



AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

SATURDAY 21ST MARCH

2015

TRINITY COLLEGE EAST
#1 COLLEGE AVENUE
TRINCITY CENTRAL ROAD
TRINCITY

43RD

ANNUAL
GENERAL
MEETING

CELEBRATING *65 Years* OF SERVICE

MISSION STATEMENT

To enrich the quality of life of our customers,
by providing prompt, customer-driven, diversified financial, social and other services,
through the commitment and dedication of our valued employees,
in the communities we serve.

OUR VISION

To be a premier co-operative service provider in the Caribbean region.

THE NATIONAL ANTHEM

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

PRAYER OF ST. FRANCIS OF ASSISI

*Lord make me an instrument of thy peace
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.
O Divine Master, grant that I may not
So much seek to be consoled
As to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive
It is in pardoning that we are pardoned;
And it is in dying that we are born to Eternal Life*

TABLE OF CONTENTS

Notice & Agenda	04
Standing Orders	05
Guidelines & Election Procedures	06
President's Message	07
Board of Directors	10
Minutes of the 42nd Annual General Meeting	11
Report of the Board of Directors	20
Aero Services Credit Union Staff	26
Credit Committee Report	28
Supervisory Committee Report	30
Education Committee Report	33
Social & Cultural Committee Report	37
Diary of Events	41
Nomination Committee Report	42
Financial Statements	44
Resolutions	68
Notes	69

NOTICE

Notice is hereby given that the 43rd Annual General Meeting of Aero Services Credit Union Co-operative Society Limited will be held on Saturday 21st March 2015 at Trinity College East, #1 College Avenue, Trincity Central Road, Trincity at 1.00pm.

AGENDA

1. National Anthem and Credit Union Prayer
2. Credential Report
3. Notice of Meeting
4. President's Address
5. Minutes of the last Annual General Meeting
6. Reports 2014
 - 6.1 Board of Directors
 - 6.2 Credit Committee
 - 6.3 Supervisory Committee
 - 6.4 Education Committee
 - 6.5 Social & Cultural Committee
 - 6.6 Nomination Committee
7. Auditor's Report
8. Financial Report
9. Budget Presentation
10. Resolutions / Recommendations
11. Elections of Officers
 - 11.1 Supervisory Committee
 - 11.2 Credit Committee
 - 11.3 Board of Directors
12. Other Business
13. Vote of Thanks
14. Closure

By Order of the Board



Lyndon Byer
Hon. Secretary

STANDING ORDERS

- 1) A member shall stand when addressing the Chair and identify himself / herself
 - a) 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 Chair.
- 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" 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 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.
- Must not be delinquent in repaying his/her loan for at least three months.

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

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

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

The Credit Committee meets once per week on Tuesdays.

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

ELECTION PROCEDURES

- 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) The persons in charge of conducting the elections will declare when ballots should be cast.
- 5) On completion of the nomination process, members will cast their ballots at anytime during the meeting, up to the declared closing time of ballots.
- 6) The appointed persons will confirm the ballots while the meeting is in progress.
- 7) The results will be announced immediately on completion of the count.

PRESIDENT'S MESSAGE



CREDIT UNION LEGISLATION

Let me commence this segment by stating that the Cooperative Credit Union Movement (CCUM) is certainly not averse to the introduction of new legislation to regulate the Credit Union sector. In fact, we welcome the introduction of new legislation to govern the Credit Union sector. However, we maintain that the new legislation should balance the ideals of the Credit Union Movement with improved regulation.

For a number of years, there have been increasing calls from within the Credit Union Movement for relevant amendments to the Co-operative Societies Act to keep pace with our rapidly evolving competitive environment, the expectations of our collective membership and the technological improvements all around us with little redress.

There are issues in the proposed legislation which are of concern to the stakeholders of the Credit Union sector and some of these are as follows:

- The dual reporting requirement which would necessitate reporting to both the Central Bank of Trinidad and Tobago (CBTT) and the Cooperative Division.
- The resolution of disputes with the Regulator will have to be settled through the High Court; a process which is likely to increase the expenditure to Credit Unions.
- The Legislation restricts the business activity of Credit Unions and therefore makes the prospect of diversifying our product offering very challenging.
- The proposed registration process for the formation of new Credit Unions is significantly more difficult.
- Term limits for Credit Union Directors have been proposed, although no such requirements have been imposed for Directors of other financial institutions.

Dear Valued Members:

I am privileged once again to give an account of our stewardship during the 2014/2015 term. The 2014/2015 term was a bitter sweet experience, since notwithstanding our many achievements, we ended the year 2014 on a very sober note with the untimely passing of our dear colleague and friend Kester Husbands. Kester's passing was indeed a shock to us all, since his contribution to Aero Services Credit Union was significant in many respects and in his service to the Aero Services family he willingly embraced the responsibilities of President, Secretary, Assistant Secretary and served on many of the Sub-Committees of the Board and statutory Committees. To his family, I wish to express a heartfelt thank you on behalf of the Board for the many hours he dedicated to the Aero Services cause and indeed the wider Credit Union fraternity. I therefore express my sincere condolences to his family.

PRESIDENT'S MESSAGE CONT'D

On November 30th 2014, the proposed legislation was laid in the Senate and debate on the legislation in the Upper House is imminent. As a consequence of the foregoing, Credit Unions across the length and breadth of Trinidad and Tobago are being urged to sensitize their members regarding the status of the proposed legislation and the concerns therein.

THE ECONOMY

The fall in both oil and gas prices has negatively impacted Trinidad and Tobago's budgeted revenues. The reality is that, with 2015 being an election year, any cuts in public sector expenditure may not materialize until after the general elections are held and therefore the true impact of the falling oil and gas prices will be deferred.

According to CBTT, the excess liquidity levels in the banking system continue to persist in T&T. In January 2015, CBTT also indicated in its monetary policy announcement that average excess liquidity in January 2015 was estimated to be around TT\$6 Billion.

The local Treasury Bill (T-Bill) yields remain depressed. The TTD Money Market rates averaged just 1.13%, while the local USD Money Market rates averaged 1.04% in the month of December 2014.

Headline inflation as measured by the Retail Price Index peaked at 9% in the month of November 2014 and ended the year at 8.5%.

The investment outlook for 2015 therefore continues to be challenging, given the uncertain economic environment.

AT ASCU

After four years as General Manager of Aero Services Credit Union, Ms. Phyllis Wickham has decided to move on and we therefore thank Ms. Wickham for her years of service at the helm of Aero Services and wish her and her family all the very best, as she prepares to enter another phase of her life.

Our desire to continuously improve our communication with our members has been greatly enhanced through the introduction of our new SMS system. After much effort, we have been able to source a reliable SMS system which would allow ASCU members to be informed and updated through a Text Messaging System. We therefore encourage all our members to provide mobile phone contact details to the ASCU office, to ensure you receive the next ASCU information Text!

In 2014, we also embarked on a project to reconstruct our website and we encourage our members to avail themselves of the information on the new look Aero Service Credit Union (ASCU) website, as we seek to engage and update you through the use of technology.

The goal of providing our members with a greater level of access to their account information has continued to engage our attention. The on-line account information project will allow members to view their account information in the first phase of the project. The on-line access to members' account information will significantly reduce the need to call or visit the ASCU office to obtain basic membership information. The targeted completion timeline for this first phase of the project is second quarter 2015.

The new embossed ASCU Visa Debit card is now available and this card would provide the following additional benefits: access to on-line shopping, facilitate reservations at hotels, car rentals and other activities which require the use of a debit or credit card.

The upgrading of the ASCU Sports Complex has continued with the completion of the parking area, installation of lighting in the parking area, general facilities improvement and the installation of OSHA requirements in the pavilion.

Our vision for Tobago encompasses increasing the ASCU presence beyond the one day a week that

PRESIDENT'S MESSAGE CONT'D

presently pertains, to having the office opened at least three days each week, to provide our Tobago members with greater access to the Credit Union and allow the Tobago members to benefit from a higher quality of service from ASCU.

In the month of July 2014, ASCU had its first onsite examination conducted by the Financial Intelligence Unit (FIU) which examined many aspects of our operation including but not limited to: the system of internal controls; internal and external audit functions, reporting obligations and record keeping requirements.

On Monday 24th November 2014, the first Collective bargaining agreement was signed between the Banking Insurance and General Workers Union (BIGWU) and Aero Services Credit Union. The signing of the Collective bargaining agreement virtually ushered in a new era for Aero Services Credit Union. We look forward to a harmonious working relationship with the union.

The ASCU Board continues to adopt a proactive approach to increasing our revenue streams and reducing our cost. The time has come to relook the cost benefit parameters associated with the staging of the free members Christmas party. The Board is well aware of the significance of the Christmas party to many of our members in Trinidad and Tobago, however, the increasing cost of staging this event must now be reexamined against the backdrop of the changing economic times. It is in this context, we propose to introduce a charge for membership attendance at the 2015 ASCU Christmas party. Details of the cost of attendance will be disseminated in the near future.

COLLABORATION IN THE CREDIT UNION SECTOR

In 2014 we have certainly witnessed greater collaboration among Credit Unions, fostered in part by the collective impact of the new Credit Union legislation. In an effort to provide an appropriate

response to the legislation, the Cooperative Credit Union movement initiated the formation of the following three (3) Subcommittees:

Communication Committee – To develop, propose for adoption and implement an effective communication plan to edify our members and the wider public.

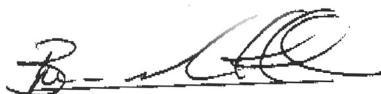
Technical Committee – To point out suitability/unsuitability of the proposed legislation; to propose arguments to support alternative ideas/outcomes; to examine the Credit Union Bill and Regulations and other sources including ILO recommendation 193.

Strategy Committee – To scan the internal and external environment relative to critical issues facing the movement; to determine strategic objectives and critical success factors necessary to achieve objectives; to provide guidance and oversight to the Technical and Communications Committees.

I wish to thank all those who have freely given of their time and resources, to ensure the Credit Union sector emerges even stronger as a result of relevant legislation.

On behalf of the Board of Directors, I thank our hard working management and staff, the members of our statutory and appointed committees and you our valued members, for contributing to our successes in 2014 and we eagerly look forward to the future, embracing the goal of enriching the lives of all our members one day at a time.

Cooperatively yours'



Brian Matthew
President

BOARD OF DIRECTORS



President

Mr. Brian Matthew



Vice President

Mr. Courtney Demming



Secretary

Mr. Lyndon Byer



Assistant Secretary

Mr. Earle Joseph



Assistant Treasurer

Mr. Theo Oliver



Director

Mr. Michael Halls



Director

Ms. Jacqueline O'Neil Lewis



Director

Mr. Alec Clarke



Director
Deceased

Mr. Kester Husbands



1st Alternate

Mr. Anthony Grant



2nd Alternate

Ms. Cynthia Kennedy

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

MINUTES OF THE 42ND ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

1. Call to Order

The President/Chairman Mr. Brian Matthew called the 42ND Annual General Meeting to order at 1.17p.m. He invited everyone to stand for the National Anthem and recital of the Credit Union Prayer.

2. Credential Report

The Supervisory Committee reported through a credential report taken at 1.15pm indicated that there were 52 members present (Board – 10, Staff – 10, Members – 32) and Guests – 8, so the meeting was duly constituted.

3. Welcome

The Chairman welcomed all members and the specially invited guests. He then proceeded to introduce the members of the Board and the General Manager, Ms. Phyllis Wickham.

4. Notice of the Meeting

The Chairman invited the Secretary of the Board of Directors, Mr. Lyndon Byer, to read the Notice of the Meeting.

