



BUILDING A FUTURE FOR YOU

Mission Statement

Canning's Employees' Credit Union is committed to being a dynamic and model financial institution, operating on sound co-operative and business principles to provide quality competitive financial products and services that engenders self reliance and financial viability in our membership.



Our cover portrays members who are living testimonies of the enormous benefits Canning's Employees' Credit Union has to offer. It underscores the credit union philosophy of "people helping people."

We at CECU ensure all our members have a solid financial foundation so that they can enjoy all the benefits life has to offer.

CECU . . . building a future for you.

Prayer of St. Francis of Assisi

Lord make me an instrument of your 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,
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.

AMEN.

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 Ev'ry Creed and Race,
Find an Equal Place,
And May God Bless Our Nation.

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Notice

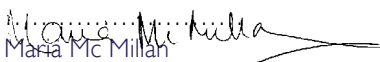
Notice is hereby given that the Fiftieth-first Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited will take place at Lion's Cultural Centre, FitzBlackman Drive, Woodbrook on Thursday 20th March, 2003, at 5:00 p.m. for the following purposes:

- To receive the reports of the Board of Directors, Committees and the Balance Sheet of the Credit Union for the year ended 31st December 2002.
- To elect officers
- To appoint Auditors
- To transact any ordinary business that may properly come before the house.

AGENDA

- 1 Invocation
- 2 Report of the Credential Committee
- 3 President's Welcome: Emil De La Grenade
- 4 Feature Address
- 5 Vote of Thanks
Govind Maharaj/Vice President, CECU
- 6 Correspondence
- 7 Reading and Confirmation of Minutes
- 8 Reports
 - Board of Directors
 - Auditors
 - Budget
 - Credit Committee
 - Supervisory Committee
- 9 Resolutions
- 10 New Business
 - Election of Officers
 - Any other Business

BY ORDER OF THE BOARD OF DIRECTORS


Maria Mc Millan
Secretary

Standing Orders

- 1 A member shall stand when addressing the Chair. Speeches shall be clear and relevant to the subject before the meeting.
- 2 A member shall address the meeting when called upon by the chairman to do so, after which he shall immediately take his seat.
- 3 No member shall address the meeting except through the chairman.
- 4 A member may not speak twice on the same subject, except:
 - The mover of a motion, who has the right to reply.
 - He rises to object to or explain (with permission of the chair).
- 5 No speeches shall be made after the question has been put and carried or denied.
- 6 The mover of a "procedural motion" (adjournment, lay on the table, motion to postpone) shall have no right to reply.
- 7 A member rising on a "point of order" shall state the point clearly and concisely. A point of order must have relevance to the standing order.
- 8 A member shall not "call" another member "to order" but may draw the attention of the Chair to a "breach of order". On no account can a member call the Chair "to order".
- 9 Only one amendment shall be before the meeting at one and the same time.
- 10 When a motion is withdrawn, any amendment to it falls.
- 11 The chairman shall have the right to a "casting vote".
- 12 If there is an equality of voting on an amendment and if the chairman does not exercise his casting vote, the amendment is lost.
- 13 Provision shall be made for protection by the chairman from vilification (personal abuse).
- 14 No member shall impute improper motives against another.



Financial Highlights

FOR THE FINANCIAL YEAR ENDED 31 ST DECEMBER 2002,
WITH COMPARATIVE FIGURES FOR 2001

	2002	2001
TOTAL ASSETS	\$72,707,953	\$63,716,694
SHARES	\$52,173,917	\$46,554,954
LOANS	\$51,446,020	\$46,860,264
NET INCOME	\$4,360,791	\$4,314,732
TOTAL EXPENSES	\$2,489,811	\$2,005,733
DIVIDENDS	8%	8%
MEMBERSHIP	4,262	3,975
STAFF	11	11

Auditors

PriceWaterhouseCoopers
11-13 Victoria Avenue
Port of Spain

Solicitors

Mr. Bhan Ramcoomarsingh
Attorney At Law
Suite 312, Park Plaza
St. Vincent Street
Port of Spain

Mr. Joseph Toney
31 2nd Floor
Park Plaza
St. Vincent Street
Port of Spain

Mr. B. D. Hewitt
Attorney At Law
#76 Abercromby Street
Port of Spain

Minutes

Minutes of the 50th Annual General Meeting of the Canning's Employees' Credit Union held on Thursday 21st March, 2002 at 5.00 p.m. at the Lions Cultural Centre, FitzBlackman Drive, Woodbrook.

CALL TO ORDER

The meeting was called to order at 5:15 p.m. by CECU's President and chairman of the proceedings, Mr. Emil de la Grenade. He gave notice, in accordance with the report of the Credentials Committee, that the meeting was duly constituted since there were 140 members and 20 guests present.

The meeting was opened with prayer by Fr. Gervaise Girod of the Roman Catholic Church. This was followed by the National Anthem and one minute's silence for those departed.

NOTICE OF THE MEETING

Mrs. Maria McMillan, Secretary to the Board, read the official Notice of the Meeting.

Opening Remarks

The Chairman expressed his thanks to the gathering, including feature speaker Rev. Dr. Knolly Clarke, Dean of the Holy Trinity Cathedral of the Anglican Diocese of Trinidad & Tobago and to Fr. Girod.

On this special occasion, the Chairman gave thanks to God for the blessings bestowed on CECU. This had been one of its most successful years, even as the credit union continues each year to move from strength to strength. The Chairman thanked the General Manager, Ms. Elizabeth Raphael and her staff for their contribution throughout the year and also for their work in preparing for the AGM.

Mr. De la Grenade expressed the widely held view that Ms Raphael executed the role of Executive Officer for CECU perfectly. He pointed out that in spite of the many challenges faced by the movement, CECU had experienced yet another successful year. The ability to overcome these challenges successfully, required the support of the entire credit union membership.

In that context, members are reminded that CECU had the cheapest lending rate in Trinidad & Tobago; that its success was founded upon the recognition that quality service was of prime importance. Over the years, well over 80% of the benefits had been passed on to the membership, leaving less than 20% for the running of the organization.

With regard to the internal operations of the Credit Union, Mr. de la Grenade noted that the General Manager had the accounts ready at the end of January 2002, for the Auditors who found the books to be in order. Not many credit unions could boast of 50 years of experience.

He was proud to have been at the helm for the last eighteen years, and in spite of promises to himself to step down, he continued to be challenged afresh as long as he was elected. CECU was a democratic organization, with no political affiliations or campaigning, open to all members who felt they had a contribution. As a consequence any member could rise to the head of the credit union.

Founding Members and supporters of the Credit Union

Special thanks were given to Mr. Thomas Rampersad, the first manager of CECU, who had done





yeoman service. In the course of his career, Mr. Rampersad rose to be Chief Administrative Officer of Cuna Insurance Company. The Chairman expressed the hope that Mr. Rampersad would be around for many more years, and extended an invitation to him to attend the celebration of the 50th Anniversary of CECU, on 14th October, 2002. The Chairman gave notice a gala event was planned at which he hoped the board would be in a position to present plans for the forthcoming years.

Members were also asked to recognize Mrs. Marjorie Lopez who had traveled all the way from Canada for the meeting. Described as the 'bulwark of this credit union,' Mrs. Lopez had risen from a junior position to a Director of the Hi Lo Food Stores. At this point Mr. de la Grenade recognized the unstinting support given by Hi Lo Food Stores and thanked the company, noting that they required in turn the loyalty and support of the membership. Members were once more reminded that Mr. Govind Maharaj, Vice President of CECU was also the Managing Director of HiLo Food Stores, bringing his expertise as an accountant to bear on the credit union.

Indeed, the Investments Committee of CECU which was headed by Mr. Maharaj, included Kenny Jalsa, also a professional accountant, Christine Sahadeo, Calvin Francis, Trevor Howell and President, Emil de la Grenade. He believed the team could match any investment committee, and indicated that the financial position was monitored monthly.

Future Management of the Credit Union

In electing persons for Directorship, the Credit Union was not looking at popularity. Rather it sought persons whose knowledge and talents would add value to the management of the Credit Union so as to raise the level and performance of the CECU.

Amalgamation with Neal and Massy Credit Union

Mr. de la Grenade drew reference to the recent merger of two of the most powerful insurance companies in the world. In like manner, CECU's board was still intent on achieving a successful merger and as a consequence, had not cancelled any meetings with the Neal & Massy Board of Directors.

It was felt that a new strategy was needed and the intention was to work from the bottom of the Credit Union to the top, rather than the other way around, in order that the membership could fully appreciate the integration of both bodies. This suggestion has been the basis of his discussions with Mr. Joseph Lord, President of the Neal & Massy (N) Credit Union.

At this point, he welcomed, The Directors of Neal & Massy (N) Credit Union who were present in their numbers.

National Issues

The Chairman noted that many years ago there was a benefit given to the Credit Union Movement of \$2,500.00. Pointing out that the Government had held office for three months, he expressed concern that the Cooperative Credit Union League had not broached the subject of the \$2,500.00 share benefit. Noting that housing and mortgages are two very important aspects of life, the Chairman pointed out that years ago the national body (the Government) provided tax exemption for maintenance of houses, another matter which he felt needed to be addressed by the League. He lamented that much time is being spent in paper work with little action and that there was not a representative of the movement in the highest forum in the land, even though credit unions boasted a membership of 300,000 persons.

Matters for discussion with the CCULTT

CECU had moved two resolutions before the Cooperative Credit Union League. One on the governance of the League which appeared to have been put on the back burner. However, CECU had been successful in drawing attention to equitable payments to the League. Mr. James, President of the League, was reminded that CECU wished to be treated equally with all other credit unions in the payment of dues and that the matter will be pursued with diligence.



Maria Mc Millan
Secretary

Also for discussion was much needed representation at the level of decision-making at government level since the laws were archaic and badly in need of change. Additionally there were those matters that affected improved living of the members and the country as a whole.

The Chairman noted, as another matter for the attention of the League, the subject of mortgages for person 60 years and over.

The prevailing attitude was that once a person had passed 60 years of age, he or she was not of much use and as a consequence no help was to be given where needed. Mr. de la Grenade related that he had paid a visit quite recently to Texas where he learnt of a man 80 years of age with a wife who was 69 years who had received a mortgage. It was granted on the basis of the value of their house and their capability to repay the mortgage.

Cuna and Health issues

On the subject of improvements in the area of health, it was the view of the Chairman that Cuna could better serve the movement by providing a wider range to their health services. Persons in need, had the option to wait until some visiting team of doctors came to T&T, or to leave the country at exorbitant cost to get attention elsewhere. He thought that attention in this area was important if the lives of members were to have value.

Visit to Paris: Meaning of Credit Unions in world globalization.

The meeting learnt that on a decision of the Board, Ms. Raphael and Mr. de la Grenade attended a meeting in Paris, on the subject of credit unions in world globalization. He reported that both of them had come away with a better appreciation of the importance of participating in World Council and Caribbean credit union meetings.

Feature Address

Members were introduced to the Reverend Dr. Knolly Clarke, Dean of the Holy Trinity Cathedral of Port of Spain by the Chairman. Dean Clarke is a graduate of the University of Western Ontario, a post graduate of McGill University, Canada, and undergraduate of Huron College with a doctorate from the University of the South School of Sawanee in Comparative Religion. Dr. Clarke was a teacher at the Seminary at Mt. St. Benedict for 17 years and is Chairman of the Ecumenical Institute and a Consultant to the Caribbean Conference of Churches. He is married and the father of three grown children.

The meeting was reminded that although a minister of religion, Dean Clarke was not only interested in the spiritual but also the social development of all people. He is closely associated with the Trade Union Movement in general and specifically with the Oilfield Workers' Trade Union.

Speaking on the theme 'A Nation in Crisis - a Call to reclaim our land' Reverend Clarke expressed the view that the national situation as it now exists was the result of the breakdown of family life. Quoting Leroy Clarke, artist and poet, Dr Clarke noted that many households in this land are roofless, exposed to the elements of violence, abuse, disrespect, economic deprivation and poverty.

Dean Clarke identified individualism, the lack of care and concern for one another and the lack of community spirit as the basic problems facing our society and stressed that credit union principles of brotherhood and sisterhood with people supporting each other's needs could be applied with success.

Dean Clarke also referred to our response in times of crisis and where we adopted any of three attitudes; powerlessness, which causes us to throw up our hands in despair; quick fixes; and trying every new fad with a preference for things foreign. He wondered whether more could not be gained if we faced critical situations in the spirit of Asian philosophy which





perceived crisis as a dangerous opportunity for change.

Pointing that the family is the crucible for societal development and is the first learning centre for values and character building, Dr. Clarke expressed the view that the problem of providing solutions within the society must be addressed at the level of the home, even as he recognized the efforts being made by the Ministry of Education to do its part in the schools.

Reminding those present of Jesus' words "to whom much is given, much is expected", Dr. Clarke challenged credit unions to become more involved in the communities. He suggested that successful figures like Messrs. Govind Maharaj and Emil de la Grenade should visit schools with a view to motivating the male population which was in dire need of male role models. Schools had a paucity of male teachers, partly because they failed to achieve the necessary qualifications for teaching even at primary level. Though he lauded the efforts of the female teachers who do their best to fill in, Dr. Clarke acknowledged the negative effects that the absence of male teachers and male role models were having on the school population and the community as a whole.

Dr. Clarke expressed the hope that credit unions, churches and NGO's would also render financial assistance and training to persons within the community in an effort to enhance their employment opportunities and that the physically challenged should be included among these. He cited the quality of work at the Rehab Centre in South and the Blind Welfare Association.

Though he did not suggest that the Credit Union Movement should become a political party, Dr. Clarke emphasized the need in a democratic society for all voices to be heard and encouraged the movement to become involved at the level of the senate and to fight for what they wanted to achieve. This was important since as a people's organization, its presence was needed wherever people were hurting, whenever they were struggling and wherever they are oppressed.

Special mention was made of the unique relationship between employer and employee and management and staff in the establishment and development of the Canning's Employees' Credit Union. Dr. Clarke pointed out the difference between that and the trade union movement in which such a luxury was absent at times.

Elizabeth Raphael
General Manager



VOTE OF THANKS

The vote of thanks was moved by Mr. Govind Maharaj, Vice President. He recalled the theme "A Nation in Crisis - A call to reclaim our land" and pointed out that as CECU celebrated its 50 years at this time of the nation's political and social situation, it was fortunate to have the Rev. Dean Knolly Clarke address the gathering. He noted that the Rev. Clarke's deep spirituality and his caring for people at all levels underlies his message. Mr. Maharaj recalled the problems identified by Dean Clarke, and noted the challenge to CECU in particular and the movement in general to become more involved in the communities in order to alleviate many of the social and financial problems now being experienced.

