,008,601
Investment properties	12	6,051,865	5,975,625
Fixed assets	13	<u>46,477,182</u>	<u>45,506,061</u>
Total Other Assets		<u>649,957,956</u>	<u>625,116,135</u>
<b>Total Assets</b>		<b><u>788,967,993</u></b>	<b><u>734,456,492</u></b>
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>			
<b>Liabilities:</b>			
Accounts payable and accruals	14	18,277,897	16,883,725
Members' deposits		37,702,683	33,307,927
Members' shares	15	<u>585,394,117</u>	<u>546,668,253</u>
Total Liabilities		<u>641,374,697</u>	<u>596,859,905</u>
<b>Members' Equity:</b>			
General Reserve Fund	16	53,511,751	50,586,893
Education Reserve Fund	17	10,332,365	9,973,689
Investment Re-measurement Reserve	18	1,611,947	(29,599)
Revaluation Surplus	19	8,236,220	8,236,220
Building Fund	20	18,953,617	13,732,612
Undivided Surplus		<u>54,947,396</u>	<u>55,096,772</u>
Total Members' Equity		<u>147,593,296</u>	<u>137,596,587</u>
<b>Total Liabilities and Members' Equity</b>		<b><u>788,967,993</u></b>	<b><u>734,456,492</u></b>

These financial statements were approved by the Board of Directors and authorised for issue on 21 March 2018 and signed on their behalf by:

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Chairman  
Supervisory Committee

(The accompanying notes form part of these financial statements)

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME**

	<u>Notes</u>	<b>For the year ended 31 December</b>	
		<u>2017</u> (S)	<u>2016</u> (S)
<b>Income:</b>			
Loan interest		51,889,342	52,072,185
Investment income		3,418,282	3,491,125
Rent		144,000	144,000
Entrance fees		7,280	7,830
Commissions		4,020,952	3,815,299
Foreign exchange gain		87,898	-
Bad debts recovered		156,237	96,364
Miscellaneous income	28	<u>7,641,016</u>	<u>7,186,291</u>
		<u>67,365,007</u>	<u>66,813,094</u>
Total Income			
<b>Expenditure:</b>			
Administrative expenses	29	13,868,171	12,943,548
Board and committees' expenses	30	857,460	817,715
Life savings and loan protection insurance		7,011,545	6,566,819
Interest on members' deposits		227,762	279,066
Education committee expenses		1,100,113	1,036,521
Finance costs		174,827	139,888
Personnel costs	31	<u>14,807,974</u>	<u>13,084,882</u>
		<u>38,047,852</u>	<u>34,868,439</u>
Total Expenditure			
Net income from Credit Union operations		29,317,155	31,944,655
Net (loss)/income - Appliance Centre	32	(141,374)	250,337
Net loss - Mount Marie Guest House	33	<u>-</u>	<u>(8,423)</u>
Net surplus for the year		29,175,781	32,186,569
<b>Other Comprehensive Income:</b>			
<u>Items that may be reclassified subsequently to profit or loss -</u>			
Gain on available-for-sale financial assets		<u>1,641,546</u>	<u>(11,662)</u>
<b>Total Comprehensive Income for the year</b>		<u><b>30,817,327</b></u>	<u><b>32,174,907</b></u>

(The accompanying notes form part of these financial statements)

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	General Reserve Fund (\$)	Education Reserve Fund (\$)	Investment Re-measurement Reserve (\$)	Revaluation Reserve (\$)	Building Fund (\$)	Undivided Surplus (\$)	Total (\$)
Balance as at 1 January 2017	50,586,893	9,973,689	(29,599)	8,236,220	13,732,612	55,096,772	137,596,587
Total comprehensive income for the year	-	-	1,641,546	-	-	29,175,781	30,817,327
Add: Appropriations of net surplus for the year as follows:-							
10% to General Reserve Fund	2,917,578	-	-	-	-	(2,917,578)	-
5% to the Education Reserve Fund	-	1,458,789	-	-	-	(1,458,789)	-
	53,504,471	11,432,478	1,611,947	8,236,220	13,732,612	79,896,186	168,413,914
Building Fund	-	-	-	-	5,221,005	(5,221,005)	-
Dividends	-	-	-	-	-	(20,512,217)	(20,512,217)
Honoraria	-	-	-	-	-	(308,401)	(308,401)
Entrance fees	7,280	-	-	-	-	(7,280)	-
Education Fund expense	-	(1,100,113)	-	-	-	1,100,113	-
Balance as at 31 December 2017	<u>53,511,751</u>	<u>10,332,365</u>	<u>1,611,947</u>	<u>8,236,220</u>	<u>18,953,617</u>	<u>54,947,396</u>	<u>147,593,296</u>

(The accompanying notes form part of these financial statements)

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS - CONTINUED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	General Reserve Fund (\$)	Education Reserve Fund (\$)	Investment Re-measurement Reserve (\$)	Revaluation Reserve (\$)	Building Fund (\$)	Undivided Surplus (\$)	Total (\$)
Balance as at 1 January 2016	47,360,406	9,400,882	(17,937)	8,236,220	8,858,445	55,854,692	129,692,708
Total comprehensive income for the year	-	-	(11,662)	-	-	32,186,569	32,174,907
Add: Appropriations of net surplus for the year as follows:-							
10% to General Reserve Fund	3,218,657	-	-	-	-	(3,218,657)	-
5% to the Education Reserve Fund	-	1,609,328	-	-	-	(1,609,328)	-
	50,579,063	11,010,210	(29,599)	8,236,220	8,858,445	83,213,276	161,867,615
Building Fund	-	-	-	-	4,874,167	(4,874,167)	-
Dividends	-	-	-	-	-	(24,026,028)	(24,026,028)
Honoraria	-	-	-	-	-	(245,000)	(245,000)
Entrance fees	7,830	-	-	-	-	(7,830)	-
Education Fund expense	-	(1,036,521)	-	-	-	1,036,521	-
Revaluation Reserve	-	-	-	-	-	-	-
Transfer to Undivided Surplus	-	-	-	-	-	-	-
Balance as at 31 December 2016	<u>50,586,893</u>	<u>9,973,689</u>	<u>(29,599)</u>	<u>8,236,220</u>	<u>13,732,612</u>	<u>55,096,772</u>	<u>137,596,587</u>

(The accompanying notes form part of these financial statements)

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**STATEMENT OF CASH FLOWS**

	For the year ended 31 December	
	<u>2017</u> (\$)	<u>2016</u> (\$)
<b>Cash flows from operating activities:</b>		
Net surplus for the year	29,175,781	32,186,569
Adjustments to reconcile net surplus to net cash provided by operating activities:		
Loss on disposal of fixed assets	-	124,628
Loss on disposal of investments	14,882	-
Loan loss expense	3,091,624	1,755,629
Depreciation	1,149,173	1,013,181
Premiums written-off	27,735	27,735
Bad debt expense	<u>53,214</u>	<u>-</u>
	33,512,409	35,107,742
Net change in accounts receivable and prepayments	(201,717)	427,039
Net change in accrued interest on loans	642,383	(131,872)
Net change in accounts payable and accruals	1,394,172	2,420,927
Net change in inventories	1,157,437	(1,652,135)
Net change in loans to members	<u>(26,573,887)</u>	<u>(43,058,483)</u>
Cash provided by/(used in) operating activities	<u>9,930,797</u>	<u>(6,886,782)</u>
<b>Cash flows from investing activities:</b>		
Net change in investment securities	(364,585)	(429,244)
Net change in fixed assets	<u>(2,196,534)</u>	<u>(10,129,976)</u>
Cash used in investing activities	<u>(2,561,119)</u>	<u>(10,559,220)</u>
<b>Cash flows from financing activities:</b>		
Net change in members' deposits	4,394,756	2,829,707
Increase in share capital	38,725,864	45,091,963
Dividends interest rebate and honoraria paid	<u>(20,820,618)</u>	<u>(24,271,028)</u>
Cash provided by financing activities	<u>22,300,002</u>	<u>23,650,642</u>
Net change in cash resources	29,669,680	6,204,640
Net cash resources, beginning of year	<u>109,340,357</u>	<u>103,135,717</u>
Net cash resources, end of year	<u><b>139,010,037</b></u>	<u><b>109,340,357</b></u>
<b>Represented by:</b>		
Cash and cash equivalents	<u><b>139,010,037</b></u>	<u><b>109,340,357</b></u>

