



## Welcome

Come in and  
meet the owners  
of CECU.


2007 | Annual Report



## Mission Statement

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





**Raymond Joseph**  
*Owner since 2005*

Known for his 'sweet hand' and scoring gold at the Taste Culinary Competition, Raymond Joseph is another owner who continues to live his passion. Thanks to CECU, Raymond can draft a proposal for the ownership of a Caribbean-based Culinary Institute.

## 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 EVERY Creed and Race,  
Find an Equal Place,  
And May God Bless Our Nation.

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## Notice

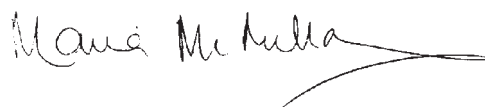
Notice is hereby given that the Fifty-Sixth Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited will take place at the Lion's Cultural Centre, FitzBlackman Drive, Woodbrook on Thursday 27th March 2008, at 5:00 p.m. for the following purposes:

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 2007.
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: Govind Maharaj
4. Feature Address
5. Vote of Thanks: Kenny Jalsa,  
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 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.

# Financial Highlights

For the financial year ended 31st December 2007 with comparative figures for 2006

	2007	2006
TOTAL ASSETS	136,231,872	121,729,268
SHARES	91,878,293	81,926,829
LOANS (2007 Net)	74,149,118	70,995,152
NET INCOME	7,973,627	6,938,434
TOTAL EXPENSES	4,352,730	3,848,617
DIVIDENDS	8%	8%
MEMBERSHIP	5,754	5,261
STAFF	13	13

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



Nathaniel Piontkowski  
 Owner since 2005

At just four years, Nathaniel is already an owner at CECU. Nathaniel may not know how to fix his bicycle as yet but because of the foresight of his family he's off to a great financial future!



## Minutes

Minutes of the 55th Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited held on Wednesday, March 29<sup>th</sup> 2006 at 5:00 p.m. at the Lion's Cultural Centre, Fitzblackman Drive, Woodbrook.

### CALL TO ORDER

CECU's President and Chairman of the proceedings, Mr. Govind Maharaj, called the meeting to order at 5:15 p.m. In accordance with the report of the Credentials' Committee there were 135 members and 8 guests, he then gave notice that the meeting was duly constituted.

### NOTICE OF THE MEETING

Mrs. Maria Rivas-Mc Millan read the official Notice of the Meeting.

### WELCOME & OPENING REMARKS

Mr. Govind Maharaj reflected on an eventful year - one which saw the passing away of Past President Mr. Maurice Quesnel, Secretary of the Credit Committee Mr. John Scott and the critical illness of Emil de la Grenade, then President.

A moment of silence was observed in tribute to Mr. de la Grenade who had been at the helm of CECU since 1982 during which time the Credit Union grew from strength to strength. He was seen as a man of skill and versatility, with the distinct ability of bringing people together. It was Mr. Maharaj's hope he would carry forward the leadership of CECU.

Mr. John Scott served faithfully and loyally for seventeen years on the Credit Committee and had a deep appreciation for the co-operative principles and philosophy and the plight of the marginalized in our community. His long service was characterized by service periods of 1969-1978, 1980-1984 and from 1988 to his passing, as Secretary of the Credit Committee.

These sudden and unexpected events, however, brought to the fore the need for succession planning.

The plummet of the stock market was also of concern. This was due in part to the regulations applied to certain institutions holding shares in public companies traded on the stock exchange; specifically, those which had to sell their holdings in order to comply with the regulatory requirements. The consequent flooding of the market and share price fall had a negative impact on the net worth of CECU's investments. Nevertheless, CECU continued to earn dividends from its investments. The expectation is that, with the relaxation of the government restrictions, the market would resume an upward trend.

At December 31st, membership was 5261, growing by over 450 members, a 6.36% increase over the previous year. CECU recorded a loss of 109 members through resignations and 14 deaths.

Mr. Maharaj drew the members' attention to impending regulations facing the Movement. The Central Bank of Trinidad and Tobago (CBTT) is in the process of consulting with the Movement with the aim of implementing regulatory measures for Credit Unions. CECU recognizes and supports the argument for more formalized regulation to govern Credit Unions.



Maria Rivas-Mc Millan, Secretary

He emphasized that the Credit Union movement was at a major crossroad and reminded the membership that, in this world of rapidly changing tides, one thing is constant – CHANGE. The daunting task facing CECU now is finding persons with the right combination of qualifications, skill sets, commitment and willingness to serve on a voluntary basis. CECU’s succession plan incorporates the development of a database to capture the information on all members who expressed an interest to serve, building on the solid foundation of this unique, forward-thinking platform. The Board is cognizant that it has lost, and will continue to lose, some of the stalwarts who built this Credit Union.

Mr. Maharaj reported that CECU had resigned from the League. CECU, as a separate entity, was a major proponent to change (growth and development). Consequently, CECU has aligned itself with an informal group of concerned Credit Union Presidents comprising 27 persons of the more progressive units. This group has been gaining recognition and has already secured two meetings with the Junior Minister of Finance, Mr. Conrad Enill.

#### 2006 Financial Highlights

Share Growth	Increase of \$9.9M approximately 13.16% over previous year
Share Portfolio	Moved from \$72M to \$81M.
Deposits	Grew by \$1.2M or 15%, moving from \$8M to \$9.2M

The flexible mode of interest payment was an attractive vehicle for retirees, who were the main contributors to this portfolio.

It was the CEO’s belief that the confidence of members in the management of the organization was reflected in their continued investment of significant sums. He impressed on the membership that the Board, Supervisory and Credit Committees, Management and Staff took this responsibility very seriously.

CECU assets grew by \$12.3M or 10% to a total of \$119.4M, which compared favourably to 2005. Revenues increased by \$850,000 over 2005. Gross revenue fell short of budget projections by \$28,000 and expenses exceeded budget by \$122,000. There was a resultant net surplus of \$6.8M, compared to 2005 of \$6.6M.

There was an increase of 10% in the loan portfolio by \$6.2M, driven by mortgages and investments. The 2006 year end saw a final figure of \$68.7M. Provision for doubtful loans due to normal credit factors increased from \$134,000 to \$460,000. High employee turnover, particularly among the casual workers, exacerbated this situation. The total general provision of \$2.2M adequately satisfied the exposure of the impaired or doubtful debts within the loan portfolio. CECU, however, recovered \$503,000, showing a very strong collection effort.

Though our net earnings fell short of projections by \$150,000, the Board took the position to recommend a dividend payout of 8%.

Mr. Maharaj thanked the membership, on behalf of the Board, Supervisory and Credit Committees, for its continued support.

## FEATURE ADDRESS

Mrs. Rivas-Mc Millan introduced the guest speaker, Mr. Kelvin Sargeant, a graduate of The University of the West Indies with a BSc and MSc in Economics. Mr. Sargeant formerly held executive positions at RBTT Financial, Central Bank of Trinidad and the Trinidad and Tobago Securities & Exchange Commission. His current position is Chief Executive Officer of NEDCO. He has written and published extensively in the area of finance.

Mr. Sargeant was appreciative of the invitation to speak and remarked that 55 years was a milestone worthy of congratulations. He conveyed his best wishes for continued growth, taking note of the evening's theme "CECU, My Credit Union, Where

I Belong".

He commended CECU on a year where share growth was 13.6% to a total of \$81.9M, the loan portfolio increased by \$6.2M or

10.2% and the total loans stood at \$68.7M. More importantly, CECU's assets grew by \$12.3M or 10.3% to a total of \$119.4M. The Board recommended dividend of 8% was quite competitive, he said, when compared against interest rates within the financial sector.

Mr. Sargeant expounded on the importance of Credit Unions, pointing to their socio-economic role in wealth creation for their members. Credit Unions are financial institutions and they have to compete with other financial institutions for membership, deposits, for their ability to grant loans and to show profitability. Their unique factor is that they also have a responsibility to provide services for members (small investors). This twin objective is oft times in conflict with each other, and for these reasons he continues to admire the services performed by Credit Unions such as CECU. Further, he charged the membership to remember that Credit Unions are Co-operatives. By definition, Co-operatives are businesses, owned, controlled and operated by the members providing services. In some societies, they were defined as a non-profit credit society established for the

sole purpose of promoting thrift among its members and providing a source of credit for provident and productive purposes.

He contended that Credit Unions have performed quite admirably over the last 50 years in the Caribbean. The data on the Credit Union Movement has revealed that the membership has leap-frogged from the 1970s to the present time. The

**Alan Harford**  
Owner since 1976

Alan has been an owner at CECU for 32 years. He is now retired and spends most of his time helping others through his charity work with the Living Water Community.



assets of Credit Unions in Trinidad and Tobago are now estimated at \$6.3Billion and loans in excess of \$2Billion. Today there are 14 large Credit Unions with assets in excess of \$100Million; 13 medium sized Credit Unions with assets between \$50M - \$100M; 19 small Credit Unions with assets between \$10M - \$15M; and 81 micro Credit Unions with assets less than \$10M. Of course CECU is at the top with assets in excess of \$100M.

He agreed with Dr. Ralph Henry that Credit Unions were "born out of the bowels of the common people," and had done a fantastic job of providing financial services to a broad cross section of the society. In fact, the Credit Union Movement deserves much credit for contributing to the development of a savings habit, for educating large sections of the population on financial matters and for helping to finance small and medium sized enterprises. In the last two decades, the Credit Union Movement has been under constant slumps and threats, such that there was a visible decline from 400 to 127 at the close of 2005.

The Movement has also been affected by the phenomenon of globalization, the Caribbean Single Market and Economy (CSME) and events within the body politic itself. In the last two decades, Caribbean Societies have become more open, some more than others. Not a new occurrence, globalization existed before GATT, NAFTA and even our own CSME - it even existed during the Roman Empire and the discovery of the Americas. Globalization has been accelerating due, perhaps, to information technology, lower transaction costs and increased connectivity. We live in a borderless world; technology has increased trading services which now account for 40% of exports.

