

VISION

To be the most Dynamic Financial Co-operative Society in Trinidad and Tobago.

MISSION STATEMENT

We are committed to the provision of new,
innovative and a varied range of financial products and services.

CORE VALUES

Accountability. Excellence. Integrity.





The Building Blocks of our Future

SFCCU'S Corporate Profile Information

Registered Name: SFCCU Credit Union Society Limited

Registration No.: 54

Registered Office: No. 16 Irving Street, San Fernando

Branch Office: Shop No. 7 Montano Plaza, Lower High Street, San Fernando.

Telephone No.: Head Office: 657-5669, 652-7510

Fax: 653-0305

Branch Office: 653-7745, 657-8571

Fax: 653-7274

Website: <http://www.sfccu.com>

E-mail address: services@sfccu.com

Principal Bankers: Republic Bank Limited and RBTT Bank Limited

Stock Brokers: West Indies Brokers

Financial Advisers: Caribbean Money Market Brokers (CMMB)
Guardian Asset Management Limited (GAM)

Legal Advisor: Roger E.V. Bartley Esq.

Financial Products:

- (a) Money Market Gold(MMG) Deposit Account
- (b) Credit Union Retirement Enrichment (CURE)
- (c) Investment Packages
- (d) SFCCU Triple Dream
- (e) SFCCU Investment

Services:

- (1) Christmas Packages Loan
- (2) Car Loans
- (3) Consumer Loans
- (4) Educational Loans
- (5) Financial Counseling
- (6) Legal Advice

The National Anthem

Forged from the love of liberty
In the fires of hope and prayer
With boundless faith in our Destiny
We solemnly declare

Side by side we stand
Islands of the blue Caribbean Sea
This our native land
We pledge our lives to thee

Here every creed and race
Find an equal place
And may God bless our Nation
Here every creed and race
Find an equal place
And may God bless our Nation

Credit Union Prayer

Lord, make me an instrument of thy peace
Where there is hatred, let me sow love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light, and
Where there is sadness, joy

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



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NOTICE:

SFCCU Credit Union Co-Operative Society Limited 50th Annual General Meeting

Omardeen School of Accountancy Limited
59-61 Cipero Street, San Fernando

Saturday 26th November, 2011
Registration commences at 12:00 noon
and Official Business from 1:00 pm

THE PURPOSE OF THE MEETING

- To receive Minutes of the 49th Annual General Meeting (19th March 2011)
- To receive Minutes of the Reconvened 49th Annual General Meeting (16th April 2011)
- To receive Reports from the Statutory Committees for the Year Ended 31st December, 2010
- To receive the Report from the Treasurer for the Year Ended 31st December 2010.
- To receive the Report from the Auditors and Financial Statements for the Year Ended 31st December 2010
- To treat with the issue of Property Management
- To receive Budgetary Proposals for 2011
- Resolutions
- To transact any other business that may properly come before the Meeting.

By order of the Board of Directors
SFCCU Credit Union Co-operative Society Limited



CURT ALLAN
Secretary

President's Address

“Vision, Commitment, Execution – the building blocks of our future”, a theme aptly chosen for this 2010 Annual General Meeting (AGM). We have had a few tumultuous years wherein we were unable to keep the 2009 AGM until 2011 due to the delay in having the accounts prepared and audited, wherein we suffered the loss of a General Manager and Senior Accountant that we were only recently able to replace. Even still, we have had to delay the hosting of this 2010 AGM due to the late preparation and auditing of the 2010 accounts. Despite all the problems that we encountered, there is no excuse for a financial institution not having monthly accounts and by extension, annual accounts, prepared in a timely fashion. It is with the information contained therein that trends can be identified and optimal financial decisions made. Given this fact, I promise you that systems and procedures will be put in place to ensure that all staff are adequately trained to ensure that the absence of a Senior Accountant or indeed a General Manager will not result in the none preparation of accounts.

Now that we have filled the positions mentioned above, it is the intention of the Board to embark on a series of Strategic Planning Sessions together with the statutory committees, senior management and staff to produce a strategic plan that clearly identifies our targets and charts a way forward. We need to have as much input and diverse views as possible to increase the probability that nothing is taken for granted. This speaks to our vision for the future.

Next, we must all be committed to the plan; we must stay focused on achieving targets set. This is not to say that we will not be flexible if the need arises. We must be nimble in the face of a changing environment to seize opportunities that may not have been envisioned. Lastly, we must execute. Everyone has to understand their role and do what is required of them. We must understand that each task, however simple, forms part of the master plan and must be executed to the best of our ability to ensure the soundness of the whole.

On our path to recovery we need everyone on board. It is only together that we can achieve the synergy necessary to ensure that the value of the whole is more than the sum of the individual parts.

Co-operatively yours,



QUENTIN THOMAS
President



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Agenda

- 1.0 Call to Order - President
- 2.0 The National Anthem of Trinidad and Tobago
- 3.0 Credit Union Prayer
- 4.0 President's Address - Quentin Thomas
- 5.0 Reading of Notice convening the 50th Annual General Meeting
- 6.0 Adoption of Standing Orders
- 7.0 Confirmation of Minutes of the 49th Annual General Meeting of 19th March, 2011
and Reconvened Annual General Meeting of 16th April, 2011
- 8.0 Matters Arising out of Minutes
- 9.0 Reports:
 - 9.1 Credit Committee
 - 9.2 Supervisory Committee
- 10.0 Treasurer's Report
- 11.0 Auditor's Report
- 12.0 Financial Statements
- 13.0 Proposed Budget 2012
- 14.0 Resolutions:
 - 14.1 Appointment of Auditors
 - 14.2 Declaration of Dividends
- 15.0 Other Business
- 16.0 Conclusion

Standing Orders

1. (a) A Member shall stand when addressing the Chairman and shall identify himself/herself.
(b) Speeches shall be clear and relevant to the subject before the Meeting.
2. A member shall only address the meeting when called upon by the Chairman to do so, after which, the member shall immediately be seated.
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 to reply.
(b) Rising to object or explain (with the permission of the Chair).
5. No speeches are to be made after the "Question" has been put and carried or negated.
6. The mover of a (Procedural motion' (adjournment, lay on the table, motion to postpone) shall have no right to reply.
7. A Member rising on the 'Point of Order' shall state the point clearly and concisely.
(A point of Order) must have relevance to the standing Orders.
8. a) A Member shall not call another member "to order" but may draw the attention of the Chair to the "Breach of Order".
(b) On no account can a member call the chair to "order".
9. Only one amendment shall be before the meeting at one and the same time.
10. When a motion is withdrawn, any amendment to it fails.
11. The Chairman shall have, in addition to his/her ordinary vote, a 'casting vote' in the event of equality of votes.
12. If there is an equality of voting on an amendment and if the Chairman does not exercise his Casting Vote, the amendment fails.
13. The Chairman shall make provision for the protection of members from personal abuse.
14. No members shall impute improper motives against another Member and/or any Officer of the society.
15. All Cell Phones shall be switched off during the meeting.



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Minutes of the 49th Annual General Meeting of SFCCU Credit Union Co-operative Society Limited held on Saturday 19th March, 2011, at the Paria Suites Hotel & Conference Centre, South Trunk Road, La Romaine

1.0 CALL TO ORDER

1.1 The President, Ms. Marcia Goodridge, called the meeting to order at 1:15 p.m. The membership was asked to stand for the singing of the National Anthem.

1.2 The President led in the recitation of the Credit Union Prayer.

1.3 Credential Report as at 1:00 p.m.:-

Directors	11
Supervisory	2
Credit	2
Staff	7
Guests	7
Members	295
TOTAL	334

1.4 The President extended apologies to the membership for not having hosted the AGM for the financial year 2009, in 2010. She offered as the main reason, the fact that the audited financial reports for 2009 were inconsistent with the position in the CUMIS system.

1.4.1 The President put forward the Board's recommendation that the 50th AGM to present the financials for 2010 be held in November 2011.

2.0 PRESIDENT'S ADDRESS

2.1 The President, Ms. Marcia Goodridge, drew attention to the imagery of the Credit Union logo, with special focus on the hands, the globe and the four silhouettes.

2.2 She then pointed to the theme of the AGM "Charting a Path of EXCELLENCE in a period of DIVERSE CHALLENGES". She indicated that the theme reflected the challenges and threats which the organization faced from both the internal and the external environment.

2.2.1 The internal environment she said included five strategic areas - Governance, Commitment, Forecasting, Implementing and Monitoring, whilst the external environment she identified as having been affected by Political, Economical, Social and Technological factors.

2.3 The President expressed the Board's commitment to educate its members, create affordable loans and succession planning, to ensure that the philosophy of the credit union holds true and that systems are constantly evaluated to benchmark standards and be of good service. She continued that whilst the path to excellence was a difficult one, it was a work in progress.

2.4 Focusing again on the imagery of the Credit Union logo, the President stated that the hands were a symbol of stability and togetherness. She called on the membership to stand firm with the Board, Committees, Management and Staff. She stated, "You, the people within the globe, represent the family of mankind working for the mutual benefit of all, ensuring financial security and support offered by the credit union network that will help the changing environment to a Path of Excellence."

2.5 The President made the following recommendations to aid the charting of a path to excellence:-

- That elected persons demonstrate their commitment by taking an oath of office.
- That the process of strategic direction focus on defining key objectives, identifying strategies and impact, documenting assumptions, developing tactics and high level operational budgets, accessing and mitigating risks and checking and finalizing the plan for completeness.
- That the performance of Board and Committees be measured, monitored and reported to the AGM.

2.6 The President concluded by expressing gratitude to the Board and committees, management and staff, her family and, most importantly, to the Almighty Father for His guidance, protection and mercy.

3.0 NOTICE OF THE ANNUAL GENERAL MEETING

3.1 The Secretary, Mr. Curt Allan, read the Notice of the 49th Annual General Meeting.

4.0 STANDING ORDERS

4.1 The Secretary read the Standing Orders for the 49th Annual General Meeting.

4.2 The Standing Orders for the 49th Annual General Meeting was adopted on a motion moved by Mr. David Arthur and seconded by Mr. Marlon Espinoza. (Majority in Favour)

5.0 MINUTES OF THE 48TH ANNUAL GENERAL MEETING

5.1 Mr. Cheridan Woodruffe moved that the membership be granted fifteen minutes to read the Minutes of the 48th AGM. The motion was seconded by Mr. Eugene Norville. (Majority in Favour)



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5.2 Corrections/Omissions:

5.2.1 The Secretary brought the following corrections/omissions to the attention of the membership:-

5.2.2 Pg. 9 (4.5)

The word 'customer' to be changed to 'member'

5.2.3 Pg. 11 (9.1.2)

Insert, 'The motion was carried'.

5.2.4 Page 13 (13.0)

Numbering to be changed to 13.1, 13.2, 13.3

5.2.5 Page 16 (25.0)

Insert at the beginning of 25.1.1:-

"WHEREAS the Board of Directors pursuant to S 51(1) of the Co-operative Societies Act supra, has selected Hardy's Chartered Accountants, on behalf of the Society. AND WHEREAS the said Hardy's Chartered Accountants has been approved by the Commissioner for Co-operatives. BE IT RESOLVED that this 49th Annual General Meeting of the Society has approved the selection of the said Hardy's Chartered Accountants. AND BE IT FURTHER RESOLVED that the said Hardy's Chartered Accountants has been appointed Auditors for the purpose of conducting the annual audit of the Society's accounts for the year ending December 31st 2011".

Insert at the beginning of 25.1.2:-

"WHEREAS the maximum liability of the Society as approved by the AGM of Saturday June 13th , 2009, and subsequently approved by the Commissioner was in the sum of Seventy Million Dollars. AND WHEREAS the Board of Directors is of the view that the liability of the Society is likely to increase during the financial year ending December 31st, 2009 in respect of members' deposits and members' shares. AND WHEREAS the Board of Directors in light of the above has recommended that the Society's maximum liability be increased to One Hundred Million Dollars".

Insert at the beginning of 25.1.3:-

"BE IT RESOLVED that:

- 10% of the net surplus be credited to the Reserve Fund
- BE IT FURTHER RESOLVED that:
- A Dividend of 4% be paid to members in the following terms:
 - 2% of the above sum be credited to members' share accounts
 - 2% of the above sum be credited to members' deposit accounts
- BE IT FURTHER RESOLVED THAT:
- Members not in good standing, a total of 4% of the above sum be credited to their loan account".

5.3 The Minutes of the 49th Annual General meeting was confirmed on a motion moved by Mr. Adrian Thompson and seconded by Mr. Keith Samuel. (Majority in Favour)

6.0 MATTERS ARISING OUT OF THE MINUTES OF THE 49TH ANNUAL GENERAL MEETING

6.1 Page 8/Item 4.4

Mr. David Arthur sought further information regarding the strategies implemented by the Board to increase assets, shares, deposits, loans and members.

6.1.1 Page 8/Item 4.4

Mr. David Arthur sought further information regarding the strategies implemented by the Board to increase assets, shares, deposits, loans and members.

6.2 The membership supported the request by Mr. Hollis Eversley that in future, the brochures must be distributed to the membership, at least one week before the AGM. Ms. Merle Clifton requested that the CD for the visually impaired be distributed at least two week in advance of the AGM.

6.2.1 Mr. Cheridan Woodruffe made the point that the issue of a late brochure should not be discussed in the category of 'Matters Arising'.

6.3 Mr. Marlon Charles enquired of the Board whether or not any action was taken to educate and equip the members to manage their finances, given the current economic climate, as he had requested at the last AGM. Mr. Charles noted also the number of conferences attended by Board and Committee members and asked if the knowledge gained was being filtered back into the organization.

6.3.1 The President responded that a financial management programme was organized in collaboration with the Central Bank, but, inspite of the newspaper advertisement, was poorly attended. She informed the membership also of a youth forum at various schools where the focus was career opportunities in the financial sector and money management. She added that the Co-operative Credit Union League and the Co-operative Division were also instrumental in educating members with various sessions which members were invited to attend.

6.3.2 Mr. Charles expressed concern that not enough was being done to communicate such opportunities to the membership.

6.4 Ms. Joan Scott enquired about the Trinergy software which the Board had assured the membership would be in effect some three months subsequent to the last AGM.

6.4.1 The President guided that there was a status report on the Trinergy software. She informed the membership that the staff members had received some training, the data had been redeployed to the system and the final implementation should take place in June 2011. She indicated also that the conversion from CUMIS to Trinergy had also contributed to the delay in the process.



