



52ND ANNUAL GENERAL MEETING

"A New Horizon"

Saturday 6th April, 2024
Phillip Habib Hall
10:00am

AERO SERVICES CREDIT UNION

**GET \$100,000.00
NO COLLATERAL**

INTRODUCING OUR...

PESH LOAN



**DO
YOU**

PROTECT US? **S**ERVE US?
EDUCATE US? **H**EAL US?

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www.aeroservicescu.com

MISSION

To provide our members with innovative financial solutions and exceptional service through the use of advanced technology while embracing corporate social responsibility.



VISION

To be the region's leading Credit Union, fulfilling the financial and social needs of our members.

CORE VALUES

- **Members First**
- **Accountability** - We will take ownership of our work and operate in a transparent manner, being fully aware of the risk involved, whilst maintaining a sustainable environment, individually and collectively.
- **Fairness and Empathy** - We will treat all our stakeholders with equity whilst remaining attentive to their needs.
- **Trust and Teamwork** - We will empower our Staff, Board of Directors, and Committee Members to be innovative and solution-driven (focused) while we foster a trusting work environment.
- **Innovation** - We will provide a culture of innovation and creativity.
- **Philanthropy and Community Involvement**
- **Integrity in Service** - We will do what is right and deliver what we promise and consistently deliver a high level of service to all our stakeholders.

THE NATIONAL ANTHEM

Forged from the love of liberty,
In the fires of hope and prayer,
With boundless faith in our destiny,
We solemnly declare.
Side by side we stand,
Islands of the blue Caribbean Sea,
This our native land,
We pledge our lives to thee.
Here every creed and race,
Find an equal place,
And may God bless our nation.
Here every creed and race,
Find an equal place,
And may God bless our nation.

CREDIT UNION PRAYER

[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.

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NOTICE OF MEETING

Notice is hereby given that the 52nd Annual General Meeting of Aero Services Credit Union Co-operative Society Limited will be held at the Phillip Habib Hall Aero Services Credit Union Head Office, on Saturday 6th April 2024, Hybrid Format commencing at 10.00 a.m.

AGENDA

1. Call to Order
2. Credential Report
3. National Anthem and Credit Union Prayer
4. Notice of Meeting
5. Standing Orders
6. President's Address
7. Minutes of the 51st Annual General Meeting
8. Reports
 - 8.1 Board of Directors
 - 8.2 Credit Committee
 - 8.3 Supervisory Committee
 - 8.4 Education Committee
 - 8.5 Tobago Committee
 - 8.6 Nomination Committee
9. Auditors' Report
10. Financial Report
11. Budget Presentation
12. Resolutions/Recommendations
13. Amendments to Approved Bye-Laws 4.1 (b), 24 (c), 34 (a), 35 (b).
14. Elections of Officers
 - 14.1 Board of Directors
 - 14.2 Supervisory Committee
 - 14.3 Credit Committee
15. Other Business
16. Vote of Thanks
17. Closure

By Order of the Board



Meryl Faye Husbands
HON. SECRETARY

In Memory of



Mr. Wilfred Hinds

October 23, 1935 – June 25, 2023
ASCU Stalwart, Former Treasurer



Mr. Ulric Warner

November 03, 1956 – August 15, 2023
Former Industrial Relations Consultant

May Their Souls Rest In Eternal Peace

In Memory of



Mr. Anthony Dominic Mora

August 04, 1951 – November 15, 2023

Former Member Credit Committee



Ms. Pearl George

April 15, 1939 – January 23, 2024

ASCU Stalwart and Former Assistant Secretary

May Their Souls Rest In Eternal Peace

HYBRID MEETING STANDING ORDERS

1. Members attending the meeting virtually shall keep their microphones muted and video cameras off for the duration of the meeting, except if required to make a contribution to the meeting.
2. No member shall address the meeting except through the Chair.
3. A member shall raise his/her hand when desirous of addressing the Chairman.
4. A member shall only address the meeting when called upon by the Chairman to so do, after which he/she shall immediately take his/her seat or mute his/her mic.
 - (a) Comments shall be clear, concise and relevant to the subject before the meeting.
 - (b) A member shall not speak for more than three (3) minutes on any one subject.
5. Members attending virtually are asked to utilize the chat box to pose questions or to share any issues they are having, so that the meeting administration team can assist, with minimal interruptions.
6. Members are reminded to conduct themselves in a professional manner. Kindly refrain from sharing any explicit, violent or inappropriate content.
7. 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 raises his/her hand or uses the raise hand feature to object or to explain (with the permission of the Chair).
8. No comments shall be made after the "Question" has been put and carried or negated.
9. A member raising his/her hand on a "Point of Order" shall state the point clearly and concisely.
 - a) A "Point of Order" must have relevance to the "Standing Orders".
10. (a) A member shall not "call" another member "to order" but may draw the attention of the Chair to a "breach of order".
 - b) At no time can a member call the Chair "to order".

HYBRID MEETING STANDING ORDERS

11. 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 shall be moved at any time.

12. Only one amendment shall be before the meeting at a time.

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

14. The Chair shall have, in addition to his/her ordinary vote, the right to a "Casting Vote".

15. If there is equality of voting on an amendment, and if the Chairman does not exercise his "Casting Vote", the amendment is lost.

15. The Chair shall make provision for the protection of members from personal abuse.

16. Provision shall be made for the protection by the Chairman from vilification (personal abuse).

17. No member shall impute improper motives against another member.

18. Entry into the meeting will be discontinued just prior to the commencement of the Elections process.

GUIDELINES FOR OFFICERS

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 be "fit and proper".
- Must not be an employee of Aero Services Credit Union.
- Must not be delinquent in repaying his/her loan for at least three months.

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 as required by the Society.

Regular Board of Directors Meetings are held on the fourth Saturday of every month from 1.00pm.

The Credit Committee meets once per week on Tuesdays.

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

ELECTION PROCEDURES

- Voting will be completed electronically.
- Each member who pre-registered was given a unique password to access the platform to vote.
- Access to vote during the elections for the Board of Directors, Credit Committee and Supervisory Committee will be given to members at the time of election.
- The Returning Officer will declare the opening and closing of voting.
- The appointed persons will confirm the results while the meeting is in progress.
- The results will be announced by the Returning Officer immediately on completion of the count.

YOUR RIGHTS AND RESPONSIBILITIES

AT YOUR ANNUAL GENERAL MEETING

As a member of Aero Services Credit Union:

1. You are important as one of the owners of the Credit Union.
2. You have the right to know about the Credit Union. Your questions and suggestions are therefore valuable and always welcomed.
 - Your vote is significant. It helps to elect the Officers who must take responsibility for ensuring the successful performance of the Credit Union.
 - Be aware of your responsibility to elect members who are committed and willing to learn and to volunteer their services to the Membership.

Take note that:

- With leadership comes responsibility
- You cannot separate a leader from his/her character.
- Skills without character will fail.

PRESIDENT'S MESSAGE

Dear Valued Members:

Greetings from the Board of Directors of Aero Services Credit Union on the occasion of our 52nd Annual General Meeting.

Our journey in 2023 began in earnest amid continuing uncertainty in the international financial markets, increasing competition from organizations in the domestic financial services sector and waning production in the domestic oil and gas sectors. The foregoing notwithstanding, the Trinidad and Tobago economy registered Real GDP growth of approximately 2.7% in 2023 as compared to a more modest growth of 1.5% in 2022.

Additionally, we continue to grapple with archaic Credit Union legislation and the pending impact of the decisions of the Cabinet Appointed Committee.

In an effort to better serve you our valued members and to enhance our competitive advantage, ASCU embarked on a Strategic Plan in July 2023 which would ultimately chart the proverbial road map for ASCU for the next three years. Our Strategic Plan would place particular emphasis on the following:

- Our new Vision
- Our new Mission
- New Core Values

New Strategic themes would outline and enhance key areas of focus for ASCU as we strive to achieve our operating potential. Our strategic themes are outlined as follows:



PRESIDENT'S MESSAGE CONT'D

- Service Excellence at every level: We would strive to exceed member expectations.
- People and Organizational development: Organizational performance that would redound to exceptional value for our members.
- Legal and Compliance: Ensuring compliance with all legal and statutory requirements.
- Technology: A commitment to work assiduously to incorporate robust, structured, and advanced technological solutions.
- Marketing and Product Innovation: Increased emphasis would be placed on empowering our members by providing comprehensive and meaningful solutions to satisfy their needs.
- Educational programmes e.g. Wills and Trusts
- Shared Branching (facilitating withdrawals of up to \$1000 from any one of our offices in Trinidad and Tobago as a result of the joint Credit Union initiative)
- Collaboration on several joint venture projects

Our efforts to expand these joint initiatives would continue in earnest as we strive to reduce cost and enhance the cooperation among our membership. In 2024, there are plans to expand the educational initiatives to include a Secondary Entrance Assessment assistance programme to benefit the children of our members. This programme would also be invaluable to the parents, as the role of the parents would also be in focus.

Orange Grove Property

Our challenges with the Tacarigua River continue. We have personally engaged the Minister of Works and Transport Senator the Honourable Rohan Sinanan and various technocrats at the Ministry of Works and Transport in an effort to halt the eastward meandering intent of the river towards the ASCU property. We are hopeful that work would commence during the 2024 "dry season" to maximise the opportunity presented due to the reduced water levels in the river as a result of significantly less rainfall.

As we continue to serve you, we look forward to your feedback regarding our progress in enhancing every aspect of our operation. We would soon be introducing additional options to provide timely feedback regarding the quality and timeliness of our service, and other areas of critical importance.

Joint Credit Union Initiatives

We continue to partner with Community Care Credit Union and UWI Credit Union in the ideal of "cooperating among Credit Unions". In 2023, our efforts have resulted in the following joint initiatives:

PRESIDENT'S MESSAGE CONT'D

Our Tobago Operations

On Thursday 14th December 2023, we officially opened our new Tobago office in Barrington Court located at #91 Milford Road in Bon Accord after many years in our previous location which was in close proximity to the A.N.R. Robinson Airport. We are therefore absolutely delighted to advise that our new Tobago office is now open for business to serve our valued members five (5) days every week. Our new location is ideal as it presents an exciting opportunity to serve our existing and new members alike from upgraded facilities and provides the additional benefit of adequate space for parking.

We anticipate that the collective efforts of our Tobago Committee, staff members and Board representative would provide the impetus for satisfactorily meeting the needs of our existing Tobago members and steadfastly growing the ASCU membership.

Conclusion

A special thank you to my fellow Board of Directors, the Management, Staff and all the Committee members of Aero Services Credit Union for their commitment to you our valued members during 2023. My sincere appreciation to fellow Directors Franklin, and Gaspard, who served the ASCU membership with dedication during the previous nine (9) years.

To the entire ASCU family, thank you as well for tangibly contributing to our growth and development for the past seventy-three (73) years. We wish you God's blessings as we strive to continue to "enrich the quality of your lives".

Co-operatively Yours,



Brian Matthew
PRESIDENT

MINUTES OF THE 51ST AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY, MAY 13TH, 2023 AT THE PHILIP HABIB HALL, AERO SERVICES CREDIT UNION'S HEAD OFFICE

1.0 CALL TO ORDER

The Chairman/President, Mr. Brian Matthew, called the 51st Annual General Meeting of Aero Services Credit Union Co-operative Society Limited (ASCU) to order at 10.12 a.m., and extended a warm welcome to all. The gathering was informed that there was a quorum and the meeting was duly constituted in accordance with Bye-Law 20.

2.0 CREDENTIAL REPORT

It was reported at 10.12 a.m. that one hundred and ten (110) members were in attendance, consisting[SP1] of sixty-eight (68) online and forty-two (42) in person.

3.0 NATIONAL ANTHEM/CREDIT UNION PRAYER

A recorded version of the National Anthem was played, following which attendees recited the Credit Union Prayer.

The Chairman welcomed members, the Board of Directors, members of the Statutory Committees, Management, Staff and specially invited guests in attendance at the meeting. He also extended Happy Mothers' Day greetings to all the mothers.

The Chairman introduced the following Officials seated at the Head Table:

- Ms. Carla N. Arthur (General Manager)
- Mr. Lyndon Byer (Vice President)
- Mr. Earle Joseph (Secretary)
- Mr. Courtney Demming (Assistant Secretary)

4.0 NOTICE OF MEETING

The Secretary, Mr. Earle Joseph, read the Notice and Agenda of the 51st Annual General Meeting which was located on page 4 of the Annual Report.

5.0 STANDING ORDERS

The Secretary, Mr. Earle Joseph, also read the Standing Orders on page 5 for the benefit of the membership.

5.1 Adoption

The Standing Orders were adopted by majority vote on a motion moved by Ms. Faye Husbands and seconded by Ms. Anne Joseph. Eighty-seven (87) members voted in favour, one (1) voted against and one (1) abstained.

[The Vice President presented the Safety Brief which was followed by two tutorial videos of the meeting process.]

MINUTES OF THE 51ST AGM

Cont'd

PRESIDENT'S ADDRESS

The President in addressing the membership, placed emphasis on the operations of Aero Services Credit Union during the year under review. He pointed to the fact that Credit Unions earned income in only two (2) ways: interest derived from loans granted to members and investment of funds not loaned to members. The alternative to investing would be to leave the funds in a current account at a very low-interest rate.

The President referred to the displeasure expressed by some members regarding the dividend payment recommended for approval by the membership. He reminded members of ASCU's commitment and track record of giving back to them a substantial portion of income earned, by supplying the following data on dividend and patronage refund disbursed over the years:

- Between 2008 and 2010, dividends paid out were eight percent (8%), six percent (6%) and five percent (5%) respectively.
- In 2013, the dividend was six percent (6%) and interest rebate was two percent (2%).
- In 2018, the dividends were four percent (4%) on shares under \$750,000 and two percent (2%) above \$750,000, and an interest rebate of eleven percent (11%).
- In 2019, the dividends paid were four-point-five percent (4.5%) on shares under \$750,000 and two percent (2%) over \$750,000, and a twelve percent (12%) interest rebate.

The President explained that with the advent of IFRS 9 – an international accounting standard – a few years ago, once the price of an investment was lower than the purchase price in the year under review, it must be booked or recorded as a loss to the organisation. However, he stressed that in such circumstances, the investment was not lost, unless it was sold for an amount under the purchase price.

The President acknowledged that intense competition existed within the country, with many sectors offering loans to the public. He therefore urged members to band together and support ASCU's loan products. Additionally, members were cautioned not to focus only on the dividend paid

MINUTES OF THE 51ST AGM

Cont'd

at the end of a financial year, but also the overall experience derived from being members of ASCU. The President drew attention to some of the other benefits offered at ASCU:

- Insurance coverage provided by the Trinidad and Tobago Credit Union Deposit Insurance Fund for shares valued up to \$125,000 and deposits of up to \$50,000.
- Group Health Insurance as a result of linkages with UWI and Community Care Credit Unions, so that members could be afforded the best rates.
- Partnership with UWI and Community Care Credit Unions as part of the Joint Credit Unions Co-operation among Co-operatives initiative, in an effort to reduce cost wherever possible, by pooling resources. For example, when offering training programmes and acquiring bailiff services. Additionally, implementation of the shared banking concept among these Credit Unions, whereby their members can visit any of the branches and withdraw up to \$1,000 from their deposit accounts.
- Provision of support to members in challenging times. For instance, during the COVID-19 pandemic, members who were furloughed, or suffered job losses and could not meet their loan obligations, were offered waiver of payments or had their loans restructured, without their loan instalments being negatively affected, as occurred at some financial institutions.

Members were asked to bear in mind that the assistance provided to affected members was done against the backdrop of the situation with IFRS 9, share withdrawals, the age demographic of the membership, reduced borrowing, and the very competitive environment within which Credit Unions operate. Going forward, it was anticipated that changes to the Loan Policy including revised interest rates and improved processes, along with a mortgage loan product awaiting approval from the Commissioner for Co-operative Development, would increase the loan portfolio.

The President appealed to members who had doubts about ASCU's performance in the future to take its track record into account before deciding to move their investments elsewhere.

MINUTES OF THE 51ST AGM

Cont'd

The President appealed to members who had doubts about ASCU's performance in the future to take its track record into account before deciding to move their investments elsewhere.

The President apologised to members from Tobago for the closure of the Tobago office for a significant period in 2022. He further revealed that:

- The Tobago office was reopened and was staffed with two (2) employees instead of one (1).
- An alternative office space was located and an announcement would be made shortly regarding relocation to the more appropriate premises.
- The feedback received from Tobago members about the new location was favourable.

