



**AERO SERVICES
CREDIT UNION
CO-OPERATIVE
SOCIETY LTD.**

**51st
ANNUAL
GENERAL
MEETING
MAY 13th 2023**

CONSUMER LOAN

ALL YOU WANT FOR
ANYTHING YOU NEED!

- Borrow up to \$65,000.00
- Low interest rate
- Loan Rebate

REQUIREMENTS:

- Two (2) forms of valid photo ID
- Recent payslip & job letter
- Recent utility bill
- Proof of purpose

JOIN US!

Contact Us:

640-6416/6418

www.aeroservicescu.com



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buy it!

10% DOWN PAYMENT

- Up to 7 years to repay
- Low interest rate

BASIC REQUIREMENTS:

- 2 forms of valid photo ID
- Recent payslip & job letter
- Recent utility bill
- Proforma Invoice
- BIR number
- Vehicle Insurance quotation

Normal lending conditions will apply

JOIN US

Call 640-6416/6418
to book a Loan Appointment



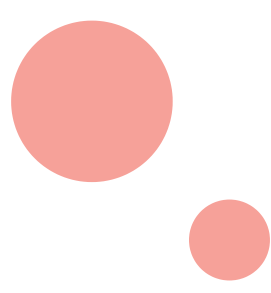
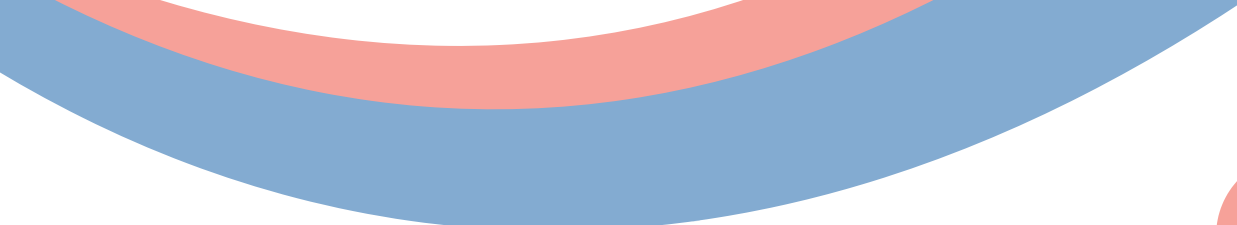


MISSION **STATEMENT**

To enrich the quality of life of our members, by providing prompt, member-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.

CREDIT UNION **PRAYER**

[Prayer of St Francis of Assisi]

Lord, make me an instrument of thy peace
Where there is hatred, let me sow love
Where there is injury, pardon
Where there is doubt, faith
Where there is despair, hope
Where there is darkness, light
And where there is sadness, joy.

O DIVINE MASTER,
Grant that I may not so much seek
To be consoled as to console
To be understood as to understand
To be loved as to love
For it is in giving that we receive
It is in pardoning that we are pardoned
And it is in dying that we are born to
ETERNAL LIFE.

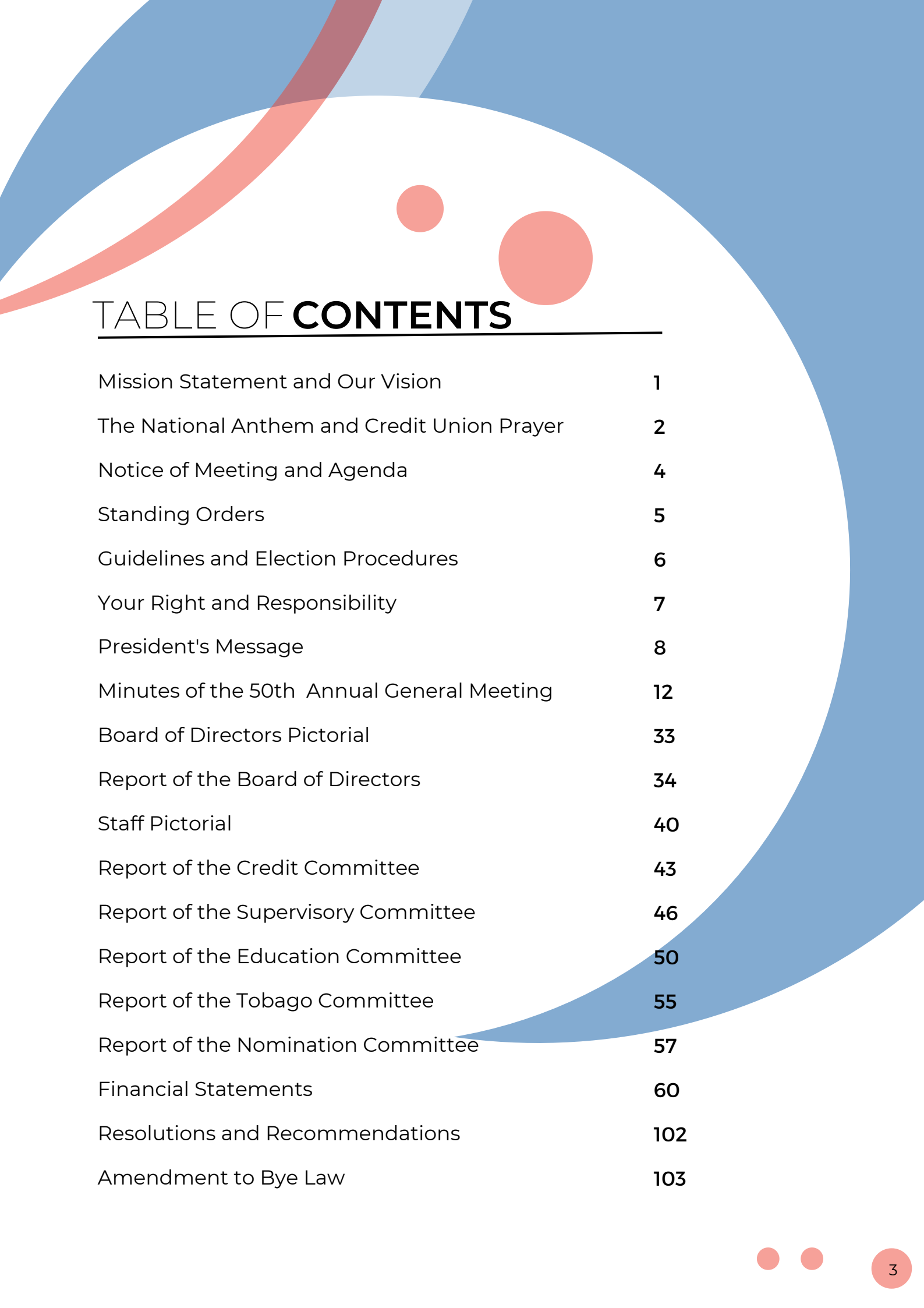


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NOTICE OF MEETING

Notice is hereby given that the 51st Annual General Meeting of Aero Services Credit Union Co-operative Society Limited will be held at Phillip Habib Hall Aero Services Credit Union on Saturday 13th May 2023, Hybrid format from 10.00 a.m.

AGENDA

1. Call to Order
2. Credential Report
3. National Anthem and Credit Union Prayer
4. Notice of Meeting
5. Standing Orders
6. President's Address
7. Minutes of the 50th Annual General Meeting
8. Feature Speaker
9. Reports
 - 9.1 Board of Directors
 - 9.2 Credit Committee
 - 9.3 Supervisory Committee
 - 9.4 Education Committee
 - 9.5 Tobago Committee
 - 9.6 Nomination Committee
10. Auditors' Report
11. Financial Report
12. Budget Presentation
13. Resolutions/Recommendations
14. Amendment to Approved Bye-Law 29 (b)
15. Elections of Officers
 - 15.1 Supervisory Committee
 - 15.2 Credit Committee
 - 15.3 Board of Directors
16. Other Business
17. Vote of Thanks
18. Closure

By Order of the Board



Earle Joseph
HON. SECRETARY

STANDING ORDERS

1. Members attending the meeting virtually shall keep their microphones muted and video cameras off for the duration of the meeting, except if required to make a contribution to the meeting.
2. No member shall address the meeting except through the Chair.
3. A member shall raise his/her hand when desirous of addressing the Chairman.
4. A member shall only address the meeting when called upon by the Chairman to so do, after which he/she shall immediately take his/her seat or mute his/her mic:
 - 4.1 Comments shall be clear, concise and relevant to the subject before the meeting.
 - 4.2 A member shall not speak for more than three (3) minutes on any one subject.
5. Members attending virtually are asked to utilize the chat box to pose questions or to share any issues they are having, so that the meeting administration team can assist, with minimal interruptions.
6. All members are reminded to conduct themselves in a professional manner. Kindly refrain from sharing any explicit, violent or inappropriate content.
7. A member may not speak twice on the same subject, except:
 - 7.1 The mover of a motion, who has a right to reply
 - 7.2 He/she raises his/her hand or uses the raise hand option to object or to explain (with the permission of the Chair).
8. No comments shall be made after the "Question" has been put and carried or negated.
9. The mover of a "Procedural Motion" shall have no right to reply.
10. A member raising his/her hand on a "Point of Order" shall state the point clearly and concisely.
12. A "Point of Order" must have relevance to the "Standing Orders".
 - 12.1 A member shall not "call" another member "to order" but may draw the attention of the Chair to a "breach of order".
13. At no time can a member call the Chair "to order".
14. 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.
15. Only one amendment shall be before the meeting at a time.
16. When a motion is withdrawn, any amendment to it fails.
17. The Chair shall have, in addition to his/her ordinary vote, the right to a "Casting Vote".
18. If there are equal number of votes on an amendment, and if the Chairman does not exercise his "casting vote", the amendment is lost.
19. The Chair shall make provision for the protection of members from personal abuse.
20. Provision shall be made for the protection by the Chairman from vilification (personal abuse).
21. No member shall impute improper motives against another member.
20. Entry into the meeting will be discontinued just prior to the commencement of the Elections process.

GUIDELINES FOR OFFICERS

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

- Must not be bankrupt or an applicant for bankruptcy.
- Must be of sound mind.
- Must be “fit and proper”.
- Must not be an employee of Aero Services Credit Union.
- Must not have been delinquent in repaying his/her loan over the past six (6) months.

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

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

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

The Credit Committee meets at least once per week.

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

ELECTION PROCEDURES

1. Voting will be completed electronically.
2. Each member who pre-registered will utilize the unique password given to access the platform to vote.
3. Members will be given access to vote at the time of the elections.
4. Persons nominated off the floor will be required to introduce themselves.
5. The Returning Officer will declare the opening and closing of voting.
6. The appointed persons will confirm the results while the meeting is in progress.
7. The results will be announced by the Returning Officer immediately upon completion of the count.

YOUR RIGHTS **AND RESPONSIBILITIES**

AT YOUR ANNUAL GENERAL MEETING

As a member of Aero Services Credit Union:

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

Take note that:

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

PRESIDENT'S MESSAGE

Brian Matthew



Dear Valued Members:

I am extending greetings from your Board of Directors on the occasion of our 51st Annual General Meeting, as we continue to enrich the quality of your lives, even as we navigate the challenges confronting Aero Services Credit Union Co-operative Society Limited (ASCU).

The operating environment continues to be a very dynamic one in this post pandemic era, as we begin to slowly return to some semblance of normalcy. In an effort to ensure business continuity, we have maintained some aspects of the COVID-19 guidelines regarding entry requirements at our offices in Trinidad and Tobago.

In 2022, the Trinidad and Tobago economy exhibited mixed fortunes, as there was contraction in the Energy sector. However, the non-Energy sector expanded. Inflation grew in the second half of the year to approx. 8%, mainly due to food price increases.

At ASCU, our efforts were focused on the following: a robust commitment to providing stability amid less than perfect economic conditions and archaic legislation governing

the Co-operative sector; membership growth, increased co-operation among Co-operatives which would ultimately reduce some aspects of operating cost; recognition of the achievements of our young people; increased emphasis on providing of an enhanced Credit Union experience by focusing on efficiency and responsiveness to our membership needs.

Going forward, we must continue to embrace the technology available to us to facilitate conducting business with ASCU, without having to visit our offices. The efforts to make this a reality in the shortest possible time would be a priority.

Revision of Loan Policy Including Loan Interest Rates

In an effort to address the impact of reduced interest on loans in 2022, the Board has reviewed the ASCU Loan Policy in an attempt to combat the impact of significantly increasing competition from all areas of the Financial Services sector in Trinidad and

PRESIDENT'S MESSAGE

(Continued)

Tobago, many of which have much greater liberal operating environments and therefore present a challenge in the terms and conditions available to Credit Union members. It is hoped that the changes which include easing various processes and revised interest rates, would assist in reversing the borrowing trends observed in 2022. Additionally, the inclusion of a Mortgage Loan product, at very competitive market rates, should stimulate demand among our ASCU membership.

Shared Branching

The Shared Branching concept has been implemented in co-operation with Community Care Credit Union and UWI Credit Union, to provide an additional layer of convenience to our members. Members of the three (3) Credit Unions can visit any one of the branches at convenient locations in Trinidad and Tobago and withdraw up to \$1,000.00 from their Credit Union deposit accounts. This initiative has been made possible through the efforts of the Credit Unions identified above, as part of the Joint Credit Unions Cooperation among Co-operatives.

Tobago Operations

I wish to sincerely apologize to all our Tobago members for the inaccessibility of our Tobago office for several months in 2022, due to staff related issues. I am pleased to advise, that these issues have been resolved and service to our Tobago membership is available once again with the office currently operating five (5) days per week. This is an increase from the three (3) days which obtained in the past. I would like to encourage our Tobago membership to take advantage of these increased days of operations and to thank you for your patience during the time of challenge.

