



CO-OPERATIVE SOCIETY LIMITED

# 33rd AGM

LINKING OUR RESOURCES...

EMPOWERING OUR MEMBERS...

THE KEY TO OUR FUTURE



19th March, 2005

ASCU Complex

Orange Grove Road, Tacarigua. 1:00p.m.



## **Our Mission**

TO ENRICH THE QUALITY OF LIFE OF  
OUR CUSTOMERS, BY PROVIDING  
PROMPT, CUSTOMER-DRIVEN,  
DIVERSIFIED FINANCIAL, SOCIAL  
AND OTHER SERVICES, THROUGH  
THE COMMITMENT AND DEDICATION  
OF OUR VALUED EMPLOYEES, IN THE  
COMMUNITIES WE SERVE.

## **Our Vision**

TO BE A PREMIER CO-OPERATIVE  
SERVICE PROVIDER IN THE CARIBBEAN  
REGION.

## 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

## PRAYER OF ST. FRANCIS OF ASSISI

LORD MAKE ME AN INSTRUMENT OF THY PEACE  
WHERE THERE IS HATRED, LET ME SOW LOVE;  
WHERE THERE IS INJURY, PARDON;  
WHERE THERE IS DOUBT, FAITH;  
WHERE THERE IS DESPAIR, HOPE;  
WHERE THERE IS DARKNESS, LIGHT; AND  
WHERE THERE IS SADNESS, JOY.  
O DIVINE MASTER, GRANT THAT I MAY NOT  
SO MUCH SEEK TO BE CONSOLED  
AS TO CONSOLE;  
TO BE UNDERSTOOD AS TO UNDERSTAND;  
TO BE LOVED AS TO LOVE;  
FOR IT IS IN GIVING THAT WE RECEIVE;  
IT IS IN PARDONING THAT WE ARE PARDONED;  
AND IT IS IN DYING THAT WE ARE BORN TO  
ETERNAL LIFE.

**AMEN.**

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## NOTICE

Notice is hereby given that the Annual General Meeting of Aero Services Credit Union Co-operative Society Limited will be held on Saturday 19th March, 2005 at the Aero Services Credit Union Building, Conference Room, Corner Orange Grove Road and Priority Bus Route, Tacarigua at 1:00 pm.

## AGENDA

- 1. Call to order - National Anthem - Credit Union Prayer**
- 2. Credential Committee's Report**
- 3. President's Welcome Address**
- 4. Feature Address**
- 5. Minutes of the last Annual General Meeting**
- 6. Business Arising**
- 7. Reports 2004**
  - 7.1 *Board of Directors*
  - 7.2 *Credit Committee*
  - 7.3 *Supervisory Committee*
  - 7.4 *Education Committee*
  - 7.5 *Social & Cultural Committee*
  - 7.6 *Nomination Committee*
- 8. Auditor's Report**
- 9. Budget Proposals**
- 10. Resolutions/Recommendations**
- 11. Election of Officers**
  - 9.1 *Supervisory Committee*
  - 9.2 *Credit Committee*
  - 9.3 *Board of Directors*
- 12. General Business**
- 13. Vote of Thanks and Formal Closure**

By Order of the Board

**Lyndon Byer (Mr.)**

Hon. Secretary

## STANDING ORDER

1. (a) A member shall stand when addressing the Chair and identify himself/herself.  
  
(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/she shall immediately take his/her 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 or to explain (with the permission of the Chair).
5. No speeches shall 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 a "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 a "breach of order".  
  
(b) In no event can a member call the Chair "to order"
9. A " Question" shall not be put to the vote if a member desires to speak on it or move an amendment to it – except, that a Procedural Motion: "The Previous Question", "Proceed to the Next Business" or "the Closure": That the Question be "Now Put" – shall be moved at any time.
10. Only one amendment shall be before the meeting at one and the same time.
11. When a motion is withdrawn, any amendment to it fails.
12. The Chairman shall have the right to a "casting vote".
13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the Amendment is lost.
14. Provision shall be made for the protection by the Chairman from vilification (personal abuse).
15. No member shall impute improper motives against another member.

## GUIDELINES

A member offering himself/herself for office in Aero Services Credit Union:

- Must not be bankrupt or an applicant for bankruptcy.
- Must be of sound mind.
- Must not be an employee of Aero Services Credit Union.

To avoid later embarrassment, a member who is delinquent in repaying his/her loan shall avoid offering himself/herself for election to office.

Additionally, if elected to office a member must be prepared to give generously of his/her time to:

- Attend Board or Committee Meetings;
- Attend other meetings and events of the Credit Union Movement;
- Attend seminars and training courses.

**Regular Board of Directors Meetings** are held on the third Saturday of every month from 1:00 pm to approximately 6:00 pm.

**Executive Committee** meets once per month.

**The Credit Committee** meets once per week on Tuesdays.

**The Supervisory Committee** determines its meeting day and method of operations.

## ELECTION PROCEDURES

- 1** Ballot papers for elections for the Board of Directors, Credit Committee and Supervisory Committee will be given to members at the time of election.
- 2** One of the items of business on the Agenda will be the nomination of persons to contest elections to the Board and Committees.
- 3** Persons nominated will assemble before the audience and give a brief resume of themselves.
- 4** A list of nominees will be posted in the meeting room.
- 5** There will be separate ballot boxes for the Board, Credit and Supervisory Committees.
- 6** The persons in charge of conducting the elections will declare when ballots should be cast.
- 7** On completion of the nomination process, members will cast their ballots at anytime during the meeting, up to the declared closing time of ballots.
- 8** The appointed persons will count the ballots while the meeting is in progress.

The results will be announced immediately on completion of the count.

## PRESIDENT'S REVIEW - 2004



Mr. Kester Husbands

“In the arena of the wider Co-operative Movement is the pending introduction of a new legislative framework to govern the operations of Credit Unions.”

### My Fellow Co-operators,

Permit me to welcome each and every one of you to our Credit Union's 33rd Annual General Meeting as we come together to deliberate upon our Organization's well being as well as its prospects for the future. The year just passed has proven to be yet another successful one for the Society as your Board of Directors continues to execute its mandate in concert with our Organization's mission and vision. Inherent in this noble effort was the prime necessity of maintaining astute vigilance over the equity market in particular, as a means of identifying and engaging the best lucrative investment opportunities and redistributing the benefits thereof to the Society's Shareholders. During the past year ending 31st December

2004, our Credit Union's total assets increased from sixty eight million five hundred and thirty-two thousand eight hundred and thirty-four dollars (**\$68,532,834.00**) to seventy-seven million five hundred and sixty-five thousand and thirty-eight dollars (**\$77,565,038.00**) which represents a growth factor of 13%. This increase in assets has allowed the Society to realize a net surplus of three million eight hundred and ninety-eight thousand two hundred and forty dollars (**\$3,898,240.00**). These figures were extracted from the draft audit financial statements of the Society for the previous financial year 2004.

An integral part of this financial performance was the Board's strong focus on the equity market, returns from which continue to buttress our traditional revenue stream. While the macro economy continues to be plagued with depressed interest rates the challenge before us is to continuously identify new investment possibilities to maximize if not maintain healthy returns on shareholder investment. While we continue to robustly undertake this challenge we must similarly guard against those market forces, which may emerge to undermine or erode the progress made on your behalf as the old adage has said to us "The price of freedom is eternal vigilance".

The Board cannot exercise this act of vigilance solely, for Aero Services belongs to all of us, which in fact brings a special kind of uniqueness to an organization such as ours. In this regard I want to reiterate to all of you the necessity of supporting your Credit Union in an unbridled and committed manner. Aero Services similar to many other financial institutions in the market place faces a variety of challenges pursuant to its mission. Consequently, while the Board has a pivotal role to play in over-coming these challenges the scope of responsibility does not exclusively

## PRESIDENT'S REVIEW - 2004

reside within those ambits but, moreover, that of each and every member.

In the arena of the wider Co-operative Movement is the pending introduction of a new legislative framework to govern the operations of Credit Unions. This issue is being widely debated in several quarters of the Co-operative Community as the Government seeks to make an intervention via legislative means pursuant to the effective protection of member's funds. While our Credit Union enjoys an enviable reputation nationally, the introduction of new legislation will certainly mean the conduct of business differently not so much with the way in which we treat with our members but, the degree to which we attempt to engage a new regime of prudential standards geared towards the transformation of this unique Institution of ours.

As we continue to forge ahead the future for Aero Services is indeed a bright one. While the contents of this messages dedicates itself to the past year it is worthwhile to mention here that just a few weeks ago a decision was taken by the membership authorizing the Board to invest in a parcel of real estate property in the sister isle of Tobago. Inclusive of that real estate investment is an eight (8) apartment Guest House which presents for us some very exciting prospects not only in the sphere of an alternative business endeavour but more importantly, further serving the needs of our cherished members along the lines of leisure and relaxation. The Board is confident that many of you along with others will partner your Credit Union in making this long term endeavour a resounding success as it can only redound to your benefit.

In closing it would be very remiss of me particularly in my stewardship as President if I fail to recognize and applaud the efforts made by our dedicated members of Staff throughout

the past year, an effort without which Aero Services cannot exist. I thank them all for their spirited contribution. Furthermore, and in a special way, I wish to personally thank our former Manager Mr. Evin Andrews for his sterling contribution in furtherance of Aero Services' continued success. As President, the sharing of this message with you brings to a close yet another successful period in the life of our Credit Union and the dawning of another. I wish to thank my fellow colleagues on the Board for the support given throughout the past year and in so doing to look forward to collectively forging even greater successes for Aero Services Credit Union in the year ahead. More importantly my sincere thanks to you for the opportunity given to serve and May God bless us all.

HUMBLY YOURS,



**KESTER HUSBANDS (MR.)**  
PRESIDENT

## BOARD OF DIRECTORS



**Kester Husbands**  
President



**Brian Matthew**  
Vice President



**Lyndon Byer**  
Secretary



**Augustine Cox**  
Treasurer



**Faye Husbands**  
Assistant Secretary



**Michael Halls**  
Assistant Treasurer

## BOARD OF DIRECTORS



**Courtney Demming**  
Director



**Theo Oliver**  
Director



**Alec Clarke**  
Director



**Anthony Grant**  
1st Alternate



**Curtis John**  
2nd Alternate

# MINUTES

## MINUTES OF THE 32<sup>nd</sup> ANNUAL GENERAL MEETING

*OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 20TH MARCH 2004, AT THE CREDIT UNION'S COMPLEX, CORNER ORANGE GROVE ROAD AND PRIORITY BUS ROUTE, TACARIGUA.*

### **1. Call to Order**

The Chairman called the meeting to order at 1.12 p.m. He invited Ms. Gillian Benjamin to lead in the singing of the National Anthem. He then led the meeting in the recitation of the Credit Union Prayer.