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- 6.4.2 Mr. Espinoza noted that the Trinergy software was purchased approximately three years prior to the date of the AGM and expressed concern that given the rate at which software evolved, the Trinergy software may well be obsolete at the present time.
- 6.4.3 In response to Mr. Espinoza's enquiry regarding the source of funds for the Trinergy software, the Treasurer, Director Ivan Thomas, stated that the payments made at the point in time came from the operating income of the organization, totaling \$556,705.01.
- 6.5** Referring to the question raised by Mr. Ray Phirangee at the last AGM in June 2009 regarding the organization's Clico investments, Mr. Marlon Espinoza enquired as to whether or not any measures had been put in place by the Board in the event that the government fell short on its promise to guarantee the deposits and the interest by one hundred percent.
- 6.5.1 Mrs. Carol Modeste stated that the Co-operative Credit Union League had invited members to meetings regarding Clico investments and that members did not grab such opportunities to gain knowledge on the Clico situation.
- 6.5.2 Mr. Woodruffe commended the member who raised the question regarding Clico at the last AGM for his foresight, and suggested that the response from the Board should be that it did nothing in terms of being prudent in making the necessary provision to address the Clico issue.
- 6.6** Mr. Marlon Espinoza drew reference to his concern at the last AGM in 2009 that the projected income of \$5.5 million was unrealistic. He questioned the rationale behind the decision to base a budget on a revenue of \$5.5 million dollars from loans when the organization had only achieved \$3.7 million in revenue the previous year.
- 6.6.1 The Treasurer, in response, stated that the objective at the time was basically to increase loans based on the resources that the organization was prepared to put out in order to generate loans. He continued, however, that, due to the events of the economy, the demand for loans was less than anticipated.
- 6.7** Referring to the plan expressed by the Treasurer at the previous AGM to increase the loan portfolio based on the recommended Pearls Ratio of 75%, Mr. Espinoza asked for details regarding the advertising and marketing efforts to achieve such.
- 6.7.1 The President pointed to the last brochure in which a number of marketing strategies were highlighted, namely – participating in wider social involvement, advertising, sales promotion, going to various schools, control of value chains, competitive interest rates.

7.0 MINUTES OF THE SPECIAL GENERAL MEETING

7.1 The membership was granted five minutes to read the Minutes of the Special General Meeting held on Monday 3rd May, 2010.

7.2 Corrections/Omissions:

7.2.1 Pg. 18/3.0

'Total – 51' to be inserted.

7.2.2 Pg. 23/6.10.1

'Amount' of Directors to be replaced with 'number' of Directors.

7.3 The Minutes of the Special General meeting was confirmed on a motion moved by Mr. Adrian Thompson and seconded by Mr. Keith Samuel. (Majority in Favour)

8.0 MATTERS ARISING OUT OF THE MINUTES OF THE SPECIAL GENERAL MEETING

8.1 Mr. Marlon Charles voiced concern that he was not aware of a Special General Meeting having been held in May 2010, and again stressed the need for the Board to communicate with the membership.

8.1.1 The President informed him that the necessary Notices were prepared at least a month in advance through the newspaper and the notice board at both the Branch and Head offices.

8.1.2 Mr. Charles suggested that a system be established whereby information and events can be e-mailed to members.

8.1.3 The President expressed hope that the Trinergy software would allow such electronic communication.

8.2 Mr. Cheridan Woodruffe enquired as to whether or not the amendments to the Bye-Laws had received the necessary approval of the Commissioner for Co-operatives and whether or not the Bye-Laws were in effect and incorporated into a new document, and available to the members.

8.2.1 The President stated that approval of the Co-operative Division for the amended Bye-Laws was received in October 2010 and took effect as of 2011. She took the opportunity to express the view that this meant that all persons who served for the past three terms did not, in essence, exist, and their three terms would commence later. Regarding copies of the amendments, the President guided that the new booklets had not yet been printed.



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9.0 BOARD OF DIRECTORS REPORT

9.1 In response to the enquiry by Mr. Adrian Thompson regarding the two references to Mr. Dorwin Manzano, the President explained that the Board of Directors had moved a 'no confidence' motion in Mr. Manzano and removed him as Secretary of the Board. She said that he had been replaced by Director Curt Allan as Secretary of the Board and had subsequently resigned from the Board in December 2010.

9.2 Mr. Eversley stated that it was unnecessary to report on the attendances of the statutory committees in the Board of Directors Report.

9.3 The Board of Directors Report was adopted on a motion moved by Mr. Hollis Eversley and seconded by Ms. Josephine Goodridge. (Majority In Favour)

9.4 Referring to the expressed commitment by the Board of Directors to complete negotiations for the 2009 – 2011 period, Mr. Marlon Charles requested information regarding the status of such.

9.4.1 The President stated that the Board had reviewed the union's proposal but had not yet discussed it.

9.5 Regarding the conferences attended by Board and Committee members, Mr. Marlon Charles asked for further information regarding the extent to which the organization had gained from participation in such.

9.5.1 The President presented the membership with a report submitted by the participants in the 10th Annual Leadership Conference in Curacao. The report highlighted the participants' exposure to the core values that were required in order to face uncertainty such as integrity, open communication and team work and the need to maintain a level of transparency, accountability and succession planning. According to the report, participants were also exposed to the causes and warning signs of financial crisis and the role of the Caribbean regulation and infrastructure. The report also proposed that the organization take the necessary steps to change its financial system and policies in order to survive the present economy. Finally, the report told of the importance of the regulations and laws governing the credit union movement and how Directors and Committee members can positively contribute towards the growth and development of the organization.

9.6 Mr. Marlon Charles expressed appreciation for the report, but noted that it lacked recommendations for SFCCU's growth and development.

9.7 On the issue of staffing, Mr. Marlon Charles noted that during the 2009 – 2010 period, as many as seven persons left the employ of the organization. He expressed concern that to lose so many employees sent negative signals.

- 9.7.1 The President explained that the General Manager was terminated and her matter was currently with the Ministry of Labour, and both the Operations Manager and the Accountant had resigned. The other employees were trainees employed through the Chamber of Commerce, who moved on for various reasons.
- 9.7.2 Director Woodruffe stated that the report was vague and that there should have been more details regarding the General Manager's termination.
- 9.7.3 The President responded that because the matter regarding the General Manager was in the hands of the Ministry of Labour, the Board was somewhat hindered from giving further details. She indicated, however, that the relevant documents were available for viewing.
- 9.8** Reverting to the issue of the Leadership Conference, Mr. Marlon Espinoza sought information regarding the number of participants and the cost to the organization. The President stated that there were eight (8) participants at a cost of \$132,000.00.
- 9.8.1 Mr. Espinoza questioned the appropriateness of spending \$132,000.00 on a trip without the membership's approval and with the knowledge that there was no budget for 2010.
- 9.8.2 Ms. Lisa Viscuna questioned the reasonableness of eight participants costing the organization as much as \$132,000.00.
- 9.8.3 The President explained that the costs incurred included airfare, accommodation, meals, ground transport and out-of-pocket expenses. She also corrected her earlier statement that there were eight participants, and advised that there were in fact, ten (10) participants. The President advised that the objective was to educate as many of the Directors and Committee members as possible, to aid in the development of the organization. She informed the membership that a staff member had been sent to Connecticut and that plans were well on the way to send another to Barbados, all in keeping with the desire to educate.
- 9.8.4 Ms. Charmaine Baptiste requested information regarding the purpose and cost of the Connecticut visit. At the request of the President, Ms. Angelica George, representative staff member at the Hartford Healthcare Credit Union in Connecticut, gave an account of the benefits of the exchange programme – namely inhouse training and exposure to other methods and policies utilized by Hartford Credit Union and by participants from other credit unions, which was since shared with staff members of SFCCU Credit Union.
- 9.8.5 Mrs. Carol Modeste pointed out that another benefit of the Connecticut partnership is that members of SFCCU Credit Union could perform transactions at Hartford Healthcare Credit Union due to the partnership between the two organizations.



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9.9 Mr. Marlon Charles sought further information on the partnerships held with Hartford Healthcare Credit Union and Barbados Public Workers Credit Union.

9.9.1 The President directed Mr. Charles to the right hand side of the Cashier at the Head Office where the agreement between Hartford Health Care and SFCCU Credit Union was displayed. She highlighted the following areas on which the partnerships focused:-

- Marketing and business development
- Sponsor-related business issues
- Ethnic and cultural diversity
- Staffing issues on governance, networking and learning about credit unions
- Board governance

10.0 CREDIT COMMITTEE REPORT

10.1 Members were given five minutes to read the Credit Committee Report.

10.2 The Credit Committee Report was adopted on a motion moved by Mrs. Carol Modeste and seconded by Mr. Adrian Thompson. (Majority In Favour)

10.3 Director Espinoza noted that the Credit Report in the last brochure was from January to December 2008 and in the current brochure it was for the period 16th June, 2009 to 31st March, 2010, which meant that the period 1st January to 15th June, 2009, was excluded.

10.3.1 Mrs. Carol Modeste, Credit Committee member, suggested that the reporting period in the last brochure was wrong since the statutory committees were required to report from AGM to AGM.

10.3.2 Mr. Marlon Charles stated that to the best of his knowledge and based on the Society's Bye-Laws, "The financial year of the society shall begin on the first day of January and end on the last day of December each year". Mr. Charles suggested that based on the explanation given by Mrs. Modeste, it appeared as though the Credit Committee was doing something wrong.

10.3.3 Mr. Cheridan Woodruffe endorsed Mr. Charles' view, and stated that to the best of his knowledge the report in the last brochure was correct since the Committees were required to report in accordance with the financial year, which ran from January to December.

10.3.4 Mr. Marlon Espinoza stated that the lack of clarity regarding reporting periods suggested that there was no handover from one committee to another.

10.3.5 Mrs. Carol Modeste stated that in accordance with Bye-Law No. 39, the Credit Committee was elected at the AGM and kept records of their meetings from the time of their election. She continued

that in the Credit Union movement, only the Supervisory Committee had the authority to go back into the records and that the Credit Committee had no authority to view old Credit Committee Reports.

10.3.6 The President suggested that the new Credit Committee, once elected, could meet with the former committee in an effort to ensure continuity.

10.4 Mr. Adrian Thompson requested a status report on the delinquency situation at SFCCU.

10.4.1 Ms. Maurisa Paul, Secretary of the Credit Committee, stated that delinquent rates for 2009 was 9.99%. Mr. Charles pointed out to the Pearls Ratio – ‘Asset Quality’ (A1) which revealed a delinquency rate of 13.25% for 2009 and the Credit Committee Report which said 0.6%.

10.4.2 In response to Mrs. Carol Modeste’s explanation that the 13.25% represented the entire year whilst the Credit Committee’s 9,99 rating represented June 2009 to March 2010, Mr. Marlon Charles stressed the need for ‘continuity in office’ and that regardless of who served, the Credit Committee was the Credit Committee and there must be a level of consistency. He said that a newly elected Credit Committee did not start over the work of the Credit Committee, but rather ‘continued’ it and that it was necessary to report on the entire year, and not just on what each committee did. He said that there was a melee of figures – 0.6%, 9.99% and 13.25% and he was not sure which he should look at and which reporting period should he focus on, the Credit Committee’s or the Treasurer’s.

10.5 Mr. Emanuel Ramsaran took the opportunity to express his disappointment over the omission of his name under his picture as a member of the Credit Committee, in the AGM brochure. The President extended apologies on behalf of the Board of Directors, for the error.

11.0 SUPERVISORY COMMITTEE’S REPORT

11.1 The Supervisory Committee Report was adopted on a motion moved by Mr. David Arthur and seconded by Ms. Lisa Viscuna. (Majority In Favour, 1 Abstention)

11.2 Referring to Supervisory Committee’s note that it was important that officers are in good standing and saving well, Mr. Adrian Thompson expressed hope that the new Supervisory Committee would make an independent check on Directors’ transactions, given the fact that the policy of the credit union was that Directors should lead by example.

11.3 Mr. Marlon Charles pointed to an error on page 44 – the seventh bulleted item under ‘Other Activities’ – ‘singed’ to be changed to ‘signed’.

11.4 The Secretary of the Supervisory Committee voiced the following concerns:-



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- 11.4.1 The granting of a loan to the Co-operative Credit Union League. The Committee reported that in spite of its efforts, no information was forwarded to them by the Board of Directors. The President responded that the Supervisory Committee never approached the Board with such a concern, but chose to speak to the Commissioner for Co-operatives instead. The President continued that the report to the Commissioner's Office stated that the Board had granted a loan to the Co-operative Credit Union League which was misleading because it was the Credit Committee that granted the loan.
- 11.4.2 Mr. Cheridan Woodruffe stated that according to the Bye-Laws of the Society, only members of the Credit Union could be granted loans. Mr. Woodruffe also questioned whether or not there was any form of orientation between the Board and the Statutory Committees after the 2009 AGM. He emphasized the need for integrity and confidence to prevail in a financial institution and that one of the worse threats to such an institution is when its members lose confidence.
- 11.4.3 The President responded that the Credit Union League was in fact a member of SFCCU Credit Union and therefore eligible for a loan. She stated also that according to the Bye-Laws, the Supervisory Committee had a responsibility to notify the Board and make a recommendation, which the Committee failed to do.
- 11.4.4 Director Flemming stated the one of the stated functions of the Supervisory Committee was to 'keep fully informed on the financial condition of the Society', which the Supervisory Committee, he said, had not done. He said that if the Committee had focused its attention on targeting those who should have been targeted, a lot of the current problems faced by the Society would have been avoided.
- 11.4.5 The President stated that she had forwarded a number of operational issues to the Supervisory Committee, to which there was no response.
- 11.5** The Secretary of the Supervisory Committee informed the membership that it had in fact communicated its concerns regarding the loan to the Credit Union League, to the Board of Directors, they had requested a meeting with the Board of Directors on the matter, and they had in fact met with the Board on the matter. She continued that the matters were not properly dealt with at the meeting because the magnitude of quarrelling and bickering made it difficult to communicate, resulting in the adjournment of the meeting and the subsequent reporting of the matter to the Co-operative Division.
- 11.5.1 The Secretary of the Supervisory Committee also expressed concern that there were no fixed dates for Board Meetings and that packages were not always submitted to the Committee on time.
- 11.6** Ms. Linda Lee Sing expressed the view that it was a sad day for the Credit Union. She enquired as to why there was no AGM in 2010, why the Committees did not meet and develop a common

understanding of their roles and functions and why the elections was not scheduled earlier to avoid persons leaving without having had the opportunity to vote.

11.6.1 The President advised that an attempt was made to accommodate earlier elections, but the membership had resisted.

11.7 Mr. Marlon Espinoza expressed the view that the issues raised by the Supervisory Committee were in fact cause for concern. He drew reference to the claim by the Committee that it was difficult to say that the overall operations of the Society were satisfactory; that the dismissal of an entire top layer of management coupled with a number of outstanding legal issues amounted to a recipe for chaos; and that significant improvement was needed to prevent damage to the image of the Credit Union and erosion of members' confidence in the Board of Directors.

11.8 Mr. Hollis Eversley expressed the view that the Supervisory Committee made a number of allegations but failed to communicate the results of any of the allegations.

11.8.1 Mr. Eversley also expressed concern regarding the amount of conflict and the lack of communication demonstrated between the Board of Directors and the Supervisory Committee.

11.9 Ms. Jean Scott stated that the Supervisory Committee functioned as the internal auditors of the Credit Union. She said that it was indeed sad that there was so much conflict and expressed fear that unless a stop was put to it, there would soon be no SFCCU.

11.10 Ms. Jean Scott stated that the Supervisory Committee functioned as the internal auditors of the Credit Union. She said that it was indeed sad that there was so much conflict and expressed fear that unless a stop was put to it, there would soon be no SFCCU.

11.10.1 The President responded that the Board did not have a problem with the Supervisory Committee reporting to the membership, but it was concerned about the truthfulness of the report and the fact that the Board was not given an opportunity to justify its actions/decisions.

11.10.2 The Secretary of the Supervisory Committee indicated to the membership that the Committee had in fact written to the Board of Directors on all the matters in question and that the documents were available as evidence of such.