On the issue of erosion on the western perimeter of ASCU's Head Office, assistance was sought from the Ministry of Works and Transport, following which engineers from the Ministry conducted site visits. The President remained hopeful that a permanent solution would be found to remedy this situation.

The President thanked those who contributed to the efforts of the Credit Union over the past year, in particular, Members of the Board of Directors, Statutory Committees, Management and the hardworking Staff. He also commended the valued members, especially those who contributed to the Credit Union's loan interest income and urged those who had not been accessing the loan products, to join in this effort, so that ASCU could realise its commitment to them going forward.

The President reiterated his appeal to members to work together, not only to renew ASCU's Mission and Vision, but also its motto: "Enriching the Quality of Your Life".

7.0 AGM REPORT/BROCHURE

The Annual Report/Brochure in respect of the 51st Annual General Meeting of Aero Services Credit Union was taken as read and approved by majority vote on a motion moved by Ms. Elizabeth Paul and seconded by Mr. Martin Franklin. Eighty-eight (88) members voted in favour, zero (0) voted against and one (1) member abstained.

MINUTES OF THE 51ST AGM

Cont'd

8.0 MINUTES OF 50TH ANNUAL GENERAL MEETING – MAY 14TH, 2022

The Minutes of the 50th Annual General Meeting were reviewed by the membership and no errors or omissions were identified.

8.1 Confirmation

The Minutes of the 50th Annual General Meeting held on May 14th, 2022 were confirmed by majority vote on a motion moved by Ms. Denise Zephryne and seconded by Ms. Jo-Anne Edwards. Ninety-four (94) members voted in favour, zero (0) voted against and four (4) members abstained.

9.0 MATTERS ARISING

There were no matters arising from the Minutes of the 50th Annual General Meeting.

10.0 CREDENTIAL REPORT

It was reported that one hundred and fifty (150) members were in attendance, comprised of fifty-three (53) in person and ninety-seven (97) virtually.

11.0 FEATURE SPEAKER

Mr. Robert Mayers, a veteran in the securities industry, having worked for over forty (40) years in the field of equity trading and leading brokerage firms in Trinidad and Tobago, Chairman of KSBM Asset Management Limited and President

of the Trinidad and Tobago Credit Union Deposit Insurance Fund Co-operative Society Limited, gave the feature address.

On behalf of the Trinidad and Tobago Deposit Insurance Fund, Mr. Mayers extended greetings to Aero Services Credit Union on the occasion of its 51st Annual General Meeting.

Mr. Mayers referred to the financial performance of Aero Services Credit Union for 2022, especially in relation to the distribution of surplus in the form of dividends and loan interest rebates to members. He pointed out that the business of the Credit Union was “money business” and, therefore, how money and money markets behave will impact ASCU’s performance. He also acknowledged that it was right and just for the membership to demand accountability from those elected to manage the business.

In order to put 2022 in some kind of perspective, Mr. Mayers provided the undermentioned data for 2021:

- Local stock market gained five hundred and eighty-six (586) points or thirty-nine percent (39%).
- S&P 500 Index increased by twenty-seven percent (27%).

MINUTES OF THE 51ST AGM

Cont'd

- ASCU recorded fair value gain through profit and loss of \$1.8M, producing a surplus of \$10.8M.
- ASCU's investment portfolio was valued at \$117M and consisted of fixed deposits, loan notes, bonds, money market funds and managed portfolios.

Mr. Mayers explained that although the fair market trading gain was recorded as part of the comprehensive income, it was not cash in the bank, but merely an accounting standard which reflected value. In other words, the value of ASCU's investments as at balance sheet date had increased by \$1.8M and would have only become cash in the bank if a decision was taken to sell the securities in the portfolio. Similarly, when markets reverse, the portfolio then records a fair value loss through the profit and loss statement.

From a bullish market in 2021, the global economy experienced a litany of concerns in 2022. For example, the heightened geopolitical stress brought on by the war in Ukraine and stringent COVID-19 policies instituted by China, where almost the entire country was shut down at various periods. This drastically affected the supply of goods and services from China to the rest of the world, which created supply chain issues and increased prices.

Also, because money was still floating around, prices of goods increased, which led to serious inflationary trends and rising interest rates.

Mr. Mayers provided the following data for 2022:

- The stock exchange index fell one hundred and sixty-four (164) points, an eleven percent (11%) decline.
- Bloomberg US Aggregate Global Fixed Income Index experienced one of its worst years on record, ending 2022 at sixteen-point-two percent (16.2%) down, as the bond market went through a huge resetting of interest rates.
- During the pandemic era, the US Federal Reserve, and to some extent the Government and Central Bank of Trinidad and Tobago, released money into the system at very low rates. The outcome of this measure was increased spending, which caused supply to dry up.
- In March 2022, the Federal Reserve raised interest rates by 0.25% and there was a slight recovery in growth. However, by June/July, inflation skyrocketed. This coupled with supply and demand imbalances, the economy not responding to the interest rate shocks, spike in oil prices as a

MINUTES OF THE 51ST AGM

Cont'd

consequence of the Russia/Ukraine conflict, led to increased interest rates by 4.25% in December 2022. It was the second fastest hiking cycle since WWII. The only time it was faster was in 1980/1981.

- In September 2022 the Federal Reserve embarked on a programme referred to as quantitative tightening which shrunk its roughly \$9 trillion balance sheet by almost \$100B per month, which tightened liquidity conditions.
- In December 2021, the rates of US Treasuries were as follows:
 - Two-year - Just below one percent (1%)
 - Three-year - About one percent (1%)
 - Five-year - About 1.2%
 - Ten-year - About 1.5%.
- By December 2022, the rate of the two-year treasuries had increased to 4.5% with the ten-year being just about 4%.

In 2022:

- S&P 500 Index fell by 19.4%.
- Nasdaq 100 Index experienced losses of 32.8%.
- Trinidad and Tobago Stock Exchange experienced an 11% decline.
- The Russia/Ukraine war led to rising energy prices and disruptions to everything from fertiliser to food, adversely affecting the earnings of many countries.

- Heightened inflationary pressures which led to aggressive rate hikes from Central Banks caused equity price valuations to fall drastically, especially those of high growth stocks.

It was against that backdrop that Aero Services Credit Union's investment portfolio took a fair value loss of approximately \$11M, which was a 9.4% decline. However, according to the data supplied above, ASCU outperformed other major indices. Mr. Mayers attributed ASCU's performance to diversification of its portfolio, as well as its asset selection within the portfolio. He emphasised that performance should not be measured in a vacuum but against accredited internationally accepted benchmarks.

Mr. Mayers drew attention to the recent banking crises in the USA, which began with the collapse of the Silicon Valley Bank in early March 2023, followed by the Credit Suisse Bank, and the First Republic in the USA.

The Silicon Valley Bank was a specialised bank which took large amounts of deposits and invested mostly into innovation and technology start-ups, so with all that cash on hand, they did the prudent thing and purchased US Government paper or treasuries.

MINUTES OF THE 51ST AGM

Cont'd

The Federal Reserve arranged a deal for JP Morgan to acquire First Republic and that acquisition was successful. The question being asked was whether the regulators acted quickly enough. Mr. Mayers expressed the view that regulators were better at crisis management than crisis prevention, and that the market would always be way ahead of them. He anticipated that more banks would become vulnerable as long as interest rates remained at their current levels.

On May 3rd, 2023, the Federal Reserve hiked interest rate even further to 5.25% in an effort to dampen the inflationary rate spiral. Despite this action, the unemployment numbers decreased rather than increased. The question to be asked therefore, was whether the wrong model was utilised, or it should be changed. Only time would tell whether a soft landing for the US economy could be navigated without going into a recession.

The situation was at a critical point and an urgent decision was required because the market has begun to soften, manufacturing declined, but unemployment remained stubborn.

Mr. Mayers also pointed out that:

a) Consumer earnings were up, health care was down, the basic material sector was down and the financial sector was up in the first quarter of 2023, despite the banking crisis.

b) There was the fastest tightening of monetary conditions since 1981 hitting in some places, specifically in interest rate sensitive parts of the economy.

c) Clear evidence existed to demonstrate that monetary policy was slowing the housing market and depressing business investments.

d) The labour market remained stubbornly resilient even allowing for lags.

e) The impact of tightening finance was dampened by excess savings and ongoing pandemic catch-up in some sectors.

MINUTES OF THE 51ST AGM

Cont'd

Mr. Mayers articulated that with the low unemployment and strong corporate financials, further interest rate hikes may occur, probably up to about 6%. In addition, the global economy was trending towards decline in overall performance and growth, which was likely to persist into the medium term. He also stated that the projection for the Trinidad and Tobago economy in 2023 was a 4.5% decline in real GDP. He assured the membership that the prudent management exhibited by ASCU was the way to go, so that whenever the turnaround came, the owners of ASCU would be the first to benefit.

In closing, Mr. Mayers thanked ASCU's Officials for the invitation and wished them a successful AGM.

The President thanked Mr. Mayers for providing a complete picture of the US and global economies, as well as the perspectives of Trinidad and Tobago and ASCU. The General Manager then presented a token of appreciation to Mr. Mayers, on behalf of the Board of Directors, Management, Staff and Membership of the Credit Union.

12.0 BOARD OF DIRECTORS REPORT

The Board of Directors Report was tabled for review and no errors or omissions were identified. Major highlights of the Report were as follows:

Performance Highlights:

- Gross Income decreased by twenty-four percent (24%) mainly due to reduced returns from the investment portfolio over the previous year.
- Expenditure decreased by fifty-four percent (54%) over that of 2021.
- Total Assets declined by three percent (3%).

Special Projects

Transformation of Sporting Complex

With regard to the 2020 AGM's mandate to transform the Sporting Complex into a revenue earner, the Board considered the Building Committee's proposal for residential designs utilising the gated community concept and decided that the price per unit was too high for ASCU's members. A review is therefore being undertaken to reduce the cost.

Co-operation Among Co-operatives

In 2022, a Memorandum of Understanding (MOU) was signed with UWI Credit Union and Community Care Credit Union, which allowed members

MINUTES OF THE 51ST AGM

Cont'd

of each Credit Union, on a pilot basis, to benefit from joint shared services such as shared branching, withdrawals, educational and social activities, which were quite successful. The MOU also facilitates economies of scale by enabling the three (3) Credit Unions to jointly approach providers of debit cards, health insurance, debt collection and other selected services. The success of these initiatives could result in cost reductions for each Credit Union.

Embracing Technology

Strategies were initiated to embrace available technology to give members the opportunity to conduct business with ASCU from the device of their choice. This will eliminate or reduce the need for in-person visits to ASCU's offices.

Office Recruitment and Exits

Four (4) employees exited the organisation in 2022, including the former General Manager, Mr. David Bazil on October 7th, 2022.

12.1 Adoption

The Board of Directors Report was adopted by majority vote on a motion moved by Ms. Esther Richards and seconded by Ms. Candace Richards. Ninety-seven (97) members voted in favour, one (1) voted against and two (2) abstained.

CREDIT COMMITTEE REPORT

The Report of the Credit Committee was tabled for consideration and the Chairman of the Credit Committee, Ms. Mavis Edwards, was available to address any issues raised.

13.1 Amendment

The undermentioned amendments to the Report of the Credit Committee, circulated via an Errata Sheet, were approved:

- At the top of pages 24 to 25 of the AGM Brochure, the words "Staff Pictorial" was omitted.
- The table on page 44 of the AGM Brochure was replaced by the following:

#	Type of Loan	2022	%	2021	%
1	Vehicle (0% Down Payment Special)	\$12.7M	30%	0	0%
2	Character	\$9.6M	23%	\$18.8M	48%
3	Consumer	\$6.1M	14%	0	0%
4	Vehicle (10% Down Payment Regular)	\$4.4M	10%	\$2.2M	6%
5	Jump Start	\$2.1M	5%	0	0%
6	Seasonal	\$2.1M	5%	0	0%
7	Personal	\$2.0M	5%	\$3.4M	9%
8	Home Improvement	\$1.2M	3%	\$4.4M	11%
9	Character (Staff)	\$0.9M	2%	\$0.7M	2%
10	Seasonal (Staff)	\$0.4M	1%	0	0%

Further highlights of the Report for the period under review were as follows:

- Nine hundred and sixty-two (962) loans were approved valued at \$42.5M, which was an increase over the value of \$38.9M in 2021.

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- The delinquency ratio stood at eight percent (8%).

13.2 Adoption

The Report of the Credit Committee, as amended, was adopted on a motion moved by Ms. Faye Husbands and seconded by Ms. Adanna Daniel with ninety-eight (98) members voting in favour, zero (0) voting against and two (2) abstentions.

14.0 SUPERVISORY COMMITTEE REPORT

The Chairman of the Supervisory Committee, Ms. Denise Zephryne, was available online to respond to any queries from members. No errors or omissions were identified during a review of the Report.

The Committee reported that standard processes and procedures were generally complied with. Inconsistencies identified, along with recommendations, were brought to the attention of senior Management and the Board of Directors for immediate action.

14.1 Adoption

The Report of the Supervisory Committee was adopted on a motion moved by Ms. Paula Daniel-Linton and seconded by Ms. Nicolet Mc Ewen. Ninety-nine (99) members voted in favour, zero (0) voted against and two (2) members abstained.

15.0 EDUCATION COMMITTEE REPORT

The Report of the Education Committee was tabled for review and no errors/omissions were identified.

According to the Report, the Education Committee undertook the following activities during its term of office:

- ASCU's Cricket Competition held on August 28th, 2022
- Financial Planning Webinar on October 11th, 2022
- All Fours Competition on October 15th, 2022
- Awards of Excellence on November 27th, 2022.

15.1 Adoption

The Report of the Education Committee was adopted by a majority vote on a motion moved by Ms. Sharon Lee Sing Barnes and seconded by Ms. Victoria Francis. Ninety-nine (99) members voted in favour, one (1) member voted against and three (3) members abstained.

16.0 TOBAGO COMMITTEE REPORT

The Chairman of the Tobago Committee, Mr. Walton Walker, was on hand to respond to any issues raised on the Report. Upon a review of the Tobago Committee Report, no errors or omissions were identified neither were any matters raised.

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16.1 Adoption

- The Report of the Tobago Committee was adopted on a motion moved by Ms. Faye Husbands and seconded by Ms. Gabrielle Johnson. Eighty-nine (89) members voted in favour, zero (0) voted against and one (1) member abstained.

17.0 NOMINATIONS COMMITTEE REPORT

- The Chairman of the Nominations Committee, Ms. Faye Husbands, was available to respond to any queries raised on the Report. The Report was reviewed and no errors or omissions were discovered.
- Outlined below are some key details of the Report of the Nominations Committee:
- Nominations were invited for positions on the Board of Directors, Supervisory and Credit Committees and the deadline date set was March 24th, 2023.
- Sixteen (16) nominations were received, assessed and approved as follows:

Board of Directors

Mr. Lyndon Byer
Ms. Michelle Campo-Aimable
Mr. Courtney Demming
Mr. Jaime Garcia
Mr. Brian Matthew

Supervisory Committee

Mr. Brent Davidson
Mr. Angel Landeau
Ms. Nicole Ramsey-Figaro
Ms. Denise Zephryne

Credit Committee

Ms. Nerissa Alleyne
Ms. Elizabeth Aquí
Ms. Mavis Edwards
Ms. Sharon Lee Sing Barnes
Mr. Mikki Martinez
Mr. Heston Mitchell
Mr. Anthony Dominic Mora

- On May 10th, 2023 an orientation session was hosted for nominees and members who were willing to volunteer their expertise to the Credit Union.

17.1 Adoption

The Auditors' Report was adopted by majority vote on a motion moved by Ms. Esther Richards and seconded by Mr. Jaime Garcia. Ninety (90) members voted in favour, zero (0) voted against and two (2) members abstained.

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19.0 CREDENTIAL REPORT

A Credential Report revealed that one hundred and forty-nine (149) members were in attendance, comprised of fifty-three (53) members physically, and ninety-six (96) virtually.

20.0 FINANCIAL REPORT

The Accountant, Ms. Zariffa Harrypersad, presented the Financial Report for the year ended December 31st, 2022. Members were informed that two (2) main areas of focus were identified for 2022: membership growth and revenue generation. As a consequence, an impressive advertising campaign was embarked upon along with reduced interest rates and an adjustment to the waiting period for loans. These efforts resulted in the following gains:

- An eleven percent (11%) growth in membership by six hundred and twenty-one (621) new members.
- Growth in the loan portfolio by seven percent (7%). However, this growth was stymied by competition from other financial institutions with loans being paid off before maturity by depleting their savings or utilising funds from other lending institutions.

