

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

Mission

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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Dear Members,

You will see from our results that our credit union has had yet another very successful year. We remain financially liquid and healthy in all areas of our activities.

In spite of all the positive indicators for the Trinidad and Tobago economy, we are experiencing great difficulty in obtaining appropriate safe investment instruments so as to continue to pay the kind of dividends to which we have grown accustomed to over the recent years. This year's Resolution, to be approved by the membership, recommends an eight per cent dividend on shares held by members who qualify. We accomplished this through our strong Investment Committee, under the Chairmanship of the Vice President, which monitors the investment portfolio and protects the assets of the Credit Union. No less than six other professional accountants and top management members of our Credit Union, work voluntarily on this Committee. I wish to assure you that persons who serve on the Board and Committees receive no special privileges and must strictly follow the guidelines of the Credit Union policy.

The leadership qualities of our CEO and other members of staff have gone beyond the normal call of duty and put this Credit Union in the forefront of the movement. We will continue evolving into one of the most modern, technologically astute Credit Unions. CECU's web site is by far one of the most advanced systems through which all our members both here and abroad can monitor our activities. We encourage the use of email for speed of communication between members and staff, allowing us to expedite all requests and requirements. There are two other committees: I.T and Marketing, both headed by two professionals and members who help advance us in these areas.

Now, I must address our disappointment with the Credit Union League. Regrettably, the League has not been proactive and has not been able to convince the Government that we in the Movement are capable of assisting in many of its entrepreneurship endeavours, particularly in housing and shareholding in many of its divestment Companies. We seriously question why our senior citizens continue to pay income tax on their pensions in spite of the present revision of the tax regime; why availability of affordable mortgage facilities for a number of our young members are not more accessible.

We have moved five resolutions at the National level of the movement, none of which have been successful. We are deeply concerned about the governance of the League and as such have joined with twelve other senior Credit Unions, to change the attitude of the Credit Union League. We wish to establish a more professional outlook for the movement, capable of providing proper representation in the upcoming revision of the Credit Union Act which may place new financial demands and requirements on the Credit Union movement. We must be as proactive as many of the other Credit Union leagues worldwide which have been confronted with similar challenges. The revision of the Credit Union Act is extremely serious and will require all the professional resources of the movement.

Let me also remind you that our Credit Union should be your first consideration in dealing with any financial requirements since our interest rates remain extremely competitive in the financial sector.



Emil de la Grenade
Emil de la Grenade President

Notice

Notice is hereby given that the Fifty-fourth 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 Wednesday 29th March 2006, 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 2005.
- 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:
 - (a) Board of Directors
 - (b) Auditors
 - (c) Budget
 - (d) Credit Committee
 - (e) Supervisory Committee
- 9 Resolutions
- 10 New Business
 - (a) Election of Officers
 - (b) Any other Business

BY ORDER OF THE BOARD OF DIRECTORS

Maria Rivas-Mc Millan
Maria Rivas-Mc Millan Secretary

Standing Orders

- 1 A member shall stand when addressing the Chair. Speeches shall be clear and relevant to the subject before the meeting.
- 2 A member shall address the meeting when called upon by the chairman to do so, after which he shall immediately take his seat.
- 3 No member shall address the meeting except through the chairman.
- 4 A member may not speak twice on the same subject, except:
 - a The mover of a motion, who has the right to reply.
 - b 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.

Auditors
PriceWaterhouseCoopers
#11-13 Victoria Avenue
PORT OF SPAIN

Solicitors
Mr. Bhan Ramcoomarsingh
Attorney At Law
Suite 312, Park Plaza
St. Vincent Street
PORT OF SPAIN

Mr. Joseph Toney
Attorney At Law
28 Gordon Street
PORT OF SPAIN

Mr. B.D. Hewitt
Attorney At Law
#76 Abercromby Street
PORT OF SPAIN

Financial Highlights

For the financial year ended 31st December 2005 with comparative figures for 2004

	2005	2004
TOTAL ASSETS	107,051,838	95,798,221
SHARES	72,400,406	64,935,901
LOANS	62,518,336	57,505,924
NET INCOME	6,636,727	6,116,262
TOTAL EXPENSES	3,189,461	3,334,548
DIVIDENDS	8%	8%
MEMBERSHIP	4,934	4,852
STAFF	12	13

Minutes

Minutes of the 53rd Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited held on Thursday, April 14th 2005 at 5:00 p.m. at the LIONS' 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 5:06 p.m. He gave notice in accordance with the report of the Credentials' Committee that the meeting was duly constituted since there were 126 members and 18 guests.

Mr de la Grenade opened the meeting with the National Anthem followed by the Credit Union prayer.

NOTICE OF THE MEETING

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

WELCOME & OPENING REMARKS

The Chairman welcomed members and other distinguished guests. Mr. de la Grenade advised of two major points:

CECU has monthly Directors meetings where financial reports are presented and extensively ventilated. The Board conducts a monthly review of the financials and operates within the confines of the annual budget. Ms Raphael would read the budget later in the meeting and update members on future plans.

Mr. de la Grenade wished to diffuse any perception the membership may have regarding preferential treatment to Directors for loans and other benefits. Directors did not receive any special benefits or honorarium and are governed by the same lending policies as applicable to the regular Credit Union members. As part of CECU's advance planning, the Board decided to host a series of seminars, commencing in the middle of the year, to educate members interested in serving on Committees. Mr. de la Grenade cautioned members on the gravity of the responsibility of these positions.

Confidentiality is another crucial aspect of serving on the Board or as a member of staff. The CEO and her staff are bound to protect the privacy of members' accounts/transactions and must maintain confidentiality at all times. The Board feels that the level of investments in this Credit Union is directly linked to the level of trust and confidence placed in the administration of the organization.

There is an Investment Committee, headed by the Vice President, consisting of five members who are qualified professional Accountants. It is their responsibility to ensure that all investments continue to be lucrative.

Mr. de la Grenade commented on the relationship with TECU Credit Union. TECU was the most powerful of all the financial credit unions in Trinidad & Tobago. He gave the assurance that the CECU and TECU Boards would continue to strengthen their bonds.



Elizabeth Raphael
Chief Executive Officer



Maria Rivas-Mc Millan
Secretary

The Chairman expressed concern for the credit union movement and read an excerpt from a report by the Governor of the Central Bank: in the 1980s there were 400 credit unions. Now there were only 120 on the books. Of these, just 40% were operating properly. Such data would offer a compelling argument for continued government supervision of credit unions to ensure that good governance prevailed. Even worse, some credit unions were operating with a 20-25% bad loans ratio, which is not in accordance with the Central Bank guideline of 3% for financial institutions. Mr. de la Grenade was pleased to advise that Canning's Employees' Credit Union had further reduced delinquency and continues to provide for all bad loans incurred within its accounts.

In light of the above, members could see the importance of electing officials with qualifications (not necessarily a University Degree) and solid experience. He was proud that CECU had put this into practice, as evidenced by the composition of CECU's Investment Committee. CECU also keeps abreast of trends and techniques through its association with the World Council, a global association representing 117 million persons. Through this means, CECU gathers a lot of valuable information that is translated into increased operational efficiency.

The following resolutions were to be placed before members that evening:

- 1 **Payment of an 8% dividend to members in 2005.**
- 2 **Seminar for newly-elected Directors**
- 3 **Appointment of Auditors**

Mr. de la Grenade anticipated that 2005 would prove to be a year of hard but exciting work and encouraged members to offer their time and expertise to serve on the various Committees.

Mr. de la Grenade then introduced Mr. Ken Gordon, a media executive, business owner, former Cabinet Minister and free press advocate. Mr. Gordon has worked in the media industry for nearly 5 decades starting his career as a broadcast journalist, and has amassed experience from radio to television. A solid well respected citizen, he continues to stand for integrity.

FEATURE ADDRESS

Mr. Ken Gordon, conveyed congratulations to the Chairman, Mr. de la Grenade and his Board on yet another successful year of operations. Showering praises for its fifty-three years' service to the membership, impressive by any yardstick and reinforced by an 8% dividend to shareholders, plus more than 5,000 loans granted, amounting to over seventeen million dollars during the

last financial year.

When first invited to be the guest speaker, Mr. Gordon was not at liberty to disclose that he had shortly before submitted his resignation as Chairman of the First Citizen's Bank, the capacity in which he assumed he had been invited. He asked the President to recall his suggestion that he confirm the invitation closer to the date of the event. He expected that once it became known that he was no longer with the Bank, his relevance as speaker would have disappeared. But now that he was neither, journalist, publisher, banker nor chairman of any major organization or corporation, CECU had repeated its invitation. He therefore concluded that he must credit longevity and his association with national issues as the reason for his invitation and would interpret this as license to roam more freely in his remarks.

Mr. Gordon began by thanking CECU for the opportunity given to look more closely into the Canning Group of Companies. He unfolded the story of success driven by a spirit of entrepreneurship. Ernest Canning who began by managing the grocery section of Stephen's Limited, a large department store, later purchased the grocery, then moved it to the corner of Queen and Frederick Streets to what became known as Canning's corner from where he exploded his business interests over the next fourteen years. There was one acquisition after another including buying out Stephen's Limited twenty-three years later, the very company from which he had started.

The relevance of that story is that it uncovers a trail of restlessness: a willingness to do new and different things and a culture of development, which always recognized the importance of people, as central to growth of an organization. It is hardly surprising therefore that "people helping people" should have emerged as the philosophy, which guides CECU even today.

Of equal interest, is the story of how Canning's Employees Credit Union came into existence as the consequence of the difficulties one Mr. Cummings ... a porter ... created for himself by getting into the hands of a money lender, who in those days was called (with mock deference), the colonial secretary. Having borrowed five dollars, Mr. Cummings was only able to repay the weekly interest charge of \$1.00 since he worked for \$3.50 per week. After eighteen months, he had paid \$18.00 in interest charges while the \$5.00 he borrowed remained unpaid continuing to attract interest. Fortunately, this came to the attention of Thomas Rampersad, then a Cardex Clerk, who had been exposed to the concept of Co-operatives. Thomas brought the staff together, informed them of the distressing circumstances and proposed that if they all saved 0.25 cents per week, they would be able to lend Cummings the \$5.00 to pay off the money-lender and

... a willingness to do new and different things and a culture of development, which always recognized the importance of people, as central to growth of an organization

Cummings would pay them 0.10 cents interest. They agreed – Cummings was rescued! Your Credit Union was born and you have never looked back!

Financial probity and integrity are the foundations on which all successful financial institutions are built. It speaks volumes that this credit union has built solidly over the years, generating increasing trust and confidence even as it has expanded the financial strength of your organization. The exploitative possibilities of financial institutions have left a damaged trail over the years and while today we take the respectability of the banking system for granted, the reality is, that it was little more than two hundred years ago that the banks and the system of money lending generally was viewed by some powerful leaders in the world as a disreputable business. That was the period when Alexander Hamilton, one of the founding fathers of the United States and the clear-eyed apostle of America's economic future, moved to make banking an indispensable part of his country's economic system. As the first Secretary of the Treasury in the United States, he issued a call on December 14th, 1790 for the establishment of America's first Central Bank. Thomas Jefferson and John Adams, men who both later became Presidents of the United States opposed Hamilton. Jefferson considered Banks as devices "to fleece the poor" and lead people "to live above their means". Adams considered the banking system "an enormous tax upon the people for the profit of individuals". He described Bankers as "swindlers and thieves". If Mr. Cummings had lived in that time, he would probably have agreed.