11.10.3 Mr. Adrian Thompson expressed his acceptance of the recommendations of the Supervisory Committee and asked that both the incoming Supervisory Committee and incoming Board, be guided accordingly. He took the opportunity, however, to caution the Committee that their function was an independent one, and that they should report on what independent action the committee had taken and on the outcome of such action.



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11.11 Ms. Annabelle Goodridge alerted the Board that members were leaving and suggested that the bickering and fighting be put to an end so that the elections could be conducted.

12.0 EDUCATION COMMITTEE REPORT

12.1 The Education Committee Report was adopted on a motion moved by Mr. Marlon Charles and seconded by Ms. Linda Paul. (Majority In Favour)

12.2 Mr. Marlon Charles, referring to the Education Report which stated that work on the newsletter was completed for the AGM, requested a copy of the newsletter. The President explained that in the haste to get the brochures completed, it was not possible to have the newsletters ready and assured the membership that it would be ready in a month's time. Mr. Charles expressed the view that the brochure should not have kept back the newsletter because there were several printers in the country.

12.3 In response to Mr. Eugene Norville's enquiry regarding the Committee's statement that a budget was presented to the Board for Bursary Awards but not approved, the Chairperson of the Education Committee, Director Curt Allan, stated that the Board felt that too much time had passed, making it inappropriate to have the Bursary Awards at the point in time. The Chairperson of the Committee indicated also that the Committee felt that with all the grants and student loans available to students, it was more beneficial at the point in time to go to the schools and educate potential members of SFCCU Credit Union, and so market the organization in a positive way.

12.4 Mr. Adrian Thompson suggested that whilst the organization awaited the Trinergy software which would, according to the President, allow electronic communication with the membership, newsletters and fliers could be e-mailed to the membership. The Chairperson of the Education Committee responded that the Committee had considered such and that members were being asked for their e-mail addresses during the registration process.

13.0 PROPERTY MANAGEMENT

13.1 Mrs. Josephine Goodridge indicated that she had participated in a site-visit to view the five acres of land purchased by SFCCU Credit Union in Longdenville and that based on what she saw, she would not be willing to live there. She asked the Board for details regarding the amount of money spent on the property.

13.1.1 The President took the opportunity to inform the membership that the Board had arranged for members to visit the land, as promised at the Special General Meeting in May 2010, and that the response, however, was poor.

- 13.1.2 Mrs. Carol Modeste noted the Property Management Report in which the Board expressed an interest in selling the land at \$175,000 per lot. She asked if the Board had put the necessary infrastructure in place such as lights, water and sewer and whether or not the approval of Town and Country was sought. She said that there was no indication in the report of the cost to install all these utilities and suggested that the land be sold as is, in an effort to acquire the \$2.1 million for which it was purchased.
- 13.1.3 The President advised of a special committee which was set up to review the land. She said that the committee had made two recommendations – to sell the five acres of land or to parcel it into lots, and then sell.
- 13.1.4 Mr. Adrian Thompson stated that it was difficult to decide which option to go with since a financial analysis did not form part of the report. He continued that whilst the first option was the easier way out, to get a buyer to purchase the land at \$2.1 million would be a challenge, given the present real estate situation in the country. Mr. Thompson asked that the Board delay a decision on the property management at the point in time, so that the membership could make a more informed decision when the necessary information has been submitted by the Board.
- 13.1.5 Mr. David Arthur informed the membership that he was the Chairman of the last set of directors of the Property Management Committee. He said that to go with the first option, that is, to sell the land at a price that will at least produce a return that is high enough, given the real estate market and the time the land was purchased in 2008, SFCCU would not recoup its investment.
- 13.1.6 Regarding the second recommendation, Mr. Arthur stated that a comprehensive financial plan was submitted to the Board, with the necessary cash flows, to demonstrate the infrastructural cost and the revenue that could be generated.
- 13.1.7 Mr. Arthur expressed the view that the legal advice regarding the inability of the Property Management Company to effectively fulfill the purpose for which it was formed should not have formed part of the report because the Directors of the Property Management Company were well equipped with the resident skills to execute such a project – a town planner, two accountants, a city planner and two other Directors of SFCCU Credit Union.
- 13.1.8 Mr. Arthur continued that the cost of infrastructure as suggested by qualified quantity surveyors was approximately \$2.4 million. He informed the membership that the cost of the land, \$2.1 million plus the cost of stamp duty on the land, just over \$140,000.00, plus the cost of infrastructure, \$2.4 million, would total approximately \$4.65 million, which, when subtracted from the anticipated \$8 million, would give a total of over \$3 million for the organization.



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- 13.2** Mr. Arthur shared his knowledge also, of the intention of the Property Management Company to develop the land with just over twenty parcels for individual housing and another 1.5 acres for the purpose of townhouses, for which the approval had already been acquired from Town and Country Planning.
- 13.2.1** Regarding the portion allocated for townhouses, Mr. Arthur told of a plan to devise a programme referred to as SHOP (SFCCU Home Ownership Programme), designed to cater for members who did not have a downpayment for an individual unit. It was meant to allow them to rent a townhouse and, at the end of five years, the rent would have automatically transferred into a downpayment for the property, with the hope that the member would have, at that time, been in a better position to enter into a mortgage agreement.
- 13.2.2** Mr. Arthur expressed the view that steps should be taken to recoup, but at the same time, not to 'throw away' SFCCU's investment.
- 13.3** The President indicated that the Board had loaned \$50,000.00 to the Property Management Company and when she became President, SFCCU still owed money on the land. On the advice of the organization's lawyer that the purchase be completed, the Board so proceeded. She continued that the lawyer had indicated that the Property Management Company was a private limited company and the names of the persons associated with the company would inherit the land, not the Credit Union. With this information, the Board took all measures to purchase the land on SFCCU's name, so that it was now officially the property of SFCCU Credit Union. The President continued that based on the advice of the lawyer, the land should be sold because pending legislation does not allow for the development of housing unless it is for the membership of the Society.
- 13.4** The President also informed the membership that the vendor attempted to sue the Credit Union for moneys owed to him for having developed the land, which in fact, was not done. She indicated that the vendor went so far as to destroy the contract with the original price of the land, and, because she had made a copy beforehand, the vendor was forced to withdraw his attempt at suing the organization.
- 13.5** The President took the opportunity to invite those of the membership who had experience in land management to join a committee to review the situation, before a decision was made.
- 13.6** The President also informed the membership that the Property Management Board was paid a stipend by SFCCU Credit Union, which she indicated, the lawyer had cautioned against and which was put to a stop.

13.7 The President then cautioned the membership that the land was not in the best condition and that it was necessary to walk through someone else's property in order to get to it. She said that there was a pig farm not too far from it and that the development cost would be high.

13.8 In his response, Director Arthur quoted from the Property Management Report:

The initial Board of the PMC was created in 2003 with the members as follows: Mr. Richard John Bernard, Mr. Dorwin Manzano, Mr. Murcheson Flemming, Mr. Nigel Forgenie."

He said that, as the report indicated, he did not form part of the Board, until 2007 when the Board was dissolved and a new Board formed. He indicated that at no point in time did he even make an attempt to become a signatory to the account or spend a single dollar or authorize the Board to spend any money, during his tenure as a Director on the Property Management Company Board. Mr. Arthur stated that from 2007 to 2008, there was no stipend payment and it was the Board, after receiving a report from the company, that paid a lump sum payment for the number of meetings attended.

Mr. Arthur continued that he was the President of SFCCU Credit Union and the entire Board was in favour of the purchase of the land. Quoting from the Minutes of the 9th Statutory Meeting on 27th January, 2007, Mr. Arthur read, "All in favour to purchase the land. Motion moved by Director Goodridge and seconded by Director Weston"

13.8.1 The President stated that such a decision was based on advice received. She also made the point that the request for the lump stipend came from the Property Management Company.

13.9 Ms. Annabelle Goodridge requested that the topic be suspended and dealt with at a Special General Meeting.

13.9.1 Mr. Cheridan Woodruffe supported the calling of a Special General Meeting, but only after an independent person had been contracted by the Board to make recommendations on the best way forward.

13.9.2 Mr. Hollis Eversley reminded the membership of the difficulty in getting a quorum for the last Special General Meeting. He also reminded members that the AGM which should have been held since March 2010 was now being held in March 2011 and that an AGM was therefore due in the near future to present the 2010 audited accounts, and suggested that the property management issues be dealt with at that AGM. He supported the view expressed by Mr. Cheridan Woodruffe that a special team of experts should be invited to examine the situation and make recommendations for presentation to the members.



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13.10 The President suggested November as the most realistic date to have the 2010 audited accounts ready and brochures printed. The membership insisted, however, that the AGM be held on the last Saturday of September, 2011.

13.10.1 The President then moved that the Annual General Meeting would be held on the last Saturday in September 2011 and that Property Management would be one of the items on the Agenda, and all documentation relevant to Property Management and the brochure would be circulated one month in advance. The motion was seconded by Mr. Hollis Eversley. (Majority In Favour)

14.0 TREASURER'S REPORT

14.0 The President informed the membership that the Auditors were not present at the meeting. A five minute period was allowed for members to read the Treasurer's Report.

14.1 The President noted with concern that members were leaving.

14.2 The Auditor's Report was adopted by Mr. Cheridan Woodruffe and seconded by Ms. Maurisa Paul. (Majority In Favour)

14.3 The Treasurer's Report was adopted by Ms. Annabelle Goodridge and seconded by Mr. Emanuel Ramsaran. (Majority In Favour)

14.4 Mr. Hollis Eversley stated that he preferred to see a set of figures, to get totals. Regarding the delinquency rate, he was concerned at the pace at which it declined and expressed hope that it would be down to acceptable terms in at least three years.

14.5 Regarding the 'Growth of Loans', Mr. David Arthur noted that there was a just a smooth growth from 2005 to 2009, an indication that there was no quantum leap or injection of any special strategy to increase the loan portfolio. To support his concerns about whether or not any strategies were implemented, Mr. Arthur also noted that the comparison of gross income had shown a decline in the gross income in 2009.

14.6 Mr. Marlon Espinoza expressed concern that the value of loans figure in the Treasurer's Report, when compared with the figure in the Credit Committee Report, reflected the possibility that figures that were available to the Treasurer in his report preparation were not available to the Credit Committee.

14.7 Mr. Espinoza also expressed concern that the Budget for 2009 indicated that the organization's projected revenue, based on anticipated returns from interest on loans, fell by \$1.5 million, and the projected profit was about \$1.5 million, so that, in effect, the Society made no money in 2009. He then questioned the source of funds, totaling \$1.4 million to pay dividends of 4%, was in fact the retained earnings.

- 14.7.1 The Treasurer, Mr. Ivan Thomas pointed to the income statement which reflected a surplus of \$2.4million despite the revenue shortfall. He stated that consideration should also be given to the fact that 2009 was a very traumatic economic year, where a lot of factors would have negatively impacted upon the organization's financial performance.
- 14.7.2 Mr. Marlon Espinoza stated that he was not dealing with adverses in the economy but with figures and that the Treasurer had projected an unrealistic income in an effort to make the surplus look good, the income was not achieved and the surplus was wiped out, so that the organization made no money in 2009.
- 14.7.3 Referring to the \$2.4 million surplus that the Treasurer had mentioned, Mr. Espinoza noted that a substantial \$1.8 million out of that amount was in fact a write-back, added to the bottom line to make the figures look good. He indicated that if that \$1.8 million was subtracted, then there would be a surplus of just about \$600,000.00. Mr. Espinoza then asked the question again, of whether or not the money to pay the dividends would be deducted from the Retained Earnings, which, he cautioned the Board, would be in breach of Central Bank regulations.
- 14.7.4 was correct when he said that the surplus would be just over \$600,000.00 without the write-back, which meant that it was wrong to say that there was no surplus. Regarding the write-back, the Treasurer indicated that based on how the auditors had calculated the delinquency, the provisions had basically been reduced and, based on accounting procedure, if the provision was reduced, then the amount had to be written-back to the income statement. Regarding the question of a breach if the organization went into its retained earnings, the Treasurer stated that the organization did not operate under the Central Bank Act, and therefore could not be in breach of it.
- 14.7.5 Mr. Espinoza then quoted from the Minutes of the 48th AGM, in the brochure at hand, where the Treasurer stated, "...it meant utilizing retained earnings which the organization wished to avoid at all costs, since the Pearls Ratio as well as the impending Central bank legislation required that dividends be paid from organization's surplus and not its retained earnings'.
- 14.7.6 Mr. Hollis Eversley stated that impending legislation had no impact on the current meeting because the organization was not under the present legislation.
- 14.8** Mr. David Arthur noted that the surplus for 2009 was \$2.469 million; the provision for bad and doubtful debts was \$1.844 million; in 2008 an actual provision of \$752,000.00 was made; the delinquency in 2008 was about 14%; in 2009, the delinquency fell by 100-plus percentage points to just over 13%. Mr. Arthur continued that delinquency fell, therefore, by 1.14%, and enquired as to why, if the provision made last year of \$752,000, slipped by just 1.14%, did the auditor choose to write back \$1.8 million.

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14.9 Mr. David Arthur also raised the issue of the \$15 million invested in Clico, of which he noted \$10 million was with Clico and \$5 million in British American and the total receivable from Clico was \$1,170,000.00. Mr. Arthur expressed the view that based on what the Central Bank and the Minister of Finance said, it was not likely that SFCCU would acquire that money. He then made the point that a reconciliation of the surplus of the organization - \$2.4 million and the provision of \$1.8 million and then do an impairment of Clico's and British American's receivables of \$1.1 million, there would in fact be a loss of \$544,608.00. Mr. Arthur voiced concern that should the organization seek to pay dividends at this point in time, the Retained Earnings would be \$425,000.00.

14.10 Mr. David Arthur also made the point that if there was impending litigation, then it must be taken into consideration in preparing the organization's accounts.

14.10.1 The Treasurer noted the points raised by Mr. Arthur. He indicated, however, that many of the issues raised by Mr. Arthur such as the utterances of the Minister of Finance, would have been raised after the accounts were audited. He stated also, that the points raised by the Minister of Finance had not yet been finalized.

14.10.2 Mr. Cheridan Woodruffe endorsed the concerns by Mr. David Arthur that impending litigation must be taken into consideration, and made the point that the new Board should certainly, not necessarily, but certainly, make adjustments accordingly.

14.11 Mr. Woodruffe stated also that he would like to see in the brochure a statement re the performance of the investment portfolio. He expressed the view also that there should be a policy regarding where and how investments were made.

14.12 In response to Mr. Marlon Espinoza's enquiry regarding the absence of a budget, the Treasurer guided that it would be prepared as soon as the 2010 accounts were prepared and finalized.

14.12.1 Mr. Marlon Espinoza stated that the budget was a document which gave a picture of the future and not of the past, so that it should have been done since January or February of 2009.

14.12.2 The Treasurer stated that one must recognize that the organization had already past that period.

15.0 CREDENTIAL REPORT

Directors	11
Supervisory	1
Credit	3
Staff	17
Guests	9
Members	85
TOTAL	126

16.0 NOMINATIONS COMMITTEE REPORT

16.1 The President advised that the Co-operative Division and the Credit Union League of Trinidad and Tobago would conduct the AGM elections and that four (4) seats were declared vacant.

