AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

42nd ANNUAL GENERAL MEETING

Saturday
29th March, 2014

Trinity College East,
#1 College Avenue,
Trincity Central Road,
Trincity

"enriching the quality of your life"

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

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NOTICE

Notice is hereby given that the 42nd Annual General Meeting of Aero Services Credit Union Co-operative Society Limited will be held on Saturday 29th March 2014 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. Feature Address - The Governor of Central Bank
6. Minutes of the last Annual General Meeting
7. Reports 2013
    - 7.1 Board of Directors
    - 7.2 Credit Committee
    - 7.3 Supervisory Committee
    - 7.4 Education Committee
    - 7.5 Social & Cultural Committee
    - 7.6 Nominations Committee
8. Auditor's Report
9. Financial Report
10. Budget Proposals
11. Resolutions / Recommendations
12. Elections of Officers
    - 12.1 Supervisory Committee
    - 12.2 Credit Committee
    - 12.3 Board of Directors
13. Other Business
14. Vote of Thanks
15. 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) There will be separate ballot boxes for the Board, Credit and Supervisory Committees.

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

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

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

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

PRESIDENT'S MESSAGE

Dear Valued Member:

I am pleased once again, to report to you our valued shareholders, on our stewardship during the term 2013/2014.

Our financials reflect the fact that we have much to be proud about, as our Total Assets have increased, compared to the similar period in 2013. Our efforts to contain costs is also worthy of mention. Delinquency has been our number one strategic goal and I am happy to report, that we have made good progress in reducing the delinquency to the lowest it has been over the preceding five (5) years.

It is anticipated, that the impending Credit Union legislation, can indeed become a reality in 2014. The proposed legislation will definitely bring significant changes in the structure of the financial services industry, if left in its current form. Some of the areas of interest for us at Aero Services Credit Union (ASCU) include, but are not limited to:

- the absence of a published guiding policy framework
- limitations on the non-financial business of Credit Unions
- the proposed transition period(s)
- the criteria for the Solvency Ratio calculations
- the term limit structure for Credit Union Directors
- Credit Union Directors' qualifications and
- the concept of permanent and withdraw-able shares

The Board of Aero Services Credit Union has kept abreast of the situation surrounding this proposed legislation, through its own efforts and those of the Credit Union umbrella bodies, mainly, the Association of Co-operative Credit Union Presidents of Trinidad and Tobago (ACCUPTT) and the Co-operative Credit Union League of Trinidad and Tobago (CCULTT). The Credit Union Movement continues to seek dialogue with the Government and through advocacy, as we strive to influence positively, the content of the proposed legislation to the benefit of Credit Unions across Trinidad and Tobago.

The Board of Aero Services Credit Union is committed to keeping our members informed, as efforts continue on the part of the Government of Trinidad and Tobago, to bring the proposed Credit Union legislation into law. Simultaneously, there is a concerted push by Government to amend the Co-operative Societies Act. We certainly endorse the need for amendment of the Co-operative Societies Act and it is our hope, that the proposed amendments would enable Co-operatives to co-exist in the same space and satisfactorily meet the needs of its members.

Our Special General Meeting (SGM), which was held on the 15th August 2013, sought to expand our membership bond in a controlled way, as we seek to maximise shareholder value. This was approved by the

PRESIDENT'S MESSAGE CONT'D

Commissioner of Co-operative Developments.
In the 2013/2014 term, we have made significant strides to improve the infrastructure of both ASCU Head Office and ASCU Sporting Complex properties.

Domestic Economic Environment

During the first six months of 2013, the domestic economy grew by 2.3%, however, the third quarter of 2013 witnessed a decline by 0.5% (year on year). In December, Central Bank revised its overall economic growth projection for 2013 to 1.5%.
A more optimistic outlook is being forecasted for 2014 by Central Bank.

ASCU Head Office

The constraints that existed with our membership bond was highlighted during our Special General Meeting (SGM). The issues associated with an aging demographic were discussed, which include but not limited to, (a) a reduced demand for loans, which translate to a lower than budgeted actual loan interest, (b) a higher demand for share withdrawals and (c) an expressed desire on the part of many to remain debt free.

The SGM approved a limited expansion of our bond to include persons from organisations where salary deductions could be facilitated. Additionally, we amended Bye Law No.1 to include Caribbean Airlines Ltd and to remove the word "and" between subsections (vii) and (viii).

Amended Bye Law No. 1 - Interpretation

(a) In these Bye-Laws, unless the context otherwise requires:

(i) The "Commissioner" means the Commissioner of Cooperative Development;

(ii) The words "he", "his", and "him" shall also mean "she", "hers" and "her";

(iii) The Board" means the Board of Directors;

(iv) "Meeting of the Society" means any general meeting or any meeting of the Board or of the Credit, Supervisory or Education Committee;

(v) "The Act" means the Co-operative Societies Act, Chapter81:03;

(vi) "The Regulations" means the Co-operative Societies Regulations 1971;

(vii) "The Rules" means the Rules as provided for in Bye-Laws No.32;

(viii) "The Society" means The AERO SERVICES CRED IT UNION CO-OPERATIVE SOCIETY LIMITED.

(ix) **"Trinidad and Tobago (BWIA International) Airways Corporation" shall mean BWIA International and Caribbean Airlines Ltd.**

The projects at ASCU Head Office included, but were not limited to, the installation of a new roof, which brought to an end, the many issues surrounding the old roof, the most significant being the leaks which caused much inconvenience/consternation to our staff and tenants on the first floor.

The air-conditioning system on the first floor was replaced with more energy efficient and segregated units which would bring the added advantage of a lower electricity cost.

The court yard and parking lot were also repaved, since there were signs of deterioration, which may have caused injury to users.
The exterior of the building was given a facelift to preserve the integrity of the structure, while improving the aesthetics of the building. Work on the painting of the interior is expected to be completed by the beginning of the second quarter of 2014.

We have begun the process for the upgrade of our fence at the northern and eastern perimeters of our premises in an effort to secure our building and assets. The work on the fence should also be completed by the beginning of the second quarter of 2014.
The long wait for the improvement of our telephone

PRESIDENT'S MESSAGE CONT'D

system is finally over, as during the month of November we completed the installation of our new telephone system. We thank you for your patience, while we addressed this very essential aspect of our business and trust that the new system has brought some much needed relief to you with regard to communicating with the office.

Tobago

As part of our commitment to ensure we continue to edify our members, the 'Wills and Trust' program was conducted in Tobago in the month of July 2013. The long awaited upgrade to the office where our staff regularly meet with our Tobago members, was accomplished through the installation of partitions to satisfy the privacy concerns. Additionally, our efforts to communicate more effectively with our members has been on going through the use of emails, social media and the installation of an Aero Services Credit Union notice board in the airport to keep our members updated.

ASCU Sporting Complex

The upgrading of the ASCU Sporting Complex continued by replacing the chain link fence with a wall on the northern perimeter of the facility and simultaneously by satisfying OSHA requirements in the pavilion area, to ensure compliance with the OSH legislation for public meeting places.

The installation of a gate and paved driveway along the southern end of the western perimeter would facilitate entrance and exit from the western (back) access road. The use of the back entrance would have the added benefit of preserving the integrity of the playing field along the northern section of the ground. A chain link fence has also been installed along the western side of the ASCU Sporting Complex to complete the process of enclosing the facility.

In the next phase of development, there are plans to install additional external lighting, address the drainage issue and prepare a more permanent parking surface, preferably along the western section of the ground.

2014 Outlook

As we look towards the future, we seek to build on the positives of the past. We propose to significantly improve our IT interface through the implementation of several of the initiatives identified in our three (3) year IT Strategic Plan, which would include, facilitating the convenience of members checking their account balances and the submission of loan and other requests on-line.

A plan exists to create additional parking space at ASCU Head Office by utilising some of the space on the north western area of the compound.

I wish to sincerely thank you our valued members for the confidence you continue to have in our institution, our staff for their dedication, the members of the various Committees who worked tirelessly to ensure that we continue to enrich the lives of our members and last but by no means least, my fellow members of the Board of Aero Services Credit Union.

We again invite you to continue to partner with us, as we strive to achieve the mission and realise the vision. May God bless you all.

Cooperatively,

Brian Matthew
President

BOARD OF DIRECTORS


President
Mr. Brian Matthew


Secretary
Mr. Lyndon Byer

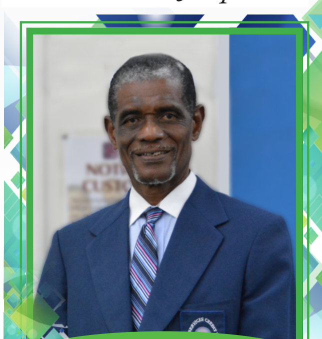

Treasurer
Mr. Michael Halls


Vice President
Mr. Courtney Demming


Assistant Secretary
Mr. Earle Joseph


Assistant Treasurer
Mr. Gregory Aqui


Director
Ms. Jacqueline O'Neil Lewis


Director
Mr. Alec Clarke


Director
Mr. Theo Oliver


1st Alternate
Mr. Anthony Grant


2nd Alternate
Ms. Cynthia Kennedy

MINUTES OF THE 41st ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 23rd MARCH 2013, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

1. Call to Order

The President/Chairman Mr. Brian Matthew called the 41st Annual General Meeting to order at 1.30p.m. He invited everyone to stand for the National Anthem and recital of the Credit Union Prayer. He requested a minute of silence to be observed in remembrance of all those members who passed away during the last year.

2. Credential Report

The Supervisory Committee reported that a total of fifty two (52) persons were present at the time which comprised of: twenty nine (29) members, thirteen (13) Directors/Committee members, and ten (10) members of staff, and therefore the meeting was duly constituted. There were also twelve (12) guests in attendance.

3. Welcome

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

4. Notice of the Meeting

The Chairman invited the Secretary of the Board of Directors, Mr. Earle Joseph, to read the Notice of the Meeting.

5. The President's Review

The President commenced his review by informing that 2012 was indeed memorable, as the focus was on growing our Credit Union through the implementation of a number of initiatives and through the collective efforts of our members and staff. The President added that to commemorate Credit Union month, miniature plants were distributed to all who visited our office, as we sought to instill in the minds of our members, the significance of growing Aero Services Credit Union.

In his review of the economy the President stated that in 2011 the Trinidad and Tobago economy declined by 1.4%, and continued the downward trend in the first half of 2012, but recovered in the latter six months. He however, looked forward to 2013 with much anticipation since modest growth was predicted.