5. The President's Review

The President, Mr. Brian Matthew, commenced his review by identifying three areas of major success during the 2013/2014 term. They were the increase in Total Assets, the containment of Costs and the decrease in Delinquency to the lowest in five years.

He proceeded to highlight the possibility of the impending Credit Union legislation becoming a reality in 2014, and listed some areas of interest, as a result, for Aero Services Credit Union (ASCU). Notwithstanding, he shared on the work being done by the Credit Union Movement in having continuous dialogue with the government in the hope of influencing the final content of the legislation.

The President informed of the Special General Meeting held on August 15, 2013, which sought to expand ASCU membership bond in a controlled way, as an avenue of maximising shareholder value and shared in detail the actual amendments made to the Bye Laws. They were all approved by the Commissioner of Co-operative Developments.

The President underscored the significant strides made to improve the infrastructure of both ASCU Head Office and ASCU Sporting Complex properties, and the overall operations of ASCU during the 2013/2014 term. Attention was also given to our members in Tobago in the upgrade of the office where ASCU staff regularly meet with them and an introduction to educational programs. Further improvement in all these areas will continue into the new term.

In his outlook for 2014, the President expressed the commitment to build on the positives of the past. He indicated that among other things, members can look forward to the improvement of ASCU IT interface.

The President mentioned the ASCU Debit Card and encouraged members to utilise this facility in an effort to lower the costs associated with the preparation of cheques.

The President concluded by applauding the confidence of our members in ASCU, the dedication of the staff, the contributions of members of the various Committees, and his fellow Board members.

6. Feature Address

The Chairman introduced the Feature Speaker – Mr. Jwala Rambarran, Governor of Central Bank of Trinidad and Tobago.

The Governor, Mr. Jwala Rambarran, began by expressing how honoured he was to address the meeting and that the invitation came at an

MINUTES OF THE 42nd ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

opportune time for the Central Bank to once again reach out directly to the Credit Union Movement as we move closer to the regulation of the Credit Union sector.

Mr. Rambarran expressed his long association with Aero Services Credit Union (ASCU) and commended ASCU for its foresight in extending its membership, its \$200M Asset Base and the overall management in meeting its members' expectations. He stated that his address would focus on the new Credit Union Regulatory regime expected to come into effect in 2015.

He indicated that the planned regulation would be the best tool for Credit Unions and made reference to the initial Policy Proposal Document (PPD) which outlined the three main objectives of the Central Bank under the Credit Union Act:

1. To determine the safety and soundness of Credit Unions and to protect members' deposits and shares from loss.
2. To supervise Credit Unions to determine whether they are in sound financial condition and in compliance with the Act
3. To maintain confidence in and promote the stability of Credit Unions and by extension the financial system of Trinidad and Tobago.

The Governor gave the account of the struggle from 2005 to arrive at this point and the refined appreciation and understanding that the Central Bank has of the co-operative ethos of Credit Unions. He deemed operating under the Co-operative Societies Act of 1971 to be outdated and made reference to the effect of a recent failed Credit Union. He then deliberated over the extensive negotiations and concessions made by the Central Bank over the 2006 – 2013 period to arrive at the

draft Credit Union Bill. The Bill in effect calls for the proper governance and prudential limits to be put in place. A key ingredient being that Directors be "fit and proper" for selection or aptly trained to the proposed minimum qualifications. He emphasized the required prudential criteria to ensure financial management, including capital liquidity and asset quality among others.

He advised of the need for Institutional Capital by the Credit Unions of 8% (originally 10%) of Total Assets and a solid liquidity ratio which are critical to confidence of ASCU.

A key support to the new regulatory framework, he advised, was a mandatory insurance system managed by the Deposit Insurance Corporation – a protection fund for Credit Unions. This protection fund will within its ambit cover both deposits and withdrawable shares. Among the key elements of the fund is that the protection fund will cover withdrawable shares in the total amount of \$125,000 of which \$75,000 will apply to deposits and \$50,000 to shares, subject to the number of accounts.

He further identified the rights and boundaries of the two regulators of the Credit Union, namely, the Commissioner of Co-operatives and the Central Bank; and expressed the need for their appreciation of their separate roles. On another note, non core activities run by Credit Unions were to be regulated to no more than 5% of total assets or 10% of revenues, in an effort to minimize balance sheet risks. He called for care by Credit Unions on expansion into non-financial services; the down side being a potential drain on managerial capacity and expertise.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

MINUTES OF THE 42ND ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

Mr. Rambarran rounded up his delivery by identifying that violations of the Act would be a criminal offence. Mediation will prevail through the Central Bank before any referral to the court of law. In his closure, he described the proposed legislation as being geared to provide greater strength, safety and soundness. The bill was then under review by a legislative committee before final acceptance and presentation.

7. Acknowledgments

The Chairman thanked the Feature Speaker, Mr. Jwala Rambarran, for his very informative remarks and added that the Feature Speaker has graciously consented to stay with us a little while longer. The Chairman then welcomed and acknowledged the presence of the following guests;

Ms. Keisha Wong	- Co-operative Development Division
Ms. Michelle Cole Padilla	- Co-operative Development Division
Ms. Charmaine Mc Millan	- Co-operative Development Division
Ms. Resia Williams	- Co-operative Development Division
Mr. Ron Anderson	- Co-operative Development Division
Ms. Paula La Barrie	- Co-operative Development Division

Ms. Cassian George-Cowie	- Co-operative Development Division
Ms. Brenda Fraser	- UWI Credit Union
Mr. Roger John	- UWI Credit Union
Mr. Wayne Estrada	- CUNA Caribbean
Ms. Almida Anderson	- D. Montgomery and Company
Mr. Donnel Haywood	- Community Care Credit Union
Mr. Peter Henry	- COLDWATER
Mr. Mozart Mc Kenzie	- COLDWATER
Mr. Aldwyn Wayne	- COLDWATER

8. Standing Orders

The credential report taken at 2:25 pm indicated that there were 129 members present (Board – 11, Staff – 14, Members – 104) and Guests - 13.

The Chairman then proceeded to read through the entire list of Standing Orders for the benefit of members present. A motion for the acceptance of the Standing Orders was moved by Mr. Anthony Mora and seconded by Ms. Anne-Marie Donawa.

MINUTES OF THE 42ND ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

9. Minutes of the 41st Annual General Meeting

The Chairman was pleased to inform of the early distribution of hard copies of the brochure and wished to commend the efforts of everyone who contributed. He also added that it was on ASCU website long before the hard copy was available for distribution.

As such he moved a motion that the Brochure was to be taken as read and it was seconded by Mr. Brent Gaspard. It was unanimously agreed.

The Chairman announced an early-bird type draw for prizes as an incentive for members who arrived early (excluding Board, Committee and Staff members) and the draw was conducted by Director Clarke.

Errors and Omissions:

Page 17 (Delinquent Accounts) and Page 18 (Other Business) – the name “Davis” is to be changed to “Davies”.

There being no more errors and omissions, a motion for the adoption of the Minutes of the 41st Annual General Meeting as amended was moved by Ms. Esther Richards and seconded by Mrs. Anne Joseph.

9.1 Matters Arising

Mr. Martin Franklyn referred to the last paragraph on Page 18, Item 24, where Mr. Mitchell shared his concern on the rotation of the elected Credit Committee. Mr. Franklyn asked for an update on the issue on the possibility of members of the Credit Committee lacking experience and the effect of that. President Matthew aptly responded.

There being no more matters arising, a motion for the acceptance of the Minutes of the 41st Annual General Meeting was moved by Ms. Candace Richards and seconded by Ms. Sharon Lee Sing Barnes.

10. Board of Directors Report

There were no errors or omissions.

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

10.1 Matters Arising

There being no matters arising a motion for the acceptance of the report of the Board of Directors was moved by Ms. Sarah Precilla and seconded by Mr. Glen Poon King.

11. The Credit Committee Report.

There were no errors or omissions.

A motion for the adoption of the Credit Committee Report was moved by Mr. Angel Landeau and seconded by Mr. Christopher Bynoe.

11.1 Matters Arising

Mr. Phillip Davies referred to Page 29, under Categories (of Loans) and asked if there was a category for Investments as he did not see it in the list. The Chairman of the Credit Committee, Ms. Mavis Edwards, responded in the affirmative as there were twenty-eight (28) categories of Loans. However, only the ten (10) major loan categories were captured in the report.

Mr. Gary Des Vignes, also referred to Page 29, and indicated that he did not see any information for 2012 in the category Home Improvement. Ms. Edwards, the Chairman of the Committee responded that this category was a new special loan which started in 2013 hence no information for 2012.

There being no more matters arising, a motion for the acceptance of the Credit Committee Report was moved by Mr. Anthony Grant and seconded by Mr. Hanz Barbour.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

MINUTES OF THE 42nd ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

12. The Supervisory Committee Report

Errors and Omissions

Page 32, under the heading Share Withdrawals, the figure should be "\$3.0M" and not "\$13.0M".

There being no more errors and omissions, a motion for the adoption of the Supervisory Committee Report as amended was moved by Mr. Brent Gaspard and seconded by Mr. Austin Wilson.

12.1 Matters Arising

There being no matters arising a motion for the acceptance of the Supervisory Committee's Report was moved by Ms. Sharon Lee Barnes and seconded by Mr. Martin Franklyn.

13 The Education Committee Report

Errors and Omissions

There were no errors or omissions.

A motion for the adoption of the Education Committee Report was moved by Ms. Pamela Parris and seconded by Mr. Brent Gaspard.

13.1 Matters Arising

Mr. Anthony Mora referred to Page 36, Item 2, Vacation Camp and encouraged members and their children to participate in the activities of the Education Committee. Ms. Caryse Caruth indicated that she was not aware of this activity. The Chairman of the Education Committee, Ms. Esther Richards, indicated that although the camp was advertised, her Committee will have to do more in advertising its activities.

Mr. Cliff Stewart stated that he found that generally there was a lack of communication to members on activities of the Credit Union. The Chairman took note of this point.

A motion for the acceptance of the Education Committee report was moved by Ms. Debbie Chankoo and seconded by Ms. Michele Campo-Aimable.

14. The Social and Cultural Committee Report

There were no errors or omissions.

A motion for the adoption of the Social and Cultural Committee Report was moved by Mr. Angel Landeau and seconded by Mr. Martin Franklyn.

14.1 Matters Arising

Ms. Caryse Caruth asked if some of the activities mentioned in the report will be held in Tobago also. The Chairman of the Social and Cultural Committee, Ms. Anne-Marie Aleong, said that there continued to be poor turnout at the few activities held in Tobago. Ms. Caruth indicated that she and other members in Tobago were not aware of those activities and there needs to be better communication of activities. President Matthew informed that presently about seven media of communication are used to communicate to our members and yet members do not respond positively to the advertisements.

Mr. Joseph Bishop said that he too at times was not aware of activities in Trinidad and better communications needed to be in place.

Ms. Norma St. Rose suggested that there should be a Calendar of Events for the year and passed on to members so that they would be aware of upcoming activities, even if the exact dates are not included at the time.

Mr. Gary Des Vignes indicated that all information should also be passed on to the Credit Union representatives/liaison of Tobago to ensure that the information is disbursed.

MINUTES OF THE 42nd ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

There being no more matters arising, a motion for the acceptance of the Social and Cultural Committee Report was moved by Mr. Angel Landeau and seconded by Ms. Esther Richards.

15. The Nominations Committee Report

There were no errors and omissions

A motion for the adoption of the Nomination Committee Report was moved by Ms. Candace Richards and seconded by Mr. Joseph Bishop.