A token of the Credit Union's appreciation was delivered by Mrs. Maria McMillan to the Rev. Dean Knolly Clarke.

THE ACCEPTANCE OF THE ANNUAL REPORT

The Annual Report was moved and seconded by Ms. Carol Roberts and Mr. Ignatius Blandin with all in favor.

PROCEDURE OF THE MEETING

The Standing Orders

The meeting moved the acceptance of the Standing Orders on a motion by Mr. Sean Clarke, seconded by Ms. Pearl Lopez.

Voting Procedures

The Chairman invited members to begin the voting procedure by casting votes for the Supervisory Committee (3 persons) Credit Committee, (5 persons) and finally the Board of Directors.(4 persons).

Scrutineers for the voting of the Supervisory Committee were: Mr. Steve De Souza, Ms. Susan Longdon, and Mrs. Lenora Marshall. Counting was supervised by Mr. Kenny Jalsa and a representative of the Cooperative Department. Those for the Board and Credit Committees were Ms. Helen Blackman, Judy Tardieu, Rachael Roberts, Fitzclarence Vincent, Abfzal Ali, Volneitha Sarjeant with Mr. Kenny Jalsa as main supervisor Ms. Desiree Gobin was asked to assist Mr. Jalsa in the counting of the Ballots for the Supervisory Committee.



MINUTES OF THE 49TH MEETING

The Minutes of the 49th Annual General Meeting were to be found on pages 7-21 of the annual report seconded by Mr. Ian Lewis and Mr. Glen Piontkowski. There being no matters arising the Chairman turned his attention to welcoming the guests present: Mr. Keith Maharaj, Commissioner of Cooperatives, Mr. Anthony Hall, CEO of Cuna Mutual, Mr. Bhan Ramcoomarsingh, Attorney for CECU, Mrs. Grace New, Mrs. Margot Welch, and Mr. Donovan Palmer and Mr. Lai Lee Young of Teacher's Credit Union, Dr. Winford James, President of the Cooperative Credit Union League, Mr. Larry Hackshaw President of Gordonious, Ms. Corrine Ammon of Cocorite Credit St. James Union, Mr. Gary Cross of Eastern Credit Union, Mr. Anthony Pierre, Credit Union Supervisor, Ministry of Finance, Mr. & Mrs. Thomas Rampersad, Mr. Lester Wilson, President of Tranquility Credit Union, Mr. Ray Brathwaite, Petrotrin, Fr. Girod, Mr. Leo Reyes, Airport Authority Credit Union and Mr. Joseph Lord, President of Neal and Massy (North) Credit Union and the Board of Directors. Also welcomed were Mr. Peter Roberts from CLICO Credit Union, Mrs. Margaret Weston PSA Credit Union, Mr. Trevor Alleyne, President of the North West Regional Chapter of the CCULTT and Mr. Ronald Peters from N& M (South) Credit Union. Apologies were received from Mr. Maurice Quesnel, Mr. Brendan Costelloe, Mr. Overand Padmore, Mr. Earl Nesbit, Mr. Virgil Patrick who were unable to attend.

BOARD OF DIRECTORS REPORT

There being no correspondence, the Chairman/President invited members to turn their attention to the Report of the Board of Directors on pages 24 - 35. The Report was adopted on a motion moved and seconded by Mr. Trevor Howell and Mr. John Scott respectively.

MATTERS ARISING

Delinquency

Mr. Ignatius Blandin expressed his pleasure at the work being done in the area of delinquency and he congratulated those who have been working on improving the situation.

Amalgamation with Neal & Massy (North) Credit Union

Mr. Ignatius Blandin rose to enquire about the pursued amalgamation with Neal & Massy (North) Credit Union and wondered at the reason for the delay during the three (3) years that the matter had been on the table. He finally requested of the Chairman that Mr. Lord, President of the Neal & Massy



(North) Credit Union, tell the membership what he saw as the real problem with the amalgamation.

In response, Mr. Lord explained that the presence of the N&M Credit Union's Board at the 50th AGM of CECU was an indication of the support for the amalgamation. He explained further that the two credit unions had been at the exercise of seeking amalgamation for five rather than three years but that little things got in the way which the boards themselves could sort out.

In his personal opinion, he expressed the view that a happy conclusion could only be obtained if both sides shared the same goals. But, that progress had been made and that a programme had been worked out for agreement by the Board before presentation to the membership. That, Mr. Lord pointed out is where the delay arose - in the Boards coming to a common understanding. He said that since the last board meeting "we are on hold". Yet both Boards have understood that the doors are open in order that there may be a happy conclusion.

He hoped still that the amalgamation could come to pass, because even large US corporations have realized the wisdom of sharing common understanding and having a bigger pie to work with. He assured Neal & Massy (N) Credit Union Board's continued support and expressed the hope that at the next AGM the report would be different.

Mr. de la Grenade, Chairman of the CECU meeting gave notice that the Neal & Massy (N) Credit Union Board will be held to their promise. He explained however, that both sides needed to accept a degree of blame for the delay and reiterated that CECU wished to try a different approach and work from the bottom up in order, sharing in social events. This, Mr. de la Grenade explained once more, would assist in alleviating the kind of suspicion that accompanies joint ventures. Mr. de la Grenade invited Neal & Massy (N) Credit Union to work together on special projects, and cited as an example, the governance of the Credit Union League; the desire of CECU that their members should pay the same dues as the other credit unions in T&T; the tax incentive (\$2,500); better housing as some of the initiatives where we could collaborate.

Marketing and Promotion

Mr. Blandin questioned the qualification of Ms. Lorraine Ragbir to hold the position of Marketing and Promotion Officer. Ms. Ragbir holds a B.A in (English), and Certificate in Public Relations. Mr. de la Grenade informed the membership, that although Ms. Ragbir did not hold a degree in the particular discipline in which she was employed, she had extensive training in the area of marketing. The Chairman explained that Ms. Ragbir was introduced to the Credit Union by Mrs. Maria McMillan and that she was an excellent find. Since her employment, Mr. de la Grenade explained, CECU had made tremendous strides in the area of marketing and promotion finally obtaining a press conference at the CECU's office, something it had not been able to do successfully before. He also pointed out that the commemorative brochure had been the efforts of Ms. Liz Raphael and Ms. Lorraine Ragbir.

An added benefit, was that Ms. Ragbir was a young person, representative of the many who were needed in the movement for a smooth transition, when that time came. Mr. de la Grenade expressed his hope that Ms. Ragbir will remain with CECU.

Financial Highlights

The attention of members was drawn to page 6 of the brochure 'Financial Highlights'. Total assets \$63,716,694; Shares \$46,554,954; Loans \$46,860,264 Net Income \$4,314,732 Total expenses \$2,005,733; Dividends 8%; Membership 3,975; Staff 11. The Chairman reminded members that loans were made on a 1% reducing balance. He explained that if payments were increased by 1% the total dividends could easily be doubled, but, he reiterated, the emphasis was not on profit but on service to the members. The Board of Directors Report was accepted by a show of hand. At this time the credential committee reported that there

were four hundred and four members (404) in attendance.

Directors' Attendance

Mr. Ignatius Blandin noted the need for improvement in the attendance of directors Joan Roberts and Terri-Ann Brathwaite. He wanted the officers to be elected to bear in mind that their attendance is continually being monitored by him. The Chairman explained that Ms. Roberts had migrated to another country and he took the opportunity to thank her in absentia for her contribution. Ms. Brathwaite's job, he explained, required her to be out of the country, yet she had made a tremendous contribution to the marketing thrust.

AUDITORS REPORT

The auditor's statement was read by the firm's representative and members' attention was drawn to the Balance Sheet; Income and Expenditure, Statement of changes in Members' Funds, Receipts and Payments Account and Notes to the Financial Statement.

Projected Income and Expenditure

Ms. Elizabeth Raphael, General Manager presented the Income and Expenditure Report. She pointed out that in preparing the Budget consideration was given to the events that impacted on the global and national economy. Members learnt that the global economy performed below expectations for much of the financial year 2001 e.g. US economy grew by just 1% in the first six months of 2001 with the other industrialized nations of the world recording similar results. Ms. Raphael explained that the horrifying events of September 11, 2001 did little to assist the contracting economy, but rather spiralled a world-wide recession.

As a result business activities were affected worldwide. She noted that closer to Trinidad & Tobago, our Latin American and Caribbean neighbors experienced similar results since many of those countries are dependant on trade, tourism and foreign investment from the industrialized nations. The year 2002, Ms. Raphael pointed out, remained much the same though many economists pointed out that the recession would close at year end. Members were informed that a look at the national economy would show that Trinidad & Tobago's economy is the strongest in the region with growth estimated to be around 4.2% in 2002.

The growth she explained stemmed from both energy and non-energy sector. Ms. Raphael observed nonetheless that despite the domestic and political climate, the economy of T&T continued to be strong with inflation at approximately 5% in 2001. Ms. Raphael informed that Net Fiscal Reserves climbed to approximately US 1.8 billion and in August 2001 the TT\$ appreciated for the first time against the US\$ at the rate of 2%.

Members learnt that in May 2001 the Central Bank of Trinidad & Tobago reduced its Reserve requirement from 21% to 18% and this resulted in borrowing cost being reduced. Commercial Banks reduced their lending rates from 16% to 15% and with excess liquidity in the financial system, it is anticipated that rates will continue to fall. Ms. Raphael explained that the events both globally and nationally will have a direct effect on CECU.

She further explained that a slow down in the world market produces lower prices. Falling interest rates, she said, continue to be a major concern for CECU, since they impact on the return from the investment portfolio.

By way of example, Ms. Raphael pointed to the fact that rates on fixed deposits were earning in the vicinity of 10% in the earlier part of 2001, however by year end of 2001 the same deposits were attracting rates in the region of 7%.

Investment Portfolio

The General Manager advised that the investment portfolio was being carefully divested into





medium and long term investments such as bonds and stocks for the specific purpose of attracting higher yields. She pointed out that the positive effect of such a move may not be realized in the current year. Consequently conservative projections were made for the level of revenue to be derived from investments. Ms. Raphael explained that the balance on short term investments in December 2001 was TT\$7,024,580, and it was proposed to increase the figure by a further \$4 million, making the amount \$11 million. In addition, Ms. Raphael informed a further \$2 million would be injected in stocks with estimated revenue of \$1 million.

Loan Interest

With regard to Loan Interest, the General Manager pointed out that it was the intention to lend \$15 million with an average amount of \$1.2 monthly. This year loan repayments would average \$9.3 million. With a projected loan balance of \$49,948 (million) at year end, it was expected that earnings would be in the sum of \$5.7 million. The yield, she explained was expected to increase from 10.88% to 11.41%.

Mortgage Management Fees

Ms. Raphael explained that the Mortgage Management Fees were revenue to be derived from the National Insurance Board on which there was a 6.9% depletion since the overall portfolio is reducing and no new loans are added to this portfolio.

Rent

Rental revenue was derived from leasing of the annex and rental of the Credit Union's board room at 10, Victoria Avenue. Overall, it was expected to yield Seventy Five Thousand Dollars (\$75,000.00)

Expenses

Expenses were expected to increase by \$500,000 or 24.9%.

Ms. Raphael explained that the major contributors to this increase were expenses for the celebration of the 50th Anniversary of CECU, estimated to cost \$250,000.00 or 50% of the overall increase; professional and legal fees \$75,000 and one (1) full year's professional fees for the marketing personnel as opposed to 5 months in the previous year. Interest on members' deposits were to be increased by \$56,183.00 or 67%.

Members were further informed that between December 2001 and February 2002 there was an increase of \$630,886 or 43% on members' deposits. AGM and other functions were expected to increase the expenses by \$41,377.00 or 38.09%. Members were informed that celebrations for the 50th anniversary were intended to be a little more elaborate. Included in this was the Annual Report and Commemorative Brochure circulated for the 50th AGM.

Income

Members learnt that Net Income, after providing for Statutory Funds will be in the sum of \$3.8 million with a projected share capital of \$50 million by year end. The General Manager closed with a request for continued support as the credit union entered "another era of togetherness" in which the management was committed to assisting the members "on our journey to financial freedom."

Members were reminded that everything is guided by the economic situation in the country and that there may need to be a re-examination of the policy for dividend payments for 2002. Ms. Raphael assured that the Board will continue to monitor the Credit Union's financial situation and to be ultra cautious with expenses, so that any rate adjustment would be marginal.

The Budget was accepted on a motion by Mr. John Scott and Ian Lewis with all in favor.

CREDIT COMMITTEE REPORT

The report of the Credit Committee was adopted on a motion moved and seconded by Ms

Mary Fullerton and Sheila Chaves.

Members were asked to note that the Credit Union had to invest its money since dividends were not paid out of retained earnings. Also, CECU had covered all bad debts. Mr. de la Grenade explained that these points had been put forward to the press in response to their question "Why do you feel CECU is the best?"

Members were also reminded that there were no extra charges to them for services rendered and the rate was approx. 6.5% on loans. Special mention was made of the amount expended in loans for housing, purchase of cars and consolidation of debts. (\$5,289,440). The total loan amount being \$11,589,147.60. It was also pointed out that every Monday the Credit Committee meets under the guidance of Mr. Calvin Francis, Chairman, and Mr. John Scott (Secretary) and General Manager, Ms. Liz Raphael, the team performs very well. Altogether there were 41 credit committee meetings.

The Credit Committee was commended by Mr. Blandin for their excellent attendance Mr. Blandin singled out Mr. Calvin Francis for special mention, commenting on Mr. Francis' attendance at forty (40) credit committee meetings and nine (9) board meetings.

The Chairman further pointed out that apart from the statutory meetings mentioned in the brochure there were many other sub committees which were not mentioned. Mr. Francis attended nearly all of the national meetings with him plus the extra meetings for the Investment Committee.

Mr. de la Grenade said that he counted it an honour to have persons serve with him on the Board and still do extra work and noted that Mr. Francis was very exceptional in that he also provided support in the maintenance of the credit union. At this point the Chairman called on members to vote for the Board and Credit Committee and announced that there were two teams of scrutineers comprising Helen Blackman, Judy Tardieu, Rachael Roberts; Fitzclarence Vincent, Abfal Ali and Volneitha Searjeant with Kenny Jalsa as main supervisor.

THE SUPERVISORY COMMITTEE'S REPORT

The Report of the Supervisory Committee was adopted by Calvin Francis and Ignatius Blandin and unanimously accepted.

RESOLUTIONS

Two resolutions were presented for the approval of the membership.