The President stated that during the past year several initiatives were launched to improve communication with our members such as: ASCU facebook presence, upgrade of ASCU website and the installation of a new PBX/Telephone system.

He emphasized that we had successfully launched our Aero Visa Debit Card, which would have allowed ready access to cash. It facilitates transactions at point of sales outlets both locally and overseas. Members can now also have their dividend entitlements and/or loan request applied directly to their Aero Visa Debit Card.

The upgrade of our Head Office at Orange Grove Road, the President stated, was done in an effort to better serve our members and improve the working conditions of our staff. He added that the employment of a full time Internal Auditor, apart from providing onsite due diligence, ensured that we comply with the requirements of the Regulators who govern the industry.

The President articulated that notwithstanding the positives mentioned in the foregoing paragraphs we continue to grapple with the adverse impact of share withdrawals, delinquency and the commitment required to effectively serve our members. He added that on the issue of share withdrawals, he has asked the membership to avail themselves of our expanded loan facility, which will have the mutual benefit of meeting their needs while continuing to grow our Credit Union, thus allowing you to receive dividends as an integral part of the process. He indicated that the Board proposes early in the new term, to give consideration to the recruitment of Loan Officers, who would assist in reducing the loan processing time, and in so doing minimize the time for accessing loans.

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Delinquency, the President informed, is a problem we continue to struggle with, in spite of our efforts to implement initiatives to recover money loaned to some of our members. He added that no effort will be spared to recover the money loaned in good faith.

The President added that there are instances where members indicate their willingness to serve on Committees but are not prepared to diligently fulfill their commitment. He then appealed to all those wishing to serve, that serving necessitates commitment and demands of one's time and often requires sacrificing other undertakings to achieve the objective of the shared virtue "Members Matter Most"

In conclusion, the President thanked his fellow Board Members, Management and Staff for their support over the past year.

6. Feature Address

The Chairman introduced the Feature Speaker – Dr. Winsford James, Lecturer at the School of Education at U.W.I., President of Mt. Pleasant Credit Union and Columnist with the Trinidad Express.

Dr. Winsford James commenced his address by thanking the President and Board of Aero Services Credit Union for inviting him to address the 41st Annual General Meeting and to renew ties with Aero Services. He added that he was happy to see that Aero Services continues to have strategy in place for institutional strengthening with the mix of young and not so young in their composition of Directors on the Board.

Dr. James stated that because of his experience as a President of a Credit Union, and a former Director of a secondary Credit Union organisation, he could speak with authority on Credit Union matters. He proceeded to congratulate the Board for holding its AGM in the first quarter of the year, which he considered a major achievement as it is at this forum the Board accounts on its stewardship to the membership.

The Credit Union Movement, he informed, exists to assist the small man acquire a space in the financial market. He compared Credit Unions to Banks, stating that we cannot own a bank as we do with a Credit Union. He added that the founding fathers of the Credit Union Movement came from the lower strata of the economy and the society, which started as a poor man's business and evolved with common people still in charge. Those common people, he continued, have become better in terms of education, social growth and economic understanding, which assisted in some of us who started out as lower class being elevated to middle class.

From humble beginnings the Credit Union has grown and continues to grow to the point where its members can now afford to educate their children and themselves and purchase property. He continued, one just has to peruse the Credit Committee's report and see the categories under which loans are disbursed. The majority of loans he added are for productive reasons, unlike in the past when most loans were taken for consumption purposes.
He intimated that we built this thing. We are the ones who created our bye laws and constitution which govern the movement, and it is very democratic with its concept of one man one vote. He added that the members must keep the Board in check and noted that the members, not the Board, are the owners.

Dr. James stated that the Credit Union was built on deposits/shares and borrowing, and when one looks at the financial statement of a Credit Union you will find that loans generate the most income. He added that while the banks are offering an indecent rate of interest, the Credit Union interest rate is much more attractive and used Aero Services 2013 dividend payment of 5% as an example.
He stated that the Credit Union must continue to lend as it is from lending that the Credit Union generates most of its income. He added that the Credit Union must grow in order to have new funds available to lend. He informed members that if they want to grow their Credit Union, then they must continue to invest and borrow.

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Dr. James then turned his attention to delinquency which was mentioned in the President's message. He stated that when one borrows they must repay in the time agreed to by both parties. In some cases, he added, some members may fall on hard times and will genuinely be unable to pay. The Board must develop policies to address these situations. He encouraged the Board to follow the PEARLS system which measures and evaluates how your Credit Union is performing and has a section relative to delinquency. He advised that we should not go above 2% delinquency and to accomplish this we must set targets and develop policies along with the employment of staff that will treat with delinquent members or prevent members from becoming delinquent. He added that delinquency deprives members of healthy dividends. He advised that Aero Services form a delinquency committee to treat with it before it gets out of hand and by so doing will grow your Credit Union.
He informed that the Credit Union does not make profit, while we may understand the concept of profit making. He added that the concept used by Credit Unions is surplus, which is placed back into the Credit Union and its members.

Education, he insisted, rids us of ignorance, expands our knowledge, makes our reasoning sharper, makes our relationships more tolerant and we learn how to deal with people not on the basis of emotion but on the basis of facts and reason. The Education Committee he stated is one of the most important committees, and they must focus on the younger generation and ensure that they have access to knowledge and training if we are to grow our Credit Union. He added that you cannot go wrong educating a younger person.

Dr. James commended Aero Services on their Vision Statement. He noted that it was progressive and forward thinking. He also congratulated the Board for reaching out and communicating with members via the social media and CAL newsletter. He added that this is another ways we can grow the Credit Union.

He concluded by stating that there are traditional and innovative ways of growing the Credit Union and Aero Services is on the right growth path. He then thanked the President, the Board and Mr. Kester Husbands for inviting him and wished Aero Services a very productive 41st AGM.

7. Acknowledgments

The Chairman thanked the Feature Speaker, Dr. Winsford James, for his very stirring remarks and added that the Feature Speaker has graciously consented to stay with us for the remainder of the AGM. The Chairman then welcomed and acknowledged the presence of the following guests;

Mr. Herman Noel	- T&T Credit Union Deposit Fund
Ms. Kisha Wong	- Co-operative Development Division
Mr. Michael Lashley	- Cipriani College of Labour and Co-operative Studies
Ms. Natalie Phillips	- Cipriani College of Labour and Co-operative Studies
Ms. Lydia Sealy	- Cipriani College of Labour and Co-operative Studies
Ms. Thea Robinson	- Cipriani College of Labour and Co-operative Studies
Mr. Kennis Thomas	- U.W.I. Credit Union
Mr. Oswald Duke	- Port Authority Credit Union
Ms. Esme Raphael	- Central Finance Facility
Ms. Almida Anderson	- D. Montgomery and Company
Mr. Nigel Matthew	- Eastern Credit Union
Mr. Steadman Hazel	- Cipriani College of Labour

8. Standing Orders

The Chairman apologized for the late distribution of hard copies of the brochure but hastened to add that it was on ASCU website long before the hard copy was available for distribution.
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

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Standing Orders was moved by Mr. Anthony Grant and seconded by Mr. Lyndon Byer.

9. Minutes of the 40th Annual General Meeting

The credential report taken at 2:45 pm indicated that there were 148 members present (Board and Committee Members – 15, Members – 120, Staff – 13) and Guests - 20.

Errors and Omissions:
There were no errors or omissions.

A motion for the adoption of the Minutes of the 40th Annual General Meeting was moved by Mr. Angel Landeau and seconded by Mr. Anthony Mora.

9.1 Matters Arising

Ms. Michele Constantine referred to a point on Page 16, Item 15.1 and questioned the status of the Corporate Governance Policy as it relates to fit and proper. The Chairman stated that ASCU is guided by the provisions outlined in the draft Credit Union Bill legislation. Ms. Constantine stated that she would like to encourage the Board to have a documented policy relative to governance.

There being no more matters arising, a motion for the acceptance of the Minutes of the 40th Annual General Meeting was moved by Mr. Joseph Bishop and seconded by Mr. Marvin Williams.

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. Anthony Mora and seconded by Ms. Esther Richards.

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 Mr. Angel Landeau and seconded by Mr. Austin Wilson.

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. Brent Gaspard and seconded by Mr. Anand Mahase

11.1 Matters Arising

There being no matters arising, a motion for the acceptance of the Credit Committee Report was moved by Ms. Sharon Lee Sing Barnes and seconded by Mr. Anand Mahase.

12. The Supervisory Committee Report

Errors and Omissions

1. Ms Faye Husbands informed that Page 29, under the heading Financial Statements, second paragraph, fourth line replace "minimal growth" with "a decline was"
2. Ms. Cecily Jerome informed that Page 29, under the heading Financial Statements first paragraph, sixth line, replace "interesting" with " interest"

A motion for the adoption of the Supervisory Committee Report as amended was moved by Mr. Norbert Alcantara and seconded by Mr. Vincent Dow.

12.1 Matters Arising

There being no matters arising a motion for the acceptance of the Supervisory Committee's Report was moved by Mr. Lyndon Byer and seconded by Mr. Anthony Mora.

13 The Education Committee Report

Errors and Omissions
Mr. Brent Gaspard informed that the picture on Page 32 with the caption "Plumbing" should read "Wills and Trust"

A motion for the adoption of the Education Committee Report as amended was moved by Mr. Harold Clovis and seconded by Ms. Michele Constantine.

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13.1 Matters Arising

Ms. Michele Constantine commended the Education Committee for the courses that were presented, especially those held in Tobago. She asked about the Aerobits newsletter and the Chairman of the Education Committee, Mr. Aziz responded that the Aerobits newsletter was current and the next issue was due to come out shortly.

The Chairman interjected that coming out of the pre AGM held in Tobago, the Board informed the members that the Board is committed to make available to Tobago members two educational programs in Tobago.

Ms. Gwendolyn Daniel responded to Ms. Constantine's comment by stating that the Education Committee exhausted all avenues to reach Tobago members to inform them of upcoming programs. Nevertheless, the response has always been poor and she went on to give examples.

A motion for the acceptance of the Education Committee report was moved by Mr. Sheldon Balbosa and seconded by Mr. Heston Mitchell.

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. Quincy Robinson and seconded by Mr. Marvin Williams.

14.1 Matters Arising

There being no more matters arising, a motion for the acceptance of the Social and Cultural Committee Report was moved by Mr. Mr. Salauddeen Aziz and seconded by Ms. Nuna Walker.

