MISSION STATEMENT

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

OUR VISION

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

THE NATIONAL ANTHEM

FORGED FROM THE LOVE OF LIBERTY
IN THE FIRES OF HOPE AND PRAYER
WITH BOUNDLESS FAITH IN OUR DESTINY
WE SOLEMNLY DECLARE.
SIDE BY SIDE WE STAND
ISLANDS OF THE BLUE CARIBBEAN SEA,
THIS OUR NATIVE LAND
WE PLEDGE OUR LIVES TO THEE.
HERE EVEY CREED AND RACE
FIND AN EQUAL PLACE
AND MAY GOD BLESS OUR NATION
HERE EVERY CREED AND RACE
FIND AN EQUAL PLACE,
AND MAY GOD BLESS OUR NATION

PRAYER OF ST. FRANCIS OF ASSISI

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

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NOTICE

Notice is hereby given that the 37th Annual General Meeting of Aero Services Credit Union Co-operative Society Limited will be held on **Saturday 21st March, 2009** at Trinity College East, #1 College Avenue, Trincity Central Road, Trincity at 1:00 pm

AGENDA

1. Call to order - National Anthem - Credit Union Prayer
2. Credential Committee's Report
3. Notice of the Meeting
4. President's Welcome Address
5. Feature Address
6. Minutes of the last Annual General Meeting
7. Business Arising
8. Reports 2008
8.1 Board of Directors
8.2 Credit Committee
8.3 Supervisory Committee
8.4 Education Committee
8.5 Social & Cultural Committee
8.6 Nomination Committee
9. Auditor's Report
10. Budget Proposals
11. Resolutions/Recommendations
12. Election of Officers
12.1 Supervisory Committee
12.2 Credit Committee
12.3 Board of Directors
13. General Business
14. Vote of Thanks and Formal Closure

By Order of the Board

Lyndon Byer (Mr.)
Hon. Secretary

STANDING ORDERS

1. (a) A member shall stand when addressing the Chair and identify himself/herself.
   (b) Speeches shall be clear and relevant to the subject before the meeting.

2. A member shall address the meeting when called upon by the Chairman to do so, after which, he/she shall immediately take his/her seat.

3. No member shall address the meeting except through the Chairman.

4. A member may not speak twice on the same subject, except:
   (a) The mover of a motion – who has a right to reply
   (b) He/she rises to object or to explain (with the permission of the Chair).

5. No speeches shall be made after the "Question" has been put and carried or negated.

6. The mover of a "Procedural Motion" - Adjournment, lay on the table, motion to Postpone – shall have no right to reply.

7. A member rising on a "point of order" shall state the point clearly and concisely. (A "Point of Order" must have relevance to the "Standing Orders).

8. (a) A member shall not "call" another member "to order" but may draw the attention of the Chair to a "breach of order".
   (b) In no event can a member call the Chair "to order"

9. A " Question" shall not be put to the vote if a member desires to speak on it or move an amendment to it – except, that a Procedural Motion: "The Previous Question", "Proceed to the Next Business" or "the Closure": That the Question be "Now Put" – shall be moved at any time.

10. Only one amendment shall be before the meeting at one and the same time.

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

12. The Chairman shall have the right to a "casting vote".

13. If there is equality of voting on an amendment, and if the Chairman does not exercise his casting vote, the Amendment is lost.

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

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

GUIDELINES

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

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

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

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

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

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

Executive Committee meets once per fortnight generally.

The Credit Committee meets once per week on Tuesdays.

The Supervisory Committee determines its meeting day and method of operations

ELECTION PROCEDURES

1. Ballot papers for elections for the Board of Directors, Credit Committee and Supervisory Committee will be given to members at the time of election.

2. One of the items of business on the Agenda will be the nomination of persons to contest elections to the Board and Committees.

3. Persons nominated will assemble before the audience and give a brief resume of themselves.

4. A list of nominees will be posted in the meeting room.

5. There will be separate ballot boxes for the Board, Credit and Supervisory Committees.

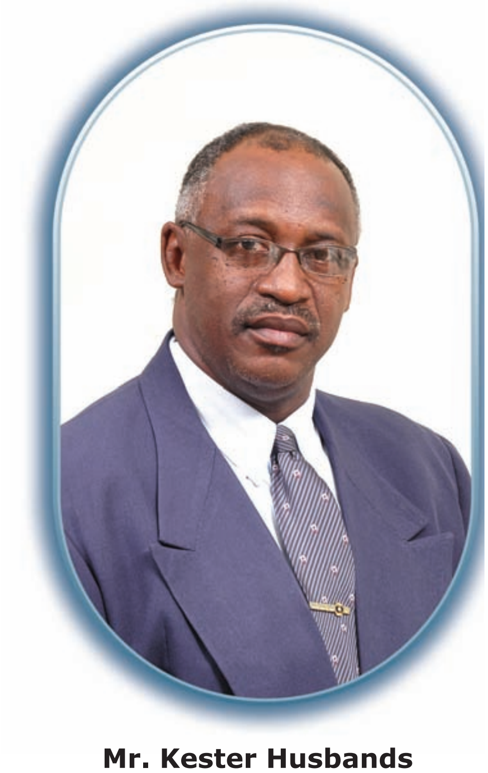
6. The persons in charge of conducting the elections will declare when ballots should be cast.

7. On completion of the nomination process, members will cast their ballots at anytime during the meeting, up to the declared closing time of ballots.

8. The appointed persons will count the ballots while the meeting is in progress.

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

PRESIDENTS REVIEW 2008



Mr. Kester Husbands
President

Dear Valued Member,

Welcome to this very auspicious occasion of our Credit Union's thirty-seventh (37th) Annual General Meeting which culminates yet another successful year of operations in the Life of Our Credit Union. Although budgetary expectations were fully realized during the last financial period, the effects of the global financial crisis continue to adversely impact the developed and emerging economies of the United States, Europe and Asia in a manner which seriously threatens the continued existence of many flagship economic and financial entities in those respective regions. Nevertheless, while the full impact of this phenomenon is yet to reach our shores, it certainly lurks on the horizon since the "ripple effects" of what has occurred in the major financial centres has the robust potential of adversely affecting our domestic economy. Such an occurrence will soon inevitably extend itself into the financial services sector of which Aero Services is a prime servant to its customers who are in fact its members and owners.

These unforeseen yet serious developments compel us as a Board to revisit the manner in which we conduct business with a view to further engaging the most prudent decisions while strengthening our core business undertakings and customer service delivery methods. We now face a financial environment which is currently being underpinned by stricter regulatory controls and governance requirements as the Government moves swiftly to ensure that investors' funds and deposits are adequately secured and protected.

This legislative undertaking has been further fuelled by the dire and adverse set of circumstances affecting some other Co-operatives, namely Hindu Credit Union, and more recently major subsidiary companies within the C.L. Financial Group; such circumstances if left unattended would have had disastrous consequences for many depositors, pension and life insurance holders, and moreover, the domestic economy as a whole. The Government of the Republic of Trinidad and Tobago must be ap-

PRESIDENTS REVIEW 2008

plauded for its swift action in this matter, for in essence, it does not only represent a rescue of C.L. Financial's subsidiaries but more significantly, a restoration of intrinsic comfort to a large segment of the national population.

Consequently, the Movement can now expect expedient action with respect to the introduction of the new body of laws to govern the operations of Credit Unions. This new legislation will replace the current Co-operative Societies Act 1971 and would establish the legal mechanisms upon which financial entities such as ours would operate within the highly competitive yet volatile financial environment. In its construct the law pays strong attention to reconfiguring the "modus operandi" of Credit Unions in a variety of ways particularly in the areas of governance and risk management. Of notable mention in this regard, is compliance with the minimum reserve requirement of eight percent (8%) of current (total) assets which all credit unions must maintain throughout its operating life or risk having its licence to operate revoked by the Central Bank. Therefore, the Board has had to review its current and future levels of dividend declaration, pursuant to meeting and maintaining this statutory requirement, and also as a result of the sharp decline of high investment returns above market rate, in response to global and (by extension) local market situations.

Despite the challenges which lie ahead however, our Credit Union continues on its very successful journey as we "Step into the Future". With a very successful life of fifty-nine (59) years we certainly have every reason to be confident and proud of our accomplishments which serves as our chaperone into the future. All this of course, could not have been achieved without the support and commitment of you our dear and valued Members. I make the cherished appeal to each and every one of you to remain steadfastly committed to the growth, development and stability of our Credit Union as we collectively navigate our way through a challenging future.

Finally, I hereby take the opportunity to thank the members of the Board, all Committee members and the Management and Staff for the support given during the last period of tenure.

May God continue to richly Bless Us all.

Co-operatively yours,

Kester Husbands.

