

2003
Annual Report



“making
Your Dreams
come true”

Mission Statement

We are a committed dynamic and model financial institution operating on sound co-operative and business principles providing quality competitive financial products and services that engenders self reliance and financial independence in our membership.

CECU...

“making
Your Dreams
come true”



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

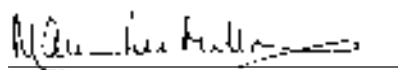
Notice is hereby given that the Fifty-first Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited will take place at the Lion's Cultural Centre, Fitzblackman Drive, Woodbrook on Thursday 18th March, 2004, at 5:00 p.m. for the following purposes:

1. To receive the reports of the Board of Directors, Committees and the Balance Sheet of the Credit Union for the year ended 31st December 2003.
2. To elect officers
3. To appoint Auditors
4. 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 order

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 31st December 2003
with comparative figures for 2002

	2003	2002
TOTAL ASSETS	\$84,798,992	\$72,707,953
SHARES	\$58,088,583	\$52,173,917
LOANS	\$53,718,455	\$51,446,020
NET INCOME	\$4,882,257	\$4,360,791
TOTAL EXPENSES	\$2,750,724	\$2,489,811
DIVIDENDS	7%	8%
MEMBERSHIP	4,545	4,262
STAFF	12	11

Auditors:

PriceWaterhouseCoopers
11-13 Victoria Avenue
Port of Spain

Solicitors:

Mr. Bhan Ramcoomarsingh

Attorney At Law
Suite 312, Park Plaz
St. Vincent Street
Port of Spain

Mr. Joseph Toney

Attorney At Law
#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 51st Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited held on Thursday 20th March, 2003 at 5:00 p.m. at the Lion's Cultural Centre, Fitzblackman Drive, Woodbrook.

CALL TO ORDER

CECU's President and Chairman of the proceedings, Mr. Emil de la Grenade, called the meeting to order at 5:15 p.m. 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.

Elizabeth Raphael, General Manager, opened the meeting with prayer which was followed by the National Anthem and one minute's silence for those departed.

NOTICE OF THE MEETING

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

OPENING REMARKS

The Chairman welcomed the gathering and more particularly the distinguished guests.

Mr. de la Grenade noted the significance of the year 2002 and drew reference to the two major 50th Anniversary celebrations.

The first, on October 27th, involved the entire membership at a family day at the WITCO Sports Grounds. Over one thousand members and their families participated. CECU was especially appreciative that Culture and Tourism Minister Penelope Beckles took time out of her busy schedule to attend.

The second event commemorated all the officers who had served the Credit Union, on a voluntary basis, over the years. Former President of Trinidad and Tobago, Mr. Arthur N. R. Robinson, and Mrs. Robinson graced CECU with their presence on December 5th. It was noteworthy that eighteen credit unions from the Credit Union Movement came out to congratulate CECU on its 50th Anniversary.

Mr. de la Grenade cautioned that, while 2002 had been successful in many ways, the membership should be aware of the Board's concern with regard to CECU's ability to pay a dividend of 8%. The financial sector had not been able to generate high interest rates in investments in Trinidad and Tobago and payment of 8% may not be maintained in the near future.

Nevertheless, CECU had embarked on an exercise to improve its general assets during 2003. That proposal involved three major organizations: CUNA Mutual, Neal & Massy (N) Credit Union and the Canning's Employees' Credit Union.

During April, the Credit Union would take time off to review all its operations, consolidate past achievements and plan for the future. This would require the Directors and Members of the sub-committees to generously give much more of their time than in the past.

On the subject of the tax rebate, Mr. de la Grenade mentioned that in the last meeting,

on 21st March 2002, he had spoken about the \$2,500 tax rebate and he said then that the Credit Union Movement should initiate some move to restore it. The Government provision of \$10,000 per year as the tax rebate for those members who would have purchased shares to that amount was "beyond his wildest imagination". This offered a window of opportunity that the Movement should embrace. A resolution was further proposed at the League's General Meeting to strengthen the units by observing the highest possible integrity and core values.

Mr. de la Grenade expressed his thanks to the Government on behalf of CECU for having selected Ms. Raphael, CECU's General Manager, as Chairperson of the National Enterprise Development Company. Such an appointment spoke well for CECU and expressed congratulations and a pledge of support, on behalf of the credit union, to Ms. Raphael.



Maria Mc Millan
Secretary

The Chairman reported that the Credit Union continued to strengthen its relationship with the Neal and Massy Credit Union and TECU by having discussions that would benefit both organisations in order to achieve a satisfactory alliance.

In closing, Mr. de la Grenade thanked the Board of Directors, particularly the Vice President of CECU Mr. Govind Maharaj and members of the various sub-committees for their support. He also wished to particularly thank the General Manager and the entire staff of the Employees' Credit Union for their commitment and loyalty to the organisation. Without that commitment, the success of the Credit Union would not have been possible. Mr. de la Grenade invited the Commissioner of Co-operatives, Mr. Keith Maraj, to deliver the keynote address. Mr. Maraj was deputizing for the Minister of Labour & Small and Micro Enterprise Development, the Honourable Lawrence Achong.

FEATURE ADDRESS:

Mr. Keith Maraj, Commissioner of Co-operatives, conveyed the Minister's apologies because of certain constraints and that he wished the 51st Annual General Meeting every success.

He drew reference to the bombing of Iraq which would undoubtedly have serious consequences in the short-term and inevitably would affect travel, supplies and prices.

While he did not know how long the war would be, it would surely change the financial equation from yesterday.

He suggested looking at the stock markets where they would see that there were companies already in a "tail spin". Against that background, he presented Minister Achong's address.

Minister Achong wished to apologise, first of all, for his absence at the 50th Anniversary Awards function held in December last year, since certain pressing engagements, which required his immediate attention, forced him to miss a most excellent function. At that point, Mr. Keith Maraj endorsed Mr. Achong's

statement because, he too attended the function and found that it was excellent and congratulated all the awardees, recipients of awards and the founding members of the Credit Union.

In extending belated congratulations on CECU's dedication and commitment to the financial well being of its membership over the last half-century, he singled out Mr. Thomas Rampersad among the pioneers who had started it all.

The Minister expressed the view that CECU, under the distinguished leadership of Mr. Emil de la Grenade, had performed remarkably well over the last financial year. There had been growth in every department, reflected in an overall increase in total assets from \$63,000,000 to \$72,000,000 (Trinidad and Tobago dollars) or growth of 15% from the previous year. If one looked at the incremental growth in our National economy, it is obvious that 15% was a really high growth figure.

With regard to the 8% dividend on shares, Mr. Lawrence noted that the ability to declare such a dividend in a financial environment characterized by high liquidity and low interests rates, was a reflection on the quality of CECU's leadership. Even more impressive was the fact that Canning's still lends at 1% per month on the unpaid balance.

He noted the mix of the CECU's investment portfolio and community activities, aimed at widening and deepening its financial and social base so that members could enjoy a better quality of life. He recognized that there was a wealth of talent, knowledge, experience and expertise in leadership and management of the Credit Union, which had, over the last 50 years, brought the Credit Union into the mainstream of the financial services institutions in Trinidad and Tobago. It was a widely held view

that, given the present growth of the financial growth and financial performance, CECU will continue to be a major player among the best in the financial market place.

In this regard, it was commendable that CECU had positioned itself to meet the challenges of the new realities of the liberalized financial environment. He was confident that the CECU's present initiatives would further propel the leadership to explore, more aggressively, all options available in the financial market place, which would redound to a better quality of life for its membership. It was imperative that the Credit Union continue to examine ways to refine and enhance the level of services provided to its membership to strive to be a leader in pioneering new products to excite the needs of the market place.

Government, he said, had embarked upon a series of measures to alleviate the social and economic difficulties, especially faced by those at the lower end of the economic ladder. As such Government had decided to return the tax incentives for savings in Credit Union and Co-operative Societies to the extent of \$10,000 per year. This, he stated, represented an increase of \$7,500 for the tax incentive of \$2,500 of a few years ago. This measure would undoubtedly attract many new members as well as increase the contributions of existing members.

The Movement must prepare itself for that enhanced flow of funds through an enlightened approach to investments, lending and commercial business activities. He further expressed the view that there had to be sound management practices, financial and accounting discipline and the establishment of acceptable prudential standards in the operations of the credit unions. Mr. Achong pointed out that the Movement had grown exponentially especially over the past few

years. The Commissioner continued to have the undaunted task of supervising that Sector with outdated legislation enacted since 1971.

Mr. Lawrence reported that the Government was committed to bringing modern and enlightened legislation early to parliament to enhance the quality of supervision and at the same time giving the Movement the autonomy and flexibility to grow and develop to its full potential. The draft bill was circulated to the Credit Union Movement for comment and he hoped that the Canning's Credit Union would take the opportunity to put forward its views for transforming this sector.

The proposed establishment of the Co-operative Development Bank, as articulated in the budget speech by the Honourable Prime Minister, was expected to address many of the financial challenges faced by the Movement itself. It should also provide a window for financing the development of small and micro-enterprises.

The Credit Union Movement provided an avenue for achieving mutual security through community action and contribution. He believed that laudable concept would be the anti-thesis of such undesirable habits as chronic dependency on others to provide for "our" needs. This concept emphasized instead the virtues of self-reliance and self help together with other values of equity, honesty and responsibility, among others, which set the Movement apart from other organisations.

He explained that, "We have come to realize that liberalization, privatization and globalization have become the philosophy and driving force of the new business culture and have begun to dictate the conduct of business in industry and commerce in both the developed and developing countries. This must reflect the way we relate to our social partners and how we posture ourselves in the international financial market place."

Mr. Lawrence explained that the shift from protectionism to liberalization had serious implications for the financial service institutions especially the Credit Union system where the traditional membership now had a choice of savings and credit opportunities.

Survival in the industry demanded a level of efficiency that was different from our traditional business culture and business structure. The viability therefore of credit unions depended on their capacity to address readily to market demands. He noted that the ability of Co-operatives to effectively position themselves in the market and to recognize the dangers of complacency would either result in future successes or failures of the Movement to maximize the vast opportunities this new era presented.

Mr. Lawrence pointed out that this sector must also concern itself with membership and public



Elizabeth Raphael
General Manager

In that context, members were informed that the Government and Movement would engage in widespread and meaningful consultation before any step was taken in that regard.

awareness, information, training, marketing, product enhancement and innovation, quality service to its membership and sound investment policies, among others.

CECU possessed the level of resources and skills to address those issues and to provide guidance to the rest of the Movement in creating a sound and stable financial environment. He noted that the transformation of the credit union system required a change in the mentality of members to focus their attention on the needs to build a strong and viable organisation rather than obtaining easy credit at less than market rates. He stated that due to certain factors inherent in the society, a significant number of members only saw the Co-operative Movement as a means of obtaining easy credit and tax relief rather than an institution, but if developed to its full potential could play a major roll in transforming the economic well-being of its members and, by extension, the community and society.