15. The Nominations Committee Report

There were no errors and omissions

A motion for the adoption of the Nomination Committee Report was moved by Mr. Angel Landeau and seconded by Mr. Brent Gaspard.

15.1 Matters Arising

There being no matters arising, a motion for the acceptance of the Nominations Committee Report was moved by Mr. Sheldon Balbosa and seconded by Mr. Christopher Bynoe.

16. Statement of Management Responsibilities

The Chairman informed that another credential report was taken at 3:40 pm, and indicated that there were 199 members present (Board & Committee – 18, Staff 15, Members 166) and Guests 19.

The Chairman guided everyone to Page 48 for the Statement of Management Responsibilities and informed that this was a new requirement which is to be included in the Financial Statements and is also to be read at the AGM.

17. The Auditors' Report

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

18. Financial Statements

The Treasurer commenced by way of a Power Point presentation, highlighting the Financial Performance for 2012 by making reference to the Financial Statements and Notes to the Financial Statements on Pages 50-70 of the Brochure. The Treasurer then invited questions and comments.

Mr. Philip Davies asked for a distinction in actual figures (not percentages) between Building Improvement and Building Repair.

The Accountant, Ms. Brenda Billy stated that the notes on Fixed Asset would provide the information Mr. Davies is requesting. However, she went on to explain the said notes for further clarification.

Ms. Michele Constantine asked for the current delinquency rate and what was the value of unrecoverable loans.

The Treasurer responded by stating that the delinquency rate was 9.8% for loans that are 90 days and over. The value of the loans to be written off is $2.5M.

Ms. Michele Constantine asked whether the storage

fees for reprocessed vehicles are recoverable from the delinquent member and what is the ratio of the amount owed when compared to the amount the repossessed vehicle is sold for?
The Treasurer responded by stating that in most instances the Society will collect more than what is owed when the vehicle is auctioned and in cases where less is collected, the Society continues to pursue the member for the outstanding balance.

Ms. Constantine then suggested that the Credit Union should carry out some kind of inspection on vehicles that were bought via loans from the Credit Union.
The Treasurer agreed with the suggestion.
Ms. Constantine then commended the Board for rewarding the Staff.

Mr. Joseph Bishop enquired of the payment of rates and taxes for 2011 and 2012 as stated on page 69 of the brochure.
Ms. Brenda Billy, the Accountant, explained that the account name (Rates & Taxes) is short for water rates and land taxes. She hastened to add that over the past two years the Government has suspended the payment of land taxes, but the Credit Union continued to pay water rates therefore the figure shown is for water rates. She added that the name was never changed in the event the Government reintroduces land taxes.

Mr. Heston Mitchell stated that from the brochure the rates and taxes for 2012 were $5,334.00 and for 2011 the amount was $127.00 and $228.00 he then asked where was the WASA rates allocated for 2011?
The Accountant responded that it may have been misallocated then, but assured it is properly allocated now.

Ms. Michele Constantine requested a breakdown of what legal and professional fees would entail.
The accountant responded that those fees are payment to investor companies for the management of particular investment portfolios as approved by the Commissioner of Cooperatives.
Ms. Michele Constantine asked for the Board's position regarding the proposed new building project.
The Chairman responded that in assessing the project and after consultation with experts in the field it was decided to put that project on hold.

There being no further questions a motion for the acceptance of the Financial Statements was moved by Ms. Michele Constantine and seconded by Mr. Angel Landeau

19. The Budget Proposal

A Power Point presentation highlighting the Budget Proposal for 2013 was delivered by the Treasurer. He indicated that the budget was a conservative one due to the current economic environment and the outlook forecasted by the Central Bank. The Treasurer then invited questions.

Mr. Lyndon Byer stated that there is a difference in the total revenue figure on the printed sheet and what was presented electronically by the Treasurer.
The Treasurer responded that the figure on the printed sheet is correct.

There being no other questions and comments, a motion for the acceptance of the 2013 Budget Proposal was moved by Mr. Sheldon Balbosa and seconded by Mrs. Anne Joseph. The Chairman called for a vote on the Budget Proposal and there was a unanimous acceptance with just 0 – Against and 0 – Abstention. The motion was carried.

20. Resolutions & Recommendations

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

The Vice-President announced that there is an amendment to the resolutions, item #3 "Expansion of Aero Services Bond" which is to be removed and will be tabled at a Special General Meeting.

Auditors

The Board of Directors of Aero Services Credit Union

MINUTES OF THE 41st ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 23rd MARCH 2013, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

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 2013.

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

Delinquent Accounts
Be it resolved that this Annual General Meeting in accordance with Regulation #32 of the Co-operatives Society's Act 1971 approve the "write-off" of $2,544,353.67 from the books of the Society, Aero Services Credit Union.

Mr. Philip Davis asked if writing off means that the Credit Union will not be pursuing the recovery of the funds.
The Chairman responded that the Credit Union will continue to pursue the recovery of the funds. He added that the writing off exercise will allow the Credit Union to clean its books and regularize its accounts.

The motion was seconded by Mr. Herbert Wharton. The result was in 68-Favour
53-Against, 2-Abstentions. The Motion was carried

Distribution of Surplus

1) Dividends
Be it resolved that the Annual General Meeting approves the following:

1.1 A dividend of five percent (5%) 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 Mr. Sheldon Balbosa. 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. Anne Marie Aleong 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.

Mr. Philip Davies suggested that the honorarium should be stated in figures and not in percentages.

The Chairman stated that Mr. Davies suggestion is noted and added that the honorarium figure can be found on page 15 in the brochure.

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

21. Election of Officers
Ms. Keisha Wong of the Co-operative Development Division was invited to conduct the election process over which she presided as the Returning Officer.

The Chairman informed that another credential report taken at 5.40 pm indicated that there were 240 members present and 19 Guests.
Ms. Wong 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.

MINUTES OF THE 41st ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY 23rd MARCH 2013, AT THE TRINITY COLLEGE EAST, 1 COLLEGE AVENUE, TRINCITY CENTRAL ROAD, TRINCITY.

The election results were as follows:

Supervisory Committee

Ms. Faye Husbands	152
Mr. Angel Landeau	137
Ms. Carol John-Williams	134
Mr. Najja Vassell	91 (1st Alternate)
Mr. Raymond Roberts	56 (2nd Alternate)
Mr. Mikki Martinez	55

Credit Committee

Ms. Mavis Edwards	171
Ms. Sharon Lee Sing Barnes	170
Mr. Simon Fabien	170
Mr. Brent Gaspard	163
Ms. Michelle Campo-Aimable	128
Mr. Leighton Goodridge	123 (1st Alternate)
Mr. Salauddeen Aziz	99 (2nd Alternate)

Board of Directors

Mr. Brian Matthew	152
Mr. Courtney Demming	151
Mr. Lyndon Byer	148
Mr. Anthony Grant	86 (1st Alternate)
Ms. Cynthia Kennedy	57 (2nd Alternate)
Ms. Cecily Jerome	31

22. 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.

23. The Destruction of Ballots

A motion for the destruction of the ballots was moved by Mr. Alec Clarke and seconded by Mr. Anthony Grant. There was unanimous acceptance of the motion.

24. Other Business

Mr. Anthony Mora stated that this year's brochure was substandard as the pages were falling apart.
The Chairman stated that the Board will look into it.

Mr. Philip Davies stated that the word judgment is misspelt each time it appears in the brochure, and his first name Philip is spelt with one "L".
The Chairman thanked Mr. Davis for his observation.

Mr. Kenwin Thomas informed the Board of situations he encountered when doing business with the Credit Union.
The Chairman thanked Mr. Thomas for coming forward and apologized for the lack of response to his situation from the Board.

Ms. Michele Constantine applauded the members who continually put themselves up for election and show a willingness to serve, and asked the Board to look at succession planning for continuity.
The Chairman thanked Ms. Constantine for her contribution.

Mr. Anthony Mora questioned how frequent were statements mailed to members, as he did not receive any for the year.
The Chairman apologized and promised to have that situation rectified.
Ms. Ann Marie Donawa Aleong echoed the same sentiments as Mr. Mora re: lack of timely statements.
The Chairman again concurred with the concerns raised and apologized.

Mr. Heston Mitchell stated a concern he has with the rotation of the elected Credit Committee members, as the lack of experience on that committee could affect the proper functioning of the Credit Committee.
The Chairman thanked Mr. Mitchell for his comment and added that consideration will be given to that issue at the Special General Meeting which will be

MINUTES OF THE 41st ANNUAL GENERAL MEETING

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held shortly.
Mr. Philip Davies endorsed the comments tabled by Mr. Mitchell.
The Chairman thanked Mr. Davies for his comments.

Mr. Gary Moses noted that he knows the whereabouts of some of the persons whose names were listed on page 41 of the Brochure.
The Chairman thanked Mr. Moses for his comments and advised that he should relay the information he has to the office.

Mr. Andrew Thomas questioned how old should one be to stop getting money borrowed in the Credit Union as he has been turned down because of his age.
The Chairman stated that there is no age limits for securing loans, the Credit Committee is guided by our loan policy.
Ms. Gwendolyn Daniel, Customer Service Supervisor, further explained the loan policy pertaining to age for the benefit of the membership present.

Ms. Candace Richards stated that if the membership seeks to elect only experienced members on the Credit Committee then what will become of the inexperienced members who are willing to serve on that committee
The Chairman thanked Ms. Richards for her very thought provoking comments.

Mr. Gary Moses thanked the Board and staff for their continued efforts and support.

There being no further comments or questions the Chairman then thanked everyone for their participation.

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 8.00pm.

Earle Joseph
Hon. Secretary

Directors at Work

REPORT OF THE BOARD OF DIRECTORS

1. Introduction

The time has come once again for the Board of Directors to report on its stewardship and the Society's performance for the year 2013. We therefore welcome everyone to the 42nd Annual General Meeting of Aero Services Credit Union Cooperative Society Limited.

2. The Board of Directors

at its inaugural meeting of the 2013/2014 term held on Monday 25th March, 2013 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. Gregory Aqui	- Assistant Treasurer
Mr. Alec Clarke	- Director
Ms. Jacqueline O'Neil Lewis	- Director
Mr. Theo Oliver	- Director
Mr. Anthony Grant	- 1st Alternate
Ms. Cynthia Kennedy	- 2nd 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	- Assistant Secretary
Mr. Gregory Aqui	- Assistant Treasurer

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 Committees worked with the ASCU Management Team at varying levels to provide guidance and also to ensure that the policies of the Board were being implemented.