Other key highlights of ASCU's financial performance were as follows:

- Total Income declined by twenty-four percent (24%), from \$28M in 2021 to \$20M in 2022.
- Total Expenditure decreased year-on-year by fifty-four percent (54%), from \$17.4M in 2021 to \$8M in 2022.
- Net Surplus was \$864,736 as a result of the net fair value loss on investments of almost \$11M.
- Total Assets declined by approximately \$7.8M from \$300M in 2021 to \$292M in 2022.

20.1 Questions/Comments

The undermentioned responses were supplied to questions raised by members:

a) The average return on fixed deposits and loans remained at five percent (5%) for 2021 and 2022.

b) Fixed deposit and loans were reduced by approximately \$25M between 2021 and 2022. Matured funds from fixed deposit were reallocated to either the loan portfolio, which allowed the Credit Union to grant \$42.5M in new loans, or placed in alternative investment holdings, where an increase in bond investments was observed.

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c) There was a ten percent (10%) return on managed portfolios in 2021 and four percent (4%) in 2022.

d) Thirty-five percent (35%) of ASCU's total investment was in US holdings while sixty-five percent (65%) was in Trinidad and Tobago holdings. The ratio for "Other Investments" was eight percent (8%) US and ninety-two percent (92%) Trinidad and Tobago.

e) The total return on equities was maintained at three percent (3%) when compared to dividends, according to the equity investments held by ASCU.

f) The decrease in loan interest income, even though the number of loans disbursed had increased, was caused by a decrease in interest rates to make loans more attractive.

g) The sum of \$2.5M from the undivided surplus together with the current year surplus of \$864,000 would be utilised to pay the proposed dividends of 2.0% on Shares up to \$750,000 and 0.75% on Shares above \$750,000, and loan interest rebate of 6.5% for 2022.

h) Apart from seeking to increase loan interest income and achieving a more favourable return on investments, other strategies that would be implemented to replenish funds utilised from the undivided surplus included:

- Reduction of expenditure through Co-operation among Co-operatives, and introduction of more online services such as an online payment system. In this regard, a new platform for Aero Access was being reviewed.
- Introduction of a mortgage loan.
- Expansion of ASCU's Tobago footprint.

As mentioned in the Board of Directors Report, some initiatives were already implemented. For example, the Credit Committee and senior Management held discussions with regard to eliminating bottlenecks within the lending process. As a result, a job letter or payslip is no longer a requirement to access a share loan.

i) The bank balance of \$7.3M in the Tobago RBC Royal Bank account as at December 31st, 2022 was an accumulation of deposits from transactions done at the Tobago office and funds deposited for activities to be undertaken in Tobago.

20.2 Adoption

The Financials were adopted by majority vote on a motion moved by Ms. Candice Richards and seconded by Mr. Angel Landeau. Ninety-one (91) members voted in favour, zero (0) voted against and one (1) member abstained.

21.0 2023 BUDGET

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21.1 Amendment

The last two (2) columns for the item "Capital Expenditure", were amended by deleting the headings "Budget 2019" and "Actual 2018" and inserting "Budget 2023", and "Actual 2022" respectively.

The Accountant, Ms. Zariffa Harrypersad, presented the Budget proposal for 2023. She reiterated that ASCU's focus would remain on revenue generation, membership growth and optimising investment income as market conditions allowed, by switching to more fixed income investments.

The key budget projections for 2023 were:

- Total Revenue – \$19.5M, with the major contributors being Interest on Loans, \$14M and Investment Income of \$5M.
- Total Expenditure – \$13M. The provisions for Personnel, Operational and Administrative costs were increased to cater for the filling of vacancies, boosting marketing and promotional activities and undertaking the Strategic Planning exercise.
- Net Surplus – \$6M.
- Capital Expenditure – \$1.1M. The sum of \$754,964 was earmarked for Computers and Software and \$355,000 for building improvements, including outfitting of the new Tobago office.

21.2 Comments

- Ms. Brenda Billy cautioned members that they should not anticipate an improved dividend at the end of 2023, because the budgeted figure of \$6M for Net Surplus may not be available for distribution. Members were also reminded that a recession was forecast for the latter part of 2023.
- Mr. Robert Mayers, Feature Speaker, concurred with the sentiments expressed and added that a lot would depend on what transpires in the USA. He surmised that the time may have come for a different model to be used to treat with inflation and inflationary pressures. He also intimated that given the strains occurring within the banking sector, further increases in the interest rate may be placed on hold, thereby shortening the recessionary period to between four (4) to five (5) months.

22.0 CREDENTIAL REPORT

A Credential Report revealed that one hundred and fifty (150) members were in attendance consisting of ninety-seven (97) attending virtually and fifty-three (53) physically.

23.0 RESOLUTIONS

23.1 Auditors

A motion for the undermentioned Resolution was moved by the Vice President, Mr. Lyndon Byer on behalf of

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the Board of Directors and seconded by Ms. Sharon Lee Sing Barnes:

Be it Resolved that the firm PKF Chartered Accountants and Business Advisors be appointed as the External Auditors for the year 2023.

In response to a question posed by Mr. Wayne Nunes, the President acknowledged that the Board was inadvertently negligent in complying with the procurement procedures for engaging a new audit firm to conduct the 2023 audit. He apologised for the oversight and gave the undertaking that the process would be initiated as soon as this particular exercise was completed.

23.1.1 Acceptance

The above Resolution was adopted by majority vote. Ninety-seven (97) members voted in favour: sixty (60) virtually and thirty-seven (37) physically; six (6) members voted against: five (5) virtually and one (1) physically; and two (2) members abstained: one (1) virtually and one (1) in person.

24.0 RECOMMENDATIONS

24.1 Distribution of Surplus

1. Dividend

On a motion moved by the Vice President, Mr. Lyndon Byer on behalf of the Board, and seconded by Ms. Esther Richards,

the undermentioned Resolution was approved by majority vote. Ninety-seven (97) members voted in favour: fifty-seven (57) virtually and forty (40) in person; five (5) voted against (all virtually); and zero (0) abstained:

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

- A dividend of two-point-zero percent (2.0%) on each member's shareholding up to \$750,000 to be disbursed according to the member's request.
- A dividend of zero-point-seven-five percent (0.75%) on each member's shareholding above \$750,000 to be disbursed according to the member's request.
- Six-point-five percent (6.5%) interest rebate to each member whose loan has not been delinquent for more than 30 days in 2022. The rebate is to be credited to the member's Flex-A-Save account.

2. Ex Gratia Payments

The undermentioned motion moved by the Vice President, Mr. Lyndon Byer, on behalf of the Board of Directors, and seconded by Ms. Leslie Ann Pinard was approved by majority vote. One hundred and one (101) members voted in favour: sixty-one (61) virtually and forty (40) in person; five (5) voted against: four (4) virtually and one (1) in person; and one (1) member abstained (virtually):

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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 Tobago Committee.

Be it Resolved that the sum of two thousand five hundred dollars (\$2,500) be allocated to the Youth Link Committee.

3. Honorarium

The motion in respect of the undermentioned Resolution was moved by the Vice President, Mr. Lyndon Byer, on behalf of the Board of Directors and seconded by Mr. Anthony Thomas:

Be it Resolved that 3% of the Undivided Surplus after all statutory deductions are made be allocated to the Board of Directors and Statutory Committees.

3.1 Comments/Responses

Mr. Wayne Nunes implored Members of the Board and Statutory Committees to consider accepting a reduced honorarium of 1.5% or a more appropriate figure, bearing in mind the decreased income suffered by ASCU.

The Vice President explained that although the proposal was usually fixed at three percent (3%), the actual sum disbursed to each individual varied, based on the surplus generated at the end of a financial year. Also, the sum available for distribution among the Board and Committee Members for 2022 was only \$25,000.

The membership was also informed that the Board of Directors had agreed that once the Resolution was approved, only the Committee Members would be paid

Mr. Nunes, however pointed out that an approval by the AGM would be a legal commitment to which any Director can lay a claim in the future.

3.2 Acceptance

The above Resolution was approved by majority vote. One hundred and two (102) members voted in favour: sixty-five (65) virtually and thirty-seven (37) physically; nine (9) voted against: seven (7) virtually and two (2) physically; and ten (10) members abstained: six (6) virtually and four (4) in person.

25.0 CREDENTIAL REPORT

A Credential Report at 1.46 p.m. revealed that one hundred and fifty-five (155) members were in attendance comprised as follows: one hundred and six (106) members virtually with forty-nine (49) physically.

26.0 AMENDMENT TO APPROVED BYE-LAW 29 (b)

The requirement for passage of the Resolution to amend Bye-Law 29 (b) was a three-fourths (3/4) majority of members present or one hundred and seventeen (117) members.

The motion in respect of the following Resolution for amendment of Bye-Law 29

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(b) was moved by the Vice President, Mr. Lyndon Byer, on behalf of the Board of Directors and seconded by Mr. Heston Mitchell:

Whereas the Board of Directors of the Aero Services Credit Union Co-operative Society Limited has reviewed the existing Bye-Law Section 29 (b) "Nomination Committee" formerly Bye-Law 33)".

And Whereas over the past ten to fifteen (10-15) years, the requirements from the regulatory bodies for persons offering themselves for service, including being 'fit and proper', along with the complexities of running a Credit Union, have increased. Consequently, a greater demand for persons qualified to make strategic decisions for the Society has emerged. The growth in membership and total assets have increased significantly over the past twenty (20) years, creating a need for competent individuals to lead the Society.

Being cognisant of the changes explained above, along with the associated liabilities involved for officers whose capacity may not allow them to make strategic decisions for the Society, it is important that persons who offer themselves to serve, be subjected to a screening process to ensure that they meet the requirements to serve.

The Board therefore recommends the following amendment to the Bye-Laws of Aero Services Credit Union Cooperative Society Limited:

Be it resolved that Bye-Law 29 (b) "Nomination Committee" which states:

Notwithstanding the recommendations of the Nominating Committee, any member shall have the right to nominate other members for election to the Board, Supervisory or Credit Committee at the Annual General Meeting.

Be amended to now read:

"Notwithstanding the recommendations of the Nominations Committee, any member shall have the right to nominate other members for election to the Board, Supervisory or Credit Committee at the Annual General Meeting" ONLY if the number of nominees recommended by the Nominations Committee is insufficient to fill the required number of nominees including substitutes for the Board of Directors, the Supervisory Committee or the Credit Committee.

Be it Further Resolved that this Annual General Meeting held on May 13th, 2023, hereby accepts the recommendation from the Board of Directors of the Aero Services Credit Union Co-operative Society Limited, to amend Bye-Law Section 29 (b).

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26.1 Comments

Members provided the following feedback:

- ASCU has no strategies in place for succession planning for the Board of Directors and Statutory Committees. The absence of such a plan leads to a difficulty in finding suitable persons to serve at the level of the Board of Directors and Statutory Committees.
- The Nominations Committee provided no data to demonstrate that members at an Annual General Meeting were incapable of nominating and electing suitable individuals to serve the organisation, or that previous nominations from the floor produced poor quality Officials.
- Clear processes should be developed for screening members nominated from the floor at an Annual General Meeting. Those nominees can also be required to provide a brief description of their competencies, experience and qualifications.
- Small organisations such as ASCU should be able to resource persons from among its membership. Restricting the sourcing of individuals by amending the Bye-Law will do more harm than good.
- The term of the Supervisory and Credit Committees should be altered to allow for the two (2) nominees with the highest scores to serve for two years while the others serve for one (1) year, thus allowing for some level of succession planning and mentoring to occur.
- The staggering of the term of some Statutory Committee Members was tried a few years ago and failed.

26.2 Responses to Questions

The undermentioned responses were provided:

- Members must be given adequate notice regarding any amendment to the Bye-Laws. The Board would consider the suggestion to vary the term of office for some members of Statutory Committees and if approved, a Special General Meeting can be convened to treat with the matter.
- According to the Chairman of the Nominations Committee, Ms. Faye Husbands, one of the challenges was the limited number of members who volunteered their service to the Credit Union. The outgoing Nominations Committee also recognised the need to alter the process to encourage more members, particularly young professionals, to step forward so that

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there can be synergy between them and the elder consultants and a transfer of knowledge.

- Meaningful strategies proposed by the Nominations Committee were already approved by the Board in 2023. These include starting the nomination process earlier, collaborating with the Education Committee and Management team to ensure that the best persons are selected, headhunting, and educating and training members in an effort to attract, engage and retain the next generation.
- The Nominations Committee considered the following factors during the vetting process: whether the member is fit and proper and suitable to serve; the member's behaviour towards share saving; whether the member was delinquent within the past twelve (12) months and the member's qualifications, expertise and experience.

26.3 Adoption

The abovementioned Resolution for an amendment to Bye-Law 29 (b) was approved by a three-fourths majority vote. One hundred and eighteen (118) members voted in favour: seventy-seven (77) virtually and forty-one (41)

physically; eleven (11) voted against: ten (10) virtually and one (1) physically; and eight (8) members abstained: four (4) virtually and four (4) physically

27.0 CREDENTIAL REPORT

A Credential Report indicated that one hundred and fifty-five (155) members were present at the meeting comprised as follows: one hundred and six (106) virtually and forty-nine (49) physically.

28.0 ELECTION OF OFFICERS

Mrs. Narissa Bhagoutie-Nurse, the Returning Officer, took charge of the session and declared registration closed. Members were informed that the entire voting process would be conducted online, despite the fact that the meeting was hybrid. The process was also explained for the benefit of the members.

28.1 Nominations from the Floor:

The Returning Officer invited nominations from the floor and the following nominees accepted their nominations:

a) Board of Directors

Ms. Paula Daniel-Linton was nominated by Ms. Faye Husbands and seconded by Mr. Courtney Demming.

Nominations for the Board of Directors ceased on a motion moved by Mr. Anthony Mora

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and seconded by Mr. Brent Gaspard. Ninety-six (96) members voted in favour: sixty-eight (68) virtually and twenty-eight (28) physically; zero (0) voted against and four (4) members abstained (virtually).

b) Supervisory Committee

- Ms. Sasha Jameson was nominated for a position on the Supervisory Committee by Ms. Denise Zephine and seconded by Mr. Brent Gaspard.
- Ms. Leslie Ann Pinard was nominated by Ms. Ria Hill and seconded by Mr. Wayne Nunes.

Nominations for the Supervisory Committee ceased on a motion moved by Ms. Faye Husbands and seconded by Mr. Martin Franklin. Ninety-four (94) members voted in favour: sixty-six (66) virtually and twenty-eight (28) physically; one (1) voted against (physically) and one (1) abstained (physically).

c) Credit Committee

There were no nominations from the floor for the Credit Committee.

A motion to cease nominations for the Credit Committee was unanimously approved on a motion moved by Mr. Christopher Bynoe and seconded by Mr. Jaime Garcia. Eighty-three (83) members voted in favour: fifty-six (56) virtually and twenty-seven (27) physically; zero (0) voted against and zero (0) abstained.

All the nominees introduced themselves to the AGM and provided background information for the benefit of the membership.

[A video of the voting process was shown before voting ensued.]

28.2 Election Results

Board of Directors <i>Nominees</i>	<i>No. of Votes</i>	<i>Tenure</i>
Brian Mathew	82	3 years
Lyndon Byer	79	3 years
Courtney Demming	73	3 years
Paula Daniel-Linton	40 (1 st Alternate)	
Jaime Garcia	31 (2 nd Alternate)	
Michelle Campo-Aimable	30	
Supervisory Committee <i>Nominees</i>	<i>No. of Votes</i>	<i>Tenure</i>
Denise Zephine	95	1 year
Angel Landeau	78	1 year
Nicole Ramsey-Figaro	78	1 year
Sasha Jameson	48 (1 st Alternate)	
Brent Davidson	32 (2 nd Alternate)	
Leslie Ann Pinard	07	
Credit Committee <i>Nominees</i>	<i>No. of Votes</i>	<i>Tenure</i>
Nerissa Alleyne	104	1 year
Mavis Edwards	71	1 year
Sharon Lee Sing-Barnes	66	1 year
Anthony Dominic Mora	64	1 year
Mikki Martinez	61	1 year
Heston Mitchell	57 (1 st Alternate)	
Elizabeth Aqui	55 (2 nd Alternate)	

The Returning Officer congratulated the newly elected officials and wished them the best in their roles.

28.3 Destruction of Ballots

A motion for destruction of the electronic ballots which was moved by Ms. Ann Joseph and seconded by Mr. Brent Gaspard was approved. Eighty-two (82) members voted in favour: forty-seven (47)

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virtually, thirty-five (35) physically; one (1) voted against (virtually) and one (1) abstained virtually.