(The accompanying notes form part of these financial statements)

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**1. Incorporation and Principal Activities:**

The Society is incorporated in the Republic of Trinidad and Tobago and is registered under the Co-operative Societies Act Ch: 81:03. Its objectives are to promote the economic welfare of its members, encouraging the spirit and practice of thrift, self-help and co-operation and to promote the development of co-operative ideas. Its registered office is located at 61 Tenth Street, Barataria.

**2. Significant Accounting Policies:**

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

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

**b) Use of estimates -**

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

**c) New Accounting Standards and Interpretations -**

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

IFRS 1 First-time Adoption of Financial Reporting Standards - Amendments regarding the deletion of short-term exemptions for first-time adopters (effective for accounting periods beginning on or after 1 January 2018).

IFRS 2 Share-based Payment - Amendments regarding the classification and measurement of share-based payment transactions (effective for accounting periods beginning on or after 1 January 2018).

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

- |         |  |
|---------|--|
| IFRS 4  | Insurance Contracts - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).  |
| IFRS 9  | Financial Instruments (effective for accounting periods beginning on or after 1 January 2018).   |
| IFRS 9  | Financial Instruments - Amendments regarding the application of IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (effective for accounting periods beginning on or after 1 January 2018).  |
| IFRS 9  | Financial Instruments - Amendments regarding prepayment features with negative compensation (effective for accounting periods beginning on or after 1 January 2019).   |
| IFRS 12 | Disclosure of Interest in Other Entities - Amendments regarding the specification of the disclosure requirements for an entity's interest classified as held-for-sale, held for distribution or as a discontinued operation (effective for accounting periods beginning on or after 1 January 2017). |
| IFRS 15 | Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018).   |
| IFRS 16 | Leases (effective for accounting periods beginning on or after 1 January 2019).  |
| IFRS 17 | Insurance Contracts (effective for accounting periods beginning on or after 1 January 2021).   |
| IAS 7   | Statement of Cash Flows - Amendments resulting from disclosure initiative (effective for accounting periods beginning on or after 1 January 2017).   |
| IAS 12  | Income Taxes - Amendments resulting from recognition of deferred tax assets for unrealized losses (effective for accounting periods beginning on or after 1 January 2017).   |
| IAS 28  | Investment in Associates - Amendments regarding the long-term interests in associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2019).  |
| IAS 40  | Investment Property - Amendments regarding the transfer of investment property (effective for accounting periods beginning on or after 1 July 2018).   |



**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for accounting periods beginning on or after 1 January 2018).

IFRIC 23 Uncertainty over Income Tax Treatments (effective for accounting periods beginning on or after 1 January 2019).

The Society has not applied IFRS 9 which has been issued but is not yet effective. Although its effect is likely to be significant, the impact cannot be determined with any degree of certainty, particularly with regard to twelve-month and life-time expected credit loss.

**d) Property, plant and equipment -**

Property, plant and equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on the declining balance method, except for building and computers, which are depreciated on the straight-line basis.

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

Buildings	-	2%
Leasehold improvements	-	20%
Computer equipment and software	-	20%
Fixtures and fittings	-	10%
Motor vehicles	-	33 1/3%
Office furniture and equipment	-	10%
Kitchen equipment – Mt. Marie	-	10%
Library books	-	10%

No depreciation is provided on freehold land or capital work-in-progress.

Increases in the carrying amount arising on revaluation of land and buildings are credited to Capital Revaluation Reserve in Shareholders' Equity. Decreases that offset previous increases of the same asset are charged against reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the Statement of Comprehensive Income and depreciation based on the asset's original cost is transferred from Capital Revaluation Reserve to Retained Earnings. When revalued assets are sold, the amounts included in other reserves are transferred to Retained Earnings.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. 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.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**d) Property, plant and equipment (cont'd) -**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the "Other (losses)/gains – net" in the Statement of Comprehensive Income.

**e) Investments -**

The Society has classified all investments into the following categories:

Available-for-sale

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

For actively traded investments, fair value is determined by reference to the Stock Exchange quoted market prices at the reporting date, adjusted for transaction costs necessary to realise the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value. All "regular way" purchases and sales are recognised at settlement date.

Held-to-maturity

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

**f) Financial instruments -**

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

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

**Financial assets**

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

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

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

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

**Impairment of financial assets**

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

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

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

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

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

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

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

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

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

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

**ii) Financial assets measured at cost**

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

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

**Financial liabilities**

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

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

**Cash and cash equivalents**

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

**Accounts receivable**

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

**Loans to members**

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

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

**Accounts payable**

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

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

Members' deposits

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

Members' shares

Members' shares stated at fair value.

**g) Revenue recognition -**

Loan Interest

Interest charged on all loans to members is calculated at 1.2% per month except for on the outstanding balance at the end of each month and is accounted for on the accrual basis.

Non-performing loans are amounts for which interest no longer continues to be accrued and taken into income on an ongoing basis because there is doubt as to the recoverability of the loans. Income from non-performing loans is taken into income on a cash basis, but only after prior specific allowances for losses have been made.

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

Investment Income

Income from investments is accounted for on the accruals basis except for dividends, which are accounted for on a cash basis, consistent with International Accounting Standard (IAS) #10.

Rent Income

Rent income is recognized on a straight line basis over the term of the lease.

**h) Dividends payable to members -**

The dividend is computed on the basis of the average value of shares in issue throughout the year, the average being determined on the basis of the value of shares held at the end of each month. Dividends that are proposed and declared after the reporting date are not shown as a liability in accordance with IAS #10.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

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

**i) Foreign currency -**

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

**j) Provisions -**

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

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

**k) Comparative figures -**

Certain changes in the presentation have been made during the year and comparative figures have been restated accordingly. These changes have no impact on the surplus reported for the previous year.

**l) Inventories -**

Inventories have been valued at the lower of cost and net realisable value. Cost is determined on the average cost basis.

**m) Investment property -**

Properties held for long-term rental yields and capital appreciation, which is not substantially occupied by the Society are classified as investment properties. Investment properties comprise land and buildings and are stated at historical cost less accumulated depreciation is provided on a straight line basis.

**n) Leases -**

Leases of property under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**3. Financial Risk Management:**

**Financial risk factors**

The Society's activities are primarily related to the use of financial instruments. The Society accepts funds from members and earns interest by investing in equity investments, government securities and on-lending to members at higher interest rates.