The three year Strategic Plan ends in November 2014, and the Board of Directors will be engaging in a critical review of the Plan in the first half of 2014.

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	1	0	3	0	0	7	0	0
Courtney Demming	9	1	0	2	1	0	5	2	0
Lyndon Byer	9	1	0	3	0	0	7	0	0
Michael Halls	7	3	0	2	1	0	3	4	0
Earle Joseph	9	1	0	3	0	0	7	0	0
Gregory Aqui	9	1	0	3	0	0	7	0	0
Jacqueline O'Neil Lewis	8	1	1	3	0	0			
Theo Oliver	6	4	0	0	3	0			
Alec Clarke	9	1	0	3	0	0			
Anthony Grant	7	0	3	3	0	0			
Cynthia Kennedy	9	1	0	0	3	0			

6. Outgoing Members of the Board of Directors

The following members of the Board of Directors – Mr. Gregory Aqui, Ms. Jacqueline O'Neil Lewis, and Mr. Alec Clarke having completed their term, are outgoing.
Mr. Gregory Aqui having completed three (3) successive terms is now statute barred for one (1) year and is therefore not eligible for re-election.
However, Ms. Jacqueline O'Neil Lewis and Mr. Alec Clarke have indicated their willingness to serve and are eligible for re-election.
Accordingly, outgoing Alternates Mr. Anthony Grant and Ms. Cynthia Kennedy are eligible for re-election and have indicated their willingness to serve.
The Board of Directors wishes to convey its heartfelt thanks to all outgoing members and would like to particularly recognize the contribution of Mr. Gregory Aqui having served the Society for the past nine (9) years.

7. The Year in Review

Financial Aspects

The financial services sector in Trinidad and Tobago continued to face challenging times. Many financial institutions sought to attract customer borrowing by offering low interest rates and favourable terms of repayment. Aero Services Credit Union had to follow suit and as such offered special loan sales to you our members. They included the Mobile Phone Loan, the Special Vehicle Loan, and the Home Improvement Loan. These loans were all offered on a repayment rate of less than 1% on the reducing balance.

Fixed Deposits

The economic climate also impacted the organization's ability to attract favourable interest rates for another year to give better returns to you our loyal Members. The Board of Directors acted prudently and kept its Fixed Deposit interest rates stable between 2 – 5% for the year. Several members again took the option not to renew all of their Fixed Deposit amounts while others transferred them to their Shares to allow for a better return at the end of the year through dividends. We again thank you for choosing Aero Services as your preferred financial services provider.

REPORT OF THE BOARD OF DIRECTORS CONT'D

Delinquency

Delinquency continued to be a challenge and significant effort was placed in this area to bring the rate down to a one-digit figure.

Bond Expansion

Over the last two years, Aero Services Credit Union (ASCU) has been approached by employees of organizations not affiliated with the aviation industry seeking to become members of ASCU. Our organization was also at the same time seeking to build its capital base and increase its membership as there has been a level of saturation within the current bond. The Board of Directors therefore decided to expand the Bond and so convened a Special General Meeting on August 15, 2013 and by a three-quarters majority the resolution was passed and approved by the Commissioner for Co-operative Development. Persons outside the aviation industry can now become members of ASCU provided that a salary deduction or standing order is set up.

Unionized Environment

ASCU now operates in a unionized environment. In August, 2012, the Registration, Recognition and Certification Board (RRCB) certified the Banking, Insurance and General Workers Union (BIGWU) as the Recognised Majority Union. In May 2013, BIGWU commenced interaction with ASCU by presenting its Collective Agreement Proposal for consideration. The Board subsequently engaged professional services for guidance in this new relationship with the Union. The first negotiation meeting was on October 30, 2013. An amicable resolution of the first Collective Agreement is expected as negotiations continue.

Credit Union Bill

The passage of the proposed regulation for Credit Unions seems to be imminent as final preparations for its implementation in 2014 continue apace. In January 2014 the Board convened a meeting and invited members of ASCU Committees and the Management Team to a session for an overview and a perspective on the current status of the impending legislation and its implications for ASCU and the Credit Union sector as a whole. This session was facilitated by Mr. Lennox Hercules of TECU Credit Union who leads the team from the Credit Union sector on discussions with Central Bank on the Proposed Policy Document (PPD).

At the level of our organization, we continue to build our institutional capital in preparation for the new legislation.

8. Performance Highlights

The financial climate for year 2013 continued to be very challenging as members were reluctant to assume greater levels of indebtedness and other financial institutions competed aggressively for loan business.

Interest on Loans declined by 4% or $521K. To reverse the declining trend in this category of revenue, aggressive campaigns were mounted and new loan products introduced during the year. Thus the **Loan Portfolio** was increased by 5% or $3.9 million.

It should be noted though that the decline in Loan Interest was almost wholly offset by increased revenues in other income categories particularly **Investment Income** by 8.5% or $244K.

With total revenues showing little movement year over year and in an attempt to meet budgeted **Net Surplus** targets, **General and Administrative Expenses** were tightly controlled such that there was a positive variance of $300k. This reduction in General and Administrative expenses allowed the Credit Union to meet and exceed both its Budgeted Surplus for the year under review by 4% and the reported **Net Surplus** for year 2012 by3% .

REPORT OF THE BOARD OF DIRECTORS CONT'D

Assets increased by just over $7 million due to increased investment activity, loans to members and purchases of fixed assets.
Members continued to place their deposits with the Credit Union such that **Members Share Deposits** increased by 7% from $112 million to $120 million in year 2013.

There was a decrease in **Share Withdrawals** over 2012. As members and owners, we encourage you 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 138 new members to its family which now stands at 4834.

9. Human Resources

In 2013, we bade farewell to four members of staff, Joan Watson, Kaye Callendar, Adebunmi Opadeyi and Gwendolyn 'Penny' Daniel. We thank them for their contributions and wish them the best in their new opportunities. A special mention is made of Gwendolyn 'Penny' Daniel who served us faithfully for 22 years and moved on in September.

In the second half of 2013, we welcomed three new members of staff. Collectively they bring several years of banking, credit union and airline experience. Julie Akin – Customer Service Representative, Aneesia Ali – Recoveries Officer, and Michael Taylor – Operations Officer joined the organization to fill vacancies created by the resignations above.
The position of Marketing and Business Development Officer was filled in February 2014.
We look forward to a productive and mutually successful relationship with them.

10. Conferences

WOCCU Conference

Directors Michael Halls, Earle Joseph, Theo Oliver and Jacqueline O'Neil Lewis attended the World Council of Cooperative Credit Union conference in Ottawa Canada in July. This is a premier global event among the Credit Union Movement. Topics covered included the future of money and mobile banking technology and regulatory changes among others.

ACCUPTT Conference

President Brian Matthew and General Manager Phyllis Wickham attended The Association of Co-operative Credit Union Presidents of Trinidad and Tobago third conference at the Sunscape Resort in Curacao in November. The theme of the conference was 'Creating and Sustaining the Leading Edge'.

11. Condolences

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. May their souls rest in peace.

REPORT OF THE BOARD OF DIRECTORS CONT'D

12. Acknowledgements

As we come to the close of another financial year we would like to extend our gratitude to the various organizations that have assisted by the services they have rendered to us. The following organizations are hereby recognized:

The Co-operative Development Division

The Central Finance Facility
The Deposit Insurance Fund

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

The success of our Strategic objectives is dependent on the collective 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 the Society.

In conclusion, we say thanks to you our loyal members/ shareholders, for choosing Aero Services Credit Union as your premier financial services provider in Trinidad and Tobago. Your trust and confidence in the Credit Union has helped us to make significant strides. We remain committed to "Enriching the quality of the lives of our Members".

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

Cooperatively yours,

Lyndon Byer
Hon. Secretary

AERO SERVICES CREDIT UNION STAFF


Phyllis Wickham
General Manager


Shrila Persad
Internal Auditor

Admin Department


From Left to Right: Helen Chunisingh, Hugo Henry, Elizabeth Cardinez, Rayann Charles, Annette Boodramsingh

AERO SERVICES CREDIT UNION STAFF

CREDIT COMMITTEE REPORT

From Left to Right: Sharon Lee Sing-Barnes, Simon Fabien, Mavis Edwards, Brent Gaspard, Michele Campo Aimable

At the 41st Annual General Meeting the following persons were elected to serve on the Credit Committee.

Ms. Mavis Edwards
Mr. Simon Fabien
Ms. Sharon Lee Sing-Barnes
Mr. Brent Gaspard
Mrs. Michele Campo Aimable
Mr. Leighton Goodridge – First Alternate
Mr. Salaudddeen Aziz – Second Alternate

The Committee held its first meeting on March 26, 2013 where Ms. Mavis Edwards was elected to the position of Chairman and Ms. Sharon Lee Sing-Barnes to the position of Secretary. Thereafter the Committee met weekly to deliberate and approve loans.

The responsibility for prudently managing members' money should always be taken seriously and conscientiously. This level of accountability is an on-going challenge that we at Aero Services are well equipped for moving forward. Notwithstanding the statement attributed to the Minister of Finance, "The market is very liquid and had to be mopped up," members rallied around Aero Services despite the instability in the market and varied options available to them.

CREDIT COMMITTEE REPORT CONT'D

Simultaneous with the normal operations, the Board introduced special loans, namely phone loans, car loans and home improvement loans at attractive rates over the period and members responded positively. Also through the Board's imitative, members capitalized in the FCB Shares (IPO) Offer. The trust displayed here augurs well for the future.

The trend continued with members requesting shares to liquidate loans and to pay off arrears, which reduced loan balances. When shares are utilized in this manner our asset base is reduced, thereby affecting our financial performance. Members are urged to refrain as far as possible from this practice.

Repayment of loans became difficult for several members because of job losses and incursion of unplanned expenses. Delinquency was targeted with the sole objective of reducing it to within or even lower than the acceptable industry limit. This course will be maintained until the desired objective is achieved. Members are urged to contact an officer at Aero Services at the earliest signs of financial difficulties.

A review of the loan portfolio revealed that 2284 loans were disbursed in 2013 at a value of $32.9M. When compared to 2012 there was a noted increase in both loans disbursed 2172 and valued $29.9M.