He cautioned that the philosophy and principals upon which this great Movement was built must not be lost in the push for higher dividends and profits. The moral and ethical values must be the basis upon which all decisions were made.

Mr. Achong explained that the transformation of credit unions as financial institutions of first choice could not happen over night. It was important that the leadership of the institution and all stake holders continue to build and maintain confidence in the Co-operative Movement through the implementation of financial and organizational discipline insisting on developing and maintaining prudential standards of performance to build an institution they could all be proud of.

In closing, the Honourable Minister expressed his thanks, to the Canning's Credit Union for the opportunity to share his thoughts with the Meeting and wished them, all the best, as they go about their endeavours, in providing a better quality of life for its membership and the wider community. He then extended best wishes for a successful 51st Annual General Meeting.

VOTE OF THANKS

Mr. Govind Maharaj, Vice President, moved the vote of thanks to the feature speaker, Mr. Keith Maraj, deputising for the Minister of Labour & Small and Micro Enterprise Development. It was probably provident, he said, that one 'Maraj' was thanking another, a good omen for the evening.

He took cognizance of Mr. Keith Maraj's commendation of the Credit Union on its strong financial performance and the talent, knowledge, expertise and experience in the leadership. He then thanked the Honourable Minister, Mr. Lawrence Achong through Mr. Keith Maraj, for the tax incentive provided to Co-operatives of \$10,000. He stated that the Credit Union was grateful for that and looked forward to further incentives in the future. Those incentives would go a long way to building the savings base in the Credit Union and to achieving the stated aim, as he mentioned, of the potential of the Credit Union Movement of the development of the country.

He gave the assurance that the Credit Union may rise to meet the challenges that he had described that were going to be ahead in the liberalised financial environment. He thanked the Commissioner for his unstinting support to the Credit Union specifically over the years and for taking time off to address the meeting and to participate in the 51st Anniversary.



ACCEPTANCE OF THE ANNUAL REPORT

The Annual Report was moved by Sean Clarke and seconded by Junior Dhoray with all in favor.

PROCEDURE OF THE MEETING

The Standing Orders

The meeting moved the acceptance of the Standing Orders on a motion moved by Ignatius Blandin and seconded by John Scott.

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, Mrs. Deanne Simpson, Mr. Francis Camacho and Ms. Judy Tardieu. The count was supervised by and a representative of the Co-operative Department.

The scrutineers for the Board and Credit Committees were: Ms. Lenora Marshall, Ms. Helen Blackman, Mr. Bislam Ramroop, Ms. Jennifer Williams, Mr. Abfzal Ali, Mr. Keston Hamlet, Ms. Denise Barton and Ms. Patricia White.

MINUTES OF THE 50th MEETING

The Minutes of the 50th Annual General Meeting were to be found on pages 7-21 of the annual report . It was moved by Pearl Lopez and seconded by Calvin Francis.

There being no matters arising, the Chairman advised that there were 233 members present at the meeting and turned his attention to introducing and welcoming the guests present: Mr. Gary Cross of Eastern Credit Union, Mr. Larry Hackshaw, Mr. Anthony Hall -

CEO of CUNA Mutual, Mrs. Rona Ince, Mr. Keith Maharaj - Commissioner of Co-operatives, Ms. Reshma Mahase the representative from the Price Waterhouse Coopers, Mrs. Grace New, Mr. Donovan Palmer - Teacher's Credit Union, Mrs. Soonardaye Soonilal - from the Co-operative Department, Mr. Ricardo St.Cyr from Nedco, Mr. and Mrs. Pernel Welch, Mr. Joseph Lord - President, Neal and Massy (North) Credit Union and the Board of Directors, Mr. Ronald Peters - President of the Neal and Massy South Credit Union.

Apologies were received from the Honourable Mr. Lawrence Achong - Minister of Labour & Small and Micro Enterprise Development, Mr. Joseph Teixeira, Mr. Robert Mayers, Mr. Maurice Quesnel, Mr. Michael Marshall, Mr. Ronald Jones, Mr. Brendan Costelloe, Mr. Brian D. Hewitt, Mr. and Mrs. Thomas Rampersad, Mr. Clary Benn, Mr. Richard Thomas and Mr. Bernard Dulal-Whiteway - CEO of the Neal and Massy Group.

BOARD OF DIRECTORS REPORT

The Chairman then 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 Ms. Sheila Chaves and Mr. Charles Gill respectively.

MATTERS ARISING

Amalgamation with Neal & Massy (North) Credit Union

Mr. Blandin asked for an update with respect to the merger between Canning's Credit Union and the Neal and Massy (North) Credit Union. Mr. de la Grenade responded that both credit unions were trying a different strategy to get to know each other much better. The first step was inviting the entire N&M Board to CECU's AGM and vice versa, theirs taking place on Saturday 23rd March,

2003. He explained that both presidents were constantly in touch with each other. They were also considering a massive exercise that would bring them even closer together.

BUYING OVER OF A BARBADOS BANK

Mr. Blandin stated that he saw where there was supposed to be the buying over of "some Barbados Bank" by the Republic Bank. He then put the challenge to Mr. de la Grenade to find out which one was going to be completed first. Whether the bank arrangement would be finalized first or the Canning's Employees' Credit Union will merge first. He stated that that was the challenge to both Credit Unions. Mr. de la Grenade responded by stating that he heard his statements and he would take note.

THE NEW BUILDING

Mr. Ignatius Blandin stated that he saw Mr. de la Grenade, as the Chairman of the Building Committee, he then asked him to tell the Meeting what was happening on the committee, with respect to the building. In response, Mr. de la Grenade reported that they had been examining all the "thoughts" and they had been in touch with some of their architects, who would put before them certain proposals that would be made known to the members in due course.

Mr. Blandin wanted to know if a decision was made to have a new building, would the Canning's Credit Union bear the full cost of the building because he had an idea in his mind that he would have liked to be made known. Mr. de la Grenade informed Mr. Blandin that he was welcomed to give the Credit Union knew ideas, which they would accept, at that stage.

Mr. Blandin wondered whether a company could be established, within the Credit Union, with Canning's Credit Union owning the majority of shares. Other Credit Unions

would then be invited to buy into the shares for the building and opening shares available to the members of the Credit Union so that this would be part of the Credit Union and Company. Mr. de la Grenade acknowledged Mr. Blandin's request and stated that he would pass it on to the Building Committee and he assured him that they would give it due attention when the time came.

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.

BUDGET

Projected Income and Expenditure

Ms. Elizabeth Raphael, General Manager, presented the Budget for the Fiscal Year ending 31st December 2003, by the Chairman.

With respect to income she informed the meeting that CECU projected revenue to the tune of \$7,370,102 which represented a 7.59% increase over the actual figures for 2002. She pointed out that the trends over the last three years showed that in 2002 there was a 6.6% increase over 1999. In 2001 there was an increase of 2.30% and in 2002 there was an 8.39% over 2001.

LOANS INTEREST

Ms. Raphael reported that CECU projected loans received to the tune of \$6,030,000 and the average yield on loans during 2002 was 10.5%. Members were informed that CECU was projecting a loan balance of 57.4 million at year-end and assuming similar returns to 2002. She further explained that the earnings and loans portfolio should be attainable.



INVESTMENT PORTFOLIO

The General Manager explained that the investment income of \$1,102,102 represented reduced earnings as a result of the market being very liquid, rates declining on fixed deposits and UTC investments. She also stated that although they anticipated an increase in the investment portfolio of approximately \$6,000,000, for reasons previously alluded to, they were projecting a decrease of some \$120,000.

MORTGAGE MANAGEMENT FEES

With respect to the mortgage management fees, she stated that that represented earnings from the portfolio managed for the National Insurance Board with an average income of \$5,000 per month. Also on the investment income, Ms. Raphael pointed out that the projected income of \$1,102,102 would be realized from dividends on stocks calculated on earnings ranging from 25 cents to 60 cents per share. Some \$160,000 was anticipated in that area.

UTC INVESTMENT

The Meeting learnt that with respect to the UTC second scheme, management projected an average balance of 13.5 million calculated on an average effective rate of 6.2% to earn \$772,000, in that area. Ms. Raphael explained with respect to the UTC US dollar investment - based on an effective rate of 5.2%, CECU anticipated some \$77,367. The returns from other small investments should realise around \$71,708.

RENT

It is expected that \$78,000 will be earned from the rental of the property at 10 Victoria Avenue and also rental of their Boardroom facilities. She explained that the sundry revenue of \$100,000 would be derived from commissions from CUNA, Unit Trust Corporation and the Trinidad and Tobago Mortgage Finance

Company. Ms. Raphael conveyed that the Board considered the increase of 7.5% to be conservative and attainable.

EXPENSES

With respect to the CECU's expenses a 7.48% increase in personnel cost was projected along with a miniscule 2.11% in administrative costs. Ms. Raphael reported that there was a sizable cost of \$253,294 in 2002, with respect to the 50th Anniversary celebrations, which would be eliminated in 2003.

The Meeting learnt that 2002 was an exceptional year and that cost covered a lot of the marketing initiatives such as the sports and family day, the awards function and other social functions which marked their 50th Anniversary.

Ms. Raphael pointed out that all other expense items would be closely monitored so as to achieve maximum returns. A net increase of 9.68% was projected in gross earnings. It was also reported that the net surplus after allocating the statutory reserves was expected to be \$4,184,854, an increase of \$369,162 or 6.98% over 2002. Ms. Raphael informed members that some four years ago, loan interest rates were liberalized. CECU's Board adopted a stand that it would not increase its interest rates on loans and held to the traditional rate of 1% per month on the declining balance, which works out to an effective rate of approximately 6.5% per annum. Notwithstanding that decision, it had been able to maintain an 8% return as dividends to the members over the last five years.

She explained that internationally, economies remained sluggish and falling interest rates and lower yields and investments had presented challenges to management. She further

explained that recent developments with respect to the war in Iraq would further affect our influence, economic trends negatively. Ms. Raphael conveyed that in that view the Board would continue to be prudent in the management of the institutions. She noted that expenses would be closely monitored but even in the light of prudential measures undertaken, CECU may not be in a position to maintain the 8% return to which members have grown accustomed.

Ms Raphael cautioned that "our operation is not isolated from any negative impact or fluctuation that the financial industry may experience." As a consequence, while there could be some adjustments to dividends in the future, CECU guaranteed the soundness of the organisation, the safety of funds and the usual high quality of its service to the members that are the hallmark of the Canning's Employees' Credit Union.

The Budget was accepted by Mary Fullerton and seconded by Amanda Raeburn with all in favour.

CREDIT COMMITTEE REPORT

The report of the Credit Committee was adopted by Terri Ann Brathwaite and seconded by Henry Marcial.