The Chairman thanked the Returning Officer for her role in conducting the elections, and Officers of the Co-operative Development Division for overseeing the verification of the results.

29.0 OTHER BUSINESS

Responses to issues raised by members are provided below:

29.1 Members Who Are Minors

- The General Manager will ensure that the ASCU membership cards for two (2) grandchildren of Mr. Cliff Stewart are prepared. Upon completion, Mr. Stewart would be notified and he could collect the cards if the children were minors.
- According to the law, parents or legal guardians are the ones who have access to a minor's account, and not necessarily grandparents who contribute to that account.

29.2 Family Indemnity Plan

The Family Indemnity Plan which is a CUNA product, covers a member's spouse and children up to the age of twenty-six (26). It does not cater for grandchildren.

29.3 Christmas Party

The Board will consider the proposal for

reviving the Christmas Party, even if it means soliciting a contribution from participants to fund the event.

29.4 Interest Rebate to Members Affected by Closure of Tobago Office

On the issue of the interest rebate and the penalty prescribed for members whose loans had been in arrears for more than thirty (30) days, the General Manager will be asked to investigate within the next week, the impact, if any, the closure of the Tobago office had on Tobago members in honouring their loan obligations. Upon completion, the Board will make a decision and provide feedback to members.

[A minute's silence was observed for members who passed since the last AGM.]

29.5 Hybrid vs In-Person AGMs

Use of the hybrid option for Annual General Meetings will continue into the foreseeable future, since it affords members an opportunity to actively participate, whether they reside locally or abroad. If additional space is required for persons who wish to attend in person, then that can be considered.

29.6 Aero Access Online Service

The General Manager will investigate the challenge Mr. Esmond Telesford had

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with the online system in an effort to have it resolved.

ASCU is considering migration to an updated version and in that regard, a meeting will be convened shortly with Micro Software Designs (MSD) to review the functionality of the software.

29.7 Dividend Payment/Forms

Dividend payment for members who requested that it be posted to their Flex-A-Save accounts would be ready by Wednesday May 17th, 2023, while disbursement by other means would be posted on the following day. Payment by cheque would be facilitated once the office was notified. The dividend form could be accessed online.

30.0 VOTE OF THANKS

Director Jacqueline O'Neil Lewis delivered the Vote of Thanks. She thanked the Almighty for another successful AGM and all members who made it their business to attend either virtually or in person.

Appreciation was also conveyed to guests which included the Ms. Letitia Telesford (President, Central Finance Facility); Mr. Ashraff Ali (President, CLICO Credit Union); Mr. Marlon Caesar (President, UWI Credit Union); Mr. Rawson Samuel (Secretary, Community Care Credit Union); Mr. Mark Trotman, President, Teachers' Credit Union) and Victor Quintin (President, PECU).

The Director also extended special thanks to Officers of the Co-operative Development Division: Ms. Paula La Barrie, and Ms. Pamela Alcazar; Feature Speaker, Mr. Robert Mayers who provided valuable insight on occurrences in both the local and global economies; External Auditors, PKF Chartered Accountants and Business Advisors; and ASCU's Accountant, Ms. Zariffa Harrypersad. Special thanks were also accorded to the Tobago members who joined the meeting.

In closing, Director O'Neil Lewis extended gratitude to ROSE IT Services Ltd., Media 22, and Ms. Nekesa Charles (Marketing and Business Development Assistant) who did an excellent job in designing and creating the AGM Brochure. Ms. Nekesa Charles was a sixth-form student at North Gate College who worked at ASCU as an on-the-job trainee on a few occasions during the vacation period and became an employee on April 1st, 2023. Director O'Neil Lewis also extended God's blessing to members and their families.

The President thanked members for their attendance, avid attention and participation.

31.0 CLOSURE

There being no further business to discuss, the Chairman closed the meeting at 3.45 p.m.



.....
Earle Joseph (Mr.)
Secretary

BOARD OF DIRECTORS

PICTORIAL



Brian Matthew
President



Courtney Demming
Vice President



Meryl Faye Husbands
Secretary



Jo-Anne Edwards
Director



**Jacqueline O'Neil
Lewis**
Director



Lyndon Byer
Director



Earle Joseph
Director



Martin Franklin
Director



Brent Gaspard
Director



Paula Daniel-Linton
1st Alternate



Jaime Garcia
2nd Alternate

REPORT OF THE BOARD OF DIRECTORS

Introduction

We welcome you to the 52nd Annual General Meeting of Aero Services Credit Union. The Board of Directors is pleased to report on its stewardship to you, our members and shareholders, on its performance over the 2023/2024 period.

The Board of Directors

At the inaugural meeting of the Board of Directors for the 2023/2024 term, held on May 17th, 2023, Messrs. Brian Matthew, Lyndon Byer and Courtney Demming were congratulated on their election to office, together with Ms. Paula Daniel-Linton and Jaime Garcia as the Alternates, at the recently concluded 51st Annual General Meeting.

Consequently, the Board of Directors comprised the following persons:

Directors

Mr. Brian Matthew
Mr. Courtney Demming
Ms. Faye Husbands
Mr. Lyndon Byer
Ms. Jo-Anne Edwards
Mr. Martin Franklin
Mr. Brent Gaspard
Mr. Earle Joseph
Ms. Jacqueline O'Neil-Lewis

Alternates

Ms. Paula Daniel-Linton (1st Alternate)
Mr. Jaime Garcia (2nd Alternate)

The Executive Committee

The following Directors were elected to the Executive Committee:

- Mr. Brian Matthew
President
- Mr. Courtney Demming
Vice President
- Ms. Faye Husbands*
Assistant Secretary

*Note: Ms. Husbands subsequently ascended to the office of Secretary.

Sub Committees of the Board

Directors were appointed to serve on the following sub-committees of the Board to provide the necessary oversight:

- Audit and Risk Committee
- Building Management Committee
- Human Resource Committee
- IT Committee
- Investment Committee
- Tobago Committee

REPORT OF THE BOARD OF DIRECTORS

CONT'D

Meeting Attendance Register

The following outlines the attendance at Board, Special Board and Executive Meetings.

MEETINGS	MONTHLY (8)			SPECIAL (9)			EXECUTIVE (17)		
	Pres	Ex	Abs	Pres	Ex	Abs	Pres	Ex	Abs
Mr. Brian Matthew	8	0	0	9	0	0	17	0	0
Mr. Courtney Demming	7	1	0	8	1	0	17	0	0
Ms. Faye Husbands	8	0	0	9	0	0	17	0	0
Mr. Lyndon Byer	7	1	0	9	0	0			
Ms. Jo-Anne Edwards	7	1	0	9	0	0			
Mr. Martin Franklin	7	1	0	8	1	0			
Mr. Brent Gaspard	7	1	0	7	2	0			
Mr. Earle Joseph	5	3	0	9	0	0			
Ms. Jacqueline O'Neil Lewis	6	2	0	6	3	0			
Ms. Paula Daniel-Linton	5	3	0	5	4	0			
Mr. Jaime Garcia	8	0	0	6	3	0			

Outgoing Directors of the Board

Directors Martin Franklin, Brent Gaspard and Jacqueline O'Neil-Lewis are outgoing. Directors Franklin and Gaspard, having completed three (3) successive three-year terms of office, are now statute-barred for a period of one (1) year. As a consequence, they are not eligible for election for the 2024-2025 term. Director O'Neil Lewis is eligible for re-election and has indicated her willingness to serve.

Alternates Paula Daniel-Linton and Jaime Garcia have also indicated their intention to present themselves to the membership for election for the 2024-2025 term.

The Board of Directors takes this opportunity to convey its deepest appreciation to all outgoing members for their commitment and the quality of their individual contributions to the collective efforts of the Board and the strategic direction of the Society. Thank you and all God's blessings!

Performance Highlights 2023

Total Revenue

- Total Revenue 23% or \$4.6M
- Total Expenses decreased by 38% or \$7.3M
- Total Surplus increased by 138% or \$12M

Assets

Growth in Assets of 4% or \$11.7 M year on year 2023/2022 was recorded.

Shares

Members' Share deposits increased by 2.01% or \$3.92 M over 2022.

Loans

The Loan Portfolio surpassed 2022's ending balance by 5% or \$6.1M.

Membership

Our ASCU family grew by some 301 members in 2023 which correlated to 48% decrease when compared with 2022.

Strategic Plan 2023 – 2026 & The State of the Union Address

In July 2023, the Society embarked upon the development of a robust Strategic Plan, designed to establish the mandate of the Board of Directors, to afford the membership amongst other benefits, the experience of the ease of doing business. The Plan focuses on harnessing Information Technology, together with innovative marketing strategies, to form the basis upon which our current processes and procedures are either replaced or re-engineered.

REPORT OF THE BOARD OF DIRECTORS

CONT'D

In the development of the plan, the Board of Directors first sought input from you, our members, and also from management and staff, via survey feedback. Representatives from management, staff and statutory committees contributed to each phase of the plan's formulation. The plan therefore is a comprehensive one, not only in terms of its incorporation of the various aforementioned perspectives, but also on its impact on member engagement, data capture and analytics, performance management and culture transformation etc., going forward.

The plan in its application, requires that all aspects of the Society's operations be monitored, evaluated and realigned as necessary, to ensure its consistent and highest return on investment, at each level. In this regard, the Board of Directors has agreed to provide a dedicated resource to ensure that the service level agreements and key performance indicators are achieved. As such, a Manager, Strategy Implementation - Mr. Vinod Ramoutar, has been recruited to perform this critical function.

The State of the Union Meeting

Upon the finalization of the 2023-2026 Strategic Plan and as a precursor to the State of the Union Address, the Board of Directors held a roll out session of the plan with the members of staff. Employees had the opportunity to review the final document (which included points gleaned from their survey feedback) and to comment further on its content.

The State of the Union Address facilitated sharing of the Plan with management, staff, statutory and appointed committees. Attendees also included five (5) members randomly chosen from among the membership, to participate. The conversations were spirited and additional ideas came forth from the exchanges.

We look forward to the transformation of the Society's inner workings that this Strategic Plan will facilitate. The Board of Directors remains committed to making the Strategic Plan a living document, designed to guide and prepare us all for the incoming of the next generation of cooperative leaders amongst us, who will take us into the future.

Education Initiatives 2023 – 2024

The 2023 edition of the Evin Andrews Awards of Excellence was held on 30th November 2023 at the Phillip Habib Hall of the Aero Services Credit Union.

A total of twenty-three (23) students was honored at the event, comprising six (6) SEA students, fourteen (14) CSEC students and three (3) CAPE students.

The top three (3) students in each category received trophies, share certificates and ASCU-branded items.

REPORT OF THE BOARD OF DIRECTORS

CONT'D

The SEA, CSEC and CAPE share certificates were valued at \$400, \$500 and \$600 respectively and were deposited into the student members' share accounts.

2023 Awards of Excellence Top Awardees:

- SEA - Alana Alexie Allan
- CSEC - Gabriella C. Kalloo
- CAPE - Darian Giles

We congratulate all awardees on their performance.

The event was yet another sterling example of the positive impact that this ceremony can have on the trajectory of our children's future. Our Feature Speaker for the evening was none other than Dr. Deryck Chunisingh, with entertainment on the national instrument by Mr. Joshua Subrath - both gentlemen being past awardees of this initiative.

Special thanks are conveyed to Directors Earle Joseph and Courtney Demming; Ms. Carla N. Arthur; Ms. Rayann Charles; Ms. Nekesa Charles; Featured Speaker, Dr. Deryck Chunisingh; and Pannist Mr. Joshua Subrath, for their valuable contributions to the success of the evening.

Through our Memorandum of Understanding (MOU) among Aero Services Credit Union (ASCU), UWI Credit Union (UWICU) and Community Care Credit Union (CCCU), a Financial Prosperity webinar

was hosted in January 2024 under the umbrella of our Co-operation amongst Co-operatives initiative. Thirty (30) members benefitted from this very informative and interactive session, which included guidance on the following:

- Common Symptoms of Poor Financial Planning
- How is My Financial Planning?
- Why Plan?
- Key Questions to Ask Yourself
- Achieving Independence
- Protection of Income
- Budgeting Methods
- How to Analyze Your Monthly Budget
- Add Smart Goals
- Retirement Planning

Another joint initiative, a six-week SEA Workshop was held for students and their parents at the Phillip Habib Hall of the Aero Services Credit Union to guide them in preparation for the 2024 S.E.A examinations. The facilitators for the workshop included:

- Ms. Christine Greenidge:
Psychiatric Worker; MSc; S.W; BSc; S.W;
Cert. S.W.
- Mr. Wendell Thomas:
M.Ed. – Education Administration and
Leadership; B.A. – Psychology and
Counselling; Dip.Ed.
- Ms. Lennise JC Baptiste:
Evaluation & Measurement (focus –
Program Evaluation); M.Ed – Measurement
& Evaluation (focus – Educational Testing
and Measurement); B.Ed.

REPORT OF THE BOARD OF DIRECTORS

CONT'D

The program was facilitated over four (4) three-hour sessions with the first session, including both the parent and student, focusing on the psychological challenges (stress), associated with the SEA experience for both parent and child. Parents expressed their gratitude for the sessions, having walked away with information and advice, which they all agreed, would assist them to be better able to work together with their children, thus easing the stresses of the exam for them both.

We would like to reach out to the entire ASCU membership and encourage you to take full advantage of, and support the programs and initiatives offered by your Credit Union, for your benefit. We encourage our young members to partner with us, become YouthLink members, seek information on credit unionism, get involved in your Credit Union (ASCU) and let us together, make it the premier Credit Union of choice, which will ultimately benefit us all.

Co-operation Among Co-operatives Program

In accordance with our Memorandum of Understanding to partner with sister Credit Unions to exploit economies of scale in the ease of doing business, a Shared Service facility has been operationalized. This service allows members access to their unencumbered funds, in the form of cash withdrawals, up to one thousand dollars (\$1,000.00), from any branch of the three (3) Credit Unions involved.

Tobago Office Update

The 2022/2023 Report of the Board of Directors advised of the Board's intention to expand the services being offered at our Tobago Office, based on the advocacy of the membership. The Society also reported that it had already recruited two (2) Customer Service Representatives to service the Tobago membership and extended the operations of the office to five (5) consecutive days per week, Monday to Friday. We are now pleased to report that the office has also been relocated to a more visible location at Unit 2, Barrington Court, Milford Road, Bon Accord, Tobago.

REPORT OF THE BOARD OF DIRECTORS

CONT'D

Staff Movement

The Society, as any other employer, experienced changes in its staff complement due to resignation and new recruitment. In this instance we take this opportunity to thank Mr. Narindra Mahase – Accounts Clerk/Relief Teller, who resigned to continue his career at another organization.

New hires

- Carla N. Arthur - General Manager
- Natasha Sansavior-Mc Mayo - HR Officer
- Jason Job - ICT Officer
- Nekesa Charles - Marketing & Business Development Officer Assistant

The Society continues in its commitment to build capacity at all levels and in this regard, representatives from the Board of Directors, Statutory Committees, Management and Staff, participated in lectures/training courses hosted by the following organizations:

CaribDE
Central Finance Facility
NEM Leadership Consultants

Condolences

The Board of Directors conveys its sincerest condolences to the families of all members who lost loved ones during the past year. May their souls rest in Eternal peace.

Acknowledgement

The Board of Director acknowledges the assistance rendered to ASCU through the services/alliances of the following organizations in 2023:

- Bourse Securities
- Caribbean Airlines Limited
- Central Finance Facility
- Community Care Credit Union Co-Operative Society Ltd.
- CUNA Caribbean Insurance Society
- Executive Bodyguard Security Services
- First Citizens' Bank
- First Line Securities
- JMMB
- KSBM
- Magnificat Kitchen
- MG Daly & Partners
- Micro Software Designs Limited
- People Solutions Plus
- PKF Chartered Accountants
- RBC Royal Bank
- ROSE-IT Services Limited
- Sheppard Securities
- The Co-operative Development Division
- Trinidad & Tobago Credit Union Deposit Insurance Fund
- UWI Credit Union Co-operative Society Ltd.

REPORT OF THE BOARD OF DIRECTORS

CONT'D

Appreciation

The Board wishes to express its sincere thanks to the Members of all our elected and appointed Committees, Management and Staff of ASCU, our faithful Members, for your continued support, partnering with Aero Services Credit Union in making us your first choice for premier financial services.

May God bless you, keep you, may His face continue to shine upon you and give you peace.