Comparison in 10 Major Loan Categories

Categories	**2013**	**%**	**2012**	**%**
Vehicle Purchase	$7.7M	23.32	$3.9M	12.98
Home Renovations	$5.4M	16.28	$4.8M	15.95
Vacations	$2.5M	7.51	$2.1M	7.00
Refinance	$2.3M	6.84	$4.4M	14.66
Home Improvement	$2.2M	6.79		
Christmas Expenses	$2.0M	6.14	$1.1M	3.73
Debt Consolidation	$1.9M	5.73	$2.0M	6.63
Education	$1.7M	5.17	$2.2M	7.46
Car Repairs	$1.3M	4.08	$1.2M	4.07
Furniture & Appliances	$1.2M	3.55	$0.87	2.89

Increases were seen in loans for Vehicle Purchase, Home Renovations, Vacation, Christmas Expenses and Furniture & Appliances. There were decreases in Refinance and Education loans.

CREDIT COMMITTEE REPORT CONT'D

Guidelines/Reminders

- A true and proper purpose must be noted on the application.
- Submit all relevant documents with application to ensure prompt service.
- Debt Service Ratio must be taken into account when considering loan applications.
- All debt including Bank Loans, Hire Purchase Transactions, other Credit Unions, Credit cards etc. are considered when calculating this ratio. A 40% is the operating standard.
- Budget carefully. This practice will assist in proper management of finances.
- Loan Policy Booklet is available from the Office. It would assist with the application process.

Conclusion

We must sustain our growth, strength and profitability. Therefore, in keeping with our Vision, we urge members to continue supporting your Credit Union to become the Premier Financial Service Provider in the Caribbean region.

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

Mavis Edwards
w

Mavis Edwards.

Chairman
Credit Committee

SUPERVISORY COMMITTEE REPORT

From Left to Right: Faye Husbands, Angel Landeau, (Missing Carol John-Williams)

The Supervisory Committee wishes members of Aero Services Credit Union all God's blessings for 2014 and beyond. We are pleased to present our Annual Report for the period April 2013 to December 2013.

COMMITTEE COMPOSITION.

During the proceedings of the 41st Annual General Meeting the following persons were elected to serve on the Supervisory Committee:

Members

Ms. Faye Husbands

Ms. Carol John-Williams

Mr. Angel Landeau

Alternates

Mr. Najja Vassel

Mr. Raymond Roberts

SUPERVISORY COMMITTEE REPORT CONT'D

The Committee convened its inaugural meeting on March 24, 2013 where Ms. Faye Husbands was elected to the position of Chairperson and Ms. Carol John-Williams to the position of Secretary. The Committee met regularly to review and examine matters relative to the Society's operations in accordance with Bye Law 38 (f).

BOARD OF DIRECTORS MEETING

The Supervisory Committee attended the Board of Directors statutory monthly meetings as per an open invitation so issued. With the exception of one instance, a Committee member was present at all meetings over the April – December period. The Committee extends its appreciation to the Board of Directors for the opportunity to observe and participate in the proceedings.

FINANCIAL STATEMENTS

The reviews of the Financial Statements and the application of the Pearls Ratio model at the time of writing, again indicate that the challenge of locating high interest investments instruments, excessive liquidity in investment coupled with conservative credit behavior by the membership remains a clear and present one. It is expected however, that the Society will at minimum, achieve its budgeted projections for 2014.

The Committee commends the Board of Directors and Management for the introduction of new and inventive loan products in an attempt to further stimulate Loan Portfolio growth. Special mention must be made of the Society's offer to engage the membership in becoming savvy private investors via the FCB Investment Loan instrument which attracted significant participation.

All queries submitted regarding the contents of the Financial Statements were explained to the Committee's satisfaction.

DELINQUENCY

Acknowledging that the membership did authorize the Society to write-off $2.5M in delinquent accounts and that the recovery of funds from delinquent members remains ongoing, the level of delinquency remains a matter of deep concern to the Committee. Although according to the Pearls Ratio, the standard for delinquent accounts as compared to the total number of loans is 6% against an actual of 9.8% at the time of writing. It should be noted though that the current delinquent ratio shows a 3.2% % improvement over 2012 results, it is expected that with the continued strengthening of the Recoveries function it is anticipated the delinquency ratio will be brought below the recommended level in the very near future.

SHARE WITHDRAWALS

Share withdrawals in 2013 amounted to the flight of over $13.0M from the Society. Whilst the Committee is aware of the conservative behavior exhibited by the membership, however, we wish to remind members, that the utilization of shares versus the loan facility limits the Society's pool of funds from which loans can be granted. This results in a negative impact on the loan portfolio, its interest earning ability, the Society's capacity to invest and its ability to distribute handsome dividends to the membership.

BANK RECONCILIATION

Bank Reconciliation Statements are up to date. All questions posed were answered to the Committee's satisfaction.

ELECTED OFFICERS' FILES & ACCOUNTS

Sample audits performed on the files an accounts of elected officers revealed that all loans as applied for were granted in accordance with the Society's Loan Policy and Bye Laws relative to the granting of loans account activity showed no inconsistencies.

SUPERVISORY COMMITTEE REPORT CONT'D

COMPLIANCE MONITORING

Audits performed on the submission obligations of the Society as required by the Financial Institution Act (FIA) to the Financial Intelligence Unit (F.I.U.) were in compliance accordingly.

TRAINING

Employees participated in a refresh training module regarding the requirements of the Financial Institution Act and Financial Intelligence Unit in 2013 as per the regulatory requirement.

GOVERNANCE, PROTOCOL, AND THE PROPOSED CO-OPERATIVE CREDIT UNION ACT

In addition to the concepts of best practice in good governance which are continuously implemented by the Board of Directors, the Financial Institution Act requires that Co-operatives operate under more stringent guidelines. Additional procedures will be adopted with the enactment of the Co-operative Credit Unit Act.
Members would have already been impacted by these new requirements namely the recent membership data update. Further, it has now become more incumbent upon persons offering themselves for service to ensure that before doing so, that they possess the necessary skills, education, co-operative/ business intelligence and character to fulfill the fit to govern criteria.

The Nominations Committee is also equally challenged to develop and implement a screening process aligned to these new legislative requirements.

GENERAL COMMENTS & CLOSING

As the Society continues along the path of growth and development, it would be remiss of the Committee were we to remain silent on the following issues.
The success of the Society is directly contingent on membership participation in its products, services, educational and social offerings. The ability to deliver lucrative dividends lies directly in the financial choices we make specifically in terms of making our Aero Services Credit Union our financial institution of choice versus any other. The longevity of our Aero Services Credit Union is based on the continuous fusion and infusion of young talent and technology with the wisdom of tried and true experience. The Committee calls upon the membership to view the Credit Union experience as a way of life not only in terms of funding lifestyles but also in terms of career development, volunteerism, self learning and a legacy of service as is enshrined in the co-operative philosophy. Members, young and experienced are therefore encouraged research the noble philosophy of co-operatives and to participate in the electoral process so as to ensure the longevity of our Credit Union
The Committee encourages Board of Directors to continue to document policies and procedures in accordance with best practice.

The Committee takes this opportunity to express its profound thanks to you the members of this Society who afforded us the opportunity to be of service. The Committee wishes to thank the Board of Directors, management and staff for all their assistance and support received in the performance of our mandate.

We wish you and yours, all success and your highest good in 2014 and beyond

Co-operatively yours,

Faye Husbands
....
Faye Husbands
Chairman

EDUCATION COMMITTEE REPORT

Top: Elizabeth Aqui, Courtney Demming, Harold Clovis Bottom: Krystiel Salandy-Lucas, Esther Richards, Janelle Precilla, Candace Richards, (Missing Pamela Olivier-Parris & Sarah Precilla)

Education Committee Members:

Chairperson	- Esther Richards
Secretary	- Krystiel Salandy-Lucas
Assistant Secretary	- Elizabeth Aqui
Members	- Harold Clovis, Janelle Precilla, Pamela Olivier-Parris,
YouthLink Members	- Sarah Precilla, Candace Richards
Courtney Demming	- Board Representative

EDUCATION COMMITTEE REPORT CONT'D

"Our Youth, Our Future" was the theme selected by the Committee for this 2013/2014 term. This is in keeping with the continued growth and development of our Credit Union through youth involvement. The year proved to be quite an interesting year for this relatively new group of people selected to the Education Committee. There were only two returning members to lend their experience to this fledgling group, but with an eager desire to serve, we took on the challenge.

The Committee's plan included the intention to encourage young people to become involved in Credit Union 'business' through a hands on approach. In this regard, we encouraged two young adults of ASCU (Sarah Precilla and Candace Richards) to join our team, and our first AeroBits issued served as a medium to introduce the Youth Arm of Aero Services Credit Union. The title **"YOUTH LINK - Our Youth, Our Future"** was selected as part of our commitment to the ASCU young people.

Two major factors played a pivotal role in the development of the ASCU Youth Link. They were:

1. Aging Demographic
2. Youth Involvement

The Planned Program will incorporate Succession Planning, Career Planning, Personal Development and a Mentorship Program.

The Education Committee seized the opportunity to introduce some "young blood" into our committee, a move we did not regret. Two young women, Sarah Precilla and Candace Richards accepted the invitation to join our team and are now official members of the Education Committee. Our goal is to encourage the involvement of more ASCU young leaders to become volunteers of their Credit Union.

The List of Events

The Education Committee planned a number of events for the membership of the Credit Union which was posted under "Calendar of Events" on the first AeroBits Newsletter in June 2013.

1. The Law and You – Wills & Trust Seminar
2. Vacation Camp
3. Awards Ceremony – SEA, CSEC, CAPE and HIS
4. Youth Link Fun and Family Day
5. Credit Union Week – Health Awareness Fair
6. Home and You - Bartending Course

1. The Law and You

This event took the form of three Wills & Trust seminars at different venues so that we could encourage members to have access to a venue nearest to them. A nominal registration fee was charged to members and non-members.

- On Saturday 13th July the first session was conducted in Port-of-Spain at #16 Marli Street. Nineteen (19) persons attended. The presentation was done by Attorney-at-Law, Ms. Janice George, and was a success.
- The second session was held on Saturday 27th July 2013 in Tobago at the Training Room, Upstairs Cargo Warehouse, Crown Point. A total of seven (7) persons attended out of the twenty-five (25) who were registered. Ms. Janice George also conducted this session. We were disappointed at the turn out but hope remains alive for Tobago and we will continue to reach out.
- The third session was held on Saturday 16th November 2013 at the ASCU Building in Tacarigua. Ms. Janice George again facilitated this session which was well received by all present. A total of twenty-six (26) persons were in attendance.

EDUCATION COMMITTEE REPORT CONT'D

As a result of these sessions, persons who attended were very satisfied with the knowledge gained.