Kester Husbands (Mr.)
President

BOARD OF DIRECTORS

Kester Husbands
President

Brian Matthew
Vice President

Lyndon Byer
Secretary

Michael Halls
Treasurer

Alec Clarke
Assistant Secretary

Courtney Demming
Assistant Treasurer

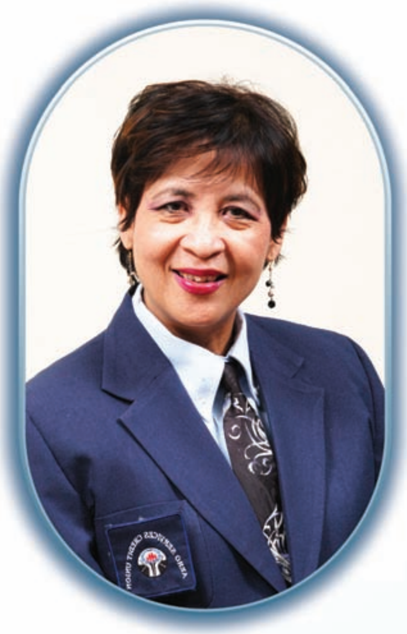
BOARD OF DIRECTORS

Faye Husbands
Director

Gregory Aqui
Director

Theo Oliver
Director

Earle Joseph
1st Alternate



Cecily Jerome
2nd Alternate

MINUTES OF THE 36TH ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 15th MARCH 2008, AT THE TRINITY COLLEGE EAST, #1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

1.0 Call to Order

The President/Chairman Mr. Kester Husbands called the meeting to order at 1.15 p.m. He invited everyone to stand and sing the National Anthem and to recite the Credit Union Prayer.

2.0 Credential Report

The Supervisory Committee reported that a total of seventy (70) members, ten (10) Directors, fourteen (14) members of staff and eleven (11) guests were present and therefore the meeting was properly constituted.

3.0 Welcome

The Chairman welcomed all members, specially invited guests and the Feature Speaker the Honorable Minister of Finance Ms. Karen Nunez-Teshiera to the 36th Annual General Meeting of Aero Services Credit Union.

4.0 Notice of the Meeting

The Chairman read the Notice of the Meeting.

5.0 Given the Honorable Minister's prior commitments for that evening, the Chairman placed a motion to have the Agenda amended so as to treat immediately with Item 6 – the Feature Address

6.0 Feature Address

The Chairman introduced the Feature Speaker – Honorable Minister of Finance Ms. Karen Nunez-Teshiera

The Honorable Minister spoke on the contribution made by the Co-operative movement in building communities by primarily allowing those in the mid to lower income group access to affordable funding. She stated that the Government acknowledged that the Movement had evolved into a financial giant given the quantum of its collective assets and that there was a critical need to revise the legislation governing the operations of Co-operatives. Accordingly, discussions between Government and Cooperative representatives regarding the revision of

MINUTES CONT'D

the Co-operative Credit Union Act had already occurred and the document was in the final stages of completion. She stated that amongst other provisions in the new legislation, of particular note to members were those areas of the document relative to Co-operatives operating outside the parameters of its core activity, and without selection criteria applicable to officers and the new reserve level requirement. The Honorable Minister explained that the proposed legislation included strict provisions to ensure competent governance and the protection of members' investments.

Ms. Nunez-Teshiera encouraged members to continue to maintain their investments (savings) in the Society particularly given the findings of the recently concluded National Financial Literacy Survey, which indicated that the population had shifted from a philosophy of thrift to that of consumerism.

In conclusion she applauded the Aero Services Credit Union on its phenomenal growth, intimated that the Society was a good performer based upon her brief analysis of its published financial statements and wished the Society well in its future endeavors.

7.0 The President's Review

The President first reported on the level of growth experienced by the Society in 2007, specifically in the areas of asset base and membership size. He declared that the Society's "Freedom Project" was well subscribed and paid tribute to members, management and staff for its phenomenal success.

He stated that the Board of Directors was in the process of revisiting the Coral Ridge facility given that its performance did not fulfill expectations and that the membership will be briefed accordingly.

The President discussed some areas of the soon to be enacted legislation governing the operations of Credit Unions. Specific mention was made of those areas related to registration, institutional strengthening and its impact on costs and the undivided surplus, greater levels of scrutiny and accountability and the Society's commitment to ensure total compliance.

Additionally, he revealed that Aero Services Credit Union was now affiliated to a new advocacy group – the Association of Cooperative Credit Union Presidents of Trinidad & Tobago (ACCUPTT) which evolved out of the collective dissatisfaction of a significant number of member units with the performance of the Cooperative Credit Union League of Trinidad & Tobago and their failure to arrive at an amicable resolution to issues raised with the said League.

He concluded by offering his heartfelt gratitude to members of the Board of Directors, elected and appointed Committees, management and staff for the invaluable contribution they made to the continuing success of the Society.

MINUTES CONT'D

8.0 Acknowledgments

The Chairman welcomed and acknowledged the presence of the following guests

Mr. Anirood Rai	-	Co-operative Development Division
Ms. Mary Tan Yew	-	Co-operative Development Division
Mr. Wayne Estrada	-	CUNA Caribbean
Ms. Jill Thompson	-	UWI Credit Union
Ms. Donna Rosales Grey	-	UWI Credit Union
Mr. Ulric Warner	-	Chief Operating Officer-CCN TV6
Mr. Cecil Tudore Jr.	-	Panell Kerr Foster
Dr. Anthony Elias	-	Stabilization Fund
Ms. Margaret Weston	-	Public Services Credit Union
Ms. Kathleen Weekes	-	Police Credit Union
Mr. Barry Jameson	-	Aripo Photos Ltd.

9.0 Standing Orders

A motion for the adoption of the standing orders was moved by Mr. Anthony Grant and seconded by Mr. Anand Mahase.

10.0 Minutes of the 35th Annual General Meeting

A motion for the adoption of the Minutes of the 35th Annual General Meeting was moved by Mr. Ramesh Lutchmedial and seconded by Mr. Harold Clovis.

There being no errors or omissions, a motion for the acceptance of the Minutes of the 35th Annual General Meeting was moved by Mrs. Ann Joseph and seconded by Ms. Carol John-Williams.

10.1 Matters Arising

There were no matters arising.

11.0 Board of Directors Report

A motion for the adoption of the Board of Directors Report was moved by Mr. Theo Oliver and seconded by Mr. Anand Mahase.

There being no errors or omissions, a motion for the acceptance of the Board of Directors Report was moved by Mr. Harold Clovis and seconded by Ms. Leah Hill.

MINUTES CONT'D

11.1 Matters Arising
Mr. Ramesh Lutchmedial remarked that the report did not include the attendance register and that this data was a significant contributor to his decision making for the consideration of the preferred candidates.

11.2 The Chairman apologized for the absence of the data and reported that all meetings convened were very well attended by Board members.

12.0 The Credit Committee Report
A motion for the adoption of the Credit Committee Report was moved by Mr. Clyde Marin and seconded by Ms. Gemma La Borde.

There being no errors or omissions, a motion for the acceptance of the Credit Committee Report was moved by Mr. Harold Clovis and seconded by Ms. Carol John-Williams.

12.1 Matters Arising
There were no matters arising.

13.0 The Supervisory Committee Report
A motion for the adoption of the Supervisory Committee Report was moved by Ms. Gemma La Borde and seconded by Ms. Jerrilyn Plowden.

There being no errors or omissions a motion for the acceptance of the Supervisory Committee Report was moved by Ms. Sharon Lee Sing Barnes and seconded by Mr. Adrian Agarrat.

13.1 Matters Arising
There were no matters arising.

14.0 The Education Committee Report
A motion for the adoption of the Education Committee Report was moved by Mr. Harold Clovis and seconded by Ms. Sharon Lee Sing Barnes.

There being no errors or omissions a motion for the acceptance of the Education Committee Report was moved by Ms. Genii Reyes and seconded by Mrs. Ann Joseph.

14.1 Matters Arising
There were no matters arising.

MINUTES CONT'D

15.0 The Social and Cultural Committee Report

A motion for the adoption of the Social and Cultural Committee Report was moved by Ms. Sharon Lee Sing Barnes and seconded by Mr. Jamal Olivier.

There being no errors or omissions a motion for the acceptance of the Social and Cultural Committee Report was moved by Mr. Angel Landeau and seconded by Ms. Leah Hill

15.1 Matters Arising

There were no matters arising.

16.0 The Nominations Committee Report

The Chairman tabled a motion to amend the Agenda to defer discussions on the report just prior to Item 13. - The Elections of Officer. This motion was seconded by Mr. Angel Landeau.

17.0 The Auditors' Report

The Chairman invited the representative from Panell Kerr Forster, Mr. Cecil Tudore Jr., to present the Auditors' Report.

A motion for the acceptance of the Auditors' Report was moved by Ms. Ann Joseph and seconded by Ms. Sharon Lee Sing Barnes.

18.0 Financial Statements

A motion for the adoption of the Financial Statements was moved by Mr. Angel Landeau and seconded by Ms. Sharon Lee Sing Barnes.

The Treasurer, Mr. Michael Halls, was then invited by the Chairman to deliver his report on the Financial Statements.

18.1 The Treasurer shared with the membership, data referencing key highlights of the Society's performance 2007 via a Power Point format. Thereafter, the floor was opened for questions, comments and concerns.

18.2 Ms. Anne Marie Aleong sought clarification on the increase in the Personnel Cost category 2006 as compared to 2007 with respect to Salaries, Allowances, and Uniforms.

MINUTES CONT'D

18.3 The Treasurer responded that this was due to the recruitment of additional staff in 2007 versus 2006, in accordance with the Society's Manpower Plan. Additionally, this recruitment was necessary given the membership growth over the period and due to the increase of 'over the counter' customers.

18.4 Ms. Ann Marie Aleong inquired after the cost of uniforms noting that there was expenditure on this item in 2007 as well as 2006 and the increased cost in the Internet rental charges category. The General Manager responded that the Society in a cost sensitive approach chose fabric which was less costly, however the material did not withstand everyday wear and tear and began to deteriorate. As a consequence the Society was forced to manufacture new uniform replacement. The General Manager also added that she was successful in negotiating a refund from the provider.