Cooperatively Yours,



Meryl Faye Husbands (Ms.)
Hon. Secretary

STAFF PICTORIAL



General Manager
Carla N. Arthur



Administrative Departments (sitting left to right) - Adanna St Rose-Daniel, Nicolet Mc Ewen, Rayann Charles, (standing) Odell Forde, Natasha Sansavior McMayo, Nekesa Charles, Shrila Persad, Jason Job, Yolanda M. Mitchell, Hugo Henry.



Accounts Department - (left to right) Nigel Matthew, Renee Surijilal, Kelly Ann Clarke & Zariffa Harrypersad
Missing: Ann McPherson, Evie De Matas, Melkeisha Audain

STAFF PICTORIAL



Customer Services Department - (left to right) Laura Woods-Carr, Ria Doolamsingh & Ria Rajkumar.



Loans & Recoveries -(left to right) Krystel Brathwaite, Chinelo Woodley & Lindiwe Mason
Missing: Gabrielle Johnson



Tobago Office: (left to right) Carla Dulal & Avianne Clarke

REPORT OF THE CREDIT COMMITTEE



- Ms. Nerissa Alleyne - Chairperson
- Ms. Sharon Lee Sing Barnes - Secretary
- Ms. Mavis Edwards - Member
- Mr. Anthony Mora - Member
- Mr. Mikki Martinez - Member
- Mr. Heston Mitchell - 1st Alternate
- Ms. Elizabeth Aqui - 2nd Alternate

The 51st Annual General Meeting was held on Saturday May 13th 2023 at which the above persons were elected to serve. The Chairperson and Secretary were duly elected at the first meeting of the Committee which was held on 16th May 2023.

Meeting Attendance Register

May 2023 – February 2024 (35 Meetings)

Name	Present	Excused
Ms. Nerissa Alleyne	35	0
Ms. Sharon Lee Sing Barnes	31	4
Ms. Mavis Edwards	31	4
Mr. Mikki Martinez	33	2
Mr. Heston Mitchell	29	6
Ms. Elizabeth Aqui	30	5
Mr. Anthony Mora*	17	10

*Deceased - November 16, 2023

The commencement of our term was the second year since the COVID-19 pandemic restrictions were lifted and meetings were held in person at the Credit Union and on some occasions virtually.

The effects of Covid- 19 pandemic continued to have a negative experience on our loan portfolio. Our delinquency still remains a challenge as some members struggled to maintain their loans through loss of jobs within the households. Delinquency for this year 2023 is at 9%

We will continue to monitor this situation and will be embarking on a campaign of educating all members on basic financial rules and budgeting, along with the repercussions of not managing their finances.

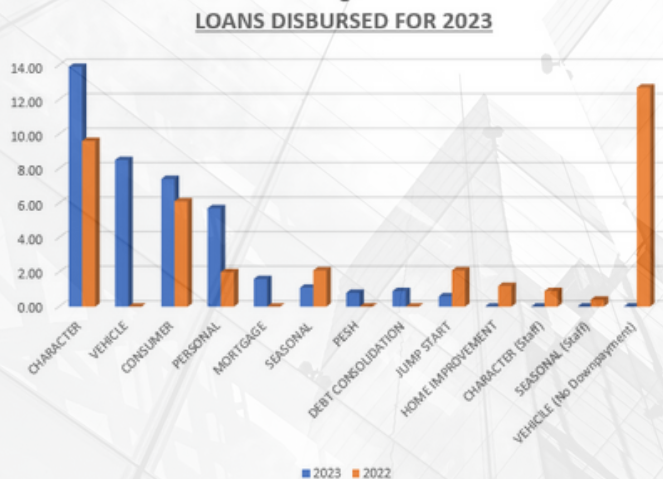
Below is an analysis of loans for the year 2023 in comparisons with 2022.

LOANS DISBURSED

LOAN TYPE	2023		2022	
	\$M	%	\$M	%
CHARACTER	13.90	34%	10.40	25%
VEHICLE	8.50	21%	17.10	40%
CONSUMER	7.40	18%	6.10	14%
PERSONAL	5.70	14%	2.00	5%
MORTGAGE	1.60	4%	0.20	1%
SEASONAL	1.10	3%	2.60	6%
DEBT CONSOLIDATION	0.90	2%	0.00	0%
PESH	0.80	2%	0.00	0%
JUMP START	0.60	1%	2.10	5%
FAST CASH	0.20	0%	0.00	0%
ANNIVERSARY LOAN	0.03	0%	0.43	1%
AERO TOP UP	0.01	0%	0.04	0%
HOME IMPROVEMENT	0.00	0%	1.20	3%
TOTAL	\$ 40.75		\$ 42.16	

REPORT OF THE CREDIT COMMITTEE

Cont'd



	2023	2022	2021
Number of Loans Approved	1162	962	717
	\$M	\$M	\$M
Value of Loans	40.9	42.5	38.9

As we move forward for this year 2024, we advise members to visit the office and consult staff or any member of the Credit Committee for advice before applying for loans. This interaction can facilitate the smooth application and quick and easy approval of loans. Information can be given:

Eligibility - Member in good standing, value of loans etc.

Documentation – all forms and letters

Meeting with the Credit Committee

We are also introducing Virtual Platform to conduct interviews when necessary

It is also imperative that we adhere to the basic principles of the creation of Credit Unions, letting members feel comfortable that they can receive the best and most

compassionate service when credit is needed. Aero Services should be known as the first place they approach to meet their financial needs. We must also remember that a significant part of the income to the Credit Union is derived from loans to members.

CONCLUSION

The Credit Committee wishes to thank all our members for partnering with us for all your financial needs and to enrich the quality of your life.

We thank the Board of Directors, Management, and Staff for their support and guidance during the year and look forward to Service and Growth to our Members.

We also remember the passing of our long-standing member of the Committee, Mr. Anthony Mora, who served for many years. We extend condolences to his wife, family and friends.

Cooperatively yours,

.....

Nerissa Alleyne (Ms.)
CHAIRMAN

REPORT OF THE SUPERVISORY COMMITTEE



2023/2024 TERM

At the 51st Annual General Meeting held on Saturday 13th May 2023, the following persons were elected to the Supervisory Committee. Subsequently, at the Committee's first meeting held on Wednesday 31st May 2023, positions were confirmed as follows:

Committee Member	Position
Denise Zephrene	Chairperson
Nicole Ramsey-Figaro	Secretary
Angel Landeau	Member
Sasha Jameson	1 st Alternate
Brent Davidson	2 nd Alternate

MEETING ATTENDANCE

There was a total of seven (7) meetings held between the period May 2023 to November 2023 and the attendance was as follows:

Committee Member	No. of Meetings Attended
Denise Zephrene	6
Nicole Ramsey-Figaro	6
Angel Landeau	4
Sasha Jameson	6
Brent Davidson	4

During our tenure, the Supervisory Committee met in person to conduct onsite audits and also held virtual meetings. Two (2) new members of the Committee were onboarded and were informed about the Committee's duties and responsibilities to the Credit Union, its business and its members.

CREDIT UNION OPERATIONS

The 2023/24 period for Aero Services Credit Union (ASCU) saw the resurgence of normal business after the pandemic. The Supervisory Committee, together with the Board and Management, continuously worked in unison to ensure that all hands were on deck for a successful year for all our members.

Although we pivoted towards a more sustainable growth model, we were still challenged by the rising cost of living which negatively impacted our membership. Share withdrawals increased, prompting ASCU to respond by designing financial products to ensure our membership received the best value on their investments and loan offerings.

In addition to ongoing macroeconomic challenges, we at ASCU continue to navigate through the escalating competition from other financial institutions, the need for a more robust digital presence and process efficiency for our members when conducting business.

REPORT OF THE SUPERVISORY COMMITTEE

Cont'd

During our tenure, the Supervisory Committee met with various departments and held discussions about achievements, challenges and recommendations for improvement in their areas. We continued to maintain oversight and monitor any operational issues or inconsistencies and provided relevant recommendations to the management and the Board of Directors for immediate action and attention.

We understand our membership's concern with not having our updated Bye-Laws; however, further amendments to the Bye-Laws are in the process of being approved and members should expect a digital copy in the near future.

FINANCIAL OPERATIONS

The Committee conducted audits on the processes and procedures of ASCU and was generally satisfied that the financial operations and activities were being executed in accordance with the required accounting standards of the Society.

BOARD OF DIRECTORS MONTHLY MEETINGS

The Supervisory Committee was represented at all monthly Board meetings, either in-person or virtually, during the term. All meetings were conducted on schedule with the required quorum in attendance. Procedures were observed to be in keeping with the Co-operative Societies Act and Bye-Laws of the Credit Union.

COMMITTEE REPORTS

The Education and Youth Link Committees were not audited during the 2023/24 term due to both not having any activities for the year.

TOBAGO COMMITTEE

Audits were conducted on the Tobago Committee's activities and they were in keeping with all financial and procedural regulations.

TRAINING

Mandatory annual AML/CFT training was organized by ASCU and facilitated by Mr. Nigel Matthew of NEM Leadership Consultants on August 12th 2023. All Committee members were in attendance.

STRATEGIC PLAN RETREAT

The Chairman of the Supervisory Committee attended ASCU's Strategic Plan Retreat which was held during the period July 28th-30th 2023.

CONCLUSION

The Supervisory Committee will remain dedicated to serving our membership with transparency and professionalism. We are committed to supporting the organization through open communication and collaboration with all key stakeholders, to improve operational efficiency.

REPORT OF THE SUPERVISORY COMMITTEE

Cont'd

We would like to thank the Board, Committees, Management and Staff of ASCU for working with us over this past year. We wish to especially thank you, our membership, for placing your confidence in us during the 2023/2024 term and we firmly assure you of our continued commitment to serve.

Co-operatively Yours,



Denise Zephryne
Chairman
SUPERVISORY COMMITTEE

REPORT OF THE TOBAGO COMMITTEE



The Tobago Committee, appointed by the Board of Directors, commenced its tenure in August 2023 with a few changes in the composition of the last committee.

The members of the Committee are:

Ms. Cindy Stewart-Lewis	Chairperson
Ms. Nona Walker	Secretary
Ms. Giselle Alleyne	Member
Mr. Jason Guy	Member
Mr. Walton Walker	Member
Mr. Brent Gaspard	Director, Board Representative

In March 2023, two (2) Customer Service Representatives were hired to serve our membership from Monday to Friday instead of Monday, Wednesday and Thursday, at the Tobago office. This pleased the Tobago members to know that they can now visit the office daily. The Committee was also introduced to the new General Manager, Ms. Carla N. Arthur who has shown a great interest in Tobago's operation and thus far works efficiently and effectively to encourage excellent service.

With the commencement of daily operations, the new committee checked the visitors' register to ascertain the number of members visiting the office each day. It was revealed that the office is usually busy from Monday to Wednesday and Fridays, with Thursdays being the slowest day.

Tobago Committee Meetings were held twice per month and three times when an event was being planned. In October 2023 (Credit Union Month), an essay competition was held for all youths between the ages of 13 to 18 years. The first, second and third-place winners were awarded the following:

1st prize - \$1,000.00	Jade-Anna Matthew
2nd prize - \$ 850.00	Kalea Lewis
3rd prize - \$ 650.00	Sahanna Duncan

On December 14th, 2023, the Aero Services Credit Union's Tobago Office was relocated from Crown Point to Unit 2, Barrington Court, Bon Accord, Tobago, which is approximately five (5) minutes from the ANR Robinson Airport. In attendance at the relocation ceremony were the Board of Directors, Management, Staff, Members and the Tobago Committee. This was a great move since the members now have access to adequate parking.

Following the relocation ceremony, the Tobago Committee hosted the annual Children's Christmas Extravaganza. This was the first in-person event, after three

REPORT OF THE TOBAGO COMMITTEE

Cont'd

years of lock-down, following the lifting of the COVID-19 restrictions. It was evident that parents and children felt appreciated to be a part of this experience. Although the event was on a smaller scale than in the past, the time spent playing games and receiving gifts was enjoyable.

Due to the late installation of this Committee, there was limited time to execute previously planned activities. However, the Committee is focused and driven to increase the Tobago membership and to ensure that the staff is comfortable while executing their duties.

For the new 2024-2025 term, the Tobago Committee is proposing the following events which aim to foster camaraderie among the Tobago members:

July

19th - Aero Services Back to School and Membership drive

October

06th - Men and Youth Can Cook

15th - Market Fair and Business Showcase

December

08th - Children Christmas party

28th - Adult Christmas Appreciation

We wish to thank the Members, Board of Directors, Management and Staff for allowing us this opportunity to serve our Tobago members. Special thanks go out to Director Brent Gaspard for his dedication and commitment to the Tobago Members and the support to the Tobago Committee.

Submitted By:



Cindy Stewart – Lewis
Chairman, Tobago Committee

REPORT OF THE NOMINATION COMMITTEE

In compliance with our Society's approved Byelaw 29a, the Board of Directors appointed a Nomination Committee to assume the task of inviting nominations from the Society's membership. This invitation affords the membership an opportunity to apply their professional knowledge and expertise to support the Society's strategic initiatives at various levels within the governance structure of the organization namely, the Board of Directors, the Supervisory Committee and the Credit Committee.

The following Directors comprise the Nomination Committee:

- Mr. Martin Franklin
- Mr. Brent Gaspard
- Mr. Courtney Demming

In accordance with Byelaws 25 and 38, the selection criteria applied to members offering their services were defined as follows:

- Must be at least 18 years of age and are knowledgeable of the Credit Union philosophy and operating principles.
- Must be in good standing with the Credit Union (i.e. not a delinquent member and a regular contributor to his/her share account).
- Must not have been declared bankrupt or have applied for bankruptcy.
- Must not have been convicted of an offence involving dishonesty.
- Must be willing to give the time required for serving on the Board or Statutory Committees.

Members offering themselves for service were asked to note that they would be required to attend an Orientation Session at a date to be advised.

The deadline date for submission, as advertised, was February 09, 2024; this was later extended to February 23, 2024.

In accordance with Byelaw 24 the following are the outgoing members of the Board of Directors, the Supervisory Committee and the Credit Committee for the 2023-2024 term:

BOARD OF DIRECTORS

- Ms. Jacqueline O'Neil Lewis who can serve another term and has indicated her willingness to so do.
- Mr. Martin Franklin who has served three consecutive terms and is therefore statute barred from serving another term.
- Mr. Brent Gaspard who has served three consecutive terms and is therefore statute barred from serving another term.

ALTERNATES

- Mr. Jaime Garcia who can serve another term and has indicated his willingness to so do.
- Ms. Paula Daniel-Linton who can serve another term and has indicated her willingness to so do.

REPORT OF THE NOMINATION COMMITTEE

Cont'd

SUPERVISORY COMMITTEE

- Ms. Denise Zephrene
- Mr. Angel Landeau
- Ms. Nicole Ramsey-Figaro

ALTERNATES

- Ms. Sasha Jameson
- Mr. Brent Davidson

All members and alternates of the Supervisory Committee can serve another term.

CREDIT COMMITTEE

- Ms. Nerissa Alleyne
- Ms. Mavis Edwards
- Ms. Sharon Lee Sing Barnes
- Mr. Mikki Martinez
- Mr. Heston Mitchell

ALTERNATE

- Ms. Elizabeth Aqui

All members and alternates of the Credit Committee can serve another term.

APPROVED NOMINATIONS

A total of twenty-seven (27) nominations was received and assessed as per the above-mentioned selection criteria. The Nomination Committee wishes to advise that twenty-five (25) of these were approved in the various categories as shown below:

BOARD OF DIRECTORS

- Ms. Jenna-Leigh Bobb
- Mr. Curtis Charles
- Ms. Paula Daniel-Linton
- Mr. Jaime Garcia
- Ms. Esther Maharajh
- Ms. Esther Richards
- Ms. Jacqueline O'Neil Lewis
- Mr. Fransisco Robelto Walters

SUPERVISORY COMMITTEE

- Mr. Brent Davidson
- Mr. Jerome George
- Ms. Michelle Highly
- Ms. Sasha Jameson
- Ms. Nicole Ramsey-Figaro
- Ms. Shayon Smith
- Ms. Kamana Steele
- Ms. Denise Zephrene

CREDIT COMMITTEE

- Ms. Nerissa Alleyne
- Ms. Elizabeth Aqui
- Ms. Mavis Edwards
- Mr. Wendell Lashley
- Ms. Sharon Lee Sing Barnes
- Mr. Mikki Martinez
- Mr. Heston Mitchell
- Ms. Joanne Mora
- Ms. Nethaneel Ramsey

An Orientation Session was held on March 13, 2024 under the umbrella of the Joint Credit Union Team for all approved nominees and all members interested in volunteering their services to the Society in the very near future.

