



2021
ANNUAL REPORT

FINANCIAL STATEMENTS

**Defying the Odds,
Exceeding Expectations**



WORKS CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STANDING ORDERS

1. (a) A member shall stand when addressing the Chair.
(b) Speeches shall be clear and relevant to the subject before the meeting.
2. A member shall address the meeting when called upon by the Chairman to do so, after which, he shall immediately take his seat.
3. No member shall address the meeting except through the Chairman.
4. A member may not speak twice on the same subject, except:
(a) The mover of a motion – who has a right to reply.
(b) He/She rises to object to or explain (with permission of the Chairman).
5. No speeches shall be made after the “question” has been put and carried or negated.
6. The mover of a “procedural motion” shall have no right to reply.
7. A member rising on a point of order shall state the point clearly and concisely. (A point of order must have relevance to the Standing Order)
8. (a) A member shall not call another member to order but may draw the attention of the Chair to a breach of order.
(b) 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 When a motion is withdrawn, any amendment to it fails.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 the right to a casting vote.
12. If there is an equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the amendment is lost.
13. Provision shall be made for protection by the Chairman from vilification (personal abuse).
14. No member shall impute improper motives against another.
15. Cellular Phones and Pagers should be switched off during the course of the meeting.
16. Any member who has been admonished on two (2) occasions and persist to ignore the admonishment will not be permitted to speak for the remainder of the meeting.
17. All speeches by members shall not exceed three (3) minutes except with the permission of the Chair.
18. No sitting member of the Board shall question or take issue with any matter stated in the Annual Report Brochure.
19. No sitting member of the Board of Directors shall be allowed to address the Chair from the floor.

INDEPENDENT AUDITOR'S REPORT

To The Members of Works Credit Union Co-operative Society Limited

INDEPENDENT AUDITOR'S REPORT

To The Members of Works Credit Union Co-operative Society Limited

Opinion

We have audited the Financial Statements of Works Credit Union Co-operative Society Limited, which comprise the Statement of Financial Position as at 31st December 2021, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Members' Funds and the Statement of Cash Flows for the year then ended, and the notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Credit Union as at 31st December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the Co-operative Societies Act of Trinidad and Tobago.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the Financial Statements and our auditor's report thereon. The Annual Report was not made available to us before the date of this Auditor's Report.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Not having read the Annual Report, we are unable to ascertain whether there are any material misstatements therein.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with IFRSs, and for such internal controls as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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