### **2. Credential Report**

The Supervisory Committee reported that a total of fifty members were present and therefore the meeting was properly constituted.

### **3. Welcome**

The Chairman welcomed all members and specially invited guests in attendance and then invited the Secretary of the Board of Directors, to read the Notice of the Meeting.

### **4. The President's Review**

The President expressed that it was a priceless privilege for him as President to welcome everyone to the single most important event in the organization's calendar, wherein the quality of the Board's stewardship is placed under scrutiny. His address focused on the continued sluggish economic activity in the financial sector and the impact of low levels of investment and soft interest rates on the Society's ability to offer members the level of returns on their investment commensurate with popular expectations, although what was offered did have competitive advantage.

He noted, with gratitude, Government's contribution to the host organization's success, the need for readiness regarding the coming FTAA and CSME and encouraged members to lend steadfast and unbridled support to the Society. Additionally, the President advised against members' withdrawal of shares and liquidation of debts within the context of the negative impact of such activity on members' hard earned financial empowerment.

In conclusion, The President conveyed his sincere thanks to the invaluable contribution and support of dedicated staff during the course of the year, for the opportunity to serve the Society.

### **5. Feature Address**

The President introduced the Feature Speaker – Ms. Beverly Foster from the Ministry of Finance. Ms. Foster's address centered on the role of the Credit Union in today's wider financial landscape with regard to the Society's/member's focus on core principles and corporate governance in order to ensure its survival.

## MINUTES *cont'd*

She stated that whilst the organization had already voluntarily adopted standards and best practices, it was evident that corporate governance was high on the organization's agenda, and that succession management and leadership development were now necessities.

Ms. Foster warned, that although Trinidad and Tobago made extraordinary strides in economic growth, foreign direct investment, achieving macro economic stability, reducing the unemployment rate and benefited greatly from its integration into the world economy, a sharply more competitive global economy would not tolerate rigidity or complacency in its institutional practices. She reiterated that sound institutions play a key role in reducing the country's susceptibility to external and internal negative shocks. She cautioned that despite the invaluable contribution made by the Credit Union movement, the journey is not over.

Ms. Foster applauded the Society's dedication and commitment to enriching the quality of members' lives at all levels and encouraged the spread of the message. She reminded the President that the Society's progress is in his hands and that leadership into a new globalized environment is his task. Finally, she encouraged that in this challenging undertaking, he may count upon his friends, namely herself and the Minister in the Ministry of Finance.

### 6. Acknowledgments

The Chairman welcomed and acknowledged the presence of the following guests

Ms. Andrea Marcano	-	Ministry of Co-operative Development
Ms. Marie Sealy	-	Ministry of Co-operative Development
Ms. Deborah Ann Scott	-	Ministry of Co-operative Development
Ms. Dianne Joseph	-	Cooperative Credit Union League
Ms. Jill Thompson	-	UWI Credit Union
Mrs. Donna Rosales Grey	-	UWI Credit Union
Ms. Carleen Goodman	-	Panell Kerr Forster
Mr. Christopher Holder	-	Stabilization Fund
Mrs. Brenda Fraser	-	North East Regional Chapter
Ms. Marcia Johnson	-	North East Regional Chapter

### 7. Standing Orders

A motion for the adoption of the standing orders was moved by Ms. Sharon Lee Sing-Barnes and seconded by Mr. Mervyn Ford.

### 8. Guidelines and Election Procedures

A motion for the adoption of the Guidelines and Election Procedures was moved by Mr. Curtis John and seconded by Mr. Joseph Mann.

### 9. Minutes of the 31st Annual General Meeting

A motion for the adoption of the Minutes of the 31st Annual General Meeting was moved by Mr. Keith Weekes and seconded by Mr. Ramesh Lutchmedial.

## MINUTES *cont'd*

### 10. Matters Arising

Mr. Ramesh Lutchmedial requested an update on the status of the property at Factory Road, Piarco. The President responded that due to circumstances in 2003, the Board had to revisit its plans with regards to this property especially since any development there would incur tremendous cost outlays. He further stated that the corporate and state sectors have moved heavily into housing in that area and in order to be consistent the society may have to look into a housing development or other real estate ventures that would bring in the levels of revenue over time to share with members.

There being no further matters arising, a motion for the acceptance of the Minutes was moved by Mr. Alec Clarke and seconded by Mr. Anand Mahase.

### 11. Board of Directors' Report

#### 11.1 Matters Arising

Mr. Ramesh Lutchmedial - whilst referring to the address by Dr. Ralph Henry at 2003 AGM commented (in his opinion) on the conservative management of the Credit Union affairs by the Board. He then referred to the President's address where it stated that a key component to the Credit Union's continued success and longevity was the long-term stability and viability of BWIA and said that he thought it was not the best position for the success and longevity of this Credit Union to be pegged against BWIA's fortune. He further raised the suggestion to leverage the intellectual capital of those retrenched workers for financial capital and establish a handling company at the airport.

The Chairman responded that the Board was currently in search of other areas of revenue and had been attempting to meet with Prof. Kenneth Julien for some time now with a view to enter into mutual arrangements that can bring further revenue to the Society. He then assured that the society was not pegged to BWIA, but that the Board was in search of areas of revenue which will redound to the benefit of the members. The Chairman thanked Mr. Lutchmedial for his contribution.

There being no further comments, a motion for the acceptance of the Report of the Board of Directors was moved by Mr. Colville Carrington and seconded by Mr. Harold Pantin

### 12. Acknowledgement of Staff Members

The Chairman acknowledged the Management and staff whose dedication over the years brought Aero Services Credit Union to the position it held today.

### 13. The Credit Committee Report

#### 13.1 Matters Arising

Mr. Curtis John requested an explanation on the Investigations which cost the Credit Union \$1.03m.

## MINUTES *cont'd*

The Chairman of the Committee responded that it was a typographical error and that it should read 'Investments'.

There being no further questions or comments a motion for the acceptance of the Credit Committee Report was moved by Mr. Edward Garcia and seconded by Mr. Damien Edwin.

### **14. The Supervisory Committee Report**

#### **14.1 Matters Arising**

Mr. Carlos Joseph asked for an explanation on the queries which were lodged by the Supervisory Committee.

The Chairman of the Supervisory Committee detailed the Committee's approach to their audit and the level of satisfaction they received from the replies forwarded.

Mr. Ramesh Lutchmedial commented on the issues raised in the report of the Supervisory Committee and reiterated the role of the Supervisory Committee to report to the Annual General Meeting. He forcefully advised that the Society cannot have a Board that ignores the Supervisory Committee.

The Chairman indicated that since he has been President of the Board, it has never been his experience that the Supervisory Committee was ignored by the Board, however the point was noted.

There being no further questions or comments a motion for the acceptance of the Supervisory Committee Report was moved by Mr. Curtis John and seconded by Mr. Anthony Mora.

### **15. The Education Committee Report**

There being no matters arising a motion for the acceptance of the Education Committee Report was moved by Ms. Gillian Benjamin and seconded by Mr. Alec Clarke.

### **16. The Social & Cultural Committee Report**

There being no matters arising a motion for the acceptance of the Social and Cultural Committee Report was moved by Mr. Avery Brown and seconded by Mr. Jamel Olivier.

### **17. The Nominations Committee Report**

The Chairman invited the Chairman of the Nominations Committee, to present the report.

Mr. Carlos Joseph expressed his displeasure with the fact that persons nominated did not take the time to be present at the Orientation Forum and wondered if they would have the time to attend meetings and discharge their duties.

## MINUTES *cont'd*

The Chairman of the Committee responded that some nominees had personal commitments on that day and the submitted reasons for their unavailability were accepted.

Mr. Carlos Joseph further requested disclosure of the nominees who were unable to attend the Orientation Forum.

The Chairman, Mr. Kester Husbands, noted the member's concern, but such disclosure he would not allow. The Chairman also indicated that within the legal framework, the Society cannot refuse entry to members who did not attend the Orientation Forum and that the Board of Directors cannot act in any way which would prejudice the chances of any member who has been duly nominated to any statutory position.

Mr. Curtis John mentioned, that a number of activities took place, and that he saw no notice in Tobago.

The Chairman advised Mr. John that not only was the nomination invitation circulated internally via circulars but was also advertised in the three daily newspapers.

Mr. Ramesh Lutchmedial shared the concern with Mr. Carlos Joseph regarding members who have volunteered to serve in statutory positions, did not take the time to attend an Orientation Forum, and their availability when elected to those positions to discharge their duties. Additionally, he shared his concern that all except one alternate from the previous Supervisory Committee did not indicate their willingness to serve again and this seemed to indicate the kind of relationship which existed between the Supervisory Committee and the Board.

The Chairman indicated that one of the members was statute-barred having served three consecutive terms and the other two members who declined did not do so because of unpleasant relations with the Board of Directors.

There being no further questions or comments a motion for the acceptance of the Nominations Committee Report was moved by Mr. Curtis John and seconded by Mr. Mervyn Ford.

### **18. The Auditors' Report**

The Chairman invited the representative from Panell Kerr Forster, Ms. Carleen Goodman, to present the Auditors' Report.

### **19. Highlights of the Financial Performance of 2003**

A slide presentation on the financial performance for 2003 was done by the Assistant Treasurer.

Mr. Angel Landeau inquired of the increase in CUNA death benefits and who paid the beneficiaries. The Treasurer, responded that Aero Services Credit Union pays the premiums to CUNA who in turn pays the beneficiaries accordingly.

## MINUTES *cont'd*

Mr. Anthony Mora sought an explanation for the increase of approximately \$49,000.00 in Board and other Committee expenses. The Treasurer explained there was an additional meeting in Barbados attended by two Board members.

There being no further questions or comments a motion for the acceptance of the Audited Financial Report was moved by Mr. Anthony Isaacs and seconded by Mr. Ramesh Lutchmedial.

### **20. The Budget Proposal**

A presentation on the 2004 Budget proposals was done by the Assistant Treasurer.

Questions and comments were then invited from the members.

Mr. Angel Landeau requested further information on the proposed acquisition of a vehicle. The Treasurer indicated that the vehicle would be the property of Aero Services Credit Union and would be utilized by members of staff while in the conduct of business for and on behalf of the Society.

Mr. Anthony Mora questioned the immediacy of the acquisition of the vehicle. The Chairman indicated that the organization is currently in a strong marketing mode and there is a need for mobility to accomplish this. There is also the need to mobilize the courier requirements as the future unfolds.