Tobago is indeed a growth area for ASCU and in that regard, the Board has taken the decision to immediately implement the following:

- Ensure two (2) staff members are available to service our valued Tobago members.
- Implement a five (5) day work week.
- Find alternative office space.
- Implement an action plan with specific focus on Tobago.
- Harmonize the co-operation/communication between the Tobago Board Representatives, Tobago Committee, Tobago Steering Committee and Tobago membership.

PRESIDENT'S MESSAGE

(Continued)

Financial Landscape Impact

As a result of significantly increased competition from other players in the financial services sector, interest on loans has been negatively impacted. Innovative approaches to reverse the trends have been initiated, including the introduction of new loan products and restructuring of members loan accounts. Additionally, share withdrawals has been another challenge confronting ASCU, as members who seek loans from other organizations are often required to either utilize their shares to pay off their ASCU loans, or withdraw their shares to satisfy the collateral requirements of these institutions. During 2022, some of our members continued to experience challenges in satisfactorily honoring their obligations to the organization and this resulted in somewhat elevated levels of delinquency. We therefore embarked on the implementation of strategies to assist our members, while striving to maintain competitiveness in an increasingly crowded financial market space, while staying true to our motto and unwavering commitment to you to “enrich the quality of your lives”.

Erosion on the Western Perimeter of ASCU's Head Office Property

ASCU continues to experience the threat of soil erosion on the western perimeter of our property on Orange Grove Road. This is as a result of the impact of the Tacarigua River meandering eastward and in the process, washing away the soil between the tennis court and river wall, along the western perimeter of the ASCU property. The Ministry of Works and Transport (MOWT) has in the past constructed a retaining wall in the riverbed. However this was only partially helpful, since the river water has now moved behind the retaining wall and continued to undermine ASCU's property under the western perimeter of the ASCU boundary. ASCU has continued to lobby and request assistance from the MOWT in an effort to finally effect a permanent solution to this ongoing issue.

Cabinet Appointed Committee

A Cabinet Committee has been established to review the operations of the Credit Union sector. Some of the recommendations of the Cabinet-Appointed Committee for the future of the Credit Union Sector in National Development include:

- Establishment of an Independent Authority to manage both the Regulatory

PRESIDENT'S MESSAGE

(Continued)

- and Administrative functions of Financial and Non-Financial Co-operatives.
- Processing/Encashment of Government cheques and assessment of Government Employee salaries and wages to Credit Unions.
- Mandatory Deposit Insurance.
- Credit Union Diagnostic
- Emergency Liquidity Assistance

ASCU will keep abreast of any developments and make the best decisions on behalf of our members.

I sincerely thank my fellow Board of Directors, the Management, Staff and all the Committee members of Aero Services Credit Union for their unwavering support during the year 2022 as we continue to navigate the challenges ahead while keeping our focus on all our goals and objectives.

On behalf of the Board of Directors, please continue to be safe, as we persevere, while working together to truly achieve ASCU's mission, to enrich the quality of life of our members.

Co-operatively Yours,



Brian Matthew (Mr.)

PRESIDENT

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

OF AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED HELD ON SATURDAY, 14TH MAY 2022 (HYBRID)

1.0 CALL TO ORDER

The Chairman/President, Mr. Brian Matthew, called the 50th Annual General Meeting of Aero Services Credit Union Co-operative Society Limited to order at 10.01 a.m. and extended a warm welcome to all. He indicated that there was a quorum and therefore, the meeting was duly constituted in accordance with Byelaw 23(2).

2.0 1ST CREDENTIAL REPORT

A Credential Report at 10.01 a.m. revealed that one hundred and fifteen (115) members were in attendance, comprised of sixteen (16) onsite and ninety-nine (99) online. Fifteen (15) guests were also present.

3.0 NATIONAL ANTHEM & CREDIT UNION PRAYER

A recorded version of the National Anthem was played followed by narration of the Credit Union Prayer.

The meeting also observed one (1) minute silence for members who departed this life during the past year, and in recognition for their service to the Credit Union family and national community.

4.0 NOTICE OF MEETING

The Secretary, Mr. Earle Joseph, read the Notice and Agenda of the 50th Annual General Meeting as outlined at page 4 of the Annual Report/Brochure.

5.0 ACKNOWLEDGMENT OF GUESTS

The President acknowledged the following guests who attended the meeting:

Officers of the Co-operative Development Division, Ministry of Youth Development and National Service:

- Ms. Charmaine McMillan, Ag.
Commissioner for Co-operative Development
- Ms. Pamela Alcazar
- Ms. Nathalie Phillips
- Mr. Mark Superville - Representative of PKF, Chartered Accountant & Business Advisors
- Mr. Dorwin Manzano - Vice President, UWI Credit Union
- Mr. Ashraff Ali - President, CLICO Credit Union
- Ms. Letitia Telesford - President, Central Finance Facility

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(CONTINUED)

The President also introduced the following Officials seated with him at the Head Table:

- Mr. Lyndon Byer (Vice President)
- Mr. Earle Joseph (Secretary)
- Mr. David Bazil (General Manager).

[A tutorial video of the meeting process was displayed on screen.]

6.0 STANDING ORDERS

The Chairman, Mr. Brian Matthew, read the Standing Orders as set out on page 5 of the Annual Report/Brochure.

The Standing Orders were accepted by majority vote on a motion moved by Ms. Donna Placide and seconded by Mr. Lester Young. Forty-four (44) members voted in favour, zero (0) voted against and two (2) members abstained.

7.0 PRESIDENT'S MESSAGE

The President in addressing the 50th Annual General Meeting, extended greetings to those in attendance, on behalf of the Board of Directors. He divulged that Aero Services Credit Union was formed in 1950 and, was therefore, celebrating seventy-two (72) years of existence. The President also mentioned that the membership should be extremely proud of ASCU's achievement over the years,

since it started with a mere \$145.00 in a backroom office at what was formerly BWIA, and as at December 31st, 2021, its Total Assets amounted to \$300M.

Despite its current success, Aero Services Credit Union faced many challenges throughout its lifetime, including many retrenchments, with the most recent being the COVID-19 pandemic. In 2021, quite a number of members experienced difficulties to meet their commitments to the Credit Union and, as a result, many requests were received for waivers and restructuring of loans. During this period, the Board, Management and staff worked assiduously to ensure that the valued members were able to avail themselves of those facilities which required the Credit Union to forego loan payments for some period of time, which ultimately impacted the revenue earned.

Notwithstanding the challenges caused by the COVID-19 pandemic, ASCU remained resolute in its efforts to uphold the Credit Union's motto: "To Enrich the Quality of Life of our Members". In that regard, the Credit Union embarked on several initiatives which included:

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(CONTINUED)

- Cooperation with other credit unions and organisations
- Membership growth
- Loan portfolio growth
- Delinquency management
- Ensuring that members feel part of the Aero Services family.

In closing, the President thanked fellow Board of Directors, hardworking Committee Members, Management and staff for their tireless efforts during the past year. He also committed to continue working closely together to ensure that Aero Services Credit Union achieves its vision.

8.0 2ND CREDENTIAL REPORT

A Credential Report at 10.28 a.m. revealed that one hundred and eighty (180) members were in attendance.

9.0 AGM REPORT/BROCHURE

9.1 Errors and/or Omissions

The following nominees for the Board of Directors and Supervisory Committee were omitted in error from the Report of the Nominating Committee at page 35 of the Brochure:

- Ms. Meryl Faye Husbands – Board of Directors
- Ms. Nicole Ramsey-Figaro – Supervisory Committee

The Annual Report/Brochure, as amended, was taken as read by majority vote on a motion moved by Mr. Brent Gaspard and seconded by Ms. Nerissa Alleyne, with one hundred and sixteen (116) members voting in favour, none voting against and four (4) abstentions.

10.0 MINUTES OF 49TH ANNUAL GENERAL MEETING – JUNE 12TH, 2021

The Minutes of the 49th Annual General Meeting located at pages 9 to 18 of the Brochure were reviewed by the membership and no errors or omissions were identified.

10.1 CONFIRMATION

The Minutes of the 49h AGM were confirmed by majority vote on a motion moved by Ms. Paula Daniel-Linton and seconded by Ms. Naomi Wilson. One hundred and seventeen (117) members voted in favour, none voted against and five members (5) abstained.

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(Continued)

11.0 MATTERS ARISING

There were no matters arising out of the Minutes.

12.0 BOARD OF DIRECTORS' REPORT

The Board of Directors' Report which was contained at pages 20 to 23 of the Brochure, was tabled for the consideration of members. Some key information in the Report were as follows:

Strategic Plan

- Although the Board of Directors and Management had intended to work toward achieving ASCU's strategic objectives in 2021, this was placed on hold as a result of the COVID-19 pandemic.

Special Projects

- Upon completion of the ground floor remodelling, the first floor was outfitted to accommodate a parallel work environment in the event that staff on either floor contracted the COVID-19 virus, the Credit Union would continue to function.
- The Building Committee was assigned the task of considering and reporting on the requirements for transforming the...

- Sporting Complex into an income generator. From meetings with the Town and Country Planning Division, it was discovered that the area was zoned for residential and light commercial businesses. The Committee's Consultant was therefore requested to conceptualise residential designs for a gated community on that property.
- As a result of numerous complaints from members regarding the service from JMMB, the provider of the Aero Debit Card, the IT Committee was given the responsibility to identify a new provider with a review to replacing the current provider. This matter was ongoing.

Human Resources

Seven (7) employees exited ASCU in 2021 while three (3) individuals were employed.

12.1 ERRORS AND/OR OMISSIONS

No errors or omissions were detected in the Board of Directors' Report.

12.2 ADOPTION

The Board of Directors' Report was adopted by majority vote on a motion moved by Ms. Esther Richards and seconded by Ms. Yolanda Mitchell.

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(Continued)

One hundred and thirteen (113) members voted in favour, one (1) voted against and nine (9) abstained.

12.3 COMMENTS/QUESTIONS

No comments or questions were raised on this Report.

12.4 ACCEPTANCE

The Report of the Board of Directors was accepted by majority vote on a motion moved by Mr. Courtney Demming and seconded by Ms. Jada-Marie Mills. One hundred and fifteen (115) members voted in favour, two (2) voted against and eight (8) members abstained.

13.0 CREDIT COMMITTEE'S REPORT

The Report of the Credit Committee which could be found at pages 26 to 27 of the Annual Report/Brochure was tabled for consideration. Some highlights of the Report were as follows:

Mechanisms used to cope with the negative impact on the loan portfolio as a result of the COVID-19 pandemic included the following:

- Utilising shares to liquidate loans
- Loan Restructuring
- Waivers
- Aggressively monitoring delinquency which stood at 9% in 2021.

The Committee held thirty-two (32) meetings and approved seven hundred and seventeen (717) loans totaling \$38.9M.

13.1 ERRORS AND OMISSIONS

No errors and/or omissions were identified in the Report.

13.2 ADOPTION

The Report of the Credit Committee was adopted by majority vote on a motion moved by Mr. Jordan Daniel and seconded by Ms. Esther Richards. One hundred and twenty-one (121) members voted in favour, one (1) voted against and nine (9) members abstained.

13.3 COMMENTS/QUESTIONS

There were no comments or questions emanating from the floor.

13.4 ACCEPTANCE

The Credit Committee's Report was accepted by majority vote on a motion moved by Ms. Dion Heywood and seconded by Mr. Martin Horsford. One hundred and twenty-four (124) members voted in favour, none voted against and ten (10) members abstained.

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(Continued)

14.0 SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee's Report at pages 28 and 29 of the Annual Report/Brochure was tabled for consideration. Key details of this Report were as follows:

- The Committee conducted audits on the processes and procedures of ASCU and was satisfied that the financial operations and activities were undertaken in accordance with the accounting standards of the Society.
- Random audits of members' files, including those of Directors, Committee Members and Employees, were also carried out and any issues identified and/or proposals for solutions were referred to the General Manager and the Board.
- Members of the Supervisory Committee also attended the following training sessions during their term of office:
 - Post-Vaccine Economy and the Way Forward for Credit Unions Through Leadership
 - Mortgage Product
 - A-Z in Mortgage Financing
 - Joint Orientation session with Aero Services Credit Union, Community Care Credit Union and UWI Credit Union
 - Credit Analysis and Proposal Writing.

14.1 ERRORS/OMISSIONS

No errors and/or omissions were identified in the Report.

14.2 ADOPTION

The Report of the Supervisory Committee was adopted by majority vote on a motion moved by Ms. Lilia Mujica Renaud and seconded by Mr. Theo Oliver with one hundred and twenty-nine (129) members voting in favour, one (1) against and ten (10) abstentions.

14.3 QUESTIONS/COMMENTS

No issues were raised by the members on this Report.

14.4 ACCEPTANCE

The Report of the Supervisory Committee was accepted by majority vote on a motion moved by Ms. Paula Daniel-Linton and seconded by Ms. Shrila Persad. One hundred and thirty (130) members voted in favour, one (1) voted against and six (6) abstained.

15.0 EDUCATION AND YOUTH LINK COMMITTEES' REPORTS

Reports of the Education and Youth Link Committees at pages 30 to 32 of the Annual Report/Brochure were considered.

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(Continued)

The undermentioned activities were undertaken by the Committee during its term of office:

- Financial Planning Webinar held on September 29th, 2021 in collaboration with the Community Care Credit Union.
- Awards of Excellence held on November 11th, 2021

15.1 ERRORS/OMISSIONS

No errors or omissions were identified.

15.2 ADOPTION

The Reports were adopted on a motion moved by Ms. Lilia Mujica Renaud and seconded by Ms Krystiel Salandy. One hundred and twenty-two (122) members voted in favour, one (1) voted against and eight (8) members abstained.

15.3 COMMENTS/QUESTIONS

No issues were raised on these Reports.