- For the payment of a dividend of 8% to be paid on all fully paid up shares at the end of the financial year ended 31st December 2001 and that such dividends be credited to members' shares (in accordance with byelaw 25

Section (1);

Approved on a motion by Mr. Kester Hamlet and seconded by Mr. Roy Mahabirsingh with all in favour.

- For the appointment of PricewaterhouseCoopers as Auditors for the 2002 term.

Approved on a motion by Mr. Randolph Austin and seconded by Terry Ann Brathwaite with all in favour

Mr. Blandin rose to put forward another resolution and preceded it with the comments that for fifty (50) years members had all enjoyed the good service of CECU, the board and other committees. He felt that all had benefited from their hard work and talent and that there were times they were criticized for their efforts and sometimes were not even thanked. On the basis of the service it was Mr. Blandin's view that the time had arrived when members must





show their gratitude in a more meaningful way. The resolution was as follows:

“Be it resolved that 2.5% of the net surplus be set aside for equitable distribution to the board and members of committees, with a recommendation on the passing of the resolution that the equitable distribution shall be determined by a committee comprising two (2) board members and one (1) member each of the supervisory and credit committees and the General Manager”

The resolution which was read twice at the request of the Chairman was seconded by Ms. Guila Burford and approved by the membership.

Noting that the resolution for equitable distribution to members of the Board and committees would have a serious impact on the Credit Union, the Chairman invited members to comment and took the opportunity to state emphatically that no member of the board had instigated the resolution. It was accepted with all in favour, then Mr. de la Grenade informed that it would now be passed to the Board for implementation

The Chairman explained that board members had always boasted with a certain amount of pride that service was given freely without expectation of payment. This he said was not always believed by others. Nonetheless, Mr. de la Grenade observed that within recent times credit unions generally were passing on some form of payment to their board of directors.

GREETINGS

The Commissioner of Co operatives, Mr. Keith Maharaj, congratulated Mr. de la Grenade and Ms Elizabeth Raphael, on their youthful appearance in spite of the hard work. Mr. Maharaj stated that he himself had been in the movement for 33 years and during that time the credit union had been able to withstand pressures from outside and within and that the movement had been very resilient - crossing the uncertainty of the early 70's, the depression and down turn of the 80's and having to weather the storm of the withdrawal of the tax incentives. Noting that the movement continues to grow the Commissioner said it is one of the success stories in the whole financial institutions arena.

He invited members to applaud themselves and cautioned that they should not be complacent. He pointed out that the support of the membership augers well for the movement. The Commissioner noted that as the credit union movement expanded and established themselves in the financial sector, it was important to remember that credit unions are cooperatives.

He took the opportunity to support Rev Dean Knolly Clarke's call for involvement in social programmes of the community which he said impacted on the bottom line. He stated that people who had been around credit unions believed that quality service coupled with a more people-oriented and people friendly approach reflected positively on the bottom line, and without too much hard work. He noted the importance of the quality of service, the caring nature and the democratic principles that govern the movement.

He congratulated the board for their work over the years that had brought them to this point of success, especially since many financial institutions had come and gone. Mr. Maharaj noted that there were 140 active credit unions of varying sizes and that CECU ranks very high among them. He hoped that members who were elected would set their sights high and work hard. He wished God's blessing on the movement.

Dr. Winford James, President of the Cooperative Credit Union League, offered his best wishes and congratulations to the credit union for its 50 years of service and success and to Mr. de la Grenade for his 'bowling' skills. Dr. James said that he was well satisfied with CECU as a flagship credit union in the movement and he noted that the figures are clear and that they speak for themselves.

He expressed the hope that the rate of dividend to members would be increased from the present 8%. He felt that a goal of at least 10% for the year 2003 should be set. He extended his wish for continued progressive leadership and the employment of true professionals for the management of the credit union's assets and a continuation of the collaboration between management and the members of the CECU.

He extended an invitation to the Chairman to attend the Leadership Convention planned for the last days in May around 27th-30th at the Grenada Grande Beach Resort.

Special congratulations were extended to Mr. Francis who was also expected to attend the convention. Dr. James also reminded of the AGM in Trinidad on June 9th. Dr. James informed that an Advisory Committee had been set up to assist the Board in matters of advocacy. He noted Mr. de la Grenade's absence and pointed out that a skeleton with four basic plans was laid for lobbying the authorities.

Level 1 he explained deals with intelligence gathering (relevant data); Level 2 deals with the identification of issues on which to lobby; Level 3 deals with discussion and debate leading to consensus building and Level 4 will develop a programme for the actualization of the matters on which agreement has been reached. He noted that because timing is important he would have, as President and Chairman of the Board, some degree of discretion for timeliness which would be built into the program.

Dr. James advised that the next meeting was scheduled for the following Wednesday at a President's Breakfast Meeting at the Cascadia Hotel and it was hoped that Mr. de la Grenade would attend, prepared to make his contribution to the Credit Union Legislation referred to earlier in his welcoming address to the members of CECU.

Dr. James further explained that meetings had been held with some of the government representatives on particular matters, but because of the keep back with parliament meetings, it was not possible to focus on legislation even though the collaboration continues. Mr. Anthony Pierre, Credit Union Supervisor in the Ministry of Finance brought greetings from that department wishing a happy 50th AGM and a very successful 2002.

Greetings were also brought from Mr. Anthony Hall, CEO of Cuna Caribbean Insurance Co., and Mr. Lord of N&M (N) Credit Union. Mr. Palmer, President of Teachers' Credit Union brought greetings from his credit union and at the request of the Chairman, on behalf of all visiting credit unions. He noted the ambiance in the Lion's Centre and congratulated Mr. de la Grenade for the quick and efficient conduct of the AGM.

He praised the Board of CECU and assured Rev. Knolly Clarke that credit unions were well aware of their responsibilities of people helping people, and pointed out that there were credit unions who expended large sums on different community programs. He pointed out however, that things are not always what they seem and noted that there were few credit unions, perhaps only six, with asset bases of more than \$120 million, while there were others who continued to declare dividends which they were never in a position to pay. He appealed to those at the bottom rung to help where they can.

Mr. Trevor Alleyne, President of the NWRChapter who spoke after Mr. Thomas Rampersad noted that many credit unions were celebrating many years of service in 2002. He thanked Mr. Rampersad who was also instrumental in developing -TELCO's Credit Union which was celebrating 52 years of service and expressed the hope that the story of CECU'S beginnings would be documented for the benefit of the movement's history.

Mr. Thomas Rampersad founding member of CECU, also described as a life member of CECU, expressed his joy at the success of CECU of which he was a founder. Noting that as a Roman Catholic he believed that life begins at conception and not at birth, Mr. Rampersad pointed





out that as far as he was aware the credit union started in 1948 when he gathered six young men who were porters in the warehouse and encouraged them to save 25 cents per week in order to rescue one of the men who was owing \$5.00 for 18 months and repaying at the rate of \$1.00 interest every month.

At that time the man's salary was \$3.50 per week. He pointed out that he was never paid for the copy book which cost 12 cents. He expressed the hope that CECU would continue to move from strength to strength. Noting that he was only 77 years of age Mr. Rampersad hoped that he would be around for another 25 years to attend CECU's 75th Anniversary. He expressed his best wishes for the continued success of the credit union.

Mrs. Margaret Lopez a member of CECU residing abroad was invited to the podium and the meeting was informed that she had travelled from Canada specifically for the 50th AGM. Following an invitation by the General Manager, Liz Raphael and staff last year during her visit to Trinidad. Mrs. Lopez explained that it was a pleasure to attend the meeting as it gave her the opportunity to meet once more with persons with whom she had worked and interacted over the past years.

Mrs. Lopez pointed out that the information provided by her in the brochure with regard to Canning and Company and their interest in the Credit Union was important and she wanted it to be known that the Company never interfered with the running of the credit union for which CECU must be grateful. Mrs. Lopez informed that during her involvement with the credit union she served both on the board and credit committee with pleasure. Although she lives abroad and was a retiree, members were informed that she continued to own shares in the credit union having chosen to remain a member.

CREDENTIALS COMMITTEE

The Chairman informed that there were 433 registered persons attending the meeting. He expressed thanks to God for His blessing and the membership for their attendance.

Absence from League Meeting

Addressing his apologies to Dr. James, President of CCULTT, Mr. de la Grenade explained that his absence from the Advisory Committee set up for lobbying the Government on behalf of the movement was due to strict medical instructions that he should rest. Mr. de la Grenade informed that he was not even supposed to attend the present 50th Annual General Meeting. He promised however, to attend the League's meeting carded for the 27th.

The opportunity was taken by the Chairman to thank all those who spoke and he noted with appreciation all that he had learnt over the years from the credit union meetings that he attended. Special mention was made of the lessons learnt from Mr. Donovan Palmer, President of Teachers' Credit Union who always extended invitations to Mr. de la Grenade to attend their meetings.

The meeting learnt that Mr. Joseph Toney was the other attorney to CECU, in addition to Brian Hewitt and Bhan Ramcoomarsingh whose task it was to deal with all legal matters on the credit union's behalf. The Chairman noted that these acquisitions had made it possible for the board to forge a relationship with senior management from inception and thanks were expressed to the Neal and Massy Group for having extended such an opportunity.

Special thanks were extended to Mr. Govind Maharaj who "has continued to carry the chalice for the HiLo Food Stores." Mr. de la Grenade expressed the view that loyalty and commitment are the hallmarks of a great credit union. The Chairman expressed his concern over the movement's inability to attract young membership and put forward his belief that the credit union philosophy needed to be passed onto schools.

He recommended that schools should be adopted by credit unions with a view to encouraging

young membership, even though he was of the opinion that the credit unions cannot get involved in technical aspects. He stated that it was the view of the board after wading through much management theory that there was a need for action and performance without fear or favour.

The Chairman expressed the hope to Dr. James that the meeting of the 27th would not be another with a lot of paper to wade through but that it would be an opportunity to move into action and as far as possible along the lines recommended by Rev. Dr. Knolly Clarke. Once more the Chairman noted that there was respect from members of the board for each other; employing the right to disagree without rancor; and continuing to enjoy good relations after the meeting.

Scholarships

The Chairman stated that the board was considering the award of more scholarships for persons who sat the SEA Examinations. He promised that details will be finalized at the next board meeting. Members were informed that Tranquility school had been 'adopted' and some work had been done with them. Ms. Raphael informed that CECU assisted with the painting of a mural to "restore credibility back to the school." The Chairman expressed the hope that the relationship between CECU and the school would deepen in order to give some guidance to the students.

ELECTIONS

The following were the results for three (3) persons to be elected to the Supervisory Committee:

Mrs Pearl Lopez	214 votes
Ms. Dian Lopez	194 votes
Mr. Roy Mahabirsingh	138 votes*
Ms. Volneitha Sargeant	138 votes*
Ms. Margaret Ann Parris	88 votes*
Mr. Felix Edwards	88 votes*
Mr. Robin Adams	75 votes
Mr. Wilfred Fraser	50 votes

* to be resolved by agreement of the parties concerned

Declined nominations:

Ms. Mary Fullerton, Ms. Amanda Raeburn, Ms. Denise Barton, Ms. June Yearwood, Mr. Terrence Bocage, Mr. Junior Dhoray, and Mr. Glen Piontkowski.

The following were the results for five (5) persons to be elected to the Credit Committee:

Calvin Francis	315 votes
Rosemarie Ayers	294 votes.
John Scott	269 votes
Glen Piontkowski	259 votes
Randolph Austin	237 votes*
Junior Dhoray	237 votes*
Kenneth Reyes	168 votes (2nd alternate)

* to be resolved by agreement of the parties concerned

Declined nominations:





Ms. Jennifer Williams, Ms. Dian Lopez, Mr. Govind Maharaj, Mr. Andy Harry, Mr. Pat Sobit, Mr. Anderson London, Mr. Jeffrey Jack, Ms. Agnes Fournillier, Mr. Sherwin Warrick, Mr. Steven Sookdar, Ms. Lenora Marshall, Ms. Pearl Lopez, Ms. Mary Fullerton, Mr. Steve Khan, Ms. Margaret Ann Parris.

The following were the results for four (4) persons to be elected to the Board of Directors:

Mrs. Maria McMillan	282 votes
Mr. Trevor Howell	265 votes
Mr. Govind Maharaj	262 votes
Mr. Charles Gill I	154 votes
Mrs. Christine Sahadeo	137 votes (alternate)
Mrs. Mary Fullerton	136 votes (alternate)
Ms. Carlene Sookdar	119 votes

Declined nominations:

Mr. Glen Piontkowski, Ms. Jennifer Williams, Mr. Anderson London, Ms. Ann Marie James, Mr. Patrick Leiba, Ms. Jacinta Camps, Ms. Gisele M. Housen, Ms. Denise Barton, Ms. Dian Lopez, and Ms. Pearl Lopez.

RESOLUTION FOR DESTRUCTION OF THE BALLOTS

Mr. Pujadas moved that the ballots be destroyed and seconded by Mr. Calvin Francis the motion was accepted.

DOOR PRIZES

Messrs. Trevor Howell, Sandra Johnson and Ignatius Blandin were invited by the Chairman to assist in the process.

Members and invited guests were asked to look under the seats of their chairs for a mark which indicated that a prize will be won. The first award a hamper was sponsored by Hilo Head Office.

The second was sponsored by Rotoplastics and the third from All Round Trading. Specially invited guests, representatives of other credit union along with Mr. Thomas Rampersad and Fr. Girod were invited to give out the prizes won by the following numbers: 127, 095, 228, 146, 413, 032, 085, 263, 207, 142, 323, 094, 260, 255, 99, 138, 261, 271, 360, 055, 135, 126, 073, 012, 029, 169, 253, 021, 224, 454.

VOTE OF THANKS

Ms. Terri Ann Brathwaite expressed thanks to God for the level of leadership over the years, from the foundation members to the present. Thanks were given to all who attended the meeting and special thanks were given to members of the board and committees for the long hours and hard work done over the years. The staff was also singled out for recognition by all present, for their hard work and service.

Grateful thanks were paid to HiLo Food Stores nationwide, Caribbean Bottlers Ltd., Angostura Group of Companies, St. James Colour Shop, All Round Trading, Rotoplastics, Lever Bros. (West Indies) Ltd., and Waste Disposals. Also mentioned were the Media, Printers and Artists for the printed material and impressive brochure, the electrician, Mr. Forde and the Sound System technician, the caterers 'Sea View', the security provided by Securicor, the florists 'The New Dimensions Company, P&S Rentals for the supply of tables and chairs and the management of the Lion's Club for allowing us to use their facilities on this occasion.

Singled out for special mention and words of appreciation was the General Manager, Ms. Elizabeth Raphael for her leadership qualities in turbulent times and with "unparalleled success". Mr. Blandin was also thanked for his persistence and his efforts "for keeping us on our toes." Ms. Brathwaite also thanked the members for their support acknowledging that without them there would be no credit union.