A.R.K. MONTGOMERY & CO

13th May, 2022

118 Abercromby Street

Port of Spain

Trinidad & Tobago

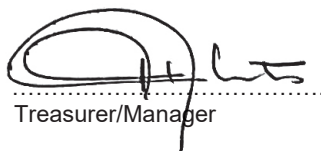
Statement of Financial Position

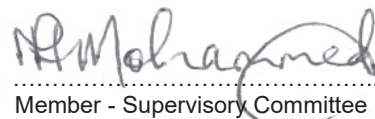
31st December, 2021

<u>Assets</u>	<u>Notes</u>	<u>2021</u>	<u>2020</u>
		\$	\$
<u>Non-Current Assets</u>			
Property, Plant and Equipment	5	25,812,367	26,264,859
Members' Loans	6	288,971,104	278,399,657
		<hr/>	<hr/>
<u>Total Non-Current Assets</u>		314,783,471	304,664,516
		<hr/>	<hr/>
<u>Current Assets</u>			
Accounts Receivable and Prepayments	7	1,886,570	3,869,248
Investments	8	20,475,372	14,492,091
Cash at Bank and in Hand	9	18,790,012	7,235,128
		<hr/>	<hr/>
<u>Total Current Assets</u>		41,151,954	25,596,467
		<hr/>	<hr/>
<u>TOTAL ASSETS</u>		355,935,425	330,260,983
		<hr/> <hr/>	<hr/> <hr/>
<u>MEMBERS' FUNDS AND LIABILITIES</u>			
<u>Members' Funds</u>			
Retained Earnings		36,255,453	27,700,775
Reserve Fund	10	17,457,799	15,393,728
Education Fund	11	1,772,243	990,928
Building Fund	12	1,623,999	1,623,999
Revaluation Reserve	13	7,353,227	7,353,227
Wendy Figaro Fund	14	361,954	258,725
		<hr/>	<hr/>
<u>Total Members' Funds</u>		64,824,675	53,321,382
		<hr/>	<hr/>
<u>Current Liabilities</u>			
Members' Shares	15	214,306,030	204,724,723
Members' Deposits	16	63,629,062	59,030,150
Accounts Payable and Accruals	17	13,175,658	13,184,728
		<hr/>	<hr/>
<u>Total Current Liabilities</u>		291,110,750	276,939,601
		<hr/>	<hr/>
<u>TOTAL MEMBERS' EQUITY AND LIABILITIES</u>		355,935,425	330,260,983
		<hr/> <hr/>	<hr/> <hr/>

The accompanying Significant Accounting Policies and Notes form an integral part of these Financial Statements
On May 13th, 2022 the Board of Directors Authorised these Financial Statements for issue.


Board Member


Treasurer/Manager


Member - Supervisory Committee

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31st December, 2021

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
<u>Income</u>			
Members' Loan Interest		38,700,015	35,734,587
Investment Income		186,676	449,456
Commissions		9,794	136,288
Service Fees and Charges		1,176,056	1,155,036
Rental Income		23,845	17,872
		<hr/>	<hr/>
<u>Total Income</u>		40,096,386 =====	37,493,239 =====
<u>Expenditure</u>			
Personnel Cost	18	6,556,998	7,637,716
Officers and Committee Expenses	19	690,271	690,733
Finance Costs	20	2,010,332	2,413,637
Operational Costs	21	4,852,329	9,185,986
Provision for Loan Loss		5,000,000	4,016,079
Annual General Meeting Costs		345,744	812,530
		<hr/>	<hr/>
<u>Total Expenditure</u>		19,455,674 =====	24,756,681 =====
<u>Net Surplus for the Year</u>		20,640,712 =====	12,736,558 =====
<u>Appropriations</u>			
Reserve Fund – 10%		2,064,071	1,273,656
Education Fund – 5%		1,032,036	636,828
Wendy Figaro Fund – 0.50%		103,204	63,683
		<hr/>	<hr/>
		3,199,311	1,974,167
		<hr/>	<hr/>
<u>Surplus after Appropriations</u>		17,441,401 =====	10,762,391 =====

Statement of Changes in Members' Funds

For the Year Ended 31st December, 2021

	<u>Retained Earnings</u> \$	<u>Reserve Fund</u> \$	<u>Education Fund</u> \$	<u>Building Fund</u> \$	<u>Revaluation Reserve</u> \$	<u>Wendy Figaro Fund</u> \$	<u>Total</u> \$
Balance as at December 31, 2019	20,720,614	14,120,072	619,322	1,623,999	7,353,227	190,577	44,627,811
Surplus for the Year	12,736,558	-	-	-	-	-	12,736,558
Reserve Fund – 10%	(1,273,656)	1,273,656	-	-	-	-	-
Education Fund – 5%	(636,828)	-	636,828	-	-	-	-
Dividends and Rebate	(3,491,965)	-	-	-	-	-	(3,491,965)
Honorarium/Gratuity	(290,265)	-	-	-	-	-	(290,265)
Fund Disbursements	-	-	(265,222)	-	-	-	(265,222)
Wendy Figaro Fund	(63,683)	-	-	-	-	63,683	-
Transfer to Wendy Figaro Fund from Board Member Shares	-	-	-	-	-	4,465	4,465
Balance as at December 31, 2020	27,700,775	15,393,728	990,928	1,623,999	7,353,227	258,725	53,321,382
Surplus for the Year	20,640,712	-	-	-	-	-	20,640,712
Reserve Fund – 10%	(2,064,071)	2,064,071	-	-	-	-	-
Education Fund – 5%	(1,032,036)	-	1,032,036	-	-	-	-
Dividends and Rebate	(8,537,443)	-	-	-	-	-	(8,537,443)
Honorarium/Gratuity	(349,280)	-	-	-	-	-	(349,280)
Fund Disbursements	-	-	(250,721)	-	-	(3,000)	(253,721)
Wendy Figaro Fund	(103,204)	-	-	-	-	103,204	-
Transfer to Wendy Figaro Fund from Board Member Shares	-	-	-	-	-	3,025	3,025
Balance as at December 31, 2021	36,255,453	17,457,799	1,772,243	1,623,999	7,353,227	361,954	64,824,675