Outflows from direct foreign investment have risen in the last 25 years from US\$14Billion to US\$350Billion. Similarly, trade is booming - the volume of world trade is currently 16 times greater than in the 1950s. Without a doubt, globalization has created opportunities for both organizations and people. The creation of networks and international contacts has allowed for world operations of trade and business,

even allowing shared production methods in parts of the world. Growing capital flows have facilitated the creation of new jobs in many regions of the world through foreign direct investment.

New communication networks facilitate the flow of information across borders, enriching cultures and providing fast technological advances worldwide. Apart from the impact of greater flows of capital, products and services, it is important to mention the intense migration among nations. The opportunities for individuals who migrate as well as for the societies that receive them and that are enriched by their work and talent must be acknowledged. One of the implications of globalization in recent years as it impacts the financial sector and indeed the Credit Union movement, has been the blurring of the boundaries between various financial sectors, as well as, product innovation. So today, we have banks doing non-bank business, we have insurance companies doing banking business and we have other persons doing Credit Union business. It has resulted in a proliferation of financial transactions which were previously offered by the traditional providers of financial services. Because of this intense competition, Credit Unions have found themselves venturing into new areas in order to compete and maintain their membership base. So Credit Unions are therefore challenged in a number of ways:

1. Because of globalization, liberalization and the formation of trade blocks, the Credit Union movement has to face the challenges of increased competition. The movement towards the formation of a single space in CARICOM is therefore particularly relevant since it would also lead to increased competition.
2. Increased competition, because soon the distinction between regional firms would be blurred and therefore new institutions entering Trinidad & Tobago may be operating with lower costs and advanced technology. This has the potential to force further closure of more Credit Unions, reducing even further the figure of 127.
3. There will be increased competition with respect to interest rates and other collateral requirements.

Given this increased competition, many Credit Unions have delved into increasingly more risky activities in order to survive. Some of the large Credit Unions now offer Certificates of Deposits, Mortgages and other Commercial Loans, they provide credit and debit cards to be used in automated teller machines and they also provide cambio and travel agency services.

Mr. Sargeant invited the members to conclude with him the experience of the Credit Union sector in the past three decades or more. This has taken place with much change and developed in the absence of appropriate legislative framework. The existing legislation governing the Credit Union movement dates back to the 1930s; the concern is that any new legislation maintains the co-operative principle while protecting the safety and soundness of all. After three years of debate, that draft Credit Union legislation will be released for public comment. The expressed intent of the new legislation is to protect the asset base of Credit Unions, thereby placing them in a position of greater strength, safety and soundness. Some of the features of the new Act are:

1. All existing and new Credit Unions will be required to obtain a license from the Central Bank to conduct business as a Credit Union. This is to ensure that Credit Unions have the capacity and competence to undertake Credit Union business.
2. Credit Unions will be required to have a minimum of 8% of their assets as capital requirements. This is a buffer against risk associated with the balance sheet.
3. Credit Unions will be required to strengthen corporate governance within their own organizations. This would be necessary as the proposed act establishes fit and proper requirements for members of the Board and Statutory Committees and providing conditions for the renewal of the Board through term limits.

Jolie Figaro  
Owner since 2000

A love for knowledge, a sense of style and a level head - Jolie is a high achiever. Saving steadily and studying hard, Jolie's future is very secure.



Elizabeth Raphael  
Chief Executive Officer

4. Prudential criteria. This relates to prescriptions with regard to the amount of liquidity Credit Unions should hold, borrowing, credit exposure limits and restrictions regarding participation in non-financial business ventures.

The intent of the Act seeks to allow for proper financial accountability and management throughout the sector. Whilst Mr. Sargeant hoped the new Act would also provide a buffer for social and economic crises in the Credit Union sector, he was optimistic as he felt Credit Unions now have the perfect environment to become creative and innovative. He contended that there was an urgent need for interaction and intervention by the movement in education, housing and small business development.

Even though the new legislation would prohibit the Credit Union in terms of the kinds of business in which they can engage, it would encourage the exploration of products which would allow the membership to prudently diversify their investment portfolio. There is also the opportunity for Credit Unions to be owners of capital, which may require the formation of strategic partnerships with other units by investing in Equity or in Blue-Chip companies allowing Credit Unions

to become a powerful force. In this manner, Credit Unions could become a force to be reckoned with. However, to impose these new disciplines, Credit Unions need to assess their management structure. New structures will have to be designed, new leadership must emerge - with determination, strength of character and the determination to succeed.

Mr. Sargeant drew reference to the theme "CECU, my Credit Union Where I Belong" but he contended, to belong, one must ensure survival. To survive, the Credit Union must elect persons capable of moving the organization forward. This was the only way to ensure stability in years to come. He called for unity in the Credit Union Movement, he recognized CECU's resignation from the Credit Union league and the formation of a group of 27, but whatever the outcome, there was an urgent need for one body to represent the Credit Union Movement – In Unity, there is Strength!

While the Credit Union Movement cannot stop change, the Movement can contribute to an improvement in the standard of living for its members fulfilling its social responsibility. Mr. Sargeant charged that the new realities of the Credit Union Act will call for a new business culture and Credit Unions must

adapt if they are to survive. To rebel would be naïve, anger would not stop it. CECU must have a clear vision for the future.

## VOTE OF THANKS

Acting Vice President, Mr. Kenny Jalsa, expressed the view that the membership had been well educated and informed by the presentation. The CECU Board, he said, had begun exploring some of the lines suggested and recognized and accepted the imminent changes with the Act. In fact, CECU had begun examining the Board structure and competencies - exposing Board and Committee members where necessary to areas that would help the Credit Union grow along those lines.

He thanked Mr. Sargeant for taking the time to address the membership and for his words of encouragement, advice and support.

Ms. Peggy La Guerre made a presentation to Mr Sargeant.

## VOTING PROCEDURES

Prior to moving into the meeting, the Chairman 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). Members of the Co-operative Division were invited to inspect and secure the ballot boxes accordingly.

### The scrutineers were so listed:

#### Team 1:

Deanne Boucaud (Leader)  
Joy Hamilton  
Patrice Williams  
Marsha Ali

#### Team 2:

Abzal Ali (Leader)  
Helen Blackman  
Susan Longdon  
Judy Tardieu

#### Team 3:

Steve de Souza (Leader)  
Peter Thompson

Lyn James  
Patricia White

### The results were as follows:

#### Supervisory Committee

Volneitha Sargeant Employee's Relations Officer, HILO Food Stores	199
Denise Barton Asst. Accountant, HILO West Mall	149
Carl Phillip Asst Store Manager, HILO West Mall	131
Courteney Augustine Pharm, Oper. Manager, Just Personal, HILO West Mall	118 (1st Alter)
Roger Daniel Grocery Department Manager, HILO	96 (2nd Alter)

#### Board of Directors

Dian Lopez Administrative Officer, HILO	144
Calvin Francis Retired Maintenance Manager, HILO	131
Sheila Chaves Retired Personnel Officer, HILO	120
Kester Hamlet Account Relationship Manager, CUNA	74
Pearl Butler-Lopez Store Manager, El Dorado, HILO	62 (1st Alter)
Vena Monseque Store Manager, Ridgewood, HILO	57 (2nd Alter)

#### Credit Committee

Gerald Henry Front End Supervisor, WestMall, HILO	214
Calvin Francis Retired Maintenance Manager, HILO	200
Glen Piontkowski Manager Cold Storage, HILO	185
Rosemary Ayers Backstore Supervisor, HILO	166
Vena Monseque Store Manager, Ridgewood, HILO	159
Junior Dhoray Employee Relations Manager, CCTTB	156 (1st Alter)
Natalie Owen Store Manager, Budget Foods	147 (2nd Alter)
Ingrid Nichols Store Manager, Broadway, HILO	

### ACCEPTANCE OF THE ANNUAL REPORT

The Annual Report was taken as read and moved by Mr. Calvin Francis and seconded by Ms. Volneitha Sergeant, with all in favour.

### PROCEDURE FOR THE MEETING

The Standing Orders: The meeting moved the acceptance of the Standing Orders on page 5, on a motion moved by Mr. Glenroy Forrester and seconded by Mrs. Pearl Butler-Lopez.

### ADOPTION OF THE MINUTES

The Minutes of the 54th Annual General Meeting were to be found on pages 7-15 of the Annual Report. The minutes were confirmed by Ms. Terri-Ann Brathwaithe and seconded by Ms. Carol Roberts. After review, the minutes were accepted by Ms. Sheila Chaves and seconded by Ms. Dian Lopez, with all in favour.

As at 6:20 p.m., the Chairman reported 263 members and 11 guests were in attendance.

Roger Daniel  
Owner since 1984

A keen sense for business and a Trini to the bone, Roger has been a CECU Owner for the last 24 years. CECU's solid foundation ensures that Roger still finds time to partake in the greatest festival in the world "T&T Carnival".

### MATTERS ARISING

There being no matters arising from the Minutes – the Chairman moved to review the Board of Director's report.

### ADOPTION OF THE BOARD OF DIRECTORS' REPORT

The Chairman invited corrections and comment of the Board of Directors' report, found on pages 18 – 23 of the Annual Report.

Page 20 - Mr. Ignatius Blandin drew reference to the Asset Mix where there are five colours and only





four visible. He suggested that a more contrasting combination of colours could be used, as the colours were not clearly visible for the smaller segments.

There being no further matters, the report was moved by Mrs. Rivas-Mc Millan and adopted by Mr. Blandin, with all in favour.

## MATTERS ARISING

### AUDITOR'S REPORT

The auditor's statement as on pages 26-37 was read, and members' attention 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 Auditor's Report and the Balance Sheet were adopted on a motion moved by Mr. Kenny Jalsa and seconded by Ms. Volneitha Sergeant with all in favour.

### BUDGET

The Chairman placed the budget before the membership for review and comments.

### PROJECTED INCOME AND EXPENDITURE

Ms. Elizabeth Raphael presented the operating budget for the financial year ending December 31st 2007.