Commemorative Brochure

The meeting's attention was drawn to the Commemorative Brochure which was put out in recognition of long service employees : Deanne, Paula and Debra. Special mention was made of Ms. Sheila Chaves who was with the Credit Union from the very beginning. Members were invited to take special notice of the World Council message which signified CECU's involvement in the process and participation at all levels.

TERMINATION

The Chairman invited all present to accept the invitation to dinner and the meeting ended at approximately 8:30 p.m.



.....
SECRETARY
MARIA MCMILLAN





THE Board of Directors

A Emil de la Grenade
President

B Govind Maharaj
Vice President

C Elizabeth Raphael
General Manager

D Maria Mc Millan
Secretary

E Sheila Chaves
Assistant Secretary

F Kenny Jalsa
Director

G Ian Lewis
Director

H Calvin Francis
Director

I Sean Clarke
Director

J Trevor Howell
Director

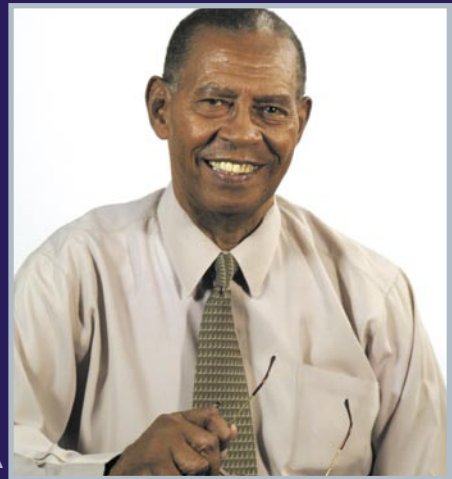
K Carol Roberts
Director

L Charles Gill
Director

Ms. Terri Ann Brathwaite
Director

M Mary Fullerton
Alternative Director

Christine Sahadeo
Alternative Director



A



B



C



D



E



F



G



H



I



J



K



L



M

REPORT OF

The Board of Directors



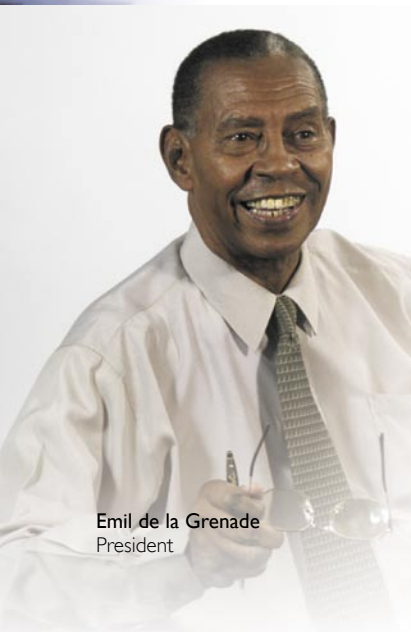
The year 2002 has been another successful one for the Credit Union. It was indeed a most significant year as we celebrated 50 years of unparalleled growth, service, and success in the financial services industry.

The organization managed to maintain an enviable record of achievement despite operating against a back drop of high liquidity, low interest rates and the political impasse which had a direct impact on business operations for the greater part of the year.

Notwithstanding these challenges we surpassed most of our financial objectives for the fiscal period as will be reflected in the relevant statements.

Your Board continued to focus on the performance indicators, especially the monitoring of delinquency and institutional strengthening, with special emphasis on Human Resource Development.

In 2003, our social obligation to the development of our membership and the wider community will be given top priority in keeping with the co-operative philosophy and the government's commitment to social reform in areas such as health care, education, poverty and other social services.



Emil de la Grenade
President

BOARD OF DIRECTORS

At the first meeting of the new board held on April 18, 2002 in accordance with Section 18 (1) of the byelaws, Mr: Emil de la Grenade was elected as President, unopposed. The full composition of the Board is detailed hereunder:

Emil de la Grenade	President
Govind Maharaj	Vice President
Maria McMillan	Secretary
Sheila Chaves	Assistant Secretary
Kenny Jalsa	Director
Calvin Francis	Director
Ian Lewis	Director
Sean Clarke	Director
Trevor Howell	Director
Terri Ann Brathwaite	Director
Carol Roberts	Director
Charles Gill	Director
Christine Sahadeo	Alternate Director
Mary Fullerton	Alternate Director
Elizabeth Raphael	General Manager (Ex Officio)

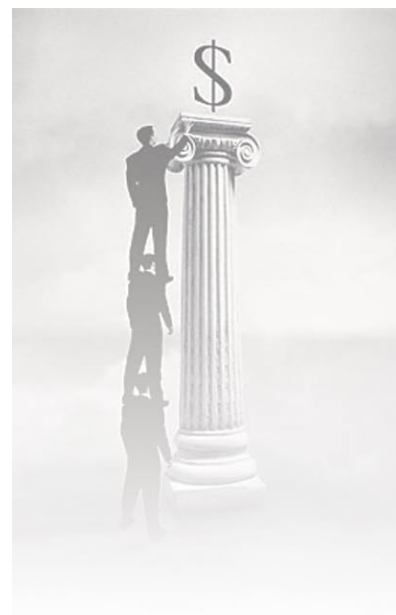
Report of the Board of Directors

The Board met regularly to conduct the business of the society in compliance with Section 18 (v) of our byelaws. A total of Eight (8) meetings were held during the year.

At the said meeting several sub committees of the Board were re-established, utilizing the various professional skills and expertise to assist the organization in its forward thrust.

They were:

COMMITTEES	CONVENORS
Executive	Emil de la Grenade
Education/Marketing /Public Relations	Maria Mc Millan
Investment	Govind Maharaj
Building	Emil de la Grenade
Delinquency Control	Calvin Francis
50th Anniversary	Emil de la Grenade
Information Technology	Kenny Jalsa



At the beginning of the new term, the Board sought to develop a new perspective to refocus the organization. The main elements were based on increased profitability and an enhanced organization image.

The ingenuity and creativity of the Investment, Marketing and Public Relations Committees were severely tested in these two areas.

MEMBERSHIP

During 2002, Three Hundred and Eighty Eight (388) new shareholders were admitted which brought the registered membership to Four Thousand, Two Hundred and Sixty Two (4,262) an increase of Two Hundred and Eighty Seven (287) or 7.22 % over the previous year.

There were Eighty Nine (89) resignations and Twelve (12) deaths during the period. Resignations were due mainly to the termination of employment, migration, change of jobs, which either had a direct impact on members' financial situations or rendered it inconvenient to continue their association with the Credit Union.

The composition of the membership at year end was as follows:-

	2002	2001
Employees	1507	1438
Relations	692	623
Ex Employees	2063	1914
Total Membership	4262	3975



CUNA BENEFITS

Benefits received from Cuna Caribbean Insurance for Eleven (11) LP/LS Claims totalled One hundred and sixty seven thousand, five hundred and twenty two dollars and eighteen cents (\$167,522.18).

Claims under the Family Indemnity Plan for Ten (10) beneficiaries totalled One Hundred and Twenty Nine Thousand, Nine Hundred and Fifty Two Dollars (\$129,952)
The claims with respect to the Loan Protection/Life Savings coverage represented 35.61% of the total premium paid.

FINANCIAL

As previously alluded to, 2002 was an extremely successful year for the credit union in spite of the challenges that confronted the local as well as the International economies.

SHARES

Shares grew by Five million, six hundred and eighteen thousand, nine hundred and sixty three dollars (\$5,618,963) or 12.07% over the previous year. This represented the largest increase experienced over the last nineteen years.

DEPOSITS

The deposit portfolio also increased by One million, six hundred and fifty eight thousand, one hundred and eighty three dollars (\$1,658,183) or 13.23% over the last reporting period.

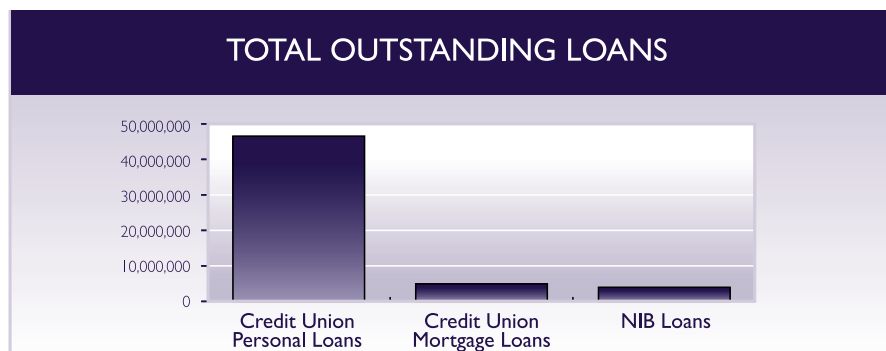
The overall increase in the shares and deposit portfolios is a sign of the growing confidence of our membership in the direction and management of the institution.

LOANS

The loan portfolio increased by Four million, six hundred and five thousand, seven hundred and fifty six dollars (\$4,605,756) or 9.83%, compared to One million, seven hundred and fifty three thousand, seven hundred and twenty eight dollars (\$1,753,728) or 3.79% in 2001. The increase in loans was attributed in part to the special anniversary loan which was made available during the year.

TOTAL OUTSTANDING LOANS

Credit Union Personal Loans	\$ 46,545,421	83.95 %
Credit Union Mortgage Loans	\$ 4,920,599	8.88 %
NIB Loans	\$ 3,975,628	7.17 %



Report of the Board of Directors

DELINQUENCY

The Delinquency control committee has been working assiduously to recover outstanding balances from defaulters. The sum of Two hundred and three thousand, nine hundred and six dollars (\$203,906.00) representing principal and interest payments was received. The current value of delinquent loans amount to Three million, three hundred and seventy nine thousand, three hundred and fifty three dollars (\$3,379,353)

The hypothecated share balances of those delinquent accounts total Two Million, One hundred and nineteen thousand, six hundred and eighty four dollars (\$2,119,684) leaving a net exposure of One million, two hundred and fifty nine thousand, six hundred and sixty nine dollars (\$1,259,669), or 2.71%. This exposure is fully provided for in the accounts.

As custodian of members' funds, the Board will continue to give full support to Management to ensure that borrowing members honour their agreements to repay loans promptly in order to maintain high asset quality. Where members fail to comply with agreements, immediate recovery actions will be implemented.

We therefore appeal to all defaulting members to rectify their situations and avoid the cost, inconvenience and embarrassment of legal proceedings and the inability to access credit facilities in other institutions.

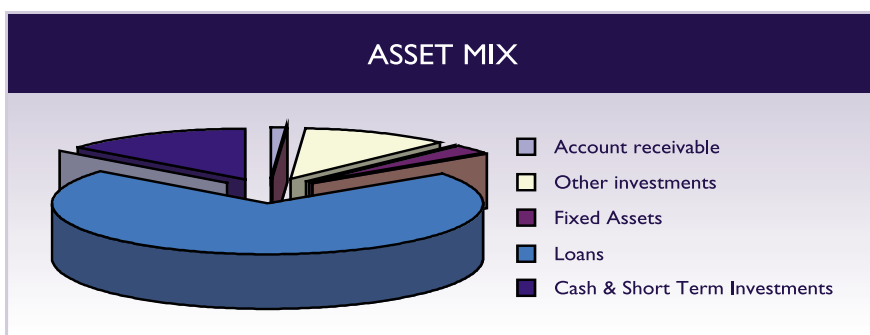


ASSETS

Assets grew by Eight million, nine hundred and ninety one thousand, two hundred and fifty nine dollars (\$8,991,259) to reach seventy two million, seven hundred and seven thousand, nine hundred and fifty three dollars (\$72,707,953) or 14.05% over fiscal year 2001. Again, this figure represents the highest growth rate over the last nineteen years. Significant increases were recorded in loans - Four million, six hundred and five thousand, seven hundred and fifty six dollars (\$4,605,756) or 9.83%; cash resources Three million, three hundred and thirty four thousand, and eighty five dollars (\$3,334,085) or 47.46%, and investments Six hundred and thirty seven thousand, eight hundred and forty five dollars (\$637,845) or 8.71%. Loans represented 70.78% of the Credit Union assets which is well within the established prudential rate of 70-80%.

ASSET MIX

Accounts Receivable	\$ 868,562	1.20 %
Other Investments	\$ 7,954,704	10.94 %
Fixed Assets	\$ 2,060,002	2.83 %
Loans	\$ 51,466,020	70.78 %
Cash & Short Term Investments	\$ 10,358,665	14.25 %





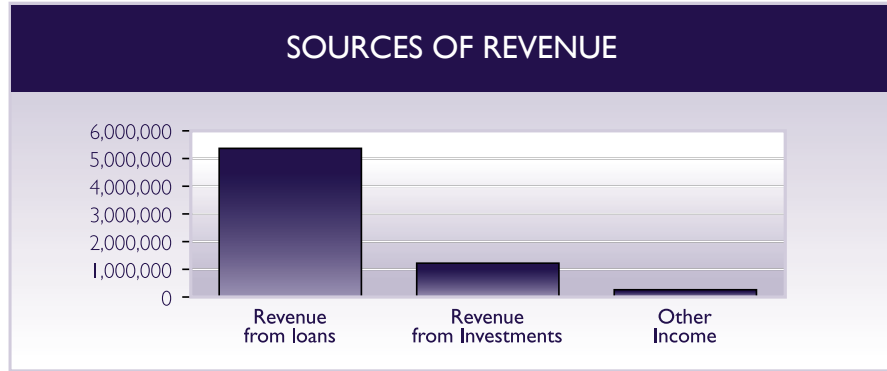
REVENUE

CECU continued its record of consistent earnings and growth in 2002 realizing earnings of Six million, eight hundred and fifty thousand, six hundred and two dollars (\$6,850,602), an increase of Five hundred and thirty thousand, one hundred and thirty seven dollars (\$530,137) or 8.39% over the corresponding period.

There was growth in all income generating areas with substantial increases 5.19% in loan interest. Investment income 16.93% and sundry revenue 305.05%. Commissions from the various enterprises that we represent were reflected in this component.