But Hamilton understood that building a powerful state required public credit, an efficient tax system, a customs service and a strong Central Bank. He was prepared to suffer vilification to put these building blocks in place and he did. That is the type of commitment to fundamental ideas and leadership that we require in our country at this time and which I hope we might profitably discuss this afternoon.

We, as a people, must look beyond what is, to what might be, open up our minds to how things might be done differently and more than anything else we must confront and finally dismiss the absurdity that would perpetuate two separate identities in one Nation to which we owe our

allegiance. Trinidad and Tobago has been truly blessed with resources both natural and human - yet we so frequently fall short. The truth is that we have become prisoners of a system, which was structured to avoid mistakes rather than facilitate development. A system that makes no one accountable for failure; in which little works efficiently and we fall down every time on implementation. Ours is a system that tells us everything about rights and virtually nothing about responsibilities. This has nurtured a mendicant culture and has no place in the society we say we are committed to build. It is not enough to talk about a 20/20 vision with lofty technocratic ideas. These are of course necessary, for all enlightened countries and people must lift their sights. But dreams will remain dreams if they are not accompanied by firm action to address the endemic problems, which threaten to undermine all the good intentions, which may exist. Civility and good manners have become an embarrassment; vulgarity is a norm; vagrancy now threatens to overwhelm us and there is widespread indiscipline and disrespect for authority at every level.

A few weeks prior he had read a report in the newspapers of two Police Constables who went on a drunken binge. Because they were cautioned about speeding in a residential neighbourhood they badly beat two men sending one to hospital for three days and scattering fish from a vendor across the street. When apprehended they cursed senior policeman and an Inspector and then returned to the scene to do more physical damage. Even in this age of extreme behaviour, how could the standards of a once proud police service have degenerated to such indiscipline and disregard for authority in less than two generations?

Then he recalled the disrespect shown at the highest levels for the President of the Republic, the President of the Senate and the Speaker of the House. Such behaviour rubs off and shapes the conduct of Society. Sometimes the damage is incipient and not even understood. An example of this is the widespread support which has been given to the seven West Indies players, who, initially, simply ignored the demands of the West Indies Board to submit their personal contracts for approval. This is not a matter of whether or not we like the West Indies Cricket Board. Or even how much we love the

players, particularly the Prince, or is he now the King, who continues to make us all proud? The issue is that the Board is the duly appointed authority to run West Indies Cricket. Until they are removed they have an obligation to ensure that players who have personal contracts which conflict with wider contracts are not selected, if they did otherwise, there would be a serious dereliction of duty. It was entirely necessary therefore for the Board as employers to insist that these contracts be approved. When the players decided to ignore the Board's call for their contracts, they were challenging the authority of the Board to function as an employer and the Board responded appropriately. They were entirely correct to do so. What was extraordinary was the number of normally clear thinking people who supported the players in this total disregard for authority.

The part can never be bigger than the whole, nor the individual bigger than the game. The dismantling of a Society's respect for Authority begins, when we cease to be guided by these fundamentals. When we fail to take principled positions on important matters because the cost appears too high, we contribute in a very real way to the extreme behaviour of those violent policemen.

And then there is crime. Our society is threatened. A problem, which has been building for more than a generation has now exploded. Young men and even more disastrously, young women, who have been failed by our education system, the parents which man never had, and whose values and appetites have been distorted by the world in which we live are striking back ... in many cases with guns.

But the problem cannot be tackled in isolation. Dire poverty which offends the most fundamental premise of human existence leads frequently to indiscipline, lawlessness and crime. Such poverty is at the heart of hopelessness and who amongst us could aspire to respectability and a productive life if we do not first have HOPE. Creating the prospect of a better life for even the most disadvantaged in our country must therefore be the guiding principle of everything we do. If we fail to do so, two different and incompatible worlds emerge. One, the world, in which, some of us are fortunate to live in of possibilities and promise, the other - despair and all the vulnerable ills of humanity. A team of experts undertook a study of one of our depressed urban areas some months ago and their instructive diagnosis of the problem was "social depression and learnt helplessness". This condition is at the heart of our problems. People must have hope and this will not come from hand-outs, such dependency destroys self-esteem.

Equally, there are those who will choose the path of crime whatever we do. But the expansive feeder net can be

dramatically reduced. A few weeks ago, Mr. Gordon had the pleasure of attending the Servol Graduation at Beetham Life Centre. Some three hundred young men and women coming from the most impoverished circumstances proudly stepped forward to accept their Certificates in Electrical Installation, Auto Mechanics, Masonry, Welding and related Trades. Thirty qualified as Network Computer Technicians with City Guilds recognition. One guest whom he was fortunate to sit next to was a former graduate in Plumbing now employing thirty people. Servol has graduated over 3,000 young men and women over the past thirty years, who had fallen out of the system. Today these young people have re-entered the system and now live productive lives.

This programme should be institutionalized and expanded as a National Programme making it mandatory that every young person between the ages of 15 and 18 not at school or in a productive job should be required to attend. It teaches discipline, job skills, national responsibility and family values. It gives HOPE. This programme works and the results are there for all to see.

It was also his good fortune to participate in a programme, which started in Mayaro a little more than two years ago. It had expanded to cover the eastern half of the island from Matelot in the north to Guayaguayare in the south and further inland into Rio Claro, Sangre Grande and more recently Central. The philosophy is based on "hand-ups" rather than "hand-outs" and makes loans of \$2,000.00 per person. You may well ask as one of the early potential borrowers did, what can one do with \$2,000.00? You would be amazed. The results have been extraordinary. People are assisted to do productive things and guided in the basics of product, how to sell what you make, basic accounting and always spending less than you earn. By the end of December 2004, after two years of operation, total loans exceeded 2,300 with a default repayment rate of less than 3%.

The expectation is that total loans will exceed 3,000 by the end of the current year. They also expect that by the middle of the current year, there will no longer be draw downs on the capital sum advanced by BpTT and that repayments will begin to grow the fund. Thus after three years, the programme would have gone beyond breaking even. It would be repaying the capital invested and be on a growth stream similar to that of Cannings (not in terms of volume but in terms of pattern).

Some of the responses to the quality of life impact assessment conducted were, "the children can now go back to school everyday", "we now have a toilet in the house", "we stopped the leaking by changing the roof". Many are returning for second and third loans. One bought medication and feed for his pig with the first loan

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and a boar with the second. Now on his third loan, he has thirty pigs on his farm. Another bought chickens with the first loan, a deep freeze with the second and has expanded into the weekend Mayaro traffic. Another who sold coconuts by the wayside made one of the larger loans to build a retail shop. He has made a second of the larger loans, bought himself a van to save the cost of delivery, has established the Mayaro Coconut Shop and is in the transportation business as well. And there are so many more.

These people are growing since they began to help themselves. They are finding self-respect. They have hope and even more significantly, their children now live in a positive environment in which growth and progress are part of their future. The expansion of these and similar initiatives into National programmes will greatly accelerate the philosophical transformation now required. This will build a new generation of young people who have a stake in the country, and that's when developed country status will become a reality.

But even as we do so, we must develop the resolve to halt the mindless murders and kidnapping which have been terrorizing the population. Those who have crossed the line and chosen the gun must not be allowed to continue on their path of destruction. We must find the guns that are in the country even as we put measures in place to stop more from coming in and this must include Tobago. Hundreds of people, some with cars, move

between the two islands on the ferry service everyday, all without surveillance, all free to take guns or anything else into Tobago.

The Government which must accept responsibility for this situation has to stop vacillating and take decisive action while the situation is still controllable. Placing joint patrols in troubled spots is a forward step, but this was done before. We were assured that mobile stations were on order more than one year ago. Did they come? Where are they located? Such stations must locate where the problems exist and stay there until the situation is brought under control. Authorities have openly stated that they know where the guns are located. More recently they have claimed to know the kidnappers. Yet people continue to be killed and kidnapped virtually every day. The time is long past for continuing to procrastinate ... selected states of emergency to go after the guns and the men who use them; creating curfews and locking down the trouble spots are steps that are long overdue. Make kidnapping a non-bailable capital offense and let offenders face the death penalty. Other countries have done it with dramatic results. Our problem is not with a shortage of ideas or recommendations. It is with the lack of political will, effective implementation and staying the course. These have been our greatest failures.

We are in danger, he said, of losing our way as a society and as a people. Father Pantin has called us a sick society. He readily admitted that we are in intensive

care and perhaps even on life support, but we are not without Hope. MPs Gillian Lucky and Fuad Khan are to be congratulated for taking a public stand in support of integrity. Likewise we must commend the Police for drawing a line against some of the vulgarity that passes for entertainment. The last time that he had the misfortune to hear the vulgarity of that particular entertainer, he walked out of her show. So he did not believe our illness was terminal. The degeneration taking place around us must be condemned by decisive leadership that will commit to fundamental ideas about decency, standards and values.

Leadership that will be prepared to risk unpopularity: that will not back away from law breaking wherever it exists. We need to set a new course. Mr. Gordon repeated a call he had made some six months ago when speaking at the Distinguished Lecture Series in Marabella, we need a new beginning: one that will tackle poverty with the enlightenment of self-respect, destroy learnt helplessness and create hope and direction for all citizens. That beginning must offer bolder leadership which will be prepared to address crime by taking selective Emergency Powers, impose curfews and go after the murderers and kidnappers. They may be small in number now but they grow with every passing day of vacillation. We need to take the fight to the criminals and keep them on the run. But this war has to be fought from one camp. So, that even as we do these things we must continue our efforts to heal the racial divisiveness which threatens our unity as one people by focusing on healing fairness and justice. By seeing our differences as strengths.

Mr. Gordon noted that some months prior, a small committee of which he was a member, launched a campaign to promote Principles of Fairness. An announcement was imminent to announce the second phase of the initiative. The over-riding certainty which has emerged from months of consultation is that the vast majority of people in this country, whatever their race, colour or economic status want to live in peace and as united people. And this must be at the heart of the New Beginning.

He indicated that CECU's 53 years of success were a great credit to the society as a whole. Canning's contribution to the national well-being has demanded no less than forthrightness on his part. Apologizing to the membership, if they found the issues he addressed were unduly insensitive, he plead guilty to a deep and abiding faith in the ultimate future of the Nation and placing this above other considerations.

"Our country needs a new beginning, one that will pursue our best hopes as we overcome our worst fears; a beginning that will embrace Mother Trinidad and Tobago, as a nation of one committed people with a shared

allegiance to the country which is our home."