Statement of Cash Flows

For the Year Ended 31st December, 2021

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2021</u>	<u>2020</u>
	\$	\$
Net Surplus for the Year	20,640,712	12,736,558
<u>Adjustment for Items not Involving the Movement of Funds:</u>		
Depreciation	1,188,691	1,290,306
Provision for Loan Loss	5,000,000	4,016,079
Loss on Disposal of Fixed Assets	-	156,536
	<hr/>	<hr/>
<u>Operating Surplus before Changes in Working Capital</u>	26,829,403	18,199,479
<u>CHANGES IN WORKING CAPITAL</u>		
Decrease/(Increase) in Accounts Receivable and Prepayments	1,982,678	(2,912,039)
(Decrease)/Increase in Accounts Payable and Accruals	(9,071)	4,298,610
	<hr/>	<hr/>
<u>Net Cash Provided by Operating Activities</u>	28,803,010	19,586,050
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Property, Plant and Equipment	(736,199)	(8,128,617)
Members' Loans	(15,571,447)	(21,270,027)
(Increase)/Decrease in Investments	(5,983,280)	1,803,866
	<hr/>	<hr/>
<u>Net Cash Used in Investing Activities</u>	(22,290,926)	(27,594,778)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Members' Deposits	4,598,912	5,451,754
Members' Shares	9,584,332	10,104,822
Education Expenses Paid	(250,721)	(265,222)
Dividends and Honorarium Paid	(8,886,723)	(4,109,721)
Wendy Figaro Disbursements	(3,000)	-
	<hr/>	<hr/>
<u>Net Cash Provided by Financing Activities</u>	5,042,800	11,181,633
Net Increase in Cash and Cash Equivalents	11,554,884	3,172,905
<u>CASH AND CASH EQUIVALENTS:</u>		
<u>Balance at the Beginning of the Year</u>	7,235,128	4,062,223
	<hr/>	<hr/>
<u>Balance at the end of the Year</u>	18,790,012	7,235,128
	=====	=====
<u>REPRESENTED BY</u>		
Cash in Hand and at Bank	18,790,012	7,235,128
	<hr/>	<hr/>
	18,790,012	7,235,128
	=====	=====

Notes to the Financial Statements

For the Year Ended 31st December, 2021

1. REGISTRATION AND OBJECTIVES

The Society is registered under the Co-Operative Societies' Act 1971, Chapter 81:03. Its objectives are to promote 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Financial Statements Preparation

These Financial Statements are prepared in accordance with the International Financial Reporting Standards, and are stated in Trinidad and Tobago Dollars. These Financial Statements have been prepared on the historical cost basis, except for the measurement at fair value of available-for-sale investments and the properties.

(b) Use of Estimates

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

(c) Adoption of New and Revised IFRSs and IFRICs

During the current year, the Society adopted all the new and revised International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations (IFRICs) which are relevant to its operations and are effective for accounting periods commencing on or before 1st January 2021. The adoption of these standards did not have a material effect on the Financial Statements. At the date of authorisation of these Financial Statements, some standards were in issue but not yet effective. The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the Financial Statements.