Mr. de la Grenade referred to the Credit Committee report on page 49. He proceeded to state that Mr. Calvin Francis was the chairman, Mr. John Scott was the secretary, Mr. Junior Dhoray, Mr. Glen Piontkowski and Ms. Rosemary Ayres were members, and the alternates were Randolph Austin and Kenny Reyes.

The Meeting was informed that the full details of the report were laid out. In all 44 meetings were held and the report indicated that there was an excellent attendance. At that point the Chairman called on the members to vote

so that the counting of the various ballot boxes could begin.

The chairman pointed out that page 50 gave the demographics of the committee. What was important was that 5453 were approved, 27 were not approved the total being 5480 and the report was signed by Calvin Francis and Mr. John Scott.

Mr. Blandin congratulated Ms. Rosemary Ayres on her 100% attendance to the Credit Committee Meetings. He referred to page 34 where the attendance of the members of the board was recorded and wanted to know the reason why Mr. Lewis only attended three meetings out of 6 and he is seen prominently on almost every page of the report. Mr. de la Grenade assured Mr. Blandin that the reason why Mr. Lewis could not attend was because his duties called for him to be out of the country. Mr. Blandin asked if Mr. Lewis could not have been excused. Mr. de la Grenade informed Mr. Blandin that he did make an excuse on each occasion. Mr. Blandin stated that they were not recorded. Mr. de la Grenade responded by saying that it should be corrected.

Mr. Blandin stated that "we" could look forward, therefore, to seeing Mr. Lewis if he is voted back onto the Board to attend 100% next year to make up for what he missed this year. Mr. de la Grenade responded by stating that with Mr. Blandin's vote he is sure Mr. Lewis will be there.

THE SUPERVISORY COMMITTEE'S REPORT

The Report of the Supervisory Committee, referred to on page 52, was adopted by Jennifer Williams and seconded by Ingrid Nichols.

Mr. de la Grenade announced that there were 325 members present at the meeting.



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 2002 and that such dividends be credited to members' shares (in accordance with bye-law 25 Section (1)); Approved on a motion by Mr. John Hackshaw and seconded by Mr. Ian Lewis with all in favour.
- For appointment of PriceWaterhouseCoopers as Auditors for the 2002 term.

Approved on a motion by Mr. Kenny Jalsa and seconded by Ms. Carol Roberts with all in favour.

GREETINGS

Mr. Anthony Hall complemented the Canning's Employees' Credit Union by stating that form was temporary and class was permanent and he was sure that it was agreed that it had demonstrated its class in producing another year of successful results. He conveyed greetings on behalf of the managers of the CUNA Credit Union on the occasion of CECU's 51st Annual General Meeting and wished them success for another year.

With regards to the dividend, outlined by the General Manager, Mr. Hall encouraged the members to take full advantage of the offer being made by the Government to save as close as they could to the \$10,000 to achieve as high a tax credit as they could. He also noted that it might even be prudent to go on a campaign of borrowing to save.

He pointed out that if members added up their benefits as a credit union member, they would be maximising their dividends from the credit union and maximising their tax returns. Mr. Hall

explained that members would also continue to have their savings insured. In that regard he was sure that the credit union may even increase the maximum and of course the loans would also be insured. If they add that up then saving in the credit union would provide them with the best return in the current financial environment. Mr. Hall ended with a wish for an even better increase in savings than that predicted by the General Manager.

Dr. Winford James of the Credit Union League indicated that, in looking at the brochure, he was once again impressed by the performance of the Canning's Employees' Credit Union.

He noted that the Credit Union had grown in every area, as far as he could tell, and it had been able to maintain 8% in dividends. Mr. James pointed out that there was a general picture of growth over the last ten years, but especially in the last five years, and he saw that the Canning's Employees' Credit Union was a \$70,000,000 Credit Union. At that point he congratulated Mr. de la Grenade and the members.

Mr. James further informed that there were initiatives taking place in the Movement and invited the leadership of the Canning's Employees' Credit Union to participate in some of those initiatives. The Meeting learnt that one of the initiatives was the prospective conceptualization and development of what was being presently called a Community and Trust Merchant Bank. He explained that the Community and Trust Merchant Bank was being developed as a result of the Prime Minister's invitation to the Movement to come up with an institution that would truly enrich people in institutions such as the Credit Union Movement. Mr. James pointed out that this was because it had been recognised that the wealth of the country was not being spread as evenly as "we would like" despite the fact

that "we have had the Workers' Bank, Penny Bank and FCB."

He informed that there was a partnership at that moment between the Credit Union League, the Central Finance Facility, the Stabilization Fund and CUNA. Representatives of those organisations have been meeting to develop a proposal with respect to that Bank for presentation to the Prime Minister, hopefully by the end of the month.

In closing he expressed that he was happy to be at the AGM and continued to wish every success to the Canning's Employees' Credit Union.

Mr. Joe Lord wished the Canning's Employees' Credit Union all the success on its 51st Annual General Meeting, on behalf of the Neal and Massy (N) Credit Union. He stated with surety that CECU continued to grow from strength to strength and he was pretty sure that the future would be no different.

Mr. Lord gave a little word of encouragement to Mr. Blandin by stating that they have started to work from the bottom up. He further stated that they were hoping that, in the near future, they might be able to tell the Canning's membership and the Neal and Massy membership something that was pleasing to all.

He then asked the members of the Neal and Massy (North) Credit Union Board and Management to stand so that the meeting could see that they were committed and they would continue to make sure the best for both Credit Unions took place in the near future.

Mr. Gary Cross, President of the Eastern Credit Union thanked the Chairman for his kind invitation. He pointed out that the Eastern

Credit Union was, perhaps, one tiny step ahead of the Canning's Employees' Credit Union in the sense that they convened their meeting last Saturday, consistent with the statutory obligations that they must convene their meeting within three months of the audit. He added that that was just a tiny step ahead because CECU was way ahead in terms of performance.

Mr. Cross pointed out that CECU had declared a return of 8% while the Eastern Credit Union declared 4% dividend to their members and a 10% rebate interest rate, though the surplus position was quite good because it was close to \$19,000,000. So they had a long way to go in terms of meeting CECU, but they are working on it. He went on to commend the members because they were almost totally responsible for that kind of quality and that kind of dividend returns to themselves.

In his closing remarks Mr. Cross congratulated CECU and conveyed continued best wishes to the institution.

Mr. Ricardo St. Cyr representative from NEDCO said the following, "All I kept thinking when I came in here, I said now I understand why the Senator, Mr. Conrad Enill, when he called me late an evening he said, "don't worry we have the right chairperson for you." I said, "What you mean by that?" He said, "She is one of us. She understands your sector." I said, "Okay, what organisation?" He said, "Canning's Credit Union." I said, "Oh yeah, I heard about them." In four weeks, you should know, we have had three Directors' meetings and all six committees have met. Not during your normal working hours, mind you, so we did not take her away from you. All into the night, midnight at times, she was generous, she allowed us to have dinner. But I am sure, seeing what her contribution has been and that the history of your organisation behind her, would assure that NEDCO will continue to experience great success."

Mrs. Welch brought greetings from the Huggin's Credit Union and expressed that it was enlightening to see how CECU was.

She explained that each year she attended it was really heartening to see how they were progressing and wished to congratulate everyone on a job well done. Mrs. Welch hoped that she would get an invitation next year again, maybe to carry some of the good things that CECU was doing to the Huggin's Credit Union.

The meeting was informed that the Huggin's Credit Union was trying to become part of the Canning's Employees' Credit Union "family" but that "matrimony" could not come about at that time. She further stated that they could not "match your money" so they were merging, hopefully later in the year, with the Harriman's Credit Union and then maybe they would be able to "match your money" and move forward.

In closing she wished CECU all the best.

CREDENTIALS COMMITTEE

The Chairman informed that there were 402 registered persons attending the meeting.

Elections

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

Pearl Lopez	260 votes
Dian Lopez	266 votes
Roy Mahabirsingh	169 votes
Felix Edwards	161votes (alternate)

Declined nominations:

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

Calvin Francis	278 votes
Glen Piontkowski	258 votes
John Scott	240 votes
Junior Dhoray	271 votes
Rosemary Ayers	205 votes
Carl Phillip	205 votes

Declined nominations:

The Chairman asked that both Rosemary Ayers and Carl Phillip attend the next Credit Committee Meeting where they would toss a coin at that meeting.

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

Terry-Ann Brathwaite	231 votes
Carol Roberts	223 votes
Ian Lewis	191 votes
Sean Clarke	174 votes

The first alternate is Mr. Orlando Lopez and the second alternate is Ms. Mary Fullerton. Ms. Christine Sahadeo also got 95 votes.

RESOLUTION FOR DESTRUCTION OF THE BALLOTS

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

DOOR PRIZES

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

Mr. Trevor Howell apologized for not having an "award hamper" to be won whereby the guests were asked to look under their seats to get a prize. As a result they went straight into the door prizes. Prizes were given out which were won by the following numbers: 394, 380, 10, 169, 141, 431, 396, 9, 164, 356, 434, 134, 50, 189, 145, 82, 163, 140, 127, 146, 86, 363, 237, 112, 213, 399, 106, 77, 107, 142, 74, 52, 135, 198, 41, 367, 111, 48 and 379.

VOTE OF THANKS

Ms. Terri Ann Brathwaite expressed thanks to God for allowing CECU another successful year and allowing them strength and guidance. She referred to Mr. Maraj's statement that the Credit Union operated on the basis of integrity and it was following the guidance of God and that was why they were allowed to be as successful as they were.

Thanks were given to all the specially invited guests for attending and expressing their kind sentiments. She conveyed that it was appreciated greatly and it gave the Credit Union sustenance to continue in the way that they have for the past year. The Directors and Committee Members were thanked for their yeoman service over the years.

There were a lot of people who walked away better at the end of the day and that was as a result of the generous donations of the door prizes from companies such as: HiLo Food Stores Nationwide; Caribbean Bottlers Trinidad Limited; The Boss Stationary; Personal Solutions and Concepts Limited; Rotoplastics; Lever Brothers West Indies Limited and St. James Colour Shop.

The hardworking staff of the Canning's Employees' Credit Union was paid a special recognition by all present for their hard work and service.

The sponsors and associated companies were thanked for their continued support in making sure that the members remained disciplined and continued to contribute.

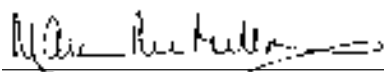
Thanks were extended to the press, the photographer Mr. Duncan, Caribbean Paper and Packaging Limited, the artist Illya Furlonge-Walker from Form and Function Design and Alvon of Vonline Art Services and the sound system technicians. Also mentioned were the caterers 'Sea View', the security provided by Securicor and Guardia Wackenhut Services, the florist 'The New Dimensions Company', P&S Rentals for the supply of tables and chairs and the Management of the Lion's Cultural Club for allowing the use of their facilities on this occasion. Special thanks were extended to the members because without them there would be no Credit Union.