VOTE OF THANKS

Mr. Govind Maharaj, Vice President, moved the vote of thanks to the distinguished feature speaker. He noted that the membership was very fortunate to have such a distinguished speaker share his knowledge, his ideas and his views. Mrs. Maria Rivas Mc Millan then made a presentation to Mr. Gordon.

VOTING PROCEDURES

Mr. de la Grenade reminded members that persons could not sit both on the Supervisory Committee and on any other Committee. He invited Mr. Jones, TECU President, to verify that all the voting boxes were clear. The scrutineers for the Supervisory Committee were: Steven de Souza, Deanne Boucaud, Cherrisse Dennalli and Marsha Ali.

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

When the meeting reconvened, Mr. de la Grenade gave notice that the meeting was duly constituted since there were 388 members and 14 guests. The Chairman welcomed and introduced the guests present; Ronald Jones (TECU), Gary Cross (Credit Union League President), Kent Byer (TECU), Lennox Marcelle (Eastern Credit Union), Mr. Lai Leung (Teacher's), Lawrence Hackshaw (Gordonious), Ronald Peters (Neal & Massy South), Arthur Carlow (Telephone Workers Credit Union), Henry Sealey, Ann Solomon-Kerr (Co Operative Division) and Ms Reshma Mahase (PWC representative).

Apologies and best wishes were received from Minister Conrad Enill, Krishna Lutchmansingh, Anthony Hall, Bernard Dulal-Whiteway, Anthony Robert (Ministry of Labour), John Scott and the Neal & Massy (N) Credit Union Board of Directors.

ACCEPTANCE OF THE ANNUAL REPORT

The Annual Report was moved by Mr Lawrence Hackshaw and seconded by Mr Wayne Estrada with all in favour.

PROCEDURE FOR THE MEETING

STANDING ORDERS

The meeting moved the acceptance of the Standing Orders on page 7, on a motion moved by Mr Calvin Francis and seconded by Ms Deanne Boucaud.

MINUTES OF THE 52nd MEETING

The Minutes of the 52nd Annual General Meeting were

to be found on pages 9-17 of the annual report. After review, the minutes were accepted by Ms Sheila Chavez and seconded by Ms Joanne Mollineau:

MATTERS ARISING

Mr. Ignatius Blandin commented on one of the pictures at the front of the Annual Report – the one where the man had his hand open looking upwards. In his opinion this picture and the happy expression on his face truly reflected the feeling of joy of the membership.

Further Mr. Blandin referred to page 12 and enquired on a status report regarding the amalgamation of CECU and Neal and Massy. To which Mr. de la Grenade responded that little progress had been made to date – Canning's Employees' Credit Union remained open to pursuing any discussions that would move the process along.

BOARD OF DIRECTORS' REPORT

The Chairman then invited members to turn their attention to the Report of the Board of Directors on pages 18-26. The report was adopted on a motion moved and seconded by Ms Terri-Ann Brathwaite and Mr. Harold Prentice respectively.

Mr. Blandin offered comments on the following pages:

Page 21: He congratulated the Committee members on their 80-100% attendance at meetings. Special reference was made to Mrs. Brathwaite for her increase from 50% to 90% attendance. He encouraged the young Committee members to continue their service within the Credit Union Executive.

Page 26: He requested clarification of the Policy Owners' Advisory Committee. Mr. de la Grenade reported that this was a CUNA sub-committee (comprising Presidents of various Credit Unions) and serves to introduce the new CUNA products being offered within the Credit Union movement. In this way, the credit union movement would get an insight into CUNA and translate that back into their respective credit unions. Further, Mr. de la Grenade advised that this was not the 'think-tank' for CUNA, but it was the forum where credit unions could get full explanations and clarification of the products being offered on the markets.

AUDITORS' REPORT

The auditors' statement as on pages 29-39 was read by a representative of PriceWaterhouseCoopers 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.

The Auditors' Report and the Balance sheet were adopted

on a motion moved by Mr Kenny Jalsa and seconded by Ms Roslyn James with all in favour.

BUDGET

Projected Income and Expenditure

The Budget as reported by the CEO, Ms Raphael and shown on page 40.

REVENUE

Ms. Raphael invited the members' attention to page 40, for the projected statement of Revenues and Expenses for the Fiscal period ending December 31st 2005. In addition, she provided brief explanations for the variances in the 2004 projections and actuals.

Ms Raphael then presented the 2005 budget for discussions. Mr. de la Grenade opened the floor for questions and comments.

Mr. Blandin drew reference to the \$33,062 budgeted for League Fees. He questioned whether the expense justified the benefits from the alliance?

Mr. de la Grenade commented that he was disheartened with the League's position, that their expenses were higher than their revenues; however his was a lone voice. However, while there were not obvious benefits, he still felt that there was a need for such a body: which would be representation at the Government level, plus he felt there were efforts to improve operations within the League. Within the credit union movement the decision must be made whether there is need for a League and if so, the required dues must be paid. Mr. Blandin deferred to Mr. de la Grenade's judgment in this matter.

The budget was presented to the members for their questions, comments and subsequent approval.

Mr. Blandin sought clarification on the procedure implemented for collections and the reduction of delinquency and the treatment of delinquent matters.

Mr. de la Grenade advised that one officer holds responsibility for tracking delinquency and it is reported in the Board Report. In accordance with the Pearls Analysis, CECU's delinquency is well below the required amount. For delinquency, the credit union could take a member to court to recover the outstanding balance.

Mr. de la Grenade referred members' attention to page 22, the second paragraph on 'delinquency' – the Board Report on delinquency.

The budget was adopted on a motion moved by Mr Trevor Howell and seconded by Ms Judy Tardieu, the majority were in favour.

Mr. de la Grenade invited the following Scrutineers of the Credit and Board Committees:

Team 2: **Abfzal Ali**
Helen Blackman
Joy Blackman
Jennifer Williams

Team 3: **Frances Camacho**
Judy Whittington
Patricia White

CREDIT COMMITTEE REPORT

Mr de la Grenade referred to the Credit Committee Report on pages 41-42.

Committee members: **Calvin Francis - Chairman**
John Scott
Junior Dhoray
Glen Piontkowski
Rosemary Ayers
Dian Lopez - Alternate

Mr. de la Grenade drew the membership's attention to the breakdown on the purpose of loans and the amounts on page 42 – (Domestic, Holiday, Housing, Investments, Funerals, Weddings and Christenings, Car repairs etc).

2004	\$17,670,220.72
2003	\$16,314,389.11

There being no matters arising, the report of the Credit Committee was adopted by Mr. Lawrence Hackshaw and seconded by Mr Charles Gill.

THE SUPERVISORY COMMITTEE REPORT

Mr. de la Grenade announced the results of the votes for the Supervisory Committee. Members were reminded that these persons are debarred from sitting on the Credit and Board Committees.

Volneitha Sargeant	174
Victor Griffith	138
Peggy La Guerre	132
Orlando Lopez - First Alternate	118
Nathalie Owen - Second Alternate	107
Susan Longdon	106
Shaleeza Khan-Ali	76

The Report of the Supervisory Committee was submitted for comment by Mr. Roy Mahabirsingh, and referred to on page 43. There being no questions the report was adopted by Mr Junior Dhoray and seconded by Ms Terri Ann Brathwaite.

At this time Mr. de la Grenade acknowledged the presence

of Mr. Walt Cooper, a representative of the Ministry of Public Utilities and the Environment.

GREETINGS

Mr. Gary Cross, President, Credit Union League was pleased to represent the League at Canning's Employees' Credit Union AGM. The League has amassed 59 years of existence and CECU with their 53 years was itself close to the pioneering days of the Movement. He said CECU was fortunate to have such a prolific writer highlighting the issues and concerns of the movement. Just over the last year he had sent just one letter that referred to the new legislative framework, offering interesting recommendations – that similar to other movements, credit unions should be governed under one regulatory framework and there should be a concordat that suggests that the movement should not be subjected to taxation. Further, he propounded that there was need to avoid the reserve requirements and that the movement should have its own deposit insurance (this was in fact subsequently established). Mr. Cross wanted to assure the membership that the League had indeed listened to Mr. de la Grenade and the rest of the movement.

Mr. Cross advised that the League was established to defend and protect the movement, and the support of all the constituent units was required. He welcomed further partnerships with the League to ensure it continued to advocate and represent the credit union movement's interest at all levels.

Mr. Cooper, representative of the Ministry, said he was pleased to convey greetings from the Honourable Minister of Public Utilities and the Environment, Ms Penelope Beckles, who apologizes for her absence. Minister Beckles wished Canning's a successful meeting and God's Blessings for another successful year. On review of the balance sheet, they saw an emerging leadership within the credit union, extending out as leaders in the movement.

Mr. Jones, President of TECU, greeted the membership and special guests. While only three members of TECU attended the meeting, he wished to extend greetings on behalf of the 17000 members of TECU to Canning's 5000 members. He noted with great interest Canning's intention to construct their own building and offered financial support for this venture. He also recommended reference material for the future Directors' training sessions – Steven Covey "8 Habits" and Tishey & Sherman "Control Your Own Destiny or Someone Else Will".

Mr. Arthur Carlow, Telephone Workers Credit Union, advised that the Telephone Workers' credit union had approximately the same membership levels as Canning's, and likewise did not pay honourariums to their Directors.

Mr. Carlow extended God's Blessings on this 53rd Annual General Meeting and all future endeavours.

Geddes Grant representative, Mr. Vernon Lequay expressed pleasure to be a part of such a smooth and professional meeting and extended God's Blessings to CECU as it progressed in the future.

Mr. Lai Leung extended greetings from the Teachers Credit Union on behalf of Mr. Palmer who was unable to attend. He wished continued success to CECU having followed its growth over the years.

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 2005 and that such dividends be credited to members' shares (in accordance with by-law 25 Section 1). Approved on a motion by Ms Carol Roberts and seconded by Mr. Orlando Lopez, with all in favour
- Move the appointment of PriceWaterhouse Coopers as auditors for the 2005 Term. Approved on a motion by Mr. Charles Gill and seconded by Ms Dian Lopez, with all in favour.

Whilst Mr. de la Grenade awaited the results of the Credit Committee, he took the opportunity to comment on Board initiatives among other things:

- Mr. de la Grenade elaborated on his letter to the League which covered three pertinent issues:
 - The Credit Union as agents for Government mortgage facilities for the approval of mortgages. Previous investigations into the credit union funds suggested that short term funds should not be used for long term investments. If housing is important to the citizens of the country, then he will lobby for the credit union to become such an agent for mortgages.
 - Credit unions purchasing shares in banks: The movement should seek to acquire shares in the First Citizens Bank.
 - Representation on the Unit Trust Board: All our competitors are permitted to have representatives on the Board, however, he cannot get support from other League members to lobby for a position on the Board although the movement

has sizeable investments in this institution.

- Representation on the League: The League should be restructured and reformed, since in its present state, the League is 'going no where'. He hoped there could be more meaningful contributions and support from the League in the future.