**Financial Instruments**

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

	<b>2017</b>	
	<b><u>Carrying</u></b>	<b><u>Fair</u></b>
	<b><u>Value</u></b>	<b><u>Value</u></b>
	<b><u>(\$)</u></b>	<b><u>(\$)</u></b>
<b>Financial Assets</b>		
Cash in hand and at bank	23,902,843	23,902,843
Fixed deposits	115,107,194	115,107,194
Investment securities	37,553,023	37,553,023
Interest receivable on investments	690,939	690,939
Loans to members	547,490,864	547,490,864
<b>Financial Liabilities</b>		
Members' deposits	37,702,683	37,702,683
	<b>2016</b>	
	<b><u>Carrying</u></b>	<b><u>Fair</u></b>
	<b><u>Value</u></b>	<b><u>Value</u></b>
	<b><u>(\$)</u></b>	<b><u>(\$)</u></b>
<b>Financial Assets</b>		
Cash in hand and at bank	18,415,619	18,415,619
Fixed deposits	90,924,738	90,924,738
Investment securities	35,589,509	35,589,509
Interest receivable on investments	584,911	584,911
Loans to members	524,008,601	524,008,601
<b>Financial Liabilities</b>		
Members' deposits	33,307,927	33,307,927



**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**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) Bonds**

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

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

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

**ii) Loans**

The Society generally invests in fixed rate loans for terms not exceeding ten years. These are funded mainly from member deposits and shares.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**a) Interest rate risk (cont'd) -**

**iii) Interest rate sensitivity analysis**

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

	<u>Effective Rate</u>	<b>2017</b>				<u>Total</u>
		<u>Up to 1 year</u> (S)	<u>1 to 5 years</u> (S)	<u>Over 5 years</u> (S)	<u>Non-Interest Bearing</u> (S)	
<b>Financial Assets</b>						
Cash in hand and at bank	.005%	22,427,074	-	-	1,475,769	23,902,843
Fixed deposits	3.00%	115,107,194	-	-	-	115,107,194
Investment securities	6.00%	-	24,816,022	9,550,000	3,187,001	37,553,023
Loans to members	11.69%	51,144	174,906,819	372,532,901	-	547,490,864
		<u>137,585,412</u>	<u>199,722,841</u>	<u>382,082,901</u>	<u>4,662,770</u>	<u>724,053,924</u>
	<u>Effective Rate</u>	<b>2016</b>				<u>Total</u>
		<u>Up to 1 year</u> (S)	<u>1 to 5 years</u> (S)	<u>Over 5 years</u> (S)	<u>Non-Interest Bearing</u> (S)	<u>(S)</u>
<b>Financial Assets</b>						
Cash in hand and at bank	.005%	17,890,812	-	-	524,807	18,415,619
Fixed deposits	3.00%	90,924,738	-	-	-	90,924,738
Investment securities	6.00%	-	21,978,508	10,424,000	3,187,001	35,589,509
Loans to members	9.84%	106,441	174,929,091	348,973,069	-	524,008,601
		<u>108,921,991</u>	<u>196,907,599</u>	<u>359,397,069</u>	<u>3,711,808</u>	<u>668,938,467</u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**b) Credit risk -**

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

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

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

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

**Maximum exposure to credit risk before collateral held or credit enhancements**

	<b>31 December</b>	
	<u><b>2017</b></u>	<u><b>2016</b></u>
	(\$)	(\$)
Due from banks and other financial institutions	151,203	140,545
Accounts receivable	527,714	527,714
Loans to members	<u>8,689,823</u>	<u>5,113,316</u>
	<u><b>9,368,740</b></u>	<u><b>5,781,575</b></u>

**Financial assets that are neither past due nor impaired**

	<b>31 December</b>	
	<u><b>2017</b></u>	<u><b>2016</b></u>
	(\$)	(\$)
Cash held in reputable financial institutions	22,467,335	18,455,980
Short-term investments with no default anticipated	114,929,055	90,884,477
Long-term investments with no default anticipated	37,427,918	35,589,509
Accounts receivable with full repayment expected	6,279,054	4,031,959
Loans to members	<u>529,529,528</u>	<u>511,954,764</u>
	<u><b>710,632,890</b></u>	<u><b>660,916,689</b></u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**c) Liquidity risk -**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does 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 is exposed to daily calls on its available cash resources to settle financial and other liabilities.

**i) 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.

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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

**ii) Liquidity gap**

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

	<u>2017</u>				
	<u>Due on Demand</u> (\$)	<u>Up to 1 year</u> (\$)	<u>1 to 5 years</u> (\$)	<u>Over 5 years</u> (\$)	<u>Total</u> (\$)
<b>Assets</b>					
Cash	23,902,843	-	-	-	23,902,843
Liquid assets	-	115,107,194	-	-	115,107,194
Investment securities	-	-	24,816,022	12,737,001	37,553,023
Other assets (loans)	51,144	24,562,610	150,344,209	372,532,901	547,490,864
	<u>23,953,987</u>	<u>139,669,804</u>	<u>175,160,231</u>	<u>385,269,902</u>	<u>724,053,924</u>
<b>Liabilities</b>					
Deposits	32,690,650	5,012,033	-	-	37,702,683
Shares	-	-	-	585,394,117	585,394,117
	<u>32,690,650</u>	<u>5,012,033</u>	<u>-</u>	<u>585,394,117</u>	<u>623,096,800</u>
<u>2016</u>					
	<u>Due on Demand</u> (\$)	<u>Up to 1 year</u> (\$)	<u>1 to 5 years</u> (\$)	<u>Over 5 years</u> (\$)	<u>Total</u> (\$)
<b>Assets</b>					
Cash	18,415,619	-	-	-	18,415,619
Liquid assets	-	90,924,738	-	-	90,924,738
Investment securities	-	-	21,978,508	13,611,001	35,589,509
Other assets (loans)	106,441	22,011,026	152,918,065	348,973,069	524,008,601
	<u>18,522,060</u>	<u>112,935,764</u>	<u>174,896,573</u>	<u>362,584,070</u>	<u>668,938,467</u>
<b>Liabilities</b>					
Deposits	27,425,814	5,882,113	-	-	33,307,927
Shares	-	-	-	546,668,253	546,668,253
	<u>27,425,814</u>	<u>5,882,113</u>	<u>-</u>	<u>546,668,253</u>	<u>579,976,180</u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

**d) Currency risk -**

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

**e) Operational risk -**

Operational risk is the risk that derives 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.

**f) Compliance risk -**

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

**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 applies procedures to minimise this risk.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

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

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

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

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

- i) Whether investments are classified as held to maturity investments or loans and receivables.
- ii) Which depreciation method for plant and equipment is used.

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

i) Impairment of assets

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

ii) Plant 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.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**5. Cash and Cash Equivalents:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
<u>Cash in Hand and at Bank</u>		
Cash in hand - Trinidad	1,287,282	439,671
Cash in hand - Tobago	188,487	85,136
Scotiabank Trinidad and Tobago Limited - Trinidad current account	<u>22,427,074</u>	<u>17,890,812</u>
	<u>23,902,843</u>	<u>18,415,619</u>
<u>Fixed Deposits</u>		
RBC Royal Bank - ROYTRIN Mutual Fund	12,127,710	11,982,322
The Central Finance Facility Co-operative Society of Trinidad and Tobago Limited -Fixed Deposit	5,140,439	5,045,349
Bourse Securities Limited	9,854,349	9,590,606
Trinidad and Tobago Unit Trust Corporation	18,333,529	3,967,664
Scotiabank Trinidad and Tobago Limited	40,261	40,261
Guardian Group Trust Limited	5,759,762	5,656,201
KSBM Asset Management	15,281,946	14,852,539
KCL Capital Market Brokers Limited	10,830,128	7,347,090
First Citizens Investment Services Limited	25,093,980	21,797,616
Firstline Securities Limited	5,645,090	4,645,090
ANSA Merchant Bank Limited	-	6,000,000
JMMB Investments	<u>7,000,000</u>	<u>-</u>
	<u>115,107,194</u>	<u>90,924,738</u>
	<b><u>139,010,037</u></b>	<b><u>109,340,357</u></b>