16.1.1 Mr. Cheridan Woodruffe stated that the vacant seats could not total four.

16.2 The Auditor's Report was adopted by Mr. Cheridan Woodruffe and seconded by Ms. Maurisa Paul. (Majority In Favour)

16.2.1 The Chairman stated that nominations were invited on two occasions due to a poor response and informed the meeting that the Committee still did not receive enough persons. He said that the nominees were interviewed and graded, resulting in seven persons being selected for election to the Board of Directors, five to the Credit Committee and only two to the Supervisory Committee as at May 2010:-

Board of Directors

Marcia Goodridge

Carol Joseph

Emrol Brathwaite

Sanjay Mungal

Alicia Phillip-Pollard

Marlon Espinoza

David Arthur

Credit Committee

Maurisa Paul

Gregory Cooper

Emmanuel Ramsaran

Arlene Wright-Gittens

Kadine Mejias

Supervisory Committee

Tessa Hamilton-Gooding

Carol Modeste

16.2.2 The Secretary of the Nominations Committee advised that at a subsequent meeting of the Committee in March, 2011, two of the recommended persons were removed, namely Carol Joseph and David Arthur.



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- 16.2.3** The Secretary indicated that there were now five vacancies on the Board of Directors, to replace the four who were outgoing and one to replace Mr. Dorwin Manzano who had resigned from the Board.
- 16.3** Mr. Cheridan Woodruffe expressed disagreement with the number of seats declared vacant by the Nominations Committee. He stated that notwithstanding that the AGM was late, persons were elected into office every three years and should not continue into a fourth year. He continued that it meant that eight (8) persons, based on the rotating system, should be vacating office, and that the resignation of Mr. Dorwin Manzano meant that there were nine (9) vacant seats.
- 16.3.1** Regarding the amendment to the Bye-Laws at the Special General Meeting, Mr. Woodruffe asked if it meant that any of the Directors were in fact statute barred.
- 16.3.2** Mr. Hollis Eversley stated that in accordance with Regulations 18 and 24 of the Co-operative Societies Act, the AGM for the year 2010 could not be held until the audit took place, and Directors were elected from AGM to AGM. He said that it meant that the membership was required to elect Directors for the AGM that should have been held in 2010, and when the AGM for 2011 was held in a few months time, then the other four persons would step down.
- 16.3.3** Mr. Woodruffe stated that he was not in a position to argue but would challenge the decision in another forum.
- 16.3.4** Mr. Adrian Thompson, quoting from Bye-Law 32(b), stated that, "One third of the Board shall be elected at the Annual General Meeting". He continued that with twelve members, under normal conditions, there was a three-year rotation, so that one third of the Board would be elected.
- 16.4** Mr. Terrance Jules of the Co-operative Division guided the meeting that if there was an AGM last year, there would have been four persons elected at the meeting. He stated that a meeting was not held in 2010, so that the persons who were elected in 2007, who would have been outgoing in 2010, when no meeting was held, would be outgoing in 2011, when the meeting was held. Mr. Jules continued that if another meeting was held later in the year, the persons who were elected in 2009 would be outgoing as well.
- 16.4.1** Mr. Brian Moore, President of the Credit Union League of Trinidad and Tobago opposed the statement made by the Co-operative Officer and cautioned the AGM that the opinion offered by the representative of the Office of the Commissioner would lead to absolute confusion in the future operations of the Society. Mr. Moore stated that the current AGM was for 2009, at which one third or four members were required to demit office, leaving four seats vacant. He continued that at the AGM for 2010, the other four seats would be declared vacant.

- 16.4.2** The Chairperson of the Nominations Committee asked the Co-operative Officer to re-consider his decision, which, if he chose not to, would be legally challenged. Mr. Eversley drew reference to 1970 when there was no AGM for five years and Directors held office for the entire five years, as approved by the Commissioner for Co-operatives at the time. Mr. Eversley stated that the younger persons may not be aware of that aspect of the Society's history and guided the membership that he might know more about credit unions and the credit union legislation than almost every member of the Co-operative Division.
- 16.4.3** Mr. Terrance Jules stated that if the membership had no confidence in him as the representative of the Commissioner for Co-operatives, then he would excuse himself as the Returning Officer and returned to his seat.
- 16.5** Mr. Hollis Eversley advised that the elections proceed, under the watch of the President of the Co-operative Credit Union League of Trinidad and Tobago.
- 16.5.1** Mr. Cheridan Woodruffe cautioned that the President of the Credit Union League was a member of the Credit Union. In response to the insistence by the President of SFCCU Credit Union that Ms. Diane Joseph, Officer Manager of the Credit Union League was not a member of SFCCU Credit Union, Mr. Woodruffe asked if Ms. Joseph would rule and questioned how she would do so in terms of the number of persons to be elected, since there were two opposing positions on the matter at the point in time.
- 16.5.2** Mr. Woodruffe maintained that he would challenge any decision to proceed with five vacant seats and assured the membership that, like Mr. Brian Moore, he too could point to precedent in favour of his point of view. Referring to Mr. Hollis Eversley's reference to the 1970s when Directors were allowed to serve for five years, Mr. Woodruffe cautioned that under the Act, the Commissioner for Co-operatives could appoint a Board to act in office for any amount of years, so that the 1970s incident was irrelevant to the situation at hand.
- 16.5.3** The President indicated that she was mandated to have an election at the 49th AGM and she was not leaving until it was done. She guided members that the League had the authority to conduct elections and that they had done so in the past.
- 16.6** Based on the advice of the Council of Advisors, the President decided to put the matter to a vote - those in favour of five seats being declared vacant and those in favour of eight seats being declared vacant.
- 16.6.1** With only three persons indicating that they voted against the five seats being declared vacant, the President asked the Co-operative Officer, Mr. Jules, if he would conduct the elections. Mr. Jules declined. The President then put to a vote, all those in favour of having the manager of the League conduct the elections with staff giving up their positions to count.



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16.6.2 Miss Rachel Noel, present at the meeting, indicated that she was not a member of SFCCU Credit Union. The Board then held discussions regarding who the Returning Officer should be.

16.7 Under the guidance of Mr. Adrian Thompson, the President then decided to adjourn the meeting so as to avoid any litigation, and have the elections on a date to be advised. The members expressed their agreement.

16.7.1 The President then moved that the election of Board and Committees be postponed, that resolutions and other business be dealt with, and that the AGM would then be adjourned to a date to be announced and the Credit Union would seek legal advice on the matter. The motion was seconded by Mr. Eugene Norville. (54 in Favour/2 Abstentions – Mr. Cheridan Woodruffe and Mr. Marlon Charles)

17.0 RESOLUTIONS

17.1 The Treasurer, Director Ivan Thomas, presented the Resolutions which were seconded as follows:-

17.1.1 Resolution Regarding Auditors Seconded by Mr. Hollis Eversley. (Majority in Favour)

17.1.2 Mr. David Arthur pointed to an error to the Resolution regarding the auditors which stated for the year ending 31st December 2011. The correction was made to read for the year ending 31st December 2010.


17.1.3 Resolution Regarding Maximum Liability Seconded by Mrs. Josephine Goodridge. (Majority in Favour)

17.1.4 Resolution Regarding Dividend Seconded by Mr. Emanuel Ramsaran (Majority in Favour)

18.0 CONCLUSION

The 49th Annual General Meeting was adjourned at 7:31 p.m. to a date to be advised for the conducting of the elections and to discuss any other business.

Respectfully submitted



CURT ALLAN

Secretary

Board of Directors

Minutes of the Reconvened 49th Annual General Meeting Of SFCCU Credit Union Co-Operative Society Limited held on Saturday 16th April, 2011, at the Royal Hotel, 46-54 Royal Road, San Fernando

1.0 CALL TO ORDER

1.1 The President, Ms. Marcia Goodridge, called the meeting to order at 3:25 p.m.

1.2 The Credential Report as at 3:16 p.m. was as follows:

Directors	11
Supervisory	2
Credit	3
Staff	17
Guests	6
Members	60
TOTAL	99

1.3 The Credit Union Prayer was recited.

2.0 NOTICE OF THE ANNUAL GENERAL MEETING

2.1 The Secretary, Mr. Curt Allan, read the Notice of the Reconvened 49th Annual General Meeting, as follows:-

2.1.1 "Notice is hereby given that the Reconvened 59th Annual General Meeting of SFCCU Credit Union Co-operative Society Limited will be held on Saturday 16th April, 2011, at the Royal Hotel, 46-54 Royal Road, San Fernando. Registration commences at 2:00 p.m. and official business from 3:00 p.m. The purpose of the meeting:-

- To receive the budget
- Election of officers
- To transact any other business

Members are reminded to walk with their brochures.

2.2 The President reminded members that the meeting was a reconvened one which was adjourned after the Resolutions at the 49th AGM on 19th March, 2011.



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3.0 2010 BUDGET

3.1 Mr. Emanuel Ramsaran indicated that 'Proposed' Budget was an inappropriate heading for a budget for a period that had already gone.

3.1.1 "Mr. Cheridan Woodruffe noted that the agenda which was adopted at the 49th AGM on 19th March 2011, listed the item as 'Proposed Budget 2011' and if the Board chose to present 2010 instead, then an amendment to the Agenda was necessary.

3.1.2 The President reminded the membership that Mr. Thompson had, at the last meeting, pointed to the fact that it was a 2009 AGM and therefore the 2010 Budget had to be presented.

3.1.3 Mr. Cheridan Woodruffe indicated that the information was historic and therefore warranted the unaudited actual figures as well.

3.2 The Treasurer, Mr. Ivan Thomas, presented the 2010 Budget. He advised that in preparing the budget, the financial performance for the year ended 31st December, 2009, was examined. He drew attention to the Statement of Comprehensive Income Expenditure in the AGM brochure and guided that the notable changes within the income, from the income side, were in respect of interest income, and that there was a significant decrease compared to 2009.

3.2.1 The Treasurer stated that due consideration was given to the announcement by the Minister of Finance where he stated that no interest income would derive from Clico investments. He said that a decision was made therefore to exclude income normally derived from those investments. He indicated that the figure of \$800,000.00 represented income that the Society expected to collect from other investments.

3.2.2 The Treasurer stated that the Clico fiasco also meant that expenditure had to be curtailed wherever possible, in selected categories such as advertising.

3.3 Mr. Ray Phinrangee noted that whilst expenditure was cut as far as advertising was concerned and AGM expenditure as well, meetings and conferences moved from \$45,000.00 to \$155,000.00.

3.3.1 The President informed Mr. Phinrangee that the financials were already dealt with at the 49th AGM on 19th March, 2011, and that the issue of conferences was already discussed.

3.4 The Treasurer explained that the budget being presented as the 'Proposed Budget' was the budget that was initially proposed for presentation to the membership if the AGM was held in 2010, which the membership had requested be presented at this Reconvened 49th AGM. He said that the budget did not represent, therefore, the actual figures that were spent.

- 3.5** The President recognized the attempt by both Mr. Adrian Thompson and Mr. Cheridan Woodruffe to speak. Mr. Thompson stated that the budget was of historical interest and that what was more important to him was the ability to compare performance at the next AGM against the proposed budget. Mr. Thompson then expressed a desire to move for the adoption of the Budget. The President thanked him and requested a seconder.
- 3.5.1** Mr. Woodruffe then expressed disappointment in not being allowed to make his point before the budget was confirmed.
- 3.6** The President took the opportunity to present the Standing Orders to the membership. The Standing Orders were adopted by Mr. Dorwin Manzano and seconded by Ms. Josephine Goodridge. (Majority in Favour)
- 3.6.1** The President declared the Standing Orders in effect and enquired of Mr. Woodruffe whether or not the point he wanted to make was the same point that was being made with regards to the budget. Mr. Woodruffe expressed confusion at the question and stated that his comments would be made on the budget as it was presented at the meeting.
- 3.6.2** Following an interruption by Mrs. Carol Modeste, Mr. Woodruffe enquired as to whether or not the President would entertain Mrs. Modeste before he could make his point. Mr. Manzano then attempted to speak, but was interrupted by the President as she reminded him that the Standing Order was still in effect.
- 3.6.3** The President took the opportunity to remind members of the purpose of the Reconvened Meeting and cautioned that bickering would not be entertained. She informed Mr. Dorwin Manzano that she would not recognize him at the point in time, and encouraged Mr. Cheridan Woodruffe to proceed with his point, and reminded the membership that she had a motion before the floor and had found a seconder.
- 3.6.4** Mr. Dorwin Manzano stated that the President had a motion and could not say another motion. The President informed Mr. Manzano that Mr. Woodruffe had been attempting to make a point for a while and she needed to entertain him.
- 3.7** Referring to the 'Proposed Budget', Mr. Woodruffe stated that the document presented was not a budget but rather, it was an income projection. He said that he expected to see the actual, unaudited figures.
- 3.7.1** Mr. Dorwin Manzano stated that the budget meant nothing without the figures which would show what was expended for the year and made the point that the membership will be ill-advised to vote on such a budget that was already expended when there was no report to show how the money was spent. Mr. Manzano suggested that the budget be dealt with at the next AGM when the audited accounts were present and the income and expenditure could be properly evaluated.



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3.7.2 Mr. Marlon Espinoza noted that the 2009 records reflected a profit of \$2,469,866, whilst the profit reflected in the 2010 budget was \$641,000, an indication that the organization made a 75% less profit than they did the year before. The President advised that when the audited statement was available, an explanation would be given regarding any implications to the credit union.

3.7.3 The Proposed 2010 Budget was adopted by Mr. Adrian Thompson and seconded by Mr. Emanuel Ramsaran. (45 in Favour/18 Against/2 Abstentions)

4.0 ELECTIONS

4.1 Mr. Anil Bridgelal of Hardy's Chartered Accountants was introduced to the membership as the officer residing over the elections process.

4.2 Mr. Bridgelal informed the membership that, in accordance with advice from the Commissioner for Co-operative Development, there were eight outgoing directors – Marcia Goodridge, Emrol Brathwaite, Sanjay Mungal, Ivan Thomas, Alicia Phillip-Pollard, David Arthur, Carol Joseph and Arlene Bynoe-Maillard.

4.3 The Residing Officer advised that four of the elected Directors would serve for three years and four will be elected to serve for two years. He further advised that the membership would be voting for three members to serve on the Supervisory Committee and five members to serve on the Credit Committee.

4.4 Following the request by Mrs. Carol Modeste for clarification regarding the number of persons up for elections, the Nominations Committee took the opportunity to present a letter issued by the Co-operative Division, dated 11th April, 2011, regarding the election of officers at SFCCU's Reconvened 49th Annual General Meeting.

4.5 The elections then proceeded as follows:-

4.6 Supervisory Committee

4.6.1 The two persons selected by the Nominations Committee – Mrs. Tessa Hamilton-Gooding and Mrs. Carol Modeste, were highlighted and the floor was then opened for nominations:-

- Ms. Marcia Goodridge was nominated by Mr. Emrol Brathwaite and seconded by Mrs. Hamilton.
- Ms. Candice Charles was nominated by Mr. Ivan Thomas and seconded by Ms. Marcia Goodridge.
- Ms. Charmaine Baptiste was nominated by Mr. Dorwin Manzano and seconded by Mr. Ray Phirangee.

4.6.2 Ms. Josephine Goodridge moved that nominations cease. The motion was seconded by Ms. Christine Toussaint.

4.6.3 Profiles for the nominees selected by the Nominations Committee were read and the nominees from the floor introduced themselves to the membership.