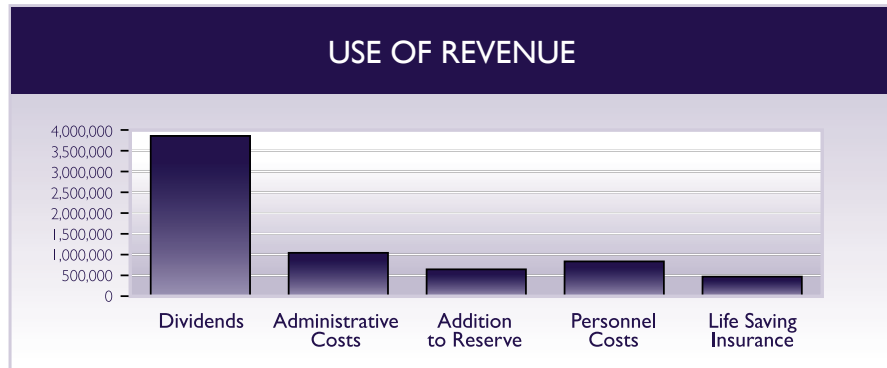
SOURCES OF REVENUE

Revenue from loans	\$ 5,367,151	78.35 %
Revenue from Investments	\$ 1,221,376	7.83 %
Other Income	\$ 262,075	3.82 %



USE OF REVENUE

Dividends	\$ 3,856,171	56.29 %
Administrative Costs	\$ 1,042,559	15.22 %
Addition to Reserve	\$ 645,099	9.42 %
Personnel Costs	\$ 836,352	12.20 %
Loan Protection & Life Saving Insurance	\$ 470,421	6.87 %



Report of the Board of Directors

DIVIDENDS

The net surplus for the year after statutory allocations amount to Three million, eight hundred and twenty one thousand, four hundred and fifty dollars (\$3,821,450). Your Board proposes an 8% dividend on fully paid up shares on register at 31st December 2002. The sum of Three million, eighty hundred and fifty six thousand, one hundred and seventy one dollars (\$3,856,171) will be returned to members. In so doing, the sum of thirty four thousand, seven hundred and twenty one dollars (\$34,721) will be utilized from the retained earnings account, leaving a balance of Three million, eight hundred and thirty one thousand, three hundred and eighteen dollars (\$3,831,318) in that fund.

EVENTS

It was a year full of activities as Canning's Employees' Credit Union celebrated its 50th Anniversary, a milestone in the history of the organization. Several events took place during the year in honour of its youth membership, the future of the credit union, the present and very loyal membership, in the form of a Family Fun Day, a newspaper supplement highlighting the history of the credit union and all its achievements for the general public, and an Award Function thanking all our past/serving directors and committee members for building a foundation that fifty years later still stands tall.

SCHOLARSHIPS

In 1992 Canning's Employees' Credit Union (CECU) started a scholarship programme whereby the Credit Union would give the members children a chance to win a scholarship to help them through the next five years of their secondary school life. This programme proved successful as every five years we would have students competing for these prestigious awards. In 2002 however, CECU had the highest number of entries as forty-four students sent in their applications on time.

As a result of the large submission of applicants it was decided that the number of awardees will be increased to ten. The successful candidates were:

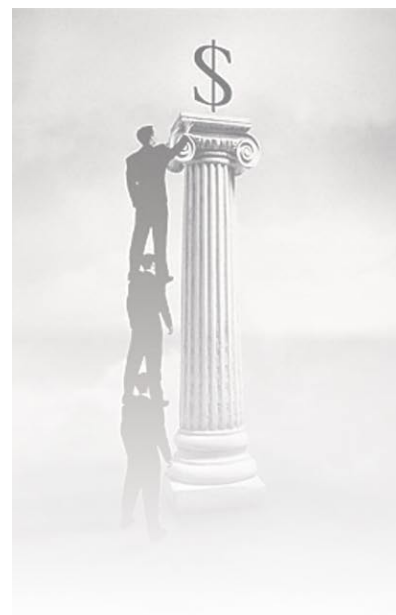
Joshua Reyes-Layne	Crystal Rambarran
Stanton Taylor	Brad Melville Parks
Nirvana Singh	Britini Ifill
Teneisha Edwards	Mikhail Carlow
Kristen George	Jolie Figaro

An even further achievement for the credit union was the extension of the scholarships for the 1997 recipients who had successfully completed their O'Level examinations and were now pursuing their A Level programme, underscoring CECU's commitment to the youths of the credit union. Special recognition was given to Jonathan K. Jarvis for his sterling performance, gaining six distinctions and two credits. The other Advanced Level winners were René Lopez, Darlene Fleming and Kathrin Callendar.

From the inception of the Scholarship Awards Programme, a total of twenty seven (27) CXC and Advanced level scholarships were granted at a cost in excess of One hundred thousand dollars (\$100,000). The Board has been encouraged by the performance of those scholars as our General Manager monitors their progress and offers counsel and advice where necessary.

YOUTH LAUNCH

In light of the International Credit Union theme for the year 2002-2003 "Credit Unions - Building a better Tomorrow" Canning's Employees' Credit Union decided to take from it and rally the young people of the credit union as they are indeed the tomorrow of our establishment.





On Friday 18th October 2002, designated "International Credit Union Youth Day", we had all our SEA Scholarship Students as well as our 4 A level Scholarship Awardees to a function in their honour.

They were addressed by Mr. Murchison Sylvester, Schools Supervisor III, attached to the Ministry of Education. This was the start of Canning's Employees' Credit Union Youth Launch, which started with our forty-four SEA entrants and 4 A level students.

Each student received an allocation of twenty shares valued at One hundred dollars, (\$100.00). The opportunity is taken to encourage all parents to build on those shares through regular contributions as this would be an excellent plan to match the "Dollar for Dollar" programme when the time comes for tertiary education.

A competition was launched to see which one of our young achievers could save the most consistent for five consecutive months. This competition, which emphasizes how often and NOT how much, was keenly competed by several of our students.

CECU is trying to mould our young people by encouraging them to start saving today for tomorrow. Canning's has indeed reached a milestone and we are always mindful that our successes were realized through consistent savings and the influx of new members throughout the years. We intend to show our youths that the future of our credit union lies solely in their hands

FAMILY FUN DAY

In celebration of our 50th Anniversary, CECU hosted an event in celebration of all our members. It was determined that an event that included the whole family was what was necessary as it was the idea of family and brotherhood that saw us into existence. The Canning's Employees' Family Fun Day took place on Sunday 27th October 2002 at the Witco Sports Ground. There were just over 1000 persons in attendance. Canning's celebrating Christmas in October was seen as a great achievement as it was the first of its' kind and everyone both young and old were engrossed in the constant activities around the grounds.

This event provided an excellent opportunity for members to interact with their counterparts in the various member companies, in an informal environment, and create new friendships, thereby strengthening our bond.

Included in the programme were events for the children as well as the adults including an All Fours competition, and Best Booth Competition which was won by member company The National Carnival Commission. A Talent show and a Karaoke Competition, provided much fun for the crowd. There were lots of giveaways on the day including a free T Shirt for all registered members and a gift from Santa for all registered children under the age of twelve.

50TH ANNIVERSARY COMMEMORATIVE SUPPLEMENT

The 50th Anniversary Commemorative Supplement was a project undertaken by CECU to highlight to the wider public the achievements of the credit union as well as outlining its stability throughout the years. It was seen as a good marketing tool as the package was impressive and reached the public of Trinidad and Tobago.

Also it was pleasing to note that not only our member companies contributed but also willing participation was sought from fifteen credit unions throughout the movement. Their support clearly demonstrates adherence to one of the fundamental operating principles of the credit union movement i.e. "Co-operation among co-operatives".

Report of the Board of Directors

50TH ANNIVERSARY AWARDS

Kahlil Gibran wrote to work with love "is to weave the cloth with threads drawn from your heart" On Thursday 5th December 2002 Canning's Employees' Credit Union honoured all those persons who gave of their time and self for the benefit and growth of CECU. Several awards were given for Vision, Devotion, Dedication, Loyalty, Leadership and Long Service.

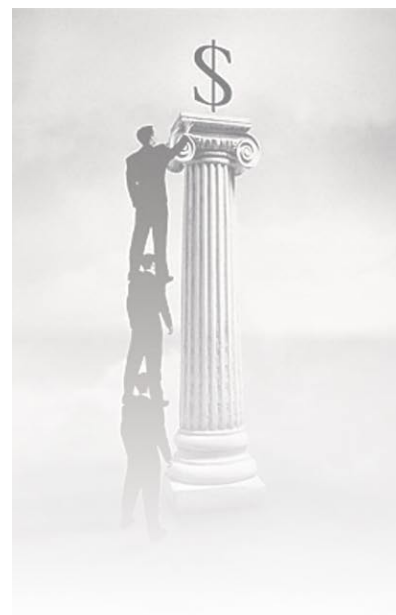
Our main award for the night was given for vision and the recipient of the award Mr. Thomas Rampersad was presented by His Excellency President Arthur NR Robinson. Mr. Rampersad was honoured for his kind heart and desire to help his fellow brother. It was because of his vision perseverance and strength that Canning's Employees' Credit Union exists today. A special Award was also given to Hilo Food Stores as from the very inception of the credit union; Hilo Food stores took a keen interest in its welfare.

Canning's Employees' Credit Union 50th Anniversary was indeed a special one and it is one marked with several events that through the medium of print, photograph and tape will be marked forever in the history of the organization.

RATIO ANALYSIS

The World Council of Credit Union (WOCCU) in collaboration with its affiliates around the world has been promoting the model credit union concept, based on International Prudential Standards. The application of the PEARLS Prudential Standards in management of the society, has increased our Credit Union's competitiveness in the financial market place. The following table summarizes CECU's financial condition based upon the Pearls Standard.

Components	Satisfactory	Unsatisfactory	Actual 2002
PROTECTION (Capital/Total Assets)	8%+	<3%	17.9%
EARNINGS (Net Income/Average Assets)	0.5-1.5%	<0.5%	6.39%
(Operating Expenses/Gross Income)	30-50%	>60%	36.34%
ASSET QUALITY (Delinquent loans/Total Loans)	<3%	>5%	NET 2.71%
RATE OF GROWTH Savings Growth Rate (Shares & Deposits)	> Inflation + Growth Rate	<0%	18.20%
Loans Growth Rate	> Savings Growth Rate	<0.5%	9.83%
Membership Growth Rate	min. 5%	<5%	7.22%
LIQUIDITY (Loans/Total Assets)	70-80%	>90%	70.78%
STRUCTURE (Non earnings Assets/Total Assets)	<5%	15%	2.83%





THE BOARD OF DIRECTORS AT A GLANCE

2000 - 2003

Carol Roberts
Terri Ann Brathwaite
Ian Lewis
Sean Clarke

2001 - 2004

Emil de la Grenade
Sheila Chaves
Kenny Jalsa
Calvin Francis

2002 - 2005

Govind Maharaj
Maria McMillan
Trevor Howell
Charles Gill

OUTGOING DIRECTORS

In accordance with Bye-laws 18 and 22, the Credit and Supervisory Committees are outgoing. Carol Roberts, Terri-Ann Brathwaite, Ian Lewis and Sean Clarke are outgoing from the Board.

The Board appreciates the contributions and efforts made by these individuals towards the overall success of the organization.

All these outgoing members are eligible for re-election and have offered themselves for re-election to the respective committees.

OBITUARIES

The Board wishes to convey its condolences to the families of the following deceased members who passed away during 2002.

- | | |
|--------------------|--------------------|
| Ainsley Joseph | Dulcina King |
| Stanislaus Galindo | Jean Lashley |
| Dennis Humphrey | Abraham Samula |
| Ramanand Naidoo | Seeta Persad |
| Augustus Mitchell | Josephine Metivier |
| Errol Garib | Clarence Laptiste |
| Muriel Garvin | |

May their souls rest in peace.

FAMILY INDEMNITY PLAN

There was increased participation in this plan. The number of participants being Five Hundred and Thirty Seven (537), an increase of Two hundred and ninety two (292) or 119.18% over the last year.

Resulting from this sterling performance, Canning's Employees' Credit Union won the 2002 FIP Interactive Incentive Award for medium sized Credit Unions. A cash prize of twenty thousand dollars (\$20,000.00) plus the Kerry Newalho Award was presented to the Credit Union.

The plan has been enhanced to provide coverage as follows:

Report of the Board of Directors

	Benefits	Monthly Premium
Plan A	\$10,000.	\$48.00
Plan B	\$15,000.	\$72.00
Plan C	\$20,000.	\$96.00
Plan D	\$30,000.	\$144.00

Children age 1-26

Any member spouse or parents and or in-laws of the member who have not reached age 75.

Disabled child – Lifetime coverage.

POLICYOWNERS ADVISORY COUNCIL

Our President, Emil de la Grenade replaced Ms. Penelope Beckles as Chairman of the body. The main focus of the council is to address the needs/concerns of the policyholders and to give some direction to Cuna Caribbean regarding the products and services to be developed.

ACKNOWLEDGEMENTS

The outstanding performance of the Credit Union is attributed primarily to the Board and Management's business acumen and strict adherence to its mission.

We continued to make a significant contribution to the social and economic development of Trinidad and Tobago. The adherence of International Credit Union operating principle of non-discrimination and social responsibility continues to be the pillars upon which the society is concentrating its efforts towards achieving human development, alleviating poverty and providing an improved standard of living for all of our members.

We pay tribute to the General Manager and her staff for their teamwork, professionalism and continued commitment to the overall success of the Credit Union.

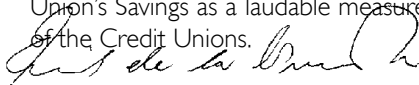
I also take the opportunity to express my gratitude to my colleagues on the Board and Committees, who gave me their fullest support and co-operation thus making my task as President less burdensome.

The support and co-operation of our sponsor companies, banking institutions, Trinidad and Tobago Unit Trust Corporation, Insurance Companies, The Co-operative Division, The Ministry of Finance and The Co-operative Credit Union League of Trinidad and Tobago is greatly acknowledged.

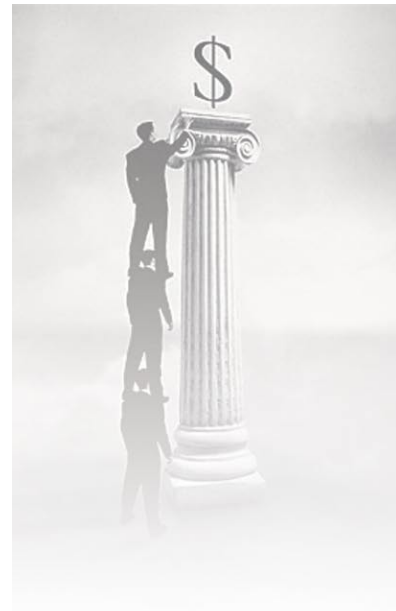
To our members who have demonstrated confidence in CECU over the years, we reciprocate your confidence and assure you that we will continue to strive to earn that confidence by skillful management of your investment and delivery of the highest possible returns to you at all times.