Mr. Alec Clarke commented that he found the budgeted figure for Risk Management was quite conservative at this time. The Treasurer responded that the major cost in the Risk Management was CUNA's LP & LS and the Credit Union was recently advised that the rate will be reduced and this therefore was reflected in the budgeted figure.

Mr. Earl Riley questioned the attractiveness of the Life Saver Loan given that banks have lowered their lending rate. The Treasurer stated that the existing rates are attractive and that the bank rates advertised included an add-on component. The Vice President, added that the advertised bank rate does not focus the customer's attention to the added 'APR' percent that is payable in addition to the bank rate.

There being no further questions and comments a motion for the acceptance of the Budget Proposal 2004 was moved by Mr. Angel Landeau and seconded by Mr. Austin Wilson.

### **21. Appreciation of Outgoing Director**

The Chairman took the opportunity to congratulate and appreciate outgoing Director, Mr. Gregory Aqui who served for three consecutive terms on the Board of Directors. He personally thanked him for his contributions as Mr. Aqui served in the capacities of Treasurer and Assistant Treasurer during his years of tenure.

## MINUTES *cont'd*

### 22. Elections of Officers

Ms. Andrea Marcano of the Co-operative Department was invited to conduct the election in the capacity of Returning Officer. She was assisted by Ms. Marie Sealey and Ms. Deborah Ann Scott, also from the Co-operative Department. Persons recommended by the Nominations Committee to be elected to the Board of Directors, Supervisory and Credit Committees were presented to the membership. Ms. Marcano subsequently invited nominations from the floor. She also gave a credential report by advising that at 3.10pm, there were nine (9) staff, eleven (11) Board members, one hundred and thirty-eight members (138) and eleven (11) guests present.

A letter of request for the nomination of Mr. Heston Mitchell for the Credit Committee was submitted by Mr. Glen Douglas and read to the membership. The letter was not accepted by the membership because Mr. Mitchell's signature was not affixed to the document neither was he present at the meeting to confirm his acceptance.

#### The election results were as follows:

##### Supervisory Committee

Ms. Paula Wellington	58	(2nd Alternate)
Mr. Damien Edwin	84	
Mr. Avery Brown	81	
Mr. Wayne Matthew	57	
Ms. Jerrilyn Plowden	70	
Mr. Anand Mahase	64	(1st Alternate)

##### Credit Committee

Ms. Mavis Edwards	125	
Ms. Sharon Lee Sing Barnes	115	
Mr. Anthony Grant	111	
Mr. Angel Landeau	130	
Mr. Keith Weekes	127	
Mr. Lester Roger Oxley	49	(1st Alternate)
Mr. Carlos Joseph	38	(2nd Alternate)

##### Board of Directors

Mr. Kester Husbands	117	
Mr. Augustine Cox	105	
Mr. Anthony Grant	56	(1st Alternate)
Mr. Garnet Jackson	37	
Mr. Alec Clarke	59	
Mr. Curtis John	46	(2nd Alternate)

## MINUTES *cont'd*

### 23. Resolutions

The Chairman invited the Vice President, to move the following resolutions.

#### (i) **Auditors**

Be it resolved that the firm Pannell Kerr Forster (formerly Mark, Castillo, Toney and Company) be retained as Auditors for the 2004 term.

The resolution was seconded by Mr. Ramesh Lutchmedial and was unanimously accepted.

#### (ii) **Maximum Liability**

Be it resolved that the maximum liability of Aero Services Credit Union Co-operative Society be increased to \$60M for the purposes of members deposits and bank overdraft.

The Vice President gave a short explanation regarding the increase of the maximum liability to \$60M.

The resolution was seconded by Mr. Joseph Bishop and was unanimously accepted.

#### (iii) **Distribution of Surplus**

Be it resolved that the Annual General Meeting approves the following:

1. A dividend of eight percent (8%) on each member's shareholding to be credited as follows:
  - 1.1 The disbursement of six percent (6%) according to the member's request and
  - 1.2 The additional two percent (2%) to be credited to each member's share account.

The resolution was seconded by Ms. Sharon Lee Sing Barnes and was unanimously accepted.

2. Be it resolved a rebate of 3% on loan interest for the year 2003 be applied first towards any arrears in interest payment, then towards reducing the loan principal if at the time the member had not repaid his loan in full. Otherwise, it shall be credited to the deposit account of the member.

- 2.1 The residue to be carried forward to the succeeding year

The resolution was seconded by Ms. Jerrilyn Plowden and was unanimously accepted.

#### (iv) **Ex Gratia Payment**

Be it resolved that the sum of five thousand dollars (\$5,000) be allocated to the Education Committee and another five thousand dollars (\$5,000) be allocated to the Social and Cultural Committee.

## MINUTES *cont'd*

The resolution was seconded by Mr. Colville Carrington and was unanimously accepted.

### **24. Disbursement of Door Prizes**

A total of eighteen (18) door prizes were randomly distributed based on a "lottery like" draw. The society thanked the sponsors of the door prizes for their generous donations.

### **25. The Destruction of Ballots**

A motion for the destruction of the ballots was moved by Mr. Curtis John and seconded by Mr. Keith Weekes.

### **26. Other Business**

The Chairman also recognized a member from Tobago, Ms. Patricia Cruickshank, a long standing member of the Society and a BWIA retiree, who was the Tobago liaison officer for several years. He thanked her for the contributions she made to Aero Services Credit Union in serving members in Tobago.

Mr. Ramesh Lutchmedial congratulated the new Board on its appointment. He further stated that the Board continues to do a good job by virtue of their commitment and dedication, however he reminded the Board of their sacred duty to manage the members' funds prudently. He also reminded the Supervisory Committee of their responsibility to ensure that they conduct proper supervision on the affairs of the Board and Management. He further recommended that the Society show tangible appreciation to officers who have served the Credit Union well, in particular Mr. Gregory Aquí who served for three (3) consecutive terms. Finally he commended the democracy which exists in the Credit Union and encouraged members to cherish this hallmark.

The Chairman thanked Mr. Ramesh Lutchmedial for his presence and contributions.

Mr. Curtis John thanked the members for appreciating his presence and electing him as an Alternate to the Board of Directors. He stated that it was a historic moment, in that he was the first member from Tobago to be elected to the Board. The Chairman concurred with the sentiments expressed by Mr. John.

The Assistant Treasurer, recognized and thanked Mr. Earle Joseph for his and his department's contributions and support to the Credit Union.

### **27. The Vote of Thanks/Closure**

The Chairman thanked everyone for their attendance in particular all the invited guests and the Returning Officer, Ms. Andrea Marcano. He then brought the meeting to a close at 5.12pm.



Courney Demming  
**Hon. Secretary**

## MINUTES OF THE SPECIAL GENERAL MEETING

### MINUTES OF THE SPECIAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON WEDNESDAY 5th JANUARY 2005, AT THE CREDIT UNION'S COMPLEX, CORNER ORANGE GROVE ROAD AND PRIORITY BUS ROUTE, TACARIGUA.

#### **1. Call to Order**

The Chairman called the meeting to order at 5.28p.m and invited all to stand and recite the Credit Union Prayer.

#### **2. Welcome**

The Chairman welcomed all members and specially invited guest, Ms. Andrea Marcano from the Co-operative Division, to the (reconvened) Special General Meeting, (the meeting held on December 22, 2004 having been adjourned due to the absence of a quorum). He informed every one of the purpose for the meeting and indicated the format which included a slide presentation on the property, a presentation of the financials regarding the investment, an opportunity for members to ask questions/give comments and finally the decision to be taken on the investment.

#### **3. Credentials**

The Chairman asked Ms. Marcano for a credential report. She then advised that there were thirty-five (35) members registered and a head count confirmed same.

#### **4. The Presentation**

The Chairman invited the Secretary to proceed with the presentation. Thereafter the Chairman invited the Treasurer, and the Accountant, to present the financial projections. The Treasurer indicated that his presentation comprised of two components namely the Assumptions and Projections. The items were based on a ten year time frame. The Assumptions included occupancy percentages, apartment rates, discounted rates (for members), inflation rates and projected Revenues and Expenses to be earned/incurred respectively per year.

#### **5. Questions and Comments**

The Chairman then invited members to ask questions.

Mr. Gregory Aqui inquired if a valuation on the property was done so as to compare it with the sale price. The Chairman replied that a valuation was done and the property was valued at \$3.1M.

Mr. Cameron Noel enquired as to the age of the building and the reason for the sale of it. The Chairman responded that the building was approximately ten (10) years and that he was unaware of the reason for the sale.

Mr. Heston Mitchell commended the Board on this initiative, but required more information on the maintenance, operations, bookings, security and staffing of the property.

## MINUTES *cont'd*

The Chairman stated that presently there was one person who takes care of the daily operations of the property. He further indicated that one of the strategies of this investment was to operate the venture at minimal cost. Additionally, included in the financial projections was a provision for the recruitment of maintenance and security personnel.

Mr. Mitchell continued to share some of his concerns regarding the costs to be incurred. The Treasurer sought to alleviate Mr. Mitchell's concerns by stating that the reservations and operational aspects was competitively outsourced. He indicated that it was the Board's desire to maintain a low cost operation while at the same time putting the necessary infrastructure to uplift the standard and quality of service/product.

Mr. Glen Douglas inquired as to the dimension of the apartment building and land space, and what improvement plans did the Board envisage for the property. The Chairman indicated that the building was included in the 10,000 square feet and that one of the improvement plans under consideration was the building of a pool on the property.

Mr. Ramesh Lutchmedial, indicated that in principle he would support this investment provided that it did not pose a threat to members' funds. He inquired about investment funding, marketing plan formulation as it refer to securing continuous bookings throughout the year and what discounts would be afforded to members. He suggested that this investment had to be operated along business lines and as such, formation of a separate company to manage this and other similar projects should be seriously considered. He suggested that for an investment of such magnitude that the Board delay the approval process for the Annual General Meeting which was due in a few months time.

The Chairman explained that due to the opportunity presented to the Society to acquire this real estate in Tobago, it was important that approval be obtained in the shortest possible time so as not to forfeit such an important opportunity. He added that there was no cynicism or insult meant behind the actions of the Board, but that of acting in a timely manner. In response to the issue of this project being run in a business-like manner, he assured the members that there would not be favours granted to directors or their associates. The Chairman invited the Treasurer to respond to questions on the finance component of the project.

The Treasurer informed the members that the financing of the project would be sourced from the society's own cash resources.

The Chairman then commented that it was regrettable that there was such a small turnout but assured members that the Board took the necessary steps to ensure that members were given due notice. He supported suggestion that an event such as the Annual General Meeting would be the ideal forum, but cautioned that by waiting for such a time the opportunity may be lost.