Credential Report - 4:17 pm

Directors	11
Supervisory	3
Credit	3
Staff	16
Guests	6
Members	78
TOTAL	117

4.7 Credit Committee

4.7.1 The Nominations Committee advised that three of the selected candidates wrote letters requesting that they be excused from the meetings – Maurisa Paul, Gregory Cooper and Khadine Mejias. The other two candidates – Emanuel Ramsaran and Arlene Wright Gittens, were highlighted and the floor was then opened for nominations:-

- Mrs. Carol Joseph was nominated by Mr. Ivan Thomas and seconded by Ms. Marcia Goodridge.
- Ms. Kience Frederick was nominated by Ms. Charmaine Baptise and seconded by Mr. Dorwin Manzano

4.7.2 Ms. Marcia Goodridge moved that nominations cease. The motion was seconded by Mr. Emrol Brathwaite.

4.7.3 Profiles for the nominees selected by the Nominations Committee were read and nominees from the floor introduced themselves to the membership.

4.8 Board of Directors

4.8.1 The four persons selected by the Nominations Committee, Sanjay Mungal, Emrol Brathwaite, Alicia Phillip-Pollard and Marlon Espinoza, were highlighted.

4.8.2 The Residing Officer then explained that it was necessary to elect eight persons to serve on the Board of Directors. Mr. Terrance Jules of the Co-operative Division, with the permission of the Residing Officer, explained to the membership that four persons were being elected for three years and four persons for two years. The Co-operative Officer further explained that the persons with the four highest number of votes would serve for three years and the next four persons with the highest number of votes would serve for two years.



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- 4.8.3 The Vice President, Mr. Quentin Thomas, pointed out that two of the four officers who would have demitted office in 2010, even if they were amongst those with the highest number of votes, could serve only two years. The Residing Officer indicated that he was aware of such and, together with the Co-operative Officer, agreed with the Vice President, that it needed to be so stated for the benefit of the membership.
- 4.8.4 The Co-operative Officer continued that the two persons who were elected in 2007 and would have therefore been outgoing in 2010, could only be re-elected for two years.
- 4.8.5 Regarding the Alternates to the Board, the Co-operative Officer explained that after the persons with the top eight votes were identified, the next two persons, provided there were more than eight nominees, would serve as the Alternates.
- 4.8.6 The Residing Officer identified the eight Directors who were stepping down as Marcia Goodridge, Emrol Brathwaite, Sanjay Mungal, Alicia Phillip-Pollard, Ivan Thomas, David Arthur, Carol Joseph and Arlene Bynoe-Maillard. He then identified the remaining four Directors as Quentin Thomas, Curt Allan, Murcheson Flemming and Lauren Roget. He indicated also that two Directors were now statute barred, namely Marcia Goodridge and Carol Joseph.
- 4.8.7 Mrs. Carol Joseph referred to the Commissioner's letter which she said suggested that the four Directors coming off the Board, who were up for re-election, will be elected for three years and their term will end in 2014. She continued that if the membership agreed to the Co-operative Officer's suggestion that the full election be done with the four highest number of votes serving for three years, such would amount to an aberration because people who were officially to serve for three years may be elected for two.
- 4.8.8 The Residing Officer indicated that the elections would proceed as advised by the Co-operative Officer. The membership agreed.
- 4.8.9 The Chairperson of the Nominations Committee, Mr. Murcheson Flemming, stated that because the amended Bye-Laws came into effect in 2010, a number of Directors were now statute barred, namely Marcia Goodridge and Carol Joseph. He stated also that Mr. David Arthur also served a nine-year period and should be statute barred. The Chairperson of the Nominations Committee continued that the two Directors who would serve two years in spite of how the votes went were Mr. Emrol Brathwaite and Mr. Sanjay Mungal.
- 4.8.10 The Chairperson of the Nominations Committee, Mr. Murcheson Flemming, stated that because the amended Bye-Laws came into effect in 2010, a number of Directors were now statute barred, namely Marcia Goodridge and Carol Joseph. He stated also that Mr. David Arthur also served a nine-year period and should be statute barred. The Chairperson of the Nominations Committee

continued that the two Directors who would serve two years in spite of how the votes went were Mr. Emrol Brathwaite and Mr. Sanjay Mungal.

4.8.11 The Co-operative Officer explained that a term was three years and that there were times when someone would be elected to fill a vacancy. He stated that in the event that someone was elected the previous year, it would mean that, all things being equal, that person would have two more years to serve. He continued that if during that year, the person demitted office, at the current Annual General Meeting, there would be a vacancy for two years. Based on the information presented, he said, he assumed that when Mr. David Arthur was elected in 2002, for two years, it was to fill a vacancy and he was re-elected in 2004 for three years, and then again in 2007 for three years. The Co-operative Officer expressed the view that, based on the information at hand, Mr. Arthur had not served three consecutive terms and was therefore not statute barred.

4.8.12 The floor was then opened for nominees for the position of Director:-

- Mrs. Theresa Peters-Frederick was nominated by Mr. Emrol Brathwaite and seconded by Mr. Dorwin Manzano.
- Ms. Lauren Ramdhanie was nominated by Mr. Marlon Espinoza and seconded by Ms. Crystal Sooklalsingh.
- Ms. Arlene Bynoe-Maillard was nominated by Ms. Alana Guerra and seconded by Ms. Monica Miller.
- Mr. Ray Phirangee was nominated by Mrs. Jennifer Espinoza and seconded by Mr. David Arthur.
- Mr. Cheridan Woodruffe was nominated by Mr. Marlon Espinoza and seconded by Mr. David Arthur.
- Mr. Ivan Thomas was nominated by Ms. Violet Hill and seconded by Mr. Curt Allan.
- Mrs. Joan Hinds was nominated by Mr. Dorwin Manzano and seconded by Mr. Cheridan Woodruffe.

4.8.13 Director Curt Allan indicated that it was brought to his attention that the Cathedral Credit Union had posted a disclaimer in the newspaper regarding Mr. Cheridan Woodruffe, and that if such information proved to be true, according to the Bye-Laws, Mr. Woodruffe was not eligible for elections. Mr. Woodruffe responded that he was not aware of any such disclaimer.

4.8.14 Mrs. Josephine Goodridge then moved that nominations cease. The motion was seconded by Mr. Valentine Constantine. (Majority in Favour).

4.8.15 The nominees for Board of Directors were then presented to the membership as follows:-

Sanjay Mungal
Emrol Brathwaite
Alicia Phillip-Pollard
Marlon Espinoza
Theresa Peters-Frederick
Lauren Ramdhanie
David Arthur



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Ray Phirangee
Cheridan Woodruffe
Ivan Thomas
Arlene Bynoe-Maillard
Joan Hinds

4.8.16 Profiles for the nominees selected by the Nominations Committee were read and nominees from the floor introduced themselves to the membership.

4.8.17 Members casted their votes.

5.0 OTHER BUSINESS

5.1 Whilst the ballots were being counted, the President invited discussions on Other Business.

5.2 Mr. Marlon Charles indicated that the MMG Statements were inconsistent and the interest on the investment was no longer quoted. He said that he had written the Secretary of the Board on the matter and, although the Secretary responded by informing him that the matter was being dealt with, his most recent statement did not indicate the interest rate.

5.2.1 The President informed Mr. Charles that the rate of interest was 3.25%. Director Phillip-Pollard explained that there were new staffers and the person who trained them might not have indicated to them that the interest rate must be included. The assurance was given to Mr. Charles that the interest rate would be included in the next statement. Mr. Charles responded that there may have been new staff members for quite a while, because his last five statements failed to quote the interest rate.

5.3 Mr. Marlon Espinoza questioned whether or not the organization's accountant would have the accounts ready on time, to allow for an audit so that the AGM could proceed in September.

5.3.1 The Treasurer explained that the organization currently operated without an Accountant, and whilst the clerical staff had been working towards bring the information up-to-date, there were some inputs that still need to be finalized, before the auditors begin the audit.

5.3.2 Mr. Espinoza expressed concern that junior staff may not be capable of bringing the accounts up-to-date and enquired as to how long the organization operated without an Accountant. The Treasurer indicated that several attempts were made to recruit and when an Accountant was eventually hired, she left the job soon after. Regarding the capability of the junior staff, the Treasurer stated that it was unfair to suggest such, since Ms. Sharon Sooknanan worked very hard at ensuring the day-to-day functioning of the Accounts Department. The President indicated that arrangements had been made with an accounting firm, M & N Chartered Accountants, to diagnose the situation regarding the 2010 accounts.

5.4 The President informed members that she was stepping down and took the opportunity to thank the staff, the committees, the Directors and the membership at large.

5.5 Mr. Keith Samuel took the opportunity to stress the need to have the brochure prepared in a timely manner, and to have an editing committee examine the contents, since it was a reflection of the organization.

6.0 VOTE OF THANKS

6.1 In his vote of thanks, the Vice President, Mr. Quentin Thomas, thanked the statute barred Directors - Ms. Marcia Goodridge and Mrs. Carol Joseph for their dedication during the last nine years, the staff for their hard work and commitment during some very trying times, the Board and Committee members for their loyal service, the Commissioner's Office for its guidance, the families of the Board, Committees and Staff members who would have sacrificed quality time to allow them to serve, and the membership for its patience, understanding and support. The Vice President asked the members to continue to support SFCCU Credit Union and gave the assurance that every effort would be made to deliver to the membership.

7.0 ELECTION RESULTS

7.1 The election results were as follows:-

7.1.1 Board of Directors

Ivan Thomas - 78 (3 years)
Alicia Phillip Pollard - 77 (3 years)
Arlene Bynoe-Maillard - 77 (3 years)
Sanjay Mungal - 75 (2 years)
David Arthur - 67 (3 years)
Emrol Brathwaite - 66 (2 years)
Cheridan Woodruffe - 61 (2 years)
Marlon Espinoza - 58 (2 years)
Theresa Peters-Frederick - 56 (1st Alt.)
Ray Phirangee - 53 (2nd Alt.)
Joan Hinds - 47
Lauren Ramdhanie - 30

7.1.1 Supervisory Committee

Tessa Hamilton-Gooding - 71
Candice Charles - 68
Charmaine Baptiste - 67



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Carol Modeste - 51 (1st Alt.)

Marcia Goodridge - 40 (2nd Alt.)

7.1.3 Credit Committee

Arlene Wright-Gittens - 88

Gregory Cooper - 79

Kience Frederick - 75

Maurisa Paul - 73

Emanuel Ramsaran - 64

Carol Joseph - 58 (1st Alt.)

Khadine Mejias - 44 (2nd Alt.)

7.1.4 The Residing Officer informed the membership that the Directors serving for three years were Ivan Thomas, Alicia Phillip-Pollard, Arlene Bynoe-Maillard and David Arthur; and the Directors serving for two years were Sanjay Mungal, Emrol Brathwaite, Cheridan Woodruffe and Marlon Espinoza. He then identified the two alternates as Mrs. Theresa Peters-Frederick and Mr. Ray Phirangee.

7.1.5 A motion was moved by Mr. Emrol Brathwaite for the destruction of the ballots. The motion was seconded by Mr. Ivan Thomas. (Majority in Favour)

8.0 CONCLUSION

8.1 There being no further business, the Reconvened 49th Annual General Meeting of SFCCU Credit Union Co-operative Society Limited concluded at 6:52 p.m.

Respectfully submitted



CURT ALLAN

Secretary

Board of Directors

New Appointments



APPOINTMENT OF GENERAL MANAGER

Garnet Morgan Jessop

Dip. Acc., ACCA, CA, MBA (Int'l Fin.)

The board of directors is pleased to announce the appointment of Mr. Garnet Morgan Jessop to the position of General Manager effective September 5th 2011. Mr. Jessop is the holder of a Diploma in Accounting from the Cambridge Tutorial College in England. He is a Chartered Accountant, and a member of the Association of Chartered Certified Accountants in England. He is also a member of the Institute of Chartered Accountants of Trinidad & Tobago.

Mr. Jessop holds a Master Degree in Business Administration with specialization in International Finance from the University of the West Indies, St. Augustine. He has over 21 years of Accounting and Audit experience, having worked in both the private and public sectors. He is a part-time lecturer in Accounting and Finance at the Tertiary level. In his spare time he cycles and is a student of philosophy.



APPOINTMENT OF SENIOR ACCOUNTANT

Candice Bejai

The Board of Directors wishes to announce the appointment of Miss Candice Bejai to the position of Senior Accountant commencing 12th September 2011. Miss Bejai is a graduate from the University of the West Indies with a B. SC. Special in Accounting. She has also completed the ACCA Qualification and is currently an Affiliate of ACCA.

Miss Bejai joins the SFCCU Credit Union Co-operative Society with over three years auditing experience and approximately three years accounting experience. She has gained experience in the retail and manufacturing industry and is now seeking to gain experience in the finance industry. In her spare time she enjoys reading and music.



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Treasurer's Report

For the Financial Year ending December 2010

Dear members I am humbled to be here today to report to you on the financial performance of the SFCCU Credit Union Co-Operative Society Ltd for the year ended 2010.

ECONOMIC OVERVIEW

The year under review was a challenging one as the global economy was still in a recovery state following the turbulence of the 2008 financial meltdown. While there was some recovery in the developed countries the growth was not at the pace to significantly reduce unemployment and provide long term sustainable economic recovery. The emerging markets however showed more resilience than their industrialized counterparts due mainly to internal demand.

The local economy remained relatively flat with marginal growth in the energy sector while the non-energy sector continued to decline. Unemployment increased during the period moving from 5.1% at December 2009 to 5.8% at December 2010 with construction, government, transportation, storage and communication sectors being the hardest hit. Inflation increased rapidly from its 1.3% low in December 09 where it peaked at 16.2% in August 2010 before tapering off to 13.4% in December 2010. Food prices were the main contributor to the increased inflationary pressure due to poor weather conditions. The repos rate was adjusted downwards from 5.25% in December 09 to 5.00% in January 2010 and continued a downward slide ending at 3.75% in December 2010. These statistics certainly influenced the way we did business in 2010. Your Board responded by increasing marketing of loans, adjusting interest rates on vehicle loans, offered special loan promotions and carefully managed our expenditure.

Your Credit Union also had its own internal challenges following the departure of key managerial staff during the period. Filling these key positions also had its challenges as the Board was very careful in its choice of candidates. In the absence of a General Manager and Senior Accountant your Board was called upon to take a more hands-on role in the operations of the Society which placed greater responsibilities on directors. I personally enjoyed the experience as it allowed me to work closer with staff and to gain a better understanding of the operations of our Credit Union. However this experience reemphasizes the point for succession planning and capacity building especially at our executive management level.

FINANCIAL PERFORMANCE

Earnings from interest on members' loans continued to be positive. Growth of 10% for the period was realized. Growth was also recorded from our Investment Income primarily the equity portfolio, with a total increase of 230% being recorded over last year's performance. However gross income fell by 10% due to the loss of earnings from the CLICO fixed deposits portfolio.