15.1 Matters Arising

There being no matters arising, a motion for the acceptance of the Nominations Committee Report was moved by Ms. Anne-Marie Aleong and seconded by Ms. Sharon Lee Sing Barnes.

16. The Auditors' Report

The Auditors' Report was presented by the representative from D. Montgomery & Company, Ms. Almida Anderson.

17. Financial Statements

The Treasurer commenced by highlighting the Financial Performance for 2013 making reference to the Financial Statements and Notes to the Financial Statements on Pages 49-69 of the Brochure. The Treasurer then invited questions and comments.

Ms. Villa Codrington observed that she did not see Note 10 on Pages 62 and 63 and asked if there was a Note 10. The Accountant, Ms. Brenda Billy, informed that Note 10 was on Pages 68 and 69 due to its configuration.

Ms. Cecily Jerome questioned about the figure reflected under Audit Fees (2013) on Page 63 showing \$70,000 and on Page 66 under Operational

Cost the figure showed \$62,470. The Accountant then gave a detailed response for the apparent difference in figures.

Ms. Jerome questioned if the Miscellaneous figure on Page 66 under Operational Cost included stale dated cheques and how would they be treated. The Accountant explained that a policy decision was taken by the Board that after two years, stale dated cheques will be moved to a Miscellaneous account and would be treated from there.

Ms. Jerome commented that the budget should be placed in the Brochure rather than on a separate sheet. The President noted the comments and informed that the budget would be dealt with in detail by the Treasurer.

Mr. Philip Davies commented that he would have liked that just as there were Notes to the Financials that there could be notes from the audit as well. The President noted the comment.

There being no further questions a motion for the acceptance of the Financial Statements was moved by Mr. Christopher Bynoe and seconded by Mr. Joseph Mann.

18. The Budget Proposal

The Budget Proposal for 2014 was delivered by the Treasurer. The Treasurer then invited questions.

Mr. Philip Davies asked what was the secured coverage for shareholders' deposits and shares. The President indicated that it was presently \$125,000. Mr. Davies suggested that it be increased to cover members who deposits and shares were in excess of \$125,000. Mr. Kester Husbands explained that this amount was by statute and no institution can just increase that amount.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

MINUTES OF THE 42nd ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

Ms. Gwendolyn Daniel suggested that a way of increasing coverage could be through the Life Savings with CUNA which would incur higher costs. The payment of the costs can then be negotiated with the membership and an agreement reached. The President indicated that the suggestion was a possibility that can be explored.

There being no other questions and comments, a motion for the acceptance of the 2014 Budget Proposal was moved by Mr. Kester Husbands and seconded by Ms. Sharon Lee Sing Barnes. The Chairman called for a vote on the Budget Proposal and there was 152 – For, 0 – Against and 0 – Abstention. The motion was carried.

19. Resolutions & Recommendations

The credential report taken at 3.40pm indicated that there were 180 members present (Board – 11, Staff – 14, Members – 155) and Guests - 13.

The Chairman invited Vice-President Courtney Demming to move the resolutions.

Auditors

The Board of Directors of Aero Services Credit Union being satisfied with the thoroughness and effective application of the External Auditors recommend that the firm D. MONTGOMERY & COMPANY be retained as the External Auditors for 2014.

The motion was seconded by Mr. Herbert Wharton. The result was a unanimous response in Favour, 0 - Against and 0 - Abstentions. The resolution was carried.

Distribution of Surplus

1) Dividends

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

- 1.1 A dividend of six percent (6%) on each member's shareholding to be disbursed according to the member's request.
- 1.2 A further two percent (2%) interest rebate on each member's loan, such rebate to be credited to member's loan account.

The resolution was seconded by Ms. Mavis Edwards. The result was a unanimous response in Favor, 0 - Against and 0 - Abstention. The resolution was carried.

2) Ex Gratia Payment

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) be allocated to the Social and Cultural Committee.

The motion was seconded by Ms. Sharon Lee Sing Barnes and was unanimously accepted with 0 - Against and 0 - Abstention. The resolution was carried.

3) Honorarium

Be it resolved that 3% of the Undivided Surplus after all statutory deductions are made, be allocated to the Board of Directors and Statutory Committees. The motion was seconded by Mr. Cliff Stewart and was unanimously accepted with 0 - Against and 0 - Abstention. The motion was carried.

MINUTES OF THE 42ND ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

20. Election of Officers

The credential report taken at 5.10pm indicated that there were 223 members present (Board Members – 11, Members – 198, Staff – 14) and Guests - 15.

Ms. Michelle Cole Padilla of the Co-operative Development Division was invited to conduct the election process over which she presided as the Returning Officer.

Ms. Cole Padilla then referred everyone to the Election Procedures on Page 6 of the Brochure.

Persons recommended by the Nominations Committee and persons nominated from the floor to be elected to the Supervisory Committee, Credit Committee and the Board of Directors, were presented to the membership.

The election results were as follows:

Supervisory Committee

Ms. Angel Landeau	136
Ms. Denise Zephreine	100
Mr. Mikki Martinez	99
Ms. Gwendolyn Daniel	70 (1 st Alternate)
Mr. Raymond Roberts	63 (2 nd Alternate)
Mr. Nigel Bailey	57

Credit Committee

Mr. Simon Fabien	163
Ms. Mavis Edwards	136
Mr. Brent Gaspard	131
Ms. Sharon Lee Sing Barnes	123
Ms. Faye Husbands	122
Ms. Michelle Campo-Aimable	115 (1 st Alternate)
Mr. Anthony Mora	76 (2 nd Alternate)

Board of Directors

Mr. Kester Husbands	130
Ms. Jacqueline O'Neil Lewis	112
Mr. Alec Clarke	95
Mr. Anthony Grant	78 (1 st Alternate)
Ms. Cynthia Kennedy	63 (2 nd Alternate)
Ms. Cecily Jerome	46

21. Launch of Aero Services Youth Link

The Aero Services Youth Link was launched with an introduction to the Philosophy, Objectives and Programs shared by Ms. Candace Richards and Ms. Sarah Precilla. Young members of ASCU between the ages of sixteen and thirty-five years were invited to register for membership of the Youth Link. At the end of the presentation questions and comments were invited.

Ms. Ann-Marie Donawa indicated that during the budget she did not hear anything mentioned about the Youth Link and asked how their programs would be funded. The Treasurer responded that the Youth Link came under the Education Committee and the funds were within the budget of the Education Committee.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

MINUTES OF THE 42nd ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 29TH MARCH 2014, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

22. Presentation of Aero Link App

A Presentation on a proposed Aero Link App was done by Director Michael Halls, in collaboration with ColdWater Company. Director Halls explained in detail how the App worked and the benefits to be derived by using the App. The proposed Aero Link App is to be launched on android phones as an enhancement to ASCU communications.

23. Disbursement of Door Prizes

Several door prizes were distributed based on a "lottery type" draw. The Society thanked the sponsors of the door prizes for their generous donations.

24. Other Business

A presentation was made to Mr. Gregory Aqui in recognition of his years of service to the Credit Union as an officer of the Credit Union and in particular for the last nine years of dedicated service to Aero Services Credit Union as a Director on the Board of Directors where he served in the capacity of Assistant Treasurer for most of the years.

25. The Vote of Thanks/Closure

The Chairman invited Director Jacqueline O'Neil Lewis to give the Vote of Thanks.

26. Closure

The Chairman brought the meeting to a close at 7.43pm.



Lyndon Byer
Hon. Secretary

Directors Engaged



Standing L - R ... Earle Joseph, Jacqueline O'Neil Lewis, Anthony Grant, Alec Clarke, Cynthia Kennedy
Seated L - R ... Courtney Demming, Brian Matthew, Lyndon Byer

REPORT OF THE BOARD OF DIRECTORS

1. Introduction

Welcome everyone to the 43rd Annual General Meeting of Aero Services Credit Cooperative Society Limited. Herein is the report of the stewardship of the Board of Directors and the Society's performance in 2014.

2. Board of Directors

The Board of Directors at its inaugural meeting of the 2014/2015 term held on April 1st, 2014 elected the following persons:

Mr. Brian Matthew	- President
Mr. Courtney Demming	- Vice-President
Mr. Lyndon Byer	- Secretary
Mr. Michael Halls	- Treasurer
Mr. Earle Joseph	- Assistant Secretary
Mr. Theo Oliver	- Assistant Treasurer
Mr. Alec Clarke	- Director
Ms. Jacqueline O'Neil Lewis	- Director
Mr. Kester Husbands	- Director (Deceased)
Mr. Anthony Grant	- 1 st Alternate
Ms. Cynthia Kennedy	- 2 nd Alternate

3. The Executive Committee

The Executive Committee comprised the following persons

Mr. Brian Matthew	- President
Mr. Courtney Demming	- Vice-President
Mr. Lyndon Byer	- Secretary
Mr. Michael Halls	- Treasurer
Mr. Earle Joseph	- Alternate
Mr. Theo Oliver	- Alternate

During the 2014/2015 term, Director Kester Husbands passed away and the 1st Alternate Anthony Grant was invited to assume the position of full Director until the 2015 AGM. In addition, Director Michael Halls tabled his resignation as Treasurer effective December 31, 2014. The Board wishes to express thanks to both Directors for the contributions made during their tenure.

4. Sub-Committees of the Board of Directors

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

Investment Committee
IT Committee
Human Resources Committee
Building Committee
Tobago Focus Group

The Strategic Plan was due to come to an end in November 2014, a review of which was completed in August 2014. The Board decided to extend the plan for a further year as there were some outstanding objectives which needed to be completed. To accommodate this decision, special strategic focus area committees were established to achieve those objectives. A new three year strategic plan will be pursued in November 2015.

REPORT OF THE BOARD OF DIRECTORS CONT'D

5. Meeting Attendance Register

Meetings	Monthly			Special			Executive		
Name	Pres.	Ex.	Abs.	Pres.	Ex.	Abs.	Pres.	Ex.	Abs.
Brian Matthew	9	0	0	9	0	0	3	0	0
Courtney Demming	6	3	0	5	4	0	3	0	0
Lyndon Byer	9	0	0	9	0	0	3	0	0
Michael Halls	8	1	0	6	3	0	2	1	0
Earle Joseph	9	0	0	8	1	0	3	0	0
Theo Oliver	6	3	0	6	3	0	2	1	0
Jacqueline O'Neil Lewis	8	1	0	7	2	0			
Alec Clarke	7	2	0	8	1	0			
Anthony Grant	6	1	2	2	0	7			
Cynthia Kennedy	6	3	0	7	1	1			

6. Outgoing Members of the Board of Directors

The following members of the Board of Directors – Mr. Earle Joseph, Mr. Theo Oliver and Mr. Michael Halls having completed their term, are outgoing. All three Directors have indicated their willingness to serve and are eligible for re-election.

Mr. Anthony Grant who filled the vacant Director position during the 2014/2015 term is also outgoing and, has indicated his willingness to serve as he is eligible for re-election. Accordingly, outgoing Alternate Ms. Cynthia Kennedy is eligible for re-election and has indicated her willingness to serve. The Board of Directors wishes to convey its heartfelt thanks to all outgoing members.

they needed. Central Bank at the same time was trying to regulate the amount of foreign exchange leaving the country. This situation had an impact on the economy as foreign trade was negatively impacted.

Aero Services Credit Union (ASCU) nevertheless faced this situation with proper planning and in many cases avoided what could have been long delays in obtaining foreign currency. ASCU continued offering special loan sales to our members. These loans were the Mobile Phone Loan, the Special Vehicle Loan, and the Home Improvement Loan. A repayment rate of less than 1% on the reducing balance was maintained.