Mr. Mitchell endorsed the view of Mr. Lutchmedial of having a separate management company and urged the Board to pursue this course of action.

## MINUTES *cont'd*

### 6. **Members Vote**

The motion to acquire the parcel of real estate located at Crown Point Tobago was put to the floor for a vote. Ms. Marcano tabulated the results and informed that there were thirty-seven (37) votes in favor of the investment, none against and no abstentions.

The Chairman congratulated the members on their decision and assured that they will be periodically updated on the progress of this matter.

The Chairman then declared the meeting closed at 6.33p.m.

Lyndon Byer  
**Hon. Secretary**

## BOARD OF DIRECTORS REPORT

### 1. INTRODUCTION

- 1.1 On behalf of the Board of Directors, I bid you welcome to the 33rd Annual General Meeting of Aero Services Credit Union Cooperative Society Limited. We are pleased to present to you our report on the operations of Aero Services Credit Union Cooperative Society Limited for the year ended 2004.

Unlike the year 2003, the global economy showed strong signs of economic recovery and stability as evidenced by the increase in interest rates by the Federal government of the United States of America, the increase in the membership of the European Union and the merger of retail and technology giants and heavy players. Whilst the spread of the SARS virus was contained, the fight against international terrorism remained the consistent focus on the international agenda. 2004 can also be considered as a year of political change and a show of the democratic will. The re-election of George W. Bush to a second term of office amidst much speculation, the eventual victory of Victor Yushchenko to the presidency of the Ukraine by popular demand/vote, the death of Yasser Arafat and the subsequent election of a new Palestinian leader, the success of Hugo Chavez at the presidential referendum in Venezuela and finally the preparation for elections in Iraq carded for January 2005, dominated the international media. Nature also wreaked havoc without prejudice in 2004. Hurricane after hurricane pummeled the Florida pan handle, devastated Grenada and severely affected other Caribbean islands. Torrential rains flooded parts of Europe and Asia, wild fires ravaged the Australian outback and finally a Tsunami took the lives of over 200,000 persons.

Regarding the local economy, 2004 like 2003, indicated that Trinidad & Tobago continued on its economic growth path (2004 showed an economic growth of over 6%). The economy was also buoyed by the unprecedented increase in global oil prices as a consequence of conditions in Iraq, Nigeria and Venezuela. Changes also occurred at our host company BWIA West Indies Airways Ltd. The government of Trinidad & Tobago in an attempt to turn around the fortunes of the airline and to rationalize the regional aviation industry now holds majority share at BWIA and continues to seek the integration of all Caribbean air carriers into a single unit. It is interesting to note that whilst international air carriers are veering away from state control, the opposite appears to be happening in the Caribbean region. We await the results of the efforts of the Trinidad & Tobago government.

At Aero Services, the Board of Directors continued with the implementation of the strategic plan with specific emphasis on discovering non-traditional methods of revenue generation. The diversification of the investment portfolio is constantly challenged by the high level of liquidity in the marketplace and the availability of a limited number of shares on the local stock market for trade. The Board in an attempt to counteract this prevailing condition, with membership's approval, was successful in procuring a real estate investment in Tobago consisting of an eight studio apartment building located at Crown Point. The conditions for rental of the premises will be forthcoming.

## BOARD OF DIRECTORS REPORT *cont'd*

### 2. ELECTION RESULTS OF 2004

At the AGM held on Saturday 20th March 2004 the following members were elected to serve on the Board of Directors:

Mr. Alec Clarke  
Mr. Augustine Cox  
Mr. Kester Husbands

Alternates were:

Mr. Anthony Grant (1st Alternate)  
Mr. Curtis John (2nd Alternate)

### 3. COMPOSITION OF THE BOARD OF DIRECTORS

The inaugural meeting of the Board for the new term was held on Tuesday 23rd March 2004. The following comprised the Board of Directors:

Mr. Kester Husbands	-	President
Mr. Brian Matthew	-	Vice-President
Mr. Lyndon Byer	-	Secretary
Mr. Augustine Cox	-	Treasurer
Ms. Faye Husbands	-	Asst. Secretary
Mr. Michael Halls	-	Asst. Treasurer
Mr. Courney Demming	-	Director
Mr. Theo Oliver	-	Director
Mr. Alex Clarke	-	Director
Mr. Anthony Grant	-	1 <sup>st</sup> Alternate
Mr. Curtis John	-	2 <sup>nd</sup> Alternate

## BOARD OF DIRECTORS REPORT *cont'd*

### 4. THE EXECUTIVE COMMITTEE

The Executive Committee constituted of the following elected Officers of the Board of Directors:

Mr. Kester Husbands	-	President
Mr. Brian Matthew	-	Vice-President
Mr. Lyndon Byer	-	Secretary
Mr. Augustine Cox	-	Treasurer
Ms. Faye Husbands	-	Alternate
Mr. Michael Halls	-	Alternate

### 5. BOARD ATTENDANCE

For the period under review there were nine monthly Board meetings. Attendance was as follows:

Names	Present	Excused	Absent
Mr. Kester Husbands	9	0	0
Mr. Brian Matthew	9	0	0
Mr. Lyndon Byer	9	0	0
Mr. Augustine Cox	7	2	0
Ms. Faye Husbands	8	1	0
Mr. Michael Halls	7	2	0
Mr. Courtney Demming	6	3	0
Mr. Theo Oliver	9	0	0
Mr. Alec Clarke	8	1	0
Mr. Anthony Grant	9	-	0
Mr. Curtis John	7	2	0

## BOARD OF DIRECTORS REPORT *cont'd*

The Board held nine Special Board Meetings. Attendance was as follows:

Names	Present	Excused	Absent
Mr. Kester Husbands	9	0	0
Mr. Brian Matthew	8	1	0
Mr. Lyndon Byer	8	1	0
Mr. Augustine Cox	9	0	0
Ms. Faye Husbands	7	1	1
Mr. Michael Halls	6	2	1
Mr. Courtney Demming	6	3	0
Mr. Theo Oliver	5	4	0
Mr. Alec Clarke	5	3	1
Mr. Anthony Grant	4	2	3
Mr. Curtis John	6	3	0

The Executive Committee held three meetings. Attendance was as follows:

Names	Present	Excused	Absent
Mr. Kester Husbands	3	0	0
Mr. Brian Matthew	3	0	0
Mr. Lyndon Byer	3	0	0
Mr. Augustine Cox	2	1	0
Ms. Faye Husbands	3	0	0
Mr. Michael Halls	3	0	0

### 6. OUTGOING BOARD MEMBERS

Mr. Michael Halls, Mr. Theo Oliver and Ms. Faye Husbands are outgoing Directors who are eligible for re-election and have indicated their willingness to serve.

The Board of Directors wishes to sincerely thank all outgoing Directors for their selfless contribution towards the success of Aero Services Credit Union.

## Board of Directors Report *cont'd*

### 7. STRATEGIC PLANNING

In light of the Society's objectives to explore additional revenue pools, focus was placed on the further refinement of the current investment portfolio. As a consequence, the 2004/2005 Strategic Planning session which was held over the period May 14-16, 2004 was facilitated by Messrs. Ram Ramesh, Wayne Dass and Jwala Rambarran of Caribbean Money Market Brokers (CMMB).

The exercise was a holistic/comprehensive approach to the creation, development and management of an investment portfolio. It included the following:

- A Financial Analysis of the Society over the period 2000-2003 using the Pearls Monitoring System.
- An Economic Review of Global and Local Economies and Financial Markets.
- Projections for 2004 based on the Economic Review above.
- An Analysis of International, Regional and Local Equities Markets with the corresponding projections.
- The components of the Investment Management Framework.
- The components of the Investment Policy Framework.
- A Review of the performance of the Caribbean Bond Market.
- The Management Strategies associated with a Bond Portfolio.

### 8. PERFORMANCE HIGHLIGHTS

- **ASSETS**

The Society's asset base showed an increase \$1.1M over that of 2003.

- **SHARES**

Share capital increased by \$4.7M as compared to 2003 results.

- **LOANS**

The loan portfolio recorded an increase of \$3.2M over the results of 2003.

- **REVENUE**

Gross revenue showed a modest increase of 6.1% over 2003.

- **EXPENDITURE**

This category recorded an increase of 3.6% over 2003.

### 9. MEMBERSHIP

The Society, given its commitment to overall membership growth, pursued an aggressive marketing thrust. This strategy was phenomenally successful resulting in an expansion of our membership base by 308 members during the year 2004. Our total membership at the end of the year was 2,657 members.

We wish to commend the Marketing Team on the success of their tireless efforts in this regard. Well done!

We welcome into the Aero Services family, employees of General Aviation Services (GAS) and Tobago Express (TABEX) both at Piarco and Crown Point locations as well as BWIA employees and their families.

## Board of Directors Report *cont'd*

### 10. OFFICE ADMINISTRATION

The organization continued on its growth and development impetus. As a consequence, the Customer Service Department continues to benefit from the expertise of Mrs. Nerissa Alleyne, whilst the Accounting Department was ably bolstered by the coming on board of Ms. Natasha Ganase.

The year 2004 also saw the moving on of the General Manager, Mr. Evin Andrews. With this change, the Board of Directors allocated additional responsibilities to the portfolio of the Operations Officer. The Board of Directors wishes to thank Mr. Evin Andrews for the invaluable and significant contributions that he made to the growth and stability of the Society during his tenure.

### 11. AERO SERVICES CREDIT UNION BUILDING

The Board, in its effort to optimize the office space layout (as mentioned in the 2003 Board of Directors Report) has since relocated the Board Room above what was formerly the squash court. The facility is in the final stage of completion and is due to be handed over in first half of 2005. Subsequent to the handover, it is the Board's intention to consider the restructuring of the office layout in 2005.

Additionally, the Society continues to ensure the proper maintenance of its facilities. In 2004, the maintenance plan included the upgrade of all security systems.

### 12. MEETINGS, SEMINARS AND CONFERENCES

The Society was represented at several Meetings, Seminars and Conferences. They included the following:

#### **CONFERENCES**

The Annual Caribbean Conference of Credit Unions.

#### **MEETINGS**

Co-operative Credit Union League of Trinidad and Tobago – AGM

Co-operative Credit Union League of Trinidad and Tobago - Special General Meeting

Stabilization Fund - AGM

TATECO ARIMA Cooperative Society Ltd. – AGM

President's Breakfast Meeting – CUNA

President's Breakfast Meeting – Trinidad & Tobago Credit Union League

#### **SEMINARS**

Tobago Regional Chapter – Closing of Credit Union Week Activities

#### **AWARDS**

The year 2004 was one of recognition of the Society's worth by our peers within the Co-operative fraternity. Aero Services Credit Union was the proud recipient of the **Membership Compliance Contribution Commitment Award** presented by the Trinidad & Tobago Credit Union Stabilization Fund.