18.5 Other questions, concerns and comments on the Financial Statements were raised by members and all were suitably answered by the Treasurer.

18.6 There being no further questions or comments a motion for the acceptance of the Financial Statements was moved by Mr. Angel Landeau and seconded by Mrs. Ann Joseph.

19.0 The Budget Proposal
The Treasurer delivered the 2008 Budget for discussion also via a Power Point presentation. Members were then invited by the Chairman to raise any questions or concerns accordingly.

19.1 Mr. Ramesh Lutchmedial observed that despite the detailed analysis given by the Treasurer there was a need to distribute the Budget document prior to the convening of the AGM so that its contents can be perused and questions posed to the Board based on a more informed membership. He suggested that the discussions on the 2008 Budget be deferred to a Special Annual General Meeting and that supporting documentation be provided to members prior to its hosting.
The Chairman noted the observation; however he disagreed with Mr. Lutchmedial with regard to the distribution of the Budget proposal. He stated that given the sensitivity of the document's content, its presence in the public domain prior to presentation and debate by those who it concerned, was not best practice.

19.2 Mr. Garnet Jackson recommended that the Board of Directors host a membership meeting prior to the next Annual General Meeting to treat specifically with the Budget pro-

MINUTES CONT'D

posals. Additionally that the brochure be distributed long before the actual AGM. The Chairman responded that the Brochure was available on the Society's website before the physical document was produced and that further, the Board of Directors would commit to hosting the meeting as suggested by Mr. Jackson prior to AGM 2009.

19.3 Mr. Joseph Bishop recommended that the Society's emblem and data be affixed to the body of the vehicle to be purchased. The Chairman replied that this in fact was the Society's plan and that a Vehicle policy was already created to govern its usage.

19.4 Mrs. Genii Reyes requested clarity on the cause of the Society's projection of $318,000 reduction in Net Profit projections and the Actual for 2007 as compared to the Budgeted figure for 2008. The Treasurer responded that the Board took the position that given the uncertainty of the Society to negotiate the once premium returns on those investments which would expire in 2008 as at the time of initial investment, it was more prudent to budget more conservatively taking into consideration the current environment.

19.5 Mr. Heston Mitchell recommended that the Society consider the purchase of a panel van versus a 4 x 4 Pickup. The Chairman noted the recommendation.

19.6 Mr. Ramesh Lutchmedial asked for clarity with respect to Rental Income projections being 6.7% less that Rental Expense. The accountant, Ms. Hyacinth Simms responded that the Budget projections assumed a net loss in income re Coral Ridge.

19.7 Mr. Lutchmedial retorted that this was not prudent financial management. The Chairman responded that it was for this very reason that the Coral Ridge investment was being reviewed with the intent to stem this problem.

19.8 There being no more questions, the Chairman tabled the 2008 Budget document for membership approval. The results are as follows:

For	142
Against	9
Abstentions	13

20.0 Resolutions & Recommendations

The Chairman invited Vice President - Mr. Brian Matthew to move the resolutions:

MINUTES CONT'D

1. Auditors

Be it resolved that the firm Pannell Kerr Forster be retained as the auditors for the 2008 term.

The resolution was seconded by Mr. Adrian Agarrat. There was one abstention. The resolution was carried by majority vote.

2. Distribution of Surplus

1.0 Dividend

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

A dividend of nine percent (9%) on each member's shareholding to be cred ited as follows:

a. The disbursement of seven percent (7%) according to the member's request and
b. The additional two percent (2%) to be credited to each member's share account.

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

2.0 Loan Interest

Be it resolved that a rebate of 3% on loan interest for the year 2007 be applied first towards any arrears in interest payment, then towards reducing the loan principal if at the time the member had not repaid his/her loan in full. The residue is to be carried forward to the succeeding year.

The resolution was seconded by Mr. Heston Mitchell and was unanimously carried.

3. Ex Gratia Payment

Be it resolved that the sum of nine thousand dollars ($9000.00) be allocated to the Education Committee and another nine thousand dollars ($9,000.00) be allocated to the Social and Cultural Committee.
The resolution was seconded by Mr. Edrick Lee and was unanimously carried.

MINUTES CONT'D

21.0 The Nomination Committee Report

The Chairman explained that deferral of this report was intended for members to glean a greater appreciation of its contents and with the hope that it would add value to their choice of nominees for election. The Chairman (also being the Chairman of the Nomination Committee) read the report.

Mr. Harold Clovis requested clarification re the issue of members of the Supervisory Committee being statute barred. The Chairman explained that both members of the Board of Directors and the Supervisory Committee were constrained by term limits; however this was not the case with the Credit Committee.

22.0 Election of Officers

The Returning Officer, Mr. Anirood Rai, of the Office of the Commissioner of Co-operatives Development Division was invited to conduct the election process. Members were referred to Pages 6 & 7 of the Brochure for the Guidelines and Election Procedures. The procedures were read by the Returning Officer for the benefit of members. Mr. Rai reported that a credential report taken at 5.20pm indicated that there were two hundred and fifty-five (255) members, ten (10) Board members, fourteen (14) members of staff. Persons recommended by the Nomination Committee and persons nominated from the floor to be elected to the Board of Directors, Supervisory and Credit Committees were presented to the membership.

The election results were as follows:

Supervisory Committee

Ms. Anne-Marie Aleong	101	(3)
Mr. Garnet Jackson	104	(2)
Mr. Cynthia Kennedy	113	(1)
Mr. David Sealy	73	
Ms. Jerrilyn Plowden	93	(1st Alternate)
Mr. Anand Mahase	88	
Mr. Harold Clovis	51	
Mr. Anthony Mora	89	(2nd Alternate)

Credit Committee

Ms. Sharon Lee Sing Barnes	187	(3)
Ms. Mavis Edwards	181	(4)
Mr. Anthony Grant	188	(2)

MINUTES CONT'D

Mr. Angel Landeau	198	(1)
Mr. Heston Mitchell	156	(1st Alternate)
Ms. Genii Reyes	168	(5)
Mr. Hayden Smith	69	(2nd Alternate)

Board of Directors

Mr. Gregory Aqui	97	(2)
Mr. Anthony Grant	61	
Mr. Michael Halls	97	(2)
Ms. Faye Husbands	162	(1)
Ms. Cecily Jerome	73	(2nd Alternate)
Mr. Earle Joseph	81	(1st Alternate)
Mr. Angel Landeau	47	
Mr. Heston Mitchell	43	
Mr. Anthony Whittier	33	

23.0 Disbursement of Door Prizes

Door prizes were distributed according to a "lottery" format. The Society thanked all sponsors of door prizes for their generous support.

24.0 The Destruction of Ballots

A motion for the destruction of the ballots was moved by Mr. Anthony Mora and seconded by Mr. Earle Joseph. There was unanimous acceptance of the motion.

25.0 Other Business

There was no other business.

26.0 The Vote of Thanks/Closure

The Chairman thanked everyone for their attendance. He then brought the meeting to a close at 7.15pm.

Faye Husbands

Faye Husbands
Hon. Secretary

BOARD OF DIRECTORS REPORT

1. Introduction

I bid you welcome to the 37th Annual General Meeting of Aero Services Credit Cooperative Society Limited. We, the Board of Directors are indeed proud to report to you on our stewardship and the Society's performance for the year 2008.

2. The Board of Directors at its inaugural meeting of the 2008/2009 term held on Tuesday March 25, 2008 comprised of the following persons:

Mr. Kester Husbands	-	President
Mr. Brian Matthew	-	Vice-President
Mr. Michael Halls	-	Treasurer
Ms. Faye Husbands *	-	Secretary
Mr. Courtney Demming	-	Assistant Treasurer
Mr. Lyndon Byer**	-	Assistant Secretary
Mr. Alec D. Clarke***	-	Director
Mr. Gregory Aqui	-	Director
Mr. Theo Oliver	-	Director
Mr. Earle Joseph	-	1st Alternate
Ms. Cecily Jerome	-	2nd Alternate

* Ms. Faye Husbands resigned the post of Secretary to the Board of Directors at the end of September 2008.

** Mr. Lyndon Byer was elected to the post of Secretary to the Board of Directors in October 2008.

*** Mr. Alec Clarke was subsequently elected to the post of Assistant Secretary to the Board of Directors in October 2008.

3. The Executive Committee

The Executive Committee comprised the following persons

Mr. Kester Husbands	-	President
Mr. Brian Matthew	-	Vice-President
Mr. Michael Halls	-	Treasurer
Ms. Faye Husbands *	-	Secretary
Mr. Courtney Demming	-	Assistant Treasurer
Mr. Lyndon Byer **	-	Assistant Secretary

BOARD OF DIRECTORS REPORT CONT'D

4. Sub-Committees of the Board of Directors

In an effort to provide oversight and fulfill the mandate of the Society's Strategic Plan, Directors were appointed to the following sub-committees:

Investment Committee
IT Committee
Human Resources Committee
Strategic Plan Monitoring Committee
Building Committee

5. Attendance Register

Monthly Board Meetings

Name	Present	Excused	Absent
Kester Husbands	8	1	---
Brian Matthew	9	---	---
Michael Halls	9	---	---
Faye Husbands	7	2	---
Courtney Demming	7	2	---
Lyndon Byer	9	---	---
Alec D. Clarke	7	2	---
Gregory Aqui	9	---	---
Theo Oliver	9	---	---
Earle Joseph	5	3	1
Cecily Jerome	9	---	---

Special Meetings

Name	Present	Excused	Absent
Kester Husbands	5	4	---
Brian Matthew	7	1	1
Michael Halls	6	1	2
Faye Husbands	6	2	1
Courtney Demming	4	3	2
Lyndon Byer	8	1	---
Alec D. Clarke	8	---	1

BOARD OF DIRECTORS REPORT CONT'D

cont'd	Present	Excused	Absent
Gregory Aqui	7	1	1
Theo Oliver	4	4	1
Earle Joseph	7	---	2
Cecily Jerome	8	---	1

6. Outgoing Members of the Board of Directors

The following members of the Board of Directors – Mr. Lyndon Byer, Mr. Brian Matthew, and Mr. Courtney Demming having completed their term are outgoing. Messrs. Matthew and Demming having completed three (3) successive three (3) year terms are now statute barred for one (1) year and are therefore not eligible for re-election. Mr. Byer has indicated his willingness to serve and is eligible for re-election.