The Committee wishes to convey its gratitude and appreciation to the Board of Directors for the opportunity to lead this process and to the Office staff for their administrative support to the process.

Special thanks to the Joint Credit Union Team who assisted in ensuring that all approved nominees were appraised of why we serve, what it means to serve and the roles of the parties serving.

REPORT OF THE NOMINATION COMMITTEE

Cont'd

To our members, we posit that Aero Services remains a fruitful environment within which professionals are afforded the opportunity to directly experience the impact of their leadership and training on the lives of the membership, community and their own professional development. Furthermore, it is imperative that our business – we being the owners and shareholders – continues to evolve with the rapidly changing environment, exploiting the synergies of the young professional with the experience of the consulting elder.

In closing, we reiterate that Aero Services Credit Union needs your service. It is therefore only fitting that members take a more active role in the development of the Society by volunteering themselves for service. Being able to operate at the level of the Board, the Supervisory and Credit Committees, the Education Committee and any of the various Board appointed sub committees enriches and matures the competencies of the volunteer. To this end, the Committee invites you to participate in member education initiatives offered by the Society over the coming year and volunteer your expertise, so that our Society, born out of the noble vision of a few volunteers at BWIA, can continue to meaningfully impact the coming generations- as it did ours.

Co-operatively yours



Martin G. Franklin
Chairman



**AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2023



PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

**AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED**

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PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT

The Members

Aero Services Credit Union Co-operative Society Limited

Opinion

We have audited the financial statements of Aero Services Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, together with the notes and schedules to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aero Services Credit Union Co-operative Society Limited as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Aero Services Credit Union Co-operative Society Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information Included in the Credit Union's Annual Report

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

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

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

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PKF Limited is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

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

Directors: Renée-Lisa Philip Mark K. Superville Jenine Felician-Romain Darcel Corbin



Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Aero Services Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the Credit Union keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of committee operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations; and
- using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where the IFRSs presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Credit Union will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

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

President
March 21, 2024

General Manager
March 21, 2024



PKF
Chartered Accountants
& Business Advisors
PKF LIMITED

INDEPENDENT AUDITORS' REPORT

The Members

Aero Services Credit Union Co-operative Society Limited

Opinion

We have audited the financial statements of Aero Services Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2023, the statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, together with the notes and schedules to the financial statements including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aero Services Credit Union Co-operative Society Limited as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Aero Services Credit Union Co-operative Society Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information Included in the Credit Union's Annual Report

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

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

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

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

PKF Limited is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

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PKF

Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT (Cont'd)

Responsibilities of Management and the Board of Directors for the Financial Statements (cont'd)

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

The Board of Directors is responsible for overseeing the Credit Union's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

PKF

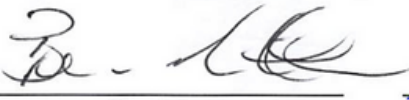
21 March 2024
Barataria
TRINIDAD

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>		31 December	
	<u>Notes</u>	<u>2023</u> (S)	<u>2022</u> (S)
Cash Resources:			
Cash in hand and at bank	5	13,976,967	18,837,504
Investments	6	<u>114,205,946</u>	<u>99,799,141</u>
Total Cash Resources		<u>128,182,913</u>	<u>118,636,645</u>
Other Assets:			
Accounts receivable and prepayments	7	3,097,795	3,051,907
Other investments	8	27,223,590	30,955,834
Loans to members	9	128,364,779	122,238,393
Fixed assets	10	<u>17,670,889</u>	<u>17,870,747</u>
Total Other Assets		<u>176,357,053</u>	<u>174,116,881</u>
Total Assets		<u>304,539,966</u>	<u>292,753,526</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>			
Liabilities:			
Accounts payable and accruals	11	1,642,558	1,545,550
Members' deposits	12	31,316,021	31,863,234
Unclaimed dividends and shares	13	967,180	3,188,229
Proposed honoraria	14	321,081	50,100
Members' shares	15	<u>199,009,389</u>	<u>195,091,099</u>
Total Liabilities		<u>233,256,229</u>	<u>231,738,212</u>
Members' Equity:			
Reserve Fund		24,456,897	21,296,443
Education Fund		4,042,967	3,576,991
Development Fund		502,722	502,722
Revaluation Reserve		7,361,462	7,361,462
Special Reserve Fund		226,648	226,648
Undivided Surplus		<u>34,693,041</u>	<u>28,051,048</u>
Total Members' Equity		<u>71,283,737</u>	<u>61,015,314</u>
Total Liabilities and Members' Equity		<u>304,539,966</u>	<u>292,753,526</u>

These financial statements were approved by the Board of Directors and authorised for issue on 21 March 2024 and signed on their behalf by:

 _____ President	 _____ General Manager	 _____ Chairperson Supervisory Committee
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(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
	<u>Schedules</u>	<u>2023</u> (\$)	<u>2022</u> (\$)
Income:			
Interest on loans		13,863,798	13,441,667
Investment income		7,594,763	6,023,418
Rental income		53,058	27,778
Entrance fees		9,020	18,080
Miscellaneous income		316,826	363,633
Service charge		216,281	168,314
Net fair value gains on financial assets at FVTPL		2,564,371	-
Bad debts recovered		<u>136,857</u>	<u>88,618</u>
Total Income		<u>24,754,974</u>	<u>20,131,508</u>
General and Administrative Expenses:			
Personnel cost	1	4,270,294	4,244,716
Operational cost	2	2,827,515	2,767,365
Financial cost (net)	3	771,102	671,798
Administrative cost	4	228,627	192,086
Credit impairment on loans and receivables	5	1,272,068	(1,697,047)
Net fair value losses on financial assets at FVTPL		-	11,112,569
Risk management	6	645,238	604,308
Rental expenses		758,749	485,864
Depreciation		412,293	444,884
Officers' and committee expenses	7	633,651	370,507
Amortisation of bond premium		<u>105,677</u>	<u>69,722</u>
Total General and Administrative Expenses		<u>11,925,214</u>	<u>19,266,772</u>
Net Surplus for the year		<u>12,829,760</u>	<u>864,736</u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS

31 DECEMBER 2023

2023	Reserve Fund (\$)	Education Fund (\$)	Development Fund (\$)	Revaluation Reserve (\$)	Special Reserve Fund (\$)	Undivided Surplus (\$)	Total (\$)
Balance as at 1 January 2023	21,296,443	3,576,991	502,722	7,361,462	226,648	28,051,048	61,015,314
Add: Net surplus for the year	-	-	-	-	-	12,829,760	12,829,760
(i) 10% to Reserve Fund	1,282,976	-	-	-	-	(1,282,976)	-
(ii) 5% of the balance to the Education Fund	-	577,339	-	-	-	(577,339)	-
	22,579,419	4,154,330	502,722	7,361,462	226,648	39,020,493	73,845,074
Entrance fees	9,020	-	-	-	-	(9,020)	-
Meetings and conferences	-	(77,126)	-	-	-	77,126	-
Education Committee expenses	-	(34,237)	-	-	-	34,237	-
Dividends and interest rebates paid - 2022	-	-	-	-	-	(4,429,795)	(4,429,795)
Transfer from unclaimed dividends and shares	1,868,458	-	-	-	-	-	1,868,458
Balance at 31 December 2023	24,456,897	4,042,967	502,722	7,361,462	226,648	34,693,041	71,283,737

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS
(CONTINUED)

31 DECEMBER 2023

2022	Reserve Fund (\$)	Education Fund (\$)	Development Fund (\$)	Revaluation Reserve (\$)	Special Reserve Fund (\$)	Undivided Surplus (\$)	Total (\$)
Balance as at 1 January 2022	21,191,889	3,589,326	502,722	7,361,462	226,648	34,604,649	67,476,696
Add: Net surplus for the year	-	-	-	-	-	864,736	864,736
(i) 10% to Reserve Fund	86,474	-	-	-	-	(86,474)	-
(ii) 5% of the balance to the Education Fund	-	38,913	-	-	-	(38,913)	-
Entrance fees	18,080	-	-	-	-	(18,080)	-
Meetings and conferences	-	(48,825)	-	-	-	48,825	-
FA Revaluation Reserve	-	-	-	-	-	-	-
Education Committee expenses	-	(2,423)	-	-	-	2,423	-
Dividends and interest rebates paid - 2021	-	-	-	-	-	(7,326,118)	(7,326,118)
Balance at 31 December 2022	<u>21,296,443</u>	<u>3,576,991</u>	<u>502,722</u>	<u>7,361,462</u>	<u>226,648</u>	<u>28,051,048</u>	<u>61,015,314</u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	<u>2023</u> (\$)	<u>2022</u> (\$)
Cash Flows from Operating Activities:		
Net surplus for the year	12,829,760	864,736
Amortisation of bond premium	105,677	69,722
Credit impairment provision on loans and receivables	1,272,068	(1,697,047)
Net FV (gains)/losses on financial assets classified at FVTPL	(2,564,371)	11,112,569
Gain on investment	(2,181,748)	-
Depreciation	412,293	444,884
(Gain)/loss on FOREX	85,210	111,652
Accrued interest income	<u>(1,204,456)</u>	<u>(1,616,974)</u>
	8,754,433	9,289,542
Net change in accounts receivables and prepayments	(45,888)	1,886,800
Net change in accounts payable, accruals and honoraria	367,989	(173,671)
Net change in loans to members	(7,398,454)	(11,164,458)
Net change in members' deposit	<u>(547,213)</u>	<u>(2,297,833)</u>
Cash provided by Operating Activities	<u>1,130,867</u>	<u>(2,459,620)</u>
Cash Flows from Investing Activities:		
Net change in fixed assets	(212,436)	(86,503)
Net change in other investments	(892,971)	(644,815)
Net change in investments	<u>(4,021,901)</u>	<u>9,400,805</u>
Cash used in Investing Activities	<u>(5,127,308)</u>	<u>8,669,487</u>
Cash Flows from Financing Activities:		
Net change in unclaimed funds	(352,591)	(1,337,453)
Dividends and interest rebates paid	(4,429,795)	(7,326,118)
Increase in Members' Shares	<u>3,918,290</u>	<u>2,426,518</u>
Cash used in Financing Activities	<u>(864,096)</u>	<u>(6,237,053)</u>
Net change in cash resources	(4,860,537)	(27,186)
Net cash resources, beginning of year	<u>18,837,504</u>	<u>18,864,690</u>
Net cash resources, end of year	<u><u>13,976,967</u></u>	<u><u>18,837,504</u></u>
Represented by:		
Cash in hand and at bank	<u><u>13,976,967</u></u>	<u><u>18,837,504</u></u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Registration and Objectives:

The Credit Union 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. Summary of Material Accounting Policies:

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

These financial statements are prepared in accordance with International Financial Reporting Standards, and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on the historical cost basis, except for the measurement at amortised cost and fair value of investments and the properties.

b) **Use of estimates -**

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

c) **Comparative Information -**

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

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

New standards, amendments and interpretations which are effective from 1 January 2023, and have been adopted by the Society:

IAS 1 'Presentation of Financial Statements and IFRS Practice Statement 2' (effective for years beginning on or after 1 January 2023). The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- (i) Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and
- (ii) Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):d) **New Accounting Standards and Interpretations (cont'd) -**

- (i) IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for years beginning on or after January 1, 2023). Amended to clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.
- (ii) IAS 12 'Income Taxes' – Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for years beginning on or after January 1, 2023.) The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.
- (iii) IFRS 17 'Insurance Contracts' (effective for years beginning on or after January 1, 2023) introduces a new standard on accounting for insurance contracts, covering recognition and measurement, presentation and disclosure, which will replace IFRS 4, Insurance Contracts.

Standards, amendments and interpretations issued which are not yet effective and not relevant to the Society:

- (i) IAS 1 'Presentation of Financial Statements' (effective for years beginning on or after January 1, 2024) – *Classification of Liabilities as Current or Non-Current*. Amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments aim to improve the information companies provide about long-term debt with covenants. IAS 1 requires a company to classify debt as non-current only if the company can avoid settling the debt in the 12 months after the reporting date. However, a company's ability to do so is often subject to complying with covenants. For example, a company might have long-term debt that could become repayable within 12 months if the company fails to comply with covenants in that 12-month period. The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements.
- (ii) IAS 16 'Leases' (effective for years beginning on or after January 1, 2024). The amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of gain or loss that relates to the right of use it retains, however, any gain or loss relating to partial or

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):e) **Property, plant and equipment -**

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

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

Buildings and building improvements	-	2%
Computer equipment and software	-	20%
Office furniture and equipment	-	14%
Telephone system	-	20%
Security equipment	-	2%
Motor vehicles	-	25%
Other assets	-	10%

No depreciation is provided on freehold land.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments -

Financial assets

All recognised financial assets that are within the scope of International Financial Reporting Standard (IFRS) 9 are required to be subsequently measured at amortised cost or fair value on the basis of:

- (i) the entity's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

The credit union reassesses its business models each reporting period to determine whether they have changed. No such changes have been identified for the current year.

Principal is the fair value of the financial asset at initial recognition. Interest is consideration for the time value of money and for credit and other risks associated with the principal outstanding. Interest also has a profit margin element.

Initial measurement

All financial instruments are initially measured at the fair value of consideration given or received.

The credit union measures fair values in accordance with IFRS 13, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The credit union uses a fair value hierarchy that categorises valuation techniques into three levels:

- (i) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Assets and liabilities are classified as Level 1 if their value is observable in an active market. The use of observable market prices and model inputs, when available, reduces the need for management judgement and estimation, as well as the uncertainty related with the estimated fair value.
- (ii) Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for the asset or liability.
- (iii) Level 3 inputs are unobservable inputs. Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Financial assets (cont'd)

Subsequent measurement

Those financial assets such as members' loans and receivables, which are held within a business model with the sole objective of collecting contractual cash flows which comprise principal and interest only, are subsequently measured at amortised cost. Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as movements in Expected Credit Loss. When a financial asset measured at amortised cost is derecognised, the gain/loss is reflected in profit or loss.

Those financial assets which are held within a business model with the objectives of (i) collecting contractual cash flows which comprise principal and interest only, as well as (ii) selling the financial assets, are subsequently measured at Fair Value Through Other Comprehensive Income (FVTOCI). Gains/losses arising on re-measurement of such financial assets are recognised in OCI as *'Items that may be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on financial assets classified as at FVOCI'*.

All other financial assets are subsequently measured at Fair Value Through Profit and Loss (FVTPL). Gains/losses arising on remeasurement of such financial assets are recognised in profit or loss as *'Net FV gain/(loss) on financial assets classified at FVTPL'*. When a financial asset measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

Gains/losses arising on remeasurement of equity investments, which the credit union has opted, irrevocably, to measure at FVTOCI, are recognised in OCI as *'Items that may not be reclassified subsequently to P&L'* and are called *'Net FV gain/(loss) on equity financial assets classified as at FVOCI'*. When an equity investment measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but instead, transferred within equity.

Reclassification

If the business model under which the credit union holds financial assets changes, the financial assets affected are reclassified accordingly from the first day of the first reporting period following the change in business model. Equity instruments which the credit union opted to treat at FVTOCI cannot be reclassified.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Impairment

Financial assets are amortised costs are impaired at one of two levels:

- (i) Twelve-month Expected credit loss (ECL) – These are losses that result from default events that are possible within twelve months after the reporting date. Such financial assets are at 'Stage 1'.
- (ii) Lifetime ECL - These are losses that result from all possible default events over the life of the financial instrument. Such financial assets are at 'Stage 2' or 'Stage 3'.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the twelve-month ECL.

ECL is a probability-weighted estimate of the present value of credit losses, measured as the present value of the difference between (i) the cash flows due to the credit union under contract; and (ii) the cash flows that the credit union expects to receive, discounted at the asset's effective interest rate.

Performing financial assets – Stage 1

For performing assets and those expected to perform normally, the loss allowance is the 12-month expected credit loss and is done immediately at initial recognition of asset.