(d) Property Plant and Equipment

The Properties are stated at the revalued amounts and Plant and Equipment are stated at historical cost less accumulated depreciation. Depreciation is provided on the reducing balance method, except for building and computers, which are depreciated on the straight-line basis.

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

Building and building improvements	-	2%
Computer equipment and software	-	25%
Office furniture and equipment	-	10%
Motor vehicles	-	25%
Other assets	-	10%

Notes to the Financial Statements *(continued)*

For the Year Ended 31st December, 2021

2. **SIGNIFICANT ACCOUNTING POLICIES**

(e) **Investments**

The Society has classified all investments into the following categories:

Available-for-sale

These securities are intended to be held for an indefinite period of time but may be sold in response to the needs of 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 reserve account.

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 transaction costs necessary to realize the investment. For investments where there is no quoted market price, the carrying value is deemed to approximate fair value. All "regular way" purchase and sales are recognised at settlement date.

Held-to-maturity

These are securities which are held with the positive intention of holding them to maturity and are stated at amortised cost less provisions made for any permanent diminution in value. Amortised cost is calculated using the effective interest rate method, whereby any premium or discounts on acquisition are accounted for over the period of maturity.

(f) **Financial Instruments**

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

Cash and Cash Equivalents

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

Trade Receivables

Trade receivables are measured at initial recognition at cost. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

Loans to Members

Loans to members are stated at principal amounts outstanding net of a provision for loan losses.

Trade Payables

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

Members' Deposits

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

Members' Shares

Members' shares are classified as current liabilities and stated at fair value.

Notes to the Financial Statements *(continued)*

For the Year Ended 31st December, 2021

2. **SIGNIFICANT ACCOUNTING POLICIES**

(g) **Revenue Recognition**

Loan Interest

Interest charged on all loans to members is calculated on the monthly outstanding balance at interest rates ranging from 0.50% to 2.5% on a monthly basis.

For non-performing loans, specific provisions are made for the unsecured portion of the loan. The amount of the provision is based on IFRS 9.

Investment Income

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

(h) **Dividends Payable to Members**

Dividends are computed on the basis of the average value of shares in issue throughout the year, the average being determined on the basis of the value of shares held at the end of each month. Dividends that are proposed and declared after the Statement of Financial Position are not shown as a liability in accordance with IAS#10 but are disclosed as a note to the Financial Statements.

(i) **Foreign Currency**

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the Statement of Financial Position date. As at December 31, 2021 US Dollar denominated bank and investment balances were converted at the First Citizens Bank Limited's Buying and Selling mid-rate of TT\$6.7993 to US\$1.00. All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

(j) **IFRS 9 - Financial Instruments**

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell financial items. The standard replaces IAS 39, Financial Instruments: Recognition and Measurement.

IFRS 9 replaces the 'incurred loss' model set out in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This would require considerable judgment about how changes in economic factors will affect ECLs, which will be determined on a probability-weighted basis.

Notes to the Financial Statements *(continued)*

For the Year Ended 31st December, 2021

3. **Financial Risk Management**

Financial Risk Factors

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

(a) **Interest Rate Risk:**

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

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

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

Loans

The Society generally invests in fixed rate loans for terms not exceeding fifteen (15) years. These are funded mainly from member deposits and shares.

(b) **Credit Risk:**

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

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

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

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

(c) **Liquidity Risk**

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

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

Notes to the Financial Statements *(continued)*

For the Year Ended 31st December, 2021

3. Financial Risk Management

(c) Liquidity Risk Continued

Risk Management

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

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

(d) Currency Risk

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

(e) Operational Risk

Operational risk is the risk derived from deficiencies relating to the Society's information technology and control systems, as well as the risk of human error and natural disasters. The Society's systems are evaluated, maintained and upgraded continuously.