15.4 ACCEPTANCE

The Reports of the Education and Youth Link Committees were accepted by majority vote on a motion moved by Mr. Alec Clarke and seconded by Ms. Cindy Stewart-Lewis. One hundred and thirty-five (135) members voted in favour, two (2) voted against and eight (8) abstained.

16.0 TOBAGO COMMITTEE'S REPORT

The Report of the Tobago Committee located on page 33 of the Annual Report/Brochure was tabled for consideration. The Report indicated that the Committee planned the following events:

- Essay Competition
- Aero Services Credit Union Promotion for Tobago Members
- Children's Christmas Extravaganza

The Children's Christmas Extravaganza planned for the first week of December 2021 was postponed due to the closure of the Tobago Office in November 2021. However, three (3) children participated in the first Essay Competition and were awarded cash prizes on February 26th, 2022. The Tobago Committee intends to make this an annual event.

16.1 ERRORS/OMISSIONS

No errors and/or omissions were identified in the Report.

16.2 ADOPTION

The Tobago Committee Report was adopted on a motion moved by Mr. Darren Carmichael and seconded by Mr Mottley Mc Ewen Peterson with one hundred and twenty-four

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(Continued)

(124) members voting in favour, two (2) voting against and eleven (11) abstentions.

16.3 QUESTIONS/COMMENTS

There were no questions or comments on this Report.

16.4 ACCEPTANCE

The Tobago Committee Report was accepted by majority vote on a motion moved by Mr. Jordon Daniel and seconded by Mr. Ramesh Lutchmedial. One hundred and twenty-one (121) members voted in favour, no one voted against and twelve (12) members abstained.

17.0 NOMINATING COMMITTEE'S REPORT

The Nominating Committee's Report found at pages 34 and 35 of the Annual Report/Brochure was tabled for consideration. The President apologised for the inadvertent omission of the names of two (2) nominees, referred to previously at Item 9.1: Ms. Meryl Faye Husbands for the Board of Directors and Ms. Nicole Ramsey Figaro for the Supervisory Committee. The Nominees for the Board of Directors and Statutory Committees, including those omitted from the lists were as follows:

Board of Directors

- Ms. Esther Richards
- Mr. Earle Joseph
- Ms. Michele Campo Aimable
- Ms. Jo-Anne Edwards
- Mr. Jaime Garcia
- Ms. Venus T. Miller
- Ms. Paula Daniel-Linton
- Ms. Meryl Faye Husbands

Supervisory Committee

- Ms. Denise Zephryne
- Ms. Kelly-Ann Deosaran
- Mr. Jason Williams
- Mr. Angel Carlos Landeau
- Ms. Nicole Ramsey Figaro

Credit Committee

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

17.1 ERRORS/OMISSIONS

As stated above, the names of two (2) nominees were inadvertently omitted from the Report of the Nominating Committee.

MINUTES OF THE 50TH ANNUAL GENERAL MEETING

(Continued)

17.2 ADOPTION

The Nominating Committee Report, as amended, was adopted by majority vote on a motion moved by Ms. Annette Boodramsingh and seconded by Ms. Michelle Highly with one hundred and twenty-four (124) members voting in favour, four (4) voting against and five (5) abstentions.

17.3 COMMENTS/QUESTIONS

There were no comments or questions from the floor regarding this Report.

17.4 ACCEPTANCE

The Report of the Nominating Committee, as amended, was accepted by majority vote on a motion moved by Ms. Susan Vincent and seconded by Ms. Esther Richards. One hundred and twenty-four (124) members voted in favour, two (2) voted against and twelve (12) abstained.

18.0 AUDITORS' REPORT

Mr. Mark Superville, Representative of PKF Chartered Accountant & Business Advisors, presented the Auditors' Report dated April 23rd, 2021, which was contained at pages 40 and 41 of the Annual Report/Brochure.

18.1 ERRORS/OMISSIONS

No errors and/or omissions were identified in the Auditors' Report.

19.0 FINANCIAL REPORT

The Accountant, Ms. Zariffa Harrypersad, presented the Financial Report which was at pages 42 to 78 of the Annual Report/Brochure. Some details surrounding the financial performance of Aero Services Credit Union were as follows:

- Interest on loans decreased by \$1M from 2020 as a direct result of extended loan waivers, loan restructuring and the early repayment of loans, as some members opted to remain debt free during very challenging financial times brought about by the COVID-19 pandemic.
- Total Income earned was \$28.2M, which was an increase of \$2.9M over that of 2020. This was mainly due to the investment income and gain on the sale of investments.
- Total Expenditure stood at \$17.4M, a seven percent (7%) increase over 2020, which was mainly due to a prior period VAT expense of \$1M.

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- Total Net Surplus for 2021 amounted to \$10.8M, a twenty percent (20%) increase over the figure for 2020 and also \$3.5M greater than the budget projection for 2021.
- Total Assets stood at to \$300.5M, a decline of \$726,000 over the previous year, which is the net effect of a reduction in the loan portfolio.

19.1 QUESTIONS/COMMENTS

The undermentioned replies were provided to questions posed by members:

- a) The majority of the VAT expense fell under the operational category. However, some portions were allocated to administrative and other general costs.
- b) The line item "Credit Impairment on Loans and Receivables" of \$6M was an estimated figure, which had to be added to the accumulated provision which stood at \$21M at the end of December 2021. A detailed assessment would be made when the overall calculation was undertaken regarding the risks and netting off any collateral against the principal balances.

No quantification could be provided at that time regarding the allocated sum for particular age categories.

However, it was intimated that loans 365 days and over were the hard-core delinquent loans. Also, the potential exists to retrieve funds for those between one hundred and twenty (120) and three hundred and sixty-five (365) days, since the Recoveries Department would continue collection efforts internally, along with utilising the services of a bailiff or A.V. Knowles & Co. Ltd. ASCU also subscribes to TransUnion where the credit data of delinquent members are usually submitted.

- c) Although seven (7) employees left the organisation in 2021 and three (3) individuals were recruited, the salary cost was not greatly reduced, since employees were compensated for either performing additional duties or acting in particular positions.
- d) Although the fair value gains on investments decreased by forty-nine percent (49%) over the prior year, ASCU benefited from the gain on sale of investments in the sum of \$3.2M. Increase in stock prices are usually recorded as fair value gains and considered as unrealised gains.
- e) Income from "service charge" increased by eighty-three percent (83%) from \$37,083 in 2020 to \$67,968 in 2021. In 2020 when the COVID-19 pandemic began, as

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part of its support to members, ASCU waived transaction fees on COVID related expenses such as share withdrawals and even the COVID support loans. However, in 2021 those fees were reinstated, hence the significant increase shown.

- f) The loan loss provision did not only reflect on bad or delinquent loans. It is a requirement under IFRS 9 for all loans granted to members, and which must be increased if delinquencies arise. ASCU's total loan portfolio was \$130M and, therefore, a provision had to be made in the event that any of those loans became delinquent. That is why the provision is an estimation, based on the risks attached to the loans.
- g) With regard to the increased income shown in the line item "Cash in hand and at bank", those extra funds would be injected internally into operations and granting loans to members, in an effort to rebuild the loan portfolio.

19.2 ACCEPTANCE

The Financial Report for the period ended December 31st, 2021 was accepted by majority vote on a motion moved by Ms. Krystiel Salandy and seconded by Mr. Stanley Soman.

One hundred and twenty-four (124) members voted in favour, none voted against and five (5) abstained.

20.0 2022 BUDGET

Ms. Zariffa Harrypersad, the Accountant, in presenting the 2022 Budget, indicated that in 2022, Aero Services Credit Union would place focus on rebuilding its loan portfolio by increasing its membership base, and making loan products more attractive to both existing and potential members.

Some major projections outlined for 2022 were:

- Loan Income – \$14.2M, which was a one percent (1%) increase over 2021. This projected increase would be attained by lowering interest rates while at the same time increasing the volume of loans.
- Investment Income – \$6.3M. There was no intention to reinvest any matured funds externally.
- Total Expenditure – \$16.5M. This figure was almost \$1M less than that of 2021 and was mainly due to the non-recurrence of the VAT expense.
- Total Net Surplus – \$4.3M, which was 60% less than 2021.
- Capital Expenditure – \$950,000. Planned initiatives included investment in IT resources by sourcing a document

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- management system along with a mobile App, and construction of a Wastewater Management System at ASCU's Tacarigua property.

20.1 COMMENTS/RESPONSES TO QUERIES

Mr. Stanley Soman indicated that if ASCU required ICT solutions, Digicel was there to assist.

Responses provided to questions raised are outlined below:

1. The decline in rental income in 2021 was due to the fact that no income was received for the Oropune and Tacarigua properties as a result of restrictions imposed by the Government to minimise the impact of the COVID-19 pandemic. One (1) tenant who was located on the first floor at the Head Office in Tacarigua, vacated the premises in September 2021. A realtor would be engaged in 2022 to resume rental of the properties.

2. The Budget was not usually found in the AGM Brochure because the inputs and the budget meeting of the Board occur after the Brochure is printed. However, it is customary for the rationale and philosophy for the figures to be provided to the membership. Efforts could be made towards including the budget in the Brochure at some time in the

future, and if that possibility exists in 2023, the request can certainly be accommodated

3. With regard to the introduction of the mobile App referred to earlier, the goal of the Credit Union is to transition the membership to more online transactions so that business can be conducted at any time and place, rather than having to visit the Head Office. The App will give increased functionality to the services being offered and will go a long way to simplifying the whole process of conducting business at ASCU.

4. ASCU has a US bank account and is therefore able to accept payments in US dollars from members via cash or cheque. However, it cannot trade in US dollars – that is buying and selling US dollars – because the Co-operative Societies Act makes no such provision. Also, US savings accounts cannot be held by members. Any US dollar deposit is converted to TT dollars and credited to the member's account and the US dollar deposited to ASCU's US account.

5. A few years ago, consideration was given to increasing the physical presence of ASCU. However, that notion was shelved and a decision taken to embark on a greater digital and ICT presence. ASCU acknowledges that it has an aging demographic and there may be

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(Continued)

members who will experience challenges with doing business online. As such, the Credit Union will continue to look for meaningful solutions to facilitate those members who are outside of the East/West Corridor or the Tobago office to assist them in conducting business. Members should also remember that less physical presence means less cost in terms of either the purchase or rental of a building. With the membership's acceptance of the 2022 Budget, all the necessary elements would be instituted to better serve members, through the advent of ASCU's digital transformation efforts. Members will be kept abreast of the progress made in this regard.

6. In early 2022, ASCU started a marketing drive through advertisements in Tobago, in an effort to recruit new members. At the moment, Tobago does not have a large enough membership to justify a permanent presence. There is hope, however, that with the success and inroads of the proposed digital platforms, Tobago members will be well served.

7. Some of the efforts currently being used by ASCU to address the significant number of un-banked and under-banked population in

the country include, offering savings initiatives to young persons who perform well at various national examinations to join the Credit Union and adopting schools in the area. Efforts to reach adults include actively advertising on radio and through the streets of many districts.

8. No focus had been placed on the migrant population from Venezuela. However, due consideration would be given to the suggestion to determine how they could be included and integrated within the financial system, if that is possible under the Credit Union's current entry requirements.

21.0 ACCEPTANCE

The 2022 Budget was accepted by majority vote on a motion moved by Ms. Faye Husbands and seconded by Mr. Omaree Daniel, with one hundred and thirty-five (135) members voting in favour, four (4) members voting against and ten (10) abstentions.

22.0 RESOLUTIONS

22.1 AUDITORS

The undermentioned Resolution was moved by the Vice President, Mr. Lyndon Byer, on behalf of the Board of Directors, and seconded by Mr. Stanley Soman:

- *Be it resolved* that the firm Pannell Kerr

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(Continued)

Forster (PKF) be appointed as the External Auditors for the year 2022.

In response to a question posed, the meeting was informed that there had been no discussion regarding a change of Auditors at this point in time.

22.1.1 ACCEPTANCE

The Resolution was accepted by majority vote with one hundred and twenty-four (124) members voting in favour, three (3) voting against and eight (8) abstentions.

22.2 DELINQUENT ACCOUNTS

The Vice President reported that:

- ASCU's delinquency ratio was nine percent (9%) as at December 31st, 2021 and as such, the Credit Union decided to reduce the delinquency portfolio to the recommended PEARLs standard of a maximum of five percent (5%).
- As a consequence, the Board agreed to adopt a programme of gradually writing off hardcore delinquent loans greater than three hundred and sixty-five (365) days against the loan loss provision over the next five (5) years. This would ensure a reduction in the delinquency ratio by an estimated two percent (2%) per annum, assuming that delinquency on new loans is contained at below two percent (2%) during the respective periods.

- This strategy would reduce the delinquency ratio going forward. Additionally, the write off of the listed loans was not expected to have any impact on the profit and loss of ASCU, due to the already established loan loss provision in accordance with the IFRS 9 prescription.
- Recovery efforts on each of the loans identified would continue until the outstanding sums are recovered.

The following Resolution moved by the Vice President, Mr. Lyndon Byer, on behalf of the Board of Directors, and seconded by Ms. Anastasia Daniel was accepted by majority vote, with one hundred and fourteen (114) members voting in favour, nine (9) voting against and twelve (12) abstentions:

- *Whereas* all delinquent accounts held by the Society have been fully provided for in accordance with the IFRS accounting standards and;
- *Whereas* exhaustive efforts have been undertaken over time to recover the outstanding monies due to the Society with no success.
- *Be it resolved* that the Annual General Meeting in accordance with Regulation No. 32 of the Co-operative Societies Act Chap. 81:03 approve the write-off of

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(Continued)

delinquent accounts in the amount of \$2,296,355.54 from the books of the Society.