Mr. Blandin gave special thanks to the members of the Board, the members of the Credit Committee, the members of the Supervisory Committee, the members of staff and all the other members who have served on all the other committees during the year.

He pointed out that for CECU to pay 8% dividend "in these hard times" when banks were paying 5% and 6%, to increase membership to 7.2%, to increase its share capital by 12.1%, to increase its total assets by 14%, to arrange two major functions was no mean feat. He further stated that all of what was done by the members of the committee was done out of love, for the Credit Union. He recalled last year that he opened up "some kind of door" so that Mr. de la Grenade could have "some form of honorarium" and he noticed that that was not taken up. He went on to give a very special thank you and show of appreciation especially to the members of the committees. Mr. de la Grenade thanked Mr. Blandin and stated that he thought that that was even better than money - the appreciation of the fact of all the work that they have done.

TERMINATION

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



Secretary
Maria Mc Millan

Board of Directors

- a.Elizabeth Raphael-General Manager
- b.Govind Maharaj-Vice President
- c.Maria Mc Millan-Secretary
- d.Emil de la Grenade- President



Directors:

e.Trevor Howell

f.Orlando Lopez (Alternate)

g.Carol Roberts

h.Ian Lewis

i.Terri Ann Brathwaite

j.Kenny Jalsa

k.Sheila Chaves

l.Calvin Francis

m.Charles Gill.

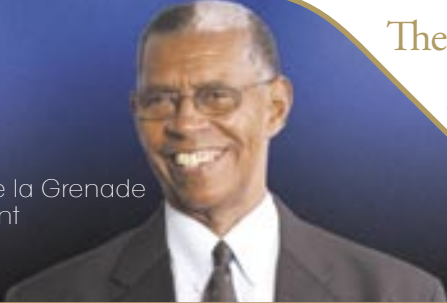
Sean Clarke

Mary Fullerton(Alternate)



Report of the Board of Directors

Emil de la Grenade
President



The Board of Directors is very pleased to present its report on the operations and performance of the Society for the financial year ended December 31, 2003.

In the midst of global uncertainties, under the threat of terrorist attacks and suicide bombings, the local economy recorded an impressive 6.7% increase in economic activity and growth in the energy sector of 9.5%.

During the latter part of the year; the Central Bank of Trinidad and Tobago reduced the Commercial Banks' primary reserve requirement by four per cent (4%) to fourteen percents (14%). This coincided with the elimination of the secondary requirement of five percent (5%). The result has seen high liquidity in the financial services sector reflecting a decrease in the prime lending rate from 11.25% to 9.5%. This situation presented a real challenge for the Credit Union sector, nevertheless, CECU rose to the occasion and ended the year with impressive operating performances in all the critical areas.

This speaks volumes for the dedicated commitment of our board and committees, Management team, Staff and without doubt our faithful members.

BOARD OF DIRECTORS

The Board of Directors that served the society following the 51st Annual General Meeting comprised the following:-

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

The Board met regularly to conduct the business of the society in compliance with byelaw 18 (v). A total of ten (10) meetings were held over the period April 3rd 2003 to January 28th 2004.

A record of Directors attendance is summarized in the following schedule:

ATTENDANCE				
NAMES	POSITION	POSSIBLE ATTENDANCE	ATTENDED	EXCUSED
Emil de la Grenade	President	10	10	0
Govind Maharaj	Vice President	10	9	1
Maria McMillan	Secretary	10	9	1
Sheila Chaves	Ass. Secretary	10	7	3
Kenny Jalsa	Director	10	7	3
Calvin Francis	"	10	9	1
Ian Lewis	"	10	5	5
Sean Clarke	"	10	7	3
Trevor Howell	"	10	9	1
Terri Ann Brathwaite	"	10	4	6
Carol Roberts	"	10	7	3
Charles Gill	"	10	8	2
Mary Fullerton	Alt. Director	10	3	7
Orlando Lopez	Alt. Director	10	6	4

In the conduct of its affairs, the Board was ably assisted by a number of sub committees as detailed hereunder:

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

PERFORMANCE INDICATORS

Membership

During 2003 three hundred and ninety six (396) new shareholders were admitted which brought the membership to four thousand, five hundred and forty five (4,545) an increase of two hundred and eighty three (283) or 6.64% over the previous year. There were one hundred and nine (109) resignations and seven (7) deaths over the period.

It is encouraging to note that the employees of five (5) new companies opted to join CECU. They were:-

NEW MEMBERS

BHP Billiton
 Rostant Advertising
 Bob Gopie & Associates
 Micon Marketing
 NEDCO

There has been an ongoing effort by the Marketing Department to increase our members and perspective members awareness of the Credit Union's history, philosophy and range of services offered. The composition of the membership at year end was as follows:-

MEMBERSHIP

	2003	2002
Employees'	1,581	1507
Relations	739	692
Ex employees'	2,225	2063
TOTAL MEMBERSHIP	4,545	4262

SHARES

The share balance grew by Five Million, Nine Hundred and Fourteen Thousand, Six Hundred and Sixty Six Dollars (\$5,914,666) or 11.33%.

This growth is attributed to the excellent return that is paid in the form of dividend, the tax incentive that was re introduced during fiscal year 2003 and the opportunity to use shares as security for loans.

DEPOSITS

The deposit portfolio increased by One Million, Six Hundred and Sixteen Thousand, Nine Hundred and Six Dollars (\$1,616,906) or 51.78% over the previous year.

The growth attained in the shares and deposit portfolio was primarily due to the increased awareness of the organization as a viable alternative to the traditional deposit taking institutions in the market and the growing confidence of our membership in their Credit Union.

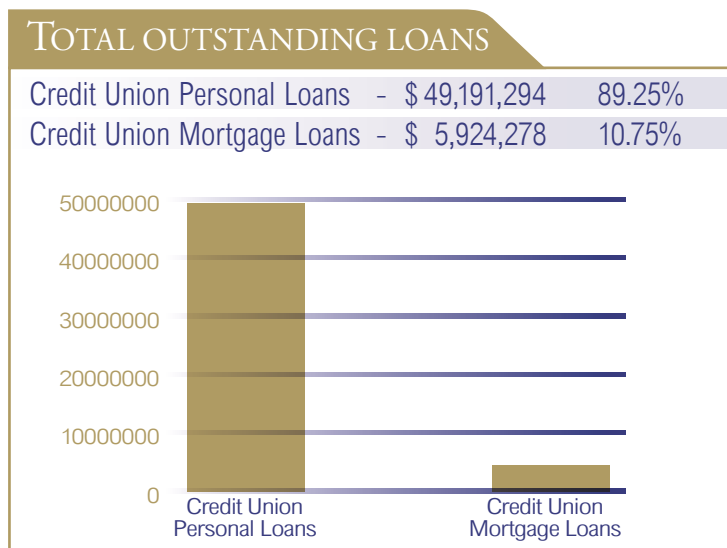
LOANS

Loans continue to be the largest asset item and in 2003 accounted for 63.35% of total assets and recorded a **6.9%** growth over 2002 figures. Whilst we maintained our relationship with the Trinidad and

Tobago Mortgage Finance Company and the Home Mortgage Bank for Mortgage Financing for our members, the Board at its strategic planning forum, took a decision to re-introduce short term mortgage financing for periods not exceeding ten (10) years. This category experienced a 64.9% increase over 2002.

In September 2003, the National Insurance Board in keeping with its mandate to phase out all its mortgage lending agencies, recalled our portfolio. This process started some twenty one (21) years ago, and whilst new funds were not injected, CECU continued to manage the loans disbursed on behalf of the Board of Management.

During the last twenty one (21) years, CECU has built a strong relationship with the National Insurance Board and has also broadened and deepened its capability in the financial services industry by being the only Credit Union to be appointed an agent for the National Insurance Board. We sincerely acknowledge the cordial and mutually rewarding relationship shared between the two organizations over the years.



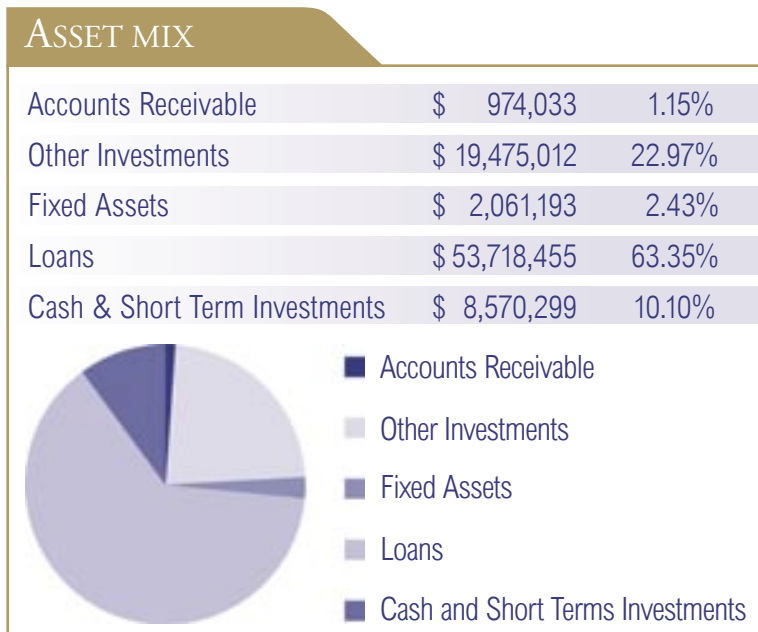
The Delinquency control department is consistently pursuing measures to counter this situation. The current strategies being employed to reduce delinquency are as follows:-

- More systematic and aggressive follow-up on delinquent accounts
- Speedy disposal of securities
- Rescheduling of loans
- Timely delinquency reports

The sum of Three Hundred and Seventy Five Thousand, Seven Hundred and Forty Dollars (\$375,740) representing principal and interest payments was received. The current value of delinquent loans amounts to three million, three hundred and seventy thousand, one hundred and fifty one dollars (\$3,370,151). Shares held by members who are delinquent total Two million, and sixty two thousand, two hundred and seventeen dollars (\$2,062,217), leaving a net exposure of One million, three hundred and seven thousand, nine hundred and thirty four dollars (\$1,307,934) or 2.37%. This exposure is fully provided for in the accounts.

ASSETS

Total assets as at December 31, 2003 amounted to eighty four million, seven hundred and ninety eight thousand, nine hundred and ninety two dollars (\$84,798,992), an increase of thirteen million, three hundred and eleven thousand, one hundred and forty dollars (\$13,311,140) or 18.62% over the 2002 figures.