**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**6. Available-for-Sale Investments:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Quoted</b>		
CLICO Investment Fund	2,759,400	2,972,268
First Citizens Bank Limited	1,065,664	1,164,904
Dehring, Bunting and Golding	-	215,070
GraceKennedy Limited	279,000	248,310
Trinidad Cement Limited	23,521	27,597
Guardian Holdings Limited	358,516	266,308
JMMB Group Limited	84,483	46,363
National Commercial Bank of Jamaica Limited	627,000	305,000
Royal Bank of Canada	219,215	177,765
Trinidad and Tobago National Gas Company	5,905,472	1,601,943
Trinidad and Tobago Unit Trust Corporation		
- Chaconia Growth and Income Fund*	1,419,461	1,249,065
- First Scheme	10,369,523	9,940,535
- Calypso Macro Index Fund	1,704,767	1,743,801
- UTC Corporate Fund	-	2,019,579
	<u>24,816,022</u>	<u>21,978,508</u>
<b>Unquoted</b>		
LinCU Limited	2,562,001	2,562,001
Shares – CFF	<u>625,000</u>	<u>625,000</u>
	<u>3,187,001</u>	<u>3,187,001</u>
	<u><b>28,003,023</b></u>	<u><b>25,165,509</b></u>

\* This account is held in US\$ but quoted in the TT\$ equivalent for the purposes of these statements.

**7. Accrued Interest on Loans:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Accrued interest on loans	4,745,756	5,388,139
Less: Allowance for loan losses	<u>(211,478)</u>	<u>(211,478)</u>
	<u><b>4,534,278</b></u>	<u><b>5,176,661</b></u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**8. Accounts Receivable and Prepayments:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Interest receivable on investments	690,939	584,911
Mt. Marie Guest House trade receivables	225,645	225,645
Other receivables	3,291,263	3,620,718
Prepayments	<u>501,160</u>	<u>129,230</u>
	4,709,007	4,560,504
Less: Allowance for impairment	<u>(831)</u>	<u>(831)</u>
	<b><u>4,708,176</u></b>	<b><u>4,559,673</u></b>

**9. Inventories:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Appliance Centre	3,117,058	4,285,178
Stationery	<u>25,510</u>	<u>14,827</u>
	<b><u>3,142,568</u></b>	<b><u>4,300,005</u></b>

**10. Held to Maturity Investments:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Bonds - Central Bank	-	774,000
- NIPDEC	3,000,000	3,000,000
- Government of the Republic of Trinidad & Tobago	6,000,000	6,000,000
- Prestige Holdings Limited	<u>550,000</u>	<u>650,000</u>
	<b><u>9,550,000</u></b>	<b><u>10,424,000</u></b>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**11. Loans to Members:**

**a) Loans Granted -**

	<b>31 December</b>	
	<u>2017</u> ( <u>\$</u> )	<u>2016</u> ( <u>\$</u> )
<b>Personal loans:</b>		
Principal	<u>426,324,579</u>	<u>407,543,740</u>
	<u>426,324,579</u>	<u>407,543,740</u>
<b>Consumer loans:</b>		
Principal	<u>10,464,477</u>	<u>11,776,778</u>
	<u>10,464,477</u>	<u>11,776,778</u>
<b>Other loans:</b>		
LinCu loan	151,217	1,326,368
Vehicle loans	52,136,767	50,151,910
Share Incentive Plan loan	2,016,100	7,038,284
Interim car loans	-	-
Christmas loans	27,847,335	25,551,194
Vacation loans	7,645,237	7,039,714
Budget organiser loans	3,051	15,155
Build Your Wealth	-	5,146
Soft loans	484,851	482,008
999 Share incentive loan	5,871,294	207,613
Back Pay loan	15,761,170	12,266,557
Back to school loan	2,088,986	1,962,248
Share Incentive 2011	67,399	1,480,756
Sport and Family day loans	5,821	429,356
Wedding loan	1,756,769	35,317
Emergency loan	<u>3,759</u>	<u>-</u>
	<u>115,839,756</u>	<u>107,991,626</u>
	552,628,812	527,312,144
Less: Allowance for impairment	<u>(5,137,948)</u>	<u>(3,303,543)</u>
	<u><b>547,490,864</b></u>	<u><b>524,008,601</b></u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**11. Loans to Members (Cont'd):**

**b) Allowance for Loan Losses -**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Balance brought forward	3,303,543	2,514,852
Additional allowance for loan losses	3,091,624	1,802,162
Loans written off	<u>(1,257,219)</u>	<u>(1,013,471)</u>
Balance carried forward	<u>5,137,948</u>	<u>3,303,543</u>

**c) Analysis of loans that are past due but not impaired -**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Up to 3 months	9,149,020	10,004,845
More than 3 months but less than 6 months	2,654,140	1,238,548
More than 6 months but less than 1 year	<u>1,047,968</u>	<u>810,444</u>
	<b><u>12,851,128</u></b>	<b><u>12,053,837</u></b>

**12. Investment Properties:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Cost</b>		
Balance, beginning of year	6,005,000	6,005,000
Additions	<u>90,941</u>	<u>-</u>
Balance, end of year	<u>6,095,941</u>	<u>6,005,000</u>
<b>Accumulated Depreciation</b>		
Balance, beginning of year	29,375	15,275
Charge	<u>14,701</u>	<u>14,100</u>
Balance, end of year	<u>44,076</u>	<u>29,375</u>
<b>Net Book Value</b>		
Balance, beginning of year	<u>5,975,625</u>	<u>5,989,725</u>
Balance, end of year	<b><u>6,051,865</u></b>	<b><u>5,975,625</u></b>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**13. Fixed Assets:**

<b>Cost</b>	<b>Freehold Property (S)</b>	<b>Work-in-Progress (S)</b>	<b>Leasehold Improvements (S)</b>	<b>Computer Equipment and Software (S)</b>	<b>Fixtures and Fittings (S)</b>	<b>Motor Vehicles (S)</b>	<b>Office Furniture and Equipment (S)</b>	<b>Kitchen Equipment Mt. Marie (S)</b>	<b>Total (S)</b>
Balance as at 1 January 2017	28,718,979	10,982,739	337,721	8,859,493	1,956,007	436,000	5,379,209	215,966	56,886,114
Additions	157,509	1,633,718	-	62,367	201,533	-	50,466	-	2,105,593
Balance as at 31 December 2017	<u>28,876,488</u>	<u>12,616,457</u>	<u>337,721</u>	<u>8,921,860</u>	<u>2,157,540</u>	<u>436,000</u>	<u>5,429,675</u>	<u>215,966</u>	<u>58,991,707</u>
<b>Accumulated Depreciation</b>									
Balance as at 1 January 2017	414,099	-	330,548	6,550,751	986,608	423,887	2,490,676	183,484	11,380,053
Charge	253,512	-	1,435	482,464	98,776	4,036	291,001	3,248	1,134,472
Balance as at 31 December 2017	<u>667,611</u>	<u>-</u>	<u>331,983</u>	<u>7,033,215</u>	<u>1,085,384</u>	<u>427,923</u>	<u>2,781,677</u>	<u>186,732</u>	<u>12,514,525</u>
<b>Net Book Value</b>									
Balance as at 31 December 2017	<u>28,208,877</u>	<u>12,616,457</u>	<u>5,738</u>	<u>1,888,645</u>	<u>1,072,156</u>	<u>8,077</u>	<u>2,647,998</u>	<u>29,234</u>	<u>46,477,182</u>
Balance as at 31 December 2016	<u>28,304,880</u>	<u>10,982,739</u>	<u>7,173</u>	<u>2,308,742</u>	<u>969,399</u>	<u>12,113</u>	<u>2,888,533</u>	<u>32,482</u>	<u>45,506,061</u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