23.0 RECOMMENDATIONS

23.1 DISTRIBUTION OF SURPLUS

1. Dividends

The undermentioned Resolution which was moved on behalf of the Board of Directors, by the Vice President, Mr. Lyndon Byer, and seconded by Mr. Theo Oliver, was approved by majority vote with one hundred and fifty-five (155) members voting in favour, two (2) voting against and three (3) abstentions:

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

1.1 A dividend of three point zero percent (3.0%) on each member's shareholding up to \$750,000 to be disbursed according to the member's request.

1.2 A dividend of one point seven five percent (1.75%) on each member's shareholding above \$750,000 to be disbursed according to the member's request.

1.3 Twelve point zero percent (12.0%) interest rebate on each member's loan, such rebate to be credited to the member's Flex-A-Save account.

2. Ex Gratia Payment

The Vice President, Mr. Lyndon Byer, on behalf of the Board of Directors, moved the following Resolution:

2.1 *Be it resolved* that the sum of Twenty Thousand Dollars (\$20,000) be allocated to the Education Committee.

2.2 *Be it resolved* that the sum of Five Thousand Dollars (\$5,000) be allocated to the Tobago Committee and another Five Thousand Dollars (\$5,000) be allocated to the Youth Link Committee.

In response to a question posed, the President intimated that the rationale for the figure proposed for the Education Committee was the value allocated over the past five (5) years. However, consideration can be given to any strong recommendation to increase this figure.

Acceptance

The above Resolution which was seconded by Mr. Theo Oliver was accepted by majority vote with one hundred and forty-seven (147) members voting in favour, three (3) voting against and six (6) abstentions.

3. Honorarium

The Board approved the following Resolution by majority on a motion moved by the Vice President, Mr. Lyndon Byer, on behalf of the Board, and seconded by Ms. Annette Boodramsingh. One hundred and forty-four (144) members voted in favour, nine (9) voted

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(Continued)

against and eight (8) abstained:

- *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.

24.0 ELECTION OF OFFICERS

Ms. Jennylyn Bailey who carried out the role of Returning Officer and conducted the elections, declared registration closed.

24.1 3RD CREDENTIAL REPORT

A Credential Report at 12.48 p.m., indicated that two hundred and thirty-eight (238) members were in attendance.

The Returning Officer indicated that the meeting was duly constituted in accordance with Byelaw 23e of the Society and declared all outgoing seats vacant. The Officer also read the Election Procedures detailed at page 6 of the Brochure, and provided details of the virtual AGM process to the meeting.

24.2 NOMINATIONS FROM THE FLOOR

The profiles of all candidates were shown on screen, followed by a request for nominations from the floor.

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

The undermentioned nominees from the floor for the Supervisory and Credit Committees accepted their nominations:

- Supervisory Committee: Ms. Michelle Highly was nominated by Ms. Hailey Solomon and seconded by Mr. Herman Solomon.
- Credit Committee: Ms. Elizabeth Aqui was nominated by Ms. Krystiel Salandy and seconded by Mr. Angel Landeau.

Nominations from the floor ceased on a motion moved by Mr. Brent Gaspard and seconded by Ms. Sasha Jameson.

Candidates nominated from the floor gave a brief biography of themselves, which was followed by a tutorial video of the voting process.

24.3 ELECTION RESULTS

Board of Directors

Nominees	No. of Votes	Tenure
Ms. Meryl Faye Husbands	116	3 years
Ms. Jo-Anne Edwards	110	3 years
Mr. Earle Joseph	98	3 years
Mr. Jaime Garcia	56 (1 st Alternate)	1 year
Ms. Paula Daniel-Linton	46 (2 nd Alternate)	1 year
Ms. Venus Miller	41	
Ms. Esther Richards	41	
Ms. Michelle Campo Aimable	27	

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(Continued)

Supervisory Committee

Nominees	No. of Votes	Tenure
Ms. Denise Zephrine	149	1 year
Ms. Angel Carlos Landeau	88	1 year
Ms. Kelly-Ann Deosaran	86	1 year
Ms. Michelle Highly	77 (1 st Alternate)	1 year
Ms. Nicole Ramsey-Figaro	76 (2 nd Alternate)	
Mr. Jason Williams	35	

Credit Committee

Nominees	No. of Votes	Tenure
Ms. Nerissa Alleyne	157	1 year
Mr. Anthony Dominic Mora	113	1 year
Ms. Sharon Lee Sing Barnes	107	1 year
Ms. Mavis Edwards	106	1 year
Mr. Mikki Martinez	94	1 year
Mr. Heston Mitchell	81 (1 st Alternate)	
Ms. Elizabeth Aqui	77 (2 nd Alternate)	

24.4 DESTRUCTION OF BALLOTS

A motion for destruction of the digital ballots moved by Mr. Courtney Demming and seconded by Ms. Nerissa Alleyne was accepted. One hundred and twenty-three (123) members voted in favour, none voted against and one (1) member abstained.

The Returning Officer congratulated elected officers and wished them success. The Chairman thanked the Returning Officer for facilitating the elections process and extended congratulations to the newly elected individuals for the Board and Statutory Committees.

25.0 OTHER BUSINESS

25.1 STATUS OF AMENDMENTS TO BYELAWS

ASCU received information on May 14th, 2022 from the Commissioner's Office that the Byelaws which were amended at a Special General Meeting three (3) years ago, had been approved. Official communication regarding the approval would be received sometime during the upcoming week.

25.2 OPPORTUNITY TO RESTRUCTURE LOANS

The Board received numerous enquiries from members regarding the issue where some members were not allowed to restructure their loans, even though they never had a history of not paying their loans in the past. The Board would engage the General Manager and the Credit Committee on how this issue could be addressed, and the members concerned would be advised accordingly.

25.3 PHYSICAL PRESENCE IN TOBAGO

The physical presence in Tobago was curtailed during the latter part of 2021 when the Customer Service Representative resigned. Tobago members were being Head

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Office in Trinidad. Situations arose which could not allow the visit from the Trinidad Office to continue and ASCU had since initiated the process for filling the vacancy in the Tobago Office. Also, the Executive along with the Chairman of the Human Resource Committee visited Tobago approximately two (2) weeks ago and met with some members, who were given the commitment that the process for filling the position would be continued.

25.4 EROSION FROM CAURA RIVER

The Ministry of Works and Transport, under which the Drainage Division, falls had indicated that their efforts through surveys and other remedial works were unsuccessful in eliminating the erosion problem, caused by the Caura River, which is occurring at ASCU's Tacarigua property. The Ministry constructed a retaining wall in the river bed a few years ago. However, whenever there is very heavy rainfall and the river becomes swollen, the water from the river seeps behind the retaining wall, and this has started to undermine that structure. Initial cost estimates indicated that a more permanent solution is very exorbitant and therefore, ASCU continued to engage the Drainage Division on this issue.

ASCU is also limited in terms of funding the project because the law prohibits the interference of natural watercourses by unauthorised individuals or organisations.

In the interim, a monitoring programme was instituted by the Building Committee and the Project Officer in order to obtain monthly updates on the status of the erosion. Another short-term solution was implemented, whereby cement and tyres were placed on the western end of ASCU's property to stymie the continued erosion, while continuing to lobby the Minister of Works and the Drainage Division for a permanent solution.

The President appealed to members present who may have any influence or connection with either the Minister of Works and Transport or Officials of the Drainage Division, to lobby on behalf of the Credit Union to have this issue resolved.

25.5 CLOSURE OF TOBAGO OFFICE – ISSUES AFFECTING MEMBERS

Following the visit to Tobago by the Executive and the Chairman of the Human Resource Committee a few weeks ago, a commitment was given to members in Tobago that all issues raised by them, including loan/interest

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(Continued)

payments, would be satisfactorily addressed and those concerned would be contacted. Another visit would also be made to Tobago after the formation of the new Board.

Communication with Tobago members would also be improved. The President apologized on behalf of the Board for any Tobago members who felt disrespected by Management.

25.6 LIFESAVER AND TOP-UP LOANS

At the beginning of 2022, an assessment was done on the performance of all loan products and the data revealed that the Lifesaver and Top-up loans were not well patronised. As a result, the number of loans offered was reduced. However, the features which were considered useful in some of the discontinued loan products were incorporated into new loan products. The new loans carry lower interest rates, in an effort to encourage more members to borrow.

25.7 DIVIDEND PAYMENT

Dividend payment would be available to members in approximately two (2) weeks' time and members would be advised of the exact date. The dividend forms were available at the office and through various social media

platforms including emails, from approximately ten (10) days ago. This would have allowed members to access the forms and indicate their payment preferences. Anyone who submitted their dividend request from May 16th, 2022 onwards would receive their dividends subsequently.

25.8 ISSUES RE ONLINE BANKING/DEBIT CARDS

a) Aero Access Online Banking

Members frequently complained about receiving an error message, "Please check the capture form". This issue cannot be reproduced by Aero Services Administrator or ASCU's provider, Micro Software Designs Limited. Usually when the Aero Access Administrator walks members through the process, they do not experience any issue and therefore, this error may be user generated.

b) Aero Visa Debit Card

With respect to the complaints of new-member file upload issues and delays with new members receiving their cards, JMMB – the card provider – undertook a further system upgrade which appeared to be causing technical issues in generating new cards. This matter was referred to JMMB for

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resolution and members would be updated when an appropriate response was received.

Some members had also complained of experiencing issues with utilising the ATMs at banks other than JMMB. Those members should contact the Debit Card Administrator at the Head Office for the requisite assistance. ASCU had also begun contacting some of the affected members, in an effort to ensure that all adversely affected members could be afforded the appropriate resolution in the shortest possible time.

25.9 QUERIES REGARDING ELECTIONS

The President provided the following responses to queries raised about the elections:

- Two hundred and three (203) members voted during the AGM elections.
- Announcements were repeatedly made that members experiencing challenges should contact the Help Desk. Several of them did and all issues raised were satisfactorily resolved.
- All members who wished to participate in the voting process were facilitated without any impediment or challenge to completing the process. Additionally, the Returning Officer extended the period for

voting on more than one (1) occasion, in an effort to ensure that all members who wished to cast their votes, had the opportunity to do so.

26.0 VOTE OF THANKS

In delivering the Vote of Thanks, Director Jacqueline O'Neil Lewis gave thanks to the Creator for another successful Annual General Meeting. The Director also thanked Guardian Media Limited and specially invited guests for their attendance: Ms. Charmaine McMillan (Ag. Commissioner for Co-operative Development), Ms. Pamela Alcazar and Ms. Nathalie Phillips, Officers of the Co-operative Development Division; Mr. Dorwin Manzano (Vice President, UWI Credit Union); Mr. Ashraff Ali (President, CLICO Credit Union); Ms. Letitia Telesford (President, Central Finance Facility); Mr. Mark Superville (Representative of PKF Chartered Accountants and Business Advisors).

Director Jacqueline O'Neil Lewis also commended the General Manager, Mr. David Bazil; the Accountant, Ms. Zariffa Harrypersad and all other staff of ASCU and by extension, their families, for their tremendous efforts over the past year. The AGM Committee which comprised Directors Lyndon Byer and

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Earle Joseph, Ms. Shrila Persad, Ms. Yolanda Mitchell, Ms. Rayann Charles and Ms. Adanna St. Rose Daniel, were commended for all the hard work done in making the 50th Annual General Meeting a success.

In closing, the Director also applauded the Moderator, Ms. Samantha John; the Returning Officer, Ms. Jennylyn Bailey; and the Notetaker, Ms. Jean Sandy for their invaluable service during the AGM. The Board and Committee Members were also thanked and congratulations were extended to all those who were elected to the Board of Directors, Supervisory and Credit Committees.

The Director extended best wishes to all who attended the meeting and urged them to be safe and remain COVID free.

The President thanked CLICO Credit Union for its advertisement placed in the ASCU's Brochure. Members were also commended for their patience and participation in the all-important 50th Annual General Meeting. The President also extended God's blessing to all and encouraged them to continue to observe the COVID-19 protocols and remember ASCU's tagline: "Enriching the quality of life of our members".

27.0 CLOSURE

There being no further business to discuss, the Chairman closed the meeting at 2.30 p.m.



Earle Joseph (Mr.)

HON. SECRETARY

BOARD OF DIRECTORS PICTORIAL



Brian Matthew
President



Lyndon Byer
Vice President



Earle Joseph
Secretary



Courtney Demming
Assistant Secretary



Jacqueline O'Neil Lewis
Director



Jo-Anne Edwards
Director



Martin Franklin
Director



Meryl Faye Husbands
Director



Brent Gaspard
Director



Jaime Garcia
1st Alternate



Paula Daniel-Linton
2nd Alternate

REPORT OF THE BOARD OF DIRECTORS

1.0 INTRODUCTION

Welcome to the 51st Annual General Meeting of Aero Services Credit Union. The Board of Directors is pleased to report to you our members and shareholders on its performance in 2022/2023.

2.0 THE BOARD OF DIRECTORS

The Board of Directors at its Inaugural meeting of the 2022/2023 term held on 14 June 2022, welcomed members Ms. Faye Husbands, Ms. Jo-Anne Edwards and Mr. Earle Joseph, who were elected at the recently concluded AGM, along with Alternates Mr. Jaime Garcia and Ms. Paula Daniel-Linton.