Significant increases were recorded in the loans portfolio 6.9% and investment portfolio. This category experienced a 77.77% increase as Management endeavoured to spread its risk and increase its returns on investments.

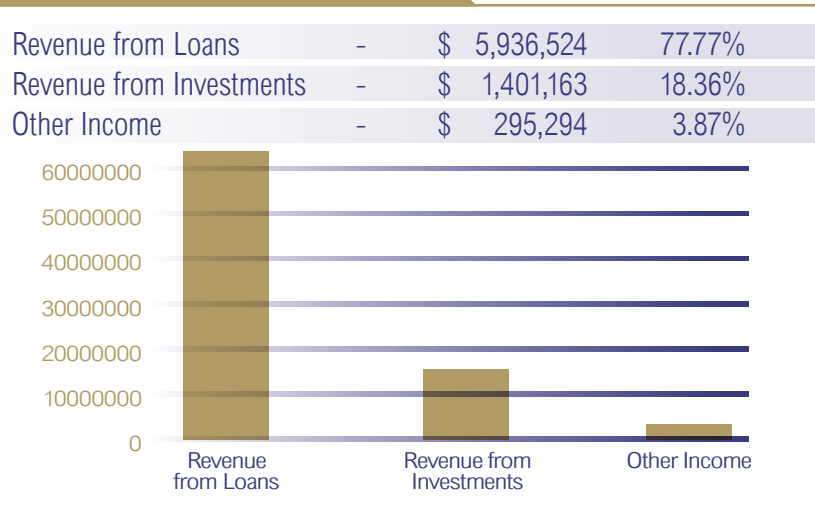
REVENUE

There has been an overall 11.4% increase in gross income and a corresponding 10.4% increase in expenses over the 2002 figures. The main factors impacting the increase in expenses were:-

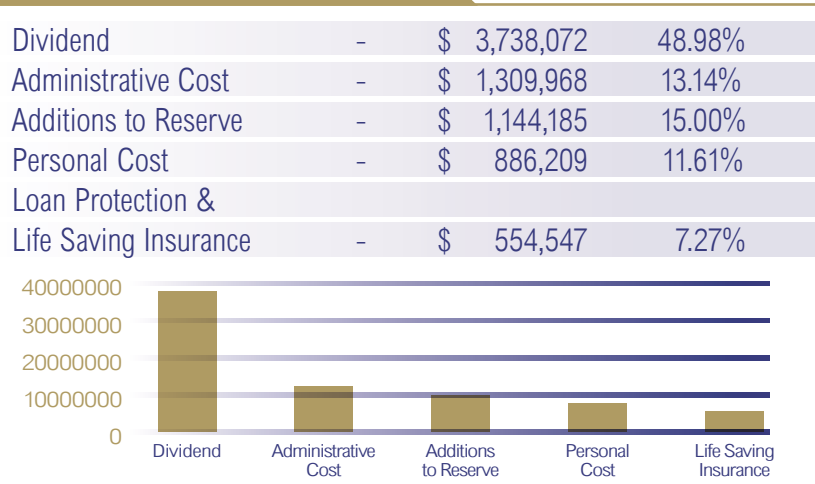
- Bad debt provision
- Cuna insurance premium
- Insurance
- Interest on members fixed deposits
- Marketing
- Salaries and wages
- Meetings and seminars

Notwithstanding this, an 11.9% increase in net revenue, was recorded. The limited avenues for investment opportunities and the increasing fixed costs are some of the issues that challenge the board to find new ways to generate greater income pools whilst endeavouring to keep expenditure down.

SOURCES OF REVENUE



USE OF REVENUE



DIVIDENDS

The net surplus for the year after statutory allocations, amounts to four million, two hundred and seventy one thousand, nine hundred and seventy four dollars (\$4,271,974). Your Board proposes a 7% dividend on fully paid up shares on register at 31st December 2003.

The sum of three million, seven hundred and thirty eight thousand, and seventy two dollars (\$3,738,072) will be returned to members.

Prudential management dictates that a portion of our surplus should be retained as institutional capital, and in this regard five hundred and thirty three thousand, nine hundred and two dollars (\$533,902) would be credited to our retained earnings account.

HUMAN RESOURCE DEVELOPMENT

The Board of Directors is proud of the efforts made to enhance the Human Resources of the Credit Union. Members of staff are encouraged to enhance their skills to aid in the personal and professional development and financial support is given upon successful completion of the course of studies.



Congratulations must be extended to Linda Mentor (Recoveries Officer) and Antonia Benjamin (Confidential Secretary) on their recent achievements. Linda pursued a programme leading to an Associate Degree in Human Resource Management, from the Cipriani College of Labour and Co-operative Studies whilst Antonia Benjamin graduated from Roytec with second place honours in the Certificate in Management -Administrative Professionals.

Additionally, through our participation in conferences sponsored by the World Council of Credit Unions (WOCUU) and the Caribbean Conference of Credit Unions (CCCU) directors and management are provided with opportunities for networking with our International counterparts as well as gaining additional insights into challenges encountered and development being made by societies regionally and internationally.

MARKETING

With its mission being a dynamic and model financial institution Canning's Employees' Credit Union was able to see yet another very successful year, as the company moved into 51 years of operation. Several events took place during the year whereby we were able to educate, inform and mobilize our membership.

AWARD - MOST IMPROVED FINANCIAL PERFORMANCE MEDIUM CATEGORY

Thursday 16th October 2003, was indeed a very special night for all credit unions especially CECU as the Credit Union League of Trinidad and Tobago brought all credit unions together to celebrate International Credit Union Day.

CECU was able to out perform several credit unions and walked away with the award for Most Improved Financial Performance. This award was based on comparison of the financial performance of the credit union for the year under review (2002) and its financial performance in the previous year (2001).

The Board together with the management and staff would like to take the opportunity to extend congratulations to all of its members for assisting in achieving this award. We would also like to extend congratulations to all credit unions that were nominated and won in their respective categories.

JUNIOR MEMBERSHIP PROJECTS

Most consistent saver

CECU is trying to mould our young people and encourage them to start saving today for tomorrow. Canning's has indeed reached a milestone and we know we got there because of our consistency and we intend to show our junior members that the future of our credit union lies solely in their hands.

A competition was launched encouraging our young achievers to save consistently over a five month period. This competition, which emphasizes how often and **NOT** how much was keenly competed by several of our students.

CECU would like to congratulate the two junior members who were chosen as the most consistent savers for the period October 2002 to October 2003. They were:

- Kaliph Woods
- Johanna Marie Johnson

Both members saved consistently for the period. Special mention is made of Kaliph who actually left school either at lunchtime or after school and walked to the credit union to deposit his \$10.00. Kaliph attends Woodbrook Junior Secondary School.

RADIO TESTIMONIES

The project was undertaken to give our young SEA Scholarship Winners exposure to the working world in the form of the media as well as assist in building their confidence as they courageously and proudly read their testimonies on radio on Wednesday 15th October 2003, Credit Union Youth Day. Several testimonies and endorsements highlighting members' personal successes with regards to education were aired on 195.5 FM. It was a very good day for CECU as members who heard these endorsements called to let us know they were pleased.

COLOUR ME HAPPY

CECU launched its first painting competition among the young members of our credit union for the purpose of producing a calendar. The purpose behind this competition was to encourage participation among our young members and have them feel a part of the credit union family and feel a sense of pride when they see their art being displayed. Through the delightful contributions of:

- Jaishree Ramharack
- Avinash Ramharack
- Jacquez Samuel Byng
- Stephanie Bascombe

We were able to produce a beautiful 2004 calendar. We plan to run the competition again this year for 2005.

SEMINAR ON HIV/AIDS:

Canning's Employees' Credit Union decided this year to take up a social cause, one that is affecting our membership and the society as a whole. CECU intends to assist in spreading the message of prevention, and encourage adherence to lifestyle practices that could help in curbing the steady increase of rising HIV infections in our community. A seminar was held at the Neal & Massy Training Room and all those in attendance left more informed on the crisis that is presently facing our population/membership.

TECHNICAL WORKSHOP

In our attempt to improve the service to our members CECU hosted a successful breakfast meeting with the various accounts personnel from our member companies. This meeting not only assisted in laying down certain procedures which need to be followed but also served to better understand the payroll practices with the emphasis on timeliness in other companies. Also, the meeting assisted in developing the relationship between the payroll department and the credit union.

ARE YOU THERE YET?

We embarked on a campaign to mobilize our membership to take advantage of the governments tax incentive of saving \$10,000 for the year. The membership certainly heeded to the call and CECU experienced members taking loans to meet this criteria as well as members saving and depositing bonuses in order to reach their target.

CUNA BENEFITS

Life savings coverage has been upgraded to Seventy Five Thousand Dollars (\$75,000.00). Benefits received from Cuna Caribbean for thirteen (13) LP/LS Claims totalled Two hundred and nine thousand, six hundred and sixty eight dollars (\$209,668.00).

Claims under the Family Indemnity Plan for thirteen (13) beneficiaries totalled One Hundred and Seventy Thousand Dollars (\$170,000.00). Seven hundred and twelve (712) members are now enrolled in this plan.

The claims with respect to the Loan Protection/Life Savings Coverage represented 37.8% of the total premium paid.

STRATEGIC PLANNING

The challenges of the year encouraged the Board to review the strategic direction of the Society. This was undertaken in the second quarter of 2003. Some of the key areas of focus were:-

- Redefining of the Vision and Mission Statement
- Member services
- Marketing
- Delinquency
- Human Resource Management and Development
- Social Commitment
- Succession Planning
- Growth and Profitability

This plan which will be reviewed annually will form the basis for guidelines of our operators for the next three to five years.

PEARLS ANALYSIS

A review of the Society's performance against PEARLS Prudential Standards reveals that it has been able to adequately satisfy almost all areas targeted.

The following table summarizes CECU's financial condition based upon the PEARLS Standards.

PEARLS ANALYSIS			
COMPONENTS	SATISFACTORY	UNSATISFACTORY	ACTUAL 2003
PROTECTION (Capital/Total Assets)	8%+	<3%	13.33%
EARNINGS			
(Net Income/Average Assets)	0.5-1.5%	<0.5%	6.24%
(Operating Expenses/Gross Income)	30-50%	>60%	36.03%
ASSET QUALITY			
(Delinquent loans/Total Loans)	<3%	>5%	NET 2.37%
RATE OF GROWTH			
Savings Growth Rate (Shares & Deposits)	> Inflation + Growth Rate	<0%	13.62%
Loans Growth Rate	> Savings Growth Rate	<0.5%	6.91%
Membership Growth Rate	min. 5%	<5%	6.64%
LIQUIDITY			
(Loans/Total Assets)	70-80%	>90%	63.34%
STRUCTURE			
(Non earnings Assets/Total Assets)	<5%	15%	2.43%

THE BOARD OF DIRECTORS AT A GLANCE

2001 - 2004	2002 - 2005	2003 - 2006
Emil de la Grenade	Govind Maharaj	Terri Ann Brathwaite
Sheila Chaves	Maria McMillan	Carol Roberts
Kenny Jalsa	Trevor Howell	Ian Lewis
Calvin Francis	Charles Gill	Sean Clarke

OUTGOING DIRECTORS

In accordance with Bye-laws 18 and 22, the Credit and Supervisory Committees are outgoing. Emil de la Grenade, Sheila Chaves, Kenny Jalsa and Calvin Francis are outgoing from the Board.