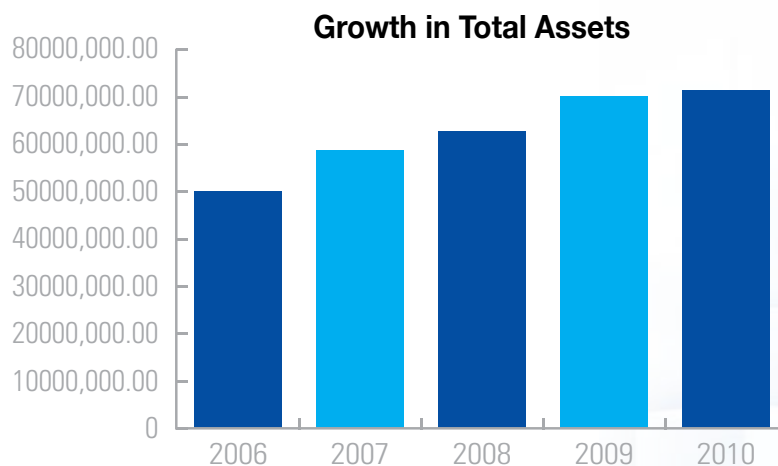
Revenue	2010	2009	Increase \$ Value	% Increase
Interest on members' loans	4,333,565	3,949,907	383,658	10%
Interest Income	865,782	2,187,319	(1321,537)	-60%
Investment Income	374,840	113,496	261,344	230%
Miscellaneous Income	163,872	428,314	(264,442)	-62%
Total	5,738,059	6,679,036	(940,977)	-10%

TREATMENT OF CLICO / BRITISH AMERICAN INVESTMENTS

Our Finance Minister, the Honorable Winston Dookeran has agreed on September 22, 2011 to settle all outstanding principal balances as at September 9, 2010 on short term deposits held in CLICO and British American Insurance Company Ltd Executive Flexible Premium Annuities (EFPA). The Principal Balance will be paid over a period of two years in two equal installments one year apart from each other. As a result, for the fiscal year under review the Society had to write back interest previously recorded in 2009 in the sum of TT\$431,208.00. The Board is please with this decision and is currently working with the Ministry of Finance to recover these outstanding funds.

GROWTH IN ASSETS

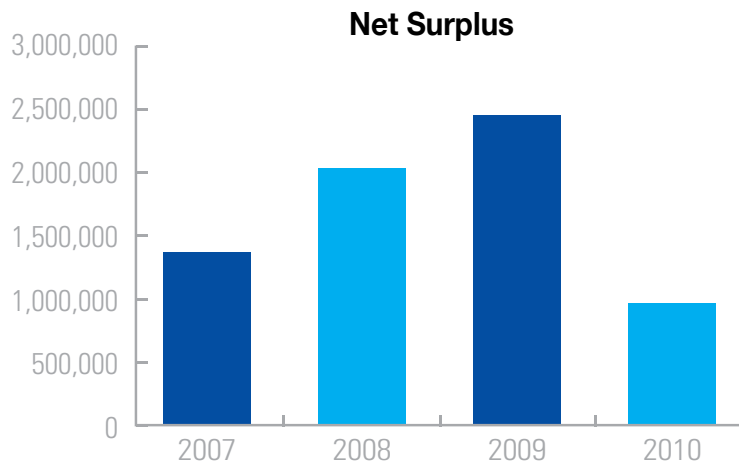
The growth in total assets for the period slowed in comparison to that of the previous period which was reflective of the macro economic conditions during that period. Growth in total assets was \$1,918,663. This represents a 2.6% when compared with a year on year increase of 11.31% for 2008/09.



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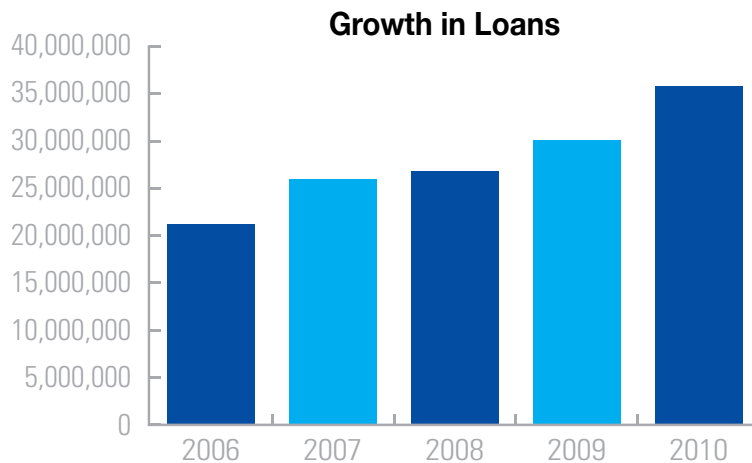
SURPLUS

Net Surplus decreased significantly as a result of a short fall from Interest Income from the CL Financial Group investments. The surplus for the year ended December 31st 2010 was \$951,715.00.



GROWTH IN LOANS

During the year under review the loan portfolio grew by 29.72%. The total number of loans disbursed was 1549 to the value of \$22,069,818. This is \$5,055,840 more than 2009. This was a commendable performance and is in keeping with the Board's strategy as announced in my previous year end report to grow the portfolio in accordance with the PEARLS recommendations.



DELINQUENCY MANAGEMENT

The recoveries department was also hampered by the loss of key staff. Despite this set back the Credit Union kept up the momentum employed from the previous year and we were able to pursue defaulters in an effort to keep the delinquency rate on decline. In 2009 the figure stood at 13.25%. The delinquency rate for the period ended December 31, 2010 was 7.9%.

During the period under review we employed several strategies in a bid to reduce the delinquency rate. These included providing counseling to members, restructuring of members loans to provide more manageable repayment terms, crystallizing of pledge assets, referring accounts to the Commissioner's Office, and passive persuasion. Our efforts did yield results and we will continue to work towards further reductions in future.

CONCLUSION

As I mentioned earlier this was a very challenging year, and I am sure that there will be some more rough times ahead as the global economy slowly makes its way to recovery. I am however optimistic that the worst is over, and once we all remain focus on the challenges that lay ahead we will be victorious. The Board is committed to developing a strategic plan to take the Society forward. We are looking forward to a harmonious and productive relationship with statutory committees, management and staff as we take a more customer focus approached going forward.

With respect to the Trinergy Software and property at Chaguanas, these two projects remain pending. Rest assured that they are engaging our full attention and even as I am preparing this report a plan is underway to bring closure to both of them, hence my brevity on the subject matter.

In closing I will like to extend sincerest thanks and gratitude to all members of staff who have provided yeoman service over the past year. And to our equally valued membership who continue to show support, dedication and love to your credit union I urge you to continue on this path as we continue to build the best co-operative in the Trinidad and Tobago.

Co-Operatively yours,



IVAN THOMAS

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AREA	PEARL	DECRPTION	GOAL	SFCCU	SFCCU
				Dec 31 2010	Dec 31 2009
PROTECTION	P1	Allowance for Loan Losses / Allowances Required for Loans Delinquent > 12 months	100%	87.02%	100%
	P2	Net Allowance for Loan Losses / Allowances Required for Loans Delinquent < 12 months	35%	35%	35%
	P6	Solvency	>=100%	184.95%	191.04%
EFFECTIVE FINANCIAL STRUCTURE	E1	Net Loans / Total Assets	70-80%	50.39%	43.97%
	E2	Liquid Investments / Total Assets	<=20%	13.19%	18.70%
	E3	Financial Investmetns / Total Assets	<=10%	27.47%	26.28%
	E4	Non-Financial Investments / Total Assets	0%	0.00%	0.00%
	E5	Savings Deposits / Total Assets	70-80%	28.87%	30.82%
	E6	External Credit / Total Assets	<=5%	0.00%	0.00%
	E7	Member Share Capital / Total Assets	10-20%	25.25%	24.42%
	E8	Institutional Capital / Total Assets	>=10%	5.26%	5.94%
ASSET QUALITY	A1	Total Loan Delinquency / Gross Loan Portfolio	<=5%	7.91%	13.25%
	A2	Non-Earning Assets / Total Assets	<=5%	11.33%	11.08%
RATES OF RETURN & COSTS	R1	Net Loan Income / Average Net Loan Porfolio	Entrep'l rate	11.53%	12.89%
	R2	Total Liquid Investment Income / Average Liquid Investments	Mkt rates	-	-
	R9	Total Operating Expenses / Average Total Assets	<10%	6.35%	5.96%
	R10	Total Loan Loss Provision Expense / Average Total Assets	Dep Delq Loans	0.78%	0.31%
	R12	Net Income / Average Total Assets	Linked to E9	0.85%	0.26%

LIQUIDITY	L1	S.T. Investments + Liquid Assets - S.T. Payables / Savings Deposits	>=15%	67.55%	59.60%
	L2	Liquidity Reserves / Savings Deposits	10%	45.70%	60.66%
	L3	Non-Earning Liquid Assets / Total Assets	<1%	2.45%	1.6%
SIGNS OF GROWTH	S1	Growth in Loans to Members	Dep E1	17.51%	5.78%
	S2	Growth in Liquid Investments	Dep E2	-27.70%	27.76%
	S3	Growth in Financial Investments	Dep E3	7.15%	-2.84%
	S4	Growth in Non-Financial Investments	Dep E4	N/A	N/A
	S5	Growth in Savings Deposits	Dep E5	-3.96%	19.57%
	S6	Growth in External Credit	Dep E6	N/A	N/A
	S7	Growth in Share Capital	Dep E7	3.40%	6.40%
	S11	Growth in Total Assets	>Inflation	2.65%	11.42%



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Board of Directors

TERM: 2011/2012



Mr. Quentin Thomas



Mr. Ivan Thomas



Mr. Curt Allan



Ms. Lauren Roget



Ms. Alicia Phillip-Pollard



Mr. Sanjay Mungal



Ms. Arlene Bynoe-Maillard



Mr. Murcheson Flemming



Mr. Emrol Brathwaite



Mr. David Arthur



Mr. Cheridan Woodruffe



Credit Committee

TERM: 2011/2012



Ms. Maurisa Paul



Mr. Gregory Cooper



Ms. Arlene Wright-Gittens



Mr. Emanuel Ramsaran



Ms. Kience Frederick

SFCCU Staff



Supervisory Committee

TERM: 2011/2012



Ms. Tessa Hamilton-Gooding



Ms. Candice Charles



Ms. Charmaine Baptiste





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Credit Committee Report

The Credit Committee is pleased to present its report for the period 1st April, 2010 to 31st December, 2010. There was no Annual General Meeting in the year 2010, therefore, the following persons elected in 2009 continued to serve throughout 2010 on the Credit Committee.

MEMBERS

Mr. Gregory Cooper	-	Chairman
Ms. Maurisa Paul	-	Secretary
Mrs. Arlene Wright-Gittens	-	Member
Mrs. Carol Modeste	-	Member
Mr. Emanuel Ramsaran	-	Member
Mrs. Joan Hinds	-	1st Alternate
Ms. Nicolette Grant	-	2nd Alternate

Both Mr. Gregory Cooper and Ms. Maurisa Paul continued serving in their respective posts of Chairman and Secretary, respectively.

The Committee met regularly every Thursdays and on other days necessary in order to expedite the processing of loan applications in an efficient and timely manner.

MEETINGS

A total of 40 were held during the period under review and the following reflects the attendance of members.

Members	Present	Excused	Absent
Gregory Cooper	28	10	2
Maurisa Paul	36	3	1
Arlene Wright-Gittens	33	7	0
Carol Modeste	37	3	0
Emanuel Ramsaran	33	7	0

OPERATIONS REVIEW

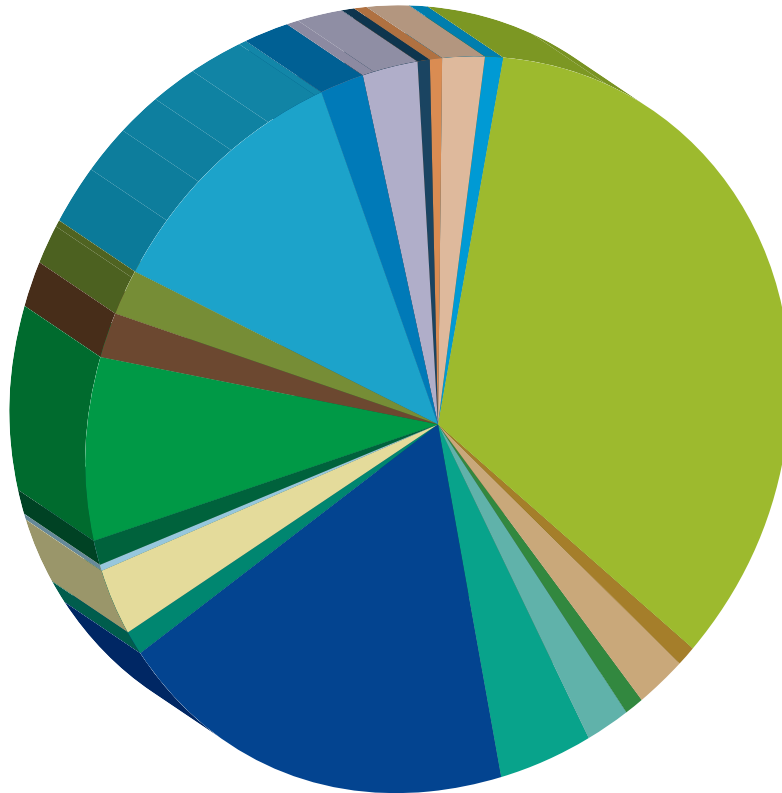
Loans	No. of Loans Granted	Dollar Value
Year 2010	1309	\$18,115,091.33

Loan Disbursement for the period 1st April, 2010 to 31st December, 2011

Categories	\$ Value	Quantity
Investments	\$428,379.71	20
Ceremonies	\$123,919.69	12
Personal	\$6,354,837.45	707
Consolidated Debts	\$209,425.62	10
Education	\$364,183.79	40
Legal	\$14,131.35	5
Medical	\$278,981.49	33
Vacation	\$652,053.27	54
House Repairs	\$3,460,339.16	175
Reschedule Loan	\$176,108.56	12
Mortgage Loan	\$573,931.34	5
House Purchase	\$31,277.01	1
Land Purchase	\$237,825.23	2
Vehicle Purchase	\$1,417,088.34	29
Vehicle Repairs	\$394,291.23	46
Restructure Car Loan	\$347,613.04	9
Special Vehicle Package Loan	\$2,205,291.67	32
Business Loan	\$309,780.07	4
Special Christmas Loan	\$424,939.92	102
Investment Loan	\$83,951.81	9
House Renovation/Mortgage	\$26,741.58	2
Total	\$18,115,091.33	1309

The Building Blocks of our Future

Statistical Data for Loans 2010



- Investments
- Ceremonies
- Personal
- Consolidated Debts
- Education
- Legal
- Medical
- Vacation
- House Repairs
- Reschedule Loan
- Mortgage Loan
- House Purchase
- Land Purchase
- Vehicle Purchase
- Vehicle Repairs
- Restructure Car Loan
- Special Vehicle Package Loan
- Business Loan
- Special Christmas Loan
- Investment Loan
- House Renovation/Mortgage

DELINQUENCY MANAGEMENT

Delinquency continues to be an area of great concern in our organization. Therefore, various initiatives were undertaken in the past years in order to put a choke hold on it. Successfully, we have been able to implement and utilize these initiatives to the organization's and its membership's benefit.

The Committee, alongside the organization's Recoveries Department, has worked feverishly in collating strategies in order to relinquish the on-going issue of delinquency. Some strategies employed were interviews, restructuring loans in terms of installments and repayment periods, site visits, training of loan staff, relentless pursuit of defaulters, repossession of vehicles and obtaining judgments from the Commissioner's Office.