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

Cost	Freehold Property (S)	Work-in-Progress (S)	Leasehold Improvements (S)	Computer Equipment and Software (S)		Fixtures and Fittings (S)	Motor Vehicles (S)	Office Furniture and Equipment (S)	Kitchen Equipment Mt. Marie (S)	Total (S)
				Equipment (S)	Software (S)					
Balance as at 1 January 2016	27,307,420	4,559,222	337,721	7,950,263	1,928,115	436,000	4,690,447	215,966	47,425,154	
Additions	1,461,486	6,423,517	-	909,230	422,564	-	963,106	-	10,179,903	
Transfers	(49,927)	-	-	-	-	-	-	-	(49,927)	
Disposals	-	-	-	-	(394,672)	-	(274,344)	-	(669,016)	
Balance as at 31 December 2016	<u>28,718,979</u>	<u>10,982,739</u>	<u>337,721</u>	<u>8,859,493</u>	<u>1,956,007</u>	<u>436,000</u>	<u>5,379,209</u>	<u>215,966</u>	<u>56,886,114</u>	
<b>Accumulated Depreciation</b>										
Balance as at 1 January 2016	175,286	-	328,754	6,163,575	1,232,793	417,833	2,427,243	179,876	10,925,360	
Charge	238,813	-	1,794	387,176	77,541	6,054	284,095	3,608	999,081	
Disposals	-	-	-	-	(323,726)	-	(220,662)	-	(544,388)	
Balance as at 31 December 2016	<u>414,099</u>	<u>-</u>	<u>330,548</u>	<u>6,550,751</u>	<u>986,608</u>	<u>423,887</u>	<u>2,490,676</u>	<u>183,484</u>	<u>11,380,053</u>	
<b>Net Book Value</b>										
Balance as at 31 December 2016	<u>28,304,880</u>	<u>10,982,739</u>	<u>7,173</u>	<u>2,308,742</u>	<u>969,399</u>	<u>12,113</u>	<u>2,888,533</u>	<u>32,482</u>	<u>45,506,061</u>	
Balance as at 31 December 2015	<u>27,132,134</u>	<u>4,559,222</u>	<u>8,967</u>	<u>1,786,688</u>	<u>695,322</u>	<u>18,167</u>	<u>2,263,204</u>	<u>36,090</u>	<u>36,499,794</u>	

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**14. Accounts Payable and Accruals:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Trade creditors	247,853	720,176
Audit fees	175,000	168,750
Group health	846,299	532,457
Medical Plan	3,247,222	3,285,228
Members' trust fund	7,348,845	7,064,916
Mt. Marie payables	6,000	6,000
Other payables	<u>6,406,678</u>	<u>5,106,198</u>
	<b><u>18,277,897</u></b>	<b><u>16,883,725</u></b>

**15. Members' Shares:**

According to the Bye-Laws of the Trinidad and Tobago Police Credit Union Co-operative Society Limited (Section 6(i) and 7(a) (i)), the capital of the Society may be composed of an unlimited number of shares of \$5.00 each. In accordance with International Financial Reporting Interpretation Committee (IFRIC) Interpretation #2, redeemable shares have been treated as liabilities.

**16. General Reserve Fund:**

In accordance with the Co-operative Societies Act, 1971, Section 47 (2) and By-Law 11 (i) of the Credit Union, at least 10% of the annual net surplus for the year of the Society is charged to the Reserve Fund.

**17. Education Reserve Fund:**

In accordance with By Law 11 (i) of the Credit Union, an amount not exceeding 5% of the net surplus for the year, is transferred to the Education Fund. This fund is to be used for educational purposes.

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

The Society has created an investment reserve which includes the following:

- i) Unrealised gains/losses on available-for-sale investments.
- ii) Transfers from Retained Earnings.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**19. Revaluation Surplus:**

The revaluation of the Credit Union's properties was done by independent valuers Raymond and Pierre Limited during the year 2014. This resulted in a decrease in the property revaluation reserve of **\$1,200,265**.

**20. Building Fund:**

The Building Fund was established for the construction of the head office building at 33-35 Eastern Main Road, Barataria.

**21. Fair Values:**

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

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

**a) Current assets and liabilities -**

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

**b) Members' Loans -**

Loans are net of specific 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.

**c) Investments -**

The fair values of investments are determined on the basis of quoted market prices available at 31 December 2017.

**d) Members' deposits -**

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



**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**22. 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, and 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, and comprises members' shares, reserves and retained earnings.

**23. Contingent Liability:**

Under the existing agreement with the Bank and General Workers' Union, the Society is contingently liable to its employees for severance payments in the event of redundancy and termination by the Society on grounds of ill-health. No provision has been made for these liabilities in the financial statements and the expense is accounted for when paid.

**24. Dividends:**

The Board of Directors has proposed an average dividend of 4% in the amount of **\$22,748,475** for the year ended 31 December 2017. This is subject to approval by the membership at the Annual General Meeting and is not recorded as a liability in these financial statements in accordance with IAS #10.

**25. 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.

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

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**25. Related Party Transactions (Cont'd):**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
<b>Assets</b>		
Loans to key management personnel	<u>6,652,141</u>	<u>7,255,233</u>
<b>Deposits and other liabilities</b>		
Shares held by directors and key management personnel	<u>6,235,001</u>	<u>7,441,666</u>
<b>Income</b>		
Directors and key management personnel	<u>515,889</u>	<u>714,414</u>
<b>Interest and other expenses</b>		
Directors and key management personnel	<u>859,759</u>	<u>1,532,129</u>
<b>Key management compensation</b>		
Short-term benefits	1,399,476	997,295
Post employment benefits	<u>110,481</u>	<u>-</u>
	<u>1,509,957</u>	<u>997,295</u>

**26. Capital Commitments:**

The Society intends to begin construction of their new Head Office building at #33-35 Eastern Main Road, San Juan in 2018.

**27. Lease Commitments:**

Lessee

The Society's has entered into an operating lease with Sylvester Metivier in the sum of **\$32,000** per month for the lease of the building situated at #45 Sorzano Street, Arima, which temporarily locates the Sangre Grande offices of the Trinidad and Tobago Police Credit Union.

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**27. Lease Commitments Cont'd):**

Lessor

The Society has entered into lease agreements and generated income with tenants under the following terms:

Lessee	Location	Commencement	Duration	31 December	
				2017 (\$)	2016 (\$)
Complaints Division Ministry of National Security	19A Mon Chagrin Street, San Fernando	5 April 2010	3 years	144,000	144,000
				<u>144,000</u>	<u>144,000</u>

**28. Miscellaneous Income:**

	31 December	
	2017 (\$)	2016 (\$)
Service charges	5,002,166	4,956,872
Other income	2,638,850	2,229,419
	<u>7,641,016</u>	<u>7,186,291</u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**29. Administrative Expenses:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Advertising and promotion	882,848	984,148
Annual general meeting	682,684	501,400
Bad debt	53,214	-
Building maintenance	817,868	788,624
Computer supplies	444,908	535,569
Depreciation	1,149,173	1,013,181
Employer's contribution – Group life/health and pension	753,147	730,754
Insurance	171,627	182,410
Janitorial services	187,259	191,442
League dues	100,406	-
Loan loss expense	3,091,624	1,755,629
Loss on disposal of fixed assets	-	124,628
Loss on disposal of investments	14,882	-
Miscellaneous	2,389	61,609
Motor vehicles repairs and maintenance	15,243	16,746
Office supplies, printing and stationery	1,023,823	1,119,754
Premiums written off	27,735	27,735
Professional services	365,738	337,643
Rates and taxes	24,407	26,117
Rentals	573,626	561,285
Repairs – office equipment	187,270	150,363
Repairs rental property	-	255,166
Scholarships	308,572	303,720
Security	724,866	732,620
Sports and culture expenses	111,489	474,133
Stabilisation Fund	239,608	149,479
Subscriptions and donations	363,893	358,255
Travelling and subsistence	314,680	297,678
Utilities	<u>1,235,192</u>	<u>1,263,460</u>
	<b><u>13,868,171</u></b>	<b><u>12,943,548</u></b>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**30. Board and Committee Expenses:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Committee expenses	444,265	400,615
Meeting expenses	151,145	161,900
Officers' allowances	<u>262,050</u>	<u>255,200</u>
	<b><u>857,460</u></b>	<b><u>817,715</u></b>