Additionally, outgoing Alternates Mr. Earle Joseph and Ms. Cecily Jerome are eligible for re-election and have indicated their willingness to serve.

The Board of Directors wishes to convey its heartfelt thanks to all outgoing members and would like to particularly recognize the contribution of Messrs Matthew and Demming having served the Society for nine (9) years.

7. The Global Meltdown and its Impact on the Local Economy

"May you live in interesting times". At no time did this old Chinese blessing ring true more than in the year 2008. As oil prices followed its 2007 upward trend surpassing the one hundred and fifty dollars per barrel mark and petrochemical based economies flourished, who could have foreseen the collapse of the US home mortgage market and its consequential negative impact across this hemisphere. The global meltdown halted the economic and infrastructural development, the price of oil fell to below fifty dollars a barrel, Governments sought to hastily put measures in place to arrest the global slowdown and stimulate economic activity. Food supply and high prices became a contentious issue in early 2008, as citizens found it more challenging to match earnings with dietary needs. This gave rise to many a protest in the developing world.

On the local front, Trinidad and Tobago continued to struggle with the effects of headline inflation which rose from 9.3% in April 2008 (year on year) to 14.8%. As reported in the Central Bank Report BIS Review 149/2008 this was driven by high international food prices, insuf-

BOARD OF DIRECTORS REPORT CONT'D

ficient domestic agricultural production, rapid development, increased wage demands, and bank credit expansion.

Whilst our current status "appears" to be stable, we did not go unaffected by the challenges being experienced by the global community. This is evidenced by

- A projected slow down in GDP from 5.5% in 2007 to 3.5% in 2008. (This was due mostly to shortfalls in the energy sector as a result of falling oil prices.)
- The softening of the local real estate market.
- Adjustment in Government expenditure and revision of Budget projections.
- More prudent credit management by financial institutions.

What does this mean for us at ASCU and how can we too put measures in place to buffer the effects of the oncoming fallout? Firstly, we can begin by adopting a spirit of thrift through determining what our needs versus our desires are. Secondly, we explore more cost efficient alternatives by using substitute products versus the more expensive brands. Thirdly, we can develop and be guided by a budget which will focus our already limited resources. Finally as a result of our deliberate cost management approach, the savings can be deposited to our share accounts monthly. "Eat a little …. Live long!"

The Board of Directors, Management and staff at Aero Services Credit Union are available to partner with you in this initiative. Do come in and speak with us.

8. Performance Highlights

Assets

We experienced a 2.9% ($5.947M) growth in assets as compared to 2007

Shares

Member Share Deposits recorded a growth of 8.3% ($6.00M) over 2007

Loans

Our Loan Portfolio surpassed 2007 results by 17.0% ($12.844M)

Revenue

Gross income showed a positive variance of 14% ($3.069M) against 2007

Expenditure

We remained within 2008 budgeted projections by 10.69% and above 2007 actual by 8.4% ($1.082M)

Membership

Our ASCU family grew by some 241 members which correlated to a 6.4% increase over 2007

BOARD OF DIRECTORS REPORT CONT'D

9. Share Withdrawals

We continue to be affected by share withdrawals and transfers. We would once again encourage our members to exploit other options which Aero Services Credit Union can offer. By so doing, members can retain balances earned over a substantial period of time, profit from premium dividend declarations and contribute to a pool of funds from which the Society and by correlation, we the members, can benefit via investments, loans to other members etc. In 2008, $4,860,511 was withdrawn via cash and transfers.

10. Operations Review

At the end of September, Ms. Faye Husbands resigned her position as Secretary as a result of a change in her portfolio at her place of employment. Mr. Lyndon Byer was elected to the position of Secretary in her stead and Mr. Alec Clarke was elected to the position of Assistant Secretary. We wish them success in their respective positions.

With over fifty-five percent (55%) of our membership transacting business over the counter, coupled with the increase in membership and the demands of our strategic plan, it became necessary to strengthen our organization capacity/efficiency and to refine our offerings to our members. As a consequence, Mr. Stephenson Alexander and Mr. Chinelo Woodley were recruited to strengthen our Recoveries function, Ms. Angelica Kalloo to manage the front office customer relations function, Ms. Daphne La Foucade, Ms. Ria Scarborough and Mr. Sherwin Thongs to aid in our burgeoning accounting function.

Ms. Natasha Pretamsingh moved on to greater career opportunities and our beloved Ramlochan (Kalix) Singh into retirement. We take this opportunity to thank Mr. (Kalix) Singh for his invaluable contribution to Aero Services Credit Union. Mr. Singh was replaced by Mr. Hugo Henry. Ms. Gwendolyn (Penny) Daniel was promoted to Supervisor Customer Service.

In 2008, the Society conducted a Customer Survey, the results of which indicated that most members polled were more than satisfied with the offerings of the Society, and were confident with respect to its governance and direction.

11. The Co-operative Movement

The closure of Hindu Credit Union Cooperative Society Limited reverberated throughout the

BOARD OF DIRECTORS REPORT CONT'D

movement, as other co-operators sought to corroborate the status of their own Cooperative via the Stabilization Fund, the office of the Commissioner of Co-operatives, etc. Whilst we at Aero Services Credit Union are deeply saddened by the financial losses being experienced by depositors of Hindu Credit Union, we are also concerned with respect to the negative impact that occurrences such as these contribute to the movement on a whole and more so, to those Co-operatives (like ourselves) who are committed to ensuring statutory compliance and ethical leadership at all times.

There are many lessons which can be gleaned from the Hindu Credit Union experience. The most critical being that those who we elect to office, must be fit to govern at all levels vis-à-vis their moral fibre, knowledge base, competence and commitment to the organization's highest good at all times. Additionally, members must get involved in the everyday life of the Society to the extent that they require transparency and accountability, attend Annual General Meetings and support the organization particularly when called upon to do so.

12. Conferences

Director Alec Clarke attended the CUNA Discovery Conference in Miami and was accompanied by staff members Mrs. Nerissa Alleyne and Ms. Gwendolyn Daniel.

13. Moving On … Towards the Future

As is our 2009 theme, "Stepping Into The Future", we continue on the path of our strategic plan, in concert with our commitment to attain the highest return on investment. In response to our changing internal demographic, we have begun the implementation of several initiatives which would be launched at our Annual General Meeting, namely,

- The Aero Services Debit Card – designed to make your funds more accessible to you.
- Our new website – more dynamic, more interactive, more informative.
- Unveiling of the design of the new Aero Services Credit Union Complex with Conference facilities and opportunities for additional tenants etc.

14 Credit Union Legislation

We patiently await the implementation of the new legislation which as we are aware will impose some stringent procedural and processural conditions with regard to the activities of Co-

BOARD OF DIRECTORS REPORT CONT'D

operatives. Of critical interest to members are the requirement with respect to institutional strengthening, the allocation of funds to the Reserve Fund and the impact of this requirement on the Co-operative's capacity to deliver premium dividends to members on an annual basis. Members are therefore advised, to manage their expectations in light of this eventual reality.

15. Condolences

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

16. Acknowledgements

We would like to acknowledge the co-operation and support of our insurers, bankers, legal representatives, the Co-operative Division, and the Stabilization Fund, the Central Finance Facility and the Association of Cooperative Credit Union Presidents of Trinidad and Tobago.

We wish to convey our sincere thanks to the contribution of our elected and appointed Committees, and the management and staff of the Society. Without your support and commitment our phenomenal achievements to date would have been unattainable.

By no means least, thanks to you our member-shareholders for utilizing your option to make Aero Services Credit Union you financier of first choice. By choosing to invest in us, we have become renowned amongst the Co-operative community as the only Society in recent times (or possibly ever) to not only survive, but to thrive after the closure of the host company. Thank You!!!!

In closing, on behalf of the Board of Directors may I bid you and yours all the best for 2009 and beyond.