(f) Compliance Risk

Compliance risk is the risk of financial loss, including fines and other penalties, which arise from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Commissioner of the Co-operative Development, as well as by the monitoring controls applied by the Society.

(g) Reputation Risk

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

Fair Value Estimation

The fair values of the Society's financial assets and liabilities approximates to their carrying amounts at the Statement of Financial Position date set out in the significant policies Note 2 (f)

4. Critical Accounting Estimates and Judgments:

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

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

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021***4. Critical Accounting Estimates and Judgments (Continued)**

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

The critical judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Financial Statements, are as follows:

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

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

(i) Impairment of Assets

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

(ii) Plant and Equipment

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

5. PROPERTY, PLANT AND EQUIPMENT

<u>Cost/Valuation</u>	<u>Land and Building</u> \$	<u>Motor Vehicles</u> \$	<u>Computer Equipment</u> \$	<u>Furniture & Fittings</u> \$	<u>Office Equipment</u> \$	<u>Total</u> \$
Balance as at 1 st January 2021	23,247,062	1,021,797	4,195,368	1,609,855	2,851,949	32,926,031
Additions	230,885	-	87,075	2,850	415,389	736,199
<u>Balance as at 31st December 2021</u>	23,477,947	1,021,797	4,282,443	1,612,705	3,267,338	33,662,230
<u>Accumulated Depreciation</u>						
Balance as at 1 st January 2021	865,974	458,762	2,944,128	819,326	1,572,982	6,661,172
Charge for the Year	415,354	140,759	409,567	77,351	145,660	1,188,691
<u>Balance as at 31st December 2021</u>	1,281,328	599,521	3,353,695	896,677	1,718,642	7,849,863
<u>Net Book Value – 31st December 2021</u>	22,196,619	422,276	928,748	716,028	1,548,696	25,812,367

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021***5. PROPERTY, PLANT AND EQUIPMENT (Continued)**

<u>Cost/Valuation</u>	<u>Land and Building</u> \$	<u>Motor Vehicles</u> \$	<u>Computer Equipment</u> \$	<u>Furniture & Fittings</u> \$	<u>Office Equipment</u> \$	<u>Total</u> \$
<u>Balance as at 1st January 2020</u>	17,805,444	463,862	2,709,314	1,413,040	2,652,685	25,044,345
Additions	5,660,784	585,700	1,486,054	196,815	199,264	8,128,617
Disposals	(219,166)	(27,765)	-	-	-	(246,931)
<u>Balance as at 31st December 2020</u>	23,247,062	1,021,797	4,195,368	1,609,855	2,851,949	32,926,031
<u>Accumulated Depreciation</u>						
<u>Balance as at 1st January 2020</u>	615,560	292,293	2,381,102	733,383	1,438,923	5,461,261
Charge for the Year	319,600	187,678	563,026	85,943	134,059	1,290,306
Write back on Disposals	(69,186)	(21,209)	-	-	-	(90,395)
<u>Balance as at 31st December 2020</u>	865,974	458,762	2,944,128	819,326	1,572,982	6,661,172
<u>Net Book Value – 31st December 2020</u>	22,381,088	563,035	1,251,240	790,529	1,278,967	26,264,859

6. LOANS TO MEMBERS

	<u>2021</u> \$	<u>2020</u> \$
Loan Principal	315,613,192	300,041,745
Provision for Doubtful Loans	(26,642,088)	(21,642,088)
<u>Balance as at 31st December</u>	<u>288,971,104</u>	<u>278,399,657</u>
<u>Provision for Doubtful Debts</u>		
	<u>2021</u> \$	<u>2020</u> \$
Balance Brought Forward	21,642,088	17,957,965
Provision for Loan Loss charged to Surplus	5,000,000	4,016,079
Loans Written off in Year	-	(331,956)
<u>Balance as at 31st December</u>	<u>26,642,088</u>	<u>21,642,088</u>