2. Vacation Camp

The Vacation Camp was planned to assist members of the Credit Union who were in need of a secure environment to keep children during the July-August vacation period. It was cancelled due to the low registration from the membership. It would remain in future plans.

3. Awards Ceremony

The SEA and Higher Education Incentive Awards Ceremony was held on Thursday 26th September 2013 at the Trintoplan Building due to work being conducted at the ASCU Building at the time. We recognized the success of fifty two (52) of our members' children at various exams. They were awarded for their dedication to excellence in the following categories:- S.E.A. (28); C.S.E.C. (8); C.A.P.E. (10) and Junior Achievers (6).

4. Youth Link, Fun and Family Day

This event was carded for October 12th 2013. However, it had to be postponed due to the unavailability of the ASCU Sporting Complex which was under repairs.

Participants in the Will & Trust Seminars

Wills & Trust participants are paying close attention to their business

Students at the 2013 Awards Ceremony

EDUCATION COMMITTEE REPORT CONT'D

2014 SPELLING BEE CHAMPIONS

EDUCATION COMMITTEE REPORT CONT'D

5. Health Awareness Fair

During Credit Union week, the Education Committee in collaboration with ASCU Head Office hosted a Health Awareness Fair. This event featured on Wednesday 16th October 2013 was designed to enhance the knowledge of the membership on the benefits of health awareness and healthy lifestyles.

The Education Committee, ASCU staff members and other distributors conducted the following:

- Blood Pressure testing
- Blood Sugar testing
- Distribution of Literature on Health Awareness
- Distribution of tokens from sponsors and distributors.

6. Bartending Course

On Friday 22nd November 2013 the Committee featured the final program for the year 2013, "Introduction to Bar-Tending". The main objective of the course was to provide guidance to members preparing for the Christmas season or those who would like to make mixing drinks a hobby. This course took the form of a relaxed after work lime for the membership to promote camaraderie and continue to promote the Credit Union and its services. The course was well attended by 15 participants and facilitated by Ms. Leslie Ann Williams who is a qualified Mixologist. A nominal fee of $100.00 per person was charged.

The Bar-Tending course included:

- Learning how to mix cocktails and mocktails
- Bartending Coordination, Skill and Basic Bar Tricks
- Customer service skills and knowledge
- Learn how to use, setup, breakdown and clean the bar and all equipment
- Proper presentation, garnishes, making mixers and more.

Other Activities

Training: - As part of the development of our young people, the Board of Directors took a decision to invest in the training and development of two (2) young people. Sarah Precilla and Candace Richards attended, CaribDE #12: Youth Enterprise Co-operation, 2nd International Youth Leadership Training during the period January 19th to 25th 2014 held at Hotel Alexandrina, Prospect, St. Vincent. From all reports, the training proved to be an enriching experience and interaction with other credit-union persons within the region was rewarding. They returned with extensive knowledge to impart to the youth membership of ASCU.

AeroBits

Two Aerobits were issued for the tenure of the Committee – June 2013 & February 2014

Spelling Bee

The Spelling Bee Competition took place on March 8th 2014 and was a success.

The Education Committee sincerely thanks the Board of Directors for the opportunity to serve, and for their support and guidance for the term 2013/2014, the Management and Staff for their continued support, and to all of our valued members for their participation in the programs.

Sincerely,

E Richards

Esther Richards

Chairperson

SOCIAL AND CULTURAL COMMITTEE REPORT

From Left to Right: Dominic Mora, Anne-Marie Aleong, Richard Prescod, Debbie Chankoo, Hanz Barbour
(Missing Anand Mahase & Earle Joseph)

Committee Members

Ms. Anne-Marie Aleong	-	Chairman
Mrs. Debbie Chankoo	-	Secretary
Mr. Dominic Mora	-	Member
Mr. Richard Prescod	-	Member
Mr. Hanz Barbour	-	Member
Mr. Anand Mahase	-	Member
Mr. Earle Joseph	-	Board Representative

SOCIAL AND CULTURAL COMMITTEE REPORT CONT'D

The Social & Cultural Committee begins its report by giving thanks and praise to Almighty God for granting us the Health, Strength and Wisdom to serve our members during this 2013/2014 Term.

The Committee welcomed the participation of Ms. Debbie Chankoo during its term, as this was the first time Ms. Chankoo served on an ASCU Committee.

The year 2013 started with the Windball Cricket Tournament "The Windball CRICKET for Cash" which was held at the ASCU Sporting Complex on Factory Road, Piarco. It began on February 22, 2013 and ended in April 2013. The teams which participated were Katerserve, M.S. UTD, Stores, Service Air, Crushers and Aircraft Maintenance, with Katerserve being declared the winner.

The results were as follow:

Team	Played	Won	Loss	Points	
KaterServe	5	4	1	8	First
M.S. UTD	5	3	2	6	Second
Stores	5	2	3	4	Third
Service Air	5	2	3	4	Third
Crushers	5	2	3	4	Third
Aircraft Maint.	5	2	3	4	Third

The Big-Four results were as follow:

First Place	Katerserve
Second Place	Stores
Third Place	Aircraft Maint.
Fourth Place	Crushers

Congratulations to all Teams……there were no losers.

The Interbank Football League opened on May 26, 2013. The Teams which participated were as follows:

Aero Services CU/Caribbean Airlines	National Insurance Board
Central Bank	Republic Bank
Community Care CU	Royal Bank of Canada
Eastern CU	Sagicor
First Citizens Bank	Scotia Bank
Unit Trust Corporation	

First place went to Republic Bank Limited and second place to Aero Services Sunjets.

SOCIAL AND CULTURAL COMMITTEE REPORT CONT'D

On June 28, 2013 we assembled at ASCU Head Office for an After Work lime playing All Fours and just sipping and chatting. The players had a chance to enjoy some "finger licking" cutters and delicious fried bake and saltfish. Simon James and Rolly James ran away with the winning prize for the third consecutive year in the All Fours Competition. We encourage members to come out next year and dethrone 'the James'.

The Annual Cookout Competition this year was held at De Freitas Ranch in Valencia on August 03. As usual, there was a wide array of items on the menu and five teams competed. In the end of all the savoury odours and tasting of the meals prepared, the judges gave their nod to Aircraft Maintenance and Workshops United, who came first and second respectively.

In the continuous effort to build relations with other Credit Unions, the Joint Credit Union All Fours competition was held at the ASCU Head Office on October 19. Participating teams represented the following Credit Unions, namely Community Care, Works, Public Service, U.W.I. and Aero Services. UWI topped the competition and Aero Services came in second. Congratulations to the winners!

The Annual Christmas After Work Lime was held in Trinidad on December 13, 2013. The atmosphere was great and the members came out in their numbers. The dinner and drinks were enjoyed tremendously by all, who equally danced to the music of our very own, HAMPRO (Anton Marin). The next day, Tobago members had the opportunity to enjoy themselves at their Christmas After Work lime which was held at the PAN AM building. Once again, there was a low turnout of members.

The Social & Cultural Committee thanks the Board, Management, Staff and most importantly, the Members of Aero Services Credit Union, for affording us the opportunity to serve. The Committee continues to encourage members to take part in the activities promoted by Aero Services Credit Union.

Ann Marie Aleong
Chairman
Social and Cultural Committee

NOMINATIONS COMMITTEE REPORT

Introduction:

The primary purpose of the Nominations Committee is to solicit, evaluate, approve and orient suitable Nominees from the Credit Union's Membership to fill vacancies on the Board, Supervisory and Credit Committees. In this regard and, in conjunction with the Society's Bye Law 33a, the Board of Directors appointed the Nominations Committee to conduct this very important exercise. Persons appointed to serve on the Committee were as follows:

Director Theo Oliver

Director Courtney Demming

Director Earle Joseph

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

1. In good standing with the Credit Union, i.e. 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 14, 2014 was given, but this was extended to Friday January 24, 2014.

Out Going Officers:

In accordance with the Society's Bye Laws, the following out going members of the Board are:

(1) Mr. Alec D. Clarke, can serve again and has indicated his willingness to so do.

(2) Ms. Jacqueline O'Neil Lewis can serve again and has indicated her willingness to so do.

(3) Ms. Cynthia Kennedy, can serve again and has indicated her willingness to so do.

(4) Mr. Anthony Grant, can serve again and has indicated his willingness to so do.

(5) Mr. Gregory Aqui who has served for three (3) consecutive terms and as per the Society's Bye Laws, is statute barred.

Members of both the Supervisory and Credit Committees are all out going.
A total of fourteen (14) applications were received and below are the names of the Nominees.

BOARD OF DIRECTORS

Mr. Kester Husbands

Ms. Cecily Jerome

Ms. Cynthia Kennedy

Mr. Alec D. Clarke

Ms. Jacqueline Monica O'Neil Lewis

Mr. Anthony Grant

NOMINATIONS COMMITTEE REPORT CONT'D

SUPERVISORY COMMITTEE

Mr. Mikki Martinez

Ms. Denise Zephrine

Mr, Angel Carlos Landeau

CREDIT COMMITTEE

Mr. Simon Fabien

Ms. Mavis Edwards

Mrs. Michelle Campo-Aimable

Mr. Brent Gaspard

Mrs. Sharon LeeSing-Barnes

The Nominations Committee examined the status of both Nominators and Seconders, all of whom were found to be in good standing with the Society. The Committee, therefore, approves and recommends to this Annual General Meeting, fourteen (14) Nominees for consideration in filling vacant positions as declared on the Board of Directors and Statutory Committees.

Additionally, the Committee advises that an Orientation Session was held in Mid-March and an Online Continuing Professional Development (CPD) session will be held in April 2014.

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,

Theo Oliver
Chairman

NOTICE

The following persons are requested to contact the office ***URGENTLY. ANYONE*** knowing the whereabouts of the under-mentioned persons is also kindly asked to contact the office.