The Board acknowledges the contributions of these dedicated and committed individuals who have served the institution well. All those outgoing members are eligible for re-election and have offered themselves once again to the respective committees.

OBITUARIES

The Board wishes to convey its condolences to the families of the following deceased members who passed away during 2003/2004.

Nigel Andrews

Habib Sinanan

Rosanna McCartney

Eugene Matthews

Tessa Laquis

Marguerite Weekes

Byanchor John

May their souls rest in peace.

FAMILY INDEMNITY PLAN

The family indemnity plan provides a cash benefit which can be used to cover the funeral costs associated with the death of the member and/or eligible family members. There are four plans from which the member may choose the plan most appropriate to his/her needs. As at December 31, 2003, seven hundred and twelve (712) members were enrolled in the programme, an increase of one hundred and seventy five (175) or 32.5% over the previous year.

POLICY OWNERS ADVISORY COUNCIL

Canning's Employees Credit Union (CECU) has been a long standing member of CUNA Mutual group from its very existence and is a member of the Policyowners Advisory Council (PAC) since its inception.

The issues that are being dealt with by PAC are:

- The products marketed by CUNA Caribbean, and,
- The opportunity to engage in participatory discussions in issues impacting both on CUNA and the credit union movement in general.

At present, the body is comprised of the presidents of seven leading credit unions and Mr. Trevor Alleyne, president of the credit union league:

Mr. Emil de la Grenade, Chairman - pac (CECU)
 Mr. Donovan Palmer, Vice Chairman - pac (TCU)
 Mr. Earl Nesbitt (RHAND)
 Mr. Arthur Carlow (Telephone Workers)
 Mr. Gary Cross (ECU)
 Mr. Elroy Prescott (UWI)
 Mr. Trevor Alleyne (CCULTT)
 Mrs. Catherine Charles (Mt. Pleasant)

We look forward to working with CUNA Caribbean and the other Presidents in strengthening the movement through mechanisms like the PAC.

NEW OFFICE PROJECT

The discussions with Cuna Caribbean Insurance Society Limited and the Neal and Massy (North) Credit Union with respect to the proposed development at 32-34 Maraval Road has been discontinued.

Our involvement in the project was from an investment perspective, and when it became apparent that the anticipated returns would not be achieved as a result of new development constraints, the decision was taken to withdraw our participation.

The Board would now be focusing on the development of #10 Victoria Avenue instead.

ACKNOWLEDGEMENTS

The past twelve months have seen the organization achieve new heights in its performance. This, however could not have been achieved without the collaborative efforts and contributions of persons and organizations that assisted in providing excellent services to our members. Special mention must be made of:

The Board of Directors and committees for their dedication and commitment to the co-operative philosophy.

The Management and Staff who worked diligently and faithfully to provide the best possible service to our members.

Our Sponsor companies, banking institutions, Trinidad and Tobago Unit Trust Corporation, Clico, Maibrol, the Co-operative Division, The Ministry of Finance, The Co-operative Credit Union League of Trinidad and Tobago and the Cuna Mutual Group.

Our Auditors - PriceWaterhouse Coopers

And finally, but by no means least, our members who continue to remain loyal to a vision started some fifty two years ago. As a "PEOPLE HELPING PEOPLE" financial co-operative, your loyalty and confidence are of paramount importance to us.

CONCLUSION

The outlook for the economy in 2004 is positive. The petrochemical sector is poised for further growth with new ammonia and methanol plants expected to be operational during the course of the year.

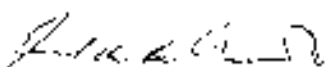
Interest rates are expected to remain low, whilst corporate profit growth should remain strong. This situation would invariably provide further challenges for the movement since other financial service providers are expected to capitalize on this situation and we envisage that there will be an emphasis to reduce the divide between themselves and Credit Unions.

In this regard, it is imperative that we thrust forward with the implementation of our strategic initiatives to achieve the vision of being the "PREFERRED FINANCIAL INSTITUTION" for our members.

We are acutely aware that our continued success lies in our commitment to the core values of access, trust, self help and growth. We recognize the power of the human spirit and offer opportunities for financial growth and social progress not found anywhere else.

Success is relative, and as we strive to meet your needs, we will continue to honour those basic tenets under which we were established and which has propelled us over the years.

May God Bless you all.



Emil de la Grenade
President

Staff



Lorraine Ragbir Marketing Officer
Tanya Rawlinson Project Assistant
Rosemarie Inniss Clerk/Receptionist
Deion Raphael Support Staff

Antonia Benjamin Confidential Secretary
Deanne Simpson Office Manager
Cynthia Goindoo Support Staff
Debra Byng Senior Loans Officer



Linda Mentor Recoveries Officer
Paula Pierre Accounts Clerk
Sandra Johnson System Administrator
Sharon Howard Loans Officer



Resolutions

1. Be it resolved that in accordance with bye-law 25 Section (1), a Dividend of 7% be paid on all fully paid up shares at the end of the financial year ended 31st December 2003, and that such dividends be credited to member's shares.
2. Be it resolved that the firm PriceWaterhouseCoopers be appointed Auditors for the 2004 term.

Highlights

A pictorial review of 2003



Auditors' Report

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 2003 and the income and expenditure account and receipts and payments account for the year then ended as set out on pages 35 to 45. 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 2003 and the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Co-operative Societies Act 1971.

PricewaterhouseCoopers

Chartered Accountants
Port of Spain
Trinidad, West Indies

13 February 2004

	Notes	31 December	
		2003	2002
		\$	\$
Assets			
Cash and short term deposits	3	8,570,299	10,358,665
Investments - available-for-sale	4	7,944,389	5,894,649
Investments - held-to-maturity		11,530,623	2,060,055
Loans			
net of allowance for loan losses	5(i)	53,718,455	50,245,919
Accounts receivable and accrued interest		974,033	868,562
Property and equipment	6	2,061,193	2,060,002
Total Assets		84,798,992	71,487,852
Liabilities And Members' Funds			
Fixed Deposits	8	3,300,000	--
Accounts payable and accrued expenses		412,092	534,164
Due to National Insurance Board	7	3,543	6,408
Total Liabilities		3,715,635	540,572
Members' shares		58,088,583	52,173,917
Members' deposits	9	4,739,535	3,122,629
Fair value reserves		3,209,239	1,695,013
Reserve fund	10	6,628,533	6,140,209
Education fund	11	128,863	128,023
Retained income		8,288,604	7,687,489
Total Members' Fund		81,083,357	70,947,280
Total Liabilities And Members' Funds		84,798,992	71,487,852

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

On 13 February 2004 the Directors of Canning's Employees' Credit Union Co-operative Society Limited authorised these financial statements for issue.

President: *[Signature]* Treasurer: *[Signature]*

	Notes	Year Ended 31 December	
		2003 \$	2002 \$
Income			
Loan interest		5,936,524	5,367,151
Investment income		1,401,163	1,221,376
Realised gains on disposal of investments		92,822	--
Mortgage management fees		41,559	64,543
Rent		73,500	77,025
Sundry revenue		<u>87,413</u>	<u>120,507</u>
		<u>7,632,981</u>	<u>6,850,602</u>
Expenditure			
Annual general meeting		142,931	186,659
50th Anniversary celebrations		--	253,294
Audit fee		27,514	25,789
Bad debt provision		240,000	100,000
Bank charges and interest		16,474	4,370
Computer services		4,680	6,360
CUNA insurance premium		554,547	470,421
Depreciation		646,607	50,200
Directors' travel and subsistence		20,850	20,650
Electricity		14,034	14,791
Employees' retirement income security plan		42,935	43,583
Fidelity bond		2,120	1,350
Insurance		26,560	20,705
Interest on members' fixed deposits		306,301	187,151
League dues		33,062	33,062
Legal and professional fees		3,479	18,479
Marketing		72,700	22,803
Miscellaneous		--	7,630
Office expenses		131,233	113,827
Repairs and maintenance		27,309	9,736
Salaries, wages and national insurance		843,274	792,769
Security		7,207	5,456
Stationery, printing and postage		43,421	45,047
Telephone		54,351	51,819
Travelling and entertainment		4,347	3,860
Meetings and seminars		<u>84,788</u>	<u>--</u>
		<u>2,750,724</u>	<u>2,489,811</u>
Excess of Income Over Expenditure		<u><u>4,882,257</u></u>	<u><u>4,360,791</u></u>

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

Statement of changes in members' funds -

Year Ended 31 December 2003

	Members' Shares \$	Members' Deposits \$	Fair Value Reserve \$	Reserve Fund \$	Education Fund \$	Retained Income \$	Total \$
	52,173,917	3,122,629	1,695,013	6,140,209	128,023	7,687,489	70,947,280
Appropriation	--	--	--	488,226	122,057	(610,283)	--
Entrance fees	--	--	--	98	--	--	98
Staff training and social function expenses	--	--	--	--	(83,355)	--	(83,355)
Donations and scholarships	--	--	--	--	(30,485)	--	(30,485)
Marketing and advertising	--	--	--	--	(7,377)	--	(7,377)
Appreciation in market value of securities	--	--	1,601,834	--	--	--	1,601,834
Realised gain on investments	--	--	(87,608)	--	--	--	(87,608)
Maturities	--	(3,122,629)	--	--	--	--	(3,122,629)
New deposits	--	4,739,535	--	--	--	--	4,739,535
Excess of income over expenditure	--	--	--	--	--	--	4,882,257
4,882,257							
Dividends	--	--	--	--	--	(3,742,789)	(3,742,789)
Receipts	11,540,743	--	--	--	--	--	11,540,743
Payments	(4,145,794)	--	--	--	--	--	(4,145,794)
Net transfers	(1,480,283)	--	--	--	--	--	(1,480,283)
Unclassified dividend written back	--	--	--	--	--	71,930	71,930
Balance at 31 December 2003	58,088,583	4,739,535	3,209,239	6,628,533	128,863	8,288,604	81,083,357