### REVENUE

As at December 31st 2006, the actual revenue earned was \$10,676,408 which represented an 8.6% increase or \$850,220 over the 2005 earnings. Compared with the budget for 2006, there was a deficit of \$20,592 and this figure was considered to be an insignificant variance. The budget forecast was \$10,705,000; the realized figure was \$10,678,408. The 2007 projection is for an 11% increase over the 2006 actual.

**Income on Loans:** This is calculated at an average loan balance of \$78.7M, the year end balance is expected to reach \$85M. This translates into a projected receipt of \$8.5M in loan interest by the end of 2007.

**Cash and Short Term Investments:** These are investments that can be redeemed at short notice or with maturity periods of less than one year and amounted to \$24,063,874 or 20.1% of the total assets. This figure exceeds the Pearl's benchmark required for liquidity which is 15%. This standard is intended to assure the availability of funds to meet withdrawal, loans and operational demands. The average earnings of this segment of the portfolio was approximately 6.1%. The year 2007 year saw the shift of some of those funds into government treasury bills earning slightly higher rates of 6.8% - 6.9% per annum. The Investment Committee is constantly seeking out areas where our earnings can be maximized. Our investment spread is represented by Cash and Short term deposits, which represent 50.3% of the portfolio, quoted shares and mutual funds 22.3%, and fixed deposits 27.3%.

Sundry revenue is \$250,000 and this revenue is to be derived from cross selling products for the Unit Trust Corporation, CUNA's Family Indemnity Plan and Payment Protector Plan. The plan is to realize revenue to the tune of \$11.8M during 2007.

### EXPENDITURE

Analyzing the 2006 figures, Ms. Raphael reported the following:

Personnel costs exceeded 2006 projections by \$6,589; a 7.5% increase is projected for 2007, due to an increase in salaries and benefits and a growth in staffing. The staff increases commenced in October 2006, but the full impact would be felt in 2007. Administration costs exceeded the projection by \$115,465, most expense items were contained within the projections. The exceptions were CUNA insurance premiums, an increase of \$58,439; bank charges \$3,000, bad debts provision (the largest negative variance of \$260,000, given the increase in losses attributable to casual employees).

Interests on members' deposits increased by \$83,356 due to an increased number of retirees depositing their retirement funds into the Credit Union.

Miscellaneous \$6,938, Repairs and maintenance \$2,004 – miniscule increases over the budget.

The Total Operating Expenses as a percentage of Average Total Assets stood at 3.3%; the Pearl's benchmark is 5%. By maintaining expense standards within the benchmark, CECU was able to pay an excellent return of 8% dividend and still set aside \$206,168 into the retained earnings' account.

Again this year your Board promises to exercise prudence in the management of members' funds and to do its best to achieve excellent returns. Pearl's standards of excellence will be adhered to and expenses will be kept within 35% of the gross revenue – a 9.7% increase of expenses is projected. We are cognizant of the financial landscape in which we operate, which is marked by excessive liquidity and depressed interest rates. Nevertheless, the Board is optimistic that given the prudent measures employed, CECU will be in a position to compete with prevailing market rates and pay excellent returns to you, our members, for the fiscal year ending December 31st 2007.

There being no matters arising, the Budget was moved by Mr. Junior Dhoray and adopted by Mr. Trevor Howell, with all in favour.

### CREDIT COMMITTEE REPORT

Mr. Maharaj referred to the Credit Committee Report on pages 39-41. Mr. John Scott, a long standing member of this committee had recently passed away. The Chairman noted that this committee was one of the most hardworking and should be commended for their efforts. Meeting weekly, they are charged with ensuring loans are dispensed transparently, minimizing losses to the Credit Union.

There being no matters arising, the report of the Credit Committee was adopted by Mr. Glen Piontkowski and seconded by Ms. Jacqueline Hyacenth.

### THE SUPERVISORY COMMITTEE REPORT

The Report of the Supervisory Committee was submitted for comment and referred to page 42.

Mr. Blandin observed the attendance of the Supervisory Committee was omitted from this report - was this error or omission? Ms. Raphael clarified that the members of this committee are invited but were not obligated to attend Board Meetings. Whilst the committee was required to meet at least semi-annually, Ms. Raphael assured they would meet more frequently.

There being no questions, the report was adopted by Mr. Carl Phillip and seconded by Ms. Elsa Mieux, with all in favour.

### 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 2006 and that such dividends be credited to members' shares (in accordance with by-law 25 Section 1). This was approved on a motion by Mr. Trevor Howell and seconded by Ms. Dian Lopez, with a majority and one against.
- Move the appointment of PriceWaterhouseCoopers as auditors for the 2007 Term. Approved on a motion by Ms. Terri-Ann Brathwaite and seconded again by Ms. Dian Lopez, with all in favour.

### GREETINGS

Ms. Esme Raphael, representative of the Central Finance Facility, extended special congratulations on the timeliness of the meeting and wished CECU continued success.

Ms. Sandra Mathews-Noel, Director of TECU, brought greetings from TECU (a proud alliance

partner) and extended congratulations to the Board for an excellent and smooth running of the evening's proceedings. TECU looks forward to offering continued reciprocal support in all endeavours. Ms. Margo Welch, Huggins Credit Union, extended congratulations on a very well run and impressive meeting. Ms. Welch also sent best wishes to Mr. de la Grenade for speedy recovery.

Mr. Donovan Palmer, Teacher's Credit Union, expressed his difficulty in addressing the membership, given the status of his long standing friend, Mr. de la Grenade. However, he extended congratulations to the membership, with special mention to Mr. Sargeant, the guest speaker, on the wealth of information shared with the membership.

Mr. Kester Husbands, Aero Services Credit Union, conveyed greetings on the occasion of CECU's 55th Annual General Meeting and commended the Board on a well run meeting. He noted the calm in the business sessions which he felt was indicative of the trust placed on the Board which of itself was reflected in the resulting robust balance sheet. He wished that CECU continue to be a shining beacon of the Credit Union movement and, in closing, extended congratulations as the Credit Union moved into the future.



Trisha Ramsubick  
Owner since 1996

Sunderlal Bajnath  
Owner since 2005

As young persons planning for their future both Trisha and Sunderlal are proud owners of CECU. They are ensuring that they have a solid financial foundation as they follow their dreams in dance.

Mr. Peter Roberts, representing Chase Financial, CLICO Credit Union and CL Financial, congratulated the Board on an excellent meeting and results of the 2006 financial year, though reminiscing on his work and personal relationship with Mr. de la Grenade in the Credit Union movement.

Mr. Reynold Yorke, Neal & Massy North Credit Union, offered congratulations on the efficiency of the meeting and 2006 financial performance.

Mr. Wayne Estrada, representative of CUNA, brought greetings and offered commendation on the efficiency of the meeting. He reminded members that CUNA was the official carrier of insurance, employing best practices in their procedures. CUNA would continue to be an ambassador for the credit union movement.

Mr. Virgil Patrick, G. Best Consulting, extended greetings and congratulations to Mr. Maharaj for convening an efficient Annual General Meeting, following in the footsteps of Mr. de la Grenade. Referring to the positive financial statement, he offered congratulations for their success and future successes.

### RESOLUTION FOR THE DESTRUCTION OF THE BALLOTS

Mr. Larry Hackshaw moved that the ballots be destroyed and it was seconded by Ms. Deanne Boucaud. The motion was so accepted.

### VOTE OF THANKS

Ms. Terri Ann Brathwaite underscored the greetings from the guests, even in light of the absence of the President – on the efficiency of the meeting – this epitomizes Canning's Employees' Credit Union. In giving thanks, she started with the Creator and then referenced the theme "My Credit Union, Where I Belong" noting that at the Board level they encouraged membership participation and was heartened to hear the calls of the membership asking to be more involved.

Ms. Brathwaite advised that earlier the hampers were awarded to the first 45 members – the Early Birds, and encouraged members to arrive early the following year to qualify. She extended appreciation to those organizations that contributed to the hampers prizes: Hilo Food Stores Nationwide, Food Giant, CUNA, BHP Billiton, Waste Disposals, Caribbean Bottlers, Trinidad and Tobago CARIB Brewery, Kiss Baking, Cascadia Hotel, John Dickinson, Athabasca, LB's Limited, Illuminat, Ray Todd Chemicals, Melville Shipping, Pro Technologies, Tru Valu Supermarkets, Sissons Paints, Rotoplastics, Marketing and Distribution and CPPP (1993) Limited.

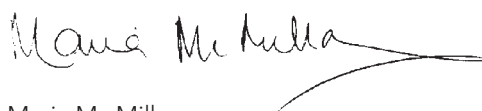
To those who made the AGM possible – Form & Function (Annual Report design), Ikin Williams and Team (Sound technician crew), Sel Duncan (Photographer), Vonline (Banners), CPPPL (Annual Report printers), Seaview Foods Limited (Caterers), Hans Party Rentals and Lion's management.

Special mention was made of Ms. Raphael, the Staff, Board, Committees and you the members.

### DOOR PRIZES

Ms. Lorraine Ragbir invited all winners to collect their hampers on stage.

There being no further official business, the Chairman closed the official aspect of the Annual General Meeting at 7:40 p.m.



Maria Mc Millan  
Secretary



Oswald & Patsy Joseph  
Owners since 2001

They've worked hard all their lives and look well for it! Oswald and Patsy are now fully enjoying a well-deserved retirement, knowing that they are financially secure.



# Board of Directors

- 1 Peggy La Guerre *Director*
- 2 Kester Hamlet *Director*
- 3 Maria Rivas-Mc Millan *Secretary*

- 4 Elizabeth Raphael *Chief Executive Officer*
- 5 Kenny Jalsa *Vice President*



- 6 Carol Roberts *Director*
- 7 Glenroy Forrester *Director*
- 8 Shiela Chaves *Director*
- 9 Calvin Francis *Director*

- 10 Dian Lopez *Director*
- 11 Trevor Howell *Director*
- 12 Terri Ann Brathwaite *Director*
- 13 Govind Maharaj *President*



# Report of the Board of Directors

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER, 2007

## OVERVIEW

The Trinidad and Tobago economy continued to perform strongly in 2007 with oil prices soaring to US\$100 per barrel and the construction industry experiencing such a boom that it warranted the importation of foreign labour to support its growth.