Names

ABBY WILLIAMS
ADAM SAHADEO
AKILAH DUNCAN
ALANA DOYLE
ALLISON HARRIS
ANN MARIE REDON
ANTHONY SAGAR
ANTHONY ISAAC
ASHLY BYER
ASHTON GODDARD
AUREA WALTER
AVEION RAMSEY
AYAANA JOHN

BETTY ANN LEWIS MC KENNA
BRIAN BRIGGS
BRENT MC KENNA

CARL FRANCIS
CELINE TABABA
COLLINS MITCHELL
COLIN WARNER
CINDY LEE WING
CHERRIE-ANN DEDIER
CLINTON DE VERTEUIL
CURT SMART

DAMIEN JOHNSON
DAMIAN BADAL
DEON BADAL
DANIEL BURGESS
DAVENDRA SINGH
DAVE COOPER
DENZIL EDWARDS
DOMINIQUE BRUCE
DAMIEN EDWIN
DE LANO HOSPEDALES

ECLIFFE LEWIS
EMBOYA JAMES CHACK ON
EUSTACE DYER
FERNANDO GONZALES
FRANCISCO MEDINA-DIAZ

Names

GARBRIEL LASHLEY
GILLIAN JACK
GILLIAN BENJAMIN

HAYDN MITCHELL
HAZEL ANN NANCOO
HEATHER RODRIGUEZ
HOWARD PASSLEY
INGRID SOLOMON
JENNIFER RAMOS
JINA TEELUCKSINGH
JAMES MC DONALD
JUDY ANN NELSON
JOAN DE VERTEUIL
JOANNE O'GARRO
JUDY ANN DUNCAN

KEARLENE SANDY
KEEGAN ALI
KWACIE BROWN
KEITH DAVID
KEVIN WALTER WILSON
KEVON BETHELMY
KIMBERLY BEHARRY
KIRWYN HOLLINGSWORTH

LARRY SYLVESTER
LUZAN K NARCIS
LETITIA MENDEZ
LYNDON D GARCIA

MARCUS SAMUEL
MARSHA PASCAL
MICHAEL JOHN
MICHAEL ANTHONY GONSALVES

NATASHA DRYSDALE
NEIL MUNGAL
NELTON AUGUSTINE
NIGEL HINDS
ORAL SEIFERT
ONIKA ANDERSON
PAULETTE ALFRED GUY JAMES

Names

RAQUEL CHANDLEUR
RAVI SEUNATH
REYNOLD ABRAHAM
ROBERT AUGUSTUS
RONALD ALI
ROSA MAHABIR
SHELDON CASSA
SHELDON CHANCE
SINDY GARCIA
SEAN LINDSAY
STEPHANIE KHAN
SHERLON TIDD

THEODORE KEIZER
TYRELL CROSBY
TERRANCE JOHN

USTER PHILLIPS

WAYNE THOMAS
WENDY ANN REMY
WINSTON CLARKE

YOLANDA MITCHELL
ZOBIDA AKALOO-ALI

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2013

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

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

INDEX

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

Statement 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.

....	Michael ....
PRESIDENT	TREASURER
Date: 27th February 2014	Date: 27th February 2014

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 at 31st December 2013, statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Opinion

In our opinion, the 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 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

D Montgomery & Co

27th February 2014
Port of Spain
TRINIDAD AND TOBAGO

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION			31ST DECEMBER 2013
Cash Resources	**Notes**	**2013**	**2012**
Cash in Hand and at Bank	5	16,325,672	5,877,597
Investments	6	69,458,388	79,908,707
		85,784,060	85,786,304
Other Assets			
Accounts Receivable and Prepayments	7	5,221,010	4,892,503
Other Investments	8	16,062,661	12,914,335
Loans to Members	9	86,067,643	82,204,030
Inventory		100,131	95,298
Fixed Assets	10	8,041,339	7,095,976
Total Assets		$201,276,844	$192,988,446
Liabilities and Members' Equity			
Liabilities:			
Bank Overdraft		4,888	-
Accounts Payable and Accruals	11	2,033,392	1,753,229
Members' Deposits		40,097,173	45,726,879
Unclaimed Dividends and Shares		406,128	406,128
Proposed Honoraria		226,230	218,902
Members' Shares		120,105,249	112,006,242
Total Liabilities		162,873,060	160,111,380
Members' Equity			
Reserve Fund		11,545,555	10,699,201
Education Fund		1,581,412	1,414,185
Development Fund		652,161	652,161
Investment Re-measurement Reserve	13	5,553,181	2,879,096
Special Reserve Fund		226,648	226,648
Undivided Surplus		18,844,827	17,005,775
Total Members' Equity		38,403,784	32,877,066
Total Liabilities and Members' Equity		$201,276,844	$192,988,446

The accompanying significant accounting policies and notes on pages 7 to 21 form an integral part of these financial statements. On ......27th February, 2014.......... the Board of Directors authorised these financial statements for issue.

Michael Holls ....Treasurer ....Member-Board of Directors

Faye Husbands ....Member- Supervisory Committee

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2013

Income	Schedules	2013	2012
Interest on Loans		11,440,780	11,962,748
Investment Income		3,116,278	2,872,036
Rental Income		197,623	232,824
Entrance Fee		9,100	11,900
Miscellaneous Income		573,269	437,515
Service Charge		64,780	52,802
Profit on Sale of Investment		309,110	269,586
Bad Debts Recovered		99,757	-
Total Income		15,810,697	15,839,411
General and Administrative Expenses			
Personnel Cost	2	1,991,550	1,872,801
Operational Cost	3	1,228,750	1,296,200
Financial Cost	4	1,171,730	1,794,655
Administrative Cost	5	613,940	463,194
Bad and Doubtful Loans Expense		682,739	600,000
Risk Management	6	628,775	641,685
Rental Expenses		267,361	234,497
Depreciation		211,115	225,642
Officers' and Committee Expenses	7	637,465	605,498
Amortisation of Bond Premium		4,735	4,950
Total General and Administrative Expenses		7,438,160	7,739,122
Net Surplus for the Year		$8,372,537	$8,100,289

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS

FOR THE YEAR ENDED 31ST DECEMBER 2013

	Reserve Fund	Education Fund	Investment Re-measurement Reserve	Special Reserve Fund	Undivided Surplus
Balance as at 1st 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)
Balance as at 31st December 2013	$11,545,555	$1,581,412	$5,553,181	$226,648	$18,844,827
Balance as at 1st January 2012	9,877,272	1,247,818	2,154,681	226,648	13,822,517
Add: Net Surplus for the Year	-	-	724,415	-	8,100,289
(i) 10% to Reserve Fund	810,029	-	-	-	(810,029)
(ii) 5% of the Balance to the the Education Fund	-	364,514	-	-	(364,514)
	10,687,301	1,612,332	2,879,096	226,648	20,748,263
Entrance Fees	11,900	-	-	-	(11,900)
Meetings and Conferences	-	(139,868)	-	-	139,868
Education Committee Expenses	-	(58,279)	-	-	58,279
Dividends Paid – 2011	-	-	-	-	(3,928,735)
Balance as at 31st December 2012	$10,699,201	$1,414,185	$2,879,096	$226,648	$17,005,775
Balance as at 31st December 2011	$9,877,272	$1,247,818	$2,154,681	$226,648	$13,822,517

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2013

CASH FLOWS FROM OPERATING ACTIVITIES	2013	2012
Net Surplus for the Year	8,372,537	8,100,289
Amortisation of Bond Premium	4,735	4,950
Bad and Doubtful Loans Expense	682,739	600,000
Depreciation	211,115	225,642
	9,271,126	8,930,881
Net Change in Accounts Receivable and Prepayments	(411,246)	(947,894)
Net Change in Inventory	(4,833)	7,199
Net Change in Accounts Payable, Accruals and Honoraria	287,491	(44,732)
Cash Provided by Operating Activities	9,142,538	7,945,454
Cash Flows from Investing Activities		
Net Change in Loans to Members	(4,463,613)	1,944,623
Net Change in Fixed Assets	(1,156,478)	(265,337)
Net Change in Other Investments	(478,976)	(131,352)
Net Change in Investments	10,450,319	(3,051,710)
Cash Provided by /(Used in) Investing Activities	4,351,252	(1,503,776)
Cash Flows from Financing Activities		
Net Change in Members' Deposits	(5,629,706)	(7,224,429)
Dividends and Honoraria Paid	(5,519,904)	(3,928,735)
Increase in Members' Shares	8,099,007	6,606,592
Cash Used in Financing Activities	(3,050,603)	(4,546,572)
Net Change in Cash Resources	10,443,187	1,895,106
Net Cash Resources – Beginning of the Year	5,877,597	3,982,491
Net Cash Resources – End of the Year	$16,320,784	$5,877,597
Represented By		
Bank Overdraft	(4,888)	-
Cash in Hand and at Bank	16,325,672	5,877,597
	$16,320,784	$5,877,597

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31ST DECEMBER 2013

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 but are not yet effective as they either do not apply to the activities of the Society or have no material impact on its financial statements, except for IFRS 9 Financial Instruments:

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 circle (effective for accounting periods beginning on or after January 1, 2013).

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).

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED **31ST DECEMBER 2013**

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

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

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).
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 adoption of IFRS 9 Financial Instruments may result in significant changes in the Society's classification and presentation of financial instruments.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED 31ST DECEMBER 2013

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

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

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

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

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

No depreciation is provided on freehold land or capital work-in-progress.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

e) **Investments -**

The Society has classified all investments into the following categories:

Available-for-sale

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

For actively traded investments, fair value is determined by reference to Stock Exchange quoted market prices at the 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 2013

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 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED 31ST DECEMBER 2013

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. Interest 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, 2013 US Dollar denominated bank and investment balances were converted at a mid-rate of TT$6.35 to US$1.00 All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED — 31ST DECEMBER 2013

2. **Significant Accounting Policies (Cont'd)**

m) **Comparative figures**

There was a change to the Income Statement in 2012 whereby Other Comprehensive Income was excluded. This change has no impact on the net profit reported for the previous year.

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 nine (9) 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 2013

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED 31ST DECEMBER 2013

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

	31st December 2013	2012
Petty Cash	10,879	9,771
Intercommercial Bank Limited	-	105,300
RBC Royal Bank of T & T Ltd – Current Account	12,061,204	4,982,439
- US Savings Account	4,227,288	409,032
- Tobago	26,301	371,055
	$16,325,672	$5,877,597

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED **31ST DECEMBER 2013**

6. **Investments**

Available-for-Sale	31st December 2013	2012
Fixed Deposits	49,272,396	56,784,244
Money Market Funds	6,468,926	10,441,066
Managed Portfolio	13,717,067	13,944,635
	69,458,389	81,169,945
Provision for Impaired Investment	-	(1,261,238)
	$69,458,389	$79,908,707

On January 30, 2009 the Ministry of Finance (MOF) and the Central Bank of Trinidad and Tobago announced that the Government of the Republic of Trinidad and Tobago (GORTT) had reached an agreement with the CL Financial Limited Group for the provision of a package of financial support for the Group's financial services companies. These companies included Colonial Life Insurance Company Limited (CLICO), Caribbean Money Market Brokers Limited (CMMB) and British American Insurance Company (Trinidad) Limited (BAT).