7. The Year in Review

Financial Aspects

The financial services sector in Trinidad and Tobago had mixed issues to deal with in 2014. For a significant period in the year, many financial institutions were unable to provide the quantum and frequency of US Dollars to both individuals and companies when

Fixed Deposits

The trend continued in 2014 of some members opting not to renew all of their Fixed Deposit amounts, while others transferred them to their Share Account to allow for a better return at the end of the year through dividends.

REPORT OF THE BOARD OF DIRECTORS CONT'D

Delinquency

Great effort was expended by our Recoveries Department in keeping the delinquency rate as a one-digit figure. Several members were contacted and arrangements made to restructure their loans to allow for regular payments. Our aim is to initially get within industry standards and eventually to be below 2%.

Unionized Environment

On November 24, 2014 Aero Services Credit Union signed its first Collective Agreement with Banking, Insurance and General Workers Union (BIGWU) after several months of negotiations. We thank our consultant for the services rendered throughout the process.

Credit Union Bill

The Credit Union Bill will eventually be laid in parliament. The Credit Union Movement continues to have concern with some of its content and is actively pursuing some measure of resistance to the Bill becoming law in its present state. The Movement understands that there is need for proper regulations and is not averse to that. ASCU supports the need for proper regulations to govern the operations of Credit Unions. We continue to build our institutional capital in preparation for the new legislation.

8. Performance Highlights

Interest on Loans increased in 2014 from 2013 by 7% or \$1M as a result of the marketing thrust into the new loan products which commenced 2013 and continued into 2014, by extension, the total loan portfolio also saw a significant increase by \$12.5M representing a 15% increase.

Another significant increase to be noted is that experienced in the Investment income and Investment sales, which enjoyed a 5% increase in both categories.

There was also a 5% or \$869K increase in total expenses for 2014 from 2013, the major contributors being Personnel cost which increased by \$300K (4%) and Operational cost of \$351K (5%).

Although there were was an increase in total expenses, the significant increase in income allowed the expenses to be absorbed and still have an overall increase in net profit from 2013 by \$1.3M or 16%.

ASCU's total assets increased from 2013 by 11% or \$21.7M, this is mainly attributed to the increase in our loan portfolio and an increase in our Fixed assets of \$9.8M due to a revaluation on our property in December 2014 and additions during the year.

The members' deposits declined by 1.8M, however, this was countered with a significant increase in members' shares of \$12.6M. The Society's equity was also increased by \$9M due to the fixed assets revaluation.

There was a 16% increase in Share Withdrawals over 2014. We reiterate to members the need to minimize the withdrawal of your shares and instead speak to our Customer Service Representatives for other alternatives applicable to your needs.

The ASCU added 103 new members to its family which now stands at 4937.

9. Human Resources

In 2014, we bade farewell to three members of staff, Michael Taylor, Aneesa Ali and Julie Akin. We thank them for their contributions and wish them the best in their new undertakings.

Three new staff members in the persons of Stacy Rivers-Constantine, Laura Woods-Carr and Nicole Hernandez joined the organization to fill vacancies created by the resignations above.

We look forward to a productive and mutually successful relationship with them.

REPORT OF THE BOARD OF DIRECTORS CONT'D

10. Conferences

WOCCU Conference

Directors Brian Matthew, Courtney Demming and Lyndon Byer attended the World Council of Cooperative Credit Union conference in Gold Coast, Australia in July. This is a premier event among the global Credit Union Movement. The focus of the Conference was on Credit Union's Innovation, Growth, Sustainability, and Becoming Relevant to the young generation.

ACCUPTT Conference

President Brian Matthew and Vice President Courtney Demming attended The Association of Co-operative Credit Union Presidents of Trinidad and Tobago Fourth Leadership Conference in Panama in November. Their report indicated the topics covered which included Legislative Changes, Setting Parameters for Fit and Proper, Competitive Strategies for Credit Unions, as well as Networking between Credit Unions.

11. Condolence

The Board of Directors wishes to convey its sincere and deepest condolences to the families of all co-operators who suffered the passing of a beloved one during the last year. We specially remember our deceased fellow Board Member, Kester Husbands. May their souls rest in peace.

12. Acknowledgements

We acknowledge the assistance rendered to our Society through the services of the following organizations in 2014:

The Co-operative Development Division
The Central Finance Facility
TTCUDIF
ACCUPTT
CUNA Caribbean Insurance Society
Caribbean Airlines Limited

RBC Royal Bank
Intercommercial Bank
Bourse Securities
First Line Securities
Micro Software Designs Limited
MG Daly and Partners
Executive Body Guard Security Services
People Solutions Plus
Sheppard Securities
KSBM
D'Montgomery & Co. Ltd.

The success of our Strategic objectives continues to be realized through the collaborative efforts of our Officers, Management and Staff. The Board of Directors therefore extends its appreciation to the members of elected and appointed Committees, and the Management and Staff of our Society.

In conclusion, the Board applauds the commitment and loyalty of our members/shareholders, in choosing and standing with your Credit Union as your premier financial services provider in Trinidad and Tobago. We are committed to "Enriching the quality of the lives of our Members".

Thank you all, and May God bless you and your family.

Cooperatively yours,



Lyndon Byer
Hon. Secretary



Aero Services Credit Union

*Celebrates the Life of
Director Kester Husbands*



Director Kester Husbands joined the family of Aero Services Credit Union in 1985 when he was an employee of BWIA International Airways.

Over the years he served on the statutory committees (Credit Committee & Supervisory Committee) and appointed committees (Education Committee and Social & Cultural Committee). He served on the Board of Directors for several years and was the President for the period 2002 – 2009.

Director Husbands also served on the boards of the North East Regional Chapter and the Trinidad & Tobago Deposit Insurance Fund (formerly the Stabilization Fund). His last official position was Vice President of the Trinidad & Tobago Deposit Insurance Fund and, of course, as a Director of Aero Services Credit Union.

He gave yeoman service to Aero Services Credit Union representing the Credit Union at national, regional and international forums. He was highly respected in the Credit Union fraternity and his contribution will be missed by the Board of Directors, Committees, Management, Staff and the General Membership.

Aero Services Credit Union is grateful to Director Kester Husbands for his unwavering commitment and sterling contribution to the Society over the years. May God grant him eternal rest.

AERO SERVICES CREDIT UNION STAFF



AERO SERVICES CREDIT UNION STAFF



Accounts Department

**Standing From Left to Right: Brenda Billy, Krystel Brathwaite, Chinelo Woodley,
Renee White, Zariffa Mohammed**
Sitting From Left to Right: Ria Scarborough, Nigel Matthew, Evie De Matas



Customer Service Department

**From Left to Right: Stacy Rivers-Constantine,
Angelica Kalloo, Nerissa Alleyne, Laura Woods-Carr**

CREDIT COMMITTEE REPORT



From Left to Right: Simon Fabien, Mavis Edwards, Faye Husbands, Sharon Lee Sing Barnes, Brent Gaspard

Ms. Mavis Edwards

Ms. Sharon Lee Sing Barnes

Mr. Simon Fabien

Mr. Brent Gaspard

Ms. Faye Husbands

Mrs. Michele Campo-Aimable 1st Alternate

Mr. Anthony Mora 2nd Alternate

At the 42nd Annual General Meeting the persons mentioned above were elected to serve on the Credit Committee. At the first meeting held on Tuesday 1st April 2014 Ms Mavis Edwards and Ms Sharon Lee Sing Barnes were elected to the positions of Chairman and Secretary respectively. Thereafter the Committee met weekly to deliberate, approve loans and counsel members.

In spite of all the challenges that members experienced during 2014 their response to Aero Services was still a positive one. It is clear that in all their deliberations priority was given to make us their premier financial provider against all the different options available. It would seem that members remembered that they are "owners", which we all are and the old adage "charity begins at home." The challenge of reducing Delinquency is ongoing and on target, at 7.0%. Members are urged to contact the committee at the earliest signs of financial difficulties. The trend of utilizing shares to liquidate loans continued but, at a reduced rate. We urge members to refrain from this practice as it reduces the asset base of the organization, A review of the loan portfolio showed that 2048 loans were disbursed in 2014 at a value of \$40.8M. When compared to 2013, 2284 loans were disbursed at a value of \$32.9M.

CREDIT COMMITTEE REPORT CONT'D

Comparison in 10 Major Loan Categories

Category	2014	%	2013	%
House Renovations	\$11.2M	27.47	\$5.4M	16.28
Vehicle Purchase	\$8.8M	21.57	\$7.7M	23.32
Investments	\$3.3M	8.12	\$1.7M	5.21
Education	\$2.6M	6.45	\$1.7M	5.17
Vacation	\$2.5M	6.13	\$2.5M	7.51
Refinance	\$1.9M	4.74	\$2.3M	6.87
Debt Consolidation	\$1.8M	4.53	\$1.9M	5.73
Furniture & Appliances	\$1.6M	3.97	\$1.2M	3.55
Christmas Expenses	\$1.4M	3.36	\$2.0M	6.14
Medical Expenses	\$1.3M	3.17	\$0.8M	2.42

Increases were seen in House Renovations due mainly to the revised interest rate, Vehicle Purchase, Investments, Education, Furniture & Appliances and unfortunately Medical Expenses. There were decreases in Refinance and Debt-Consolidation, steps in the right direction, and Car Repairs.

Guidelines/Reminders

- A true and proper purpose must be noted on the application at the time of submission.
- Submit all relevant supporting documents with applications to ensure prompt and efficient service.
- Focus must be on Debt Service Ratio when considering applying for a loan. This ratio is calculated by including all debts viz Bank Loans, Hire Purchase transactions, other credit unions, credit cards etc. Forty percent (40%) is the operating standard.

- Always budget. This practice will assist in proper management of finances.
- Loan Policy Booklet is available from the office; it will assist with the application process.

Conclusion

Thank you members for accepting the challenge set before you. This positive attitude will ensure that our Vision of becoming the premier service provider in the Caribbean region will become a reality.

We thank all our members for the opportunity to serve. To the Board of Directors, other Committees, Management and Staff, many thanks for your support and we wish everyone all God's Blessings.

Mavis Edwards,

Mavis Edwards

Chairman,
Credit Committee

SUPERVISORY COMMITTEE REPORT



From Left to Right: Denise Zephryne, Angel Landeau, Mikki Martinez.

At our first meeting after the 2014 AGM, the Chairman and Secretary were elected, in the persons of Angel Landeau and Mikki Martinez respectively. Denise Zephryne is the other member comprising the Committee. We met regularly to review ASCU operations as we saw fit.

ATTENDANCE AT BOARD MEETING

The Supervisory Committee attended all but one of the monthly Board of Directors Meetings. This allowed us the opportunity to be in touch with their goals and aims for 2014 and beyond. We appreciate the opportunity.

CFF WORKSHOPS FOR SUPERVISORY COMMITTEE /GMs/DIRECTORS

Early into the term we received an invitation from the Central Finance Facility (CFF) to attend a Supervisory Committee Workshop for Credit Unions, on 6th & 7th June 2014. The programme dealt with the duties and responsibilities of a Supervisory Committee and experts in the Credit Union Industry and Accounting facilitated the Workshop. The information provided was invaluable and important for the direction ASCU and all Credit Unions should chart. We are not exempt from the new compliance legislative regulations, which, as a financial institution, we must adhere to. Failure to do so is not an option.