Significant increase in credit risk – Stage 2

When an asset becomes 90 days past due, the Credit Union considers that a significant increase in credit risk has occurred and the asset is deemed to be at Stage 2 and the loss allowance is measured as the lifetime ECL.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Credit-impaired financial assets – Stage 3

A financial asset is 'credit-impaired' when events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about one or more of the following events:

- (i) significant financial difficulty of the borrower or issuer;
- (ii) a breach of contract such as a default or past due event;
- (iii) granted to the borrower of a concession that the lender would not otherwise consider;
- (iv) the disappearance of an active market for a security because of financial difficulties; or
- (v) the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

The credit union assesses whether debt instruments that are financial assets measured at amortised cost are credit-impaired at each reporting date. There is a rebuttable presumption that financial assets that are in defaulted for more than ninety (90) days are credit impaired. The credit union also considers a financial asset to be credit impaired if the borrower is unlikely to pay its credit obligation. To determine this, the Credit Union takes into account both qualitative indicators such as unemployment, bankruptcy, divorce or death and quantitative indicators, such as overdue status. The Credit Union used its historical experience and forward-looking information that is available without undue cost or effort. If there has been a significant increase in credit risk the credit union will measure the loss allowance based on lifetime rather than twelve-month ECL.

Modification and Derecognition of Financial Assets

The credit union renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. This occurs particularly where, although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened. The revised terms usually include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan and /or a reduction in the amount of cash flows due. When a financial asset is modified, the Credit Union assesses whether this modification results in derecognition of the original loan, such as when the renegotiation gives rise to substantially different terms.

In the case where the financial asset is derecognised, the new financial asset will have a loss allowance measured based on twelve-month ECL. If, however, there remains a high risk of default under the renegotiated terms, the loss allowance will be measured based on lifetime ECL.

When the modification does not result in derecognition, the credit union will measure loss allowance at an amount equal to lifetime ECL.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Write-off

Loans and receivables are written off when the Credit Union has no reasonable expectations of recovering the financial asset, for example, when the Credit Union determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay. A write-off constitutes a derecognition event. Subsequent recoveries resulting from the Credit Union's enforcement activities will result in gains.

Financial liabilities

Since the Credit Union does not trade in financial liabilities, and since there are no measurement or recognition inconsistencies, all financial liabilities are initially measured at fair value, net of transaction costs and subsequently, at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to the net carrying amount on initial recognition. Financial liabilities recognised at amortised cost are not reclassified.

Critical accounting judgements and key sources of estimation uncertainty

Business model assessment:

The credit union reassesses its business models each reporting period to determine whether they continue to be appropriate and if there needs to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:

- (i) how the performance of the assets is evaluated and measured; and
- (ii) the risks that affect the performance of the assets and how these risks are managed.

Significant increase of credit risk:

The credit union computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

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

Establishing groups of assets with similar credit risk characteristics:

When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The credit union monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. Judgement is required in determining whether and when to move assets between portfolios.

Valuation models and assumptions used:

The credit union uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

Key sources of estimation uncertainty

Probability of default (PD):

PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumptions and expectations of future conditions. PD constitutes a key input in measuring ECL.

Loss Given Default (LGD):

LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the credit union would reasonably expect to receive, taking into account cash flows from collateral. It requires forecasting the future valuation of collateral taking into account sale discounts, the time and cost associated with realising collateral and seniority of claim. LGD is a key input in measuring ECL.

Fair value measurement and valuation process:

In estimating the fair value of a financial asset or a liability, the credit union uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the credit union uses valuation models to determine the fair value of its financial instruments.

Exposure at Default (EAD):

EAD is an estimate of the **total loss incurred when a member defaults**, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Credit risk

Credit risk is the risk that a member will default on his contractual obligations resulting in financial loss to the credit union. Credit risk mainly arises from loans, and because it represents the credit union's main income generating activity, credit risk is the principal risk for the credit union.

Credit risk management

The Board of Directors along with the credit union's credit committee are responsible for managing the credit union's credit risk by:

- (i) ensuring that the credit union has appropriate credit risk practices, including an effective system of internal control, to consistently determine adequate allowances in accordance with the credit union's policies and procedures, International Financial Reporting Standards and relevant supervisory guidance;
- (ii) identifying, assessing and measuring credit risk across the credit union, from an individual financial instrument to the portfolio level;
- (iii) creating credit policies to protect the credit union against the identified risks, including the obtaining collateral from borrowers, performing robust ongoing credit assessment of borrowers, and continually monitor exposures;
- (iv) as far as possible, limiting concentrations of exposure by type of loan, industry, credit rating, geographic location, etc.;
- (v) establishing a robust control mechanism for loan approval;
- (vi) categorising exposures according to the degree of risk of default;
- (vii) developing and maintaining processes for measuring ECL; and
- (viii) providing guidance to promote best practice in the management of risk.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Significant increase in credit risk

The credit union presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than thirty (30) days past due, unless the credit union has reasonable and supportable information that demonstrates otherwise. The credit union has monitoring procedures to ensure that significant increase in credit risk is identified before default occurs.

Measurement of ECL

The key inputs used for measuring ECL are:

- (i) probability of default (PD);
- (ii) loss given default (LGD); and
- (iii) exposure at default (EAD).

The credit union measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The credit union's financial instruments are grouped on the basis of shared risk characteristics, such as:

- (i) credit history;
- (ii) sector of employment;
- (iii) type of payment;
- (iv) type of loan;
- (v) disposable income;
- (vi) years of employment; and
- (vii) value of collateral relative to the financial asset

The groupings are reviewed on a regular basis to ensure that each grouping is comprised of homogenous exposures.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):e) **Financial instruments (cont'd) -****Collateral held as security**

The credit union holds the following types of collateral to mitigate credit risk associated with financial assets:

General loans	Shares and deposits in the credit union and Deed of Mortgage on property *
Vehicle loans	Deed of Mortgage on vehicles

*The Credit Union holds residential properties as collateral for some general loans granted to its members. The value of the collateral for these loans is typically based on the value at origination, updated based on changes in house prices. For credit-impaired loans, the value of collateral is based on the most recent appraisals.

Assets obtained by taking possession of collateral

The Credit Union obtained the following assets during the year by taking possession of collateral held as security against loans held at the year end. The Credit Union's policy is to realise collateral on a timely basis.

Shares	1,706,716
Motor Vehicles	<u>238,800</u>
Total assets obtained by taking possession of collateral	<u><u>1,945,516</u></u>

Forward-looking information incorporated in the ECL models

In moving forward, a 5-year rolling dataset would be used to update the data. This system will be advantageous as it would gradually allow for old data on loan performance to eventually exit the dataset used to collect the credit risk. The second major advantage of the 5-year rolling dataset is that new data would be continuously being entering the dataset, thus, the estimated probabilities would always reflect reasonably current compliance behaviour from members who received loans from the Credit Union.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

2. Summary of Material Accounting Policies (Cont'd):

f) Revenue recognition -

Loan Interest

Interest charged on all loans to members is calculated on the monthly outstanding balance at interest rates ranging from 0.40% to 1.5% on a monthly basis.

Loan interest income is recognized solely upon receipt.

Investment Income

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

g) Dividends payable to members -

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

h) Foreign currency -

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the Statement of Financial Position date. As at 31 December 2023 US Dollar denominated bank and investment balances were converted at the RBC Royal Bank (T & T) Limited's Buying and Selling mid-rate of **TT\$6.72** to US\$1.00 All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

i) Comparative information -

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Financial Risk Management:

Financial risk factors

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

a) Interest rate risk -

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

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

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

Bonds

The Credit Union invests mainly in medium term bonds consisting of fixed rate instruments.

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

Loans

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

b) Credit risk -

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Financial Risk Management:

Financial risk factors

b) Credit risk (cont'd) -

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

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

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

Collateral and other credit enhancements

The Credit Union employs a range of policies and practices to mitigate credit risk. The most common is of pledging share and other deposits already lodged at the Credit Union, accepting other collateral – mortgages and/or assignment of other assets e.g. premises, property, shares, life insurance policies. This collateral is reviewed periodically. For loans considered credit impaired the Credit Union takes possession of collateral held to mitigate potential credit losses.

c) Liquidity risk -

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

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

Risk management

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

To manage and reduce liquidity risk the Credit Union's management actively meets to match cash inflows with liability requirements.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Financial Risk Management (Cont'd):

d) Currency risk -

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

e) Operational risk -

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

f) Compliance risk -

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

g) Reputation risk -

The risk of loss of reputation arising from the negative publicity relating to the Credit Union's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Credit Union. The Credit Union applies procedures to minimise this risk.

h) Impact of COVID-19 -

From the onset of the COVID-19 Pandemic the Government of Trinidad and Tobago (GORTT) instituted measures to reduce the spread of the virus, some of these measures included closure of the national borders, temporary lockdown of non-essential services and social distancing regulations. Such measures negatively impacted a segment of our membership's ability to repay loans, as such, ASCU provided support in the form of loan renegotiations and deferral of loan payments (moratoriums).

The impact of the Credit Union's response was declined loan interest revenue and the extension of members' loan repayment periods arising from the moratoria and renegotiated loans. At the end of the deferral period, the members' ability to repay was reinstated as the borders and economy gradually re-opened and persons re-employed.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. Financial Risk Management (Cont'd):

h) Impact of COVID-19 (Cont'd) -

Therefore, there was no significant impact on the operations of the Credit Union. Management has determined that there is no material uncertainty that casts doubt of the Society's ability to continue as a going concern.

Fair value estimation

The fair values of the Credit Union's financial assets and liabilities approximates to their carrying amounts at the reporting date.

4. Critical Accounting Estimates and Judgments:

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

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

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

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

- i) Whether investments are classified as held to maturity investments, available for sale or loans and receivables.
- ii) Which depreciation method for investment properties and fixed assets are used.
- iii) *Business model assessment:*
The Credit Union reassesses its business models each reporting period to determine whether they continue to be appropriate and if there need to be a prospective change to the classification of financial assets. This assessment includes judgement regarding:
 - how the performance of the assets is evaluated and measured; and
 - the risks that affect the performance of the assets and how these risks are managed.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. Critical Accounting Estimates and Judgments (Cont'd):iv) *Significant increase of credit risk:*

The credit union computes twelve-month ECL for Stage 1 assets and lifetime ECL for Stage 2 or Stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Assessing whether there has been a significant increase in credit risk required judgement takes into account reasonable and supportable forward-looking information.

v) *Establishing groups of assets with similar credit risk characteristics:*

When ECL is measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Credit Union monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. Judgement is required in determining whether and when to move assets between portfolios.

vi) *Valuation models and assumptions used:*

The Credit Union uses various valuation models and assumptions in measuring the fair value of financial assets, as well as in estimating ECL. Judgement is applied in identifying the most appropriate valuation model for each type of asset, as well as in determining the assumptions to be used for each model.

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

i) Impairment of assets

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

ii) Probability of default (PD)

PD is an estimate of the likelihood of default over a given period of time, the calculation of which includes historical data, assumptions and expectations of future conditions. PD constitutes a key input in measuring ECL.

iii) Loss Given Default (LGD)

LGD is an estimate of the percentage loss arising on default, and is based on the difference between the contractual cash flows due and those that the Credit Union would reasonably expect to receive, taking into account cash flows from collateral. It requires forecasting the future valuation of collateral taking into account sale discounts, the time and cost associated with realising collateral and seniority of claim. LGD is a key input in measuring ECL.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

4. **Critical Accounting Estimates and Judgments (Cont'd):**iv) **Fair value measurement and valuation process**

In estimating the fair value of a financial asset or a liability, the credit union uses market-observable data to the extent it is available. Where such Level 1 inputs are not available, the credit union uses valuation models to determine the fair value of its financial instruments.

v) **Exposure at Default (EAD)**

EAD is an estimate of the total loss incurred when a member defaults, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. EAD is a key input in measuring ECL.

vi) **Plant and equipment**

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

5. **Cash in Hand and at Bank:**

	31 December	
	<u>2023</u>	<u>2022</u>
	<u>(\$)</u>	<u>(\$)</u>
Cash in hand	171,364	163,928
JMMB Bank Limited	61,534	271,813
First Citizens Bank Limited	1,232,095	2,300,199
RBC Royal Bank (Trinidad and Tobago) Limited		
- Current account	10,576,726	8,420,100
- US\$ Savings account	515,999	7,305,512
- Tobago	<u>1,419,249</u>	<u>375,952</u>
	<u>13,976,967</u>	<u>18,837,504</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. Investments:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
<u>Financial assets at amortised cost</u>		
Fixed deposits and loan notes	20,336,673	30,418,794
<u>Financial assets at fair value through profit and loss -</u>		
Money market funds	13,973,430	3,303,702
Managed portfolios	52,738,903	44,473,500
Bonds	<u>27,156,940</u>	<u>21,603,145</u>
	<u>114,205,946</u>	<u>99,799,141</u>

7. Accounts Receivable and Prepayments:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Interest receivable	1,204,456	1,616,974
Payroll deductions receivable	950,673	824,615
Other receivables	413,904	264,413
Prepayments	<u>539,849</u>	<u>385,129</u>
	3,108,882	3,091,131
Less: impairment provision	<u>(11,087)</u>	<u>(39,224)</u>
	<u>3,097,795</u>	<u>3,051,907</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

8. Other Investments:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
<u>Financial assets at amortised cost</u>		
Bonds	5,221,000	5,436,528
<u>Financial assets at fair value through profit and loss -</u>		
Quoted equity investments	18,803,579	22,561,442
Unquoted equity investments	250,100	250,100
Bonds	2,209,129	2,015,729
Mutual funds	<u>739,782</u>	<u>692,035</u>
	<u>27,223,590</u>	<u>30,955,834</u>

St Vincent and the Grenadines Bond

In August 2016, the Credit Union invested in a **US\$250,000** Bond offered by the Government of St. Vincent and the Grenadines (GSVG) with an interest rate of 7%. The principal and interest due on this bond is being amortized over a period of ten (10) years with equal semi-annual installments of **US\$17,590**.

Due to the volcanic eruptions in April 2021, there was some initial doubt as to whether the GSVG will be able to continue these installments on a timely basis, however, repayments by the GSVG through the Eastern Caribbean Central Security Depository were maintained from inception to February 2024. The balance as at 31 December 2023 was **\$94,010**, with the next installment due in February 2024.

HILOC

In 2002, ASCU ventured into an investment with the Housing Investment and Land Ownership Multipurpose Co-Operative Society Limited (HILOC), whereby property in Tobago was purchased from HILOC by ASCU with the intention for resale to its members. Subsequently, HILOC failed to honour the said agreement, leading to a dispute being filed and consequently resulting in a judgement issued by the Commissioner for Co-Operatives Development (CCD) in 2006 for repayment of funds to ASCU.

The total receivable from HILOC was valued at **\$876,905**, which was fully provided for with **\$871,500** representing Shares and Deposits and **\$5,405** being the Administrative Contributions.

In September 2023, an order was duly issued for the winding up of HILOC by the CCD, with ASCU receiving full settlement of the outstanding Share and Deposit balances on 28 February 2024. As a result, the provision for **\$871,500** was reversed, and the remaining balance of **\$5,405** written off, as at 31 December 2023.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

9. 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.