Subsequent to this, the Minister of Finance stated that GORTT would repay local investors of Short Term Investment Products (STIPS) in CLICO and BAT, their principal balances, that is, the capital sum as at the issue date or last renewal date, minus any capital withdrawals or loans made prior to 8 September 2010. A similar guarantee was not made for interest accrued on the principal balances.

In light of the foregoing, Aero Services Credit Union Co-operative Society Limited has opted to impair all accrued interest on its CLICO investments.

In July 2012, fifty percent (50%) of the balance on three Short Term Investment Products (STIPS) amounting to a total sum of $6,332,382 was repaid by CLICO. The balancing fifty percent (50%) was paid on the anniversary date, i.e. July 2013.

In December 2012, the sum of $3,123,890 was paid on the fourth and final investment instrument. The balancing fifty percent (50%) was paid in December 2013.

7. **Accounts Receivable and Prepayments**

	31st December 2013	2012
Interest Receivable	1,510,179	2,074,706
Payroll Deductions Receivable	2,316,749	1,974,822
Other Receivables	1,128,084	643,322
Prepayments	100,214	84,181
Value Added Tax Payable	248,523	115,472
Provision for Doubtful Receivables	(82,739)	-
	$5,221,010	$4,892,503

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED **31ST DECEMBER 2013**

8. Other Investments

	31st December 2013	2012
Available-for-Sale		
Quoted Investments	12,156,144	9,129,765
Unquoted Investments	3,906,517	3,784,570
	16,062,661	12,914,335
Held to Maturity		
HILOC	876,905	876,905
Provision for Investment Loss	(876,905)	(876,905)
	$16,062,661	$12,914,335

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.

	31st December 2013	2012
Outstanding Principal Balances	88,043,280	86,120,648
Less: Provision for Loan Losses	(1,975,637)	(3,916,618)
	$86,067,643	$82,204,030

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED — **31ST DECEMBER 2013**

11. Accounts Payable and Accruals

	31st December 2013	2012
Audit fees	70,000	79,100
CUNA Claims	358,539	358,537
CUNA Insurance	92,634	94,197
Fixed Deposit Interest Payable	597,060	434,280
Other Payables	321,810	387,530
Members' Standing Orders	32,683	75,364
Accruals	539,449	219,642
Stale-dated Cheques	21,217	104,579
	$2,033,392	$1,753,229

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 2013, the Society's available-for-sale investments and the managed portfolio have been re-measured to their fair values and the resulting unrealised gain of **$2,674,085** 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 2013. 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 2013, 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 LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED **31ST DECEMBER 2013**

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 2013.

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED 31ST DECEMBER 2013

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:

	31st December 2013	2012
Assets		
Loans to Directors and Key Management Personnel and Related Persons	$1,706,283	$1,840,972
Deposits and Other Liabilities		
Deposits held by Directors and Key Management Personnel and Related Persons	1,596,379	828,509
Shares held by Directors and Key Management Personnel and Related Persons	2,574,209	2,657,929
	$4,170,588	$3,486,438
Income		
Directors and Key Management Personnel	$-	$-
Interest and Other Expenses		
Directors and Key Management Personnel	$307,623	$210,388
Key Management Compensation		
Short Term Benefits	884,133	788,967
Post Employment Benefits	21,882	15,158
	$906,015	$804,125

21. Capital Commitments

The Credit Union has incurred future purchase obligations under contracts signed with two (2) providers of goods and services in respect of two (2) capital projects namely:-

- The fencing of the Credit Union Building situated at the corner of the Priority Bus Route and Orange Grove Road and
- Upgrade of the sewerage and plumbing facilities at Factory Road to comply with the Water and Sewerage Authorities standards.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31ST DECEMBER 2013

1. **Miscellaneous Revenue**

Included in Miscellaneous Revenue is the write off of stale dated cheques which pre-date December 2011, the sum of which is ninety thousand dollars ($90,000.00). The policy of writing off stale dated cheques over two (2) years ensures that properly researched stale dated cheques can be re-issued in the stale dated cheques account within the two (2) year window. However after the expiration of this interval and the write off to Miscellaneous Revenue, any re-issue will be recognised as a Miscellaneous Expense.

2. **Personnel Cost**

	31st December 2013	2012
Ex-Gratia and Incentives	187,000	94,987
Salaries	1,523,814	1,473,486
Staff Overtime	7,593	8,673
Staff NIS, Pension and Medical Plan	229,902	219,992
Staff Training and Development	38,372	41,163
Staff Uniforms	3,776	33,547
Travelling and Subsistence	1,093	953
	$1,991,550	$1,872,801

3. **Operational Cost**

	31st December 2013	2012
Accounting Services	157,500	145,800
Advertising	21,474	10,785
Audit Fees	62,470	60,000
Cable Expenses	4,291	5,337
Computer Expenses	31,995	26,827
Courier	540	759
Electricity	66,544	81,807
Equipment, Repairs and Maintenance	14,925	30,330
Internet Rental Charges	10,062	14,539
Janitorial Services	53,481	39,427
Legal and Professional Fees	207,806	133,186
Membership Cards	-	(2,760)
Miscellaneous	8,752	34,579
Motor Vehicle Expenses	42,423	37,507
Office Refreshments	33,556	33,095
Postage Expense	17,760	10,405
Printing, Stationery and Office Supplies	74,156	61,446
Property Maintenance Cost	114,237	207,040
Rates and Taxes	5,426	5,334
Security Services	216,573	245,151
Telephones	65,013	58,017
Vehicle Storage	19,766	57,299
Water Rates	-	290
	$1,228,750	$1,296,200

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS CONTINUED

31ST DECEMBER 2013

4. **Financial Cost**

	31st December 2013	2012
Bank Charges	12,286	6,943
Linx Charges	9,600	9,609
Interest on Members' Fixed Deposits	1,086,867	1,692,160
Foreign Exchange Loss	18,068	80,644
Overdraft Interest	1,811	5,299
IBL Facility Charges	43,098	-
	$1,171,730	$1,794,655

5. **Administrative Cost**

	31st December 2013	2012
Annual General Meeting	161,086	142,683
Association of Credit Union Presidents	15,654	3,000
Donations	15,086	15,240
Education Fund Expense	77,009	58,279
Meetings and Conferences	132,528	139,868
Promotions	31,394	19,625
Portfolio Management Fees	165,788	81,689
Strategic Planning Session	3,690	2,810
Special General Meeting	11,705	-
	$613,940	$463,194

6. **Risk Management**

	31st December 2013	2012
CUNA LP and LS Coverage	554,965	572,423
Fidelity Guarantee	8,136	7,965
Fire Insurance	32,029	31,599
Group Life Insurance	33,645	29,698
	$628,775	$641,685

7. **Officers' and Committee Expenses**

	31st December 2013	2012
Board and Committee Allowances	142,870	148,117
Board of Directors Christmas Party	32,525	32,779
Ex-Gratia	36,000	36,000
Refreshments	33,086	9,055
Social and Cultural Committee	166,877	166,264
Honoraria Expense	226,107	213,283
	$637,465	$605,498

AERO SERVICES CREDIT UNION
CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS CONTINUED — **31ST DECEMBER 2013**

10.

Cost	Freehold Land	Building Trincity	Computer Equipment and Software	Office Furniture and Equipment	Telephone System	Security Equipment	Building Improvements	Building Improvements Factory Road	Building Expansion in Progress	Motor Vehicle	Factory Road Pavillion in Progress	Total
Balance as at 1 January 2013	522,345	2,250,316	1,005,393	941,644	90,936	86,012	844,887	113,551	3,063,234	243,600	868,491	10,030,409
Additions	-	-	16,756	263,279	89,291	-	624,567	162,585	-	-	-	1,156,478
Balance as at 31st December 2013	522,345	2,250,316	1,022,149	1,204,923	180,227	86,012	1,469,454	276,136	3,063,234	243,600	868,491	11,186,887
Accumulated Depreciation												
Balance as at 1st January 2013	-	830,080	819,893	736,445	84,798	46,596	156,693	10,409	-	233,580	15,939	2,934,433
Charge for the Year	-	28,487	91,970	39,785	1,850	4,324	22,351	20,072	-	2,276	-	211,115
Balance as at 31st December 2013	-	858,567	911,863	776,230	86,648	50,920	179,044	30,481	-	235,856	15,939	3,145,548
Net Book Value												
Balance as at 31st December 2013	$522,345	$1,391,749	$110,286	$428,693	$93,579	$35,092	$1,290,410	$245,655	$3,063,234	$7,744	$852,552	$8,041,339
Balance as at 31st December 2012	522,345	$1,420,236	$185,500	$205,199	$6,138	$39,416	$688,194	$103,142	$3,063,234	$10,020	$852,552	$7,095,976

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED **31ST DECEMBER 2013**

10.

	Freehold Land	Building Trincity	Equipment and Software	Furniture and Equipment	Telephone System	Security Equipment	Computer Building Improvements	Office Building Improvements Factory Road	Building Expansion in Progress	Motor Vehicle	Road Pavillion in Progress	Total
Cost												
Balance as at 1 January 2012	522,345	2,250,316	974,651	872,049	88,186	81,012	844,887	113,551	2,996,183	243,600	778,292	9,765,072
Additions	-	-	30,742	69,595	2,750	5,000	-	-	67,051	-	90,199	265,337
Balance as at 31st December 2012	522,345	2,250,316	1,005,393	941,644	90,936	86,012	844,887	113,551	3,063,234	243,600	868,491	10,030,409
Accumulated Depreciation												
Balance as at 1st January 2012	-	801,012	700,775	704,764	83,025	42,080	139,795	6,707	-	230,633	-	2,708,791
Charge for the Year	-	29,068	119,118	31,681	1,773	4,516	16,898	3,702	-	2,947	15,939	225,642
Balance as at 31st December 2012	-	830,080	819,893	736,445	84,798	46,596	156,693	10,409	-	233,580	15,939	2,934,433
Net Book Value												
Balance as at 31st December 2012	$522,345	$1,420,236	$185,500	$205,199	$6,138	$39,416	$688,194	$103,142	$3,063,234	$10,020	$852,552	$7,095,976
Balance as at 31st December 2011	$522,345	$1,449,304	$273,876	$167,285	$5,161	$38,932	$705,092	$106,844	$2,996,183	$12,967	$778,292	$7,056,281

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RESOLUTIONS

RESOLUTIONS & RECOMMENDATIONS

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 the year 2014.

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.

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.

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.

NOTES

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