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

Statement of changes in members' funds -

Year Ended 31 December 2003

	Members' Shares \$	Members' Deposits \$	Fair Value Reserve \$	Reserve Fund \$	Education Fund \$	Retained Income \$	Total \$
	46,554,954	1,464,446	953,293	5,704,034	135,941	7,281,329	62,093,997
Appropriation	--	--	--	436,079	109,020	(545,099)	--
Entrance fees	--	--	--	96	--	--	96
Staff training and social function expenses	--	--	--	--	(92,106)	--	(92,106)
Donations and scholarships	--	--	--	--	(19,625)	--	(19,625)
Marketing and advertising	--	--	--	--	(5,207)	--	(5,207)
Appreciation in market value of securities	--	--	741,720	--	--	--	741,720
Maturities	--	(1,464,446)	--	--	--	--	(1,464,446)
New deposits	--	3,122,629	--	--	--	--	3,122,629
Excess of income over expenditure	--	--	--	--	--	4,360,791	4,360,791
Dividends	--	--	--	--	--	(3,409,532)	(3,409,532)
Receipts	9,661,247	--	--	--	--	--	9,661,247
Payments	(3,369,930)	--	--	--	--	--	(3,369,930)
Net transfers	(672,354)	--	--	--	--	--	(672,354)
Balance at 31 December 2002	52,173,917	3,122,629	1,695,013	6,140,209	128,023	7,687,489	70,947,280

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

Receipts and payments accounts

Receipts	\$	Payments	\$
Shares	11,540,743	Shares	4,145,794
Loans		Loans	
- personal	8,699,346	- personal	14,912,522
- mortgage	702,657	- mortgage	1,402,468
Members' deposits	836,176	Members' deposits	323,473
NIB mortgage	766,559	NIB mortgage	777,655
CUNA insurance claims	128,784	CUNA insurance claims	126,739
Unit Trust Second Scheme	1,400,000	Investments	5,753,607
Interest on loans	5,138,647	CUNA insurance premium	505,384
Proceeds from sale of investment	1,129,440	Salaries and staff expenses	884,033
Investment income	369,620	Audit fee	27,514
Mortgage management fee	28,314	Bank charges	8,005
Other	159,028	Computer expenses	4,680
Rent	73,500	Education fund expenses	121,217
Entrance fee	97	Miscellaneous expenses	27,020
Commission	113,801	Rates, taxes and utilities	68,385
Bad debt recovered	42,859	Office expenses	131,284
		CUNA Family Indemnity Plan	496,160
		Repairs and maintenance	27,836
		Stationery, printing and postage	43,421
		League dues	33,063
		Fixed assets	47,798
		Advertising and marketing	72,725
		Professional and legal	3,479
		Annual general meeting	129,431
		Fidelity bond	2,120
		Meetings and Seminars	84,788
		Commissions and charges	6,037
		Accounts payable	120,375
		Security	7,207
Balance at 31 December 2002		Balance at 31 December 2003	30,294,219
The Royal Bank of Trinidad and Tobago Limited		The Royal Bank of Trinidad and Tobago Limited	
- current account	577,548	- current account	1,538,452
Citibank (Trinidad and Tobago) Limited - savings account	149,181	Citibank (Trinidad and Tobago) Limited - savings account	--
Payroll in transit	292,799	Payroll in transit	88,650
US Money Market Fund	1,545,739	US Money Market Fund	1,773,542
Petty cash	78	Petty cash	53
	<u>33,694,916</u>		<u>33,694,916</u>

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

Notes to the financial statements -

Year Ended 31 December 2003

1 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.

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 Short Term Deposits

	2003	2002
	\$	\$
Petty cash	53	78
The Royal Bank of Trinidad and Tobago Limited - current account	1,538,452	577,548
Citibank (Trinidad and Tobago) Limited - savings account	--	149,181
Royal Merchant Bank & Finance Company Limited - fixed deposits	200,000	200,000
Unit Trust Corporation - US Dollar Money Market Fund	1,773,542	1,545,739
Unit Trust Corporation - Second Scheme	5,058,252	7,886,119
	<u>8,570,299</u>	<u>10,358,665</u>

4 Investments

	2003	2002
	Cost	Cost
	\$	\$
Held to Maturity		
The Home Mortgage Bank Limited	--	60,055
Unit Trust Guaranteed Investment Certificate	2,000,000	2,000,000
Clico Executive Annuity	5,300,000	--
Angostura Fixed Rate Bond 2002-2012	4,230,623	--
	<u>11,530,623</u>	<u>2,060,055</u>

	2003	2003	2002
	Cost	Market	Market
	\$	Value \$	Value \$
Available for Sale			
Praetorian Property Mutual fund	600,000	576,000	535,000
Quoted shares	1,449,199	5,160,839	3,301,257
Scotiabank Global Growth Fund	123,528	105,026	82,864
Unit Trust Chaconia Income & Growth Fund	327,570	257,302	210,257
Royal Merchant Bank - S&P Index Deposit	2,000,000	1,845,222	1,765,271
	<u>4,500,297</u>	<u>7,944,389</u>	<u>5,894,649</u>

5(i) Loans

				2003	2002
				\$	\$
Gross loans				55,115,572	51,466,020
Allowance for loan losses 5(ii)				(1,397,117)	(1,220,101)
				53,718,455	50,245,919

	Personal Loans	Mortgage Loans	Car Loan	2003 Total	2002 Total
	\$	\$	\$	\$	\$
Non-delinquent loans	45,667,710	5,534,420	153,433	51,355,563	47,788,229
Delinquent loans	3,370,151	389,858	-	3,760,009	3,677,791
	<u>49,037,861</u>	<u>5,924,278</u>	<u>153,433</u>	<u>55,115,572</u>	<u>51,466,020</u>

Of the balance of delinquent loans \$3,096,962 represents accounts on which no collections have been received for the year.

Shares held by members whose loans are delinquent total \$2,062,217. The Credit Union also holds security in respect of the mortgage loans.

5(ii) Allowance for loan losses

	2003	2002
	\$	\$
Balance brought forward	1,220,101	1,108,268
Increase in the provision	240,000	100,000
Loans written off	(105,843)	(42,280)
Amounts recovered on balances previously written off	45,979	59,938
Amounts paid to collectors	(3,120)	(5,825)
Balance carried forward	<u>1,397,117</u>	<u>1,220,101</u>

6 Property and Equipment

	Office Furniture \$	Furniture & Fixtures \$	Leasehold Premises \$	Computer Hardware \$	Total \$
Year ended 31 December 2003					
Opening net book amount	24,167	103,624	1,886,284	45,927	2,060,002
Additions	1,096	40,407	--	6,295	47,798
Depreciation charge	(4,983)	(12,255)	(17,159)	(12,210)	(46,607)
Closing net book amount	20,280	131,776	1,869,125	40,012	2,061,193
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	24,167	103,624	1,886,284	45,927	2,060,002

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:-

	2003 \$	2002 \$
Balance due at 1 January	6,408	3,883
Amounts received on mortgages disbursed	774,999	620,188
	781,407	624,071
Funds paid over to National Insurance Board	(777,864)	(617,663)
Balance due at 31 December	3,543	6,408

8 Fixed Deposits

Maturing within 1 year	3,300,000	--
	3,300,000	--

	2003 \$	2002 \$
9 Members' Deposits		
Period to Maturity		
Within three months	1,646,997	1,088,473
Between three months and one year	3,092,538	2,034,156
	4,739,535	3,122,629

Interest rate varies between 4.5% to 9% per annum. All deposits are repayable on demand but early redemption penalties apply.

10 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.

11 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% (2002 - 2.5%) of the net surplus.

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 22 January, 2004 a dividend in respect of 2003 of 7 cents per share (2002 actual dividend 8 cents per share) amounting to a total of \$3,736,469 (2002 actual \$3,742,789) 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 2004.

13 Retirement Income Security Plan

The employees' are now members of the Neal & Massy Company Limited Retirement Income Security Plan, which is a defined 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 2003, there was \$1,077,385.48 in loans that were approved but not yet fully disbursed.

Projected Income And Expenditure Account

January - December 2003

	Budget Forecast 2004	Budget Forecast 2003	Actual 2003	Actual 2002	Actual 2001
INCOME					
Loan Interest	6,800,000	6,030,000	5,936,524	5,367,151	5,101,967
Investment Income	1,800,000	1,102,102	1,401,163	1,221,376	1,044,525
Mortgage Management Fees	—	60,000	41,559	64,543	69,872
Rent	75,000	78,000	73,500	77,025	74,350
Realized gains on disposal of investments	—	—	92,822	—	—
Sundry Revenue	150,000	100,000	87,413	120,507	29,751
	8,825,000	7,370,102	7,632,981	6,850,602	6,320,465

EXPENDITURE

Personnel Cost

Salaries and Wages	750,000	720,000	715,496	662,077	591,640
Employer's Contribution - Pensions	45,000	48,000	42,935	43,583	38,890
Employer's NIS Contribution	35,000	25,000	23,216	22,512	20,556
Employees Expenses	20,000	15,000	5,722	17,130	9,518
Employees Fringe Benefits	100,000	95,000	98,840	94,910	76,800
	950,000	903,000	886,209	840,212	737,404

Administration Cost

AGM & Other Functions	150,000	150,000	142,931	186,659	108,623
50th Anniversary	—	—	—	253,294	—
Meetings and Seminars	100,000	—	84,788	—	—
Cuna Insurance Premium	600,000	525,000	554,547	470,421	412,361
Bank Charges and Interest	10,000	15,000	16,474	4,370	7,345
Bad Debt Provision	200,000	150,000	240,000	100,000	125,000
Interest on Members Deposit	535,000	205,000	306,301	187,151	83,817
Rates & Utilities	80,000	75,000	68,385	66,610	73,940
Audit Fees	30,000	27,000	27,514	25,789	25,702
Stationery	60,000	60,000	43,421	45,047	44,479
League Dues	33,062	33,062	33,062	33,062	28,750
Professional & Legal Fees	50,000	25,000	3,479	18,479	34,479
Miscellaneous Expenses	35,000	35,000	30,907	28,335	15,654
Marketing	150,000	150,000	72,700	22,803	85,703
Security	10,000	8,000	7,207	5,456	6,498
Board & Committee Meetings	25,000	30,000	20,850	20,650	22,494
Fidelity Bond	2,500	1,350	2,120	1,350	1,271
Computer Services	10,000	10,000	4,680	6,360	7,042
Loss on Disposal of Equipment	—	—	—	—	565
Office Expenses	160,000	110,000	131,233	113,827	105,343
Repairs & Maintenance	75,000	20,000	27,309	9,736	25,698
Depreciation	70,000	55,000	46,607	50,200	53,565
	2,385,562	1,684,412	1,864,515	1,649,599	1,268,329

TOTAL EXPENSES	3,335,562	2,587,412	2,750,724	2,489,811	2,005,733
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Excess of Income over Expenditure	5,489,438	4,782,690	4,882,257	4,360,791	4,314,732
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APPROPRIATED AS FOLLOWS

Reserve Fund 10%	548,944	478,269	488,226	436,079	431,473
Education Fund 2.5%	137,236	119,567	122,057	109,020	107,868
Retained Earnings	4,803,258	4,184,854	4,271,974	3,815,692	3,775,391
	5,489,438	4,782,690	4,882,257	4,360,791	4,314,732

Report of the Credit Committee



The Credit Committee is once again pleased to present its report for the financial year ended December 31st 2003.