SUPERVISORY COMMITTEE REPORT CONT'D

CFF conducted another workshop for Credit Unions on 12th July 2014 which dealt with Anti Money Laundering (AML) and Counter Terrorism Financing (CTF). The programme was conducted by the FIU and focussed upon Credit Unions following Compliance Regulations under the FIU Act 2009, Proceeds of Crime Act 2000/2009, the Anti Terrorism Act 2005/10/11 and Financing of Terrorism Regulations 2011.

The FIU conducted an onsite examination of ASCU on 24th July 2014 regarding our compliance. Their overall findings and comments/recommendations contained in their report dated 16th Sept 2014 were that several deficiencies needed immediate attention in some areas, such as Compliance Officer function, Systems of internal control, and Training for directors/staff, to name a few. FIU also recommended that ASCU apply best practices in some areas including a training register, retrospective due diligence, and updated record keeping among other areas.

However ASCU, being proactive, had been diligently implementing procedures and systems, some even before the review, which would place us as a compliant Credit Union in a reasonable time.

FINANCIAL STATEMENTS

The Financial Statements show that ASCU is sound and financially stable. The current investment climate is not conducive to high returns. As a matter of fact returns are low. However as a direct result of strategies, our loan products offered and accessed, our income from loan interest is above budget and contributed to our positive financial position.

The delinquency ratio is a cause for concern, as we have been hovering just above single digit percentages during the year. However, the efforts in 2014 from the Recoveries, Accounts and Management teams have brought the percentage from 8.3% as at December 2013 to 7% as at December 2014. We expect that the trend will continue downward for 2015. The accepted Pearls Ratio is 6%.

FIP

The problems of incomplete or absence of correct information for members' files, together with a non functional system for monitoring and managing them, was a challenge which has been worked upon during the year. Nevertheless, we are pleased to state that the problems identified have been addressed and resolved to a large extent. Members can expect improved service in the future.

STAFF AND OFFICERS FILES/ACCOUNTS

Loans and Deposits for staff members and officers which were reviewed, have satisfied Policy and Bye Law guidelines.

PROPOSED CREDIT UNION ACT

The long awaited legislation will test the governance and protocols that Credit Unions will need to operate within. Best practice management and operations will require that due diligence, fit and proper, and suitably qualified persons offer themselves to be elected to Board and Committees.

SUPERVISORY COMMITTEE REPORT CONT'D

It begs the question as to how we need to proceed with the nomination process. How would members be vetted and when can we afford to continue with off-the-floor nomination as an option?

These are important questions to be considered if ASCU is to continue to be financially sound while protecting the members' shares and deposits.

GENERAL COMMENTS

ASCU suffered a great loss when 'the Almighty called to his mansion' our esteemed Director Mr Kester Husbands in December 2014. Our loss will be felt in the knowledge, experience, and personality, of Kester. We have lost a colleague, a leader, and a true gentleman. He will be greatly missed.

The Supervisory Committee wishes to thank the Shareholders, the Management and Staff, other Committees and the Board for the support in making our term a fruitful experience.

We wish everyone in ASCU a positive and successful 2015.

.....
Angel Carlos Landeau
Chairman



AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

Introduces its

AERO SERVICES VISA DEBIT CARD

... Get the exceptional value, convenience, and reliability of an
Aero Services VISA debit card

EDUCATION COMMITTEE REPORT



From Left to Right: Esther Richards, Janelle Precilla, Courtney Demming, Lesley Hanson, Elizabeth Aqui, Candace Richards, Harold Clovis.

Education Committee Members:

Esther Richards – Chairperson

Krystiel Salandy-Lucas – Secretary

Elizabeth Aqui – Assistant Secretary

Members: Harold Clovis, Janelle Precilla, Candace Richards

Courtney Demming - Board Representative

EDUCATION COMMITTEE REPORT



From Left to Right: Kanini Benjamin, Lyndell Byer, Jaleel Benjamin, Candace Richards, Daniel Byer, Chrystal Richards

YouthLink Members:

- Jaleel Benjamin
- Kanini Benjamin
- Daniel Byer
- Lyndell Byer
- Sarah Precilla
- Candace Richards
- Chrystal Richards

"Not Generation Next, Generation Now!" This was the theme selected by the YouthLink (YL) and was incorporated in several events held by the Education Committee including the Annual Awards Ceremony. Our main focus this year was the development of the youth arm of ASCU. We assisted them in solidifying their footprint within the Credit Union, and were successful at it. The advancement of the YouthLink will assist in the strategic plan of the Credit Union as it moves into the future. An effective Mentorship Program for the youths that are interested is intended for proper Succession Planning.

EDUCATION COMMITTEE REPORT CONT'D

The ASCU **YouthLink** was launched at the last Annual General Meeting held on 29th March 2014 and became an official part of the Education Committee. The Launch was successful in that, approximately forty (40) young members of ASCU registered to become members of the YouthLink. However, some of them did not fall into the category of youth which is defined by WOCCU (World Council of Credit Unions) as anyone between the ages of 16 – 35 years. Following that initial encounter, the YL members Candace and Sarah with help from one of our new YL member Chrystal Richards created an e-mail address as an outreach to the new registrants who were within the age group. A date was set for the first official YouthLink meeting, and all members were notified.

Events for 2014

The Education Committee had a number of events carded for this year, some of which had to be cancelled due to budget constraints. However, the following events bore fruits both financially and in attendance.

1. YouthLink Bar-B-Que – May 29th 2014
2. Financial Seminar – June 14th 2014
3. Awards Ceremony (SEA, CSEC, CAPE and Junior Achievers) – September 25th 2014
4. Credit Union Week – Health Awareness - October 15th 2014
5. YouthLink Games Night – October 18th 2014

1. YouthLink Bar-B-Que

At their first official meeting, the YouthLink began planning a Bar-B-Que their first event, which took place on May 29th 2014. Despite a few setbacks, the event was very successful, and they were able to make their first contribution to the Credit Union.

At the end of the event, a deposit of \$9,285 was put into the coffers of ASCU. Congratulations YL, you came together and met your goal!

2. Financial Management Seminar

The Education Committee hosted a Financial Seminar on June 14th 2014, to appraise the Membership of an upcoming sale of Shares by an oil Company, facilitated by Mr. Christopher Gouveia. Approximately twenty (20) members were in attendance, and the information shared about business development was very valuable. We learnt about stocks, bonds and shares and how they can be used to diversify one's financial portfolio.

3. Awards of Excellence Ceremony

The Annual Awards Ceremony was held on Thursday 25th September 2014 at the nearby Trintoplan Building due to refurbishment work being done at the ASCU building. Seventy (70) members (children of members) were recognized for dedication to excellence and success at the various exams. The categories were as follows: S.E.A. (32); C.S.E.C. (15); C.A.P.E. (11) and Junior Achievers (12). Lyndell Byer, one of our YL members, was one of the featured speakers as well as a recipient of an award. Congratulations to all Awardees!

4. Health Awareness

During Credit Union week, The Education Committee co-sponsored this event in collaboration with the management and Staff of ASCU. The event was held on Wednesday 15th October 2014 and included the following:

- Cancer Screening & Testing – The Cancer Society of Trinidad & Tobago
- Blood Donation – The Blood Bank of Trinidad & Tobago
- Distribution of tokens to the ASCU membership.

EDUCATION COMMITTEE REPORT CONT'D

Also on display were photos of Aero Services through the years. It was quite interesting to see the development of ASCU and its members through the years. This also fortified our thoughts regarding succession planning, and the importance of becoming very vigilant about it.

5. YouthLink Games Night

At the culmination of Credit Union week, the YouthLink hosted a games night to encourage youth participation and as a means of socializing with other youths of ASCU. YL members invited several of their friends and a great time was had by all who attended.

Other Activities

Training: - Venture Credit Union hosted a one day Education Committee Workshop at the Hyatt Regency Hotel on September 27th 2014. ASCU sponsored the cost for the YouthLink and the Education Committee to attend. It was quite an enlightening workshop. Approximately twenty-six (26) Credit Unions were represented. However, ASCU YouthLink received special attention because ASCU was the only Credit Union present to have taken the initiative in developing a youth arm. So, we are on to something and would like to encourage greater participation from the Board and Management of ASCU in pushing the YouthLink agenda.

AeroZine

The AeroZine is proposed to take the place of the Aerobits. It will be a glossy 8" X 10" 12 page magazine, which will include a feature article on Credit Unionism, pictures, advertising and other credit union related matters.

Upcoming Events: -

- Spelling Bee Competition on March 7th 2014

On behalf of the Education Committee and the YouthLink, we extend our heartfelt thanks and appreciation to the Board of the Directors, the general membership, and the management and staff of Aero Services Credit Union, for giving us the opportunity to serve. It was another wonderful experience, and we say thank you for your support in 2014 and look forward to working with you again in 2015.

Sincerely,



Esther Richards
Chairperson

SOCIAL AND CULTURAL COMMITTEE REPORT



From Left to Right: Anthony Grant, Earle Joseph, Annette Boodramsingh, Anand Mahase, Richard Prescod

2014/2015 Committee Members were:

Mr. Anand Mahase	Chairman
Ms. Annette Boodramsingh	Secretary
Mr. Richard Prescod	Member
Mr. Anthony Grant	Member
Mr. Earle Joseph	Board Representative

SOCIAL AND CULTURAL COMMITTEE REPORT CONT'D

On behalf of the Committee, let me take this opportunity to wish everyone a blessed and prosperous New Year.

The Social and Cultural Committee's Year in Review

CRICKET:

The competition started on Wednesday 19th March and ended on Friday 6th June, 2014; thirteen weeks of intense cricket. 2014 was a history making year in many ways for Aero Services Cricket.

- Most teams participated
- Two centuries scored by one batsman
- Scores of 50's, 60's and 70's.
- Five (5) teams scoring over 100 runs in their 10 overs.
- A tie for first place in the league.

League results:

- First Place – Katerserv and M.S. United
- Third Place – Nemesis
- Fourth Place – Cargo Inc.
- Fifth Place – Aircraft Maintenance
- Sixth Place – Servisair and Stores
- Eight Place – We Shops
- “We Shops” was awarded “The Spirit of the Game trophy” for competing in all of their matches despite not winning a game.

Knockout Results

- The Big 4 champion was Cargo Inc.

TOP AWARDS

BEST BATSMAN (Katerserve)	–Riaz Mohammed – 2 centuries
BEST BOWLER	– Nigel Daniel (Cargo Inc) – 12 wickets
BEST FEMALE PLAYER	– Nicole Daniel (Cargo Inc)
MOST DISCIPLINE TEAM	– We Shops (Caribbean Airlines)

KARAOKE AND AFTER WORK LIME:

This year we included another dimension to spice up the After Work Lime with a karaoke competition. This event was held in June and all attendees had a great time singing in the wrong key and dancing the night away.

The Karaoke competition was won by our very talented staff member Ms. Renee White.

COOKOUT AND FAMILY DAY:

This event was planned for July/August but had to be rescheduled to 2015 to facilitate the upgrading of our Sport Complex at Factory Road, Oropune. (A pictorial of the upgraded facility can be seen at the back of the brochure)

JOINT ALL FOURS TOURNAMENT:

Consistent with the ongoing effort to build camaraderie and relations amongst other Credit Unions, we again hosted the Annual Joint All Fours Tournament, to celebrate Credit Union Month. This event was held in October 2014. The participants were: UWI Credit Union; Community Care Credit Union, Public Service Credit Union and Aero Services Credit Union.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

ASCU ANNUAL WINDBALL CRICKET COMPETITION



ASCU Trophies at stake



Directors & GM



Big 4 Winners



Joint 1st Place

JOINT CREDIT UNIONS' ALL FOURS COMPETITION



Community Care Credit Union



Public Services Credit Union



UWI Credit Union



Aero Services Credit Union



Reps from each C.U.