## Board of Directors Report *cont'd*

### **REPRESENTATIONS**

The Society gained membership on the Board of Directors of the Central Finance Facility. Furthermore members of our Board have been elected to positions on other co-operative entities within the Credit Union movement, namely:

- Alternate on the Board of Directors of the Stabilization Fund – Director Theo Oliver
- Member of Board of Directors of the Central Finance Facility - Vice President Brian Matthew
- Chairman of the Supervisory Committee of the Credit Union League – Asst Treasurer Michael Halls
- Secretary of Audit Committee of the Stabilization Fund – President Kester Husbands

### 13. **CONDOLENCES**

The Board of Directors wishes to convey its sincere and deepest condolences to all co-operators and their families who suffered the passing of a loved one during the last year. "May their souls rest in peace".

### 14. **CONCLUSION**

The success of any great organization is dependent on its vision, initiatives and its ability to pool its resources to realize its objectives.

Notwithstanding, at Aero Services Credit Union we believe that the fundamental components of our organization's future success lie with the linking of our resources and the empowering of our members, our major stakeholders.

The presence of your Board members on other statutory bodies within the Credit Union fraternity allows the Society to access a larger pool of innovative thought. However, we must exhort you to prepare yourselves for the next generation of leadership at Aero Services. Who would it be, if no one prepares today for that hand over tomorrow ?

In closing, the Board of Directors wishes to convey its sincere appreciation to the Management, Staff, Elected and Appointed Committees for their performance and continuous support, moreover you the members – our valued customers – for your loyalty to this your Credit Union. It is our hope that the support and loyalty continues into the new term 2005/2006 and beyond.

Sincerely,

**Lyndon Byer**  
Hon. Secretary



## GENERAL MANAGER/TEAM LEADER

MICHELE CONSTANTINE

## ADMINISTRATION TEAM *from L to R:*

- ANNETTE BOODRAMSINGH
- RAMLOCHAN SINGH



## CUSTOMER SERVICE TEAM *from L to R:*

- NERISSA ALLEYNE
- CYNTHIA KENNEDY



## ACCOUNTS TEAM *from L to R:*

- NAJJA VASSELL
- NATASHA GANASE
- GWENDOLYN (PENNY) DANIEL



## CREDIT COMMITTEE REPORT



Credit Committee Members		
Ms. Mavis Edwards	-	Chair person
Ms. Sharon Lee Sing-Barnes	-	Secretary
Mr. Angel Landeau	-	Member
Mr. Keith Weekes	-	Member
Mr. Anthony Grant	-	Member
Mr. Lester Roger Oxley	-	1 <sup>st</sup> Alternate
Mr. Carlos Joseph	-	2 <sup>nd</sup> Alternate

**From L to R:** M. Edwards, C. Joseph, A. Grant, K. Weekes, S. Lee Sing Barnes,

Residue of 2003 slid over into 2004 and kept some members affairs unstable. With the working climate as it was not everyone was gainfully re-employed. This left some members with limited options. Some sought the approval of the committee for restructuring of loan payments while others were forced to utilise their share holdings to liquidate their outstanding loans. This practice contributed to a weakening of the projected share capital. Despite talk of all the positive growth in the national economy it definitely was not reflected in the borrowing and saving patterns of the membership. The committee was innovative in dealing with the demands from the membership in both the frequency and quantum of loan applications.

### Loans:

The total loans granted over the period amounted to \$20.8M. The period was difficult for some but others were better positioned and capitalised on investment opportunities. Refinancing continued to be a major factor in the borrowing patterns. Members are reminded of the Flex-a-Save Account where you can save towards your Christmas and Vacation plans. The committee continued to offer financial advice to members in order to derive mutual benefits.

### Major Loan Categories were:

Vehicles Purchase	\$5.65 M
Debt Consolidation	\$2.42 M
Home Renovation	\$2.81 M
Miscellaneous	\$2.51 M
Vacation	\$1.68 M
Education	\$1.45 M

## CREDIT COMMITTEE REPORT *cont'd*

Investment	\$0.95 M
Medical Expense	\$0.86 M
Vehicle Repairs	\$0.64 M

### Share withdrawals:

Share withdrawal amounted to \$2.2M. Education, Outstanding bills, Investments, Vehicle Purchase, Debt Consolation, Medical Expenses and Resignation were the main contributors.

### Recommendations:

- Become acquainted with the loans policy and the different types of services offered by the Credit Union.
- Budget carefully. This will assist in management of finances.
- Strive to maintain a debt service ratio of not more than 40% of gross income.
- Fill out all application forms completely and accurately.
- Supply all relevant documents when submitting all applications to ensure timely processing.
- We urge members to increase their saving portfolio (shares/deposits) with any funds that become available to them. As this will be mutually beneficial to both members and the Credit Union.

### Conclusion:

We wish to express our thanks to the management and staff of Aero Services Credit Union for their support and co-operation. To the Board and other Committees, we convey our gratitude for your assistance. Many thanks to you the members for your contributions, support and for affording us the opportunity to serve.

God's Blessings



**Mavis Edwards.**  
Chairman.

## SUPERVISORY COMMITTEE REPORT



### Supervisory Committee Members

Mr. Damien Edwin	-	Chairman
Ms. Jerrilyn Plowden	-	Secretary
Mr. Avery Brown	-	Member
Mr. Anand Mahase	-	1 <sup>st</sup> Alternate
Ms. Paula Wellington	-	2 <sup>nd</sup> Alternate

**Seated L to R:** J. Plowden, P. Wellington

**Standing L to R:** A. Brown, A. Mahase, D. Edwin

A relatively new Supervisory Committee was duly elected at the last A.G.M. Relatively new because there were only two returning officers who served on the Supervisory Committee as members and alternates on previous occasions, namely, Anand Mahase and Damien Edwin.

### Committee Activities:

The Committee pursued its responsibility diligently, ensuring that the Board and other Committees operated within the precincts of our Credit Union's Bye Laws and that of the wider Cooperative Society, on behalf of the membership. These activities involved :

1. Reviewing Minutes of the Board.
2. Auditing Cash receipts and disbursements.
3. Verifying Bank Reconciliations and Deposits transactions.
4. Auditing Loan transactions.
5. Verifying investments and Monthly Financial Reports.
6. Auditing Share/Loan accounts and Delinquency.
7. Follow-up of previous Audit Reports.

### Overview:

#### Financial Statements

Generally, all verifications/audits of the Financial Statements conducted for compliance were satisfactory and, in cases where clarifications and/or explanations were required responses were timely and adequate.

#### Loan Policy Compliance:

There were few instances found in the deviation of the Byelaws, whereby members exceeded the number of loans permitted within the specified periods. However, consideration was given to the circumstances and purpose of these loans and they were duly authorized within the ambits of the

## SUPERVISORY COMMITTEE REPORT *cont'd*

loan policy and Bye Laws. A revised Loan Policy remains outstanding, however, a commitment was given by the Board that this document would be completed within the next term of office.

### ***Delinquency:***

Delinquency and Servicing of loans are areas requiring some attention, however, the Board has advised that the fall out have been as a result of the position being vacated by the former Recoveries Officer - Mr. Marvin Lewis. The Board further indicated that with the introduction of a new Recoveries Officer in the New Year (2005) the area of delinquency would be addressed more assiduously.

### ***Other Business:***

A review of the Tobago Crown Point property acquisition was conducted towards ensuring that the processes and procedures adopted were in keeping with the consistent high standards of our institution. Thus far, all appears to be in the order of the normal course of business transactions, of this nature.

**Renovation** work at the Head Office, Tacarigua, that included the construction of a new Board Room was audited and found to have extended beyond its completion date. The Board indicated that there were some minor set backs with the contractor and that some modifications to the scope of works were responsible for their inability to achieve the targeted completion date. These issues were addressed and while the project remains within the original budget a new completion date has been set.

### ***Conclusion:***

Our audits of the various items mentioned above showed that the Aero Services Credit Union's business has been handled with much accuracy and detail. The operations of the Society, is being conducted effectively and wherever discrepancies have arisen, they have been attended to, in a manner that maintains good and professional business practices.

We hope that the experience for the new committee for the up coming term 2005/2006 will be as fulfilling as it was for us and that in the pursuit of their responsibilities their practices are geared towards the best possible solutions to issues which may arise. Notwithstanding we foresee the continued efficient running of operations in the coming year by the elected members and the other officers of the Credit Union.

In closing the Supervisory Committee would like to thank the membership for allowing us to serve our institution over the last year and it has been our pleasure doing so. We would also like to highlight to you, the membership, that Aero Services Credit Union is here to assist you the members with your financial needs and you should seek the advice of the staff of the Credit Union whenever the need arises.

**Damien Edwin**  
Chairman

## EDUCATION COMMITTEE REPORT



### Education Committee Members

Ms. Gillian Benjamin	-	Chairman
Ms. Catherine Andrews	-	Secretary
Mrs. Ann Liverpool	-	Member
Mrs. Cheryl Ann Quamina-Baptiste	-	Member
Mr. Clyde Toussaint	-	Member
Ms. Faye Husbands	-	Board Representative

**Seated L to R:** Cheryl Ann Quamina-Baptiste, Clyde Toussaint, Catherine Andrews

**Standing L to R:** Gillian Benjamin, Ann Liverpool, Faye Husbands

This Committee held its first meeting on the 29th April, 2004 at which goals and objectives were identified to be accomplished during our tenure. For the period April 2004 to March, 2005, we successfully accomplished our tasks and responsibilities as guided by the Board of Directors as well as those of our own initiative. Following is a brief overview of our activities/achievements.

- **AEROBITS**

We have successfully published and distributed Aerobits for June 2004, September 2004 and January 2005. The publication was accompanied by members' quarterly statement.

- **SEA/HEI AWARDS**

The Committee hosted another successful SEA and HEI Awards ceremony on Wednesday 22nd September, 2004. Addresses at the ceremony included ASCU President Mr. Kester Husbands and specially invited guest speaker, Dr. Dianne Douglas, a renowned Clinical Community Psychologist who was truly an inspiration to the children.

Given the Society's commitment to its young members in the area of education, the year 2004 saw an increase in the number of subscribers to the CXC/GCE Ordinary Level, Advanced Level Awards, as well as those students who gained entry to tertiary institutions via the Higher Education Incentive (HEI) Awards Programme.