At the 51st AGM held on March 20th 2003, the following persons were elected to serve:-

Messrs.	a. John Scott	Secretary
	b. Rosemarie Ayres	Member
	c. Junior Dhoray	Member
	d. Glen Piontkowski	Member
	e. Calvin Francis	Chairman
Alternate:	Carl Phillip	

At the first meeting, Messrs Calvin Francis and John Scott were elected Chairman and Secretary respectively. The committee met every Monday for the purpose of reviewing and approving loans based on the Credit Union's guidelines and financial prudence.

There was a 94% attendance at all meetings as all committee members displayed a sense of commitment and dedication to the task and challenges which confronted them.

The accompanying tables reflect the activities in the loans portfolio over the period. Notwithstanding the fierce competition between financial institutions to make their products more attractive, the pace of lending remained remarkably resilient throughout the year.

As at December 31st 2003, Five Thousand, Four Hundred and Ninety Six (5,496) loans with a total value of Sixteen Million, Three Hundred and Fourteen Thousand, Three Hundred and Eighty Nine Dollars (\$16,314,389) were approved and disbursed.

This represented an increase of 10.62% in dollar value over the 2002 figures. There were significant increases in the following sub categories:

- Housing
- Investments
- Purchase of Cars
- Christmas Shopping

There was however, a significant reduction in the total number of loans granted from 7,156 in 2002 to 5,496 in 2003 and this was due to the fact that the initiative introduced for the 50th Anniversary was not repeated in 2003.

Notwithstanding the increase in dollar values, we observed that there was a conservative approach to borrowing by members, given the prevailing economic situation. In the area of Mortgages, the Board, at its Strategic Planning forum took a decision to resume mortgage lending on a limited scale for a period not exceeding ten (10) years. The growth in this category is an indication that we are desirous of becoming more involved in helping our membership accomplish ownership of land and property.

The association with Trinidad and Tobago Mortgage Finance Company Limited and The Home Mortgage Bank is still in force for those members wishing to access mortgages over the longer term of 20 to 30 years.


The Committee takes this opportunity to encourage members to avail themselves of the tax-deductible benefits attainable through investments in their Credit Union. At tax rates currently between 25% and 30%, these benefits represent unquestionably, the best guaranteed investment return available to all of our members.

Finally, we take this opportunity to express sincere gratitude to the members of this committee for their dedication and exemplary service displayed during the past year. We also thank our employees for their individual and collective support and the members who elected us to serve in this capacity and thereafter supported us throughout our tenure.

We look forward to serving you again in the New Year.



CALVIN FRANCIS
CHAIRMAN



JOHN SCOTT
SECRETARY

TABLE I

Table I shows the attendance of the committee members at meetings

	PRESENT	EXCUSED	ABSENT
Calvin Francis	43	1	-
John Scott	33	11	-
Glen Piontkowski	42	2	-
Junior Dhoray	44	-	-
Rosemarie Ayers	44	-	-

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

Approved	Not Approved	TOTAL
5,496	24	5,520

TABLE III

No. of Loans		Purpose of Loans	Value of Loans	
2002	2003		2003	2002
1048	1100	Domestic	917,414.31	906,575.03
263	238	Holidays (Local & Abroad)	673,497.12	690,921.69
518	501	Housing	4,356,773.34	2,641,768.26
173	201	Investments	1,601,327.84	1,068,139.97
39	37	Funerals	68,991.00	87,215.25
119	102	Weddings & Christening	254,580.00	384,258.07
37	27	Car Licences & Permits	20,544.00	21,110.00
242	297	Car Repairs & Parts	602,275.50	495,416.62
102	89	Purchasing of Cars	2,424,135.77	2,038,659.57
966	882	Consolidating Debts	1,688,176.38	1,420,409.57
135	159	Fire, Life & Car Ins.	362,240.93	224,335.17
397	375	Medical Expenses	529,767.59	528,469.84
518	532	Education Expenses	940,088.01	830,234.16
55	51	Legal Expenses	110,329.00	111,341.56
232	226	Household Furnishings	631,865.99	734,897.01
321	527	Christmas Shopping	975,549.64	579,943.87
2	3	Miscellaneous	3,000.00	1,000.00
40	40	Carnival	44,005.00	37,245.00
128	109	Rent	109,827.69	113,228.00
1821	—	Anniversary Loan	—	1,832,000.00
7,156	5,496		16,314,389.11	14,747,168.64

Report of the Supervisory Committee



The following members of CECU were elected at the 51st AGM in 2003 and served on the Supervisory Committee for the 2003/2004 term

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

Roy Mahabirsingh served as chairperson of the committee throughout the 2003/2004 term with Pearl Lopez as secretary and Diane Lopez as third member.

During the year the members of the Supervisory Committee attended the board meetings and special meetings of CECU. The focus of our attention continued to be directed to the business affairs of the credit union and the deliberations of the board to ensure that they were always conducted in accordance with the byelaws. It was also our aim to ensure that the decisions taken at this level served to fulfill the objectives of the credit union and the membership as a whole.

The General Manager presents a monthly financial and operating report to the board. This report is very detailed, informative and of a very high standard. It presents the results of the operations of the credit union in a very concise and easy to follow format which, in turn, allows for an ease of understanding by the board members. We are pleased to report to the membership that income and expenses continue to be expertly managed and controlled with similar management and protection of the assets of the credit union.

The investment portfolio of the credit union continues to play an increasingly important role in assisting the credit union to achieve specific financial objectives.

The Investment Committee continues to provide excellent direction to the board and the deliberations and decisions of this committee remain consistent

with the achievement of these objectives. The members of this committee possess wide financial expertise and work in senior positions in a number of member companies. It is our opinion that the investment portfolio will assume an increasingly important role in the financial affairs of our credit union as the highly competitive local and global financial services marketplace force us to pay even more critical attention to the volume and quality of our investments.

The Credit Committee members continue to provide yeoman service to CECU for yet another year. These members must be highly commended for the dedicated time they provide every Monday afternoon to review and approve a few hundred loan applications every month. This is the core business of every credit union and CECU is fortunate to have the service of such experienced and high calibre people serving on the Credit Committee.

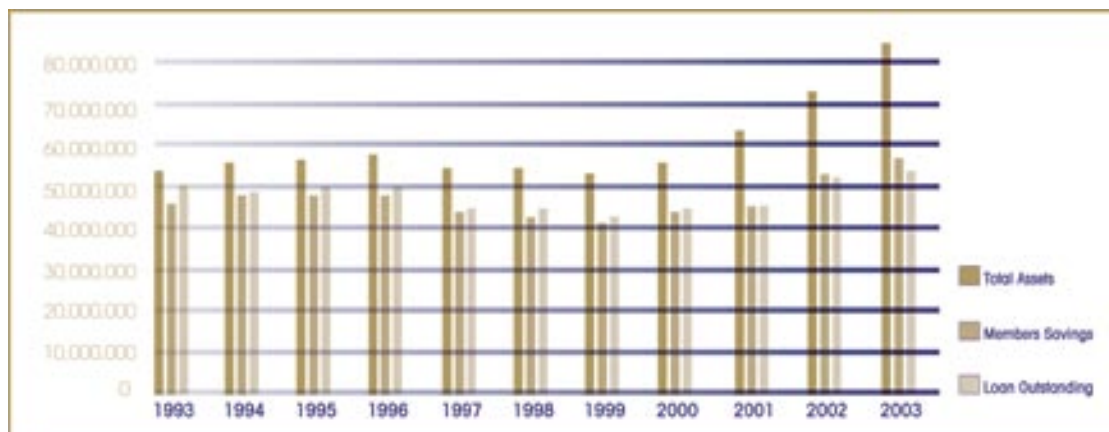
It is our overall opinion that the affairs of the credit union continue to be professionally managed by the General Manager and her dedicated staff. The board and all the committees also provide excellent service and support to CECU and we are very fortunate in that we benefit tremendously from the knowledge and experience of these members who function in various professional capacities. The Supervisory Committee is confident and assured that CECU is well positioned to face the challenges which will face the credit union movement in Trinidad and Tobago in the future.


Roy Mahabirsingh
CHAIRPERSON

Ten year Review

Year	No. of Members	Total Assets	Members Savings	Loan Outstanding	Reserve Fund	Total Income	Surplus (After Trans to Reserve)	Dividend Paid	%
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
2003	4545	84,798,992	58,088,583	53,718,455	6,628,533	7,632,981	4,271,974	3,738,072	7*

* 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
Denise Bruce	Hilo St. Anns	624-7580
Erica Cazoe	Hilo, Westmorrings	632-1085
Diana Bailey	Hilo, Crews Inn	634-4038
Jennifer Williams	Hilo, Head Office	627-7482,86-88
Eutrice Matthews	Hilo, Ridgewood, Arima	667-3947
Ingrid Nicolls	Hilo, Broadway, Arima	667-2920
Uriah Weekes	Hilo, Point Fortin	648-3174
Concordia Harry	Hilo, St. Augustine	662-4836
Ann Marie James	Hilo, Starlite, Diego Martin	637-9769
Carol Prentice	Hilo, Glencoe	633-0101
Angelis Burgen	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
Cheryl Issac	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	665-57212,3,9
Mary Fullerton	Mc Cann Erickson	628-9109
Anette Hospedals	Securior	624-5751
Deanne Boucaud	CUNA	627-7060
Sheryl Viarruel	Rotoplastics	674-8265
Miguel Phinero	Hamel-Smith &Co	623-4237
Paul Gowandan	Automotive Components Ltd.	642-4236
Junior Dhoray	Caribbean Bottlers, Tunapuna	662-4416
Mootilal Gobin	Caribbean Bottlers, San Fernando	652-5322
Dedra Cox	Illuminat	625-1204
Alyson Forde	Waste Disposal	625-6746
Jeanette Williams	Marketing Distribution	645-7454-7
Terry Hosein	Laughlin & De Gannes	662-6545/6570/2
Margaret Ann Parris	Laughlin & De Gannes	625-1712
Karen Bissessar	The Cascadia Hotel	623-4208/9
Henry Marcial	National Carnival Commission	627-1350(x256)
Wendy Ann Pope	Caribbean Paper & Printed Products	674-1884
Avalon Millington	Nedco	623-1671/9609
Giselle Rampersad	BHP Billington	625-0555
Roger St. Hillaire	Rostant Advertising	622-9556
Theresa Victor	Micon Marketing	624-5996
Haniffa Cox	TIDCO	623-1932/34
Amanda Bohal	Trinidad Tissues	640-4725