Cooperatively yours,

Lyndon Byer
Hon. Secretary

ADMINISTRATIVE DEPARTMENT
l to r : Helen Chunisingh, Annette Boodramsingh, Rayann Charles, Hugo Henry, Angelica Kalloo

CUSTOMER SERVICE DEPARTMENT
l to r : Gwendolyn Daniel, Stevenson Alexander, Nerissa Alleyne

AERO SERVICES CREDIT UNION COOPERATIVE SOCIETY LIMITED

37th AGM

Michele Constantine
General Manager

ACCOUNTS DEPARTMENT
l to r : Sherwin Thongs, Najja Vassell, Ria Scarborough, Niann Morris, Daphne La foucade

CREDIT COMMITTEE REPORT

Credit Committee Members:

l to r

Ms. Mavis Edwards	Chairman
Ms. Sharon Lee Sing-Barnes	Secretary
Ms. Genii Reyes	Member
Mr. Angel Landeau	Member
Mr. Anthony Grant	Member
Mr. Heston Mitchell	1st Alternate
Mr. Hayden Smith	2nd Alternate

In the face of the global financial crisis, coupled with statements emanating from Government agencies with respect to the state of the local economy, the overall performance of the Society's loan portfolio was a positive one. This result is indeed indicative of members' demonstrated confidence in the governance of Aero Services and is a further testament to their choosing the Society as their premier provider of financial services. This show of good faith can only augur well for our future.

Loans:

The total loans granted from 2947 applications amounted to $41.1M in 2008. The level of participation in some loan categories remained consistent, namely vehicle purchase, house renovation, property purchase, investment and education. The "Miscellaneous" category continues to be a challenge and needs to be either eliminated or be minimized significantly. Members input though is the critical factor in achieving this objective. An additional item of concern but for different reasons is the Medical Expenses category. We wish to encourage members to make healthy lifestyle choices which in fact would minimize or reduce the need for such financing from the Credit Union, and which would contribute to your personal well-being.

Major Loan Categories:

	2008	**2007**
Vehicle Purchase	$13.96M	$19.58M
House Renovations	$ 7.80M	$ 7.86M
Miscellaneous	$ 3.01M	$ 2.73M
Investments	$ 2.96M	$ 5.03M
Property	$ 2.49M	$ 1.93M
Vacation	$ 2.14M	$ 1.97M

CREDIT COMMITTEE REPORT CONT'D

Education	$ 1.52M	$ 2.09M
	2008	**2007**
Debt Consolidation	$ 1.19M	$ 2.60M
Christmas Expenses	$ 1.05M	$ 1.20M
Medical Expenses	$ 1.03	$ 1.04M

Reminders:

- Fill out all forms completely and accurately to ensure the timely processing of applica tions.
- Provide all relevant supporting documents with application at the time of submission.
- Ensure that the purpose of loan is true and precise and not stated in vague terms.
- Strive to maintain a (total) debt services ratio of not more than 40% of gross income.
- Prepare a budget to effectively assist in the proper management of your finances.

Closing Remarks:

Members are encouraged in light of the global financial crisis to increase their allocation of funds towards savings (Shares/Deposits). These contributions should be regular (monthly) to ensure a healthy cash flow thereby enabling all our credit activities.

We thank all members for their contributions and support during the year and the opportunity to serve. To the Board of Directors, Management, Staff and Committees our thanks for your support and cooperation. In view of the social and economic challenges around us, we urge you to rally around Aero Services.

'As a member you contribute to making this credit union viable.'

M. Edwards.

Mavis Edwards,
Chairman

SUPERVISORY COMMITTEE REPORT

Committee Members l to r

l to r

Ms. Cynthia Kennedy	Chairperson
Mr. Garnet Jackson	Secretary
Mrs. Anne-Marie Aleong	Member
Ms. Jerrilyn Plowden	1st Alternate
Mr. Dominic Mora	2nd Alternate

A new, yet experienced committee was duly elected as the Supervisory Committee with each member bringing a wealth of financial knowledge at different levels. This equipped us in conducting our audit of Aero Services Credit Union affairs.

Committee Activities

The Committee conducted audits on behalf of the membership in accordance with the Credit Union's Bye-laws and that of the Co-operative Society laws, which require reviewing documents and other activities which may have affected the Society.

Committee Meetings	-	16
Board of Directors meetings attended	-	8

Overview

It is the view of the Supervisory Committee that the Board of Directors' financial expenditure needs a bit of tightening, especially since we are facing a global recessional melt down. The year 2008 was a challenging one for this committee, nevertheless we persevered and stuck to the tasks which this committee was nominated and elected to carry out. Despite the challenges and hurdles we encountered, we are satisfied that our tasks were accomplished without fear or favour with the membership's best interest at heart.

Documentation

It is imperative that the documents promised to the membership since last year should be provided by the Board since they are critical to the efficient functioning of the Society. One such document mentioned in last years report was the Loan Policy Document amongst others.

Decisions taken by the Board should be documented and set apart in a manner that is easily retrievable when need to be referenced. In an effort to provide proper governance it is absolutely necessary that Policies and Procedures be documented to avoid ambiguity and conflict.

Matters of Concern

It is of major concern to the Supervisory Committee that our delinquency portfolio is expanding; this could have a deleterious or catastrophic effect on our cash flow. From our investigations this is even more evident in the category of vehicle loans. One matter still needs to be resolved in light that Aero Services' interest was not upheld.

Coral Ridge has become an asset of diminishing return due to our own membership's abuse and as such would be disposed of. This sale would return Capital to the Society for use by its members.

Membership/Society Accounts

Due to the prolonged period for which the Society functioned with inadequate staffing, meant that insufficient attention was paid to operational/administrative issues. This became even more evident as a result of the reasons previously mentioned in the overview in light of the Global situation. We therefore propose a Supervisory Mail Box and Supervisory email address where members can air their issues and concerns regarding their account and the society's operations.

Conclusion

We believe that the Supervisory Committee as constituted, possesses the necessary synergy to enforce/recommend that proper Polices and Procedures be instituted to insulate and protect the Society from the vagaries of the Financial Crisis. We therefore urge you The Members to think very carefully when selecting/electing persons to secure your interest on the Board of Directors and all Committees.

In closing we would like to wish all, good financial wealth and physical health in this year and the years to come. The committee thanks you kindly for the opportunity given to serve you and we look forward to continuing on this journey to finalize the task that we have set out to do. May God richly bless you all.

Cooperatively yours,

Cynthia Kennedy

EDUCATION COMMITTEE REPORT

Education Committee Members:

l to r

Mrs. Norma St. Rose	Member
Ms. Valerie Edwards	Member
Mr. Kester Husbands	Board Rep.
Mr. Heston Mitchell	Chairman
Ms. Leona Charles	Secretary (resigned)
Mr. Adrian Agarrat (missing from photo)	Member

Greetings from the Education Committee to the Members of A.S.C.U. The committee formally commenced its term of office during the month of April 2008, and in line with our predecessors embarked on planning and executing a number of interesting and informative activities to benefit both our members and the public at large. Outlined below is a summary of these activities which have generated much interest and success.

- The Annual S.E.A. and H.E.I. Award Ceremony took place on September 25 2008, at the Bureau of Standards in Macoya. The Guest Speaker for the ceremony was Ms. Darlene Smith, Coordinator, Social services, Family Court. We were also pleased to have again this year renowned radio and television personality Mr. Jason Williams as Master of Ceremonies. The future looks bright for our young members as we recognized 17 S.E.A, 5 C.X.C, 2 C.A.P.E. and 11 Junior Achievers awardees. Special acknowledgment was made of Kerry O'Brian (2007 awardee) who by his excellent performance at the UWI Faculty of Engineering was granted an extension of his University Grant into his second year of studies.

- In an effort to further equip the credit union members with the knowledge and tools to manage their personal finances, a Wealth Creation & Management course was held on September 20, 2008. This course was facilitated by the National Financial Literacy Programme office. The two hour session covered topics related to personal finances, credit responsibility, investments & savings.

- The Education Committee saw the need to expand and diversify the skill capabilities of the Aero Services Credit union members, as a means to develop financial stability and entrepreneurial talents and capabilities. An Events Management Training Course ran for 10 weeks ending November 29, 2008 and was facilitated by Ms Vilma Chapman. On December 06, 2008

EDUCATION COMMITTEE REPORT CONT'D

a graduation ceremony was held, where 20 graduates now possess the necessary skills to plan, manage and host various events.

- The Health Fair "A healthier life'" held on March 07, 2008, follows from the successful initiative embarked on the previous year. A.S.C.U. is fortunate to have the opportunity to improve personal health awareness among participants as well as promote visibility of various health and wellness resources. The committee realizes that health issues have become important in our daily well being and along with financial stability is essential in enriching the quality of life.

These endeavours all supported our education vision and these successes are attributed to the support of our Members, Board of Directors and the team efforts of ASCU Management & Staff.
Special mention must be made of Ms. Leona Charles (former secretary) who held the position until October 2008. She was instrumental in the planning of many of the committee's new initiatives and has continued to be a member of A.S.C.U.

Our Committee acknowledges the generous support received and the wonderful opportunity given us to serve A.S.C.U. in this capacity.

Yours Co-operatively,

Mr. Heston Mitchell
Chairman

SOCIAL & CULTURAL COMMITTEE REPORT

Social & Cultural Committee from l to r

Earle Joseph	Chairman
Robert Harvey	Member
Alisha John	Secretary
Nigel Bailey	Member
Theo Oliver	Board Representative

Welcome members to the Social and Cultural Committee's year in review. Though we had a few bumps along the way; with your continued support we sailed through another extraordinary year.

Cricket started off our events in March with our 'Annual Cricket for Cash' competition. Modular retained the Champions Trophy with Stores and Engineering coming in second and third respectively. The Cricket Prize-giving ceremony took place in April with a 'friendly' match-up against the Champions Modular and a 'combined team' of Stores and Engineering. This was truly an amazing day with lots of fun and laughter. Thanks to all our members for your support in the event.