Winners UWI C.U.



Team ASCU at play



Joint C.U. Committee with VP Demming

ASCU ANNUAL AFTER WORK CHRISTMAS LIME



SOCIAL AND CULTURAL COMMITTEE REPORT CONT'D

The tournament was divided into two groups and the winners of each group played the finals. The two teams going into the finals were UWI Credit Union and ASCU. Congrats to the winners Team UW,I and ASCU who came in second.

The event was well attended, and kudos to the ASCU Team for coming out in their numbers and making 2014 a memorable tournament.

LET'S HAVE A BALL:

The committee added a new venture to the calendar of events, but it failed to attract the numbers we had projected. The Committee will be returning to the drawing board, in an effort to restructure the event for 2015.

TRINIDAD MEMBERS CHRISTMAS PARTY:

Our Christmas party was a tremendous success. Over 700 members attended, partying till the wee hours of the morning. This year we also had a live guest, 'Ninja'. Special thanks to all who assisted in making this event successful.

TOBAGO MEMBERS PARTY:

At the request of our Tobago Members, the party was shifted to January instead of December. So on Saturday 10th January, 2015, the Committee headed to Tobago for our members party. The function was much improved compared to the previous years. Our members who attended had a great time, dancing the night away.

In conclusion, the Members of the Social and Cultural Committee would like to thank the Board of Directors for giving us the opportunity to serve. We also thank the Management and Staff for their tremendous support, and the members for their participation in all the events. We look forward to your continued support in the future.

Co-operatively yours,



Anand Mahase
Chairman, Social and Cultural Committee

DAIRY OF EVENTS



AERO SERVICES CREDIT UNION

Proposed Diary of Events 2015

MARCH

ANNUAL GENERAL MEETING
ANNUAL WINDBALL CRICKET TOURNAMENT (Sports Complex)

APRIL

TOBAGO MEMBERS POST-ANNUAL GENERAL MEETING
YOUTH LINK BREAKFAST WITH THE PRESIDENT

MAY

EDUCATION COMMITTEE / YOUTH LINK FUNCTION
CRICKET TOURNAMENT CONCLUDES

JUNE

KARAOKE & AFTER WORK LIME
FINANCIAL SEMINAR

JULY

JOINT CREDIT UNIONS SPORTS DAY

AUGUST

FAMILY DAY & COOKOUT

SEPTEMBER

EDUCATION AWARDS CEREMONY

OCTOBER

CREDIT UNION MONTH ACTIVITIES
JOINT CREDIT UNIONS ALLFOURS

DECEMBER

MEMBERS AFTER WORK CHRISTMAS LIME

NOMINATION COMMITTEE REPORT

Introduction

In compliance with the Society's Bye Law 33a, the Board of Directors appointed a Nomination Committee to assume the task of inviting nominations from the Society's membership who are keen on being of service at the various levels of governance. Such levels refer to the Board of Directors, the Credit Committee and the Supervisory Committee. Members offering themselves for selection are required to be fit and proper and must be available to fulfill the obligation of office.

Directors appointed to serve on the Nomination Committee were:

Mr. Courtney Demming

Ms. Jacqueline O'Neil Lewis

Mr. Alec D Clarke

The Committee in issuing its invitation to the membership emphasized the importance of being persons who were:

1. In good standing with the Credit Union, that is, not delinquent and contributing regularly to their Share Account
2. In possession of reasonable knowledge and appreciation of the Credit Union's philosophy and operating principles.
3. Adequately qualified for the position being sought and who would be available to carry out the duties required of the position
4. Willing to attend an orientation session and become familiar with the online Continuing Professional Development (CPD) session for the Committee for which they were nominated.

A deadline of January 27, 2015 was given for the submission of applications and no late submission was entertained.

Outgoing Officers

In accordance with the Society's Bye-Laws, the following outgoing members from the Board of Directors are:

- (1) Mr. Earle Joseph, can serve again and has indicated his willingness to so do.
- (2) Mr. Theophilus Oliver, can serve again and has indicated his willingness to so do.
- (3) Mr. Michael Halls, can serve again and has indicated his willingness to so do.
- (4) Ms Cynthia Kennedy, can serve again and has indicated her willingness to so do.
- (5) Mr. Anthony Grant, can serve again and has indicated his willingness to so do

All members, including alternates, of both the Supervisory and Credit Committees are all outgoing.

A total of twenty (20) applications were received for consideration using the criteria parameters of membership status of the nominee, proposer and seconder with the society. The Committee wishes to advise the Annual General Meeting that nineteen (19) were approved and one (1) was denied for at the time of submission of application, the applicant had joined the Society less than two months.

NOMINATION COMMITTEE REPORT CONT'D

Below are the names of the nineteen (19) nominees.

BOARD OF DIRECTORS

Mr. Wayne Nunes
Ms. Cynthia Kennedy
Mr. Earle Joseph
Mr. Martin Franklin
Mr. Theophilus Oliver
Mr. Michael Halls
Mr. Anthony Grant
Mr. Brent Gaspard

SUPERVISORY COMMITTEE

Mr. Angel Landeau
Mr. Mikki Martinez
Ms. Denise Zephrene
Ms. Sandra Khan

CREDIT COMMITTEE

Ms. Sharon Lee-Sing Barnes
Ms. Mavis Edwards
Mr. Simon Fabien
Ms. Faye Husbands
Ms. Michelle Campo- Aimable
Mr. Wendell Lashley
Ms. Sharmila Ramlal

Additionally the Committee advised all the approved nominees of an Orientation Session held on the 14th March, 2015 and an Online Continuing Professional Development (CPD) session will be held in April 2015.

The Committee wishes to convey its gratitude and appreciation to the Board of Directors for the opportunity given to conduct this exercise.

Co-operatively Yours



Courtney Demming
Chairman

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2014

D. Montgomery & Co
Chartered Accountants
118 Abercromby Street
Port of Spain

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

I N D E X

	<u>Page</u>
Statement of Management Responsibilities	1
Independent Auditors' Report	2
Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Appropriated Funds and Undivided Surplus	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 20
Schedules to the Financial Statements	21 - 22

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITEDStatement of Management Responsibilities

1. It is the responsibility of management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Credit Union as at the end of the financial year and of the operating results of the Credit Union for the year. It is also management's responsibility to ensure that the Credit Union keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.
2. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.
3. Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards. Management is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Credit Union and of its operating results. Management further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial controls.

Nothing has come to the attention of Management to indicate that the Credit Union will not remain a going concern for at least the next twelve months from the date of this statement.


.....
PRESIDENT
.....
TREASURERDate: 5th March, 2015Date: 5th March, 2015

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

D. MONTGOMERY & CO
Chartered Accountants

Independent Auditors' Report

To the Members of: AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Aero Services Credit Union Co-operative Society Limited which comprise the statement of financial position as of 31st December 2014 and the statements of profit or loss and other comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

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

Auditors' responsibility

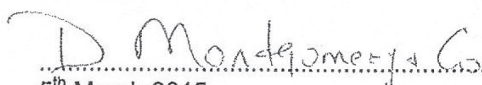
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 accompanying financial statements present fairly, in all material respects, the financial position of Aero Services Credit Union Co-operative Society Limited as of 31st December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.


.....

5th March 2015

Port of Spain

TRINIDAD AND TOBAGO

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITEDSTATEMENT OF FINANCIAL POSITION31ST DECEMBER

<u>Cash Resources</u>	<u>Notes</u>	<u>2014</u>	<u>2013</u>
Cash in Hand and at Bank	5	4,585,858	16,325,672
Investments	6	81,678,518	69,458,388
		<u>86,264,376</u>	<u>85,784,060</u>
<u>Other Assets</u>			
Accounts Receivable and Prepayments	7	5,486,945	5,221,010
Other Investments	8	14,677,671	16,062,661
Loans to Members	9	98,602,584	86,067,643
Inventory		75,690	100,131
Fixed Assets	10	17,876,482	8,041,339
		<u></u>	<u></u>
<u>Total Assets</u>		<u>\$222,983,748</u>	<u>\$201,276,844</u>
		=====	=====
<u>Liabilities and Members' Equity</u>			
<u>Liabilities:</u>			
Bank Overdraft		-	4,888
Accounts Payable and Accruals	11	2,199,742	2,033,392
Members' Deposits		38,203,695	40,097,173
Unclaimed Dividends and Shares		406,128	406,128
Proposed Honoraria		262,514	226,230
Members' Shares		132,739,693	120,105,249
		<u></u>	<u></u>
<u>Total Liabilities</u>		<u>173,811,772</u>	<u>162,873,060</u>
		<u></u>	<u></u>
<u>Members' Equity</u>			
Reserve Fund		12,525,854	11,545,555
Education Fund		1,729,906	1,581,412
Development Fund		652,161	652,161
Investment Re-measurement Reserve	13	4,562,441	5,553,181
Revaluation Reserve		9,011,970	-
Special Reserve Fund		226,648	226,648
Undivided Surplus		20,462,996	18,844,827
		<u></u>	<u></u>
<u>Total Members' Equity</u>		<u>49,171,976</u>	<u>38,403,784</u>
		<u></u>	<u></u>
<u>Total Liabilities and Members' Equity</u>		<u>\$222,983,748</u>	<u>\$201,276,844</u>
		=====	=====

The accompanying significant accounting policies and notes on pages 7 to 20 form an integral part of these financial statements. On 5th March, 2015 the Board of Directors authorised these financial statements for issue.

Joseph Oluwa Treasurer B. M. A. K. Member-Board of Directors

A. H. Member- Supervisory Committee

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2014

<u>Income</u>	<u>Schedules</u>	<u>2014</u>	<u>2013</u>
Interest on Loans		12,526,889	11,440,780
Investment Income		3,890,982	3,116,278
Rental Income		211,650	197,623
Entrance Fee		9,640	9,100
Miscellaneous Income		65,447	573,269
Service Charge		102,005	64,780
Profit on Sale of Investment		1,095,405	309,110
Bad Debts Recovered		111,813	99,757
<u>Total Income</u>		18,013,831	15,810,697
<u>General and Administrative Expenses</u>			
Personnel Cost	1	2,300,180	1,991,550
Operational Cost	2	1,580,643	1,228,750
Financial Cost	3	1,392,913	1,171,730
Administrative Cost	4	661,033	613,940
Bad and Doubtful Loans Expense		600,000	682,739
Risk Management	5	638,649	628,775
Rental Expenses		307,288	267,361
Depreciation		207,542	211,115
Officers' and Committee Expenses	6	614,262	637,465
Amortisation of Bond Premium		4,734	4,735
<u>Total General and Administrative Expenses</u>		8,307,244	7,438,160
Net Surplus for the Year		9,706,587	8,372,537
<u>Other Comprehensive Income</u>			
<u>Items that may be reclassified subsequently to Profit or Loss</u>			
Unrealised (Loss)/Gain on Investments		(990,740)	2,674,085
<u>Items that will not be reclassified subsequently to Profit or Loss</u>			
Increase on Property Revaluation		9,011,970	-
<u>Total Comprehensive Income for the Year</u>		\$17,727,817 =====	\$11,046,622 =====