Honourees on the evening were thirty-seven (37) SEA students, five (5) CXC/GCE O'Level students and three (3) A'Level students. Share certificates were distributed to recipients valued \$200.00 each for redemption. There were two (2) successful applicants for the "University Degree Scholarship" in the areas of Medical Sciences, MBS Programme and Engineering, Surveying and Land Information programme. They received a bursary of \$5,000.00 each and will remain eligible to receive a similar sum each year for the next two (2) subsequent years subject to the satisfaction of the HEI criteria.

## EDUCATION COMMITTEE REPORT

Additionally, ten (10) 2003 SEA Awardees who saved regularly over the period September 2003 – August 2004 received the “Additional Bonus Savings Incentive”, which catered to match half of their savings to a maximum of \$500.00 over the aforementioned period.

Three (3) CXC/GCE O’Level Awardees applied for and were granted the “Additional Incentive” of \$500.00 (a one time payment) to assist in their pursuit of A’Level qualifications.

- **DRAPERY COURSE**

The Committee successfully held a Drapery/Soft Furnishings Course, tutored by Mrs. Cynthia Brereton. This course was conducted for four (4) weeks, two (2) days per week, during the period 13th November – 8th December, 2004 and was housed in Training Room 6 at BWIA.

There were ten (10) enthusiastic participants who were thoroughly pleased with the content of the course. This was in fact quite evident on their Open Day, held on the December 13, 2004. Here the participants displayed a wide variety of items, consisting of various types of drapes, sheet sets, throw cushions, tablecloths and small appliance covers. This display aroused the interest of several other members who have expressed their interest in pursuing this course. We wish to express our thanks to the Management of BWIA for allowing us the use of their facility.

- **CREDIT UNION WEEK - (October 17 –23, 2004)**

Our focus for the commemoration of Credit Union week was to encourage members to “Put Their House in Order”. This took the form of a Membership Appreciation Day at the Credit Union Office on October 21, 2004.

Those in attendance participated in blood pressure testing by a qualified nurse, who also rendered advice on how to create and maintain a healthy life style. Additionally, there was representation by Belgrove Funeral Service who gave advice on managing ‘final rights’ for loved ones. Participants were also educated on the host of other services provided by our Credit Union and were invited to partake of light refreshments. The day’s event proved to be very fruitful.

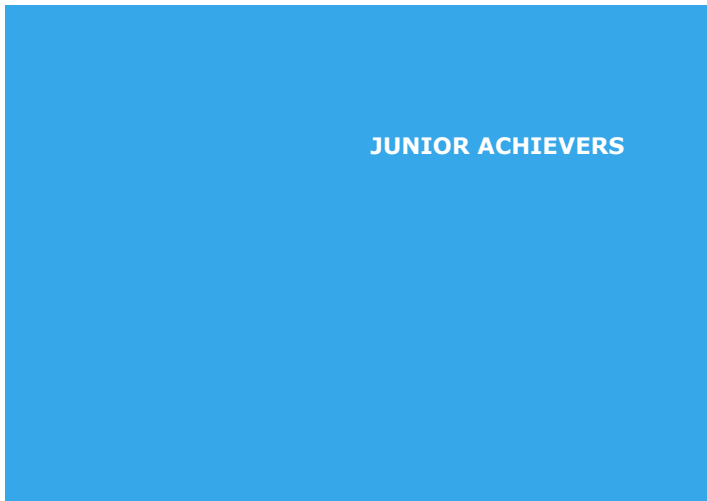
The Committee wishes to convey its heartfelt thanks to the Board of Directors for appointing and allowing us the opportunity to serve our valued members. We also wish to recognize and thank the office staff for their tremendous support, assistance and contributions with our ventures. Special thanks go out to Ms. Faye Husbands for her continued guidance and support with all aspects of our endeavors. Finally, our Committee wishes to thank the membership for the opportunity given to serve you.

Co-operatively yours,

Gillian Benjamin (Ms.)  
Chairperson



2004 SEA STUDENTS WITH GUEST SPEAKER



JUNIOR ACHIEVERS



2004 HEI AWARDEES

## SOCIAL & CULTURAL COMMITTEE REPORT



S & CC Members		
Mr. Earle Joseph	-	Chairman
Ms. Beverley Fonrose	-	Secretary
Mr. Christopher Bynoe	-	Member
Mr. Anthony "Mappi" Isaacs	-	Member
Mr. Theo Oliver	-	Board Representative

**Standing L to R:** A. Isaacs, B. Fonrose, E. Joseph

The Social & Cultural Committee reviewed its performance of the previous year, and tried to capitalize on the events that would bring the membership closer in a social atmosphere. Plans included Wind ball Cricket, Soccer, All Fours, Visit to the Wild Fowl Trust, Family Day/River Lime, Calypso Competition, and some After Work Limes culminating with the year-end After Work Christmas Lime.

Again there were situations that caused a few projects not to materialize, but the overall impact on those that were accomplished was positive. The committee wants to place on record its profound thanks to the following teams; Cargo, Modular, Services, Procurement & Logistics, Sunjets Football Team, Engineering and Staff Hire for participating in the tournaments. The following projects were completed with a great degree of success:

**Wind ball Cricket:** This competition ran from June 3 to July 3 at the factory Road grounds. Team Cargo again won this competition, beating Engineering in the final.

**Soccer:** This took place on October 30, 2004 at the WITCO Grounds. New comers – Tobago was the convincing winners, taking most of the major prizes.

**All Fours:** This tournament came to a successful completion and was as equally competitive and enjoyed by all those who took part or just gave support. Prizes were distributed accordingly. Services won the tournament, with Engineering in second place, followed by Cargo, Stores and Modular.

**Family Day at DeFreitas Ranch:** This was an exciting project where quite a number of Aero Services members and family attended. The kids and some of the older members took full advantage of the use of the pool. The cooking was excellent and the judges sampled the meals.

The group led by Michelle Boodansingh won the first prize, with the second prize going to the group led by Seema Persad and third place, the group led by Nimmi Persad and Jerrilyn Plowden. Robert Harvey and crew were given an appearance fee.

## SOCIAL & CULTURAL COMMITTEE REPORT

After Work Limes: The only After Work Lime was held on August 6, 2004. The occasion was used as the prize giving function for the cricket competition.

After Work Christmas Lime: The biggest Christmas Lime in Trinidad and Tobago. New format saw an enjoyable evening by members and their guests. An equally enjoyable lime in Tobago followed this.

The committee wishes to place on record our profound thanks to the members of the Board who supported us on our projects and also to the members of staff, especially Ms. Michele Constantine who provided support and also gave invaluable information when required.

The Committee would like to recommend again, that the facilities at Factory Road be upgraded to include Simple Bleachers, Fencing and Pipe Borne water. This would facilitate some added activities like soccer and maybe basketball.

To the members, our greatest asset, we thank you for the support you gave us in 2004.

Earle Joseph  
Chairman

## NOMINATION COMMITTEE REPORT

### INTRODUCTION

Fellow Co-operators,

Permit me in my capacity as Chairman to commence this report, on the Committee's behalf, on a philosophical note, by saying that a critical component to any Organization is the quality of leadership it possesses and how that leadership effort continues to evolve over-time given the series of changes which will occur via democratic means. In this regard today's sacred forum provides us all with the opportunity to deliberate upon this pivotal matter as we embark on selecting persons who in our best judgment, will further our best interests in the context of our beloved Credit Union.

Consequently and in accordance with Bye-Law 33a of the Society the Board of Directors appointed a Nomination Committee comprising the following persons:-

Mr. Kester Husbands	-	<b>Chairman</b>
Mr. Alec Clarke	-	<b>Member</b>
Mr. Courtney Demming	-	<b>Member</b>

The Committee's assigned responsibility was to invite nominations from suitably qualified persons from the Credit Union's Membership to serve on the Board of Directors, the Supervisory Committee and the Credit Committee during the course of the proceeding statutory term. In its invitation issued to the general membership the Committee emphasized the pre-requisite that all Nominees **MUST** be in good standing with the Society failing which their nomination will not be accepted. A stipulated deadline of Saturday 13th February 2005, was given for the submission of all nominations.

### OUTGOING OFFICERS

The outgoing Members of the Board of Directors are Ms.Faye Husbands, Mr.Michael Halls and Mr.Theo Oliver. The Board's two Alternate Directors Mr.Anthony Grant and Mr.Curtis John are also outgoing. All outgoing members of the Board of Directors inclusive of the Alternate Directors have indicated their willingness to serve.

All Members of the Supervisory Committee are outgoing by virtue of statute which limits membership to this Committee to one (1) year. The outgoing members of the Supervisory Committee are Ms.Jerrilyn Plowden, Mr.Damien Edwin and Mr.Avery Brown. The Alternate Members Messrs Plowden, Edwin, Brown and Mahase have all indicated their willingness to serve for another term.

All Members of the Credit Committee inclusive of the Alternate Members are outgoing by virtue of statute which in this instance as well, only permits membership for a Term of one year . The outgoing Members of the Credit Committee are Ms.Sharon Lee Sing-Barnes, Ms.Mavis Edwards, Mr.Anthony Grant, Mr.Angel Landeau and Mr.Keith Weekes. The Alternate Members are Mr.Carlos Joseph and Mr.Lester Roger Oxley. Messrs Lee Sing-Barnes, Edwards,Grant, Landeau and Weekes have all indicated their willingness to serve another Term.

## NOMINATION COMMITTEE REPORT

### NOMINATIONS RECEIVED

A total of TWENTY ONE (21) nominations were received pursuant to filling vacancies on the Board of Directors, The Supervisory and Credit Committees. The Nominees are:-

BOARD OF DIRECTORS	SUPERVISORY COMMITTEE	CREDIT COMMITTEE
1). Mr. Gregory Aqi 2). Mr. Anthony Grant 3). Mr. Michael Halls 4). Ms. Faye Husbands 5). Mr. Curtis John 6). Ms. Jacqueline O'Neal Lewis 7). Mr. Theo Oliver 8). Ms. Sherril Peters 9). Mr. Keith Weekes	1). Mr. Avery Brown 2). Mr. Damien Edwin 3). Mr. Anand Mahase 4). Ms. Jerrilyn Plowden 5). Mikki Martinez 6). Risha Bedasie	1). Ms. Sharon Lee Sing-Barnes 2). Ms. Mavis Edwards 3). Mr. Anthony Grant 4). Mr. Angel Landeau 5). Mr. Heston Mitchell 6). Mr. Keith Weekes

### NOMINATIONS REVIEW EXERCISE

On Wednesday 16th February 2005, the Nomination Committee met to review and deliberate upon nominations received, which were supported with relevant information pertaining to each Nominee. Upon completion of this exercise the Committee unanimously agreed to accept all nominations having determined that the respective Nominees met the prescribed criteria for nomination. In an effort to establish some degree of awareness of the task ahead an Orientation Session is planned for all Nominees and will be held on Thursday 10th March 2005 at the Offices of the Credit Union. This scheduled event along with the acceptance of nomination has been communicated to each Nominee in writing and, in addition, the significant importance of attending the Orientation Session.