CONCLUSION

This year was quite challenging for all at C.E.C.U. We marvel at the pace and quantum leap experienced in every dimension of our Credit Union activities, and we look forward to greater achievements in 2003. We regard the Government's proposal for tax incentives on Credit Union's Savings as a laudable measure which is expected to stimulate resurgence in the use of the Credit Unions.



We therefore urge all our members to increase their savings, and to position themselves to enjoy the maximum benefit which must be claimed through your Income Tax Return in respect of the Income Year.



We believe that your efforts combined with our support and co-operation, will provide the necessary synergies for making the difference and "Building a better tomorrow" for you our cherished members and the communities we serve.

May God Bless You All

Members Attendance Record 2002



NAMES	PRESENT	EXCUSED	ABSENT
Emil de la Grenade	8	-	-
Govind Maharaj	6	2	-
Maria Mc Millan	6	2	-
Sheila Chaves	8	-	-
Terri Ann Brathwaithe	6	2	-
Kenny Jalsa	6	2	-
Charles Gill	7	1	-
Ian Lewis	3	-	-
Sean Clarke	8	-	-
Carol Roberts	7	1	-
Calvin Francis	6	2	-
Trevor Howell	5	3	-
Alternates:			
Christine Sahadeo	2	6	-
Mary Fullerton	4	4	-

STAFF



- Sandra Johnson
Systems Administrator
- Cynthia Goindoo
Support Staff
- Antonia Benjamin
Confidential Secretary
- Sillon Dick
Support Staff



- Linda Mentor
Recoveries Officer
- Deborah Byng
Senior Loans Officer
- Sharon Howard
Loans Officer



- Paula Pierre
Accounts Clerk
- Lorraine Ragbir
Marketing Officer
- Deanne Simpson
Office Manager
- Rosemarie Inniss
Clerk/Receptionist

Resolutions


- I. Be it resolved that in accordance with bye-law 25 Section (1), a Dividend of 8% be paid on all fully paid up shares at the end of the financial year ended 31st December 2002, and that such dividends be credited to members' shares.

Highlights A pictorial review of 2002



Auditors' Report

financials

PRICEWATERHOUSECOOPERS 

To the members of
Canning's Employees' Credit Union
Co-operative Society Limited

We have audited the balance sheet of Canning's Employees' Credit Union Co-operative Society Limited as at 31 December 2002 and the income and expenditure account and receipts and payments account for the year then ended as set out on pages 38 to 47. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with international standards on auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

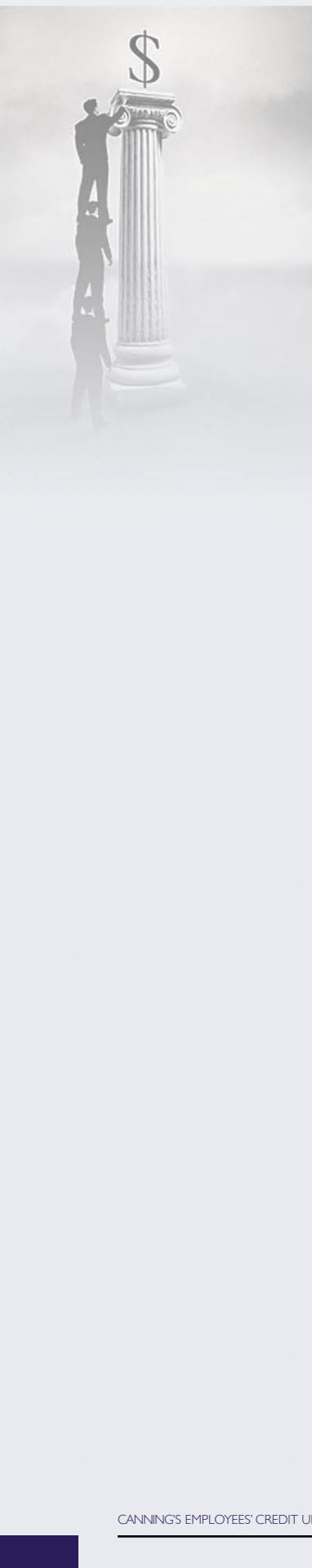
In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2002 and the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards and the Co-operative Societies Act 1971.



Chartered Accountants
Port of Spain
Trinidad, West Indies
20 January 2003

financials

Balance Sheet



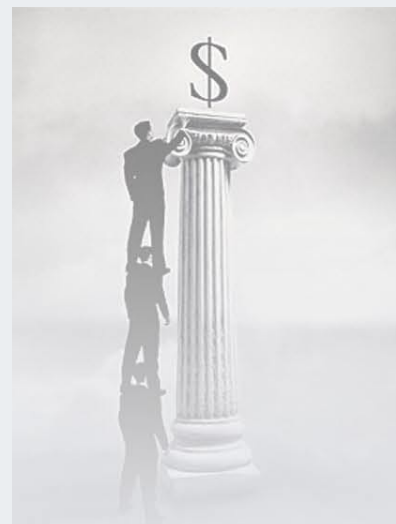
	Notes	31 December	
		2002 \$	2001 \$
Assets			
Cash and cash equivalents	3	10,358,665	7,024,580
Investments			
available-for-sale	4	5,894,649	3,870,697
held-to-maturity		2,060,055	3,446,162
Loans	5	51,466,020	46,860,264
Accounts receivable and accrued interest		868,562	413,683
Property and equipment	6	2,060,002	2,101,308
Total Assets		<u>72,707,953</u>	<u>63,716,694</u>
Liabilities And Members' Funds			
Accounts payable and accrued expenses		534,164	510,546
Due to National Insurance Board	7	6,408	3,883
Total Liabilities		<u>540,572</u>	<u>514,429</u>
Members' shares		52,173,917	46,554,954
Members' deposits	8	3,122,629	1,464,446
Fair value reserves		1,695,013	953,293
Reserve fund	9	6,140,209	5,704,034
Education fund	10	128,023	135,941
Bad debt reserve fund	11	1,220,101	1,108,268
Retained income		7,687,489	7,281,329
Total Members' Fund		<u>72,167,381</u>	<u>63,202,265</u>
Total Liabilities And Members' Funds		<u>72,707,953</u>	<u>63,716,694</u>

The attached notes form an integral part of these financial statements.

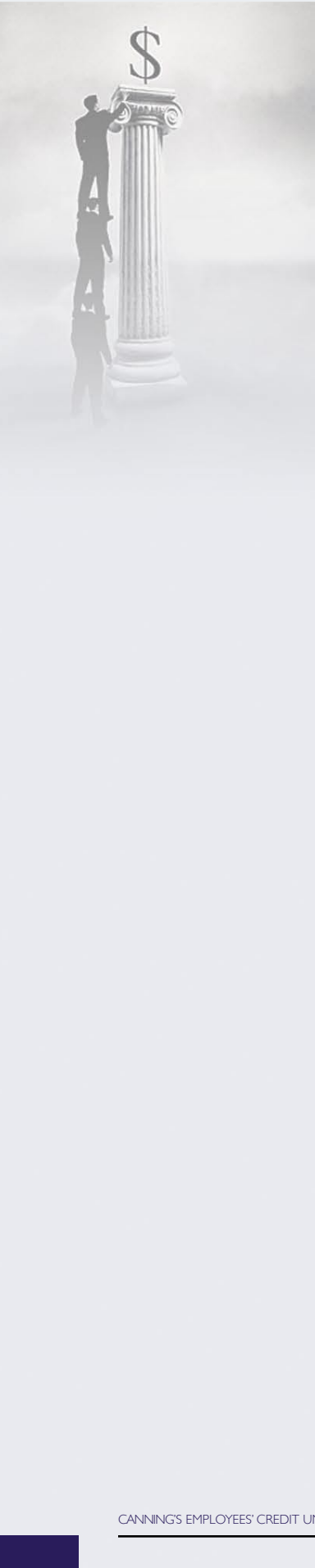
President: *Eric de la Brousse* Treasurer: *Elizabeth Raphael*

Income and Expenditure Account

Notes	Year Ended 31 December	
	2002 \$	2001 \$
Income		
Loan interest	5,367,151	5,101,967
Investment income	1,221,376	1,044,525
Mortgage management fees	64,543	69,872
Rent	77,025	74,350
Sundry revenue	120,507	29,751
	6,850,602	6,320,465
Expenditure		
Annual general meeting	186,659	108,623
50 th Anniversary celebrations	253,294	—
Audit fee	25,789	25,702
Bad debt provision	100,000	125,000
Bank charges and interest	4,370	7,345
Computer services	6,360	7,042
CUNA insurance premium	470,421	412,361
Depreciation	6	50,200
Directors' travel and subsistence	20,650	19,494
Electricity	14,791	12,745
Employees' retirement income security plan	43,583	38,890
Fidelity bond	1,350	1,271
Honoraria	—	3,000
Insurance	20,705	12,135
Interest on members' fixed deposits	187,151	83,817
League dues	33,062	28,750
Legal and professional fees	18,479	9,479
Loss on disposal of property and equipment	—	565
Marketing	22,803	110,703
Miscellaneous	7,630	2,473
Office expenses	113,827	105,343
Repairs and maintenance	9,736	25,698
Salaries, wages and national insurance	792,769	698,514
Security	5,456	6,498
Stationery, printing and postage	45,047	44,479
Telephone	51,819	58,372
Travelling and entertainment	3,860	3,869
	2,489,811	2,005,733
Excess Of Income Over Expenditure	4,360,791	4,314,732

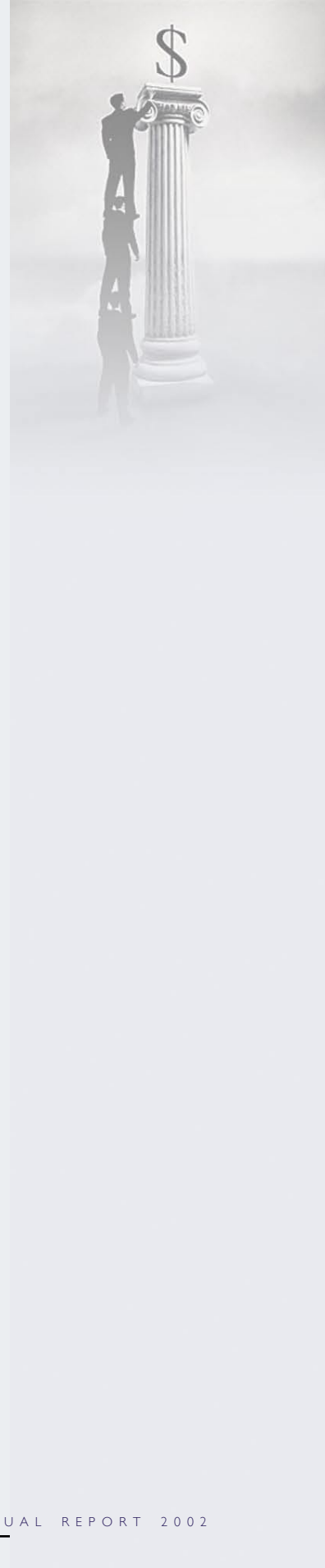


financials



LONG SHEET A

B LONG SHEET



financials

Receipts And Payments Account

Year Ended 31 December 2002



Receipts	\$	Payments	\$
Shares	9,661,247	Shares	3,369,930
Loans		Loans	
- personal	7,590,082	- personal	14,282,763
- mortgage	549,175	- mortgage	464,426
Members' deposits	510,496	Members' deposits	239,639
NIB mortgage	611,211	NIB mortgage	617,656
CUNA insurance claims	101,888	CUNA insurance claims	126,350
Unit Trust Second Scheme	3,386,107	Investments	5,906,212
Interest on loans	4,684,335	CUNA insurance premium	427,896
Investment income	363,900	Salaries and staff expenses	837,818
Mortgage management fee	67,557	Audit fee	25,789
Other	52,448	Bank charges	4,370
Rent	76,800	Computer expenses	6,360
Entrance fee	96	Education fund expenses	120,661
Commission	86,008	Miscellaneous expenses	20,575
Bad debt recovered	52,655	Rates, taxes and utilities	66,675
		Office expenses	109,431
		CUNA Family Indemnity Plan	280,080
		Repairs and maintenance	9,737
		Stationery, printing and postage	45,047
		League dues	33,062
		Fixed assets	8,895
		Advertising and marketing	6,971
		Professional and legal	18,479
		Annual general meeting	186,659
		Fidelity bond	1,350
		50 th Anniversary celebrations	214,019
		Commissions and charges	7,630
		Accounts payable	53,312
		Security	5,456
Balance at 31 December 2001		Balance at 31 December 2002	
The Royal Bank of Trinidad and Tobago Limited - current account	640,912	The Royal Bank of Trinidad and Tobago Limited - current account	577,548
Citibank (Trinidad and Tobago) Limited - savings account	105,348	Citibank (Trinidad and Tobago) Limited - savings account	149,181
Payroll in transit	104,547	Payroll in transit	292,799
US Money Market Fund	1,417,674	US Money Market Fund	1,545,739
Petty cash	107	Petty cash	78
	<u>30,062,593</u>		<u>30,062,593</u>

Notes To The Financial Statements

31 December 2002

I Accounting Policies

The accounting policies of the Canning's Employees' Credit Union Co-operative Society Limited are based on international accepted accounting principles. The principal ones are:

a Property and equipment

Property and equipment are recorded at cost and include improvements that significantly add to productive capacity or extend the useful life. Cost of maintenance and repairs are charged to expenses.

Upon retirement or disposal of assets, the cost and related depreciation are removed from the accounts and the gain or loss, if any, is reflected in the earnings for the year.

Depreciation has been provided so as to write the assets off over their estimated useful lives.