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021*

7.	<u>ACCOUNTS RECEIVABLE AND PREPAYMENTS</u>	<u>2021</u> \$	<u>2020</u> \$
	CUNA Receivables	3,205,876	523,487
	Other Receivables	(1,729,973)	2,657,224
	Prepayments	410,667	688,537
		<hr/>	<hr/>
		1,886,570	3,869,248
		=====	=====
8.	<u>INVESTMENTS</u>	<u>2021</u> \$	<u>2020</u> \$
	Unit Trust Corporation of Trinidad & Tobago – 2 nd Scheme	29,669	29,340
	Unit Trust Corporation of Trinidad & Tobago – 1 st Scheme	1,066,787	22,131
	Unit Trust Corporation of Trinidad & Tobago – 1 st Unit Scheme	2,241,426	139,436
	Central Finance Facility	-	545,066
	Central Finance Facility – Shares	725,000	725,000
	Central Finance Facility – Hibiscus Fund	1,000,000	1,000,000
	Firstline Securities	2,796,359	2,218,704
	Firstline Oil Notes	1,323,017	1,278,278
	CMMB - Calypso Portfolio	870,577	710,148
	Bourse Securities – Savinvest Capital Growth Fund	626,292	561,202
	Republic Bank Caribbean Equity Fund	2,887,397	2,520,551
	Guardian Life Asset Management	1,003,400	-
	Guardian Life	2,094,298	2,000,000
		<hr/>	<hr/>
		16,664,222	11,749,856
		<hr/>	<hr/>
	<u>Shares Held:</u>		
	Co-operative Credit Union League – Shares	5,000	5,000
	Neal and Massy Holdings Ltd	78,855	45,803
	ANSA McAl Limited	178,470	160,500
	Guardian Holdings Ltd	53,430	37,223
	Angostura Holdings Ltd	180,000	164,000
	Trinidad Cement Ltd	29,385	20,520
	Sagicor Financial Corporation	44,864	58,871
	First Caribbean International Bank	33,352	38,240
	Grace Kennedy and Company Ltd	64,892	40,956
	First Citizens Bank Ltd	3,142,904	2,171,122
		<hr/>	<hr/>
		3,811,152	2,742,235
		<hr/>	<hr/>
		20,475,374	14,492,091
		=====	=====
9.	<u>CASH AND CASH EQUIVALENTS</u>	<u>2021</u> \$	<u>2020</u> \$
	Cash in Hand	595,938	702,939
	Unit Trust Corporation – Deposit Account	2,102,245	89,631
	First Citizens Bank Ltd – Current Account – San Fernando	427,876	373,270
	First Citizens Bank Ltd – Current Account – Arima	122,489	162,239
	First Citizens Bank Ltd – Super Chequing – Port of Spain	943,266	1,358,124
	First Citizens Bank Ltd – Port of Spain	8,491,601	2,342,130
	First Citizens Bank Ltd – Tobago	1,552,356	-
	Central Finance Facility – Current Account	316,610	316,610
	JMMB	4,109,518	1,659,671
	Paria US Fund	128,143	230,514
		<hr/>	<hr/>
		18,790,012	7,235,128
		=====	=====

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021*

10. <u>RESERVE FUND</u>	<u>2021</u> \$	<u>2020</u> \$
Balance Brought Forward	15,393,728	14,120,072
Appropriation – 10% of Surplus	2,064,071	1,273,656
	<hr/>	<hr/>
	17,457,799 =====	15,393,728 =====

In accordance with Bye Law 31 of the Society, the Co-operative Society's Act of 1971 requires that not less than 10% of the net surplus for the year is transferred to the reserve fund. This reserve may be used in the business of the Society only with the approval of the Commissioner.