### CONCLUSION

In closing the Committee wishes to express its sincere thanks to the Board of Directors and by extension, the General Membership for this much-valued opportunity to serve and, our best wishes are hereby offered to all Nominees as we collectively embark on this critical aspect of our Credit Union's democracy.



**KESTER HUSBANDS (MR.)**  
CHAIRMAN

## AUDITORS' REPORT

### The Members


Aero Services Credit Union Co-operative Society Limited

We have audited the accompanying balance sheet of Aero Services Credit Union Co-operative Society Limited as at 31 December 2004 and the related statements of income, appropriated funds and undivided surplus, cash flows and receipts and payments for the year then ended. These financial statements are the responsibility of the management of Aero Services Credit Union Co-operative Society Limited. 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. These standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Aero Services Credit Union Co-operative Society Limited as at 31 December 2004 and the results of its operations and receipts and payments for the year then ended in accordance with International Financial Reporting Standards.

Port of Spain,  
2 February 2005



*Pannell Kerr Forster*

**Pannell Kerr Forster**  
Chartered Accountants

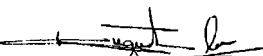
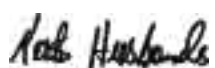

## BALANCE SHEET

### ASSETS

		<b>31 December</b>	
	<b>Notes</b>	<b>2004</b>	<b>2003</b>
<b>Cash Resources:</b>			
Cash in hand and at bank	3	\$ 926,640	\$ 1,672,167
Short-term investments	4	<u>27,392,003</u>	<u>22,401,137</u>
Total Cash Resources		<u>28,318,643</u>	<u>24,073,304</u>
<b>Other Assets:</b>			
Accounts receivable and prepayments	5	1,609,562	1,333,057
Other investments	6	6,050,960	4,804,490
Loans to members	7	38,593,702	35,391,787
Fixed assets	8	<u>2,992,171</u>	<u>2,930,196</u>
Total Other Assets		<u>49,246,395</u>	<u>44,459,530</u>
<b>Total Assets</b>		<b><u>\$ 77,565,038</u></b>	<b><u>\$ 68,532,834</u></b>

### LIABILITIES AND MEMBERS' EQUITY

<b>Liabilities:</b>			
Accounts payable and accruals	9	\$ 874,187	\$ 1,293,221
Members' deposits		17,361,695	15,276,110
Unclaimed dividends and shares		309,677	335,726
Proposed honoraria		104,649	96,738
Gratuity payable		<u>6,784</u>	<u>-</u>
Total Liabilities		<u>18,656,992</u>	<u>17,001,795</u>
<b>Members' Equity:</b>			
Share capital	10	44,899,396	40,123,242
Reserve Fund		4,919,345	4,523,001
Education Fund		458,705	438,596
Development Fund		652,161	652,161
Investment Re-measurement Reserve	11	3,817,581	1,886,696
Special Reserve Fund		226,648	226,648
Undivided Surplus		<u>3,934,210</u>	<u>3,680,695</u>
Total Members' Equity		<u>58,908,046</u>	<u>51,531,039</u>
<b>Total Liabilities and Members' Equity</b>		<b><u>\$ 77,565,038</u></b>	<b><u>\$ 68,532,834</u></b>

 Treasurer	 Member - Board of Directors	 Member - Supervisory Committee
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The accompanying notes form part of these financial statements

## INCOME STATEMENTS

	<b>For the year ended 31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Income:</b>		
Interest on loans	\$ 5,385,540	\$ 5,049,005
Investment income	2,232,207	2,061,043
Rental income	253,307	278,203
Entrance fees	6,520	3,380
Miscellaneous income	12,037	45,822
Service charge	<u>52,494</u>	<u>47,290</u>
	<u>7,942,105</u>	<u>7,484,743</u>
<b>General and Administrative Expenses:</b>		
Advertising and promotions	35,556	14,624
Annual general meeting	94,312	66,097
Audit fees	27,237	30,869
Bank charges, loan interest and overdraft interest	45,264	29,495
Board and committees' expenses	271,707	243,256
Computer supplies	39,470	51,395
Credit Union League dues	30,305	33,063
CUNA insurance	312,523	312,509
Depreciation and amortisation	144,739	131,852
Gifts and donations	16,480	11,460
Group Life insurance	17,485	19,924
Insurances	34,915	34,003
Interest on members' deposits	1,412,042	1,347,495
Janitorial services	35,998	35,888
Legal and professional fees	103,064	89,535
Loan loss expense	120,000	120,000
Meetings and conferences	83,204	115,290
Miscellaneous expenses	10,916	37,420
Office supplies and expenses	79,120	70,788
Other supplies	9,965	9,197
Rates and taxes	10,971	63,890
Repairs and maintenance	83,534	102,562
Salaries and staff benefits	548,742	436,103
Security	133,052	122,673
Stabilization fund	55,439	111,512
Staff training	1,045	21,618
Strategic plan expenses	37,990	14,234
Transport and subsistence	83,133	77,721
Utilities	<u>165,657</u>	<u>147,385</u>
	<u>4,043,865</u>	<u>3,901,858</u>
<b>Net surplus for the year</b>	<b><u>\$ 3,898,240</u></b>	<b><u>\$ 3,582,885</u></b>

The accompanying notes form part of these financial statements

## STATEMENTS OF APPROPRIATED FUNDS & UNDIVIDED SURPLUS

for the year ended 31 December 2004

	Reserve Fund	Education Fund	Investment Re-measurement Reserve	Special Reserve Fund	Undivided Surplus
Balance as at 1 January 2004	\$4,523,001	\$ 438,596	\$ 1,886,696	\$ 226,648	\$ 3,680,695
Add:					
Net surplus for the year					3,898,240
(i) 10% to Reserve Fund	389,824				(389,824)
(ii) 5% of the balance to the Education Fund	-	175,421	-	-	(175,421)
	4,912,825	614,017	1,886,696	226,648	7,013,690
Entrance fees	6,520				(6,520)
Meetings and conferences		(83,204)			83,204
Education Committee Expenses		(72,108)			72,108
Adoption of IAS 39 - Unrealised gain on investments ( <b>Note 11</b> )			1,930,885		
Proposed honoraria					(104,649)
Interest rebate paid for 2003					(146,714)
Dividends paid for 2003					(2,946,077)
Prior year adjustment re: dividends	-	-	-	-	(30,832)
Balance at 31 December 2004	<b><u>\$4,919,345</u></b>	<b><u>\$ 458,705</u></b>	<b><u>\$ 3,817,581</u></b>	<b><u>\$ 226,648</u></b>	<b><u>\$ 3,934,210</u></b>

The accompanying notes form part of these financial statements

## STATEMENT OF CASH FLOWS

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Cash Flows from Operating Activities:</b>		
Net surplus for the year	\$ 3,898,240	\$ 3,582,885
Adjustment to reconcile net surplus to net cash provided by operating activities:		
Loan loss expense	120,000	120,000
Depreciation and amortisation	144,739	131,852
Prior adjustment	(30,832)	11,601
Investment remeasurement surplus	1,930,885	1,886,696
Net change in accounts receivables and prepayments	(276,505)	666,429
Net change in loans to members	(3,321,915)	(362,238)
Net change in accounts payable and accruals	(515,772)	368,444
Net change in members' deposits	2,085,585	274,174
Net change in unclaimed dividends and shares	(26,049)	(44,410)
Net change in gratuity payable	<u>6,784</u>	<u>(8,400)</u>
<b>Cash provided by Operating Activities</b>	<u>4,015,160</u>	<u>6,627,033</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of fixed assets	(206,714)	(180,836)
Net change in other investments	<u>(1,246,470)</u>	<u>(2,890,660)</u>
<b>Cash used in Investing Activities</b>	<u>(1,453,184)</u>	<u>(3,071,496)</u>
<b>Cash Flows from Financing Activities:</b>		
Dividends and interest rebates paid	(3,092,791)	(2,721,941)
Increase in share capital	<u>4,776,154</u>	<u>2,125,129</u>
<b>Cash provided by/(used in) Financing Activities</b>	<u>1,683,363</u>	<u>(596,812)</u>
Net change in cash resources	4,245,339	2,958,725
Net cash resources, beginning of year	<u>24,073,304</u>	<u>21,114,579</u>
Net cash resources, end of year	<b><u>\$28,318,643</u></b>	<b><u>\$ 24,073,304</u></b>
<b>Represented by:</b>		
Cash in hand and at bank	\$ 926,640	\$ 1,672,167
Short-term investments	<u>27,392,003</u>	<u>22,401,137</u>
	<b><u>\$28,318,643</u></b>	<b><u>\$ 24,073,304</u></b>

The accompanying notes form part of these financial statements

## STATEMENT OF RECEIPTS AND PAYMENTS

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Receipts:</b>		
CUNA death benefits	\$ 285,175	\$ -
Loan repayments	13,550,103	13,594,755
Share purchases	7,732,528	8,437,000
Interest on loans	9,242,027	5,251,406
Interest on investments	1,220,824	1,242,207
Commission income – Unit Trust and FIP	33,082	56,313
Entrance fees	6,520	3,360
Members' deposits	3,414,535	6,461,395
Miscellaneous	380	665
Proceeds from investments	708,612	2,105,941
Other receipts	758	2,332
Rent received	241,575	274,539
Service charges	16,420	24,015
Value Added Tax	<u>8,728</u>	<u>-</u>
<b>Total Receipts</b>	<b><u>36,461,267</u></b>	<b><u>37,453,928</u></b>