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS

FOR THE YEAR ENDED 31ST DECEMBER 2014

	<u>Reserve Fund</u>	<u>Education Fund</u>	<u>Investment Re-measurement Reserve</u>	<u>Revaluation Reserve</u>	<u>Special Reserve Fund</u>	<u>Undivided Surplus</u>
Balance as at 1 st January 2014	11,545,555	1,581,412	5,553,181	-	226,648	18,844,827
Add: Net Surplus for the Year	-	-	(990,740)	-	-	9,706,587
(i) 10% to Reserve Fund	970,659	-	-	-	-	(970,659)
(ii) 5% of the Balance to the the Education Fund	-	436,796	-	-	-	(436,796)
	12,516,214	2,018,208	4,562,441	-	226,648	27,143,959
Entrance Fees	9,640	-	-	-	-	(9,640)
Meetings and Conferences	-	(164,404)	-	-	-	164,404
Education Committee Expenses	-	(123,898)	-	-	-	123,898
Revaluation Gain	-	-	-	9,011,970	-	-
Dividends Paid – 2013	-	-	-	-	-	(6,959,625)
<u>Balance as at 31st December 2014</u>	<u>\$12,525,854</u>	<u>\$1,729,906</u>	<u>\$4,562,441</u>	<u>9,011,970</u>	<u>\$226,648</u>	<u>\$20,462,996</u>
Balance as at 1 st January 2013	10,699,201	1,414,185	2,879,096	-	226,648	17,005,775
Add: Net Surplus for the Year	-	-	2,674,085	-	-	8,372,537
(i) 10% to Reserve Fund	837,254	-	-	-	-	(837,254)
(ii) 5% of the Balance to the the Education Fund	-	376,764	-	-	-	(376,764)
	11,536,455	1,790,949	5,553,181	-	226,648	24,164,294
Entrance Fees	9,100	-	-	-	-	(9,100)
Meetings and Conferences	-	(132,528)	-	-	-	132,528
Education Committee Expenses	-	(77,009)	-	-	-	77,009
Dividends Paid – 2012	-	-	-	-	-	(5,519,904)
<u>Balance as at 31st December 2013</u>	<u>\$11,545,555</u>	<u>\$1,581,412</u>	<u>\$5,553,181</u>	<u>-</u>	<u>\$226,648</u>	<u>\$18,844,827</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2014

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2014</u>	<u>2013</u>
Net Surplus for the Year	9,706,587	8,372,537
Amortisation of Bond Premium	4,734	4,735
Bad and Doubtful Loans Expense	600,000	682,739
Depreciation	207,542	211,115
	10,518,863	9,271,126
Net Change in Accounts Receivable and Prepayments	(265,935)	(411,246)
Net Change in Inventory	24,441	(4,833)
Net Change in Accounts Payable, Accruals and Honoraria	202,634	287,491
<u>Cash Provided by Operating Activities</u>	<u>10,480,003</u>	<u>9,142,538</u>
<u>Cash Flows from Investing Activities</u>		
Net Change in Loans to Members	(13,134,941)	(4,463,613)
Net Change in Fixed Assets	(1,030,715)	(1,156,478)
Net Change in Other Investments	394,250	(478,976)
Net Change in Investments	(12,224,864)	10,450,319
<u>Cash (Used in) /Provided by Investing Activities</u>	<u>(25,996,270)</u>	<u>4,351,252</u>
<u>Cash Flows from Financing Activities</u>		
Net Change in Members' Deposits	(1,893,478)	(5,629,706)
Dividends and Honoraria Paid	(6,959,625)	(5,519,904)
Increase in Members' Shares	12,634,444	8,099,007
<u>Cash Provided by/(Used in) Financing Activities</u>	<u>3,781,341</u>	<u>(3,050,603)</u>
Net Change in Cash Resources	(11,734,926)	10,443,187
Net Cash Resources – Beginning of the Year	16,320,784	5,877,597
<u>Net Cash Resources – End of the Year</u>	<u>4,585,858</u>	<u>\$16,320,784</u>
	<u>=====</u>	<u>=====</u>
<u>Represented By</u>		
Bank Overdraft		(4,888)
Cash in Hand and at Bank	4,585,858	16,325,672
	<u>\$4,585,858</u>	<u>\$16,320,784</u>
	<u>=====</u>	<u>=====</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2014

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) **New Accounting Standards and Interpretations -**

i) The Society has not applied IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine, effective for annual periods beginning on or after January 1, 2013 as it does not apply to the activities of the Society.

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

IFRS 1 First-time Adoption of International Financial Reporting Standards – Amended by Government loans (effective for accounting periods beginning on or after January 1, 2013).

IFRS 1 First-time Adoption of International Financial Reporting Standards – Amended by Annual Improvements 2009 – 2011 cycle (effective for accounting periods beginning on or after January 1, 2013).

IFRS 10 Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2013).

IFRS 11 Joint Arrangements (effective for accounting periods beginning on or after 1 January 2013).

IFRS 12 Disclosure of Interest in Other Entities – Amended by Investment Entities. (effective for accounting periods on or after 1 January 2014).

IFRS 13 Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013).

IAS 1 Presentation of Financial Statements – Amendments resulting from annual improvements cycle 2009-2011 (effective for accounting periods beginning on or after 1 July 2013).

IAS 12 Income Taxes – Limited scope amendment - recovery of underlying assets (effective for accounting periods beginning on or after 1 January 2012).

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

2. Significant Accounting Policies (Cont'd):

c) New Accounting Standards and Interpretations (cont'd) -

- | | |
|--------|---|
| IAS 19 | Employee Benefits – Amended standard resulting from the Post-Employment Benefits and Termination Benefits projects (effective for accounting periods beginning on or after 1 January 2013). |
| IAS 27 | Consolidated and Separate Financial Statements – Reissued as IAS 27 Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2013). |
| IAS 28 | Investments in Associates – Reissued as IAS 28 Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2013). |
| IAS 32 | Financial Instruments; Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for accounting periods beginning on or after 1 January 2014). |
| IAS 34 | Interim Financial Reporting – Amendments resulting from May 2012 Annual Improvements to IFRSs (effective for accounting periods beginning on or after 1 January 2011). |

The Society has not applied the following standards that have been issued but are not yet effective. The adoption of IFRS 9 Financial Instruments may result in significant changes in the Society's classification and presentation of financial instruments.

- | | |
|--------|--|
| IFRS 7 | Financial Instruments: Disclosure – December 2011 Amendments to IFRS 7 related to IFRS 9 (or otherwise when IFRS 9 is first applied) (effective for accounting periods beginning on or after January 1, 2015). |
| IFRS 9 | Financial Instruments: Classification and Measurement (effective for accounting periods beginning on or after 1 January 2015). |
| IFRS 9 | Financial Instruments: Accounting for Financial Liabilities and Derecognition (effective for accounting periods beginning on or after 1 January 2015). |

iii) Amendments to IAS 1 Presentations of Items of Other Comprehensive Income (Annual Periods beginning on or after January 1, 2013)

The Credit Union has applied the Amendments to IAS 1 Presentation of Items of Other Comprehensive Income for the first time in the current year. Under the Amendments to IAS 1, the "Statement of Comprehensive Income" is renamed as the "Statement of Profit or Loss and Other Comprehensive Income". The Amendments to IAS 1 retain the option to present Profit or Loss and Other Comprehensive Income in either a single statement or in two separate but consecutive statements.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

2. Significant Accounting Policies (Cont'd):

However, the Amendments to IAS 1 require items of Other Comprehensive Income to be grouped into two categories in the Other Comprehensive Income section:

- (a) Items that will not be reclassified subsequently to profit or loss and
- (b) Items that may be reclassified subsequently to profit or loss when specific conditions are met.

Other than the above mentioned presentation changes, the application of the Amendments to IAS 1 does not result in any impact on Profit or Loss, Other Comprehensive Income and Total Comprehensive Income.

d) **Property, plant and equipment -**

Land and buildings were revalued on December 11, 2014 by Linden Scott & Associates Ltd. and are carried at their revalued amounts. The difference between the assets' carrying and revaluation amount is recorded in the Revaluation Reserves. All accumulated depreciation on these assets was eliminated against the gross carrying amount of the assets.

All other items of 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.

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 Statement of Financial Position 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.

Held-to-maturity

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

2. Significant Accounting Policies (Cont'd):

f) Financial instruments

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

Cash and cash equivalents

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

Trade receivables

Trade receivables are measured at initial recognition at cost. Appropriate allowances for estimated irrecoverable amounts are 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 a provision for loan losses.

Trade payables

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

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 Profit or Loss and Other Comprehensive Income over the period of the loan using the effective interest method.

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 liabilities and stated at fair value.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTS CONTINUED31ST DECEMBER 2014**2. Significant Accounting Policies (Cont'd):****g) Revenue recognition**Loan Interest

Interest charged on all loans to members is calculated on the monthly outstanding balance at interest rates ranging from 0.75% to 1.3% on a monthly basis. Interests on loans are accounted for on a cash basis.

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 #18.

h) Dividends payable to members

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

i) 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**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 Statement of Financial Position date. As at December 31, 2014 US Dollar denominated bank and investment balances were converted at the CBTT Buying rate of TT\$6.3243 to US\$1.00 All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Profit or Loss and Other Comprehensive Income.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

2. Significant Accounting Policies (Cont'd)

m) **Comparative figures**

There were changes in the presentation of Fixed Assets as per Note 10 pertaining to two (2) categories. Previously, ASCU Sporting Complex located at Factory Road was reported under three (3) categories, 'Freehold Land', 'Building Improvements – Factory Road' and 'Factory Road Pavillion – In Progress'. Effective December 2014 'Building Improvements – Factory Road and Factory Road Pavillion – In Progress' have been amalgamated under the category ASCU Sporting Complex and year 2013 comparatives were restated.

Also, the property at which the Society's head office is located in Tacarigua, was previously presented under three (3) categories, 'Building Trincity', 'Building Improvements' and 'Building Expansion in Progress'. Effective December 2014, these three have also been amalgamated and presented under the heading 'Land and Building Tacarigua', year 2013 comparative figures were also restated.

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 ten (10) years. These are funded mainly from member deposits and shares.

b) **Credit risk**

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

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

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

3. Financial Risk Management (Cont'd)

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.

Risk management

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

To manage and reduce liquidity risk the Society's management actively 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.

g) **Reputation risk**

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

Fair value estimation

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

4. Critical Accounting Estimates and Judgments:

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

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

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

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

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date (requiring management's most difficult, subjective or complex 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 Statement of Financial Position date whether assets are impaired. An asset is impaired when the carrying value is greater than its recoverable amount and there is objective evidence of impairment. Recoverable amount is the present value of the future cash flows. Provisions are made for the excess of the carrying value over its recoverable amount.

ii) Plant and equipment

Management exercises 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

	<u>2014</u>	<u>31st December 2013</u>
Petty Cash	10,833	10,879
Intercommercial Bank Limited	239,566	-
RBC Royal Bank of T & T Ltd – Current Account	2,808,977	12,061,204
- US Savings Account	1,124,674	4,227,288
- Tobago	401,808	26,301
	\$4,585,858	\$16,325,672
	=====	=====

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

6. Investments

		31 st December
	<u>2014</u>	<u>2013</u>
Available-for-Sale		
Fixed Deposits	50,686,694	49,272,396
Money Market Funds	6,539,293	6,468,926
Managed Portfolio	24,452,531	13,717,066
	\$81,678,518	\$69,458,388
	=====	=====

7. Accounts Receivable and Prepayments

		31 st December
	<u>2014</u>	<u>2013</u>
Interest Receivable	2,711,860	1,510,179
Payroll Deductions Receivable	2,234,768	2,316,749
Other Receivables	390,106	1,128,084
Prepayments	96,099	100,214
Value Added Tax Payable	136,851	248,523
Provision for Doubtful Receivables	(82,739)	(82,739)
	\$5,486,945	\$5,221,010
	=====	=====