11. <u>EDUCATION FUND</u>	<u>2021</u> \$	<u>2020</u> \$
Balance Brought Forward	990,928	619,322
Appropriation – 5% of Surplus	1,032,036	636,828
Fund Disbursements	(250,721)	(265,222)
	<hr/>	<hr/>
	1,772,243 =====	990,928 =====

In accordance with Bye Law 31 of the Society, an amount of not less than 5% of the net surplus for the year is transferred to the education fund. The fund is used for educational purposes.

12. <u>BUILDING FUND</u>	<u>2021</u> \$	<u>2020</u> \$
Balance Brought Forward	1,623,999	1,623,999
	<hr/>	<hr/>
	1,623,999 =====	1,623,999 =====

No funds were appropriated in 2020 and 2021.

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021*

13. <u>REVALUATION RESERVE</u>	<u>2021</u>	<u>2020</u>
	\$	\$
Balance as at 31 st December	7,353,227	7,353,227
	=====	=====

The revaluation reserve represents the changes in the revaluation of land and property situated at Lot# 8-10 Dundonald Street, Port of Spain and Lot# 35 Edward Street, Port of Spain. The last revaluation was done in 2019 by C.B. Lawrence & Associates Limited.

14. <u>WENDY FIGARO HACKETTE FUND</u>	<u>2021</u>	<u>2020</u>
	\$	\$
Balance Brought Forward	258,725	190,577
Appropriation – 0.05% of Surplus	103,204	63,683
Transfer of Shares from Board and Committee	3,025	4,465
Disbursement	(3,000)	-
	361,954	258,725
	=====	=====

An appropriation of 0.05% of surplus was agreed upon by the membership in 2017 going forward.

15. <u>MEMBERS' SHARES</u>	<u>2021</u>	<u>2020</u>
	\$	\$
Balance as at 31 st December	214,306,030	204,724,723
	=====	=====

According to the Bye Laws of the Society, the capital shall be comprised of an unlimited number of shares valued at \$5.00 each.

16. <u>MEMBERS' DEPOSITS</u>	<u>2021</u>	<u>2020</u>
	\$	\$
Balance as at 31 st December	63,629,062	59,030,150
	=====	=====

Notes to the Financial Statements (continued)

For the Year Ended 31st December, 2021

17. <u>ACCOUNTS PAYABLE AND ACCRUALS</u>	<u>2021</u> \$	<u>2020</u> \$
Accounts Payable and Accrued Expenses	1,171,956	1,172,416
ATM Clearing	3,250,973	-
Bonus and Backpay Payable	786,056	2,362,984
Central Finance Facility – Fixed Deposit	4,000,000	4,000,000
Cuna Insurance Payable	(265,359)	58,317
Disaster Relief Fund	317,313	227,997
Inspection Fees	26,092	25,652
Liason Officer Club	7,347	6,997
Mid-streamers Club – Port of Spain	22,936	20,356
Mid-streamers Club – Rio Claro	7,000	7,000
Mid-streamers Club- San Fernando	18,509	20,509
Mortgage Loan – San Fernando Building	1,786,562	3,976,941
Overages	2,572	2,572
Payroll Suspense	(3,367)	54,188
Severance & Gratuity Payable	1,847,604	1,111,132
Special Interest Group Fund – Liason Officer Club	74,519	74,519
Transunion Dues	122,328	60,529
Youth Arm Club	2,619	2,619
	<hr/>	<hr/>
	13,175,660	13,184,728
	=====	=====
18. <u>PERSONNEL COSTS</u>	<u>2021</u> \$	<u>2020</u> \$
Back Pay and Bonus	500,004	500,002
Medicare	21,870	24,647
National Insurance	330,172	462,559
Salaries and Wages	4,183,441	4,886,997
Severance Benefit	1,206,000	1,206,000
Staff Training and Development	5,425	143,623
Staff Uniforms	253,639	346,897
Stipends, Subsistence and Travel for Staff	56,447	66,991
	<hr/>	<hr/>
	6,556,998	7,637,716
	=====	=====
19. <u>OFFICER AND COMMITTEE EXPENSES</u>	<u>2021</u> \$	<u>2020</u> \$
Cellular Phone Allowances	70,449	40,186
Group Life Insurance	12,934	1,392
Officers Allowance	475,739	455,044
Refreshments	19,328	87,370
Travelling and Subsistence	9,745	11,334
Training	102,076	95,407
	<hr/>	<hr/>
	690,271	690,733
	=====	=====