- Mr. de la Grenade was concerned about issues raised by the Governor of the Central Bank, Mr. Ewart Williams but that he conceded that the credit union and the banking movement were two distinct entities. He would like to see strengthened supervisory measures, noting in fact that Canning's Employees' Credit Union was the only credit union that reported to the Supervisory Unit at the Central Bank of Trinidad & Tobago. CECU was proud of its transparency measures and made every effort to audit its accounts and publish its financial reports. Making reference to the Credit Union Act, Mr. de la Grenade reported that no one can own more than 1/5th of the credit union, yet still with the new developments there was cause for concern. It was also being stated that another large credit union has declared bankruptcy and will be unable to pay its members. These happenings seem to escape the League's attention.

OTHER MATTERS

Mr. Blandin commented that with the extension of membership to new companies, it was his hope that salary deductions were being implemented and that the credit union would be informed well in advance should the members of these companies leave. Mr. de la Grenade gave the assurance that procedures were in place to safeguard the credit union.

Mr. de la Grenade announced the results for the following Committees:

Board Committee (4 persons):	
Maria Rivas-Mc Millan	287
Trevor Howell	274
Govind Maharaj	255
Kenny Jalsa	245
Glenroy Forester - First Alternate	160

Credit Committee (5 persons)	
Calvin Francis	287
John Scott	270
Glen Piontkowski	268
Junior Dhoray	238
Rosemary Ayres	228
Christine James - First Alternate	213

Mr. de la Grenade paid special tribute to all his members of staff. Earlier in the year a market salary and benefits survey had been conducted to ensure the equitable treatment of staff. They were pleased that the results showed that the salary and benefits at CECU were the benchmark in the industry.

Operations at the credit union have flourished under the leadership of Ms Raphael, who has brought a financial discipline to the credit union, which is second to none. The Board sets policy but is not involved in the daily operations of the credit union and applauded Ms Raphael and her team on their outstanding performance. He also extended thanks to members of the Board for their unstinting service in a spirit of cordiality and friendship.

VOTE OF THANKS

Ms Terri Ann Brathwaite expressed thanks to the Supreme God for bringing everyone through another successful year and for continued guidance as the credit union continued in its service to the membership with integrity and excellence.

She conveyed a special thank you and appreciation to the CEO, Ms Raphael and her staff, on behalf of the membership.

To the Board of Directors and other Committees, who may not receive monetary rewards, but certainly got their reward in seeing members grow and prosper.

She thanked several organizations for contributing door prizes: Hilo Food Stores Nationwide, Caribbean Bottlers Trinidad Limited, Waste Disposal Limited, Trinidad Tissues, Rotoplastics, St James Colour Shop, and Peter Roberts of CLICO.

Appreciation was also extended to: Ilyia Furlonge - Walker & staff (Annual Report artwork); CPPPL (printing); Alvin Mollineau of Vonline (backdrop); and Sel Duncan (photography); Ikin Williams and Team (sound technician crew), Seaview Foods Limited (caterers), New Dimensions (florists), Tropical Tent Rentals, the Lions Club management and, most importantly, CECU members.

RESOLUTION FOR THE DESTRUCTION OF THE BALLOTS

Mr Calvin Francis moved that the ballots be destroyed and it was seconded by Mr Victor Griffith, the motion was accepted.

DOOR PRIZES

Ms Lorraine Ragbir, Ms Tanya Rawlinson and Mrs. Maria Rivas-Mc Millan were invited by Ms Raphael to assist in

the process. Numbers were stuck under the chairs for the door prizes, those finding numbers were invited onto stage to receive their prizes.

There being no further official business, the Chairman closed the official aspect of the Annual General Meeting at 7:45pm.



Maria Rivas-Mc Millan Secretary

from left to right

Trevor Howell *Director*
Terri Ann Brathwaite *Asst. Secretary*
Ian Lewis *Director (missing)*
Carol Roberts *Director*



from left to right

Sean Clarke *Director*
Emil de la Grenade *President*
Dian Lopez *Director*
Elizabeth Raphael *Chief Executive Officer*
Calvin Francis *Director*
Maria Rivas-McMillan *Secretary*
Govind Maharaj *Vice President*
Sheila Chaves *Director*
Kenny Jalsa *Director*

Report of

Board of Directors 2005/2006

Overview of the Economy

The Trinidad & Tobago economy experienced its twelfth consecutive year of economic growth in 2005. Leading the growth of 7.0% was the energy sector. The non-energy growth of 4.0% was led by construction and manufacturing.

The strong economy supported robust job growth, reducing the unemployment rate to historical lows (8% at the end of June, 2005). Despite strong economic activity, however, there still remains the challenge to rising inflationary pressures increased largely on account of the sharp rise in food prices. Higher incomes led to strong growth in bank deposits and mutual funds whilst activity in the stock market moderated. The financial sector continues to experience high levels of liquidity, posing a major challenge for interest rates.

Whilst the economic outlook for Trinidad & Tobago remains positive, the worsening crime situation continues to undermine our stability and has the propensity of creating an increasingly adverse impact on our investment climate.

Notwithstanding these challenges however, we are pleased to report that 2005 was indeed a significant year for CECU. We achieved a milestone in April, when we surpassed One Hundred Million Dollars in assets. We are no longer considered a medium-sized but large unit. This elevation is attributed to the prudent Management of our Board and Committees, complemented by a group of employees committed to the success of our Organization and the confidence and loyalty of our membership.

BOARD OF DIRECTORS

Following the 53rd Annual General Meeting, the following persons were elected to serve on the

- Executive: **Emil de la Grenade** *President*
Govind Maharaj *Vice President*
Maria Rivas Mc Millan *Secretary*
Terri Ann Brathwaithe *Assistant Sec.*
Elizabeth Raphael *CEO (Ex officio)*

- Other serving Directors were: **Kenny Jalsa**
Sheila Chaves
Calvin Francis
Trevor Howell
Carol Roberts
Dian Lopez
Sean Clarke
Ian Lewis
Glenroy Forrester *Alternate*

MEETINGS

The Board met monthly to conduct the business of the Society in compliance with Bye Laws 18(V). A total of 9 meetings were held over the period April 2005 – January, 2006



Emil de la Grenade
President

A RECORD OF DIRECTORS' ATTENDANCE is summarized in the following schedule:

NAMES	Possible Attendance	Attended	Excused
Emil de la Grenade <i>President</i>	9	9	-
Govind Maharaj <i>V. President</i>	9	7	2
Maria Rivas-Mc Millan <i>Secretary</i>	9	8	1
Terri Ann Brathwaithe <i>Asst. Sec.</i>	9	7	2
Kenny Jalsa <i>Director</i>	9	6	3
Sheila Chaves <i>Director</i>	9	9	-
Calvin Francis <i>Director</i>	9	8	1
Trevor Howell <i>Director</i>	9	7	2
Carol Roberts <i>Director</i>	9	7	2
Dian Lopez <i>Director</i>	9	6	3
Sean Clarke <i>Director</i>	9	1	8
Ian Lewis <i>Director</i>	9	1	8
Glenroy Forrester <i>Alternate Director</i>	9	5	4

In our quest to ensure our survival in the competitive environment in which we operate, the Board was supported in its efforts by a number of sub committees as detailed hereunder:

Convenors

- Emil de la Grenade**
Maria Rivas McMillan

- Govind Maharaj**
Emil de la Grenade
Calvin Francis
Kenny Jalsa

Committees

- Executive*
Education & Marketing
Public Relations
Investments
Building
Delinquency Control
Information Technology

MEMBERSHIP

Four Hundred and Forty Four (440) new applicants were enrolled which brought the membership to 4,934 as at 31st December, 2005. There were seventy six (76) resignations and 16 deaths during the period. Additionally, a number of inactive accounts with share balances of five dollars and less were transferred from the active membership record into the share reserve fund. The rationalization reflected a depletion of the membership by two hundred and sixty six (266).

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

	2005	2004
Employees	1,768	1,671
Relations	865	806
Ex: Employees	2,301	2,375
Total membership	4,934	4,852

SHARES

There was a \$7,464,505 net growth or 11.5% increase in

share capital. The portfolio moved from \$64,935,901 to \$72,400,406.

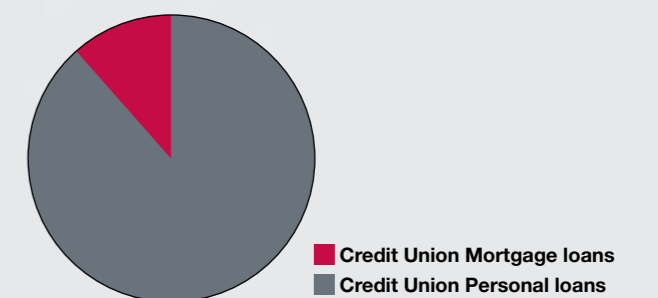
DEPOSITS

The deposit portfolio increased by \$1,981,128 or 32.67% over the previous year. Our retirees are the greatest benefactors of this portfolio, since the excellent preferential rates and flexible mode of interest payments are utilized to enhance or subsidize their pensions.

LOANS

The loans portfolio grew from \$57,505,924 to \$62,518,336 an increase of 8.72%. The targeted loan disbursement figure of \$20M was achieved.

TOTAL OUTSTANDING LOANS



Credit Union Personal loans	\$55,428,629	88.66%
Credit Union Mortgage loans	\$7,089,707	11.34%

DELINQUENCY

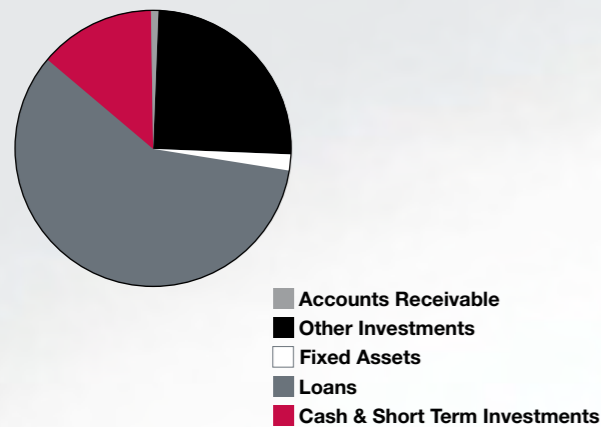
The Recoveries Department has been consistent in its efforts to recover sums owed by delinquent members. These efforts have resulted in collections amounting to \$ 413,166.71.

The current value of delinquent loans amounts to \$4,225,434 Shares held by members whose loans are delinquent totals \$2,482,431 leaving a net exposure of \$1,743,003. This exposure is fully provided for in the Accounts.

ASSETS

As of December 31, 2005, CECU's financial position presented a strong outlook with assets totaling \$107,051,838. This represented an increase of \$11,254,187 or 11.75% over the 2004 figures.