In May, we headed to Tobago for our ASCU Challenge Trophy 'Annual Trinidad vs. Tobago Cricket Match'. Our journey to Tobago was a bit rough leaving our Trinidad team 'battered' even before reaching the field. Our Tobago members came out in their numbers to secure an overwhelming victory over our Trinidad team. Congratulations again to our Tobago members for their victory and for copping the Most Valuable Player award. The battle continues next year so teams get ready.

An After-work lime and All Fours Knockout competition were held in June. Twenty teams participated but only one reigned supreme.

The Annual Cookout Competition at De Freitas Ranch in Valencia was held on Saturday 15th July. As usual there was a wide array of items on the menu but in the end the Retirees reigned victorious regaining 'bragging rights' for another year as Cookout Champions. Sunjets Football team came in a close second and the ASCU Credit Union Staff third.

In October we were off to Chacachacare for our third Annual 'Down the Islands Boat Cruise / Family day'. We the Social and Cultural Committee would like to sincerely apologize for the poor conditions we met on the island and the rough seas we experienced on the return jour-

SOCIAL & CULTURAL COMMITTEE REPORT CONT'D

ney onboard the Treasure Queen. We thank you for your support and hope that you join us in 2009 as we shift to Harry's Water Park in Central Trinidad, to host our family day.

Annual Christmas After-work limes were held both in Trinidad and Tobago on the 12th and 19th December respectively. Members came out in their numbers enjoying ample food and drinks, dancing into the wee hours of the morning. We must specially thank our Tobago members for braving the inclement weather to spend some time with us. These events truly confirm that our members support in all our endeavors is overwhelming

On behalf of the committee, I would like to specially thank Ms. Michele Constantine and Staff of ASCU for their continued support. Thanks to the Board of Directors, and Committees and special thanks to all members who continue to support; you are truly our greatest asset. 2009 here we come.

Respectfully

Earle Joseph (Mr.)
Chairman

NOMINATION COMMITTEE REPORT

INTRODUCTION

In accordance with Bye Law 33a of the Society, the Board of Directors appointed a Nomination Committee to undertake the task of inviting nominations from the Credit Union's membership who are desirous of serving the Institution at the level of the Board of Directors, the Credit Committee and the Supervisory Committee. Those persons presenting themselves for nomination must be suitably qualified and, must offer to the Institution the time necessary to serve in pursuance of the Organization's well-being.

Persons appointed to serve on the Nomination Committee were:

Mr. Kester Husbands	-	Chairman
Mr. Alec Clarke	-	Member
Mr. Courtney Demming	-	Member

It must be mentioned herein that Mr. Demming while being an out-going member of the Board at the Annual General Meeting will be "statute barred" from serving on the Board and has not expressed an interest in serving on any of the other statutory Committees of the Society. Consequently, he has been rendered as eligible to serve on this Committee.

In its invitation to the Society's membership the Committee outlined some of the essential attributes which the proposed Nominee should possess to be considered fit and proper to serve the Institution in this manner. It was strongly emphasized to all, that members desirous of serving "MUST" be in good standing with the Credit Union i.e. not delinquent, be reasonably conversant with the Credit Union's Philosophy and operating principles and must give the necessary time and commitment to fulfil the requirements of their elected responsibility. The Membership was also advised that the deadline date for the submission of nominations was Friday 6th February, 2009 and, that late submissions will not be entertained.

OUT GOING OFFICERS.

In keeping with our Credit Union's Bye Laws the out going Members of the Board of Directors are Mr. Brian Matthew, Mr. Courtney Demming and Mr. Lyndon Byer. Both Directors Matthew and Demming have served three (3) consecutive terms and are "statute barred" from offering themselves for re-election to the Board until a period of one (1) year has expired. Additionally, Ms. Cecily Jerome and Mr. Earle Joseph are the alternate Directors who are both out going as well and, have expressed their willingness to serve and have conveyed same by submitting their Nominations within the stipulated timeframe.

All members of the Supervisory Committee are out going and, have indicated their willingness to serve for another term. They have all submitted their respective Nominations within the stipulated timeframe.

All members of the Credit Committee as well as its alternate members are out going and the elected members of the Committee have all indicated their willingness to serve by way of submitting their respective Nominations within the respective time period. Members serving on the Credit Committee are not governed by term limits as in the case of persons serving on the Board of Directors and the Supervisory Committee.

NOMINATIONS RECEIVED

A total of fifteen (15) Nominations were submitted to the Committee for consideration. Consequently, an in-depth review in the context of the basic requirements outlined for eligibility was undertaken. The review parameters included the membership status of each Nominee and the existing status of each Proposer and Seconder with the Society. Having completed this exercise the Committee wishes to advise the Annual General Meeting that all Nominees proposed were found to be in good standing with the Society along with their respective Proposers and Seconders. The Nominations Committee has therefore given its approval for all nominees to be presented before the Annual General Meeting for consideration to be elected to fill the existing vacancies on the Board of Directors, the Supervisory Committee and the Credit Committee. Further to this exercise, an orientation session for all nominees will be held on Wednesday 11th March 2009 which is future to the writing of this report. For the perusal and guidance of members in attendance of the A.G.M. listed hereunder are the names of the proposed nominees and the respective vacancies they are desirous of filling:-

BOARD OF DIRECTORS	SUPERVISORY COMMITTEE	CREDIT COMMITTEE
Mr. Lyndon Byer	Ms. Ann-Marie Aleong	Mr. Salauddeen Aziz
Mr. Anthony Grant	Ms. Ameerah Aziz	Ms. Sharon Lee Sing Barnes
Ms. Cecily Jerome	Ms. Cynthia Kennedy	Ms. Mavis Edwards
Mr. Earle Joseph	Mr. Garnet Jackson	Mr. Anthony Grant
Mr. Angel Landeau		Mr. Angel Landeau
		Ms. Genii Reyes

CONCLUSION

In closing, the Nomination Committee wishes to express its sincere thanks and appreciation to the Board of Directors for the opportunity extended to serve this noble exercise which in fact forms an essential aspect of the Credit Union's democratic tradition to which we are all steadfastly committed.

Respectfully submitted,

Kester Husbands.

....

Kester Husbands (Mr.)

Chairman.

INDEPENDENT AUDITORS' REPORT

The Members
Aero Services Credit Union Co-operative Society Limited

We have audited the accompanying financial statements of Aero Services Credit Union Co-operative Society Limited, which comprise the balance sheet as at 31 December 2008, the statements of income, appropriated funds and undivided surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

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

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

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Aero Services Credit Union Co-operative Society Limited as of 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF

Port of Spain
6 March 2009

BALANCE SHEET

ASSETS

	Notes	31 December 2008	2007 (Restated)
Cash Resources:			
Cash in hand and at bank	5	$ 1,067,889	$ 136,602
Investments	6	98,840,300	105,658,799
Total Cash Resources		99,908,189	105,795,401
Other Assets:			
Accounts receivable and prepayments	7	5,206,584	6,055,479
Other investments	8	9,221,297	11,115,168
Investment property	9	3,165,651	3,236,080
Loans to members	10	88,383,774	75,539,598
Inventory		76,666	65,212
Fixed assets	12	4,642,531	3,395,814
Total Other Assets		110,696,503	99,407,351
Total Assets		**$210,604,692**	**$205,202,752**

LIABILITIES AND MEMBERS' EQUITY

	Notes	2008	2007
Liabilities:			
Overdrawn current account		$ -	$ 1,382,440
Accounts payable and accruals	13	3,481,163	2,787,247
Members' deposits		102,461,990	105,672,015
Bank loan	14	607,500	-
Unclaimed dividends and shares		357,454	342,573
Proposed honoraria		300,845	240,860
Total Liabilities		107,208,952	110,425,135
Members' Equity:			
Members' shares	15	80,650,986	74,654,495
Reserve Fund		7,933,890	6,815,839
Education Fund		975,529	729,976
Development Fund		652,161	652,161
Investment Re-measurement Reserve	16	1,025,098	3,150,165
Special Reserve Fund		226,648	226,648
Undivided Surplus		11,931,428	8,548,333
Total Members' Equity		103,395,740	94,777,617
Total Liabilities and Members' Equity		**$210,604,692**	**$205,202,752**

Treasurer	Member Board of Directors	Member Supervisory Committee

(The accompanying notes form part of these financial statements)

STATEMENT OF INCOME

	Schedules	For the year ended 31 December 2008	2007
Income:			
Gain on sale of investments		$ 1,090,869	$
Interest on loans		12,089,458	9,370,43
Investment income		12,049,452	11,919,74
Rental income		659,539	474,08
Entrance fees		5,675	9,94
Miscellaneous income		99,308	116,49
Service charge		36,095	34,96
Total Income		26,030,396	21,925,66
General and Administrative Expenses:			
Personnel cost	1	1,280,239	969,65
Operational cost	2	1,141,888	1,154,21
Financial cost	3	8,527,355	8,163,34
Administrative cost	4	584,502	407,21
Bad and doubtful loans expense		359,997	120,00
Loss on investment (HILOC)		633,305	146,16
Risk management	5	894,456	708,52
Rental expenses		534,141	463,98
Depreciation		232,582	167,04
Officers' and committee expenses	6	718,170	622,58
Total General and Administrative Expenses		14,906,635	12,922,72
Net surplus for the year		**$ 11,123,761**	**$ 9,002,93**

(The accompanying notes form part of these financial statements)