The new Board therefore comprised the following Directors:

Mr. Brian Matthew

Mr. Lyndon Byer

Mr. Earle Joseph

Mr. Courtney Demming

Mr. Brent Gaspard

Ms. Faye Husbands

Mr. Martin Franklin

Ms. Jo-Anne Edwards

Ms. Jacqueline O'Neil Lewis

Alternates:

Mr. Jaime Garcia -1st Alternate

Ms. Paula Daniel-Linton -2nd Alternate

3.0 THE EXECUTIVE COMMITTEE

The following Directors were elected to form the Executive Committee:

Mr. Brian Matthew -President

Mr. Lyndon Byer -Vice-President

Mr. Earle Joseph -Secretary

Mr. Courtney Demming -Assistant Secretary

4.0 SUB COMMITTEES OF THE BOARD OF DIRECTORS

To ensure the fulfillment of Aero Services Credit Union's initiatives and to provide the necessary oversight, Directors were appointed to the following Board sub-committees:

- Audit and Risk Committee

(which superseded the Audit Committee)

- Tobago Focus Committee
- Building Management Committee
- Human Resource Committee
- Investment Committee
- I.T. Committee

Directors Joseph & Demming were appointed to provide the necessary guidance and oversight to the Education Committee and the Youth Link, and Directors Joseph and Gaspard were appointed to the Tobago Committee.

REPORT OF THE BOARD OF DIRECTORS

4.1 MEETING ATTENDANCE REGISTER

Meetings	Monthly			Special			Executive		
	Pres	Ex	Abs	Pres	Ex	Abs	Pres	Ex	Abs
Mr. Brian Matthew	10	0	0	6	0	0	20	0	0
Mr. Lyndon Byer	10	0	0	6	0	0	20	0	0
Mr. Earle Joseph	10	0	0	6	0	0	20	0	0
Mr. Courtney Demming	9	1	0	6	0	0	18	2	0
Mr. Brent Gaspard	9	1	0	3	1	0			
Ms. Meryl Faye Husbands	7	3	0	5	1	0			
Mr. Martin Franklin	7	3	0	5	0	0			
Ms. Jo-Anne Edwards	10	0	0	6	0	0			
Ms. Jacqueline O'Neil Lewis	8	2	0	6	1	0			
Ms. Paula Daniel-Linton	9	1	0	3	0	0			
Mr. Jamie Garcia	8	2	0	5	0	0			

4.2 OUT GOING DIRECTORS OF THE BOARD

Directors Brian Matthew, Lyndon Byer and Courtney Demming have completed a term of three (3) years and are consequently outgoing. They are, however, eligible for re-election and have indicated their interest in doing so.

The Alternates, Jaime Garcia and Paula Daniel Linton, are also eligible for election. Only Jaime Garcia has indicated his willingness to serve.

The Board extends its heartfelt appreciation for the contribution made by all outgoing members.

5.0 PERFORMANCE HIGHLIGHTS

Revenue

2022 Gross Income decreased by 24% from 2021 mainly due to reduced returns from the Investment portfolio, together with no reported Gain on sale of investments in 2022

compared to 2021, whereby ASCU divested a small portion of equity investments at a profit.

Expenses

The 2022 expenditure was 54% less than the prior year, arising from a significant reduction in ASCU's provision for credit losses (doubtful debts) due to a change in members' probability to default.

Total Assets

There was an overall 3% decline in total assets from the prior year, which was the net impact of a reduced Investment portfolio and growth of ASCU's Loan portfolio.

6.0 STRATEGIC PLAN

The last Strategic Plan concluded in 2019, and the Board decided to pause on proceeding with another Strategic Plan, as the Covid 19 pandemic took its toll on the entire country. During that period, in the absence of an active Strategic Plan, the Board defined strategic initiatives to treat with Customer Service, Revenue Enhancement and Membership Engagement, etc. With the relaxation of the Covid 19 protocols, the Board took the decision, that following the 2023 AGM, the newly appointed Board would be given the opportunity to embark on a new strategic plan before the end of 2023.

REPORT OF THE BOARD OF DIRECTORS

(Continued)

7.0 SPECIAL PROJECTS

In 2022, the Board continued with its mandate from the 2020 AGM, to transform the Sporting Complex into a revenue earner. As we reported last year, the Town and Country Planning Division informed us that the area was zoned for residential and small businesses only. The Building Management Committee was then tasked with conceptualizing residential designs, utilizing the gated community format. Following receipt of the design concepts, the Board felt that the related price per unit was out of the reach of most of ASCU's members. The Building Management Committee was then asked to conceptualize the project with a view to reducing the cost per unit. That project is currently ongoing.

Co-operation among Co-operatives

The Board signed a Memorandum of Understanding (MOU) with U.W.I Credit Union and Community Care Credit Union in 2022, to offer members of each Credit Union, on a pilot basis, joint shared services e.g., Shared Branching, Withdrawals, Educational and Social activities, which have been quite successful thus far. The MOU also speaks to the utilization of economies of scale, with the three (3) Credit Unions jointly approaching

providers of Debit Cards, Health Insurance, Debt Collection and other selected services. These talks have already begun and are progressing positively. If successful, there will be a reduction in the cost per Credit Union for these and other services.

Embracing Technology

The Board in 2022, initiated strategies to move closer towards embracing the available technology, by gradually going paperless and giving members the opportunity to conduct business with ASCU from their device of choice, which reduces the need to physically visit our offices.

8.0 CORPORATE SOCIAL RESPONSIBILITY

Aero Services Credit Union continued to express its care for our community in several ways. We assisted several social groups of our community financially. These included sporting clubs, social groups, religious institutions, educational institutions and individuals, both in Trinidad and Tobago.

9.0 DELINQUENCY

The Office, spearheaded by the Recoveries Department, continues to work at bringing the delinquency ratio to a lower single digit and in compliance with the PEARLS Standard.

REPORT OF THE BOARD OF DIRECTORS

(Continued)

The current economic environment continued to be a challenge, with several members, particularly from the aviation industry, being laid off from their jobs and being unable to meet their monthly commitments. The Board of Directors applauds the efforts of the Credit Committee, the Loan Officers, the Recoveries Department, the Customer Service Representatives and other office personnel, in finding ways to treat with the many issues confronting our members in the repayment of their loans.

As an incentive to encourage our members to consistently repay their loans, the Board has decided to recommend a Loan Interest Rebate, to all members who have not been delinquent in the repayment of their loans for more than 30 days in 2022. Any such delinquency should not have been the fault of the member.

10.0 OFFICE RECRUITMENT AND EXITS AT ASCU FOR 2022

During the past year there was the repositioning of staff due to resignations, retirement and terminations, along with new recruitment.

Kindly see table below for listing of new recruitment and exits at ASCU:

Incoming ASCU Staff:

Name	Position	Date of Employment
Ms. Lindiwe Mason	Loan Officer	January 24, 2022
Ms. Gabrielle Johnson	Loan Officer	February 1, 2022
Ms. Shanekah Johnson	Customer Service Representative - Tobago	August 02, 2022

Outgoing ASCU Staff:

Name	Position	Date of Exit
Ms. Stacy Rivers-Constantine	Customer Service Supervisor	July 06, 2022
Ms. Shanekah Johnson	Customer Service Representative - Tobago	September 30, 2022
Mr. David Bazil	General Manager	October 07, 2022
Ms. Ria Mosodeen	Marketing & Business Development Assistant	November 04, 2022

11.0 TRAINING & CONFERENCES

Due to the Covid 19 pandemic, all major overseas training was put on hold as in the past years. Nevertheless, the annual mandatory FIU AML/CFT Compliance Training was conducted virtually and attended by all Directors and Committees.

REPORT OF THE BOARD OF DIRECTORS

(Continued)

Members of the Board also participated in training related to Mortgage Lending, Thought Leadership and Audit. Additionally, we continued to have persons benefit from the Caribbean Development Educators (CaribDE) Program certified one-week intensive training. Attendance at this program is rotated each year among members of the Board, Committees and Staff.

12.0 CONDOLENCES

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

13.0 ACKNOWLEDGEMENT

The Board of Directors acknowledges the assistance rendered to ASCU through the services/alliances of the following organizations in 2022:

- Bourse Securities
- Caribbean Airlines Limited
- CUNA Caribbean Insurance Society
- Central Finance Facility
- Executive Bodyguard Security Services
- First Citizens' Bank
- First Line Securities
- JMMB
- KSBM

- Magnificat Kitchen
- MG Daly & Partners
- Micro Software Designs Limited
- People Solutions Plus
- PKF Chartered Accountants
- RBC Royal Bank
- ROSE-IT Services Limited
- Sheppard Securities
- Silverline Systems Ltd.
- Suzanne Catering
- The Co-operative Development Division
- TTCUDIF

14.0 TOBAGO UPDATE

The Board received a list of complaints from our Tobago members about the perceived neglect of the Tobago membership, following the resignation of the lone Tobago CSR.

Consequently, the Board took the decision to:

1. Hire an additional CSR for the Tobago Office, bringing the complement of staff in Tobago to two (2).
2. Open the Tobago Office for five (5) consecutive days per week.
3. Embark on the expansion of the Tobago membership by being more visible in Tobago through an aggressive marketing campaign to attract new members.
4. Relocate the current Tobago office to a larger footprint at a more visible location

REPORT OF THE BOARD OF DIRECTORS

(Continued)

Points 1 and 2 have been already accomplished and we are currently in progress regarding the relocation of the Tobago office.

15.0 STATE OF THE UNION MEETING

The Board hosted a State of the Union Meeting in November 2022. The meeting was attended by Directors, Members of the Credit, Supervisory, Tobago, Education Committees and the Youth Link, along with Management and Staff of ASCU. It was a very interactive session, with participants offering suggestions on how we can move ASCU forward together, for the benefit of the members. All suggestions and comments were documented, and the Board made the commitment that all suggestions would be actioned. It should be noted that 75% of the suggestions have already been implemented.

The Board wishes to express its sincere thanks to the Members of our elected and appointed Committees, Management and Staff of ASCU. Thanks to you, our faithful Members, for your patience during the Covid 19 lockdown and for making Aero Services Credit Union your first choice for financial services.

May the Lord continue to bless you and your families as you engage 2023 and beyond.

Cooperatively yours,



Earle Joseph (Mr.)

HON. SECRETARY

STAFF PICTORAL



Administration Department

Seated L-R: Natasha San Savior-Mc Mayo and Nicolet Mc Ewen
Standing L-R: Adanna St. Rose-Daniel, Hugo Henry, Shrila Persad,
Odell Forde, Carla N. Arthur, Rayann Charles and Nekesa Charles
Missing: Yolanda Mitchell



Accounts Department

Seated: Evie De Matas
Standing L-R: Renee Surijilal, Narindra Mahase, Nigel Matthew,
Zariffa Harrypersad
Missing: Ann McPherson and Melkeisha Audain



STAFF PICTORAL



Loans & Recoveries Departments

Seated: Krystel Brathwaite
Standing L-R: Gabrielle Johnson, Chinelo Woodley
and Lindiwe Mason



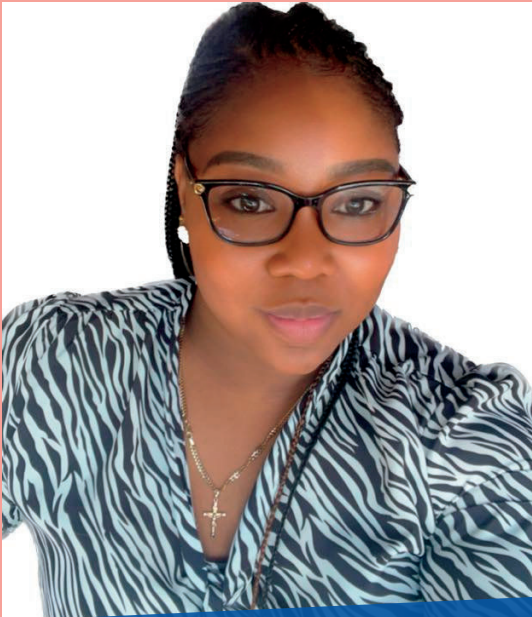
Customer Service Department

Seated: Ria Scarborough
Standing: Ria Doolamsingh
Missing: Laura Woods-Carr



STAFF PICTORAL

TOBAGO OFFICE



Customer Service Department



Left: Avianne Clarke
Right: Carla Dulal

REPORT OF THE CREDIT COMMITTEE



Seated: Mavis Edwards
 Standing L-R:
 Nerissa Alleyne,
 Mikki Martinez,
 Sharon Lee Sing Barnes,
 Anthony Mora,
 Elizabeth Aqui and
 Heston Mitchell.

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

The 50th Annual General Meeting was held on Saturday 14th May, 2022 at which the above mentioned persons were elected to serve. The Chairman and Secretary were duly elected at the first meeting of the Committee, which was held on Tuesday 17th May, 2022.

Meeting Attendance Register

May 2022 - February 2023 (39 Meetings)

Name	Present	Excused
Ms. Mavis Edwards	33	06
Ms. Sharon Lee Sing Barnes	37	02
Mr. Nerissa Alleyne	39	00
Mr. Anthony Mora	25	14
Mr. Mikki Martinez	38	01
Mr. Heston Mitchell	34	05
Ms. Elizabeth Aqui	33	06

The COVID-19 pandemic was downgraded to an epidemic. This enabled the Committee to once again interact with members in person, more freely, but strictly adhering to the protocols issued by the Ministry of Health.

REPORT OF THE CREDIT COMMITTEE

(Continued)

There was growth in the national economy, which alleviated some of the job related challenges that members were experiencing. Simultaneously though, there was the existence of serious challenges from other financial institutions. To this end, various coping mechanisms were utilized viz. utilizing Shares to liquidate loans, Loan Restructuring, Debt Consolidation and Waivers.

Delinquency, which is an ongoing challenge, was closely monitored by the Credit Committee and the Recoveries Department. The ultimate goal is achieving and maintaining a low single-digit delinquency ratio. Notwithstanding this, delinquency ended at 8% in 2022. Members were encouraged to contact ASCU as soon as they recognise any changes to the agreed terms in the repayment of their loans, so the negative impact could be mitigated and a mutually beneficial resolution achieved.