During our period, a conscientious effort is continuously being made to reestablish good communication with the membership; therefore we preferred a more humane, friendly approach to delinquency and as a result, only a few of the Committee's cases had to transferred to the Recoveries Department.

In addition, 2010, we continued to use TransUnion, an international credit monitoring and rating agency which afforded us the ability to deal with delinquency from the forefront. This, allowed for early detection of high risk loan, which called for further scrutiny, by the Committee, before approval and if approved, close monitoring after disbursement.

As at December 31st, 2010, the overall year's delinquency ratio stood at 6.63%. However, we continue to implement more measures to curb delinquency more effectively and efficiently at every level of our organization.

CONCLUSION

We would like to say a special thanks to the Board of Directors, the Acting General Manager, other Committee Members and the hardworking Staff for their continued support and valuable contributions, co-operation and assistance that they have given throughout our term.

Co-Operatively yours,



MS. MAURISA PAUL
Secretary



The Building Blocks of our Future

Supervisory Committee Report

INTRODUCTION

The Supervisory Committee takes pleasure in presenting its annual report on the affairs of SFCCU Credit Union Cooperative Society Limited and its activities for the financial year ended 2010 December 31.

ELECTION OF OFFICERS

On 2009 June 13th at the 48th Annual General Meeting, the following persons were duly elected to serve on the Supervisory Committee:

- Mrs. Theresa Peters-Frederick
- Ms. Samantha Letren
- Mrs. Tessa Hamilton-Gooding

The elected members continued to serve for the reporting period as there were no Annual General Meeting for the period January – December 2010 to elect new members.

ATTENDANCE OF OFFICERS

The table below shows the positions held of the Supervisory Committee, and the attendance for the period January 2010 – December 2010:-

Name	Position	Present	Excused	Absent
Theresa Peters-Frederick	Chairperson	48	4	0
Samantha Letren	Secretary	40	12	0
Tessa Hamilton-Gooding	Member	48	4	0

GENERAL BUSINESS AND ACTIVITIES

1. JOURNAL AND PAYMENT VOUCHERS

The Committee on investigation ensured that:

- All vouchers contained the necessary supporting evidence
- All vouchers have the authorized signatures affixed
- The proper procedures were followed.

Recommendations

- That special attention needs to be paid to the supporting documents and calculations as it is very important that records such as these read accurately especially for auditing purposes.

2. CREDIT COMMITTEE CONTROL LISTING

The Credit Committee was reminded of the following.

Recommendations

- Special attention be paid to the information placed on the loan files
- And, that all calculations were accurate before approval.

3. DELINQUENCY PORTFOLIO

The progress and success rate of the Recoveries Department is measurable by the amount of money collected on delinquent loans and the current status of the portfolio. The Recoveries Department worked on the following:

- The Reporting structure / Documentation
- Following up on Delinquency Accounts
- Restructuring of the Filing System
- Security Documents
- Loan Restructure / Voluntary Settlement Agreements

The Supervisory Committee would like to commend the Recoveries Department on their remarkable efforts in effectively reducing the delinquency portfolio that has been at a standstill for years.

Recommendations

- Files be updated on a quarterly basis
- Monthly calls are made to the delinquent members.

4. LOAN APPLICATION FILES

While going through files the Committee ensured the following were adhered to:

Recommendations

- All files had the required documents [Pay slip, Job letter, Utility bill, Identification card, Supporting Invoice etc]
- All calculations were done accurately and,
- All procedures were followed by the Credit Union.

5. OFFICERS SHARES/M.M.G/DEPOSIT/LOAN ACCOUNT BALANCES

It's very important that officers are in good standing and saving well on a regular basis with the Credit Union.



The Building Blocks of our Future

6. CASH COUNT

The Committee ensured that executions of end of year cash count was carried out.

7. OTHER FUNCTIONS

- Assets/Depreciation
- Payment of utility bills
- Expenditure re: Computer, Board and Committee expenses
- Financial statements
- Review of Credit Policy & Procedures
- Attendance at special joint Committee meetings
- Ensuring that the Board of Directors is continually guided by the Bye Laws that governs the Credit Union

RECOMMENDATIONS TO THE BOARD OF DIRECTORS

- The remodeling of all the organizations Policy and Procedure manuals should be of top priority. We recommended that the Policy Committee start working very closely with other committee members and employees to get this urgent project underway.
- We recommend that there should always be a clear communication process between the Board of Directors and the Supervisory Committee so that the Supervisory Committee can effectively carryout its duties. Communication is one of the key aspects for the successful management of any organization.

CONCLUSION

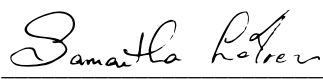
The committee wishes to thank Management and the members of staff of SFCCU Credit Union Cooperative Society Limited for their cooperation with the Committee and their commitment and dedication to the Society.

Submitted for your information

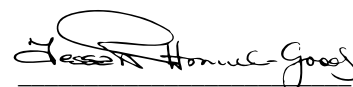
Co-operatively yours



THERESA PETERS-FREDERICK
Chairman



SAMANTHA LETREN
Secretary



TESSA HAMILTON-GOODING
Member

FINANCIAL STATEMENTS

For the Year Ended December 31, 2010

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Statement of Income & Undivided Earnings	60-61
Statement of Changes in Equity	62
Statement of Cash Flows	63
Notes to the Financial Statements	64-72

AUDITORS' REPORT
TO
THE MEMBERS
OF
SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of SFCCU Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position at December 31, 2010, the Statement of Income and Undivided Earnings, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and incorporating a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Financial Statements

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

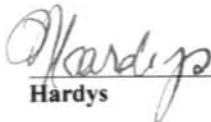
Auditor's responsibility

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

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

Opinion

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of SFCCU Credit Union Co-operative Society Limited at December 31, 2010, and its financial performance and its Statement of Cash Flows, for the year then ended in accordance with the Co-operative Societies Act and with International Financial Reporting Standards.



Hardys

CHARTERED ACCOUNTANTS

October 18, 2011

San Fernando

Trinidad, W.I.


Hardys
CHARTERED ACCOUNTANTS

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2010

ASSETS	NOTES	2010	2009
Non-Current Assets			
Property, Plant and Equipment	8	\$ 5,734,666	\$ 6,051,161
Members' Loans	6	38,470,136	32,737,729
Fixed Deposits	4	14,774,843	15,027,996
Investments	7	6,199,813	4,546,724
Investment in Subsidiary	9	50,000	50,000
Related Party		-	19,350
		-----	-----
Total Non-Current Assets		65,229,458	58,432,960
		-----	-----
Current Assets			
Cash at Bank and in Hand	3	10,072,227	13,931,119
Accounts Receivable and Prepayments	5	985,879	1,950,599
Inventory	12	55,145	56,702
		-----	-----
Total Current Assets		11,113,251	15,938,420
		-----	-----
TOTAL ASSETS		\$ 76,342,709	\$ 74,371,380
		-----	-----
MEMBERS' EQUITY AND LIABILITIES			
Members' Equity			
Members' Shares	11	\$ 19,280,078	\$ 42,510,061
Reserve Fund		2,308,250	2,212,668
Education Fund		285,141	249,599
Property Revaluation Reserve	13	1,423,991	1,423,991
Investment Revaluation Reserve		1,165,425	914,336
Retained Earnings		3,430,210	2,621,869
		-----	-----
Total Members' Equity		27,893,095	49,932,524
		-----	-----
Non Current Liabilities			
Members' Savings and Deposit Accounts	14	22,039,109	22,947,114
Members' Shares Balance	11	24,682,757	-
Provision for Terminal Benefits - Pension Plan		342,461	357,896
		-----	-----
Total Non -Current Liabilities		47,064,327	23,305,010
		-----	-----
Current Liabilities			
Accounts Payable and Accruals	10	1,385,287	1,133,846
		-----	-----
Total Liabilities		48,449,614	24,438,856
		-----	-----
TOTAL MEMBERS' EQUITY AND LIABILITIES		\$ 76,342,709	\$ 74,371,380
		-----	-----

The attached notes and comments form an integral part of these Financial Statements.

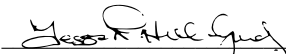
These Financial Statements were approved by the Board of Directors on October 18, 2011 and signed on its behalf by:



 President



 Treasurer



 Chairman,
 Supervisory Committee

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF INCOME AND UNDIVIDED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
INCOME		
Interest on Members' Loans	\$ 4,333,565	\$ 3,949,907
Interest Income	865,782	2,187,319
Investment Income	374,840	113,496
Miscellaneous Income	163,872	428,314
	<u>5,738,059</u>	<u>6,679,036</u>
EXPENDITURE		
Advertising	25,033	138,769
Annual General Meeting	66,623	177,743
Audit Fees	112,589	45,950
Bank and Interest Charges	19,495	12,535
Board and Committees' Expenses	95,453	162,561
Computer Expenses	13,730	57,174
Commissions	-	20
Credit Union Projects	128,680	110,254
CUNA Insurance	341,937	315,534
Depreciation	320,764	383,945
Donation	25,400	24,394
Insurance	43,600	45,118
Interest and Members' Deposits	811,177	1,011,721
League Dues	49,594	49,594
Legal and Professional Fees	90,640	120,007
Meeting and Conferences	149,830	45,562
Miscellaneous Expenses	11,973	2,339
Motor Vehicle Expenses	53,031	36,162
Officers' Stipends	142,630	138,570
Provision for bad and doubtful debts	-	(1,844,407)
Rental of Premises	153,870	153,870
Repairs and Maintenance	55,972	88,540
Salaries	1,445,980	1,951,007
Staff Benefits	66,974	343,153
Security	227,057	204,172
Stabilization Benefits	-	34,718
Stationery and Postage	137,060	193,199
Telephone	129,239	136,968
Terminal Benefits	-	(23,252)
Travelling	3,289	27,905
Utilities	64,724	61,241
	<u>4,786,344</u>	<u>4,205,066</u>
SURPLUS OF INCOME OVER EXPENDITURE	\$ 951,715	\$ 2,473,970

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF INCOME AND UNDIVIDED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
APPROPRIATIONS		
Transfer to Reserve Fund (10%)	\$ 95,172	\$ 246,987
Transfer to Education Fund (5%)	47,586	123,493
	-----	-----
TOTAL APPROPRIATIONS	142,758	370,480
	-----	-----
<u>NET SURPLUS AFTER APPROPRIATIONS</u>	<u>\$ 808,957</u>	<u>\$ 2,103,490</u>

The accompanying notes on pages 6-15 form an integral part of these financial statements.

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2010

YEAR ENDED DECEMBER 31, 2010

Particulars	Members' Shares	Property Revaluation Reserve	Investment Revaluation Reserve	Reserve Fund	Education Fund	Retained Earnings	Total
Balance at January 1, 2010	\$ 42,510,061	\$ 1,423,991	\$ 914,336	\$ 2,212,668	\$ 249,599	\$ 2,621,869	\$ 49,932,524
Adjustments							
Net Surplus for the Year	-	-	-	-	-	951,715	951,715
Share Purchases Net of Withdrawals	1,452,774	-	-	-	-	-	1,452,774
Appreciation in value of Investments	-	-	251,089	-	-	-	251,089
Dividends Paid	-	-	-	-	-	-	-
Prior Year Adjustment	-	-	-	410	206	(616)	-
Transfer to Reserve Fund	-	-	-	95,172	-	(95,172)	-
Transfer to Education Fund	-	-	-	-	47,586	(47,586)	-
Funds Expenditure (Net of Donation)	-	-	-	-	(12,250)	-	(12,250)
Balance at December 31, 2010	\$ 43,962,835	\$ 1,423,991	\$ 1,165,425	\$ 2,308,250	\$ 285,141	\$ 3,430,210	\$ 52,575,852

YEAR ENDED DECEMBER 31, 2009

Particulars	Members' Shares	Property Revaluation Reserve	Investment Revaluation Reserve	Reserve Fund	Education Fund	Retained Earnings	Total
Balance at January 1, 2009	\$ 40,090,509	\$ 1,423,991	\$ 734,702	\$ 1,965,681	\$ 141,743	\$ 1,953,903	\$ 46,310,529
Adjustments							
Net Surplus for the Year	-	-	-	-	-	2,473,970	2,473,970
Share Purchases Net of Withdrawals	2,419,552	-	-	-	-	-	2,419,552
Appreciation in value of Investments	-	-	179,634	-	-	-	179,634
Dividends Paid	-	-	-	-	-	(1,435,524)	(1,435,524)
Transfer to Reserve Fund	-	-	-	246,987	-	(246,987)	-
Transfer to Education Fund	-	-	-	-	123,493	(123,493)	-
Funds Expenditure (Net of Donation)	-	-	-	-	(15,637)	-	(15,637)
Balance at December 31, 2009	\$ 42,510,061	\$ 1,423,991	\$ 914,336	\$ 2,212,668	\$ 249,599	\$ 2,621,869	\$ 49,932,524

The attached notes and comments form an integral part of these Financial Statements.

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
Operating Activities		
Net Surplus Before Appropriations	\$ 951,715	\$ 2,473,970
Adjustment For:		
Depreciation	320,764	383,945
Provision for Terminal Benefits	(15,436)	(23,254)
	-----	-----
Operating Surplus Before Changes in Working Capital and Reserves Components	1,257,043	2,834,661
(Increase) in Loans to Members	(5,732,407)	(4,189,749)
Decrease/(Increase) in Accounts Receivable and Prepayments	964,720	(1,069,568)
Decrease in Inventory	1,557	5,484
(Decrease)/Increase in Members' Savings and Deposit Accounts	(908,005)	3,755,875
Increase in Accounts Payable and Accruals	251,440	200,432
Decrease/(Increase) in Related Party Receivable	19,350	(19,350)
	-----	-----
Net Cash (Used in)/Generated From Operating Activities	(4,146,302)	1,517,785
	-----	-----
Investing Activities		
Net Change in Fixed Deposits	253,153	760,623
Purchase of Fixed Assets	(4,268)	(191,041)
Net Change in Investments	(1,653,089)	(199,484)
	-----	-----
Net Cash (Used in)/Generated From Investing Activities	(1,404,204)	370,098
	-----	-----
Financing Activities		
Dividends Paid	-	(1,435,526)
Increase in Investment Revaluation Reserve	251,090	179,635
Increase/(Decrease) in Education Fund	(12,250)	(15,637)
Increase in Members' Shares	24,682,757	-
(Decrease)/Increase in Members' Shares	(23,229,983)	2,419,553
	-----	-----
Net Cash Generated From Financing Activities	1,691,614	1,148,025
	-----	-----
Net Change For The Year	(3,858,892)	3,035,908
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,931,119	10,895,211
	-----	-----
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 10,072,227	\$ 13,931,119
	=====	=====
Represented By:-		
	-----	-----
Cash at Bank and in Hand	\$ 10,072,227	\$ 13,931,119
	=====	=====

The attached notes and comments form an integral part of these Financial Statements.

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

1. INCORPORATION AND PRINCIPAL ACTIVITIES

The Society is registered under the Co-operative Societies Act of the Republic of Trinidad and Tobago on June 28 1948. Its objectives are to promote the economic and social 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. The Society's registered office and principal place of business is at #16 Irving Street, San Fernando. It has a branch office located at Shop #7, Montano Plaza, High Street, San Fernando. The Society has a fully owned subsidiary SFCCU Property Management Limited, whose accounts have not been consolidated with that of the Credit Union.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These financial statements are expressed in Trinidad and Tobago dollars. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and have been prepared on the historical cost basis.

b) Property, Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation while property is stated at revalued amount. Depreciation is provided for on the reducing balance basis at various rates sufficient to write off the cost of the assets over their estimated useful lives, except for freehold land and work-in-progress, which is not being depreciated.