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS

4.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS

For the year ended 31 December 2008

	Reserve Fund	Education Fund	Investment Re-measurement Reserve	Special Reserve Fund	Undivided Surplus
Balance as at 1 January 2008	$ 6,815,839	$ 729,976	$ 3,150,165	$ 226,648	$ 8,548,333
Add: Net surplus for the year					11,123,761
(i) 10% to Reserve Fund	1,112,376				(1,112,376)
(ii) 5% of the balance to the Education Fund	-	500,569	-	-	(500,569)
	7,928,215	1,230,545	3,150,165	226,648	18,059,149
Entrance fees	5,675				(5,675)
Meetings and conferences		(148,847)			148,847
Education Committee Expenses		(106,169)			106,169
Unrealised loss on investments			(1,161,679)		
To transfer realised loss from the disposal of RBTT shares			(963,388)		
Dividends paid - 2007	-	-	-	-	(6,377,062)
Balance at 31 December 2008	$ 7,933,890	$ 975,529	$ 1,025,098	$ 226,648	$ 11,931,428

STATEMENT OF CASH FLOWS

	For the year ended 31 December 2008	2007 (Re-stated)
Cash Flows from Operating Activities:		
Net surplus for the year	$ 11,123,761	$ 9,002,939
Bad debts	-	17,707
Bad and doubtful loans expense	359,997	120,000
Loss on investment - HILOC	633,305	146,160
Depreciation	232,582	167,049
Honoraria expense	-	240,860
Depreciation – Investment property	70,429	-
	12,420,074	9,694,715
Net change in accounts receivables and prepayments	848,895	(3,176,032)
Net change in loans to members	(13,204,173)	(19,037,319)
Net change in inventory	(11,454)	(18,811)
Net change in accounts payable, accruals and honoraria	753,901	1,391,456
Net change in members' deposits	(3,210,025)	51,878,609
Net change in unclaimed dividends and shares	14,881	19,437
Cash (used in)/provided by Operating Activities	(2,387,901)	40,752,055
Cash Flows from Investing Activities:		
Purchase of fixed assets	(1,479,299)	(363,375)
Net change in other investments	1,260,566	(459,840)
Net change in investments	4,693,432	(82,208,373)
Cash provided by/(used in) Investing Activities	4,474,699	(83,031,588)
Cash Flows from Financing Activities:		
Net change in loan – Intercommercial Bank	607,500	-
Dividends and honoraria paid	(6,377,062)	(4,698,360)
Increase in share capital	5,996,491	13,318,225
Cash provided by Financing Activities	226,929	8,619,865
Net change in cash resources	2,313,727	(33,659,668)
Net cash resources, beginning of year	(1,245,838)	32,413,830
Net cash resources, end of year	**$ 1,067,889**	**$ (1,245,838)**
Represented by:		
Cash in hand and at bank	$ 1,067,889	$ 136,602
Overdrawn current account	-	(1,382,440)
	$ 1,067,889	**$ (1,245,838)**

(The accompanying notes form part of these financial statements)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

1. **Registration and Objectives:**

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

2. **Significant 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 fair value of available-for-sale investments.

b) **Use of estimates -**

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

c) **Adoption of new and revised IFRSs and IFRICs -**

During the current year the Society adopted all the new and revised International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations (IFRICs) which are relevant to its operations and are effective for accounting periods commencing on 1 January 2008. The adoption of these Standards did not have a material effect on the financial statements. At the date of authorisation of these financial statements some Standards were in issue but not yet effective. The Board of Directors expects that the adoption of these Standards in future periods will not have a material effect on the financial statements of the Society.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. Significant Accounting Policies (Cont'd):

d) Property, plant and equipment -

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

The following rates considered appropriate to write-off 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 or capital work-in-progress.

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

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

e) Investments -

The Society has classified all investments into the following categories:

Available-for-sale

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. Significant Accounting Policies (Cont'd):

e) Investments (cont'd) -

Held-to-maturity

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

f) Financial instruments -

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

Cash and cash equivalents

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

Trade receivables

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

Loans to members

Loans to members are stated at principal amounts outstanding net of unearned interest and allowances for loan losses.

Trade payables

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

Bank Loans

Loans are recognised initially at fair value, net of transaction costs incurred. Loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Income over the period of the loan using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. Significant Accounting Policies (Cont'd):

f) Financial instruments (cont'd) -

Members' deposits

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

Members' shares

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

g) Revenue recognition -

Loan Interest

Interest charged on all loans to members is calculated at 1% per month on the outstanding balance at the end of each month and is accounted for on the accrual basis.

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

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

Investment Income

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

h) Dividends payable to members -

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

2. Significant Accounting Policies (Cont'd):

i) Reserve Fund -

In accordance with the Co-operative Societies Act, 1971, Section 47 (2) and Bye-Law 19 (5) of the Credit Union, at least 10% of the net surplus for the year of the Society is to be charged to the Reserve Fund.

j) Investment Re-measurement Reserve -

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

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

k) 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.

l) Foreign currency -

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

m) Comparative figures -

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

n) Investment property -

Properties held for long-term rental yields and capital appreciation, which is not substantially occupied by the Society are classified as investment properties. Investment properties comprise land and buildings and are carried at fair values. Fair value is based on open market value as determined by external valuators. Changes in fair values are recorded as an adjustment to the opening Undivided Earnings balance in accordance with IAS #40.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

3. Financial Risk Management:

Financial risk factors

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

a) Interest rate risk -

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

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

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

Loans

The Society generally invests in fixed rate loans for terms not exceeding five 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 Balance Sheet date. The Society relies heavily on a written Loan Policy Manual, which sets out in detail the current policies governing the lending function and provides a comprehensive framework for prudent risk management of the credit function. Adherence to these guidelines is expected to communicate the Society's lending philosophy, provide policy guidelines to team members involve in lending, establish minimum standards for credit analysis, documentation, decision making and post-disbursement administration, as well as create the foundation for a sound credit portfolio.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

3. <u>Financial Risk Management (Cont'd)</u>:

c) **Liquidity risk -**

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

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

<u>Risk management</u>

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

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

d) **Currency risk -**

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

e) **Operational risk -**

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

f) **Compliance risk -**

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

3. Financial Risk Management (Cont’d):

g) Reputation risk -

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

Fair value estimation

The fair values of the Society’s financial assets and liabilities approximates to their carryin amounts at the Balance Sheet date set out in the significant policies Note 2 (e).

4. Critical Accounting Estimates and Judgments:

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

Estimates and judgments are continually evaluated and are based on historical experience an other factors, including expectations of future events that are believed to be reasonable under th circumstances. The Society makes estimates and assumptions concerning the future and actua 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 ris of causing a material adjustment to the carrying amounts of assets and liabilities within the nex financial year are discussed below:

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

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

i) Whether investments are classified as held to maturity investments or loans an receivables.

ii) Which depreciation method for plant and equipment is used.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

4. Critical Accounting Estimates and Judgments (Cont'd):

The key assumptions concerning the future and other key sources of estimation uncertainty at the Balance Sheet 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 Balance Sheet date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Plant and equipment

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

5. Cash in Hand and at Bank:

	31 December 2008	31 December 2007
Petty cash	$ 12,919	$ 9,790
RBTT Bank Limited - Current account	334,465	81,035
- US$ Savings account	408,847	45,777
- Tobago	301,658	-
	$ 1,067,889	**$ 136,602**

6. Investments:

	31 December 2008	31 December 2007
Available-for-sale		
Fixed deposits	$ 94,983,771	$100,415,554
Money Market Funds	3,856,529	5,243,245
	$ 98,840,300	**$105,658,799**

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

7. Accounts Receivable and Prepayments:

	31 December 2008	31 December 2007
Interest receivable	$ 3,479,797	$ 2,909,327
Payroll deductions receivable	1,277,669	1,042,713
Other receivables	274,205	703,055
Prepayments	174,913	1,400,384
	$ 5,206,584	**$ 6,055,479**

8. Other Investments:

	31 December 2008	31 December 2007
Available-for-sale		
Quoted investments	$ 8,382,992	$ 9,643,558
Unquoted investments	838,305	838,305
	9,221,297	10,481,863
Held to maturity		
HILOC	876,905	876,905
Provision for investment loss	(876,905)	(243,600)
	$ 9,221,297	**$ 11,115,168**

The HILOC investment is impaired. In accordance with IAS #39, this investment has been written down to its fair value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

9. **Investment Property:**

	31 December 2008	31 December 2007
Cost of Coral Ridge Property	$ 3,409,672	$ 3,345,028
Additions	-	64,644
	3,409,672	3,409,672
Accumulated depreciation as at 1 January 2008	(173,592)	(102,636)
Charge for the year	(70,429)	(70,956)
Net Book Value as at 31 December 2008	**$ 3,165,651**	**$ 3,236,080**

10. **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 2008	31 December 2007
Outstanding principal balances	$ 90,020,392	$ 76,816,219
Less: Provision for loan losses	(1,636,618)	(1,276,621)
	$ 88,383,774	**$ 75,539,598**

11. **Restatement:**

The restatement relates to the following:

- Reclassification of investments into held-to-maturity and available-for sale in accordance with IAS#39.
- The removal of investments from the definition of cash and cash equivalent.
- The separate identification of investment property in accordance with IAS#40.