The financial system continued to experience high liquidity with interest rates remaining relatively flat. The competence of the Investment Committee has been severely taxed in arriving at low risk solutions yielding the best returns.

Inflation continued to be a major concern, reaching 9.08% by year-end with the cost-of-living continuing an unabated upward trend. From CECU's own experience, consumer credit continues to outpace the more productive investment loans as a result of the escalation in the price of basic food items, transportation, rent and home acquisition. The efficient and timely implementation of the Government's Food Production plan is a critical imperative to stem the rate of increased food prices.



## BOARD OF DIRECTORS

The following persons were elected to serve on the Executive at the first Board meeting following the 55th Annual General meeting:

<b>President</b>	Govind Maharaj
<b>Vice President</b>	Kenny Jalsa
<b>Secretary</b>	Maria Rivas-Mc Millan
<b>Asst. Secretary</b>	Terri-Ann Brathwaite
<b>C.E.O. (Ex Officio)</b>	Elizabeth Raphael

### Other serving Directors were:

Trevor Howell	Glenroy Forrester
Calvin Francis	Dian Lopez
Peggy La Guerre	Carol Roberts
Sheila Chaves	Kester Hamlet
1 <sup>st</sup> Alternate	Pearl Butler-Lopez
2 <sup>nd</sup> Alternate	Vena Monsegué

The establishment of various sub-committees to assist and support the Board in several areas of expertise continued to be a normal part of CECU's operating policy.

### Convenors:

- Govind Maharaj
- Maria Rivas Mc Millan
- Terri-Ann Brathwaite
- Kenny Jalsa
- Calvin Francis
- Govind Maharaj
- Kester Hamlet
- Carol Roberts

### Committees

- Executive
- Marketing/Public Relations
- Education
- Investment
- Delinquency Control
- Building
- Information Technology
- Nominations

Govind Maharaj  
President



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

NAMES	POSITION	POSSIBLE ATTENDANCE	ATTENDED	EXCUSED
Govind Maharaj	President	10	10	-
Kenny Jalsa	Vice President	10	10	-
Maria Rivas-Mc Millan	Secretary	10	9	1
Terri-Ann Brathwaite	Assistant Secretary	10	8	2
Sheila Chaves	Director	10	9	1
Calvin Francis	Director	10	10	-
Trevor Howell	Director	10	7	3
Carol Roberts	Director	10	8	2
Dian Lopez	Director	10	8	2
Glenroy Forrester	Director	10	6	4
Peggy La Guerre	Director	10	6	4
Kester Hamlet	Director	10	10	-
Pearl Butler-Lopez	1st Alternate	10	6	4
Vena Monsegue	2nd Alternate	10	6	4

## MEMBERSHIP

In keeping with the Pearl's International benchmark, CECU has once again achieved substantial growth in the membership area.

A total of 603 new members joined during the period under review as compared to 450 for the corresponding period ending December, 2006. In addition to this, two new companies have joined our family and we would like to acknowledge them: HADCO Ltd. and Cardio Vascular Association. Delivery of efficient and courteous service to members is paramount as we strive to ensure retention and growth of our member base. There were ninety-eight (98) resignations and twelve (12) deaths. At year end the membership stood at 5,754.

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

	2007	2006
<b>Employees</b>	2,089	1,867
<b>Relatives</b>	956	898
<b>Ex employees</b>	2,709	2,496
<b>Total membership</b>	<b>5,754</b>	<b>5,261</b>

## SHARES

Shares grew by \$9,951,464 or 12.15% over 2006 surpassing our target growth rate of 9.7%.

## DEPOSITS

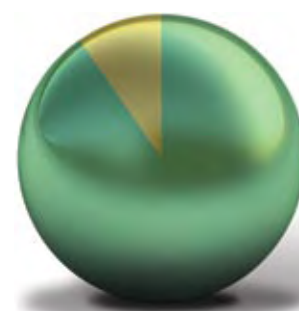
The deposit portfolio also grew by \$3,737,130 or 40.03% to \$13,009,256. During the latter part of 2007, we were forced to adjust our interest rates downward to match rates available from competitive financial institutions. Notwithstanding the adjustment, members elected to utilize this service for its convenience and flexibility with regard to the mode of interest payments.

## LOANS

Total loans increased by \$5,368,612 or 7.81% compared with \$6,262,170 or 10.02% in 2006. The loans to asset ratio is 54.42%. This is still below the Pearl's recommended standard of 70 – 80%. The Investment Committee is considering options including the reviewing of the mortgage loan policy, in order to increase the loan portfolio.

Loans Outstanding:

- Credit Union Personal Loans  
\$66,944,078 - 90.28%
- Credit Union Mortgage Loans  
\$ 7,205,040 - 9.72%



### DELINQUENCY

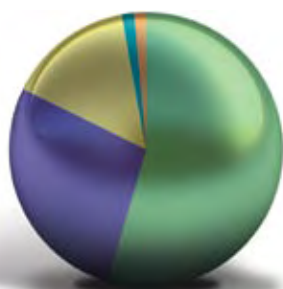
Management maintained the allowance for credit losses at a level considered adequate to absorb identified losses in the portfolio. The sum of \$93,000 has been set aside for this reporting period. The general provision of \$2,328,247 is sufficient to cover the exposure of impaired or doubtful loans in the portfolio. The sum of \$545,066.36 was retrieved during the year.

In 2007 the Board took the decision to forward the names of those members who have been persistently delinquent for arbitration at the Ministry of Labour and Small and Micro Enterprise Development, Co-operative Development Division. CECU's excellent working relationship with the Commissioner's office resulted in members being requested to go into the Commissioner's office for voluntary settlement. Members who failed to respond to this request were later summoned to appear before the Commissioner for Co-operatives. CECU was represented at each of these sessions by Recoveries Officer, Linda Mentor.

Thirty six names were forwarded to the Commissioner's office for Arbitration, most of whom responded at the Voluntary Settlement stage. The decisions of the Commissioner are equivalent to those handed down by a High Court Judge. On each occasion the Commissioner explained to the member their responsibility and the consequences should they fail to pay. Through this intervention, CECU recovered \$20,800 during the last quarter of 2007 from fifteen delinquent members; ten members had voluntary settlements in January 2008.

### ASSET MIX

- Accounts Receivable  
\$2,393,774 - 1.76%
- Other Investments  
\$16,446,847 - 12.07%
- Fixed Assets  
\$2,046,600 - 1.50%
- Loans  
\$74,149,118 - 54.42%
- Cash & Short Term Investments  
\$41,195,533 - 30.25%



A proactive approach to diversifying investments continued to underpin the growth of the portfolio. It

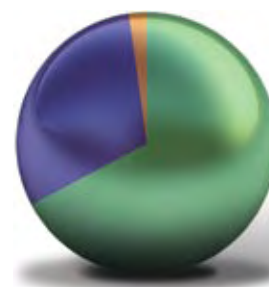
is CECU's policy to periodically redeem the capital appreciation on its managed portfolios. This decision was taken in November, 2007. As a result of such prudent guidelines, CECU's return on investment exceeded the projection by \$782,860.00 or 26.09%.

### REVENUE

Gross revenue exceeded the projections by \$496,356 or 4.1% - Revenue derived from investments was the main contributor to this favourable position.

### SOURCES OF REVENUE

- Revenue from Loans  
\$8,284,839 - 67.21%
- Revenue from Investments  
\$3,782,860 - 30.69%
- Other Income  
\$258,658 - 2.10%



### USE OF REVENUE

- Dividend  
\$6,649,079 - 53.94%
- Administrative costs  
\$2,281,971 - 18.51%
- Additions to Reserve  
\$1,326,336 - 10.76%
- Personnel Costs  
\$1,277,673 - 10.37%
- Loan Protection/ Life Savings Protection  
\$791,298 - 6.42%



### DIVIDENDS

Net earnings after allocation to the statutory reserves amounted to \$6,976,923 exceeding the budgetary projections by \$3,020,235. This favourable position was achieved through the cost effective management of CECU's resources, the significant efforts of the Marketing Committee, the astute measures of the Investment Committee and effective cost control.

The Board proposes a dividend payment of 8% amounting to \$6,649,079 which represents 95.30% of the net surplus. This rate, with the exception of one year, (2003) has been consistent over the past eight (8) years. The sum of \$327,844 will be capitalized in the retained earnings account.

## PEARL'S ANALYSIS

COMPONENTS	SATISFACTORY	UNSATISFACTORY	ACTUAL 2007
<b>Protection</b> (Capital/Total Assets)	8%	< 3%	11.95%
<b>Earnings</b> (Net Income/Average Assets) Operating Exps./Gross Income	0.5 -1.5% 30 – 50%	< 0.5% > 60%	6.245 35.31%
<b>Asset Quality</b> (Delinquent Loans) <b>Total Loans</b>	< 3%	> 5%	Net 3.04%
<b>Rate of Growth Savings Growth Rate</b> (Shares & Deposits)	> Inflation & Growth rate	< 0.5%	15.16%
<b>Loans Growth Rate</b>	> Savings Growth rate	< 0.5%	7.81%
<b>Membership Growth Rate</b>	min. 5%	< 5%	9.37%
<b>Liquidity</b> (Loans/Total assets)	70 – 80%	> 90%	54.42%
<b>Structure</b> (Non-Earning assets/ Total assets)	< 5%	15%	1.5%

## MEMBER ACTIVITIES

## SEA Scholarship Programme

CECU hosted all the students who registered for its SEA Scholarship programme at an Awards ceremony at the Courtyard Marriott in July. The top Ten SEA Achievers received a scholarship of \$1000 for the next five years of their secondary school life. Those cheques were given ahead of the school term to assist in the purchase of schoolbooks and uniforms. Past CECU SEA recipient, Stanton Taylor, spoke of the benefits of receiving his scholarship five years ago. He said it allowed him to grow during his secondary school period without the trivial fetters of financial obligations.