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021*

20. <u>FINANCE COSTS</u>	<u>2021</u> \$	<u>2020</u> \$
Bank Charges	166,623	160,327
CUNA Loan Protection and Life Saving Coverage	805,515	867,709
Interest on Members' Fixed Deposit	988,762	1,345,916
Interest on Members' Saving Deposit	49,432	39,685
	<hr/>	<hr/>
	2,010,332	2,413,637
	=====	=====
21. <u>OPERATIONAL COSTS</u>	<u>2021</u> \$	<u>2020</u> \$
Commission FIP	(116,180)	-
Consultancy Fee	212,751	474,620
Computer Expenses	131,251	749,785
Courier Service	70,276	31,800
Depreciation	1,188,691	1,290,306
Donations	53,000	43,093
Electricity, Rates and Taxes	166,136	133,037
External Audit and Consultancy Fees	398,668	408,169
Fair Value Adjustments	(2,443,641)	461,700
Gifts and Tokens for Members	7,805	21,404
Insurance	134,972	99,678
League Dues	44,473	48,516
Legal and Professional Fees	166,650	800,722
Loss on Disposal of Fixed Assets	-	156,536
Marketing Research and Development	362,231	659,321
Meetings and Conferences – Regional	99,448	9,370
Medical	103,875	1,020
Office Refreshments	225,470	193,498
Overages and Shortages	966	887
Planning Session	-	3,125
Printing and Stationery	312,814	308,962
Property Maintenance	512,436	224,908
Rent – Arima office	315,000	220,500
Rent – San Fernando Office	47,250	49,891
Rental of Equipment	112,358	54,543
Repairs and Maintenance – Equipment	57,149	98,728
Repairs and Maintenance – Motor Vehicle	108,219	53,336
Security Services	1,118,481	1,064,522
Special General Meeting	62,493	-
Subscriptions	552,516	891,958
Telephone Expenses	417,515	345,197
Tobago Expenses	429,256	286,854
	<hr/>	<hr/>
	4,852,329	9,185,986
	=====	=====

Notes to the Financial Statements (continued)*For the Year Ended 31st December, 2021***22. RELATED PARTY TRANSACTIONS**

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

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

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

Balances and transactions with related parties and Key Management Personnel during the year were as follows:

Assets	<u>2021</u> \$	<u>2020</u> \$
Loans to Directors and Key Management Personnel and related parties	2,265,060 =====	5,672,211 =====
Deposits and other Liabilities		
Deposits held by Directors and Key Management and related parties	67,509 =====	208,686 =====
Shares held by Directors and Key Management	876,913 =====	1,818,381 =====



WORKS CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

RESOLUTIONS

RESOLUTION #1

WHEREAS Bye Law No. 13(viii) empowers the Annual General Meeting to appoint an Auditor;

BE IT RESOLVED that the Auditing Firm of A.R.K. Montgomery & Co. be appointed Auditors of Works Credit Union Co-operative Society Limited for the financial period January 01st 2022 to December 31st, 2022.

RESOLUTION #2

WHEREAS Bye Law No. 13(iii) empowers the Annual General Meeting to allocate surplus from the previous year;

BE IT RESOLVED that the Undivided Earnings as at December 31st, 2021 in the sum of Thirty-Six Million, Two Hundred and Fifty-Five Thousand, Four Hundred and Fifty-Three Dollars (\$36,255,453.00) be divided as follows: -

Dividend at 4%:	\$8,057,261.01
Rebate at 4%:	\$1,432,842.85
Honorarium:	\$370,000.00