The rates used are:

Office equipment	-	20% on the net book amount
Furniture and fixtures	-	10 - 20% on the net book amount
Computer hardware	-	25% on the net book amount
Leasehold premises	-	2% on the net book amount

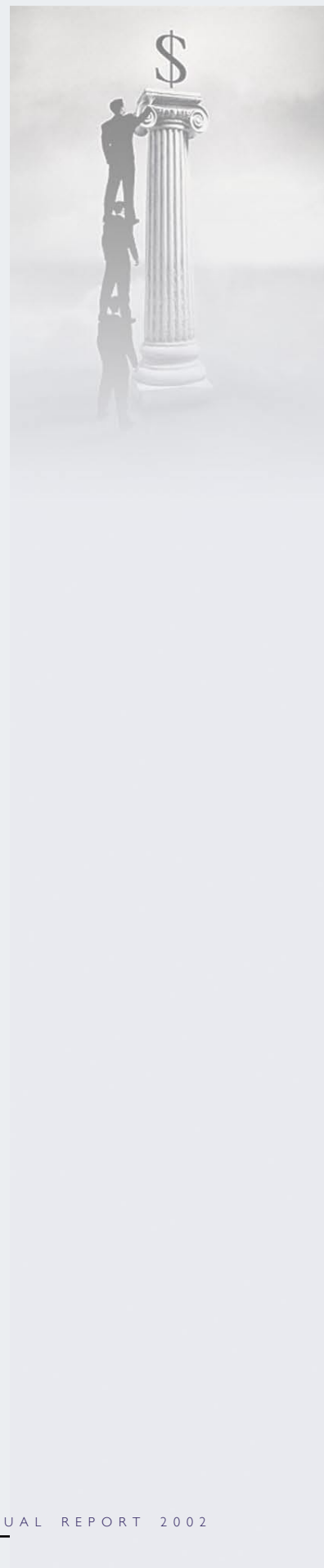
b Historic cost

These accounts are prepared on the basis of historic cost. No adjustments have been made to take into account the effects of inflation.

c Investments

At 1 January 2001 the Credit Union adopted IAS 39 which requires its investments to be classified into the following categories: trading, held to maturity and available-for-sale. The investments held by the Credit Union are for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates and are therefore classified as available-for-sale. Investments which are for a specified period and which the Credit Union has the ability and intention to hold to maturity are classified accordingly.

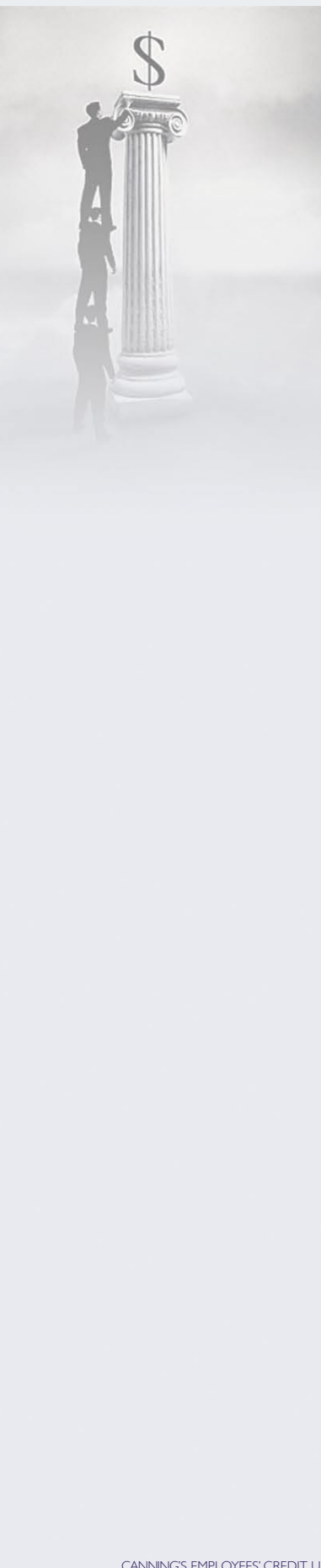
All purchases and sales of investments are recognized on the trade date, which is the date that the Credit Union commits to purchase or sell the asset. Cost of purchase includes transaction costs. Available-for-sale investments are subsequently carried at fair value. Unrealized gains and losses arising from changes in the fair value of available-for-sale investments are recognized directly to equity in the period in which they arise until the financial asset is disposed of at which time the cumulative gain or loss previously recognized in equity is included in the income statement. Held to maturity investments are carried at amortized cost.



financials

Notes To The Financial Statements (Continued)

31 December 2002

**1 Accounting Policies,** continued**d Loans and interest on loans**

Loans to members are stated at the gross amortized cost. An allowance for bad and doubtful loans is made by management based on objective evidence that the Credit Union would not be able to collect all amounts due. The provision is disclosed under liabilities as bad debt reserve fund. Interest income is accounted for on the accruals basis.

2 Reporting Currency

These financial statements are expressed in Trinidad and Tobago dollars.

3 Cash and Cash Equivalents

	2002 \$	2001 \$
Petty cash	78	107
The Royal Bank of Trinidad and Tobago Limited		
– current account	577,548	640,912
Citibank (Trinidad and Tobago) Limited		
– savings account	149,181	105,348
Royal Merchant Bank & Finance Company Limited		
– fixed deposits	200,000	200,000
General Finance Corporation	—	1,000,000
US Dollar Money Market Fund	1,545,739	1,417,675
Unit Trust Corporation – Second Scheme	7,886,119	3,660,538
	<u>10,358,665</u>	<u>7,024,580</u>

4 Investments

	2002 Cost \$	2001 Cost \$
Held to Maturity		
The Home Mortgage Bank Limited	60,055	914,424
Unit Trust Guaranteed Investment Certificate	2,000,00	2,000,000
Clico Executive Annuity	—	531,738
	<u>2,060,055</u>	<u>3,446,162</u>

	2002 Cost \$	2002 Market Value \$	2001 Market Value \$
Available for Sale			
Praetorian Property Mutual fund	500,000	535,000	—
Quoted shares	1,093,634	3,301,257	1,843,544
Scotiabank Global Growth Fund	123,528	82,864	93,684
Unit Trust Chaconia Income & Growth Fund	327,570	210,257	243,051
Royal Merchant Bank – S&P Index Deposit	2,000,000	1,765,271	1,690,418
	<u>4,044,732</u>	<u>5,894,649</u>	<u>3,870,697</u>

(Continued) Notes To The Financial Statements

31 December 2002

5 Loans	Personal Loans \$	Mortgage Loans \$	2002 Total \$	2001 Total \$
Non-delinquent loans	43,166,068	4,622,161	47,788,229	43,180,322
Delinquent loans	3,379,353	298,438	3,677,791	3,679,942
	<u>46,545,421</u>	<u>4,920,599</u>	<u>51,466,020</u>	<u>46,860,264</u>

Of the balance of delinquent loans \$2,756,279 represents accounts on which no collections have been received for the year.

Shares held by members whose loans are delinquent total \$2,119,684. The Credit Union also holds security in respect of the mortgage loans.

A bad debt reserve fund has been established in respect of personal loans considered to be bad and doubtful. The balance of this fund at its present level is \$1,220,101 which management considers adequate to provide the exposed portion of delinquent loans.

6 Property and Equipment

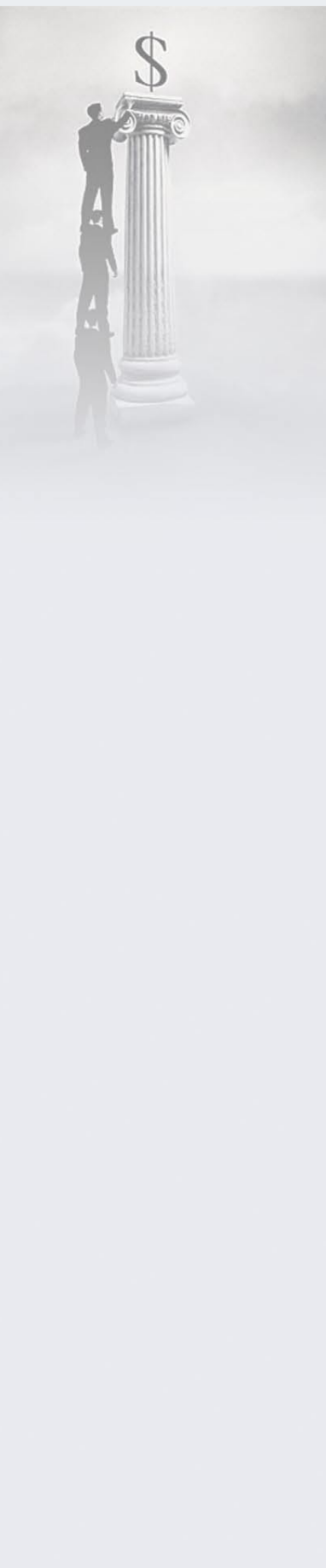
	Office Furniture \$	Furniture & Fixtures \$	Leasehold Premises \$	Computer Hardware \$	Total \$
Year ended 31 December 2002					
Opening net book amount	30,209	113,705	1,903,793	53,601	2,101,308
Additions	—	1,420	—	7,475	8,895
Depreciation charge	(6,042)	(11,501)	(17,509)	(15,149)	(50,201)
Closing net book amount	<u>24,167</u>	<u>103,624</u>	<u>1,886,284</u>	<u>45,927</u>	<u>2,060,002</u>
At 31 December 2001					
Cost	72,637	253,397	2,128,259	160,284	2,614,577
Accumulated depreciation	(48,470)	(149,773)	(241,975)	(114,357)	(554,575)
Net book amount	<u>24,167</u>	<u>103,624</u>	<u>1,886,284</u>	<u>45,927</u>	<u>2,060,002</u>



financials

Notes To The Financial Statements (Continued)

31 December 2002



7 Due To National Insurance Board

The Credit Union has entered into an agreement with the National Insurance Board whereby the Credit Union grants mortgage loans to members on behalf of the Board. This agreement has since ceased. However, the existing loans are still being serviced by Canning's Employees' Credit Union Co-operative Society Limited. Transactions relating to the above mentioned agreement are as follows:-

	2002 \$	2001 \$
Balance due at 1 January	3,883	3,584
Amounts received on mortgages disbursed	<u>620,188</u>	<u>554,214</u>
	624,071	557,798
Funds paid over to National Insurance Board	<u>(617,663)</u>	<u>(553,915)</u>
	6,408	3,883
Balance due at 31 December	<u><u>6,408</u></u>	<u><u>3,883</u></u>

8 Members' Deposits

Period to Maturity		
Within three months	1,088,473	263,338
Between three months and one year	<u>2,034,156</u>	<u>1,201,108</u>
	<u><u>3,122,629</u></u>	<u><u>1,464,446</u></u>

Interest rate varies between 6% to 10% per annum. All deposits are repayable on demand but early redemption penalties apply.

9 Reserve Fund

The Reserve Fund is set up in accordance with Rule No. 27 of Canning's Employees' Credit Union Co-operative Society Limited which requires that the Society set aside annually all entrance and other fees and fines and a sum not less than 10% of the amount of its net surplus to be used as a reserve against bad loans and other losses. However, the approval of the General Meeting and the Commissioner for Co-operative Development is required before any write-off is made.

By letter dated 31st October 1991 the Commissioner for Co-operative Development advised the Credit Union that the Reserve Fund is not specifically set up for bad debts write-off which is to be effected through the Income and Expenditure Account. Utilisation of any balance in this account must be subject to the approval of the Commissioner in accordance with Section 47 of the Co-operative Societies Act 1971.

(Continued) Notes To The Financial Statements

31 December 2002

10 Education

The Education Fund is set up in accordance with Rule 26 which provides that the balance of net surplus may be used at the discretion of the general meeting. The amount proposed by the Board is equal to 2.5% (2001 – 2.5%) of the net surplus.

11 Bad Debt Reserve Fund

The fund was established in 1992 with an initial transfer of \$200,000 from the reserve fund, approved by the Commissioner for Co-operative Development. It has been established to provide for the write-off of loans assessed to be bad or doubtful, based on management's evaluation of the loan portfolio under current economic conditions and past loan loss experience.

12 Dividends Per Share

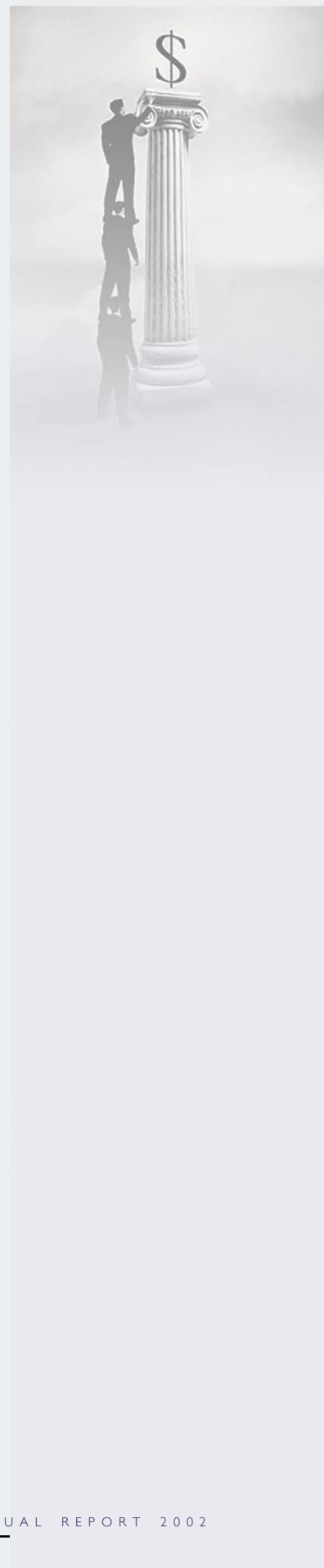
Dividends payable are not accounted for until they have been ratified at the Annual General Meeting. At a meeting of the Board of Directors on 30 January, 2003 a dividend in respect of 2002 of 8 cents per share (2001 actual dividend 8 cents per share) amounting to a total of \$3,856,171 (2001 actual \$3,407,206) is to be proposed. These financial statements do not reflect this dividend payable, which will be accounted for in total members fund as an appropriation of retained income in the year ending 31 December 2003.

13 Retirement Income Security Plan

The employees are now members of the Neal & Massy Company Limited Retirement Income Security Plan, which is a contributory scheme. The Credit Union's contributions are charged to expenses for the year.