Our past SEA scholarship recipients now possess degrees in such areas as Medicine, Physics, Mathematics, Political Science, Economics, Literature in English and the ACCA professional designation. CECU is indeed very proud of its young membership.

CECU's top ten students are: Brendon Romero, Russell Yearwood, Alliyah Williams, Sofia Rajkumarsingh, Joanne Rampersad, Kerrina

Cruikshank, Ezra-Marie Bennett, Israelle Hyacenth, Jerome De Leon and Dayne Cheddie.

The Board also granted a four (4) year scholarship valued at One Thousand Five Hundred Dollars (\$1,500) annually, to Ariel Mahabirsingh, daughter of Roy Mahabirsingh on humanitarian grounds.

Fifteen Students received starter accounts: Nickelle Singh, Christy Romany, Jean Nicholas Perryman, Aqeel Kisson, Scott Ifill, Kimberley Ramroop, Shannon Miller, Marcus Alexander, Jamil Mollineau, Andre Williams, Jadee Hutchinson, Summer Alben, Carlene Demming, Shauna Telemaque and Nathon Paul.

## Advanced Level Scholarship Programme

For the second time in CECU's history, eight past SEA achievers have received extended scholarships of \$1000 per year for two years, to continue their studies at the Advanced level.

Students receiving the sum of \$1000 per year for two years: Stanton Taylor, Crystal Rambarran, Jolie Figaro, Mikhail Carlow, Brad Parks, Britini Ifill, Nirvana Singh and Kristen George.

### **'Together We Are Better' Charity Garage Sale**

Members not only volunteered their time but also gave generously to ensure the success of CECU's first Charity Garage Sale at the Woodbrook Youth Facility in October. The combined effort raised \$10,000 that went to the Society of St. Vincent de Paul, whose work among the poor and dispossessed is well known. Thanks to everyone who supported this effort.

### **Children's Christmas Party**

An overwhelming 600 members, parents and children, had a great time in CECU's Children's Christmas party at Kay Donna.

### **Calendar 2008**

Members were an integral part of CECU's 2008 calendar. The concept "Meet the Owner of CECU" recognizes the critical role and responsibility of CECU members. As shareholders of the Credit Union, members are the owners of CECU and therefore directly impact the present and future direction of the Credit Union.

The 2008 Calendar profiled some of the members/owners of CECU – showing the diverse composition of our membership.

### **Education**

Human resource development is vital if CECU is to remain competitive and deliver optimum service to our members. As the Central Bank of Trinidad & Tobago moves apace to implement new legislation, it will be imperative that all officers of a Credit Union receive continuous training. One of the main requirements is that officers and employees must be 'fit and proper' this includes continuous education in Credit Unionism and the Financial Services Act. CECU has begun meeting the criteria.

### **World Council of Credit Unions (WOCCU)**

In July, Directors Mr. Govind Maharaj, Mrs. Maria Rivas-Mc Millan and Ms. Elizabeth Raphael attended the WOCCU annual conference in Calgary and were privileged to witness the appointment of the first Caribbean Chairman to this prestigious International Organization, Mr. Melvin Edwards, a national of St. Kitts and Nevis and ardent Credit Unionist for more than 25 years.

The delegates learned from case studies in developed

and under-developed countries, some of which could be tailored for CECU and our Caribbean situation. The vibrancy of the Canadian Credit Unions in particular showed how Credit Unions contribute to economic freedom, community bonds, ownership and the creation of environments in which members can grow out of poverty.

### **CUNA's Discovery Conference**

Mrs. Sandra Johnson and Mr. Kenny Jalsa were chosen to represent CECU at CUNA Mutual's Discovery 2007 conference held in Nashville, Tennessee. CECU acknowledges the gracious sponsorship of CEO Elizabeth Raphael by CUNA Caribbean to this Conference. All who attended found the conference to be an eye-opening experience compact with powerful and useful information. The team found the sessions timely, thought provoking and inspiring.

Mr. Junior Dhoray and Ms. Terri-Ann Brathwaite also attended a Training/Workshop in Financial Securities Management in Margarita where they met with a team of experts in this discipline. They gained knowledge and ideas regarding investment opportunities for our Credit Union.

### **Employee Recognition**

Ms. Corinne Mohammed, Human Resources consultant, facilitated a training programme for the entire CECU staff on "CECU Employee Recognition". The training focused on team work and personal motivational tactics. There were seven sessions amounting to 21 contact hours.

### **New Legislation Seminar**

In September Mr. Hyder Ali, Manager of the Stabilization Fund, gave Liaison Officers, Directors, Committee Members and Staff a concise overview on Credit Union principles, practices and values, the role of Committees in the Credit Union and Overview of the Legislation. Mrs. Maria Rivas-Mc Millan, Secretary to the Board, engaged the participants in creating their own 'job descriptions' and commitment credo. All participants received Certificates that will go towards their training hours, allowing them to fall into the fit and proper criteria proclaimed by the new legislation. Mr. Govind Maharaj, President, and Ms. Elizabeth Raphael, Chief Executive Officer, then presented Liaison Officers with CECU pins. Everyone

walked away with a feeling of confidence and recommitment to the credit union mission. According to Education Committee Chairman, Ms. Terri-Ann Brathwaithe, "CECU's vision is to be the leading Credit Union in Trinidad and Tobago and we intend to ensure all our members are equipped with the right tools to ensure that we stay at No. 1".

### SOCIAL RESPONSIBILITY

CECU is aware of its social responsibility within the community and assisted several organizations, all in the context of embracing the Credit Union philosophy of "People Helping People."

CECU believes in the development of minds through education, and supported several schools to improve their educational facilities. Donations were given to The UWI Early Childhood Laboratory Centre, Belmont Boys RC and St. Agnes Anglican School. Two Form VI students from the Tranquility Secondary School, located directly opposite to CECU, were assisted in a visit to St. Lucia to facilitate the completion of their sixth form Biology syllabus requirements.

Mr. Kelvin Patterson, CECU's contracted graphic artist, was given financial assistance towards school supplies in an effort to attain a Bachelor of Fine Arts Degree in New Media Design and Imaging at Rochester Institute of Technology (RIT). Kelvin has always demonstrated a high level of professionalism and quality service in any projects given to him.

Two students from the National Centre for Persons with Disabilities received bursaries to allow them the opportunity for vocational training. Mr. Walter Romany, CECU's swimming champion, received sponsorship in the pursuance of his swimming career. Walter's swimming fees were sponsored as he continues along his swimming career. His dedication and success are quite apparent since he continues to be one of the fastest swimmers in this region.

We also sponsored some of our Community based organizations as we recognize the need for social development and the fostering of strong community bonds in our present society.

Donations were also given to Works Credit Union

(in support of their senior citizens club), the Wildlife Trust to ensure our eco systems are stabilized, the Fire Services Association as well as the National Association of Administrative Professionals.

### OBITUARIES

The Board of Directors wishes to express condolences to all members who have lost loved ones. Among those leaving us was Mr. John Scott, a dedicated member of the Credit Committee who served this organization for 17 years. Less than three weeks after John's passing, the Organization was plunged into further grief with the passing of another long-serving and dedicated member, Roy Mahabirsingh, who served at the level of the Supervisory Committee for two three-year terms.

#### Deceased Members:

Jennifer Daniel	Carl De Pont
Kendall Francis	Giles Guerra
Roy Mahabirsingh	Desmond Marson
Odella Prescott	Roy Questel
Leila Rambarath	Michelle Ramsaran
John Scott	Ricardo Searles

May their souls rest in peace.

### CUNA BENEFITS

#### Family Indemnity Plan

This plan continues to ease the financial burden occasioned through the death of a member or eligible family members. During the year claims amounting to \$ 565,000 were received on behalf of twenty nine (29) members. The total number of members participating in the plan at year-end was 998.

#### CUNA LOAN PROTECTION/LIFE SAVINGS COVERAGE (LP/LS)

Benefits were received from Cuna Caribbean for thirteen (13) Loan Protection/Life Savings. The claims totaled \$187,045. The claims represented 23.64% of the total premiums paid.

### OUTGOING DIRECTORS

In accordance with Byelaws 18 and 22, the Credit and Supervisory Committees are outgoing. Messrs Govind Maharaj, Kenny Jalsa, Maria Rivas-Mc Millan and Trevor Howell are outgoing from the Board.

We thank each of these hard-working Officers and Committee members for their dedication and commitment to building this great organization.

## THE BOARD OF DIRECTORS AT A GLANCE

### 2005 – 2008

Govind Maharaj	Maria Rivas-Mc Millan
Trevor Howell	Kenny Jalsa

### 2006 – 2009

Terri-Ann Brathwaite	Glenroy Forrester
Carol Roberts	Peggy La Guerre

### 2007 – 2010

Calvin Francis	Sheila Chaves
Kester Hamlet	Dian Lopez

## AUDITORS

After concluding the 2006 Audit, our Auditors, Price WaterhouseCoopers advised of their intention to retire at the end of the financial year 2007. We have enjoyed a cordial, yet extremely professional relationship with this firm over the past years and we extend our deep gratitude for the advice and sterling contributions made towards our development.

Twelve companies were selected from the approved list of auditors, developed by the Co-operative Division and asked to tender for the position. The Supervisory Committee was then mandated to evaluate and recommend an organization which met the established criteria.

The firm, D. Montgomery & Company, was recommended and endorsed by the Board to conduct the 2008 Audit.

## ACKNOWLEDGMENT

Our continued growth has challenged our staff to deliver unprecedented levels of service to our members. I thank all our employees for their tremendous efforts in making our Credit Union what it is today and for helping us realize the promise of what CECU can be tomorrow.

We place on record our deepest gratitude to our sponsor companies, Bankers, Insurance Brokers, Attorneys, Stock Brokers, Auditors, the Cuna Mutual

Group and the Co-operative Division for the yeoman service provided during the year. To our very loyal members, we are indeed grateful for your co-operation and support. Finally, and by no means least, we thank Almighty God for all blessings and graces bestowed on us during 2007.