These adjustments have had no effect on the net surplus reported for the previous year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

12. Fixed Assets:

	Freehold land	Building - Trincity	Computer equipment and software	Office furniture and equipment	Telephone system	Security equipment	Building improvements	Building improvements Factory Road	Building expansion in progress	Motor vehicle	Total
Cost											
Balance as at 1 January 2008	$ 522,345	$ 2,250,316	$ 491,564	$ 706,123	$ 74,486	$ 38,661	$ 820,861	$ 98,801	$ -	$ -	$ 5,003,157
Additions	-	-	150,196	31,452	5,850	42,351	-	22,600	983,250	243,600	1,479,299
Balance as at 31 December 2008	522,345	2,250,316	641,760	737,575	80,336	81,012	820,861	121,401	983,250	243,600	6,482,456
Accumulated Depreciation											
Balance as at 1 January 2008	-	620,988	382,213	464,730	53,179	12,442	73,731	60	-	-	1,607,343
Charge for the year	-	-	46,340	61,472	7,507	5,665	16,417	47,248	-	47,933	232,582
Balance as at 31 December 2008	-	620,988	428,553	526,202	60,686	18,107	90,148	47,308	-	47,933	1,839,925
Net Book Value											
Balance as at 31 December 2008	$ 522,345	$ 1,629,328	$ 213,207	$ 211,373	$ 19,650	$ 62,905	$ 730,713	$ 74,093	$ 983,250	$ 195,667	$ 4,642,531
Balance as at 31 December 2007	$ 522,345	$ 1,629,328	$ 109,351	$ 241,393	$ 21,307	$ 26,219	$ 747,130	$ 98,741	$ -	$ -	$ 3,395,814

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

13. Accounts Payable and Accruals:

	31 December 2008	31 December 2007
Audit fees	$ 40,067	$ 31,450
Value Added Tax payable	5,778	3,222
CUNA claims	473,243	422,874
CUNA insurance	89,818	39,398
Fixed deposit interest payable	1,785,447	1,905,953
Other payables	59,648	852
Government tax on fixed deposit interest	-	112,881
Accruals	737,443	161,154
Stale-dated cheques	252,719	109,463
Payment protector payable	37,000	-
	$ 3,481,163	**$ 2,787,247**

14. Bank Loan:

A loan in the amount of **$810,000** was granted by the Intercommercial Bank Limited on 27 may 2008. The purpose of the loan is for the financing of the mobilisation costs for the expansion project of the Credit Union's headquarters. The loan is for the period of two (2) years with a fixed interest rate of 10.50%. Principal payments will be repaid via eight (8) quarterly instalments of **$101,250** commencing three (3) months after disbursement.

	31 December 2008	31 December 2007
Intecommercial Bank	**$ 607,500**	**$ -**

15. Members' Shares:

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

16. Investment Re-Measurement Reserve:

As at 31 December 2008, the Society's available-for-sale investments had been re-measured to their fair values and the resulting unrealised loss of **$1,161,679** has been transferred to the Investment Re-measurement Reserve in accordance with IAS #39.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

17. Dividends:

The Board of Directors has proposed a dividend of 8% for the year ended 31 December 2008. This is not recorded as a liability in accordance with IAS #10.

18. Fair Values:

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

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

a) Current assets and liabilities -

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

b) Members' Loans -

Loans are net of specific 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 2008.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

19. Capital Risk Management:

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

The capital structure of the Society consists of equity attributable to members, which comprises issued members shares, reserves and retained earnings.

20. Related Party Transactions:

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

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

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

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

	31 December	
	2008	**2007**
Assets		
Loans to directors and key management personnel and related persons	$2,559,526	$2,007,266
Deposits and other liabilities		
Deposit held by directors and key management personnel and related persons	2,893,447	3,217,805
Deposit held by directors and key management personnel and related persons	1,430,908	1,132,346
Income		
Directors and key management personnel	351,712	180,197
Interest and other expenses		
Directors and key management personnel	226,277	15,295
Key management compensation		
Short-term benefits	476,660	374,324
Post employment benefits	42,764	28,527

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

1. **Personnel Cost:**

	31 December 2008	31 December 2007
Ex-gratia and incentives	$ 65,996	$ 49,357
Gratuity	9,485	-
Salaries and allowances	939,777	669,365
Staff overtime	8,466	11,016
Staff NIS, pension and medical plan	128,204	86,407
Staff training and development	25,861	11,886
Staff uniforms	42,640	31,043
Responsibility allowance	13,764	12,072
Travelling and subsistence	46,046	98,505
	$ 1,280,239	**$ 969,651**

2. **Operational Cost:**

	31 December 2008	31 December 2007
Accounting services	$ 78,000	$ 78,000
Advertising and promotion	59,109	41,352
Audit fees	42,000	31,050
Bad debt expenses	-	17,707
Cable expenses	1,113	-
Caribbean Airlines Tie-line	718	8,611
Computer expenses	13,390	22,447
Courier	4,930	6,259
Electricity	74,928	71,782
Equipment repairs and maintenance	27,188	30,297
Internet rental charges	14,982	12,650
Janitorial services	99,042	68,668
Legal and professional fees	107,197	32,401
Membership cards	902	1,253
Miscellaneous	16,529	14,914
Motor vehicle expenses	19,026	-
Office refreshments	22,308	30,063
Postage expense	15,300	15,391
Printing, stationery and office supplies	52,762	72,379
Project cost	-	104,764
Property maintenance cost	92,290	92,471
Security services	308,758	318,931
Telephones	91,416	82,820
	$ 1,141,888	**$ 1,154,210**

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

3. Financial Cost:

	31 December 2008	31 December 2007
Bank charges	$ 20,706	$ 14,956
Linx charges	2,004	1,466
Interest on members' fixed deposits	8,172,049	7,749,186
Interest on members' savings deposits	264,758	397,322
Loan interest and charges	67,838	-
Overdraft interest	-	411
	$ 8,527,355	$ 8,163,341

4. Administrative Cost:

	31 December 2008	31 December 2007
Accept dues	$ 15,000	$ -
Annual General Meeting	157,805	156,862
Credit Union League dues	-	44,166
Donations	19,308	11,927
Education Fund expense	106,169	63,137
Meetings and conferences	148,847	131,124
Strategic planning session	137,373	-
	$ 584,502	$ 407,216

5. Risk Management:

	31 December 2008	31 December 2007
CUNA LP and LS coverage	$ 519,724	$ 442,933
Fidelity guarantee	4,333	4,333
Fire insurance	26,556	26,556
Group life insurance	17,860	17,860
Stabilisation Fund	325,983	216,845
	$ 894,456	$ 708,527

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2008

6. Officers' and Committee Expenses:

	31 December 2008	31 December 2007
Co-operative activities	$ 13,082	$ -
Board and committee allowances	141,212	135,785
Board of Directors Christmas party	35,000	30,460
Ex-gratia	18,000	14,000
Refreshments	2,225	11,603
Social and cultural committee	207,036	189,637
Honoraria expense	300,845	240,860
Other	770	240
	$ 718,170	**$ 622,585**

RESOLUTIONS:-

APPOINTMENT OF AUDITORS

Be it resolved that the firm Pannell Kerr Foster be retained as Auditors for the 2009 term.

AMENDMENT OF BYE-LAWS

Resolution to amend:

1. Bye-Law 28 by an addition of S28 (h)
2. To amend bye Law 29 to include 29(g)
3 Bye-Law 33 by an amendment to S33 (b)
4. To amend Bye Law 39 by including two additional sections

In accordance with Regulation 51(1) of the Co-operative Societies Regulations

PREAMBLE / RATIONALE

Presently members of the Board of Directors are eligible to serve on the Credit Committee and vice versa. This situation does not allow or create adequate opportunities for members to serve their credit union and is also consistent with best practices. In addition, the proposed new credit union legislation will not allow this practice. As such, it is the recommendation of the Board to amend our existing bye-laws to ensure that this practice is not continued.

The Board is of the view that members who are nominated off the floor at the Annual General Meeting to serve on the Board, Credit or Supervisory Committees are not subjected to the process of proper examination and recommendation by the Nomination Committee, which other members would have undergone ensuring that nominees are 'fit and proper'.

PROPOSED AMENDMENTS

1. Be it resolved that Bye-law 28 be amended by the addition of S28 (h)

28(h) A member of the Board shall not be eligible for membership to the Credit Committee and a member of the Credit Committee shall not be eligible for membership to the Board.

2.Be it resolved that Bye Law 29 be amended to include S 29(g).

RESOLUTIONS cont'd

29(g) Is delinquent in his loan obligation to the society. Such delinquency must exceed three months of the date of his last payment towards his loan account.

3. Be it resolved that Bye-law 33(b) be amended to read

33(b) Where the Nomination Committee does not receive adequate candidates to fill the vacancies, the Committee may extend the period beyond the time specified to allow for more candidates. Where the Nomination Committee receives adequate candidates to fill the vacancies, no further nomination will be entertained at the general meeting.

4. Be it resolved that Bye law 39 be amended to include two additional sections as follows:

39(d) No member shall serve for more that three (3) consecutive terms.

39(e) A term is defined as one (1) year or the prerod that elapsed during an Annual General meeting and the following Annual General meeting.

RECOMMENDATIONS:-

DISTRIBUTION OF SURPLUS:-

1. DIVIDEND

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

A dividend of eight percent (8%) on each member's shareholding to be follows:-

1.1 The disbursement of six percent (6%) according to the member's request, and

1.2 The additional 2 percent (2%) to be credited to member's share account.

EX GRATIA

Be it resolved that the sum of NINE THOUSAND DOLLARS ($9,000) be allocated to the Education Committee and another NINE THOUSAND DOLLARS ($9,000) to the Social & Cultural Committee.

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