**31. Personnel Costs:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
National insurance	860,892	863,368
Salaries, wages and benefits	<u>13,947,082</u>	<u>12,221,514</u>
	<b><u>14,807,974</u></b>	<b><u>13,084,882</u></b>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**32. Net Income - Appliance Centre:**

	<b>31 December</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>
	<b>(\$)</b>	<b>(\$)</b>
Appliance Centre sales	9,722,356	11,563,775
Less: Cost of sales:	<u>(6,808,993)</u>	<u>(8,490,506)</u>
 Total income	 <u>2,913,363</u>	 <u>3,073,269</u>
Less: Overhead Expenses:		
Advertising and promotion	160,223	159,752
Appliance Centre repairs	719	3,758
Building maintenance	284,406	119,030
Discounts allowed	277,929	291,332
Janitorial services	24,600	26,000
Motor vehicle repairs and maintenance	30,089	46,594
Office supplies	56,694	53,571
Rentals	108,859	-
Repairs - Office equipment	28,590	15,342
Salaries and wages	1,319,802	1,311,627
Security	74,101	26,038
Travelling and subsistence	105	88
Utilities	172,620	176,411
Warehouse rentals	<u>516,000</u>	<u>593,389</u>
 Total Overhead Expenses	 <u>3,054,737</u>	 <u>2,822,932</u>
 Net (loss)/income	 <u><b>(141,374)</b></u>	 <u><b>250,337</b></u>

**TRINIDAD AND TOBAGO POLICE CREDIT UNION  
CO-OPERATIVE SOCIETY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2017**

**33. Net Loss - Mount Marie Guest House:**

	<b>31 December</b>	
	<b><u>2017</u></b> <b>(\$)</b>	<b><u>2016</u></b> <b>(\$)</b>
<b>Receipts -</b>		
Lease income	-	-
<b>Expenses -</b>		
Building maintenance	-	(960)
Utilities	-	(6,113)
Office expenses	-	(1,350)
	<hr/>	<hr/>
<b>Net loss</b>	<b>-</b>	<b>(8,423)</b>
	<hr/>	<hr/>



# NOMINATING COMMITTEE'S REPORT

In keeping with Bye-Law 17 (i) of the Trinidad and Tobago Police Credit Union Co-operative Society Limited, The Board of Directors appointed a Nominating Committee for the year 2017/2018.

## COMPOSITION OF THE COMMITTEE

Ms. Gale Charles	Convener (Board of Directors)
Mr. Lennox Charles	Secretary
Ms. Kathleen Weekes	Member
Mr. Learic Roach	Member (Nominee of the Supervisory Committee)
Mr. Alexander Prince	Member (Resigned on the 15th December 2017)
Mr. Clint Arthur	Member (Appointment began on 21st December 2017))

## COMMITTEE'S MANDATE

To select fit and proper persons who are willing to be considered for election to the Board of Directors, Supervisory Committee and Credit Committee and who meet the eligibility criteria as set out in the Bye-Laws.

## METHODOLOGY

The Committee held eight (8) meetings at which it perused twenty- five (25) applications. Eleven (11) Board of Directors, four (4) Supervisory Committee and ten (10) Credit Committee.

The committee also interviewed 10 new applicants. It must be noted that one applicant, Mr. Dave Ablacksingh was informed of his interview however he failed to attend nor did he communicate with the organization. The other applicant Mr. Kelvin Brijmohansingh withdrew his application.

The following names have been forwarded for your consideration:

## BOARD OF DIRECTORS:

- Ms. Margaret Sampson-Browne
- Mr. Harold Phillip
- Mr. Leslie Charles
- Ms. Lystra Sebros
- Mr. Anderson Gonzales
- Mr. Phillip Wilson
- Mr. Neal Ryan Rawlins
- Ms. Ann Zita Joseph
- Mr. Alexander Prince

## SUPERVISORY COMMITTEE:

- Mr. Herbert Moore
- Ms. Cherisse Corentin
- Ms. Dana Joseph





## NOMINATING COMMITTEE'S REPORT *(continued)*

### CREDIT COMMITTEE:

- Mr. Franklyn Archie
- Mr. Carlyle Bascombe
- Mr. Nigel Williams
- Mr. Lyndon Fraser
- Mr. Laurence Squires
- Mr. Nefeez Mohammed

### DECISION

Several of the applicants screened were not sent forth for your consideration, this is because the committee by the process of interviews, found them to be unprepared for the positions for which they had applied. We value the trust placed in us to select the best fit for the organization and as such drew on the combined resources of the committee in making these selections. We advise those who were not selected to re-apply at a later time, having 're aligned their tool kits' all in an effort to afford the organization the best service possible.

We also wish to advise the meeting that nominations would be accepted from the floor for two (2) positions on the Supervisory Committee, since insufficient applicants were received for this committee. Members are advised to consider carefully before offering themselves for service since the demands of the organization might be overwhelming.

### CONCLUSION

The Committee is pleased to see an increasing number of new applicants availing themselves to serve on the Board of Directors and the Credit Committee. This would ensure continuity for the progress of the organization. We hope the same would apply to all our committees in the future, since your input drives the organization forward.

**Given the dynamic environment within which the organization operates. The committee wishes to urge members to use their vote wisely and elect persons who are of good character, competent, honest, financially sound, reputable, reliable, and sound in judgment.**

The Committee wishes to extend its gratitude for the opportunity to serve our membership and be part of the process to ensure the continued growth and development of our Organization.

We take the opportunity to thank all applicants and wish them success.

Ms. Gale Charles  
CONVENOR



# BUDGET

## “On the Path to Sustainable Growth”

The PCU predicated upon its strategic plan (2016-2020) which embarked upon a customer focused strategy based upon aggressive marketing designed to sustain growth and also continue wealth maximization to the members through a consistent dividend policy.

The 2018 budget is thus predicated upon specific assumptions:

- Uncertain domestic Economic climate (Stagnation or Recession)
- New marketing strategies to stimulate demand for the Credit Union’s products and services.
- An increase in demand for new loans of \$195 million
- A 40% Increase in Membership over the period.

The format for the 2018 budget is as follows:

- o Balance Sheet
- o Income Statements for the three divisions
- o Statement of Cash Flows
- o Capital Expenditure summary.

## Comparative Analysis 2018,

Your credit union continues to manifest sustained growth, with 2017 year end results.

The comparative analysis of the results of 2017 operations is as follows.

	Budget	Actual	Variance
	\$	\$	\$
Total/Gross Income	67,589,788	70,278,370	2,688,582
Total Expenses	41,291,915	41,102,589	189,326
Net Surplus	26,297,873	29,175,781	2,877,908
Capital Expenditure	2,521,228	2,190,155	331,073



## BUDGET *(continued)*

The targeted net surplus was achieved during this period despite the challenging economic environment which testifies to the benefit of proper and prudent financial management.