## CONCLUSION

At CECU, we embrace the fact that we exist for much more than the bottom line. At our core, we are a people-first co-operative, focused on helping our members/owners achieve their dreams. This is our foundation, the reason we continue to exist - member/owners joining together to help each other and by extension their families and communities. The values that have seen us through our past successes are the ones that will sustain us in the future.

Whilst the 2007 results tell us that we are doing a lot of things right, there are areas where we can do better. As members' expectations evolve and competition increases, our strategy in these times of uncertainties will be to focus on membership growth, training and efficiency as we pursue our goal of building an organization capable of withstanding rigid economic and competitive pressure.

Thank you and God Bless you all.



GOVIND MAHARAJ  
PRESIDENT

## RESOLUTIONS

Be it resolved that in accordance with bye-law 25 Section (1), a dividend of 8% be paid on fully paid up shares at the end of the financial year ended 31st December 2007, and that such dividends be credited to members' shares.

## AUDITORS

Be it resolved that the firm D. Montgomery & Company be appointed auditors for the financial year ending December 31st 2008.



## Independent Auditors' Report

### TO THE MEMBERS OF CANNING'S EMPLOYEES' CREDIT UNION CO-OPERATIVE SOCIETY LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Canning's Employees' Credit Union Co-operative Society Limited which comprise the balance sheet as of 31 December 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Co-operative Society Act 1971. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

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

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

#### Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with the Co-operative Societies Act 1971.


PricewaterhouseCoopers  
Port of Spain  
Trinidad, West Indies  
6 March 2008

# Balance Sheet

		31 December	
	Notes	2007	2006
		\$	\$
<b>Assets</b>			
Cash and short term deposits	4	7,916,360	24,063,874
Investments - available-for-sale	5	16,446,847	13,674,881
- loans and receivables	5	33,279,173	10,100,815
Loans net of allowance for loan losses	6(i)	74,149,118	68,780,506
Accounts receivable and accrued interest		2,393,774	744,598
Property and equipment	7	<u>2,046,600</u>	<u>2,053,103</u>
<b>Total Assets</b>		<u>136,231,872</u>	<u>119,417,777</u>
<b>Liabilities And Members' Funds</b>			
Fixed Deposits	9	1,464,100	1,331,000
Accounts payable and accrued expenses		775,495	601,229
Due to National Insurance Board	8	<u>1,644</u>	<u>1,459</u>
<b>Total Liabilities</b>		<u>2,241,239</u>	<u>1,933,688</u>
Members' shares		91,878,293	81,926,829
Members' deposits	10	13,009,256	9,272,126
Fair value reserves		6,177,664	5,428,726
Reserve fund	11	9,384,404	8,586,892
Education fund	12	256,025	183,514
EDLG Medical Assistance Fund		--	44,328
Retained income		<u>13,284,991</u>	<u>12,041,674</u>
<b>Total Members' Fund</b>		<u>133,990,633</u>	<u>117,484,089</u>
<b>Total Liabilities And Members' Funds</b>		<u>136,231,872</u>	<u>119,417,777</u>

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

On 6 March 2008, 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	
		2007 \$	2006 \$
<b>Income</b>			
Loan interest		8,284,839	7,663,493
Investment income		3,782,860	2,710,993
Rent		76,000	74,900
Sundry revenue		182,658	227,022
		<u>12,326,357</u>	<u>10,676,408</u>
<b>Expenditure</b>			
Annual general meeting		206,119	181,175
Audit fee		58,492	31,043
Bad debt provision		93,000	460,000
Bank charges and interest		8,501	5,758
Computer services		28,617	11,818
CUNA insurance premium		791,298	698,440
Depreciation	7	54,858	52,194
Directors' travel and subsistence		23,250	30,900
Electricity		10,968	10,934
Employees' retirement income security plan		60,985	49,991
Fidelity bond		2,160	--
Insurance		35,083	31,267
Interest on members' fixed deposits		1,061,031	783,357
Legal and professional fees		14,618	4,465
Marketing		155,276	125,102
Miscellaneous		18,481	9,331
Office expenses		195,965	159,341
Repairs and maintenance		20,447	27,495
Salaries, wages and national insurance		1,214,828	1,036,265
Security		6,751	8,475
Stationery, printing and postage		74,643	54,120
Telephone		84,114	71,825
Travelling and entertainment		3,598	4,473
Loss on disposal of investment		--	848
Meetings and seminars		129,647	--
		<u>4,352,730</u>	<u>3,848,617</u>
<b>Excess of Income Over Expenditure</b>		<u>7,973,627</u>	<u>6,827,791</u>

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

# Cash Flow Statement

	Year Ended	
	31 December	
	2007	2006
	\$	\$
<b>Cash Flows From Operating Activities</b>		
Surplus for the year	7,973,627	6,827,791
Adjustment for non-cash items:		
Capitalised interest on investments and originated securities	(201,386)	(10,397)
Gain on disposal of financial assets at fair value through profit or loss	--	(521,648)
Depreciation	54,858	52,194
	<u>7,827,099</u>	<u>6,347,940</u>
<b>Cash Flows Before Changes In Operating Asset And Liabilities</b>		
Loans to members (net)	(5,368,612)	(6,262,171)
Increase in other payables	307,551	236,396
Increase in customer deposits	3,737,130	1,227,448
Increase in receivables	(1,649,175)	(96,920)
	<u>4,853,993</u>	<u>1,452,693</u>
<b>Cash Generated From Operations</b>		
<b>Cash Flows From Investing Activities</b>		
Proceeds on disposal of investments	8,000,000	7,657,987
Purchase of investments	(33,000,000)	(4,314,911)
Purchase of plant, machinery and equipment	(48,355)	(24,287)
	<u>(25,048,355)</u>	<u>3,318,789</u>
<b>Net Cash Used In Investing Activities</b>		
<b>Cash Flows From Financing Activities</b>		
Issue of shares	9,951,463	9,526,423
Dividend paid	(5,733,606)	(5,114,060)
Education fund	(126,830)	(174,180)
EDLG Medical Assistance Fund	(44,328)	44,328
Entrance fees	149	107
	<u>4,046,848</u>	<u>4,282,618</u>
<b>Net Cash Provided By Financing Activities</b>		
<b>Net (Decrease)/Increase In Cash And Cash Equivalents</b>	(16,147,514)	9,054,100
<b>Cash And Cash Equivalents, Beginning Of Year</b>	<u>24,063,874</u>	<u>15,009,774</u>
<b>Cash And Cash Equivalents, End Of Year</b>	<u>7,916,360</u>	<u>24,063,874</u>

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

# Statement of Changes in Members' Funds

Year Ended 31 December 2007

	Members' Shares \$	Members' Deposits \$	Fair Value Reserve \$	Reserve Fund \$	Education Fund \$	EDLG Fund \$	Retained Income \$	Total \$
Year Ended 31 December 2007								
Balance at 31 December 2006	81,926,829	9,272,126	5,428,726	8,586,892	183,514	44,328	12,041,674	117,484,089
Appropriation	--	--	--	797,363	199,341	--	(996,704)	--
Entrance fees	--	--	--	149	--	--	--	149
Staff training and social function expenses	--	--	--	--	(38,915)	--	--	(38,915)
Donations and scholarships	--	--	--	--	(87,915)	--	--	(87,915)
Marketing and advertising	--	--	--	--	--	--	--	--
Appreciation in market value of securities	--	--	748,938	--	--	--	--	748,938
Maturities	--	(9,272,126)	--	--	--	--	--	(9,272,126)
New deposits	--	13,009,256	--	--	--	--	--	13,009,256
Excess of income over expenditure	--	--	--	--	--	--	7,973,627	7,973,627
Dividends	--	--	--	--	--	--	(5,733,606)	(5,733,606)
Receipts	18,788,874	--	--	--	--	23,083	--	18,811,957
Payments	(6,860,608)	--	--	--	--	(67,411)	--	(6,928,019)
Net transfers	(1,976,802)	--	--	--	--	--	--	(1,976,802)
Balance at 31 December 2007	91,878,293	13,009,256	6,177,664	9,384,404	256,025	--	13,284,991	133,990,633

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

# Statement of Changes in Members' Funds

## Year Ended 31 December 2007

	Members' Shares \$	Members' Deposits \$	Fair Value Reserve \$	Reserve Fund \$	Education Fund \$	ELDG Fund \$	Retained Income \$	Total \$
Year Ended 31 December 2006								
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
Appropriation	--	--	--	682,779	170,695	--	(853,474)	--
Entrance fees	--	--	--	107	--	--	--	106
Staff training and social function expenses	--	--	--	--	(166,263)	--	--	(166,263)
Donations and scholarships	--	--	--	--	(13,000)	--	--	(13,000)
Marketing and advertising	--	--	--	--	5,083	--	--	5,083
Depreciation in market value of securities	--	--	(208,314)	--	--	--	--	(208,314)
Maturities	--	(8,044,678)	--	--	--	--	--	(8,044,678)
New deposits	--	9,272,126	--	--	--	--	--	9,272,126
Excess of income over expenditure	--	--	--	--	--	--	6,827,791	6,827,791
Dividends	--	--	--	--	--	--	(5,114,060)	(5,114,060)
Receipts	17,848,662	--	--	--	--	188,455	--	18,037,117
Payments	(7,685,823)	--	--	--	--	(144,127)	--	(7,829,950)
Net transfers	(636,416)	--	--	--	--	--	--	(636,416)
<b>Balance at 31 December 2006</b>	<b>81,926,829</b>	<b>9,272,126</b>	<b>5,428,726</b>	<b>8,586,892</b>	<b>183,514</b>	<b>44,328</b>	<b>12,041,674</b>	<b>117,484,089</b>