Asset Mix



Accounts Receivable	\$647,678	0.61%
Other Investments	\$26,795,040	25.03%
Fixed Assets	\$2,081,010	1.94%
Loans	\$62,518,336	58.40%
Cash & Short Term Investments	\$15,009,774	14.02%

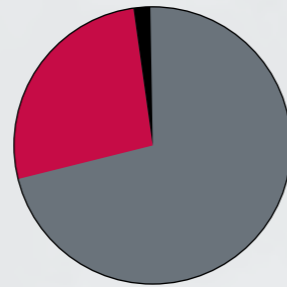
The investments portfolio increased significantly by \$6,836,864 or 19.55%. This represented funds that were surplus to our immediate needs and were placed in short term investments in the UTC 2nd Scheme.

REVENUE

The results showed an increase in revenue by \$375,378 over 2004. The total revenue figure fell short of the budget by \$354,146. Expenses were closely monitored, resulting in a positive variance of \$416,101 when compared with the budgeted projections of \$3,605,562. The end result showed that the targeted goal of \$5,730,758 after appropriation was surpassed by \$76,378.

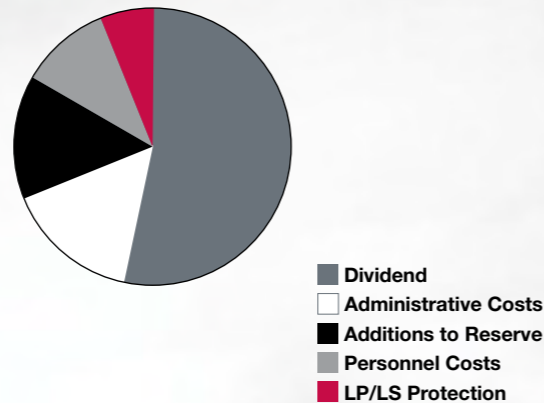
Sources of Revenue

Revenue from loans	\$6,977,083	71%
Revenue from investments	\$2,634,302	26.81%
Other Income	\$214,803	2.19%



■ Revenue from loans
■ Revenue from investments
■ Other Income

USE OF REVENUE



Dividend	\$5,242,855.02	53.36%
Administrative Costs	\$1,539,845.00	15.67%
Additions to Reserve	\$1,393,871.98	14.18%
Personnel Costs	\$1,037,593.00	10.56%
LP/LS Protection	\$612,023.00	6.23%

DIVIDENDS

Having achieved our targeted results, the Board proposes an 8% dividend on fully paid-up shares on register as at 31st December, 2005. The sum of \$5,242,855.02 representing 90.28% of the surplus funds after appropriation will be returned to the membership. Consistent with our policy to maintain sound and safe capital/net asset levels, the sum of \$564,281 will be transferred to the retained earnings.

MARKETING

Continuing on the trend established in 2004, the Marketing thrust of upgrading all aspects of the organization were realized:

Steps were taken to improve customer service on all levels. CECU implemented phase 2 of the corporate website as well as formally entered into an alliance with TECU Credit Union.

CECU FORM AN ALLIANCE WITH TECU

The Board of Directors of TECU Credit Union Co-operative Society Limited (TECU) and Canning's Employees Credit Union Co-operative Society Limited (CECU) formally announced their agreement to enter into a Memorandum of Understanding (MOU) with the intent of forming an alliance, for the express purpose of achieving greater efficiencies in their operations and delivery of products and services to their membership.

With the changing technological landscape both locally and internationally, this alliance will position both credit unions to offer greater convenience and ease to its members in the delivery of service. Members of both credit unions will have the opportunity to access shared member services at all branches of both Credit Unions. Specifically, TECU members would be able to perform a number of transactions at Canning's Employees' Credit Union Office on Victoria Avenue, Port of Spain; while Canning's members would be able to similarly transact business at TECU's officers at Marabella and Couva.

Central to the MOU is the need for the alliance to remain focused on ensuring consistently high levels of service and satisfaction to members. Members can expect the rollout of this service during the second quarter of 2006 as we work together to achieve our mission.

WEBSITE

CECU has started Phase 2 of our corporate website. This phase is the development of the Content Managerial System. It involves adding to our website a mortgage calculator, event reminders as well as having a strategic alliance page, where all member companies will be allowed to have links to our webpage and vice versa.

MEMBERSHIP

CECU has embarked on a project to encourage all employees' of our member companies to join the credit union and really embrace cost cutting and saving concepts. For 2005, 440 new members joined the credit union. However, the real growth has shown a reduction in this figure. This has occurred because the credit union embarked on a clean up exercise phasing out a number of inactive accounts with share balances of \$5.00 and less.

NEW PRODUCT: GOLDEN STAR ACCOUNT

The Golden Star Account provides flexibility and convenience for the CECU member. Golden Star is designed to encourage you to save and invest those extra funds from your new disposable income. Golden Star comes with a special interest rate of 5% paid semi annually. We encourage all members to open a Golden Star account today and invest your money wisely.

LOAN SALE

The concept of the 50/50 loan was introduced this year. This started with Credit Union Month and carried through until November, thus running for two (2) months. This campaign was very successful.

EDUCATION

A new and dynamic DVD presentation was produced for CECU. CECU has developed a presentation that is in keeping with our new modern thrust. This presentation will get the attention of all young newcomers to our credit union.

CECU aired four (4) programmes on I95.7FM focusing on the benefits of being part of Canning's Employees' Credit Union. The topics discussed were as follows:

- Who is CECU: Opening up our Bond to include companies outside of the Neal & Massy Group
- Budgeting: Financial Tips
- Money Management: Taking a LOAN as opposed to Hire purchase
- What is Debt consolidation?

Headline news was also sponsored for one month on 97.1

CORPORATE SOCIAL RESPONSIBILITY

CECU has assisted in defraying costs for one student from the National Centre for Persons with Disabilities. As a result of this sponsorship, this recipient can access opportunities for vocational growth and success. This gesture has been our annual contribution for the past few years.

Canning's Employees' Credit Union is proud of our young member Johnathon Jarvis. Johnathon was one of our SEA winners several years ago. Through his hard work and diligence he was successful in his O'Level examination and CECU extended his scholarship to Form Six and based on his excellent performance at A levels, he was awarded an additional scholarship. Being a committed, model financial institution, true to our members we have taken our scholarship even further and extended it to his tertiary education where he is now pursuing his dream to become a doctor at the Faculty of Medical Sciences UWI. CECU was able to assist one of our youth members who swam his way to success topping the 13 - 14 category in races throughout the Caribbean. Walter Romany swam in the Barbados Invitational Swim Meet in May of 2005 where he broke two of the island's records in the 50M backstroke and 50M Butterfly stroke. He also medaled in the Carifta Games held in Santo Domingo. All in all he

has made his credit union very proud and we certainly encourage him to continue showing his commitment and hard work.

Canning's Employees' Credit Union was approached by the Family Life Commission of the Archdiocese of the Roman Catholic Church to assist in raising funds to develop programmes that encourage families to participate in the development of life of the church and of society; to foster ministry to parenting – single or married; to foster ministry to single persons; to promote chastity and care for the unborn and to foster ministry to all hurting families regardless of religion.

CECU embarked on this project seeing the breakdown of family life in Trinidad and Tobago as one of the leading causes of the present violent indisciplined society that exists in Trinidad and Tobago. CECU saw this as a worthy cause, and encouraged all our member companies to participate in this project. This project entailed selling silicone bands with the inscription LUV FAMILY throughout our membership.

Canning's Employees' Credit Union (CECU) places a

lot of attention on the young people of our community and always look for avenues that can enhance their development. Tickets were donated to the St. Dominic's Children's Home providing the opportunity for the recipients to attend the Lilliput Theatre, Production XXXX produced by the Noble Douglas Dance Company.

The Morvant Youth Environmental Development Organization (MYEDO) is a nation building, youth serving, community based organization. This group was formed to help raise the morale and promote healthy living in the Morvant area of Trinidad. CECU gave a donation to their education and sports fund.

A donation was given to the Trinidad and Tobago Police Service/Social Welfare Association to assist in the publication of a crime prevention booklet. Donations were also given to the Lion's Club to assist with their various charities.

CHILDREN'S CHRISTMAS PARTY

CECU's Children's Christmas Party was once again a huge success. Kay Donna was used for a third year and everyone who attended really had a very Merry Christmas.

PEARLS ANALYSIS

COMPONENTS	SATISFACTORY	UNSATISFACTORY	ACTUAL 2005
Protection (Capital/Total Assets)	8% +	<3%	13.10%
Earnings (Net Income/Average Assets)	0.5-1.5%	<0.5%	6.54%
(Operating Exps./Gross Income)	30-50%	>60%	32.46%
Asset Quality (Delinquent Loans/Total Loans)	<3%	>5%	net 2.71%
Rate of Growth Savings Growth Rate (Shares & Deposits)	>inflation +Growth Rate	<0.5%	13.30%
Loans Growth Rate	>Savings Growth Rate	<0.5%	8.72%
Membership Growth Rate	min. 5%	<5%	1.69%
Liquidity (Loans/Total Assets)	70-80%	>90%	58.4%
Structure (Non earning Assets/Total Assets)	<5%	15%	2.5%

IMPENDING REGULATIONS

Concerns about new Regulations and supervision were at the forefront throughout the year. In light of corporate scandals that threatened the stability of the entire movement during fiscal 2005, it is crucial that Credit Unions promote transparency, accountability and other good governance practices. Regretably, the Co-operative Credit Union League, as the National Advocate for Credit Unions has not adopted a pro-active stance in conferring with the Government to ensure that the Movement would

not be disadvantaged by the impending Credit Union Bill. CECU is concerned that the Movement is extremely fragmented and that the present League is incapable of creating the impact necessary to safeguard our turf. We are supportive of any action aimed at addressing the corporate governance structure as well as the individual governance issues of this important Organization.

NEW OFFICE PROJECT

The Board's desire to construct a building that provides

accommodation for the office as well as generate a reasonable rental income is constrained by the stringent limitations given in the outline approval. The matter is being pursued to determine whether any favourable adjustments can be facilitated.

STRATEGIC PLAN

Having regard to the competitive and somewhat unpredictable environment, the Board continued its policy to develop explicit strategies to ensure the continued survival and growth of the Organization. The Board, Committees and Senior Staff met on 1st October, 2005. A review of the existing situation was undertaken and strategies were developed to enhance the key performance areas of savings, loans, membership, marketing and human resource.

OBITUARIES

The Board extends sincere condolences to all relatives and friends who lost their loved ones during the year:

Robin John	Lisa Lewis
Bernie Ramdass	Ena Mc Connie
Juliana Briggs	Roland Blanche
Michael Mc Lean	Marina Griffith
Livingston Mills	Leonce Pasea
Winston de Freitas	Julien Pierre-Meijas
Peter Williams	Evan Reverand
Lorna Sayers	Ivan Williams

May their souls rest in peace.

Death claims amounting to Four Hundred and Forty Three Thousand, Eight Hundred and Twenty Nine Dollars and Ten Cents (\$443,829.10) were settled by Cuna Caribbean Insurance. This sum represented 72.52% of the premiums paid.

OUTGOING DIRECTORS

In accordance with Byelaws 18 and 22, the Credit and Supervisory Committees are outgoing. Messrs. Ian Lewis, Sean Clarke, Terri Ann Brathwaithe and Carol Roberts are outgoing from the Board. We place on record our appreciation for the outstanding contributions of those Directors.