### Projections 2018

Our targeted Net Surplus was surpassed in 2017 but astute management remains imperative given the uncertain economic projections for 2018. Notwithstanding the economic and other challenges, the Credit Union remains well poised for sustainable growth and improving the wealth of members. A net surplus of approximately \$23.2 million is targeted. It is projected that the Credit Union would generate total Revenue of \$70.9 million, - \$67.2 million from Credit Union operations and \$3.7 million from Consumer division, generating a net surplus of approximately \$23.2 million as presented in the summary below.

Capital expenditure consists of the construction of our Arima/ San Grande branch, Computer Hardware and Software and Fixtures and Fittings.

The summary of the Budget 2018 is as follows:

	Credit Union	Consumer	Resort	TOTAL
	\$	\$	\$	\$
Total/Gross Income	67,233,228	3,729,533		70,962,761
Total Expenses	45,278,387	2,458,820		47,737,207
Net Surplus	21,954,841	1,270,713		23,225,554
Capital Expenditure	14,615,800	628,000		15,243,800

Growth in Total/Gross Income from 2018 levels is expected to be generated from the Loan Interest category of Credit Union operations – favorably affected by the increased level of loans made possible by the increased level of shareholding through our aggressive marketing strategy.



# RESOLUTIONS

## DIVIDENDS

- Whereas the Board of Directors has continued to manage the Society's resources in an efficient and effective manner; and
- Whereas the Society is committed to providing adequate facilities and services for its members; and
- Whereas it is necessary to keep pace with globalisation, and the technological and managerial changes taking place in the financial services environment; and
- Whereas the Board of Directors is determined to provide members with a reasonable return on their investment; and
- Whereas the Trinidad & Tobago Police Credit Union has realised a Net Surplus of \$29,175,781 for the financial year ended 31st December 2017,

*BE IT RESOLVED THAT:*

*Dividend Declaration:*

*"A dividend of 4 % of which 3% be paid in cash, 1% be retained in shares."*

## HONORARIUM

- Whereas the Trinidad & Tobago Police Service Credit Union achieved a Net Surplus of \$29,175,781 for 2017; and
- Whereas the fiduciary responsibilities of the Management Team continue to increase significantly; and
- Whereas the Management Team has performed its duties with commitment, efficiency and prudence;

*BE IT RESOLVED THAT;*

*"An Honorarium of \$245,000 be declared, to be divided among the Management Team which consists of 33 members."*

## AUDITORS'

- Whereas the Board of Directors recognized the professional quality of work performed by our present auditors; in compliance with good governance and standard audit best practices it is recommended that the firm PKF Chartered Accountants and Business Advisors be retained as the external auditors for the year 2018.

*BE IT RESOLVED THAT;*

*"The Firm PKF Chartered Accountants and Business Advisors be appointed as Auditors of the Society for the next financial year."*



## RESOLUTIONS *(continued)*

### INTEREST REBATE

- Whereas the Trinidad and Tobago Police Credit Union has achieved a Net Surplus of \$29,175,781 for the financial year ended December 31, 2017; and,
- Whereas the Credit Union has distributed the Surplus in accordance with the Bye Laws; and,
- Whereas the residue of \$2 million was realized after so doing.

*Be It Resolved That:*

*“The Credit Union, having recognized the Commitment of the Membership in realizing the said Surplus, has declared that the said sum of \$0.4 million be given to Members of the Credit Union as an Interest Rebate of 1% on Personal Loans to Members who are in good standing in the Credit Union.”*



Trinidad & Tobago  
Police Credit Union  
Co-operative Society Limited

# HOW TO VOTE

## The 7 Step Voting Process



**1.** Voting will be announced and directions will be given by your designated ushers. **REMAIN SEATED.**

**2.** Submit your ballot chit to your aisle usher & receive ballot paper.

**3.** Carefully shade your choices with the **BLACK INK** pen provided. **REMAIN SEATED.**

**4.** Once your **BALLOT** paper is completed, remain seated. **DO NOT FOLD** or **BEND** ballot paper.

**5.** Await your aisle usher signal to proceed to the ballot box.

**6.** Submit Ballot Paper Face down.

**7.** Submerge index finger in ink!



**AND YOU ARE DONE!**



# NOMINEE PROFILES

## Board of Directors

Name:	Mrs. Margaret Sampson-Browne
Place of Work:	C.E.P.E.P Company Limited
Position:	Corporative Company Manager
PCU Membership:	40 years
Credit Union Experience	Board of Directors Education Committee Credit Committee Supervisory Committee Member
Credit Union Training	Workshops, Seminars Overseas Conference
Other Training	B.Sc (Hons) Social Work Certificate in Criminology Certificate in Communication and Human Resource Diploma to Teach Hearing Impaired



Name:	Harold Phillip
Place of Work:	Trinidad & Tobago Police Service
Position:	Ag Deputy Commissioner of Police
PCU Membership:	37 Years
Credit Union Experience	Supervisory Committee Education Committee Past Board of Director
Credit Union Training	Workshops/Seminars/ International Conference participation
Other Training	Masters of Business Administration Diploma in Security Administration Legal Education Certificate[L.E.C]



Name:	Leslie Charles
Place of Work:	Barataria South Secondary School
Position:	Teacher III Secondary
PCU Membership:	20 years
Credit Union Experience	Board of Directors Supervisory Committee
Credit Union Training	Workshops ,Seminars
Other Training	Post Graduate Diploma in Educational Administration International Masters in Business Administration Associate Degree Mathematics



Name:	Ljstra Sebros
Place of Work:	Trinidad and Tobago Police Service
Position:	Police
PCU Membership:	36 Years
Credit Union Experience	Secretary, Credit Committee Education Committee Credit Committee
Credit Union Training	Workshops/Seminars/International Conference participation
Other Training	Associate of Science Degree in Labour Studies Diploma in Security Administration and Management Science of Fingerprint (Advanced)



Name:	Alexander Prince
Place of Work:	The Judiciary of Trinidad and Tobago
Position:	Magistrate
PCU Membership:	35 Years
Credit Union Experience	Past President BOD Member
Credit Union Training	Workshops/Seminars
Other Training	Masters in Business Administration B.Sc.(LLB-Honours) Law Certificate in Alternative Dispute Resolution





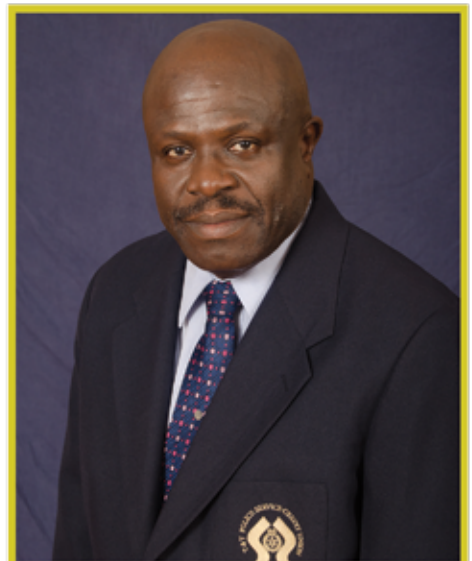
Name:	Neal Rawlins
Place of Work:	Trinidad & Tobago Police Service
Position:	Lead Analysis Operations (CAPA)
PCU Membership:	34 Years
Credit Union Experience	Supervisory Committee, Member
Credit Union Training	Workshop/Conferences/Seminars
Other Training	Associate in Science Degree, Criminal Justice Associate in Science, Degree Police



Name:	Anderson Gonzales
Place of Work:	Trinidad and Tobago Police Service
Position:	Police Officer
PCU Membership:	29 Years
Credit Union Experience	Alternate Board of Directors Supervisory Committee Education Committee, Member
Credit Union Training	Workshops/Seminars
Other Training	Associate Degree Protective Services Management Pursuing BA in Criminal Justice