The depreciation rates used are:

Building	-	5%
Furniture and Fixtures	-	10%
Computer Equipment	-	33 1/3%
Office Equipment	-	10%
Motor Vehicle	-	15%

c) Inventories

Inventories are valued at cost and is based on the first in first out method of costing.

d) Foreign Currencies

Foreign currency transactions during the year are translated into Trinidad and Tobago currency at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities at the year end are translated into Trinidad and Tobago currency at the exchange rates ruling at that time. Profits and losses thus arising are dealt with in the Statement of Income.

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

2. Significant Accounting Policies (Cont'd)

e) Revenue and Expenditure

Revenue and expenditure items are accounted for on the accruals basis.

f) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to terminal benefit are recognised when they accrue to employees. A provision is made for the estimated liability for terminal benefit as a result of services rendered by employees up to the Statement of Financial Position date.

g) Investments

The Society has classified all investments as available-for-sale.

Available-for-sale securities are those 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 Revaluation Reserve.

For actively traded investments, fair value is determined by reference to Stock Exchange quoted market prices at the Statement of Financial Position date, adjusted for any 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.

h) Reserve Fund

The Co-operative Societies Act, 1971, Section 45 (2) requires that at least 10% of the net surplus of the Society for the year is transferred to a Reserve Fund. In accordance with Bye Laws 19 and 22 of the Credit Union, this reserve may be used only with the approval of the Commissioner for bad loans and other losses sustained through extraordinary circumstances over which the Society has no control.

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

3. CASH AT BANK AND IN HAND

The sum of \$10,072,227 is made up as follows:-

	2010	2009
Cash In Hand	\$ 22,045	\$ 20,000
Current Accounts	1,848,432	1,132,753
Mutual Funds	8,201,750	12,778,366
	-----	-----
	<u>\$ 10,072,227</u>	<u>\$ 13,931,119</u>

4. FIXED DEPOSITS

The sum of \$14,774,843 is made up as follows:-

	2010	2009
Colonial Life Insurance Company (Trinidad) Limited	\$ 10,274,843	\$ 10,274,843
British American Insurance Company (Trinidad) Limited	4,500,000	4,500,000
Guardian Life of the Caribbean	-	253,153
	-----	-----
	<u>\$ 14,774,843</u>	<u>\$ 15,027,996</u>

	2010	2009
a) Colonial Life Insurance Company (Trinidad) Limited (4 fixed deposits)	<u>\$ 10,274,843</u>	<u>\$ 10,274,843</u>
b) British American Insurance Company (Trinidad) Limited (1 fixed deposit)	<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>

Note A: The Society has an investment of \$10,274,843 in Colonial Life Insurance Company (Trinidad) Limited (CLICO) and \$4,500,000 in British American Insurance Company (BAICO). This investment is secured by the Central Bank's Statutory Reserve Fund of which CLICO and BAICO is a subscriber. The Government of Trinidad and Tobago has further guaranteed the security of these funds as per the client's policy contract.

On September 22, 2011, the Minister of Finance has agreed to the following:-

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

- The Principal Balance will be paid over a period of two (2) years, in two (2) tranches representing fifty percent (50%) of the said Principal balance in each year. The Second tranche will be paid a year from the date of the first payment.

5. ACCOUNTS RECEIVABLE AND PREPAYMENTS

The sum of \$985,879 is made up as follows:-

	2010	2009
Interest Receivable	\$ 351,621	\$ 1,228,961
Staff Loans	700	2,500
Other Receivables and Prepayments	633,558	719,138
	-----	-----
	<u>\$ 985,879</u>	<u>\$ 1,950,599</u>

6. MEMBERS' LOANS

	2010	2009
Ordinary Loans	\$ 26,195,846	\$ 22,285,465
Mortgage Loans	1,761,639	1,240,005
Car Loans	9,088,459	7,616,066
Other Loans	2,304,552	2,476,553
	-----	-----
	39,350,496	33,618,089
Less: Provision for bad and doubtful debts	(880,360)	(880,360)
	-----	-----
	<u>\$ 38,470,136</u>	<u>\$ 32,737,729</u>

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

7. INVESTMENTS

The sum of \$6,199,813 is made up as follows:-

(i) Quoted Investments

	2010	2009
Ansa Merchant – 4,555 Shares (2009:4,555)	\$ 144,621	\$ 136,650
Ansa McAl Co Ltd – 14,165 Shares(2009:14,165)	651,590	609,095
Angostura Holdings Limited – 39,700 Shares (2009:39,700)	273,930	273,930
Caribbean Communication Network	58,616	60,340
First Caribbean Int. Bank – 5,000 Shares (2009:5,000)	43,800	32,500
Guardian Holdings Ltd – 12,945 Shares (2009:12,945)	165,825	182,654
Grace Kennedy Limited – 26,885 Shares (2009:26,885)	96,786	80,655
Moraven Holdings Ltd – 29,000 Shares (2009:29,000)	450,080	391,500
Neal & Massy Holdings – 8,000 Shares (2009:8,000)	296,000	360,000
National Enterprises Ltd – 8,000 Shares (2009: 8000)	82,240	66,000
PLIPDECO – 10,000 Shares (2009:10,000)	49,000	58,000
Republic Bank Limited – 1,918 Shares (2009:1,918)	146,171	141,970
Royal Bank of Canada – 958 Shares (2009:928)	320,901	324,858
Trinidad Cement Ltd – 44,290 Shares (2009:44,290)	124,012	170,517
WITCO – 9,000 Shares (2009:9,000)	430,290	291,510
Unilever Caribbean Ltd – 1,000 Shares (2009: 1000)	22,550	16,750
Sagicor Financial – 7,583 Shares (2009:7,583)	60,664	89,100
Trinidad Publishing Co. – 7,500 Shares (2009:7,500)	163,950	164,025
One Caribbean Media – 8,745 Shares (2009:8,745)	148,665	153,038
Jamaica Money Market Brokers Limited – 15,000 Shares (2009:15,000)	3,900	4,800
Capital and Credit Merchant Bank – 62,067 Shares (2009:62,067)	11,074	31,001
Scotia Bank T & T Ltd – 15,432 Shares	560,490	474,533
Praetorian Property Mutual Fund – 4,000 Shares (2009:4,000)	13,960	13,840
	<u>\$ 4,319,115</u>	<u>\$ 4,127,266</u>

(ii) Non-Quoted Investments

Guardian Asset Management Fund (Mutual)	\$ 150,000	\$ 150,000
Trinidad and Tobago Central Finance Facility	50,000	50,000
Guardian Asset Management Fund (US)	239,825	219,458
Sagicor Financial	700,000	-
First Citizen Abercrombie Fund	10,173	-
First Citizen Paria Fund	321	-
Other Shares	14,000	-
Local Bonds	716,379	-
	<u>\$ 1,880,698</u>	<u>\$ 419,458</u>

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

8. PROPERTY, PLANT AND EQUIPMENT

(i) Year Ended December 31, 2010 - The sum of \$5,734,666 is made up as follows:-

Cost	Freehold Land	Building	Office Furniture & Fixtures	Computer Equipment	Office Equipment	Motor Vehicle	Total
Balance, at January 1 2010	\$ 3,178,300	\$ 2,325,000	\$ 948,397	\$ 905,626	\$ 111,534	\$ 45,000	\$ 7,513,857
Additions	-	-	4,269	-	-	-	4,269
Balance, at December 31, 2010	<u>3,178,300</u>	<u>2,325,000</u>	<u>952,666</u>	<u>905,626</u>	<u>111,534</u>	<u>45,000</u>	<u>7,518,126</u>
Accumulated Depreciation							
Balance, at January 1 2010	-	300,683	365,550	731,372	20,190	44,901	1,462,696
Charge for the year	-	101,216	119,673	90,725	9,136	14	320,764
Balance at December 31, 2010	<u>-</u>	<u>401,899</u>	<u>485,223</u>	<u>822,097</u>	<u>29,326</u>	<u>44,915</u>	<u>1,783,460</u>
Net Book Value							
Balance at December 31, 2010	<u>\$ 3,178,300</u>	<u>\$ 1,923,101</u>	<u>\$ 467,443</u>	<u>\$ 83,529</u>	<u>\$ 82,208</u>	<u>\$ 85</u>	<u>\$ 5,734,666</u>

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31 2010**

8. PROPERTY, PLANT AND EQUIPMENT

(ii) Year Ended December 31, 2009 – The sum of \$6,051,161 is made up as follows:-

Cost	Freehold Land	Building	Office Furniture & Fixtures	Computer Equipment	Office Equipment	Motor Vehicle	Total
Balance, at January 1 2009	\$ 3,178,300	\$ 2,325,000	\$ 908,720	\$ 822,626	\$ 43,170	\$ 45,000	\$ 7,322,816
Additions	-	-	39,677	83,000	68,364	-	191,041
Balance, at December 31 2009	3,178,300	2,325,000	948,397	905,626	111,534	45,000	7,513,857
Accumulated Depreciation							
Balance, January 1 2009	-	184,433	274,639	564,286	15,076	40,317	1,078,751
Charge for the year	-	116,250	90,911	167,086	5,114	4,584	383,945
Balance, at December 31, 2009	-	300,683	365,550	731,372	20,190	44,901	1,462,696
Net Book Value							
Balance, at December 31, 2009	\$ 3,178,300	\$ 2,024,317	\$ 582,847	\$ 174,254	\$ 91,344	\$ 99	\$ 6,051,161

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

9. INVESTMENT IN SUBSIDIARY

SFCCU Property Management Limited is a wholly owned subsidiary of the Society, with an initial investment of **\$50,000**.

10. ACCOUNTS PAYABLE AND ACCRUALS

The sum of \$1,385,287 is made up as follows:-

	2010	2009
Interest Payable on Members' Deposits	\$ 50,482	\$ 50,482
Accruals	338,514	248,723
CUNA Death Benefit	973,921	798,947
Other Payables	22,370	35,694
	<u>-----</u>	<u>-----</u>
	<u>-----</u> \$ 1,385,287	<u>-----</u> \$ 1,133,846

11. MEMBERS' SHARE ACCOUNT

Members' shares have been re-classified to follow International Accounting Standard (IAS) 32 - Financial Statement Presentation and International Financial Reporting Interpretations Committee (IFRIC) 2- Members' Shares in Co-operative Entities and Similar Instruments.

The members' shares shall be classified as equity if either of the following conditions are met:-

- (i) The Entity has an unconditional right to refuse redemption of members' shares (e.g. if the shares are held against a loan, and cannot be redeemed until the loan is repaid).
- (ii) Redemption is unconditionally prohibited by local law, regulation or the entity's governing charter.

All other shares must be classified as Liabilities.

SFCCU CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31 2010

12. INVENTORY

This consists of stationery held at the head office.

13. PROPERTY REVALUATION RESERVE

In December 2006 the property situated at #16 Irving Street, San Fernando was valued by Chartered Valuers Royce Realty Limited. The difference between the valuation and the cost of this property was credited to the Property Revaluation Reserve.

IAS 16 requires that revaluation should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the Statement of Financial Position date. This property will be revalued in 2011.

14. MEMBERS' DEPOSITS

The sum of \$22,039,109 is made up as follows:-

	2010	2009
Members' Deposits – Current	\$ 3,875,095	\$ 4,167,587
Christmas Savings Plan	355	(656)
Holiday Savings Plan	5,475	3,017
Education Savings Plan	6,020	5,545
Deposit – 4 Accounts	13,246	-
Deposit – 5 C.U. Unit Accounts	1,048,872	941,496
FIP Deposit Account	174,270	160,065
MMG Deposit Account	15,271,207	15,067,007
Members' Fixed Deposits	1,644,569	2,603,053
	-----	-----
	\$ 22,039,109	\$ 22,947,114
	=====	=====

Budget

For the Period - 1 January 2011 To 31 December 2011

	Jan'11 To Dec'11 Budget
Interest On Members Loans	4,200,742.31
Interest Income	130,800.00
Investment Income	154,735.38
Miscellaneous Income	618,883.20
Total Income	5,105,160.89
Advertising	25,000.00
Annual General Meeting	252082.62
Audit Fees	55,000.00
Bank Charges And Interest	12,000.00
Board And Committee Expenses	100,000.00
Computer Expenses	13,750.00
Credit Union Projects	68,670.00
Cuna Insurance	350,000.00
Depreciation	283,384.71
Donations	11,500.00
Insurances	42,292.00
Interest On Members Deposits	469,352.27
League Dues	49,593.75
Legal And Professional Services	43,520.84
Meetings And Conferences	129,264.64
Miscellaneous Expenses	2,920.27
Motor Vehicle Expenses	22,385.61
Officers Stipends	142,630.00
Provision For Bad Debts	-
Rental Of Premises	175,535.42
Repairs And Maintenance	17,379.58
Salaries	1,169,363.43
Staff Benefit	56,420.80
Security	240,000.00
Stabilization Fund	20,000.00
Stationery And Postage	58,720.67
Telephone Expenses	136,425.38
Travelling	3,289.00
Utilities	72,000.00
Total Expenses	4,022,480.99
NET INCOME	1,082,679.90





The Building Blocks of our Future

Resolutions

Whereas S 51 (1) of the Co-operative Societies Act Chapter 81:03 of the Laws of Trinidad and Tobago provides that every Society shall have its accounts audited annually by the Commissioner or some other person authorized by him, or in accordance with regulations made by the Minister in that behalf, by an auditor selected by the Society and approved by the Commissioner.

And whereas the Board of Directors pursuant to S 51 (1) of the Cooperative Societies Act supra, has selected Hardy's Chartered Accountants, on behalf of the Society.

And whereas the said Hardy's Chartered Accountants has been approved by the Commissioner for Co-operatives.

Be it resolved that this 50th Annual general Meeting of the Society has approved the selection of the said Hardy's Chartered Accountants.

And be it further resolved that the said Hardy's Chartered Accountants has been appointed Auditors for the purpose of conducting the annual audit of the Society's accounts for the year ending December 31st 2011.

Seconded by:

Dividends

Whereas S46 of the Co-operative Societies Act Chapter 81:03 of the Law of Trinidad and Tobago provides inter alia, that a Society may pay a dividend on share capital to its members.

And Whereas S47 of the said Co-operatives Societies Act supra, provides that at least one-tenth of the net surplus of a society each year as ascertained by the annual audit shall be credited to the reserve fund.

And Whereas S48 of the said Co-operatives Societies supra, provides that any balance of the surplus of a Society, after making the prescribed provision for the reserve fund, may together with any available surplus of past years, be distributed among its members to the extent and under the conditions prescribed by the regulations and the Bye-Laws of the Society.

And Whereas the net surplus of the Society for the financial year ended December 31st, 2010 was ascertained by the annual sum of Nine Hundred and Fifty One Thousand, Seven Hundred and Fifteen Dollars (\$951,715,00).

Be it resolved that:

- 10% of the net surplus be credited to the Reserve Fund

Be it further resolved that:

- A Dividend of 0% be paid to members

Seconded by:





The Building Blocks of our Future

Notes