14 Contingent Liabilities

- i) The Retrenchment and Severance Benefit Act 1985 prescribes procedures to be followed in the event of redundancy and to provide for severance pay to retrenched workers. The Credit Union has adopted the approach of pay-as-you-go in dealing with these obligations. Under this approach no provision is made unless employees are terminated.
- ii) As at 31 December 2002, there was \$301,994 in loans that were approved but not yet fully disbursed.



financials

Projected Income and Expenditure Account

January - December 2002



	Budget Forecast 2003	Actual 2002	Actual 2001	Actual 2000
INCOME				
Loan Interest	6,030,000	5,367,151	5,101,967	4,663,987
Investment Income	1,102,102	1,221,376	1,044,525	923,500
Mortgage Management Fees	60,000	64,543	69,872	73,403
Rent	78,000	77,025	74,350	61,275
Sundry Revenue	100,000	120,507	29,751	21,982
Investment (gain on disposal)				434,324
	<u>7,370,102</u>	<u>6,850,602</u>	<u>6,320,465</u>	<u>6,178,471</u>
EXPENDITURE				
Personnel Cost				
Salaries and Wages	720,000	662,077	591,640	539,428
Employer's Contribution - Pensions	48,000	43,583	38,890	35,443
Employer's NIS Contribution	25,000	22,512	20,556	19,117
Employees Expenses - Uniforms	15,000	17,130	9,518	2,347
Employees Fringe Benefits	95,000	94,910	76,800	76,800
	<u>903,000</u>	<u>840,212</u>	<u>737,404</u>	<u>673,135</u>
Administration Cost				
AGM & Other Functions	150,000	186,659	108,623	92,430
50th Anniversary	—	253,294	—	—
Cuna Insurance Premium	525,000	470,421	412,361	392,477
Bank Charges and Interest	15,000	4,370	7,345	21,204
Bad Debt Provision	150,000	100,000	125,000	138,000
Interest on Members Deposit	205,000	187,151	83,817	74,184
Rates & Utilities	75,000	66,610	73,940	64,854
Audit Fees	27,000	25,789	25,702	28,897
Stationery	60,000	45,047	44,479	46,608
League Dues	33,062	33,062	28,750	28,750
Professional & Legal Fees	25,000	18,479	34,479	94,134
Miscellaneous Expenses	35,000	28,335	15,654	22,603
Marketing	150,000	22,803	85,703	54,793
Security	8,000	5,456	6,498	6,264
Board & Committee Meetings	30,000	20,650	22,494	27,690
Fidelity Bond	1,350	1,350	1,271	1,271
Computer Services	10,000	6,360	7,042	9,388
Loss on Disposal of Equipment	—	—	565	—
Office Expenses	110,000	113,827	105,343	84,141
Repairs & Maintenance	20,000	9,736	25,698	26,552
Depreciation	55,000	50,200	53,565	57,579
	<u>1,684,412</u>	<u>1,649,599</u>	<u>1,268,329</u>	<u>1,271,819</u>
TOTAL EXPENSES	2,587,412	2,489,811	2,005,733	1,944,954
Excess of Income over Expenditure	4,782,690	4,360,791	4,314,732	4,233,517
APPROPRIATED AS FOLLOWS				
Reserve Fund 10%	478,269	436,079	431,473	423,352
Education Fund 2.5%	119,567	109,020	107,868	105,838
Retained Earnings	4,184,854	3,815,692	3,775,391	3,704,327
	<u>4,782,690</u>	<u>4,360,791</u>	<u>4,314,732</u>	<u>4,233,517</u>

REPORT OF THE

Credit Committee

The Credit Committee elected to serve at the 50th Annual General Meeting included the following:

- a. Calvin Francis Chairman
- b. John Scott Secretary
- c. Junior Dhoray Member
- d. Glen Piontkowski Member
- e. Rosemary Ayres Member
- 1st Alternate Randolph Austin
- 2nd Alternate Kenneth Reyes



The Committee met every week and executed its assigned duties in accordance with section 22 of our byelaws. Members' attendance at meetings during the year was commendable as evidenced by the details provided in TABLE II.

Seven thousand, one hundred and fifty six (7,156) loans totalling Fourteen Million, Seven Hundred and Forty Seven Thousand, One Hundred and Eighty Nine Dollars (\$14,747,189) were approved during the year. The number of loans approved in 2002 increased by One thousand, seven hundred and four (1,704) or 31% over 2001, while the dollar value increased by Three Million, One hundred and fifty eight thousand, and forty one dollars (\$3,158,041) or 27% over 2001.

This was a substantial increase despite the slowing down of economic activities in the earlier part of the year. During that period loan requests remained low. There were definite signs that our members exercised financial prudence during that period of uncertainty and borrowed cautiously.

On the other hand we also recognized that too often we discovered that members were using **TABLE I**

Table I shows the attendance of the committee members at meetings

NAMES	PRESENT	EXCUSED	ABSENT
Calvin Francis	43	-	1
John Scott	43	-	1
Glen Piontkowski	36	-	8
Junior Dhoray	43	-	1
Rosemarie Ayres	44	-	-



TABLE II

Table II show the results of applications presented to the Committee.

Approved	Not Approved	TOTAL
5,453	- 27	- 5,480

TABLE III

No. of Loans		Purpose of Loans	Value of Loans	
2001	2002		2002	2001
1019	1048	Domestic	906,575.03	674,936.34
257263		Holidays (Local & Abroad)	690,921.69	733,564.18
446518		Housing	2,641,768.26	1,921,581.51
153173		Investments	1,068,139.97	602,437.77
3339		Funerals	87,215.25	76,774.00
97119		Weddings & Christening	384,258.07	208,763.32
2537		Car Licences & Permits	21,110.00	18,524.80
307242		Car Repairs & Parts	495,416.62	624,078.74
84102		Purchasing of Cars	2,038,659.57	1,954,951.91
1029966		Consolidating Debts	1,420,409.57	1,412,907.84
162135		Fire, Life & Car Ins.	224,335.17	253,442.76
376397		Medical Expenses	528,469.84	487,003.16
564518		Education Expenses	830,234.16	913,379.22
9255		Legal Expenses	111,341.56	178,789.44
239232		Household Furnishings	734,897.01	623,694.95
439321		Christmas Shopping	579,943.87	788,133.56
0	2	Miscellaneous	1,000.00	-
2140		Carnival	37,245.00	20,379.10
110128		Rent	113,228.00	95,805.00
_1821		Anniversary Loan	1,832,000.00	-
5,453	7,156		14,747,168.64	11,589,147.60

the Credit Union as a last resort instead of their first choice; for instance the number of our members who have been seeking consolidation of debts with other parties indicates a general lack of awareness of effective rates of interest and cost of service. Were they well informed, such awareness would have compelled knowledgeable members to seek, for instance the much lower cost of credit from their Credit Union before entering into the rather expensive hire-purchase contracts typically disguised in small installments and in other allurements.

Whilst the focus of this committee is in the area of credit – the engine of the society's growth and profitability, we must also reiterate the need for members to increase their savings. In this regard, the President is to be saluted for his foresight in bringing to the Board the novel idea of the 50th Anniversary Loan which had a savings component attached. This initiative was responsible for the substantial growth in our shares portfolio.

With the introduction of the tax incentives applicable to increases in credit union savings, we urge all members to take advantage of the offer and contact the credit union for financial advice if required. We look forward, with enthusiasm, to the impact that this measure would have on our credit union and by extension the entire movement.

The committee would like to express its appreciation to the staff for their support. Their enduring loyalty and service to the society cannot be understated. We also wish to thank publicly the many members who elected us to serve in this capacity and who gave us their support, their trust, their respect and their frank feedback during the year; being thus encouraged, we now make ourselves available to serve you again in the coming year.

CALVIN FRANCIS
CHAIRMAN


JOHN SCOTT
SECRETARY


REPORT OF THE

Supervisory Committee

The following members were elected at the 50th Annual General Meeting in 2002 and served on the Supervisory Committee for the 2002/2003 term.

- a. Roy Mahabirsingh
- b. Pearl Lopez
- c. Dian Lopez

At the first meeting of the Committee, Roy Mahabirsingh was appointed Chairperson and Pearl Lopez as Secretary.

The committee maintained a presence at all the statutory and special meeting of the board during the year, and in addition, served on several of the sub-committees, which supported the work of the main board.

The objective for the year was to focus on the business affairs of the CECU and the deliberations and decisions of the board to ensure that there was compliance with the byelaws of the credit union and the general framework of co-operative societies.

In this regard, the core areas of financial reporting and investments were of particular significance to us. The monthly financial reports presented to the board were always comprehensive and informative and maintained the high standard of reporting for which the CECU is known. Expenses continue to be well managed and controlled with similar management and protection of the assets of the credit union. The General Manager and her team must be commended for the excellent job they have performed.

The investment portfolio maintains an important role of providing the highest possible returns required to support the dividend payout of 8% which is now regarded as the standard for CECU as well as achieve capital growth on members investments. The credit union is indeed fortunate to have a team of highly qualified finance professionals managing the investment portfolio.

CECU continues to operate in a very challenging financial environment with intense competition from the other financial institutions and even the retail sector, which offer loans in various form of disguise. Against this background CECU has emerged and is poised to maintain its position as one of the leading performers in the credit union sector

For this, we must recognize the sterling contributions of the management and staff of the CECU together with the commitment and dedication of the directors and officers whose professional knowledge and experience is of immense benefit to the organization.

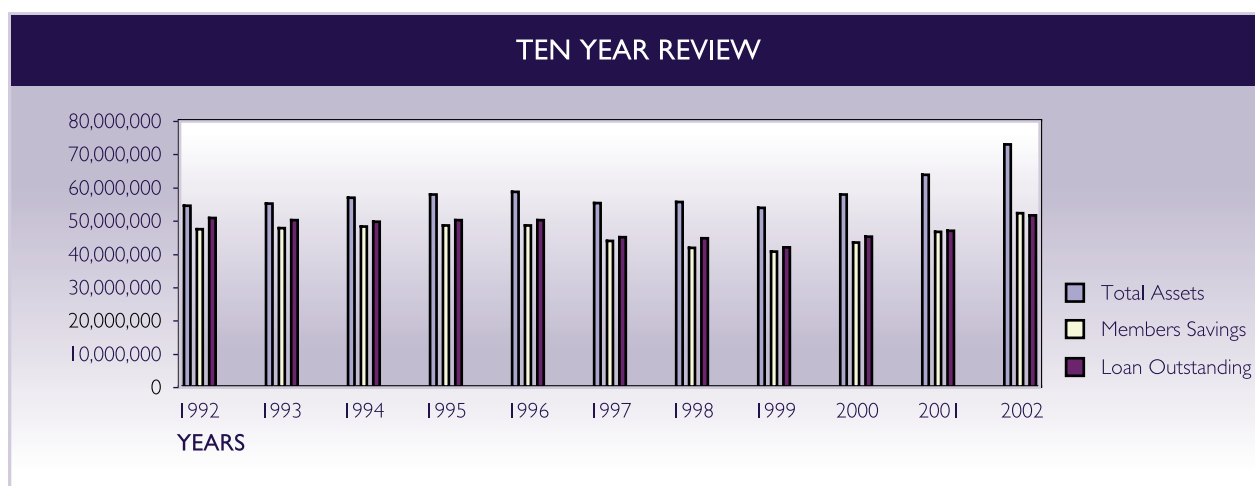
It was our privilege and pleasure to have served the CECU during the past year and we look forward to being of further service in the future.


ROY MAHABIRSINGH

Ten Year Review

Year	No. of Members	Total Assets	Members Savings	Loan Outstanding	Reserve Fund	Total Income	Surplus (After Trans to Reserve)	Dividend Paid	%
1992	3136	54,411,838	47,371,580	50,589,003	2,562,652	4,411,049	2,730,072	2,368,579	5
1993	3103	54,932,560	47,684,891	50,040,403	2,400,139	4,667,735	2,641,880	2,412,114	5
1994	3141	56,713,951	48,057,105	49,616,534	2,848,139	5,119,226	3,057,871	2,617,349	5.5
1995	3233	57,777,552	48,476,984	50,052,445	3,213,508	5,250,619	3,077,790	2,824,402	6
1996	3304	58,577,960	48,341,029	50,023,371	3,557,939	5,418,442	2,919,604	2,810,659	6
1997	3277	55,155,812	43,809,190	44,892,099	3,906,431	5,373,990	2,961,780	2,952,777	7
1998	3407	55,531,255	41,703,504	44,522,268	4,434,085	6,248,252	3,644,150	3,294,655	8
1999	3532	53,726,046	40,526,514	41,912,257	4,849,007	5,796,087	3,629,874	3,243,443	8
2000	3774	57,668,916	43,301,599	45,106,536	5,272,477	6,178,471	3,704,327	3,304,655	8
2001	3975	63,716,694	46,554,954	46,860,264	5,704,034	6,320,465	3,775,391	3,533,153	8
2002	4262	72,707,953	52,173,917	51,466,020	6,140,209	6,850,602	3,815,692	3,831,318	8*

* Proposed



Liaison Officers



Name	Company	Telephone
Pearl Lopez	Hilo, El Dorado	662-5741
Esme Neptune	Hilo, El Socorro	675-6619
Lucy Constantine	Hilo, Maraval	622-6752
Cadalia Bridglal	Hilo St. Anns	624-7580
Erica Cazoe	Hilo, Westmornings	632-1085
Diana Bailey	Hilo, Crews Inn	634-4038
Jennifer Williams	Hilo, Head Office	627-7482,8688
Eutrice Matthews	Hilo, Ridgewood	667-3947
Vena Monsegue	Hilo, Broadway	667-2920
Horace Mitchell Gray	Hilo, Trinicity	640-3124
Uriah Weekes	Hilo, Point Fortin	648-3174
Concordia Harry	Hilo, St. Augustine	662-4836
Ann Marie James	Hilo, Diego Martin	637-9769
Carol Prentice	Hilo, Glencoe	633-0101
Angela Beckles	Hilo, French Street	628-7503
Rhonda Birmingham	Hilo, Chaguanas	665-4109
Natasha Gopaul	Hilo, Gulf City	657-0721/23
Zorida Bakar	Hilo, Point A Pierre	658-3577
Reyma Pierre	Tru Valu	627-4184
Natalie Owen	Budget Foods/Arima	643-4586
Natalie Owen	Budget Foods/Alyce Glenn	633-5188
Michelle Jordan Jacob	Food Giant	674-9184,87
Abfzal Ali	Melville Shipping	625-4977
Lorraine Thomas	John Dickinson	632-3422
Shelton Daisy	Carib	662-2231
Marsha Ali	Neal&Massy Holdings	625-3426
Deborah Dhalai-Luke	Tracmac	657-8622
Marcia Huggins	Sissons	665-5721,2,3,9
Mary Fullerton	Mc Cann Erickson	628-9109
Annette Hospedales	Securior	624-5751
Deanne Boucaud	CUNA	628-6691
Sean Clarke	Rotoplastics	674-8265
Miguel Pinheiro	Hamel-Smith & Co	623-4237
Paul Gowandan	Automotive Components	642-4236
Dedra Cox	ITS	622-4551
Junior Dhoray	Caribbean Bottlers, Tunapuna	662-4416
Motilal Gobin	Caribbean Bottlers, San Fernando	652-5322
To be assigned:	Illuminat	625-1204
Allyson Forde	Waste Disposal	625-6746
Jeanette Williams	Marketing Distribution	645-7454-7
Terry Hosein	Laughlin & De Gannes	662-6545/6570
Margaret Ann Parris	Laughlin & De Gannes	625-1712
Karen Bissessar	The Cascadia Hotel	623-4208/9
Henry Marcial	National Carnival Commission	6271350(x256)
Vindra Dookie	TIDCO	623-1932-34
Alicia Dabideen	Trinidad Tissuses	640-4725