THE BOARD OF DIRECTORS AT A GLANCE

2003 – 2006	Calvin Francis
Terri Ann Brathwaithe	Dian Lopez
Carol Roberts	
Ian Lewis	2005 - 2008
Sean Clarke	Govind Maharaj
	Maria Rivas-McMillan
2004 – 2007	Trevor Howell
Emil de la Grenade	Kenny Jalsa
Sheila Chaves	

ACKNOWLEDGMENTS

The Board records its heartfelt appreciation for the unstinting support of all Directors, Committees, our Sponsor Companies, our Bankers, Insurance Brokers, Stockbrokers our Auditors, The Cuna Mutual Group, the Credit Union League of T & T & The Co-operative Division.

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

Finally, we thank our loyal members for the confidence reposed in us. We pledge to preserve that confidence through strict adherence to the co-operative principles, whilst maintaining transparency and accountability to all shareholders and regulatory bodies.

CONCLUSION

Financial stability, economic opportunities, social empowerment and excellent member service are benefits and privileges CECU members are blessed with. Suffice it to say that we are in existence after 54 years because we have worked together as a team in ensuring the ongoing tradition of the Credit Union difference remains alive.

We thank Almighty God for his continued guidance in all our deliberations and we look forward to continued success in 2006. "Together, we can make it happen".



Emil de la Grenade President

RESOLUTIONS

1. Be it resolved that in accordance with bye-law 25 Section (l), a dividend of 8% be paid on fully paid up shares at the end of the financial year ended 31 December 2005 and that such dividends be credited to member's shares.
2. Be it resolved that the firm Price WaterhouseCoopers be appointed Auditors for the 2006 term.

from left to right

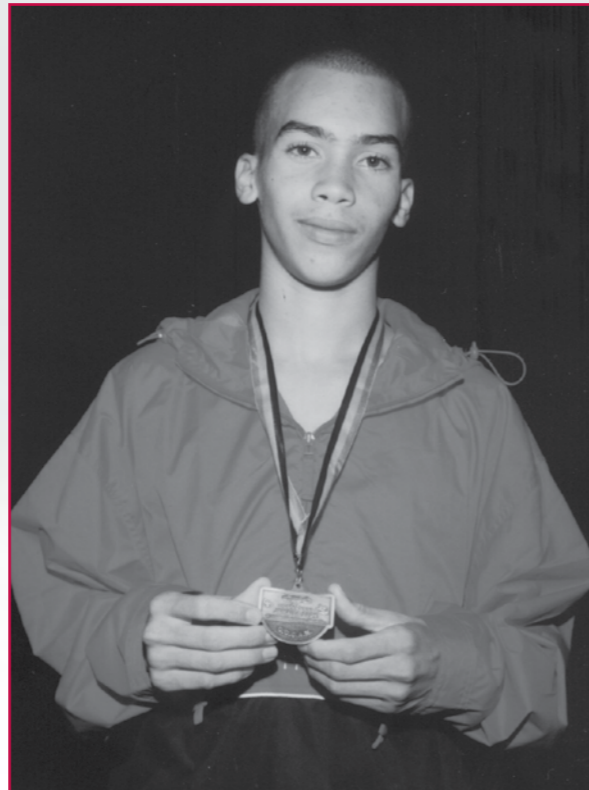
Rosemarie Inniss *Clerk/Receptionist*
Lorraine Ragbir *Marketing Officer*
Theresa Mendez *Secretary*
Deanne Simpson *Office Management*
Sandra Johnson *System Administrator*



from left to right

Deborah Byng *Senior Loans Officer*
Sharon Howard *Loans Officer*
Deion Raphael *Support Staff*
Paula Pierre *Accounts Clerk*

Linda Mentor *Recoveries Officer*
Cynthia Goindoo *Support Staff*



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 2005 and the income and expenditure account and receipts and payments account for the year then ended as set out on pages 32 to 41. 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 2005 and the results of its operations and its cash flows for the year then ended in accordance the Co-operative Societies Act 1971.

PriceWaterhouseCoopers

Port of Spain
Trinidad, West Indies
8 March 2006

Balance Sheet

	Notes	31 December	
		2005 (\$)	2004 (\$)
ASSETS			
Cash and short term deposits	4	15,009,774	8,740,292
Investments - available-for-sale	5	9,219,931	11,280,315
- held-to-maturity	5	17,575,109	14,947,343
Loans net of allowance for loan losses	6(i)	62,518,336	57,505,924
Accounts receivable and accrued interest		647,678	1,239,910
Property and equipment	7	2,081,010	2,083,867
Total Assets		107,051,838	95,797,651
Liabilities And Members' Funds			
Fixed Deposits	9	1,210,000	1,100,000
Accounts payable and accrued expenses		487,034	469,059
Due to National Insurance Board	8	258	717
Total Liabilities		1,697,292	1,569,776
Members' shares			
Members' shares		72,400,406	64,935,901
Members' deposits	10	8,044,678	6,063,550
Fair value reserves		5,637,040	5,812,106
Reserve fund	11	7,904,006	7,240,223
Education fund	12	186,999	167,363
Retained income		11,181,417	10,008,732
Total Members' Fund		105,354,546	94,227,875
Total Liabilities And Members' Funds		107,051,838	95,797,651

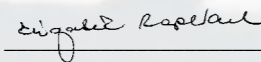
The attached notes form an integral part of these financial statements.

On 8 March 2006, the Directors of Canning's Employees' Credit Union Co-operative Society Limited authorised these financial statements for issue.

President



Treasurer



Income and Expenditure Account

	Note	Year Ended 31 December	
		2005 (\$)	2004 (\$)
INCOME			
Loan interest		6,977,083	6,513,739
Investment income		2,634,302	2,179,524
Realised gains on disposal of investments		--	528,650
Rent		75,100	80,417
Sundry revenue		139,703	148,480
		9,826,188	9,450,810
EXPENDITURE			
Annual general meeting		181,133	152,420
Audit fee		28,664	27,514
Bad debt provision		134,000	177,223
Bank charges and interest		5,489	33,276
Computer services		7,622	67,384
CUNA insurance premium		612,023	578,897
Depreciation	6	52,779	52,355
Directors' travel and subsistence		26,775	24,125
Electricity		10,236	14,017
Employees' retirement income security plan		54,001	43,916
Fidelity bond		2,160	2,160
Insurance		22,212	30,613
Interest on members' fixed deposits		648,157	747,875
League dues		33,062	33,062
Legal and professional fees		1,354	24,978
Marketing		82,818	128,157
Miscellaneous		7,089	139
Office expenses		155,994	139,705
Repairs and maintenance		16,481	13,074
Salaries, wages and national insurance		983,592	910,144
Security		8,033	6,942
Stationery, printing and postage		45,627	48,569
Telephone		66,075	51,664
Travelling and entertainment		4,085	4,457
Loss on disposal of property and equipment		--	22,447
		3,189,461	3,335,113
Excess of Income Over Expenditure		6,636,727	6,115,697

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

Statement of Changes in Members' Funds

Year Ended 31 December 2005

	Members' Shares (\$)	Fair Members' Deposits (\$)	Value Reserve (\$)	Reserve Fund (\$)	Education Fund (\$)	Retained Income (\$)	Total (\$)
YEAR ENDED 31 DECEMBER 2005							
Balance at 31 December 2004	64,935,901	6,063,550	5,812,106	7,240,223	167,363	10,008,732	94,227,875
Appropriation	--	--	--	663,673	165,918	(829,591)	--
Entrance fees	--	--	--	110	--	--	110
Staff training and social function expenses	--	--	--	--	(116,024)	--	(116,024)
Donations and scholarships	--	--	--	--	(19,000)	--	(19,000)
Marketing and advertising	--	--	--	--	(11,258)	--	(11,258)
Depreciation in market value of securities	--	--	(175,066)	--	--	--	(175,066)
Maturities	--	(6,063,550)	--	--	--	--	(6,063,550)
New deposits	--	8,044,678	--	--	--	--	8,044,678
Excess of income over expenditure	--	--	--	--	--	6,636,727	6,636,727
Dividends	--	--	--	--	--	(4,634,451)	(4,634,451)
Receipts	15,743,803	--	--	--	--	--	15,743,803
Payments	(7,200,967)	--	--	--	--	--	(7,200,967)
Net transfers	(1,078,331)	--	--	--	--	--	(1,078,331)
Balance at 31 December 2005	72,400,406	8,044,678	5,637,040	7,904,006	186,999	11,181,417	105,354,546

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

Statement of Changes in Members' Funds

Year Ended 31 December 2005

	Members' Shares (\$)	Fair Members' Deposits (\$)	Value Reserve (\$)	Reserve Fund (\$)	Education Fund (\$)	Retained Income (\$)	Total (\$)
YEAR ENDED 31 DECEMBER 2004							
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
Appropriation	--	--	--	611,570	152,892	(764,462)	--
Entrance fees	--	--	--	120	--	--	120
Staff training and social function expenses	--	--	--	--	(102,132)	--	(102,132)
Donations and scholarships	--	--	--	--	(11,025)	--	(11,025)
Marketing and advertising	--	--	--	--	(1,235)	--	(1,235)
Appreciation in market value of securities	--	--	2,750,567	--	--	--	2,750,567
Realised gain on investments	--	--	(147,700)	--	--	--	(147,700)
Maturities	--	(4,739,535)	--	--	--	--	(4,739,535)
New deposits	--	6,063,550	--	--	--	--	6,063,550
Excess of income over expenditure	--	--	--	--	--	6,115,697	6,115,697
Dividends	--	--	--	--	--	(3,631,107)	(3,631,107)
Receipts	13,061,622	--	--	--	--	--	13,061,622
Payments	(5,110,323)	--	--	--	--	--	(5,110,323)
Net transfers	(1,103,981)	--	--	--	--	--	(1,103,981)
Balance at 31 December 2004	64,935,901	6,063,550	5,812,106	7,240,223	167,363	10,008,732	94,227,875

Balance at 31

December 2004 64,935,901 6,063,550 5,812,106 7,240,223 167,363 10,008,732 94,227,875

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

Receipts And Payments Account

Year Ended 31 December 2005

Receipts	\$	Payments	\$
Shares	15,743,803	Shares	7,200,967
Loans		Loans	
- personal	10,067,234	- personal	19,776,014
- mortgage	1,236,456	- mortgage	355,389
Members' deposits	1,320,984	Members' deposits	463,617
NIB mortgage	192,079	NIB mortgage	200,350
CUNA insurance claims	228,503	CUNA Family Indemnity Plan	768,675
Proceeds from sales of investments	1,910,317	Salaries and staff expenses	1,036,446
Interest on loans	6,142,097	Interest on fixed deposits	--
Investment income	2,563,522	Purchase of investments	339,995
Other	2,938	Audit fee	3,664
Rent	76,500	Bank charges	5,489
Entrance fee	110	Computer expenses	7,622
Commission	135,185	Education fund expenses	145,282
Bad debt recovered	24,267	Miscellaneous expenses	30,210
Accounts and payroll receivables	107,106	Rates, taxes and utilities	76,377
Staledated cheques	3,612	Cuna insurance premiums	557,816
Share reserve	11	Cuna insurance claims	152,878
		Office expenses	155,989
		Repairs and maintenance	16,481
		Stationery, printing and postage	45,627
		League dues	33,062
		Fixed assets	49,921
		Advertising and marketing	82,922
		Professional and legal	1,354
		Annual general meeting	181,133
		Commissions and charges	--
		Accounts payable	25,000
		Security	8,033
		Share reserve	91
		Bad debts	6,481
Balance at 31 December 2004		Balance at 31 December 2005	
RBTT Bank Limited		RBTT Bank Limited	
- current account	1,156,679	- current account	1,362,608
Payroll in transit	114,065	Payroll in transit	98,940
US Money Market Fund	1,877,070	US Money Market Fund	1,657,339
UTC Second Unit Scheme	5,505,973	UTC Second Unit Scheme	11,762,015
Clico	8,300,000	Clico/Central Finance Facility	10,100,815
Petty cash	570	Petty cash	479
56,709,081		56,709,081	

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

Notes To The Financial Statements

31 December 2005

1 Incorporation And Principal Activity

Cannings Employees Credit Union Co-operative Society Limited is a credit union incorporated under the Co-operative Societies Act 1971. Its principal activity is the granting of loans to members. Its registered office is situated at 10 Victoria Avenue, Port of Spain.