8. Other Investments

		31 st December
	<u>2014</u>	<u>2013</u>
Available-for-Sale		
Quoted Investments	10,796,579	12,156,144
Unquoted Investments	3,881,092	3,906,517
	14,677,671	16,062,661
Held to Maturity		
HILOC	876,905	876,905
Provision for Investment Loss	(876,905)	(876,905)
	\$14,677,671	\$16,062,661
	=====	=====

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

9. Loans to Members

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

		31 st December
	<u>2014</u>	<u>2013</u>
Outstanding Principal Balances	101,175,493	88,043,280
Less: Provision for Loan Losses	(2,572,909)	(1,975,637)
	\$98,602,584	\$86,067,643
	=====	=====

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED										31ST DECEMBER 2014
S TO THE FINANCIAL STATEMENTS CONTINUED										
Cost	Freehold Land	Land and Building Tacarigua	Computer Equipment and Software	Office Furniture and Equipment	Telephone System	Security Equipment	ASCU Sporting Complex	Motor Vehicle	Total	
Balance as at 1 January 2014	522,345	6,783,004	1,022,149	1,204,923	180,227	86,012	1,144,627	243,600	11,186,887	
Additions	-	420,292	97,262	80,730	6,000	42,932	383,499	-	1,030,715	
Revaluation	4,677,655	3,296,704	-	-	-	-	-	-	7,974,359	
Balance as at 31 st December 2014	5,200,000	10,500,000	1,119,411	1,285,653	186,227	128,944	1,528,126	243,600	20,191,961	
Accumulated Depreciation										
Balance as at 1 st January 2014	-	1,037,611	911,863	776,230	86,648	50,920	46,420	235,856	3,145,548	
Write Back due to Revaluation Charge for the Year	-	(1,037,611)	-	-	-	-	-	-	(1,037,611)	
	-	-	90,744	67,018	17,894	3,912	26,214	1,760	207,542	
Balance as at 31 st December 2014	-	-	1,002,607	843,248	104,542	54,832	72,634	237,616	2,315,479	
Net Book Value										
Balance as at 31 st December 2014	\$5,200,000	\$10,500,000	\$116,804	\$442,405	\$81,685	\$74,112	\$1,455,492	\$5,984	\$17,876,482	
Balance as at 31 st December 2013	\$522,345	\$5,745,393	\$110,286	\$428,693	\$93,579	\$35,092	\$1,098,207	\$7,744	\$8,041,339	

-16-

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED										31ST DECEMBER 2014
NOTES TO THE FINANCIAL STATEMENTS CONTINUED										
10.										
	<u>Cost</u>	<u>Freehold Land</u>	<u>Land and Building Tacarigua</u>	<u>Computer Equipment and Software</u>	<u>Office Furniture and Equipment</u>	<u>Telephone System</u>	<u>Security Equipment</u>	<u>ASCU Sporting Complex</u>	<u>Motor Vehicle</u>	<u>Total</u>
	Balance as at 1 January 2013	522,345	6,158,437	1,005,393	941,644	90,936	86,012	982,042	243,600	10,030,409
	Additions	-	624,567	16,756	263,279	89,291	-	162,585	-	1,156,478
	Balance as at 31 st December 2013	522,345	6,783,004	1,022,149	1,204,923	180,227	86,012	1,144,627	243,600	11,186,887
	<u>Accumulated Depreciation</u>									
	Balance as at 1 st January 2013	-	986,773	819,893	736,445	84,798	46,596	26,348	233,580	2,934,433
	Charge for the Year	-	50,838	91,970	39,785	1,850	4,324	20,072	2,276	211,115
	Balance as at 31 st December 2013	-	1,037,611	911,863	776,230	86,648	50,920	46,420	235,856	3,145,548
	<u>Net Book Value</u>									
	Balance as at 31 st December 2013	\$522,345	\$5,745,393	\$110,286	\$428,693	\$93,579	\$35,092	\$1,098,207	\$7,744	\$8,041,339
	Balance as at 31 st December 2012	522,345	\$5,171,664	\$185,500	\$205,199	\$6,138	\$39,416	\$955,694	\$10,020	\$7,095,976

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

11. Accounts Payable and Accruals

	31 st December	
	<u>2014</u>	<u>2013</u>
Audit fees	86,214	70,000
CUNA Claims	358,537	358,539
CUNA Insurance	96,963	92,634
Fixed Deposit Interest Payable	436,328	597,060
Other Payables	659,443	321,810
Members' Standing Orders	32,956	32,683
Accruals	497,401	539,449
Stale-dated Cheques	31,900	21,217
	\$2,199,742	\$2,033,392
	=====	=====

12. 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. In accordance with International Financial Reporting Interpretation (IFRIC) Interpretation #2, redeemable shares have been treated as liabilities.

13. Investment Re-Measurement Reserve

As at 31 December 2014, the Society's available-for-sale investments and the managed portfolio have been re-measured to their fair values and the resulting unrealised loss of (\$990,740) has been transferred to the Investment Re-measurement Reserve in accordance with IFRS9.

14. Dividends

The Board of Directors has proposed a dividend of 6% for the year ended 31 December 2014. This is not recorded as a liability in accordance with IAS #10.

15. Rebate

The Board of Directors has proposed a rebate payment of 2% on all interest paid on loans for the year ended 31st December 2014, with the exception of delinquent loans. Such rebate would be credited to members' loan account. This is not recorded as a liability in accordance with IAS #10.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITEDNOTES TO THE FINANCIAL STATEMENTS CONTINUED31ST DECEMBER 2014**16. 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 2014.

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.

17. 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.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

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

	<u>2014</u>	<u>31st December</u> <u>2013</u>
Assets		
Loans to Directors and Key Management Personnel and Related Persons	\$2,436,082 =====	\$1,706,283 =====
Deposits and Other Liabilities		
Deposits held by Directors and Key Management Personnel and Related Persons	1,328,226	1,596,379
Shares held by Directors and Key Management Personnel and Related Persons	3,057,532	2,574,209
	----- \$4,385,758 =====	----- \$4,170,588 =====
Income		
Directors and Key Management Personnel	\$- =====	\$- =====
Interest and Other Expenses		
Directors and Key Management Personnel	\$357,821 =====	\$307,623 =====
Key Management Compensation		
Short Term Benefits	672,350	884,133
Post Employment Benefits	18,593	21,882
	----- \$690,943 =====	----- \$906,015 =====

21. Capital Commitments

The Credit Union has incurred a future purchase obligation for the purchase of a new Motor Vehicle to replace existing.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2014

1. <u>Personnel Cost</u>	31 st December	
	<u>2014</u>	<u>2013</u>
Ex-Gratia and Incentives	30,066	187,000
Salaries	1,910,443	1,523,814
Staff Overtime	9,622	7,593
Staff NIS, Pension and Medical Plan	275,397	229,902
Staff Training and Development	22,764	38,372
Staff Uniforms	37,081	3,776
Travelling and Subsistence	1,656	1,093
Staff Welfare	13,151	-
	\$2,300,180	\$1,991,550
	=====	=====
2. <u>Operational Cost</u>	31 st December	
	<u>2014</u>	<u>2013</u>
Accounting Services	164,100	157,500
Advertising	13,033	21,474
Audit Fees	88,060	62,470
Cable Expenses	4,235	4,291
Computer Expenses	41,627	31,995
Courier	-	540
Electricity	62,719	66,544
Equipment, Repairs and Maintenance	46,111	14,925
Internet Rental Charges	10,794	10,062
Janitorial Services	54,160	53,481
Legal and Professional Fees	364,631	207,806
Miscellaneous	122,935	8,752
Motor Vehicle Expenses	27,107	42,423
Office Refreshments	25,879	33,556
Postage Expense	29,166	17,760
Printing, Stationery and Office Supplies	100,902	74,156
Property Maintenance Cost	131,991	114,237
Rates and Taxes	7,562	5,426
Security Services	230,193	216,573
Telephones	55,438	65,013
Vehicle Storage	-	19,766
	\$1,580,643	\$1,228,750
	=====	=====

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

43RD AGM

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2014

3.	<u>Financial Cost</u>	31 st December	
		<u>2014</u>	<u>2013</u>
	Bank Charges	15,431	12,286
	Linx Charges	13,480	9,600
	Interest on Members' Fixed Deposits	1,047,937	1,086,867
	Foreign Exchange Loss	289,765	18,068
	Overdraft Interest	-	1,811
	IBL Facility Charges	26,300	43,098
		<u>\$1,392,913</u>	<u>\$1,171,730</u>
		=====	=====
4.	<u>Administrative Cost</u>	31 st December	
		<u>2014</u>	<u>2013</u>
	Annual General Meeting	154,739	161,086
	Association of Credit Union Presidents	13,000	15,654
	Donations	16,450	15,086
	Education Fund Expense	123,898	77,009
	Meetings and Conferences	164,404	132,528
	Promotions	22,492	31,394
	Portfolio Management Fees	161,715	165,788
	Strategic Planning Session	4,335	3,690
	Special General Meeting	-	11,705
		<u>\$661,033</u>	<u>\$613,940</u>
		=====	=====
5.	<u>Risk Management</u>	31 st December	
		<u>2014</u>	<u>2013</u>
	CUNA LP and LS Coverage	564,404	554,965
	Fidelity Guarantee	7,981	8,136
	Fire Insurance	31,721	32,029
	Group Life Insurance	34,543	33,645
		<u>\$638,649</u>	<u>\$628,775</u>
		=====	=====
6.	<u>Officers' and Committee Expenses</u>	31 st December	
		<u>2014</u>	<u>2013</u>
	Board and Committee Allowances	176,206	142,870
	Board of Directors Christmas Party	35,831	32,525
	Ex-Gratia	-	36,000
	Refreshments	16,556	33,086
	Social and Cultural Committee	122,817	166,877
	Honoraria Expense	262,852	226,107
		<u>\$614,262</u>	<u>\$637,465</u>
		=====	=====

RESOLUTIONS & RECOMMENDATIONS

Auditors

Be it resolved that the firm D. MONTGOMERY & COMPANY be retained as the External Auditors for 2015.

Distribution of Surplus

Dividends

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

- 1.1 A dividend of six percent (6%) on each member's shareholding to be disbursed according to the member's request.
- 1.2 A further two percent (2%) interest rebate on each member's loan, such rebate to be credited to member's loan account.

Be it resolved that the equivalent of \$1.00 US from each member's dividend payment is deducted to support the construction of the Caribbean Confederation of Credit Unions (CCCU) Headquarters building in St. Kitts.

Ex Gratia Payment

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) be allocated to the Social and Cultural Committee.

Honorarium

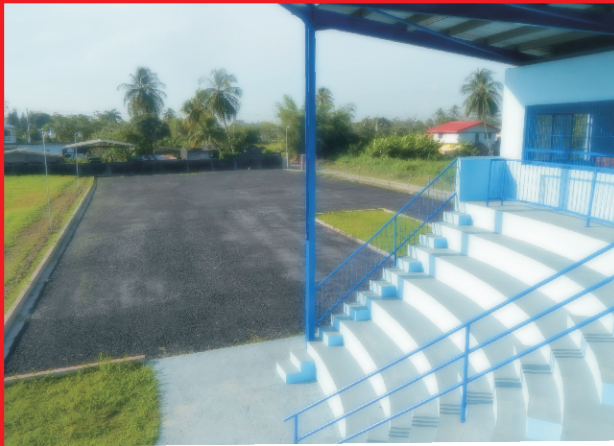
Be it resolved that 3% of the Undivided Surplus after all statutory deductions are made, be allocated to the Board of Directors and Statutory Committees.

NOTES

NOTES

ASCU SPORTS COMPLEX

Factory Road, Piarco



Promoting a Healthy Lifestyle