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

# Receipts And Payments Account

Year Ended 31 December 2007

Receipts	\$	Payments	\$
Shares	18,788,874	Shares	6,860,608
Loans - personal	13,399,143	Loans - personal	24,210,147
- mortgage	2,166,668	- mortgage	938,115
Members' deposits	3,225,285	Members' deposits	1,994,019
NIB mortgage	120,046	NIB mortgage	144,956
CUNA insurance claims	137,151	CUNA Family Indemnity Plan	994,491
Interest on loans	7,335,450	Salaries and staff expenses	1,278,623
Investment income	1,979,683	Investments	33,000,000
Rent	76,000	Audit fee	41,492
Entrance fee	149	Bank charges	8,328
Commission	173,841	Computer expenses	28,617
Bad debt recovered	24,237	Education fund expenses	258,874
Accounts and payroll receivables	152,986	Miscellaneous expenses	35,083
Staledated cheques	9,388	Rates, taxes and utilities	91,721
Share reserve	50	Cuna insurance premiums	784,627
TECU clearing account	544,909	Cuna insurance claims	107,692
Proceeds from sale of investment	8,000,000	Office expense	195,057
ELDLG medical assistance	24,954	Repairs and maintenance	20,447
Other	5,546	Stationery, printing and postage	74,551
		Fixed assets	48,355
		Advertising and marketing	151,592
		Professional and legal	17,068
		Annual general meeting	202,019
		Commissions and charges	4,960
		Security	6,751
		Bad debts	1,185
		TECU clearing	524,748
		EDLG Medical Assistance Fund	67,411
		Fidelity bond	2,160
		Meetings and seminars	1,349
Payroll in transit	297,610	Payroll in transit	514,438
Balance at 31 December 2006		Balance at 31 December 2007	
RBTT Bank Limited		RBTT Bank Limited	
- current account	2,815,306	- current account	1,147,370
US Money Market Fund	1,772,042	US Money Market Fund	1,841,777
UTC Second Unit Scheme	19,271,479	UTC Second Unit Scheme	4,297,621
Clico/Central Finance Facility	10,100,815	Clico/Central Finance Facility	10,100,815
Petty cash	714	Petty cash	485
RBTT Credit Card	1,349	RBTT Credit Card	--
RBTT US\$ Savings	2,984	RBTT US\$ Savings	429,107
	<u>90,426,659</u>		<u>90,426,659</u>

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

# Notes To The Financial Statements

31 December 2007

## 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 Act 1971.

The preparation of financial statements in conformity with accounting 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: loans and receivables 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 are not quoted on an active market are classified as loans and receivables.

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. Loans and receivables are carried at amortised 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.

<b>4 Cash and Short Term Deposits</b>	<b>2007</b>	<b>2006</b>
	\$	\$
Cash and Cash Equivalents		
RBTT Bank Limited – current account	1,147,370	2,815,306
Unit Trust Corporation - US Dollar Money Market Fund	1,841,777	1,772,042
Unit Trust Corporation – Second Scheme	4,297,621	19,271,479
Petty cash	485	714
RBTT Merchant Bank & Finance Company Limited		
- fixed deposits	200,000	200,000
RBTT Credit Card	--	1,349
RBTT USD Savings	429,107	2,984
	<u>7,916,360</u>	<u>24,063,874</u>

## 5 Investments

		2007 Cost \$	2006 Cost \$
<b>Loans and receivables</b>			
GOTT 450M FXR Bond		4,000,000	--
Central Finance Facility		10,100,815	10,100,815
Unit Trust Acceptance Credit		9,178,358	--
General Finance Corporation		10,000,000	--
		<u>33,279,173</u>	<u>10,100,815</u>
	2007 Cost \$	2007 Market Value \$	2006 Market Value \$
<b>Available for Sale</b>			
Quoted shares	3,821,838	10,151,810	8,552,794
- Savinvest US Growth Fund	200,000	209,045	212,690
- Savinvest Structured Investment Fund	1,231,358	1,231,358	84,215
- Savinvest India Asia Fund	629,952	780,306	729,106
Mutual Funds			
- Praetorian Property Mutual fund	600,000	600,000	600,000
- Scotiabank Global Growth Fund	123,528	180,709	155,175
- Unit Trust Chaconia Income & Growth Fund	327,570	321,485	315,901
Unquoted share			
- Central Finance Facility	25,000	25,000	25,000
Guardian Asset Management	3,000,000	2,947,134	3,000,000
		<u>16,446,847</u>	<u>13,674,881</u>

## 6(i) Loans

	2007 \$	2006 \$
Gross loans	76,477,366	70,995,151
Allowance for loan losses 6(ii)	<u>(2,328,248)</u>	<u>(2,214,645)</u>
	<u>74,149,118</u>	<u>68,780,506</u>

	Personal Loans \$	Mortgage Loans \$	Car Loan \$	Small Business Loan \$	2007 Total \$	2006 Total \$
Non-delinquent loans	64,694,491	7,190,657	391,617	--	72,276,765	66,371,483
Delinquent loans	4,166,107	14,384	--	20,110	4,200,601	4,623,668
	<u>68,860,598</u>	<u>7,205,041</u>	<u>391,617</u>	<u>20,110</u>	<u>76,477,366</u>	<u>70,995,151</u>

Of the balance of delinquent loans \$4,180,491 (2006: \$4,389,780) represents accounts on which no collections have been received for the year.

Shares held by members whose loans are delinquent total \$1,852,544 (2006: \$2,114,287). The Credit Union also holds security in respect of the mortgage loans.



**6(ii) Allowance for loan losses**

	2007	2006
	\$	\$
Balance brought forward	2,214,645	1,743,082
Increase in the provision	93,000	460,000
Loans written off	(7,812)	(1,776)
Amounts recovered on balances previously written off	29,600	16,914
Amounts paid to collectors	(1,185)	(3,575)
Balance carried forward	<u>2,328,248</u>	<u>2,214,645</u>

**7 Property and Equipment**

	Office Furniture \$	Furniture & Fixtures \$	Leasehold Premises \$	Computer Hardware \$	Total \$
<b>Year ended 31 December 2007</b>					
Opening net book amount	25,950	155,645	1,824,102	47,406	2,053,103
Additions	305	18,170	--	29,880	48,355
Depreciation charge	(5,231)	(16,624)	(13,682)	(19,321)	(54,858)
Closing net book amount	<u>21,024</u>	<u>157,191</u>	<u>1,810,420</u>	<u>57,965</u>	<u>2,046,600</u>
<b>Year ended 31 December 2006</b>					
Opening net book amount	24,490	156,528	1,838,063	61,929	2,081,010
Additions	7,293	15,814	--	1,180	24,287
Depreciation charge	(5,833)	(16,697)	(13,961)	(15,703)	(52,194)
Closing net book amount	<u>25,950</u>	<u>155,645</u>	<u>1,824,102</u>	<u>47,406</u>	<u>2,053,103</u>

**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:-

	2007	2006
	\$	\$
Balance due at 1 January	1,459	258
Amounts received on mortgages disbursed	145,691	195,075
	<u>147,150</u>	<u>195,333</u>
Funds paid over to National Insurance Board	(145,506)	(193,874)
Balance due at 31 December	<u>1,644</u>	<u>1,459</u>

9 Fixed Deposits	2007 \$	2006 \$
Maturing within 1 year	<u>1,464,100</u>	<u>1,331,000</u>
	<u>1,464,100</u>	<u>1,331,000</u>

The interest rate is 8% (2006: 10%) per annum.

## 10 Members' Deposits

Period to Maturity

Within three months	4,820,276	585,001
Between three months and one year	<u>8,188,980</u>	<u>8,687,125</u>
	<u>13,009,256</u>	<u>9,272,126</u>

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% (2006: 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 22 January 2008 a dividend in respect of 2007 of 8 cents per share (2006 actual dividend 8 cents per share) amounting to a total of \$6,649,079 (2006 actual \$5,733,606) 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 2008.

## 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 2007, there was \$641,542 (2006: \$1,150,169) in loans that were approved but not yet fully disbursed.



Tracey Chung  
Owner since 1992

Tracey recognized the benefits of becoming an owner at CECU when her son was one of the successful recipients of an SEA Scholarship.