2 Accounting Policies

The principal accounting policies of the Canning's Employees' Credit Union Co-operative Society Limited are set out below:

a Basis of preparation

These financial statements are prepared under the historical cost convention as modified by the revaluation of investment securities in accordance with the Co-operative Societies 1971.

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

b 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

c Investments

The company classifies its investments into the following categories: held for 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.

d Loans and interest on loans

Loans to members are stated at the gross amortized cost less any provision for impairment. 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.

3 Reporting Currency

These financial statements are expressed in Trinidad and Tobago dollars.

4 Cash and Short Term Deposits	2005 (\$)	2004 (\$)
CASH AND CASH EQUIVALENTS		
The Royal Bank of Trinidad and Tobago Limited – current account	1,362,608	1,156,679
Unit Trust Corporation - US Dollar Money Market Fund	1,684,672	1,877,070
Unit Trust Corporation – Second Scheme	11,762,015	5,505,973
Petty cash	479	570
Royal Merchant Bank & Finance Company Limited – fixed deposits	200,000	200,000
	15,009,774	8,740,292

5 Investments	2005 Cost (\$)	2004 Cost (\$)
HELD TO MATURITY		
Guardian Life of the Caribbean	2,009,252	2,000,000
Central Finance Facility	10,100,815	--
Clico Executive Annuity	--	8,300,000
Angostura Fixed Rate Bond 2002-2012	5,150,047	4,647,343
Savinvest India Asia Fund	314,995	--
	17,575,109	14,947,343

	2004 Cost (\$)	2004 Market Value (\$)	2005 Market Value (\$)
AVAILABLE FOR SALE			
Quoted shares	2,087,048	8,137,108	8,369,288
Unquoted shares			
- Praetorian Property Mutual fund	600,000	630,000	600,000
- Scotiabank Global Growth Fund	123,528	136,328	123,551
- Unit Trust Chaconia Income & Growth Fund	327,570	291,495	277,159
- Royal Merchant Bank – S&P Index Deposit	--	--	1,910,317
- Central Finance Facility	25,000	25,000	--
	9,219,931	11,280,315	

6(i) Loans	2005 (\$)	2004 (\$)
Gross loans	64,261,418	59,094,200
Allowance for loan losses 6(ii)	(1,743,082)	(1,588,276)
	62,518,336	57,505,924

	Personal Loans (\$)	Mortgage Loans (\$)	Car Loan (\$)	Business Loan (\$)	Small 2005 Total (\$)	2004 Total (\$)
Non-delinquent loans	52,563,384	6,802,532	362,783	--	59,728,699	55,563,198
Delinquent loans	4,225,434	287,175	--	20,110	4,532,719	3,531,002
	56,788,818	7,089,707	362,783	20,110	64,261,418	59,094,200

Of the balance of delinquent loans \$3,876,304 (2004: \$3,228,860) represents accounts on which no collections have been received for the year.

Shares held by members whose loans are delinquent total \$2,482,431 (2004: 1,792,297). The Credit Union also holds security in respect of the mortgage loans.

6(ii) Allowance for loan losses	2005 (\$)	2004 (\$)
Balance brought forward	1,588,276	1,397,117
Increase in the provision	134,000	177,223
Loans written off	(5,265)	(20,972)
Amounts recovered on balances previously written off	32,553	34,908
Amounts paid to collectors	(6,482)	--
Balance carried forward	1,743,082	1,588,276

7 Property and Equipment

	Office Furniture (\$)	Furniture & Fixtures (\$)	Leasehold Premises (\$)	Computer Hardware (\$)	Total (\$)
Year ended 31 December 2005					
Opening net book amount	23,660	147,362	1,852,309	60,536	2,083,867
Additions	6,380	24,702	--	18,840	49,922
Disposals	--	--	--	--	--
Depreciation charge	(5,550)	(15,536)	(14,246)	(17,447)	(52,779)
Closing net book amount	24,490	156,528	1,838,063	61,929	2,081,010
Year ended 31 December 2004					
Opening net book amount	20,280	131,776	1,869,125	40,012	2,061,193
Additions	9,200	31,828	--	56,448	97,476
Disposals	(96)	(1,704)	--	(20,646)	(22,446)
Depreciation charge	(5,724)	(14,538)	(16,816)	(15,278)	(52,356)
Closing net book amount	23,660	147,362	1,852,309	60,536	2,083,867

8 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:-

	2005 (\$)	2004 (\$)
Balance due at 1 January	717	3,543
Amounts received on mortgages disbursed	199,899	247,416
Funds paid over to National Insurance Board	(200,358)	(250,242)
Balance due at 31 December	258	717

9 Fixed Deposits

Maturing within 1 year	1,210,000	1,100,000
	1,210,000	1,100,000

10 Members' Deposits**PERIOD TO MATURITY**

Within three months	2,477,558	1,167,512
Between three months and one year	5,567,120	4,896,038
	8,044,678	6,063,550

Interest rate varies between 4.5% to 10% per annum. All deposits are repayable on demand but early redemption penalties apply.

11 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.

12 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% (2004 - 2.5%) of the net surplus.

13 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 2 February 2006 a dividend in respect of 2005 of 8 cents per share (2004 actual dividend 8 cents per share) amounting to a total of \$5,242,855 (2004 actual \$4,634,451) 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 2006.

14 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.

15 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 2005, there was \$1,309,747.84 (2004: \$136,263.70) in loans that were approved but not yet fully disbursed.

Projected Income & Expenditure Account

JANUARY - DECEMBER 2006

INCOME	Budget Forecast 2006	Budget Forecast 2005	Actual 2005	Actual 2004	Actual 2003
Loan Interest	7,700,000.00	7,500,000.00	6,977,083.00	6,513,929.00	5,936,524.00
Investment Income	2,750,000.00	2,400,000.00	2,634,302.00	2,129,402.00	1,401,163.00
Mortgage Management Fees	-	-	-	-	41,559.00
Rent	80,000.00	80,000.00	75,100.00	80,417.00	73,500.00
Realized gains on disposal of investments	-	-	-	528,650.00	92,822.00
Sundry Revenue	175,000.00	175,000.00	139,703.00	148,550.00	87,413.00
	10,705,000.00	10,155,000.00	9,826,188.00	9,400,948.00	7,632,981.00
EXPENDITUE					
Personnel Costs					
Salaries & Wages	860,000.00	790,000.00	830,332.00	766,817.00	715,496.00
Employer's Contribution to Pension	60,000.00	45,000.00	54,001.00	43,916.00	42,935.00
Employer's NIS Contribution	36,000.00	35,000.00	32,443.00	28,388.00	23,216.00
Employees' Expenses	10,000.00	10,000.00	4,158.00	6,879.00	5,722.00
Employee's Fringe Benefits	120,000.00	120,000.00	116,660.00	12,517.00	98,840.00
	1,086,000.00	1,000,000.00	1,037,594.00	958,517.00	886,209.00
ADMINISTRATION COSTS					
AGM & Other Expenses	200,000.00	160,000.00	181,133.00	152,420.00	142,931.00
Meetings & Seminars	200,000.00	150,000.00	-	-	84,788.00
Cuna Caribbean Ins. Premium	640,000.00	600,000.00	612,023.00	578,897.00	554,547.00
Bank Charges & Interest	10,000.00	10,000.00	5,489.00	5,727.00	16,474.00
Bad Debt Provisions	200,000.00	200,000.00	134,000.00	-	240,000.00
Interest on Members' Deposits	700,000.00	800,000.00	648,157.00	709,205.00	306,301.00
Rates & Utilities	80,000.00	75,000.00	76,311.00	65,819.00	68,385.00
Audit Fees	30,000.00	30,000.00	28,664.00	27,514.00	27,514.00
Stationery & Printing	55,000.00	55,000.00	45,627.00	48,569.00	43,421.00
League Dues	33,062.00	33,062.00	33,062.00	33,062.00	33,062.00
Professional & Legal Fees	20,000.00	25,000.00	1,354.00	24,978.00	3,479.00
Miscellaneous Expenses	25,000.00	35,000.00	33,386.00	57,991.00	30,907.00
Marketing	150,000.00	150,000.00	82,818.00	128,158.00	72,700.00
Security	10,000.00	10,000.00	8,033.00	6,942.00	7,207.00
Board & Committee Meetings	30,000.00	30,000.00	26,775.00	24,125.00	20,850.00
Fidelity Bond	2,500.00	2,500.00	2,160.00	2,160.00	2,120.00
Computer Services	10,000.00	10,000.00	7,622.00	67,384.00	4,680.00
Loss on Disposal of equipment	-	-	-	22,447.00	-
Office Expenses	165,000.00	150,000.00	155,994.00	139,705.00	131,233.00
Repairs and Maintenance	25,000.00	30,000.00	16,481.00	13,074.00	27,309.00
Depreciation	55,000.00	50,000.00	52,779.00	52,355.00	46,607.00
	2,640,562.00	2,605,562.00	2,151,868.00	2,159,632.00	1,864,515.00
TOTAL EXPENSES	3,726,562.00	3,605,562.00	3,189,461.00	3,118,149.00	2,750,724.00
Excess of Income over Expen.	6,978,438.00	6,549,438.00	6,636,727.00	6,282,799.00	4,882,257.00
Appropriated as follows:					
Reserve Fund - 10%	697,844.00	654,944.00	663,673.00	628,280.00	488,226.00
Education Fund 2.5%	174,461.00	163,736.00	165,918.00	157,070.00	122,057.00
Retained Earnings	6,106,133.00	5,730,758.00	5,807,136.00	5,497,449.00	4,271,974.00
	6,978,438.00	6,549,438.00	6,636,727.00	6,282,799.00	4,882,257.00

Report of The Credit Committee



The Credit Committee elected for the period April, 2005 to March, 2006 comprised the following members:

Messrs: **Calvin Francis - Chairman**
John Scott - Secretary
Junior Dhoray - Member
Glen Piontkowski - Member
Rosemary Ayers - Member
Christine James - Alternate Member

The Committee held 41 meetings during its tenure and deliberated on 6,076 applications, giving favourable consideration to 6062 and withholding approval for 14 which did not satisfy the criteria established in our loan policy. In this regard, we wish to advise that there are times when the Credit Committee would exercise some measure of flexibility depending on the exigencies of the particular case. At all times however, the Committee is always guided by the stipulations enshrined in the Loan Policy. Our objective is not to make borrowing difficult, but to ensure that our Credit Union remains stable, by maintaining a level of delinquency that is within acceptable limits. At the same time, the Committee feels obligated to ensure that members interests remain foremost. It is our objective that all loans must impact our membership in a positive way i.e. They must be wealth creating or must contribute to the development of the individual.