New names for loans (Consumer and Seasonal) were adopted by bundling Education, Investments, Home Improvement, Vacation, Enterprise, Life Saver and Aero Top Up. The Jump Start Loan was re-launched with a robust membership drive. Additionally, the Aero Top Up was recently separated from

the bundle with a new Debit Card initiative.

The Following is a Comparison of the top 10 of the 31 Loan Types:

<i>Type of Loan</i>	<i>2022 %</i>	<i>2021 %</i>
Character	51%	48%
Vehicle (0% Downpayment Special)	16%	0%
Consumer	10%	0%
Vehicle (10% Downpayment Regular)	6%	6%
Personal	5%	9%
Seasonal	3%	0%
Jump Start	3%	0%
Mortgage (Refinance)	3%	0%
Home Improvement	2%	11%
Character (Staff)	1%	2%

Despite the challenges members were experiencing, they still responded positively and rallied with ASCU.

The Committee approved 962 loans at a value of \$42.5M in 2022, an improvement over 717 loans at a value of \$38.9M in 2021. Significant increases were observed in the Character and Motor Vehicle loans. Positive responses were also observed in the new Consumer Loans, Seasonal Loans and the revived Jump Start Loan. Decreases were noted in the Character (Staff) Loan, Home Improvement and 65th Anniversary Loans.

REPORT **OF THE CREDIT COMMITTEE**

(Continued)

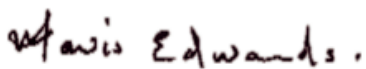
Reminders when applying for a loan/making a request:

- Submit all relevant supporting documents.
- State the true and proper purpose at the time of submission.
- Be mindful of your Debt Service Ratio (DSR). The operating standard is 40% and is calculated by including all debts.
- Always make a budget. This practice will assist in the proper management of your finances.

Members can seek assistance from the Credit Committee with their financial planning.

Thank you members, for your support and the opportunity to serve.

Cooperatively yours,



Mavis Edwards (Ms.)

CHAIRMAN

CREDIT COMMITTEE

REPORT OF THE SUPERVISORY COMMITTEE



Seated: Angel Landeau
Standing L-R: Michelle Highly,
Denise Zephryne and
Nicole Ramsey-Figaro
Missing:
Kelly-Ann Deosaran

The 50th Annual General Meeting (AGM) was held on Saturday 14th May 2022. At the AGM, the following persons were elected to the Supervisory Committee. Subsequently, at the Committee's first meeting, held on Tuesday 17th May 2022, positions were confirmed as follows:

Committee Member	Position
Ms. Denise Zephryne	Chairperson
Ms. Kelly-Ann Deosaran	Secretary
Mr. Angel Landeau	Member
Ms. Michelle Highly	1 st Alternate
Ms. Nicole Ramsey-Figaro	2 nd Alternate

MEETING ATTENDANCE

At a register of Committee Members'

attendance, there was a total of eight (8) meetings held between the period June 2022 to March 2023 and the attendance was as follows:

Committee Member	No. of Meetings Attended
Ms. Denise Zephryne	8
Ms. Kelly-Ann Deosaran	7
Mr. Angel Landeau	8
Ms. Michelle Highly	6
Ms. Nicole Ramsey-Figaro	8

During the 2022/2023 term, the Supervisory Committee met virtually, on occasion. However, operational audits were conducted on-site. Two (2) new members of the Committee were onboarded and practical exposure to the relevant Credit Union processes were provided.

REPORT OF THE SUPERVISORY COMMITTEE

(Continued)

There were several key personnel changes made to the Management and Staff teams in 2022. In light of these changes, the Supervisory Committee continued to work collaboratively with the Board of Directors and maintained open communication with the Management team, Staff and Committees to identify and address any factors that could potentially hamper seamless transitions and the Credit Union's operational efficiency and membership.

The impact of rising inflation and the ongoing global economic downturn, exacerbated by COVID-19 and the Russia/Ukraine crisis, continued to negatively impact ASCU's members. Business downsizing and closures, job losses and the rising cost of living, persistently and adversely impacted the membership and the financial performance of the ASCU. In response to these challenges, the Credit Union still attempted to assist the membership, while appropriately managing risks.

In addition to macroeconomic challenges, escalating competition, changing customer demands and behaviours and accelerated digital adaptation are also critical factors impacting the ASCU and the way it operates.

CREDIT UNION OPERATIONS

Recognizing the turbulent and complex environment in which the ASCU continues to navigate, the Supervisory Committee maintained oversight and monitoring of ASCU's operations during the term. This included monthly audits of random samples of members' files including the Board of Directors, Committees and Staff. Any matters escalated by the membership were also addressed.

Where issues or inconsistencies were identified, these, along with relevant recommendations were raised with the senior management team and the Board of Directors for immediate attention and actioning; ensuring that ASCU's processes and procedures were compliant with the country's laws and Bye-Laws of the Credit Union.

Close attention was paid to the delinquency report during this term and ongoing patterns and trends were discussed accordingly. Random Close Offs with the Cashier and Accounts Supervisor were conducted to confirm standard processes were being complied with.

REPORT OF THE SUPERVISORY COMMITTEE

(Continued)

In addition, the Committee held discussions with various departments about key achievements during the period and understood the challenges being experienced. It is the intent, that these discussions will continue and recommendations for improvement are put forward by the relevant areas.

With the onboarding of the Compliance Officer in late 2022, the Supervisory Committee intends to work closely with the incumbent to ensure Compliance requirements are maintained and managed effectively.

FINANCIAL OPERATIONS

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

BOARD OF DIRECTORS MONTHLY MEETINGS

The Supervisory Committee was represented at all monthly Board meetings during the term, either on-site or virtually. All meetings were conducted on schedule with

the required quorum in attendance. Procedures were observed to be in keeping with the laws and Bye Laws of the Credit Union.

CREDIT COMMITTEE

Reports from the Credit Committee were not received at the time of preparation of this report.

COMMITTEE AUDITS

The Education/Social Committee, Youth Link Committee and Tobago Committee/Office were not audited during this term.

TRAINING

Mandatory annual AML/CFT training was organized by ASCU and facilitated by Mr. Nigel Matthew of NEM Leadership Consultants on Monday 12th December, 2022. All the Supervisory Committee's members were in attendance.

CONCLUSION

The Supervisory Committee has remained dedicated to serving with vigilance, fairness, transparency and professionalism. Acknowledging the ASCU's Mission Statement; *"To enrich the quality of life of our members, by providing prompt, customer-*

REPORT OF THE SUPERVISORY COMMITTEE

(Continued)

driven, diversified, financial, social and other services, through the commitment and dedication of our valued employees, in the communities we serve," we are committed to supporting the organization through open communication and collaboration with all key stakeholders, to improve operational efficiency and the entity's performance.

The Supervisory Committee especially thanks the Board, Committees, Management and Staff of ASCU for working alongside us over this past year. We recognize the turbulence in the environment and the perseverance and dedication of all stakeholders to ensure that the Credit Union is sustained, as a well performing and viable entity.

Thank you to the membership for placing your confidence in us during the 2022/2023 term and we assure you of our continued commitment to serve.

Co-operatively yours,



Denise Zephryne (Ms.)

CHAIRMAN

SUPERVISORY COMMITTEE

REPORT OF THE EDUCATION COMMITTEE



Standing L-R:
Sasha Jameson,
Tricia Sue-Jen Khan,
Lester Young,
Jenna-Leigh Bobb and
Anne Joseph.

The Board of Directors, at its Inaugural Meeting after the 2022 Annual General Meeting, selected the following five (5) members to serve on the Education Committee for the 2022/2023 term, viz., Ms. Sasha Jameson, Ms. Anne Joseph, Ms. Jenna-Leigh Bobb, Ms. Tricia Sue-Jen Khan and Mr. Lester Young. Mr. Earle Joseph and Mr. Courtney Demming were selected as the Board of Directors' liaisons on the Committee.

At the Education Committee's first meeting held on 14 July 2022, the members unanimously voted Lester Young and Sasha Jameson as Chairman and Secretary, respectively.

From July 2022 to March 2023, the Education Committee held thirteen (13) meetings.

Name	Role	Meetings Attended
Mr. Lester Young	Chairman	10
Ms. Sasha Jameson	Secretary	11
Ms. Anne Joseph	Member	12
Ms. Jenna-Leigh Bobb	Member	11
Ms. Tricia Sue-Jen Khan	Member	07

The government-imposed restrictions associated with the COVID-19 Pandemic were slowly being lifted. With that in mind, the Education Committee planned a few events for 2022/2023, that would seek to

REPORT OF THE EDUCATION COMMITTEE

(Continued)

benefit the members of the Aero Services Credit Union (ASCU), whilst adhering to current restrictions. These events included:

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

Cricket Competition

The cricket competition, one of the Education Committee's staple events for the year, was an anticipated event for the members and staff of ASCU. Four (4) teams participated in the event, Nemesis, UWI Credit Union, Katerserv and Shares, with the eventual winner being Nemesis, taking home the spoils. The day turned out to be a truly family affair, as there was something for everyone. This included face painting, along with bouncy castle, pop-corn and snow-cone for the children in attendance, while the adults cheered on their favorite teams. The committee would like to extend special thanks to Mr. Anand Mahase, Mr. Sheldon Burgess and Mr. Walton Walker, who assisted with the activities.



FINANCIAL PLANNING WEBINAR

The Education Committee, upholding one of the seven principles of the Co-operative Society: co-operation among co-operatives, in conjunction with Community Care Credit Union, hosted the second annual Financial Planning webinar.

REPORT OF THE EDUCATION COMMITTEE

(Continued)

Forty (40) persons were on the virtual platform, and the session was very informative and interactive.

ALL-FOURS COMPETITION

Continuing with co-operation amongst co-operatives, the ASCU collaborated with UWI Credit Union for an all-fours competition between the two credit unions. UWI Credit Union hosted the event at their new building. The day was fun-filled with loud banter and excitement. ASCU was able to come away with the winner's trophy and bragging rights.



EVIN ANDREWS AWARDS OF EXCELLENCE

This year, ASCU's Evin Andrews Awards of Excellence (AOE) celebrated a total of twenty (20) students. There were seven (7) Secondary Entrance Assessment (SEA) students, eight (8) Caribbean Secondary Examination Council (CSEC) students, and five (5) Caribbean Advanced Proficiency Examination (CAPE) students. Eight (8) Student Incentive Award (SIA) students from the SEA category, were also rewarded for consistently saving at the Credit Union over the past year. This function was hosted at the Phillip Habib Hall of the ASCU. However, only the top three (3) students in each category could be hosted, due to the Public Health Regulations associated with the COVID-19 Pandemic.

In 2022, the top three students in each category received share certificates and branded items donated by the ASCU Marketing Department and Caribbean Airlines Ltd. All other awardees who could not attend in person, received share certificates valued at \$400, \$500 and \$600 respectively. This was a very successful event despite the necessary alterations to the programme.

REPORT OF THE EDUCATION COMMITTEE

(Continued)



Conclusion

We, the Education Committee members, wish to express our heartfelt appreciation to the Board of Directors, Management and the Board Liaisons, Mr. Earle Joseph and Mr. Courtney Demming, for their invaluable guidance and assistance to the Education Committee. A special thanks to the members of staff and the entire membership for their continued support of the Education Committee's initiatives for the year 2022/2023. It has been our pleasure to serve and contribute to enriching the lives of our members.

REPORT OF THE EDUCATION COMMITTEE

(Continued)

Let us all continue to do our part to make Aero Services Credit Union the financial institution of choice to benefit us, the members.

Co-operatively Yours,



Lester Young (Mr.)

CHAIRMAN

EDUCATION COMMITTEE

REPORT OF THE TOBAGO COMMITTEE



Standing L-R:
Walton Walker,
Amelia Guillaume and
Kayleigh Lewis.

Members:

Mr. Walton Walker	Chairperson
Ms. Amelia Guillaume	Secretary
Ms. Kayleigh Lewis	Member

On August 3rd, 2022, a new committee was formed. The team was headed by the Chairman, Mr. Walton Walker, and supported by Ms. Amelia Guillaume and Ms. Kayleigh Lewis.

The former Chairperson Ms. Cindy Stewart-Lewis and the other two (2) members, requested time-off from the Committee, to attend to personal matters.

The first order of business was to have the Tobago office reopened as promised by

President Brian Matthew at a meeting held with the Tobago members in the month of May 2022, since the Tobago membership was clamouring for face-to-face business hours once again. This successfully took place on August 18th, 2022. The President, along with members of the Board, Management, Members, and Staff witnessed the reopening of the Tobago Office by way of a short, lively ceremony.

The new Customer Service Representative, Ms. Shanekah Johnson, was introduced to all present. She was able to bring smiles to the faces of members as they entered and left the office. Although her stay with us was short, this did not prevent the office from

REPORT OF THE TOBAGO COMMITTEE

(Continued)

being opened. Staff from the Head Office in Trinidad, travelled to Tobago twice per week to ensure that the operations continued.

The Committee was prepared to host four (4) main events:

- Market fair
- Cottage meeting
- Children's Christmas party
- Adult party

However, due to budget constraints, only one (1) event was possible. This was the Children's Extravaganza, which was held on December 21st, 2022. Twenty-eight (28) children registered and were appreciated with gifts and snacks. This brought cheer to the children and their parents who attended.

On November 28th, 2022, an appreciation for Tobago members was held by the management and staff of ASCU, along with the Tobago Committee at the office. This was a time of fun, laughter, entertainment, and togetherness. Thanks to the Marketing Department, along with other officers, who took the time to support the Tobago team in this venture.

As a committee, we understand the importance of serving and look forward to the improvements and development of the Tobago arm of Aero Services Credit Union.

We take this opportunity to extend thanks to the Board of Directors, Management and Staff, and the Members of Aero Services Credit Union for affording us the opportunity to serve.