Name:	Phillip Wilson
Place of Work:	Phillip A Wilson and Company
Position:	Attorney at Law
PCU Membership:	26 Years
Credit Union Experience	Board of Director Past President Supervisory Committee, Member
Credit Union Training	Workshops/Seminars/ International
Other Training	Conference participation Post Graduate Diploma in Legal Practice (UK) Post Graduate Diploma in Law Bachelor of Laws [LLB] Certificate in Instructional Techniques Certified Mediator Mediation Skills Train the Trainer [Penn State]



Name	Ann Zita Joseph
Place of Work	Empower Administrative Services
Position	Management Consultant
PCU Membership	7 Years
Other Training	BA in International Business Administration Masters Certificate in Project Management



## Supervisory Committee

Name:	Herbert Moore
Place of Work:	Retired
PCU Membership:	26 Years
Credit Union Experience	Supervisory Committee, Member
Credit Union Training	Workshop/Seminars
Other Training	Masters in Human Resource Management Associate of Science in Project Management



Name:	Cherisse Corentin
Place of Work:	St. Francois Girls College
Position	Teacher
PCU Membership:	13 Years
Credit Union Experience	BA. Sc Processing Engineering
Credit Union Training	BSc Mathematics
Other Training	Pending Masters of Business Administration

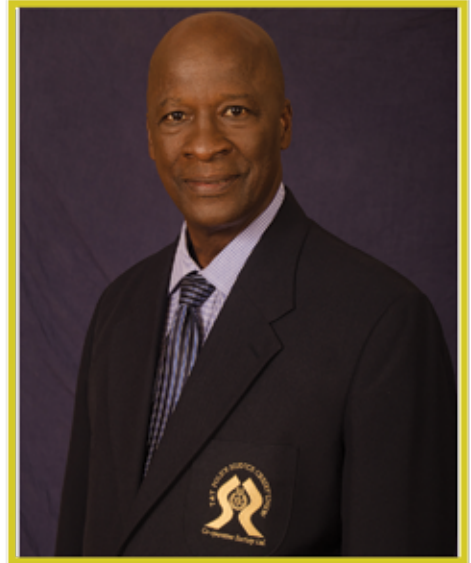


Name:	Dana Joseph
Place of Work:	Grant Thornton ORBIT Solutions Ltd.
Position	Auditor
PCU Membership:	5 Years
Other Training	ICAITT Member ACCA Member Advanced Diploma in Accounting & Business Certified Accounting Technician

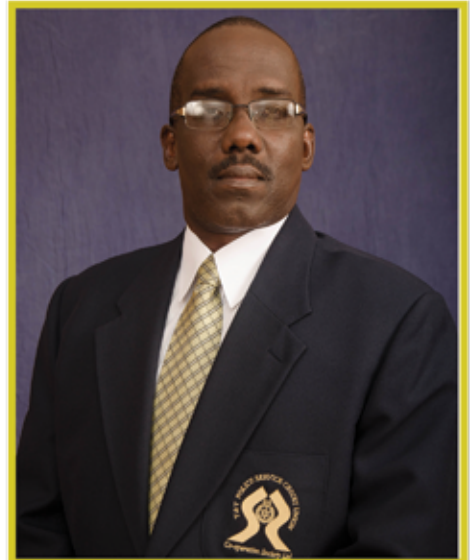


## Credit Committee

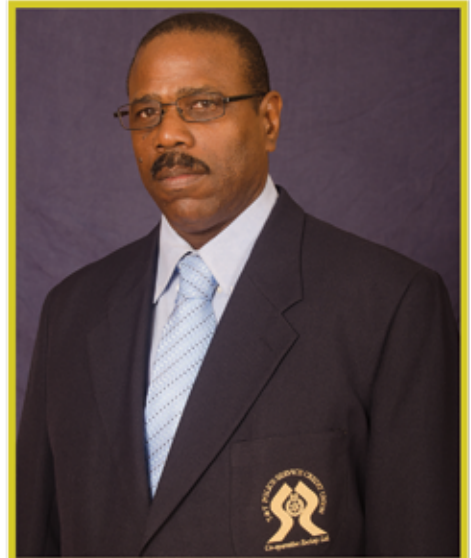
Name	Franklyn Archie
Place of Work	Premium Security Services
Position	Chief Executive Officer
PCU Membership	44 Years
Credit Union Experience	Member, Credit Committee Supervisory Committee
Credit Union Training	Workshops/Seminars/International Conference participation
Other Training	International Certified Firearms Instructor Diploma for Police Drill Instructors



Name	Carlisle Bascombe
PCU Membership	33 Years
Place of Work	Leadership & Security Management Consultants
Credit Union Experience	Member, Credit Committee
Credit Union Training	Workshops/Seminars/International Conference participation
Other Training/ Related Skills	BSc [Hons.] Political Science Msc. Political Science (Government) Msc. Criminology and Criminal Justice



Name	Laurence Squires
Place of Work:	Trinidad & Tobago Police Service
Position:	Police Officer
PCU Membership:	32 Years
Credit Union Experience:	Member, Supervisory Committee Member, Credit Committee
Credit Union Training	Workshops/Seminars
Other Training	Certificate, Audit Technique Certificate, Draughtsmanship Certificate, Cost Accounting Certificate, Small Business Mgt.



Name	Nafeez Mohammed
Place of Work	Police Training Academy
Position	Police Aq. Inspector
PCU Membership	34 Years
Credit Union Experience	Member Credit Committee
Credit Union Training	Workshop/Conference/Seminar
Other Training	Certificate, Finger Printing Certificate, Photography Certificate, Crime Scene Search, Testimony & Latent Print Comparison Certificate, Human Resource Management Certificate, Theory & Practice of Crime Scene Investigations Associates, Occupational Safety & Health



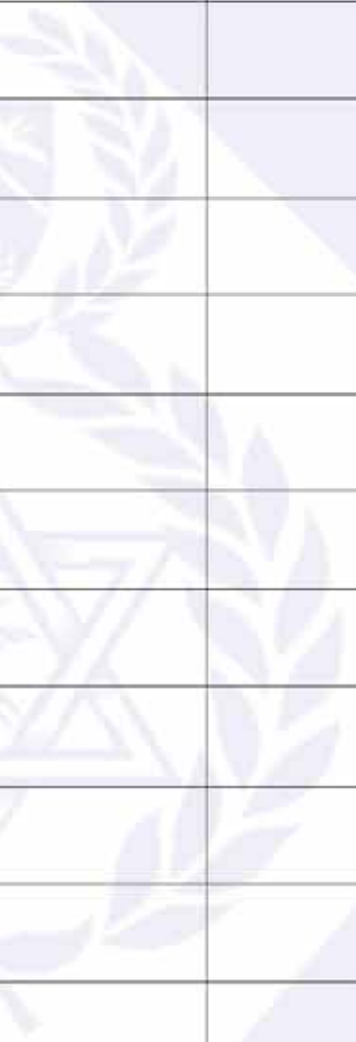
Name	Nigel Williams
Place of Work	Trinidad and Tobago Police Service
Position	Police Officer
PCU Membership	23 Years
Other Training	Post Graduate Diploma International Relations BA (Hons) Human Resource Management Pursuing MSc Global Studies



Name	Lyndon Fraser
PCU Membership	20 Years
Place of Work	Organised Crime and Intelligence Unit
Position	Police Officer
Other Training	Basic Forensic Course Level 1 Investigator Course Homicide Investigators Course Information Technology Pursuing BA Visual Arts



# NOTES



# NOTES





TRINIDAD & TOBAGO  
POLICE CREDIT UNION

[www.policecreditunion.com](http://www.policecreditunion.com)

612-4PCU(728)