The accompanying notes form part of these financial statements

STATEMENT OF RECEIPTS AND PAYMENTS *cont'd*

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
<b>Payments:</b>		
Advertising and promotions	22,871	11,179
Annual general meeting	94,312	63,490
Audit fees	27,600	21,390
Bank charges and overdraft interest	50,312	31,428
Board and other Committee expenses	262,338	281,067
Computer costs	20,783	56,136
Credit Union League dues	33,063	33,063
CUNA death benefits	234,952	80,000
CUNA Family Indemnity Plan	4,116	19,560
CUNA insurance	338,516	311,734
Dividends	30,256	31,591
Fixed assets purchased	206,983	176,622
Gifts and donations	16,580	9,760
Honoraria	97,588	97,227
Insurances	34,915	34,810
Investments	750,000	2,455,781
Legal and professional fees	106,315	185,842
Loans granted	18,766,538	18,811,855
Loss on foreign exchange	-	32,406
Meetings and conferences	31,821	97,428
Members' cards	983	10,673
Members' deposit withdrawals and interest on deposits	8,062,554	7,618,314
Miscellaneous	8,441	26,461
Office supplies and maintenance	125,732	131,346
Property maintenance	73,671	72,394
Rates and taxes	10,917	73,725
Refreshments	11,351	8,180
Re-issued cheques	-	465
Salaries and staff benefits	482,343	405,039
Security	126,924	109,874
Share withdrawals	2,637,215	3,318,819
Special General Meeting	978	-
Stabilization fund	55,439	111,510
Strategic plan	12,290	14,434
Telephone and electricity	157,350	132,315
Training	1,045	38,618
Transport and subsistence	71,785	55,986
Value Added Tax	-	<u>11,524</u>
<b>Total Payments</b>	<u><b>32,968,877</b></u>	<u><b>34,982,046</b></u>
<b>Surplus of receipts over payments</b>	<u><b>3,492,390</b></u>	<u><b>2,471,882</b></u>

## STATEMENT OF RECEIPTS AND PAYMENTS *cont'd*

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
Cash balance, beginning of the year	\$ 23,586,461	\$ 21,114,579
Surplus of receipts over payments	<u>3,492,390</u>	<u>2,471,882</u>
Cash balance, end of year	<b><u>\$ 27,078,851</u></b>	<b><u>\$ 23,586,461</u></b>
 <b>Represented by:</b>		
Cash in hand	\$ 80	\$ 59,968
Petty cash	6,694	3,156
Current account	787,280	1,546,416
Savings account	132,586	62,627
Short term investments	<u>26,152,211</u>	<u>21,914,294</u>
	<b><u>\$ 27,078,851</u></b>	<b><u>\$ 23,586,461</u></b>

The accompanying notes form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2004

**1. Registration and Objectives:**

The Society is registered under the Co-operative Society Act Ch: 81:03. Its objectives are to promote the economic welfare of its members, encouraging the spirit and practice of thrift, self-help and co-operation and to promote the development of co-operative ideas.

**2. Accounting Policies:**

The accounting policies of the Credit Union are based on generally accepted accounting principles. The most significant of these are summarised below:

**(a) Basis of Accounting -**

These financial statements have been prepared in accordance with International Financial Reporting Standards on the historical cost basis and no account has been taken of the effects of inflation.

**(b) Income Recognition -**

Interest on loans is recognised on a cash basis consistent with previous years. Except as stated above, the accruals basis of accounting has been used for the recording of income and expenses.

**(c) Depreciation -**

Depreciation is provided for on a straight-line basis at rates designed to write-off the respective costs of fixed assets over their estimated useful economic lives as follows:-

Building and building improvements	-	2%
Computer equipment and software	-	20%
Office furniture and equipment	-	14%
Telephone system	-	20%
Security equipment	-	10%

**(d) Foreign Currency -**

Assets denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the balance sheet date.

## NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 December 2004

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

#### **(e) Investments -**

The Society's investments are classified as available-for-sale and held-to-maturity.

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as "available-for-sale" in accordance with International Accounting Standard (IAS) #39.

These investments are carried at their fair values. Realised and unrealised gains and losses arising from changes in the fair value of available-for-sale investments are included in the Investment Re-measurement Reserve and would be transferred to the Income Statement on the disposal of these investments. All short-term investments of the Society are considered available-for-sale.

Investments with fixed or determinable payments and fixed maturity, that the Society has the positive intent and ability to hold to maturity are classified as "held-to-maturity" in accordance with IAS 39 and are stated at cost.

#### **(f) Use of estimates -**

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the income and expenses during the reporting period. Actual results could differ from those estimates.

## NOTES TO THE FINANCIAL STATEMENTS *cont'd*

31 December 2004

### 3. **Cash in Hand and at Bank:**

	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
Cash in hand	\$ 80	\$ 59,968
Petty cash	6,694	3,156
RBTT Bank Limited - Current account	787,280	1,546,416
- US\$ Savings account	<u>132,586</u>	<u>62,627</u>
	<b><u>\$ 926,640</u></b>	<b><u>\$ 1,672,167</u></b>

### 4. **Short-term Investments:**

	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
Fixed deposits	\$ 18,698,861	\$ 13,577,413
Money Market Funds	<u>8,693,142</u>	<u>8,823,724</u>
	<b><u>\$ 27,392,003</u></b>	<b><u>\$ 22,401,137</u></b>

### 5. **Accounts Receivable and Prepayments:**

	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
Interest receivable	\$ 287,673	\$ 30,769
Payroll deductions receivable	1,205,567	1,127,483
Other receivables	84,823	150,157
Insurances prepaid	<u>31,499</u>	<u>24,648</u>
	<b><u>\$ 1,609,562</u></b>	<b><u>\$ 1,333,057</u></b>

## NOTES TO THE FINANCIAL STATEMENTS *cont'd*

### 31 December 2004

6. Other Investments:

	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
<u>Available-for-sale</u>		
Quoted investments	\$ 5,109,405	\$ 3,785,035
Unquoted investments	901,555	899,455
 <u>Held-to-maturity</u>		
Bonds – Government of Trinidad and Tobago	_____ 40,000	_____ 120,000
	<b><u>\$ 6,050,960</u></b>	<b><u>\$ 4,804,490</u></b>

The cost of available-for-sale investments as at 31 December 2004 is **\$4,074,829**.

7. Loans to Members:

Loans to members are stated at principal outstanding net of a provision for loan losses. The provision for loan losses is based on management's evaluation of the performance of the loan portfolio under current economic conditions and past loan loss experience.

	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
Outstanding principal balances	\$ 39,516,902	\$ 36,194,987
Less: Provision for loan losses	_____ (923,200)	_____ (803,200)
	<b><u>\$ 38,593,702</u></b>	<b><u>\$ 35,391,787</u></b>

**NOTES TO THE FINANCIAL STATEMENTS** *cont'd*  
31 December 2004

8. Fixed Assets:

<u>Cost</u>	<u>Freehold land</u>	<u>Building-Trinity</u>	<u>Computer equipment and software</u>	<u>Office furniture and equipment</u>	<u>Telephone system</u>	<u>Security equipment</u>	<u>Building improvements</u>	<u>Total</u>
Balance as at 1 January 2004	\$ 522,345	\$ 2,250,316	\$ 360,759	\$ 497,935	\$ 48,741	\$ -	\$ 276,391	\$ 3,956,487
Additions	-	-	31,190	7,720	-	32,152	135,922	206,984
Disposals	-	-	-	2,933	-	-	-	2,933
Balance as at 31 December 2004	<u>522,345</u>	<u>2,250,316</u>	<u>391,949</u>	<u>502,722</u>	<u>48,741</u>	<u>32,152</u>	<u>412,313</u>	<u>4,160,538</u>
<b>Accumulated Depreciation</b>								
Balance as at 1 January 2004	-	444,663	191,324	337,825	18,087	-	34,392	1,026,291
Charge	-	45,006	50,283	33,897	8,572	1,253	5,528	144,539
Disposals	-	-	-	2,463	-	-	-	2,463
Balance as at 31 December 2004	-	<u>489,669</u>	<u>241,607</u>	<u>369,259</u>	<u>26,659</u>	<u>1,253</u>	<u>39,920</u>	<u>1,168,367</u>
<b>Net Book Value</b>								
Balance as at 31 December 2004	<u>\$ 522,345</u>	<u>\$ 1,760,647</u>	<u>\$ 150,342</u>	<u>\$ 133,463</u>	<u>\$ 22,082</u>	<u>\$ 30,899</u>	<u>\$ 372,393</u>	<u>\$ 2,992,171</u>
Balance as at 31 December 2003	<u>\$ 522,345</u>	<u>\$ 1,805,653</u>	<u>\$ 169,435</u>	<u>\$ 160,110</u>	<u>\$ 30,654</u>	<u>\$ -</u>	<u>\$ 241,999</u>	<u>\$ 2,930,196</u>

**9. Accounts Payable and Accruals:**

	<b>31 December</b>	
	<b><u>2004</u></b>	<b><u>2003</u></b>
Audit fees	\$ 27,237	\$ 27,600
Value Added Tax payable	2,718	3,843
CUNA claims	126,310	56,038
CUNA insurance	26,960	52,953
Interest payable	347,948	872,167
Other payables	14,493	17,714
Government tax on fixed deposit interest	111,089	62,029
Accruals	79,482	78,770
Stale-dated cheques	<u>137,950</u>	<u>122,107</u>
	<b><u>\$ 874,187</u></b>	<b><u>\$ 1,293,221</u></b>

**10. Share Capital:**

According to the Bye-Laws of Aero Services Credit Union Co-operative Society Limited, the share capital of the Society may be composed of an unlimited number of shares of \$1.00 each.

**11. Investment Re-Measurement Reserve:**

As at 31 December 2004, the Society's available-for-sale investments had again been re-measured to their fair values and the resulting unrealized gain of **\$1,930,885** has been transferred to the Investment Re-measurement Reserve in accordance with IAS 39.

**12. Dividends:**

The Board of Directors has proposed a dividend of 8% for the year ended 31 December 2004. This is not recorded as a liability in accordance with IAS 10.

# Resolutions & Recommendations

## RESOLUTIONS

### AUDITORS

- 1) Be it resolved that the Firm Pannell Kerr Forster (Formerly Mark Castillo Tony and Company) be retained as Auditors for the 2005 term.

### DISTRIBUTION OF SURPLUS

- 2) Be it resolved that the Annual General Meeting approves the following:
  1. A dividend of eight percent (8%) on each member's shareholding to be credited as follows:
    - 1.1 The disbursement of six percent (6%) according to the member's request and
    - 1.2 The additional two percent (2%) to be credited to each member's share account.

### LOAN INTEREST

- 3) Be it resolved a rebate of 3% on loan interest for the year 2004 be applied first towards any arrears in interest payment, then towards reducing the loan principal if at the time the member has not repaid his loan in full. Otherwise, it shall be credited to the deposit account of the member.
  - 3.1 The residue to be carried forward to the succeeding year.

### EX GRATIA PAYMENT

- 4) Be it resolved that the sum of seven thousand dollars (\$7,000) be allocated to the Education Committee and another seven thousand dollars (\$7,000) be allocated to the Social and Cultural Committee.

## NOTES