Co-operatively Yours,



Walton Walker (Mr.)

CHAIRPERSON

TOBAGO COMMITTEE

REPORT OF THE NOMINATION COMMITTEE

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

The selection criteria for those members offering their services are as follows:

- Must be in good standing with the Credit Union in terms of regular contributions to their Share Accounts and must not be in a delinquent position regarding loan payments.
- Must be Fit and Proper in regard to being adequately qualified for the position being sought.
- Must be available to fulfil the obligation of office.
- Must be able to attend regular meetings accordingly.
- Must be knowledgeable and appreciative of the Credit Union's philosophy and operating principles.

- Must be willing to attend orientation sessions.

The following Directors were appointed to the Nomination Committee:

- Mr. Martin Franklin
- Mr. Brent Gaspard
- Ms. Faye Husbands

The deadline date for submission of nominations, as advertised, was March 24, 2023.

Following are the outgoing members of the Board of Directors, Supervisory and Credit Committees for the 2022-2023 term:

BOARD OF DIRECTORS

- Mr. Lyndon Byer
- Mr. Courtney Demming
- Mr. Brian Matthew

ALTERNATES

- Mr. Jaime Garcia
- Ms. Paula Daniel-Linton

SUPERVISORY COMMITTEE

- Ms. Kelly-Ann Deosaran
- Mr. Angel Landeau
- Ms. Denise Zephreine

ALTERNATES

- Ms. Michelle Highly
- Ms. Nicole Ramsey-Figaro

REPORT **OF THE NOMINATION COMMITTEE**

(Continued)

CREDIT COMMITTEE

- Ms. Nerissa Alleyne
- Ms. Mavis Edwards
- Ms. Sharon Lee Sing Barnes
- Mr. Mikki Martinez
- Mr. Anthony Dominic Mora

ALTERNATES

- Ms. Elizabeth Aqui
- Mr. Heston Mitchell

A total of sixteen (16) nominations was received and assessed as per the aforementioned selection criteria. The Nomination Committee wishes to advise that all sixteen (16) applications were approved in the various categories as follows:

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

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

CREDIT COMMITTEE

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

An Orientation Session was held on May 10, 2023 for all approved Nominees and members interested in volunteering their services to the Society in the very near future.

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

In closing, we take this opportunity to encourage the membership to take a more active role in the development of the Society, by volunteering themselves for service. Aero Services Credit Union is a fruitful environment, within which professionals are afforded the option to directly experience the impact of their leadership and training on the lives of the membership, community and their own

REPORT OF THE NOMINATION COMMITTEE

(Continued)

personal, professional development. In numerous instances, the experience acquired at this high level of decision making, as well as the collective knowledge sharing, would not have been a reality, at your current places of employment. Being able to operate at this level, enriches and matures the competencies of the volunteer. Furthermore, it is imperative that our business – we being the owners and shareholders - continues to evolve with the changing times, exploiting the synergies of the young professional with the experience of the consulting elder.

We need your service and again invite you to volunteer your expertise, so that our Society, born out of the noble vision of a few good men at BWIA, can continue to meaningfully impact the coming generations – as it did ours.

Co-operatively yours,



Meryl Faye Husbands (Ms.)

CHAIRMAN

NOMINATION COMMITTEE



AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

FINANCIAL STATEMENTS



Chartered Accountants
& Business Advisors

PKF LIMITED

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

FINANCIAL STATEMENTS

31 DECEMBER 2022



Chartered Accountants
& Business Advisors

PKF LIMITED

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

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Statement of Management Responsibilities

Management is responsible for the following:

- preparing and fairly presenting the accompanying financial statements of Aero Services Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- ensuring that the Credit Union keeps proper accounting records;
- selecting appropriate accounting policies and applying them in a consistent manner;
- implementing, monitoring and evaluating the system of internal control that assures security of the Credit Union's assets, detection/prevention of fraud, and the achievement of committee operational efficiencies;
- ensuring that the system of internal control operated effectively during the reporting period;
- producing reliable financial reporting that comply with laws and regulations; and
- using reasonable and prudent judgement in the determination of estimates.

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

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

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

President

April 13, 2023

General Manager
April 13, 2023



Chartered Accountants
& Business Advisors

PKF LIMITED

INDEPENDENT AUDITORS' REPORT

The Members

Aero Services Credit Union Co-operative Society Limited

Opinion

We have audited the financial statements of Aero Services Credit Union Co-operative Society Limited, which comprise the statement of financial position as at 31 December 2022, the statements of comprehensive income, appropriated funds and undivided surplus and cash flows for the year then ended, together with the notes and schedules to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Aero Services Credit Union Co-operative Society Limited as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

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

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

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

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

PKF Limited (Trinidad) is a member of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

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Mailing Address: PO Box 10205, Eastern Main Road, San Juan

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

INDEPENDENT AUDITORS' REPORT (Cont'd)**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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



Barataria
TRINIDAD
13 April 2023

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

		For the year ended 31 December	
	<u>Schedules</u>	<u>2022</u>	<u>2021</u>
		(\$)	(\$)
Income:			
Interest on loans		13,441,667	14,106,164
Investment income		6,023,418	11,911,275
Rental income		27,778	105,640
Entrance fees		18,080	5,570
Miscellaneous income		363,633	238,897
Service charge		168,314	67,968
Net fair value gains on financial assets at FVTPL		-	1,807,453
Bad debts recovered		<u>88,618</u>	<u>33,087</u>
Total Income		<u>20,131,508</u>	<u>28,276,054</u>
General and Administrative Expenses:			
Personnel cost	1	4,244,716	4,535,501
Operational cost	2	2,767,365	3,742,417
Financial cost (net)	3	671,798	597,474
Administrative cost	4	192,086	251,830
Credit impairment on loans and receivables	5	(1,697,047)	6,000,000
Net fair value losses on financial assets at FVTPL		11,112,569	-
Risk management	6	604,308	738,138
Rental expenses		485,864	516,391
Depreciation		444,884	416,058
Officers' and committee expenses	7	370,507	643,548
Amortisation of bond premium		<u>69,722</u>	<u>29,980</u>
Total General and Administrative Expenses		<u>19,266,772</u>	<u>17,471,337</u>
Net Surplus for the year		<u>864,736</u>	<u>10,804,717</u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS

31 DECEMBER 2022

2022	Reserve Fund (\$)	Education Fund (\$)	Development Fund (\$)	Revaluation Reserve (\$)	Special Reserve Fund (\$)	Undivided Surplus (\$)	Total (\$)
Balance as at 1 January 2022	21,191,889	3,589,326	502,722	7,361,462	226,648	34,604,649	67,476,696
Add: Net surplus for the year	-	-	-	-	-	864,736	864,736
(i) 10% to Reserve Fund	86,474	-	-	-	-	(86,474)	-
(ii) 5% of the balance to the Education Fund	-	38,913	-	-	-	(38,913)	-
	21,278,363	3,628,239	502,722	7,361,462	226,648	35,343,998	68,341,432
Entrance fees	18,080	-	-	-	-	(18,080)	-
Meetings and conferences	-	(48,825)	-	-	-	48,825	-
FA Revaluation Reserve	-	-	-	-	-	-	-
Education Committee expenses	-	(2,423)	-	-	-	2,423	-
Dividends and interest rebates paid - 2020	-	-	-	-	-	(7,326,118)	(7,326,118)
Balance at 31 December 2022	<u>21,296,443</u>	<u>3,576,991</u>	<u>502,722</u>	<u>7,361,462</u>	<u>226,648</u>	<u>28,051,048</u>	<u>61,015,314</u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
STATEMENT OF APPROPRIATED FUNDS AND UNDIVIDED SURPLUS
(CONTINUED)

31 DECEMBER 2022

2021	Reserve Fund (\$)	Education Fund (\$)	Development Fund (\$)	Revaluation Reserve (\$)	Special Reserve Fund (\$)	Undivided Surplus (\$)	Total (\$)
Balance as at 1 January 2021	20,105,847	3,159,345	502,722	7,361,462	226,648	31,351,371	62,707,395
Add: Net surplus for the year	-	-	-	-	-	10,804,717	10,804,717
(i) 10% to Reserve Fund	1,080,472	-	-	-	-	(1,080,472)	-
(ii) 5% of the balance to the Education Fund	-	486,212	-	-	-	(486,212)	-
	21,186,319	3,645,557	502,722	7,361,462	226,648	40,589,404	73,512,112
Entrance fees	5,570	-	-	-	-	(5,570)	-
Meetings and conferences	-	(1,500)	-	-	-	1,500	-
Education Committee expenses	-	(54,731)	-	-	-	54,731	-
Dividends and interest rebates paid - 2020	-	-	-	-	-	(6,035,416)	(6,035,416)
Balance at 31 December 2021	<u>21,191,889</u>	<u>3,589,326</u>	<u>502,722</u>	<u>7,361,462</u>	<u>226,648</u>	<u>34,604,649</u>	<u>67,476,696</u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

STATEMENT OF CASH FLOWS

	For the year ended 31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Cash Flows from Operating Activities:		
Net surplus for the year	864,736	10,804,717
Amortisation of bond premium	69,722	29,980
Credit impairment provision on loans and receivables	(1,697,047)	6,000,000
Net FV (gains)/losses on financial assets classified at FVTPL	11,112,569	(1,807,453)
Depreciation	444,884	416,058
(Gain)/loss on FOREX	111,652	(10,367)
Accrued interest income	<u>(1,616,974)</u>	<u>(2,263,314)</u>
	9,289,542	13,169,621
Net change in accounts receivables and prepayments	1,886,800	(856,481)
Net change in accounts payable, accruals and honoraria	(173,671)	(68,990)
Net change in loans to members	(11,164,458)	8,900,206
Net change in members' deposit	<u>(2,297,833)</u>	<u>(2,058,648)</u>
Cash provided by Operating Activities	<u>(2,459,620)</u>	<u>19,085,708</u>
Cash Flows from Investing Activities:		
Net change in fixed assets	(86,503)	8,831
Net change in other investments	(644,815)	5,990,949
Net change in investments	<u>9,400,805</u>	<u>(11,508,614)</u>
Cash used in Investing Activities	<u>8,669,487</u>	<u>(5,508,834)</u>
Cash Flows from Financing Activities:		
Net change in unclaimed funds	(1,337,453)	65,487
Dividends and interest rebates paid	(7,326,118)	(6,035,416)
Increase in Members' Shares	<u>2,426,518</u>	<u>(3,433,575)</u>
Cash used in Financing Activities	<u>(6,237,053)</u>	<u>(9,403,504)</u>
Net change in cash resources	(27,186)	4,173,370
Net cash resources, beginning of year	<u>18,864,690</u>	<u>14,691,320</u>
Net cash resources, end of year	<u><u>18,837,504</u></u>	<u><u>18,864,690</u></u>
Represented by:		
Cash in hand and at bank	<u><u>18,837,504</u></u>	<u><u>18,864,690</u></u>

(The accompanying notes form part of these financial statements)

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. **Registration and Objectives:**

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

2. **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 amortised cost and fair value of investments and the properties.

b) **Use of estimates -**

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

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

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:

IFRS 1	First-time Adoption of Financial Reporting Standards - Amendments regarding subsidiary as first-time adopter (effective for accounting periods beginning on or after 1 January 2022).
IFRS 3	Business Combinations - Amendments regarding the reference to the conceptual framework (effective for accounting periods beginning on or after 1 January 2022).
IFRS 4	Insurance Contracts - Amendments regarding IFRS 17 and the extension of the temporary exemption from applying IFRS 9 (effective for accounting periods beginning on or after 1 January 2023).

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

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

IFRS 9	Financial Instruments - Amendments regarding fees in the 'ten percent' test for derecognition of financial liabilities (effective for accounting periods beginning on or after 1 January 2022).
IFRS 16	Leases – Amendment to extend the exemption from assessing whether a COVID -19 related rent concession is a lease modification (effective for accounting periods beginning on or after 1 April 2021).
IFRS 16	Leases - Amendments regarding the accounting treatment of lease incentives (effective for accounting periods beginning on or after 1 January 2022).
IFRS 16	Leases - Amendments regarding a lease liability in sale and leaseback transactions (effective for accounting periods beginning on or after 1 January 2022).
IFRS 17	Insurance Contracts (effective for accounting periods beginning on or after 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding the disclosure of accounting policies (effective for accounting periods beginning on or after 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding the classification of liabilities as current and non-current (effective for accounting periods beginning on or after 1 January 2023).
IAS 1	Presentation of Financial Statements - Amendments regarding non-current liabilities with covenants (effective for accounting periods beginning on or after 1 January 2024).
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimates (effective for accounting periods beginning on or after 1 January 2023).
IAS 12	Income Taxes - Amendments regarding deferred tax on leases and decommissioning obligations (effective for accounting periods beginning on or after 1 January 2023).
IAS 16	Property, Plant and Equipment - Amendments regarding proceeds before intended use (effective for accounting periods beginning on or after 1 January 2022).

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

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

- IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding onerous contracts and cost of fulfilling a contract (effective for accounting periods beginning on or after 1 January 2022).
- IAS 41 Agriculture - Amendments regarding taxation in fair value measurements (effective for accounting periods beginning on or after 1 January 2022).

d) Property, plant and equipment -

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

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

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

No depreciation is provided on freehold land.