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Loans to members	147,032,868	139,634,414
Less: Allowance for expected credit losses	<u>(18,668,089)</u>	<u>(17,396,021)</u>
	<u>128,364,779</u>	<u>122,238,393</u>
Allowance for expected credit losses -		
Balance brought forward	17,396,021	21,128,713
Losses written off	-	(2,035,645)
Statement of Comprehensive Income	<u>1,272,068</u>	<u>(1,697,047)</u>
Balance carried forward	<u>18,668,089</u>	<u>17,396,021</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. Fixed Assets:

	Freehold land (\$)	Building – Tacarigua (\$)	Computer equipment and software (\$)	Office furniture and equipment (\$)	Telephone system (\$)	Security equipment (\$)	ASCU Sporting Complex (\$)	Motor vehicle (\$)	Work in progress (\$)	Total (\$)
Cost										
Balance as at 1 January 2023	11,500,000	3,523,188	1,740,286	3,143,737	295,883	253,912	1,556,339	295,085	102,280	22,410,710
Additions	-	80,931	84,437	16,128	12,918	-	-	-	24,000	218,414
Disposals	-	-	(35,080)	(61,686)	-	-	-	-	-	(96,766)
Balance as at 31 December 2023	<u>11,500,000</u>	<u>3,604,119</u>	<u>1,789,643</u>	<u>3,098,179</u>	<u>308,801</u>	<u>253,912</u>	<u>1,556,339</u>	<u>295,085</u>	<u>126,280</u>	<u>22,532,358</u>
Accumulated Depreciation										
Balance as at 1 January 2023	-	156,861	1,570,417	1,885,388	212,190	122,997	335,417	256,693	-	4,539,963
Charge for the year	-	82,829	86,840	181,259	18,021	2,618	31,127	9,599	-	412,293
Disposals	-	-	(35,080)	(55,707)	-	-	-	-	-	(90,787)
Balance as at 31 December 2023	-	<u>239,690</u>	<u>1,622,177</u>	<u>2,010,940</u>	<u>230,211</u>	<u>125,615</u>	<u>366,544</u>	<u>266,292</u>	-	<u>4,861,469</u>
Net Book Value										
Balance as at 31 December 2023	<u>11,500,000</u>	<u>3,364,429</u>	<u>167,466</u>	<u>1,087,239</u>	<u>78,590</u>	<u>128,297</u>	<u>1,189,795</u>	<u>28,793</u>	<u>126,280</u>	<u>17,670,889</u>
Balance as at 31 December 2022	<u>11,500,000</u>	<u>3,366,327</u>	<u>169,869</u>	<u>1,258,349</u>	<u>83,693</u>	<u>130,915</u>	<u>1,220,922</u>	<u>38,392</u>	<u>102,280</u>	<u>17,870,747</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

10. Fixed Assets (Cont'd):

	Freehold land (\$)	Building – Tacarigua (\$)	Computer equipment and software (\$)	Office furniture and equipment (\$)	Telephone system (\$)	Security equipment (\$)	ASCU Sporting Complex (\$)	Motor vehicle (\$)	Work in progress (\$)	Total (\$)
Cost										
Balance as at 1 January 2022	11,500,000	3,500,000	1,716,071	3,141,671	295,883	232,144	1,556,339	295,085	89,905	22,327,098
Additions	-	23,188	24,215	6,100	-	21,768	-	-	12,375	87,646
Disposals	-	-	-	(4,034)	-	-	-	-	-	(4,034)
Balance as at 31 December 2022	<u>11,500,000</u>	<u>3,523,188</u>	<u>1,740,286</u>	<u>3,143,737</u>	<u>295,883</u>	<u>253,912</u>	<u>1,556,339</u>	<u>295,085</u>	<u>102,280</u>	<u>22,410,710</u>
Accumulated Depreciation										
Balance as at 1 January 2022	-	86,841	1,473,230	1,678,026	191,266	120,423	304,290	243,895	-	4,097,971
Charge for the year	-	70,020	97,187	210,254	20,924	2,574	31,127	12,798	-	444,884
Disposals	-	-	-	(2,892)	-	-	-	-	-	(2,892)
Balance as at 31 December 2022	-	<u>156,861</u>	<u>1,570,417</u>	<u>1,885,388</u>	<u>212,190</u>	<u>122,997</u>	<u>335,417</u>	<u>256,693</u>	-	<u>4,539,963</u>
Net Book Value										
Balance as at 31 December 2022	<u>11,500,000</u>	<u>3,366,327</u>	<u>169,869</u>	<u>1,258,349</u>	<u>83,693</u>	<u>130,915</u>	<u>1,220,922</u>	<u>38,392</u>	<u>102,280</u>	<u>17,870,747</u>
Balance as at 31 December 2021	<u>11,500,000</u>	<u>3,413,159</u>	<u>242,841</u>	<u>1,463,645</u>	<u>104,617</u>	<u>111,721</u>	<u>1,252,049</u>	<u>51,190</u>	<u>89,905</u>	<u>18,229,127</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

11. Accounts Payable and Accruals:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Audit fees	188,750	210,939
CUNA insurance	44,578	42,746
Fixed deposit interest payable	161,458	145,750
Other payables	524,268	563,676
Accruals	<u>723,504</u>	<u>582,439</u>
	<u>1,642,558</u>	<u>1,545,550</u>

12. Members' Deposits:

The interest rate varied between 1% to 1.75% per annum. Fixed deposits are held for a minimum of one year.

13. Unclaimed Dividends and Shares:

As per Article 8 (a) of the Bye-laws, if the whereabouts of a member is unknown to the Credit Union and no claim is made on the member's funds within one (1) year from the date of his last transaction, the funds may be transferred from the member's account to an unclaimed shares account. Any sums within this account unclaimed for three (3) years may be transferred to the Reserve Fund.

14. Proposed Honoraria:

Honoraria is calculated on a percentage of the Undivided Surplus, after all statutory deductions are made and is allocated to the Board of Directors and Statutory Committees.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

15. Members' Shares:

According to the Bye-Laws of Aero Services Credit Union Co-operative Society Limited, the share capital of the Credit Union may be composed of an unlimited number of shares of \$1.00 each. In accordance with International Financial Reporting Interpretation (IFRIC) Interpretation #2, redeemable shares have been treated as liabilities.

16. Reserve Fund:

The Reserve Fund, as per Article 22 of the Bye-Laws, may be used in the business of the Credit Union or may be invested in accordance with the Provisions of the Act, all subject to the approval of the Commissioner. Ten percent (10%) of the net surplus for the year is allocated to the Reserve Fund on an annual basis.

17. Education Fund:

In accordance with Bye Law 19 of the Credit Union, an amount not exceeding 5% of the net surplus for the year, after making provision for the Reserve Fund, is transferred to an Education Fund. This fund is to be used for educational purposes, in accordance with Bye Law 41.

18. Development Fund:

This Fund may be used to support new developments in Credit Union business.

19. Revaluation Reserve:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Revalued amount	15,000,000	15,000,000
Net Book Value	<u>(7,638,538)</u>	<u>(7,638,538)</u>
	<u>7,361,462</u>	<u>7,361,462</u>

In September 2020, the land and buildings at the Credit Union's Head Office in Tacarigua and Lot #25 Oropune Road, Off Factory Road, Piarco were revalued in September 2020 by Linden Scott & Associates Ltd at \$9,000,000 and \$6,000,000, respectively.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

20. Special Reserve Fund:

The Special Reserve Fund may be applied to meet losses sustained through extraordinary circumstances over which the Credit Union had no control, all subject to approval by the Commissioner.

21. Dividends:

The Board of Directors has proposed a dividend of 3% on share balances up to **\$750,000** and 1% on share balances above **\$750,000** for the year ended 31 December 2023. This is not recorded as a liability in accordance with IAS #10.

22. Interest Rebate:

The Board of Directors has proposed a rebate payment of 7% on all interest paid on loans for the year ended 31 December 2023, with the exception of delinquent loans. Such a rebate would be credited to members' Flex-a-Save Account. This is not recorded as a liability in accordance with IAS #10.

23. Fair Values:

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

23. Fair Values (Cont'd):

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

a) Current assets and liabilities -

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

b) Members' Loans -

Loans are net of specific provisions for losses. These assets result from transactions conducted under typical market conditions and their values are not adversely affected by unusual terms. The inherent rates of interest in the portfolio approximate market conditions and yield discounted cash flow values which are substantially in accordance with financial statement amounts.

c) Investments -

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

d) Members' deposits -

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

24. Capital Risk Management:

The Credit Union manages its capital to ensure that it will be able to continue as a going concern while maximising the return to members, whilst providing value to its members by offering loan and savings facilities. The Credit Union's overall strategy remains unchanged from previous years.

The capital structure of the Credit Union consists of equity attributable to members, which comprises reserves and retained earnings.

25. Loan Commitments:

As at 31 December 2023, there were seven (7) loans, with a total value of **\$1,974,098** which were approved but not yet disbursed.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

26. Capital Commitments:

As at 31 December 2023, there were no capital commitments.

27. Related Party Transactions:

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

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Credit Union.

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

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

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Assets		
Loans to directors and key management personnel and related persons	<u>4,351,332</u>	<u>5,033,483</u>
Deposits and other liabilities		
Deposits held by directors and key management personnel and related persons	140,377	284,843
Shares held by directors and key management personnel and related persons	<u>3,993,960</u>	<u>3,127,297</u>
	<u>4,134,337</u>	<u>3,412,140</u>
Interest and other expenses		
Directors and key management personnel	<u>402,332</u>	<u>541,350</u>
Key management compensation		
Short-term benefits	1,993,223	1,693,796
Post employment benefits	<u>180,633</u>	<u>129,797</u>
	<u>2,173,856</u>	<u>1,823,593</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Personnel Cost:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Salaries	3,598,076	3,462,432
Staff overtime	-	16,364
Staff NIS, pension and medical plan	616,682	576,782
Staff training and development	35,506	70,891
Staff uniforms	1,095	77,868
Staff welfare	18,835	39,950
Travelling and subsistence	<u>100</u>	<u>429</u>
	<u>4,270,294</u>	<u>4,244,716</u>

2. Operational Cost:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Accounting services	-	100,662
Advertising	10,180	45,726
Audit fees	194,800	183,905
Cable expenses	6,471	6,529
Computer expenses	177,064	153,755
Electricity	45,725	47,227
Equipment repairs and maintenance	68,232	31,329
Green Fund Levy	70,218	60,349
Internet rental charges	17,289	16,266
Janitorial services	124,874	126,838
Legal and professional fees	1,019,499	841,606
Miscellaneous	60,125	27,697
Motor vehicle expenses	49,949	34,903
Office refreshments	44,325	26,345
Postage expense	2,347	1,045
Printing, stationery and office supplies	105,984	143,216
Promotions	111,095	227,407
Property maintenance cost	263,846	224,982
Rates and taxes	15,053	21,332
Security services	324,356	322,688
Telephones	<u>116,083</u>	<u>123,558</u>
	<u>2,827,515</u>	<u>2,767,365</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

3. **Financial Cost (net):**

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Bank charges	20,946	12,298
Linx charges	18,000	23,500
Interest on members' fixed deposits	283,008	249,062
Foreign exchange (gain)/loss	85,210	111,652
Portfolio management fees	328,253	240,523
Debit card facility charges	<u>35,685</u>	<u>34,763</u>
	<u><u>771,102</u></u>	<u><u>671,798</u></u>

4. **Administrative Cost:**

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Annual General Meeting	100,214	117,388
Donations	17,050	23,450
Education Fund expense	34,237	2,423
Meetings and conferences	<u>77,126</u>	<u>48,825</u>
	<u><u>228,627</u></u>	<u><u>192,086</u></u>

5. **Credit Impairment on Loans and Receivables:**

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
(Reversal)/credit impairment on loans	1,272,068	(1,697,047)
Credit impairment on receivables	<u>-</u>	<u>-</u>
	<u><u>1,272,068</u></u>	<u><u>(1,697,047)</u></u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

6. Risk Management:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
CUNA LP and LS coverage	520,655	485,400
Fidelity guarantee	9,104	7,536
Fire insurance	31,322	30,463
Group life insurance	32,189	33,699
Directors' and officers' liability	30,658	26,288
Stabilization Fund	643	-
Public liability	1,608	1,590
Computer equipment	3,311	3,591
Cash in transit	12,277	12,243
Workmen's Compensation Insurance	3,471	3,498
	<u>645,238</u>	<u>604,308</u>

7. Officers' and Committee Expenses:

	31 December	
	<u>2023</u>	<u>2022</u>
	(\$)	(\$)
Board and Committee allowances	264,054	253,069
Board and Committee other expenses	2,039	35,603
Board, Committee and staff Christmas activities	16,697	15,500
Ex-gratia	12,500	30,000
Refreshments	29,741	20,099
Social and Cultural Committee	8,620	25,525
Honoraria expense	300,000	(9,289)
	<u>633,651</u>	<u>370,507</u>

RESOLUTIONS & RECOMMENDATIONS

AUDITORS

Be it resolved that the firm BDO Trinidad and Tobago be appointed as the External Auditors for the financial year ending December 31, 2024.

RECOMMENDATIONS

DISTRIBUTION OF SURPLUS

1.0 Dividends

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

- 1.1 A dividend of three percent (3%) on each member's shareholding up to \$750,000.00 to be disbursed according to the member's request.
- 1.2 A dividend of one percent (1%) on each member's shareholding above \$750,000.00 to be disbursed according to the member's request.
- 1.3 A loan interest rebate of seven percent (7%) to each member whose loan has not been delinquent for more than thirty (30) days in 2023. The rebate is to be credited to the member's Flex-A-Sav account.

2.0 Ex Gratia Payments

- 2.1 Be it resolved that the sum of five thousand dollars (\$5,000.00) be allocated to the Tobago Committee.

3.0 Honorarium

Be it resolved that 3% of the Undivided Surplus, after all statutory deductions are made, be allocated to the Board of Directors and Statutory Committees.

4.0 Amendment to Approved Bye Laws 4.1(b), 24(c), 34(a), & 35(b)

Bye-Law 4.1(b) Membership – Qualification

Whereas the Board of Directors of the Aero Services Credit Union Co-operative Society Limited has reviewed the existing Bye-Law 4.1(b) "Qualification".

AND WHEREAS

The Board of Directors recognizes that BWIA International is no longer in existence and that employees' contracts can be for less than one (1) year, the Board recommends the following amendment to the Bye-Laws of the Aero Services Credit Union Co-operative Society Limited.

BE IT RESOLVED that Bye-Law 4.1 (b) Membership – Qualification which states:

Non-permanent employees of Trinidad and Tobago (BWIA International) Airways, Caribbean Airlines Limited, their majority-owned subsidiaries and successor companies with a contract of not less than one (1) year.

RESOLUTIONS & RECOMMENDATIONS

Cont'd

BE AMENDED TO now read:

Non-permanent employees of Caribbean Airlines Limited, their majority-owned subsidiaries and successor companies.

Be it further Resolved that this Annual General Meeting being held on April 6th, 2024, hereby accepts the recommendation from the Board of Directors of the Aero Services Credit Union Co-operative Society Limited, to amend Bye-Law 4.1 (b).

Bye-Law 24(c) Board of Directors

Rescinded

Bye-Law 34(a) Supervisory Committee

Whereas the Board of Directors of the Aero Services Credit Union Co-operative Society Limited has reviewed the existing Bye-Law 34(a) "Supervisory Committee"

AND WHEREAS

Being cognizant that there should be continuity on the Supervisory Committee and that serving members of the Committee should not all be outgoing at the same time, the Board of Directors seeks to amend this Bye-Law.

The Board therefore recommends the following amendment to the Bye-Laws of the Aero Services Credit Union Co-operative Society Limited.

BE IT RESOLVED that Bye-Law 34(a) Supervisory Committee which states:

The Supervisory Committee shall consist of three (3) members to be elected annually by the members at each Annual General Meeting, none of whom shall be eligible for service on the Board or the Credit Committee, or any other Committee.

BE AMENDED TO now read:

The Supervisory Committee shall consist of three (3) members. At the first Annual General Meeting following the approval of this Bye-Law by the Commissioner, the two (2) elected members with the highest and second highest number of votes will each serve for two (2) consecutive years. The elected member with the third highest number of votes will serve for one (1) year. At subsequent Annual General Meetings, the elected member(s), none of whom shall be eligible for service on the Board, the Credit Committee, or any other Committee, will serve for two (2) consecutive years.

RESOLUTIONS & RECOMMENDATIONS

Cont'd

Be it further Resolved that this Annual General Meeting being held on April 6th, 2024, hereby accepts the recommendation from the Board of Directors of the Aero Services Credit Union Co-operative Society Limited, to amend Bye-Law 34(a).

Bye-Law 35(b) Credit Committee

Whereas the Board of Directors of the Aero Services Credit Union Co-operative Society Limited has reviewed the existing Bye-Law 35(b) "Credit Committee"

AND WHEREAS

Being cognizant that there should be continuity on the Credit Committee and that serving members of the Committee should not all be outgoing at the same time, the Board of Directors seeks to amend this Bye-Law. The Board therefore recommends the following amendment to the Bye-Laws of the Aero Services Credit Union Co-operative Society Limited.

BE IT RESOLVED that Bye-Law 35(b) Credit Committee which states:

The Credit Committee shall consist of five (5) members elected by the members at each Annual General Meeting. A Chairman and a Secretary shall be chosen by and from the members of the Committee at its first meeting after each Annual General Meeting. The Secretary shall prepare and keep a full and correct record of all decisions taken by the Committee.

BE AMENDED TO now read:

The Credit Committee shall consist of five (5) members. At the first Annual General Meeting following the approval of this Bye-Law by the Commissioner, the three (3) elected members with the first, second and third highest number of votes will each serve for two (2) consecutive years. The two (2) elected members with the fourth and fifth highest number of votes will each serve for one (1) year. At subsequent Annual General Meetings, the elected members, none of whom shall be eligible for service on the Board or the Supervisory Committee, will serve for two (2) consecutive years. A Chairman and a Secretary shall be chosen by and from among the members of the Committee at its first meeting to be held within seven (7) days after each Annual General Meeting. The Secretary shall prepare and keep a full and correct record of all decisions taken by the Committee.

Be it further Resolved that this Annual General Meeting being held on April 6th, 2024, hereby accepts the recommendation from the Board of Directors of the Aero Services Credit Union Co-operative Society Limited, to amend Bye Law 35(b).

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