Notwithstanding the challenges created by the high levels of liquidity in the financial system, the continued reduction of lending rates and the creation of special loan packages,

factors which contributed to increased competition from other lending institutions, we are pleased to report that our goals for 2005 were surpassed by (\$131,403.00).

An Analysis of the approved loans showed increases in the dollar values in the following major categories. Domestic (9.57%), Holidays (local and abroad) (24.26%), Housing (20.94%), Weddings & Christenings (53.93%), Purchasing cars (6.05%), Consolidating debts (3.16%), Medical expenses (34.37%), Household furnishings (22.80%), Rent (44.43%).

This trend, with the exception of the housing loans suggests that members are borrowing to supplement their salaries and are fuelling their funds on consumer items. As your financial advisors, we encourage you to reverse that trend by focusing more on borrowing for investment purposes, business ventures, purchase of land and agricultural purposes. These loans would result in greater sustained economic benefits to the members and their families.

Additionally, we take this opportunity to encourage all members to avail themselves of the financial counselling and advisory services offered at your Credit Union. We consider it our responsibility not only to grant loans but also to provide sound financial advice which we believe would result in positive growth and provide the opportunity for wealth creation for our members.

As we celebrate another successful year, we extend our sincerest appreciation to the Management and staff for their support and co-operation, and to you, the members for the overwhelming confidence which you have entrusted to us over the years.

Your achievement/development contributes significantly towards making our task pleasant and fulfilling and we look forward to serving you again in the ensuing term.


CALVIN FRANCIS Chairman


JOHN SCOTT Secretary

Table 1 shows the attendance of the Committee members at meetings:

	Present	Excused	Absent
Calvin Francis	41	0	
John Scott	36	5	
Glen Piontkowski	37	4	
Junior Dhoray	39	2	
Rosemarie Ayres	35	6	

Table 11 shows the results of applications presented to the Committee:

Approved	6,062
Not Approved	14
Total	6,076

TABLE 111

No. of Loans		Purpose of Loans	Value of Loans	
2004	2005		2005	2004
885	858	Domestic	913,169.59	833,403.77
258	254	Holiday (Local & Abroad)	1,034,829.99	832,824.05
508	575	Housing	5,155,159.79	4,262,597.44
193	186	Investments	1,494,191.69	1,640,883.73
24	27	Funerals	68,331.75	59,626.56
117	120	Weddings & Christening	382,917.61	248,764.01
19	16	Car Licences & Permits	9,800.00	13,650.00
289	247	Car Repairs & Parts	548,779.64	599,406.07
106	103	Purchasing of Cars	3,492,628.71	3,293,406.07
837	729	Consolidating Debts	1,859,803.09	1,802,880.65
138	132	Fire, Life & Car Ins.	320,405.81	417,404.77
366	358	Medical Expenses	740,364.62	550,986.16
537	515	Education Expenses	1,235,763.68	1,386,703.50
91	37	Legal Expenses	63,248.12	156,894.25
178	206	Household Furnishings	589,807.10	480,312.37
501	391	Christmas Shopping	834,441.76	950,848.69
08	17	Miscellaneous	25,850.00	20,900.00
31	22	Carnival	26,565.54	38,795.00
77	73	Rent	115,445.00	79,933.63
	1196	Anniversary Loans	1,210,400.00	-
5,163	6062		\$20,121,903.49	17,670,220.72

Report of

The Supervisory Committee 2005-2006



Present:

Mr. Victor Griffith - Chairman
Ms. Volneitha Sarjeant - Secretary
Ms. Peggy La Guerre - Member

Victor Griffith served as Chairman of the Committee for the term, with Ms. Volneitha Sarjeant as Secretary and Ms. Peggy La Guerre as member.

During the year under review, all members of the Supervisory Committee were invited to attend all the Board Meetings, which were held on a monthly basis usually being the third Wednesday. During these meetings, we were given the opportunity of sharing in the discussions and were exposed to the financial statements and operating reports, all of which are presented in great detail by the C.E.O.

The membership of the Credit Union continues to grow as many more companies are recognizing the strength and professionalism of CECU, resulting in a broader asset base, which increases the opportunity to provide additional services for the future. The CEO, the Marketing Department, along with the support staff must be congratulated for their efforts.

The Board of Directors continues to involve the general membership through their presence on various sub

committees. This further raises the level of efficiency of this Credit Union.

The professional and financial knowledge of the Investment Committee continue to be a pillar of strength for this Credit Union and their dedication to duty must be appreciated by the general membership.

Financial undertakings and crucial decisions by this Committee contributes in a very positive way to the high annual dividend payment to our members.

We trust that this trend will continue and their efforts would be enjoyed by the members.

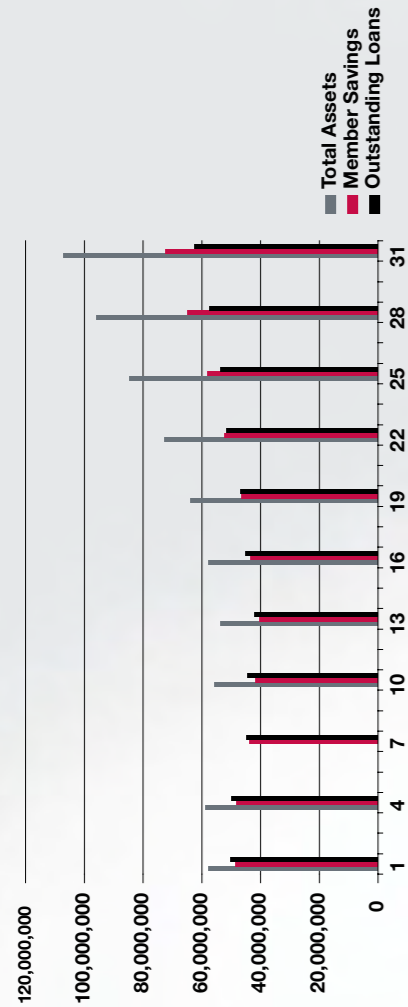
The Credit Committee is providing a dedicated service to the membership. On reviewing the loan applications, we have seen evidence that the Committee is working towards the best interest of the members, while following strict lending guidelines.

We would like to thank the Credit Committee for their services towards the continued development of the CECU membership.

Several activities for the past year, such as a Strategic Planning Meeting with the Board, the recent commencement of training for all staff members of the Credit Union, plans of the Marketing Committee to visit and educate members at all locations will continue to enhance the functioning of the members by the staff. Further, all these adjustments and implementation of various programmes lead the Supervisory Committee to conclude that CECU is well placed to effectively face the challenges of the years to come.

VICTOR GRIFFITH *Chairman*

Ten Year Review



Year	No. of Members	Total Assets	Members Savings	Loan Outstanding	Reserve Fund	Total Income	Surplus (After Trans to Reserve)	Dividend Paid	%
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
2004	4852	95,797,651	64,935,901	57,505,924	7,240,223	9,450,810	5,351,235	4,757,097	8
2005	4934	107,051,838	72,400,406	62,518,336	7,904,006	9,826,188	5,807,136	5,242,855	8*

Liaison Officers

MEMBER COMPANY

- Hilo, Broadway, Arima
- Hilo, Chaguanas
- Hilo, Crews Inn
- Hilo, El Dorado
- Hilo, El Socorro
- Hilo, French Street
- Hilo, Glencoe
- Hilo, Gulf City
- Hilo, Head Office
- Hilo, Marabella
- Hilo, Maraval
- Hilo, Point Fortin
- Hilo, Ridgewood Arima
- Hilo, Starlite, Diego Martin
- Hilo, Westmorrings
- Arvees Foodmaster
- Athabasca (LB'S) Supermarket
- Auto Spot Ltd.
- Automotive Components
- BHP Billiton
- Budget Foods, Alyce Glenn
- Carib
- Caribbean Bottlers, San Fernando
- Caribbean Bottlers, Tunapuna
- Cascadia Hotel
- Converge Creative
- Caribbean Paper & Printed Products
- CUNA Caribbean
- Food Giant
- Hamel-Smith & Co.
- IBIS Caribbean
- Illuminat
- John Dickinson
- Kiss Baking
- Laughlin & De Gannes
- Marketing & Distribution
- Mc Cann Erickson
- Melville Shipping
- Micon Marketing
- National Carnival Commission
- Neal & Massy Holdings
- NEDCO
- Pro Technologies
- Raytodd Chemicals
- Rostant Advertising
- Rotoplastics
- Securicor
- Sissons
- TIDCO
- Plantation Beach Villas
- Tracmac
- Trinidad Tissues
- Tru Valu
- Waste Disposal

LIASON OFFICER

- Ingrid Nicholls
- Rhonda Birmingham
- Diana Bailey
- Pearl Lopez
- Esme Neptune
- Angelis Burgin
- Carol Prentice
- Derek Cheddie
- Jennifer Williams
- Zorida Bakar
- Lucy Constantine
- Uriah Weekes
- Eutrice Matthews
- Viola Callender
- Erica Cazoe
- Devika Singh
- Orlando Lopez
- Camille Faustin
- Paul Gowandan
- Camille Burkett
- Samantha Sahadeo
- Shelton Dasiy
- Mootilal Gobin
- Junior Dhoray
- Karen Bissessar
- Nayna Jaen
- Wendy Ann Pope
- Deanne Boucaud
- Wendell Mansano
- Miguel Phinero
- Dexter Mc Shine
- Dedra Cox
- Lorraine Thomas
- Debbie Lee Charles
- Margaret Ann Parris
- Jeanette Williams
- Marina Chase
- Abzal Ali
- Theresa Victor
- Henry Marcial
- Marsha Ali
- Avalon Millington
- Wendy Plentie
- Anisa Ali- Anderson
- Abbeygail De Souza
- Sheryl Viarruel
- Annette Hospedales
- Marcia Huggins
- Haniffa Cox
- Sean Clarke
- Leah Ling
- Vera Maharaj
- Christine Rampersad
- Alyson Forde

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