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

e) **Financial instruments -**

Financial assets

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

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

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

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

Initial measurement

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

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

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

Financial assets (cont'd)

Subsequent measurement

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

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

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

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

Reclassification

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Impairment

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

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

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

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

Performing financial assets – Stage 1

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

Significant increase in credit risk – Stage 2

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

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

Credit-impaired financial assets – Stage 3

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

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

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

Modification and Derecognition of Financial Assets

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

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Write-off

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

Financial liabilities

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

Critical accounting judgements and key sources of estimation uncertainty

Business model assessment:

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

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

Significant increase of credit risk:

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

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

Establishing groups of assets with similar credit risk characteristics:

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

Valuation models and assumptions used:

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

Key sources of estimation uncertainty

Probability of default (PD):

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

Loss Given Default (LGD):

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

Fair value measurement and valuation process:

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

Exposure at Default (EAD):

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Credit risk

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

Credit risk management

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Significant increase in credit risk

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

Measurement of ECL

The key inputs used for measuring ECL are:

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

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

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

e) Financial instruments (cont'd) -

Collateral held as security

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

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

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

Assets obtained by taking possession of collateral

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

Shares	1,579,272
Motor Vehicles	<u>51,500</u>
 Total assets obtained by taking possession of collateral	 <u><u>1,630,772</u></u>

Forward-looking information incorporated in the ECL models

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Significant Accounting Policies (Cont'd):

f) Revenue recognition -

Loan Interest

Interest charged on all loans to members is calculated on the monthly outstanding balance at interest rates ranging from 0.30% to 1.5% on a monthly basis.

Loan interest income is recognized solely upon receipt.

Investment Income

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

g) Dividends payable to members -

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

h) Foreign currency -

Monetary assets and liabilities denominated in foreign currencies are expressed in Trinidad and Tobago dollars at rates of exchange ruling at the Statement of Financial Position date. As at 31 December 2022 US Dollar denominated bank and investment balances were converted at the RBC Royal Bank (T & T) Limited's Buying and Selling mid-rate of TT\$6.74 to US\$1.00 All revenue and expenditure transactions denominated in foreign currencies are translated at the average rate and the resulting profits and losses on exchange from these trading activities are recorded in the Statement of Comprehensive Income.

i) Comparative information -

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. **Financial Risk Management:**

Financial risk factors

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

a) Interest rate risk -

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

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

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

Bonds

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

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

Loans

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

b) Credit risk -

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. **Financial Risk Management:**

Financial risk factors

b) Credit risk (cont'd) -

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

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

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

Collateral and other credit enhancements

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

c) Liquidity risk -

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

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

Risk management

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Financial Risk Management (Cont'd):

d) Currency risk -

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

e) Operational risk -

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

f) Compliance risk -

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

g) Reputation risk -

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

h) Impact of COVID-19 -

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Financial Risk Management (Cont'd):

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

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

Fair value estimation

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

4. Critical Accounting Estimates and Judgments:

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

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

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

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

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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

iv) Fair value measurement and valuation process

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

v) Exposure at Default (EAD)

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

vi) Plant and equipment

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

5. Cash in Hand and at Bank:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Cash in hand	163,928	265,882
JMMB Band Limited	271,813	424,505
First Citizens Bank Limited	2,300,199	5,193,577
RBC Royal Bank (Trinidad and Tobago) Limited		
- Current account	8,420,100	10,912,285
- US\$ Savings account	375,952	1,974,517
- Tobago	<u>7,305,512</u>	<u>93,924</u>
	<u>18,837,504</u>	<u>18,864,690</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. Investments:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
<u>Financial assets at amortised cost</u>		
Fixed deposits and loan notes	30,418,794	55,958,011
<u>Financial assets at fair value through profit and loss -</u>		
Money market funds	3,303,702	2,465,427
Managed portfolios	44,473,500	44,204,279
Bonds	<u>21,603,145</u>	<u>14,861,392</u>
	<u>99,799,141</u>	<u>117,489,109</u>

7. Accounts Receivable and Prepayments:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Interest receivable	1,616,974	2,263,314
Payroll deductions receivable	824,615	2,207,280
Other receivables	264,413	325,049
Prepayments	385,129	311,126
Value Added Tax	<u>-</u>	<u>(128,838)</u>
	3,091,131	4,977,931
Less: impairment provision	<u>(39,224)</u>	<u>(39,224)</u>
	<u>3,051,907</u>	<u>4,938,707</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

8. Other Investments:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
<u>Financial assets at amortised cost</u>		
Bonds	5,436,528	5,517,799
<u>Financial assets at fair value through profit and loss -</u>		
Quoted equity investments	22,561,442	23,085,401
Unquoted equity investments	250,100	250,100
Bonds	2,015,729	2,028,780
Mutual funds	<u>692,035</u>	<u>816,745</u>
	<u>30,955,834</u>	<u>31,698,825</u>

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

Due to the volcanic eruptions in April 2021, there was some initial doubt as to whether the GSVG will be able to continue these installments on a timely basis, however, repayments by the GSVG through the Eastern Caribbean Central Security Depository were maintained from inception to February 2023.

The balance as at 31 December 2022 was **\$120,915** with the next installment due in August 2023.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

9. Loans to Members:

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

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Loans to members	139,634,414	130,505,601
Less: Allowance for expected credit losses	<u>(17,396,021)</u>	<u>(21,128,713)</u>
	<u>122,238,393</u>	<u>109,376,888</u>
Allowance for expected credit losses -		
Balance brought forward	21,128,713	15,128,713
Losses written off	(2,035,645)	-
Statement of Comprehensive Income	<u>(1,697,047)</u>	<u>6,000,000</u>
Balance carried forward	<u>17,396,021</u>	<u>21,128,713</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

10. Fixed Assets:

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

10. Fixed Assets (Cont'd):

	Freehold land (\$)	Land and building – Tacarigua (\$)	Computer equipment and software (\$)	Office furniture and equipment (\$)	Telephone system (\$)	Security equipment (\$)	ASCU Sporting Complex (\$)	Motor vehicle (\$)	Work in progress (\$)	Total (\$)
Cost										
Balance as at 1 January 2021	6,000,000	9,000,000	1,664,990	2,635,244	216,356	226,440	1,556,339	295,085	742,309	22,336,763
Additions	-	-	51,081	58,280	19,450	5,704	-	-	266,640	401,155
Reclassification	5,500,000	(5,500,000)	-	-	-	-	-	-	-	-
Disposals	-	-	-	(1,372)	-	-	-	-	-	(1,372)
VAT write-off	-	-	-	-	-	-	-	-	(409,448)	(409,448)
Transfer of work in progress	-	-	-	449,519	60,077	-	-	-	(509,596)	-
Balance as at 31 December 2021	11,500,000	3,500,000	1,716,071	3,141,671	295,883	232,144	1,556,339	295,085	89,905	22,327,098
Accumulated Depreciation										
Balance as at 1 January 2021	-	17,053	1,418,603	1,453,569	185,091	108,447	273,153	226,831	-	3,682,747
Charge for the year	-	69,788	54,627	225,291	6,175	11,976	31,137	17,064	-	416,058
Disposals	-	-	-	(834)	-	-	-	-	-	(834)
Balance as at 31 December 2021	-	86,841	1,473,230	1,678,026	191,266	120,423	304,290	243,895	-	4,097,971
Net Book Value										
Balance as at 31 December 2021	11,500,000	3,413,159	242,841	1,463,645	104,617	111,721	1,252,049	51,190	89,905	18,229,127
Balance as at 31 December 2020	6,000,000	8,982,947	246,387	1,181,675	31,265	117,993	1,283,186	68,254	742,309	18,654,016

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

11. Accounts Payable and Accruals:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Audit fees	210,939	165,375
CUNA insurance	42,746	38,370
Fixed deposit interest payable	145,750	177,667
Other payables	563,676	393,842
Members' standing orders	-	26,716
Accruals	<u>582,439</u>	<u>638,428</u>
	<u>1,545,550</u>	<u>1,440,398</u>

12. Members' Deposits:

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

13. Unclaimed Dividends and Shares:

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

14. Proposed Honoraria:

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

15. Members' Shares:

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

16. Reserve Fund:

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

17. Education Fund:

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

18. Development Fund:

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

19. Revaluation Reserve:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Revalued amount	15,000,000	15,000,000
Net Book Value	<u>(7,638,538)</u>	<u>(7,638,538)</u>
	<u>7,361,462</u>	<u>7,361,462</u>

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

20. Special Reserve Fund:

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

21. Dividends:

The Board of Directors has proposed a dividend of 2% on share balances up to **\$750,000** and 0.75% on share balances above **\$750,000** for the year ended 31 December 2022. This is not recorded as a liability in accordance with IAS #10.

22. Interest Rebate:

The Board of Directors has proposed a rebate payment of 5% on all interest paid on loans for the year ended 31 December 2022, with the exception of delinquent loans. Such a rebate would be credited to members' Flex-a-Save Account. This is not recorded as a liability in accordance with IAS #10.

23. Fair Values:

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

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

23. Fair Values (Cont'd):

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

a) Current assets and liabilities -

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

b) Members' Loans -

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

c) Investments -

The fair values of investments are determined on the basis of quoted market prices available at 31 December 2022.

d) Members' deposits -

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

24. Capital Risk Management:

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

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

25. Loan Commitments:

As at 31 December 2022, there were six (6) loans, with a total value of **\$460,517**, which were approved but not yet disbursed.

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

26. Capital Commitments:

As at 31 December 2022, there were no capital commitments.

27. Related Party Transactions:

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

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

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

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

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Assets		
Loans to directors and key management personnel and related persons	<u>5,033,483</u>	<u>5,953,878</u>
Deposits and other liabilities		
Deposits held by directors and key management personnel and related persons	284,843	507,627
Shares held by directors and key management personnel and related persons	<u>3,127,297</u>	<u>3,122,463</u>
	<u>3,412,140</u>	<u>3,630,090</u>
Interest and other expenses		
Directors and key management personnel	<u>541,350</u>	<u>439,568</u>
Key management compensation		
Short-term benefits	1,693,796	1,364,403
Post employment benefits	<u>129,797</u>	<u>109,743</u>
	<u>1,823,593</u>	<u>1,474,146</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. Personnel Cost:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Gratuity	-	96,000
Salaries	3,462,432	3,778,649
Staff overtime	16,364	-
Staff NIS, pension and medical plan	576,782	635,455
Staff training and development	70,891	10,569
Staff uniforms	77,868	1,521
Staff welfare	39,950	12,392
Travelling and subsistence	429	915
	<u>4,244,716</u>	<u>4,535,501</u>

2. Operational Cost:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Accounting services	100,662	201,240
Advertising	45,726	53,207
Audit fees	183,905	192,714
Cable expenses	6,529	6,469
Computer expenses	153,755	122,540
Electricity	47,227	57,141
Equipment repairs and maintenance	31,329	45,186
Green Fund Levy	60,349	78,313
Internet rental charges	16,266	11,805
Janitorial services	126,838	144,720
Legal and professional fees	841,606	557,764
Miscellaneous	27,697	44,565
Motor vehicle expenses	34,903	29,526
Office refreshments	26,345	34,475
Postage expense	1,045	4,974
Printing, stationery and office supplies	143,216	141,871
Promotions	227,407	183,565
Property maintenance cost	224,982	236,467
Rates and taxes	21,332	23,779
Security services	322,688	348,089
Telephones	123,558	142,823
VAT adjustment	-	1,081,184
	<u>2,767,365</u>	<u>3,742,417</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Financial Cost (net):

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Bank charges	12,298	24,786
Linx charges	23,500	24,000
Interest on members' fixed deposits	249,062	310,563
Foreign exchange (gain)/loss	111,652	(10,367)
Portfolio management fees	240,523	205,201
Debit card facility charges	<u>34,763</u>	<u>43,291</u>
	<u>671,798</u>	<u>597,474</u>

4. Administrative Cost:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Annual General Meeting	117,388	123,799
Anniversary Celebrations	-	-
Donations	23,450	21,800
Education Fund expense	2,423	54,731
Meetings and conferences	48,825	1,500
CFF contributions	<u>-</u>	<u>50,000</u>
	<u>192,086</u>	<u>251,830</u>

5. Credit Impairment on Loans and Receivables:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
(Reversal)/credit impairment on loans	(1,697,047)	6,000,000
Credit impairment on receivables	<u>-</u>	<u>-</u>
	<u>(1,697,047)</u>	<u>6,000,000</u>

AERO SERVICES CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

6. Risk Management:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
CUNA LP and LS coverage	485,400	621,632
Fidelity guarantee	7,536	7,950
Fire insurance	30,463	28,013
Group life insurance	33,699	34,868
Directors' and officers' liability	26,288	25,087
Stabilization Fund	-	-
Public liability	1,590	1,590
Computer equipment	3,591	3,647
Cash in transit	12,243	11,843
Workmen's Compensation Insurance	<u>3,498</u>	<u>3,508</u>
	<u>604,308</u>	<u>738,138</u>

7. Officers' and Committee Expenses:

	31 December	
	<u>2022</u>	<u>2021</u>
	(\$)	(\$)
Board and Committee allowances	253,069	246,501
Board and Committee other expenses	35,603	32,848
Board, Committee and staff Christmas activities	15,500	12,712
Ex-gratia	30,000	30,000
Refreshments	20,099	29,783
Social and Cultural Committee	25,525	13,897
Honoraria expense	<u>(9,289)</u>	<u>277,807</u>
	<u>370,507</u>	<u>643,548</u>

RESOLUTIONS

AUDITORS

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

RECOMMENDATIONS

DISTRIBUTION OF SURPLUS

1. Dividends

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

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

2. Ex Gratia Payments

- 2.1 Be it resolved that the sum of Five Thousand Dollars (\$5,000) be allocated to the Education Committee and another Five Thousand Dollars (\$5,000) be allocated to the Tobago Committee.
- 2.2 Be it resolved that the sum of Two Thousand, Five Hundred Dollars (\$2,500) be allocated to the Youth Link 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.

AMENDMENT TO APPROVED **BYE LAW 29 (B)**

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

AND WHEREAS

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

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

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

BE IT RESOLVED that Bye Law 29 (b) Nomination Committee which states:

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

BE AMENDED TO now read:

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

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

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