# Projected Income & Expenditure Account

January - December 2008

INCOME	BUDGET FORECAST 2008	BUDGET FORECAST 2007	ACTUAL 2007	ACTUAL 2006	ACTUAL 2005
Loan Interest	9,300,000.00	8,500,000.00	8,284,839.00	7,663,492.54	6,977,083.00
Investment Income	4,200,000.00	3,000,000.00	3,782,860.00	710,993.00	2,634,302.00
Rent	80,000.00	80,000.00	76,000.00	74,900.00	75,100.00
Sundry Revenue	200,000.00	250,000.00	182,658.00	227,022.61	139,703.00
	<b>13,780,000.00</b>	<b>11,830,000.00</b>	<b>12,326,357.00</b>	<b>10,646,408.15</b>	<b>9,826,188.00</b>
<b>EXPENDITURE</b>					
Personnel Costs:					
Salaries & Wages	1,100,000.00	917,000.00	1,038,949.00	879,249.98	830,332.00
Employer's Contribution to Pension	75,000.00	60,000.00	60,985.00	49,990.69	54,001.00
Employer's NIS Contribution	45,000.00	36,000.00	38,596.00	33,693.43	32,443.00
Employees' Expenses	20,000.00	12,000.00	14,883.00	8,855.00	4,158.00
Employees' Fringe Benefits	130,000.00	150,000.00	124,260.00	120,800.00	116,660.00
	<b>1,370,000.00</b>	<b>1,175,000.00</b>	<b>1,277,673.00</b>	<b>1,092,589.10</b>	<b>1,037,594.00</b>
<b>ADMINISTRATION COSTS</b>					
AGM & Other Expenses	250,000.00	200,000.00	206,119.00	181,175.25	181,133.00
Meetings & Seminars	150,000.00	-	129,647.00		612,023.00
Cuna Caribbean Ins. Premium	875,000.00	725,000.00	791,298.00	698,439.65	5,489.00
Bank Charges & Int. & Comm.	10,000.00	10,000.00	25,056.00	13,162.78	134,000.00
Bad Debt Provisions	100,000.00	200,000.00	93,000.00	460,000.00	648,157.00
Interest on Members' Deposits	1,000,000.00	850,000.00	1,061,031.00	783,356.67	76,311.00
Rates & Utilities	100,000.00	90,000.00	95,147.00	80,154.37	28,664.00
Audit Fees	60,000.00	40,000.00	58,492.00	31,042.53	45,627.00
Stationery & Printing	85,000.00	60,000.00	74,643.00	54,120.45	33,062.00
Professional & Legal Fees	20,000.00	20,000.00	14,618.00	4,465.00	1,354.00
Miscellaneous Expenses	45,000.00	45,000.00	35,083.00	31,938.06	33,386.00
Marketing	250,000.00	175,000.00	155,276.00	125,101.60	82,818.00
Security	15,000.00	12,000.00	6,751.00	8,475.35	8,033.00
Board & Committee Meetings	25,000.00	40,000.00	23,250.00	30,900.00	26,775.00
Fidelity Bond	2,500.00	2,500.00	2,160.00	2,000.00	2,160.00
Computer Services	20,000.00	20,000.00	28,617.00	11,817.60	7,622.00
Loss on Disposal of equipment				848.15	
Office Expenses	210,000.00	175,000.00	199,564.00	159,340.54	155,994.00
Repairs and Maintenance	500,000.00	300,000.00	20,447.00	27,495.41	16,481.00
Depreciation	60,000.00	60,000.00	54,858.00	52,194.03	52,779.00
	<b>3,717,500.00</b>	<b>3,024,500.00</b>	<b>3,075,056.00</b>	<b>2,756,027.44</b>	<b>2,151,868.00</b>
<b>TOTAL EXPENSES</b>	<b>5,122,500.00</b>	<b>4,199,500.00</b>	<b>4,352,730.00</b>	<b>3,848,616.54</b>	<b>3,189,461.00</b>
Excess of Income over Expen.	8,657,500.00	7,630,500.00	7,973,627.00	6,827,791.61	6,636,727.00
Appropriated as follows:					
Reserve Fund - 10%	865,750.00	763,050.00	797,363.00	82,779.00	663,673.00
Education Fund 2.5%	216,437.50	190,762.00	199,341.00	170,695.00	165,918.00
Retained Earnings	7,575,312.50	6,676,688.00	6,978,711.00	5,974,317.61	5,807,136.00
	<b>8,657,500.00</b>	<b>7,630,500.00</b>	<b>7,973,627.00</b>	<b>6,827,791.61</b>	<b>6,636,727.00</b>

# Report of the Credit Committee

For the Financial Year Ended 31st December, 2007

Following the elections at the Fifty-Fifth (55) Annual General Meeting, the composition of the Credit Committee was as follows:

Calvin Francis	Chairman
Glen Piontkowski	Secretary
Junior Dhoray	Member
Rosemary Ayres	Member
Gerald Henry	Member
Natalie Owen	Alternate

The year 2007 was indeed very challenging and notwithstanding the best efforts of the credit union, the loans disbursement target of \$28M remained elusive and we fell short of our projections by \$2,816,235.

Though the national economy continues its strong performance, the benefits are not being felt by all citizens. Other lenders have engaged in aggressive competition, offering attractive packages for borrowers with limited means. While this may be fine in good times, such actions may prove to be extremely problematic in leaner years. This has been very apparent in some of our members who fell victim to the lure of 'easy money' and who were forced to turn to the Credit Union for rescue.

Of interest to all of us are the findings of a National Financial Literacy survey by the Central Bank of Trinidad & Tobago (July- August 2007). The survey revealed that almost half of this country's retirees do not have enough money to afford them the standard of living they hoped to have in their retirement.

The article further disclosed that fifty four percent (54%) of the retirees do not have occupational or personal pensions and a substantial percentage of respondents (69%) were relying on Government pensions (NIS/Old Age) for their retirement income. We in CECU have always been and will continue to be advocates for the financial well being of our

members/owners.

We therefore encourage all our members to save and invest their funds with a view to a long term retirement plan. The earlier you start, the more choices are open to you and the more flexibility you have in making adjustments to reach your eventual goal.

Ideally, we recommend that this process commence in your 20's in order to lay a good foundation for meaningful stimulating retirement years. Again we urge you to start planning today in order to avoid the pitfalls alluded to by the Central Bank Governor that "seventy percent of the people surveyed were under stress to manage their finances and a significant percent of people also had problems making ends meet".

We urge our members not to get caught up in the wave of consumerism plaguing the population but to prepare for financial security by setting long-term retirement goals and developing a plan for achieving them. The services of our Management team as well as your Credit Committee are always available to provide advice in this regard.

## MEETINGS

The Committee held 40 meetings and deliberated on 6,036 applications, approving 5,655 totaling \$25,183,765. Housing, Investments, Motor Vehicle purchases, consolidation of debts and promotional loans during the months of November/December accounted for \$15,354,100 (61%) of the loans disbursed for the period. Approvals exceeded that of the corresponding period last year in number and dollar value by 708 and \$1,251,115 respectively. Eighty five (85%) of the applicants who did not meet the criteria for approval initially re-submitted their applications with additional collateral and or an enhanced repayment schedules and were subsequently approved.

The Committee wishes to express its sincere thanks to the Management and staff for their support and contributions in helping us achieve 90% of our goals this year.

We continue to be committed in providing opportunities for the holistic development of our membership and their families and are pleased to be of service and sincerely thank all our members for the trust and confidence placed in us by giving us the opportunity to play such a pivotal role in their development.

In conclusion, we would like to share with you the advice given by one of our junior members.

*“Save in CECU – Pave the way for the future”*

Words of wisdom from a child.



Calvin Francis  
Chairman



Glen Piontkowski  
Secretary

### Attendance of the Committee Members at meetings.

	Present	Excused
Calvin Francis	36	4
Glen Piontkowski	35	5
Junior Dhoray	38	2
Rosemary Ayres	40	-
Gerard Henry*	39	1

\*Elected 29th March, 2007

**TABLE 2**

Applications presented to the Committee

Approved	Not Approved /Deferred	Total
5,655	381	6,036

**TABLE 3**

No. of Loans 2006	No. of Loans 2007	Purposes of Loans	Value of Loans	
			2007	2006
920	997	Domestic Expenses	\$1,613,650.60	\$1,064,858.56
286	323	Holidays (Local & Aboard)	\$1,305,485.00	\$1,041,370.38
519	523	Housing (Purchase, Mort. Repair)	\$4,770,979.29	\$6,076,862.42
188	175	Investments	\$2,138,493.61	\$3,337,985.37
36	22	Funeral	\$63,428.00	\$77,585.00
131	99	Weddings & Christenings	\$334,350.00	\$414,558.46
17	8	Car Licence & Permits	\$10,705.89	\$10,810.00
296	304	Car Repairs & Parts	\$1,032,252.70	\$809,953.64
130	116	Purchasing of Cars	\$4,452,684.40	\$4,779,196.66
621	590	Consolidation Of Debts	\$1,911,943.53	\$1,628,608.78
153	150	Fire, Life & Car Insurance	\$599,343.05	\$400,468.61
348	369	Medical Expenses	\$958,711.85	\$770,250.26
454	498	Education Expenses	\$1,462,552.62	\$1,308,824.58
67	59	Legal Expenses	\$186,164.00	\$219,991.66
183	189	Household Furnishings	\$849,264.60	\$665,345.66
476	420	Christmas Shopping	\$1,264,671.44	\$1,168,290.06
18	3	Miscellaneous	\$12,400.00	\$23,050.00
38	36	Carnival Expenses	\$50,195.00	\$49,390.00
66	53	Rent	\$86,490.00	\$85,250.00
	721	Special Loan	\$2,080,000.00	
<b>4947</b>	<b>5655</b>	<b>TOTAL LOANS GRANTED</b>	<b>\$25,183,765.58</b>	<b>\$23,932,650.10</b>

## Supervisory Committee

From left to right: Denise Barton *Secretary*, Carl Phillip *Member*, Volneitha Sargeant *Chair*



## Credit Committee

From left to right: Calvin Francis *Chair*, Glen Pionkowski *Secretary*, Junior Dhoray *Member*, Rosemary Ayers *Member*, Gerald Henry *Member*



# Report of The Supervisory Committee

2007 - 2008

At the Fifty Fifth (55) Annual General Meeting, Volneitha Sarjeant, Denise Barton and Carl Phillip were elected to serve on CECU's Supervisory Committee. This team had the responsibility of examining records, documents and dealing with complaints from members.

The Supervisory Committee thanks the Board for an invitation to all Board meetings, for allowing them to share openly in all discussions and for giving them the opportunity to view all reports. We are proud to say that CECU continues to provide shrewd leadership, professional service and support to our members.

During the year under review, we conducted five audits and found that all operations were in accordance with the policies and procedures of the Credit Union. On reviewing loan forms, we observed that the Credit Committee continues its quest to provide for the needs of our members within the required guidelines. We compliment the Credit Committee for ensuring that the operations of CECU were conducted for the benefit of the members and for compliance to policies, rules and laws.

This Committee was given the responsibility of sourcing another Auditing company for CECU. Tenders were sent to ten recommended firms. From this short listed selection only three companies responded. They were Chanka Seetaram & Co.; D. Montgomery & Co. and R.D Rampersad & Co. After much scrutiny and evaluation, the Supervisory Committee recommended that CECU use the auditing services of D. Montgomery & Company for a period of three years, with a review after the first year. This selection was also based on the positive advice received from the credit unions they had previously served, namely Transcorp, Hand Arnold and Works Credit Union. D. Montgomery received kudos for the timeliness of their audit and met the criteria stipulated in our tender.

All three members of this Supervisory Committee would like to thank you, fellow members, for giving us the opportunity to serve for this period, and wish CECU all the best as it continues to strive for excellence.

Volneitha Sarjeant  
*Chairperson*



# Staff

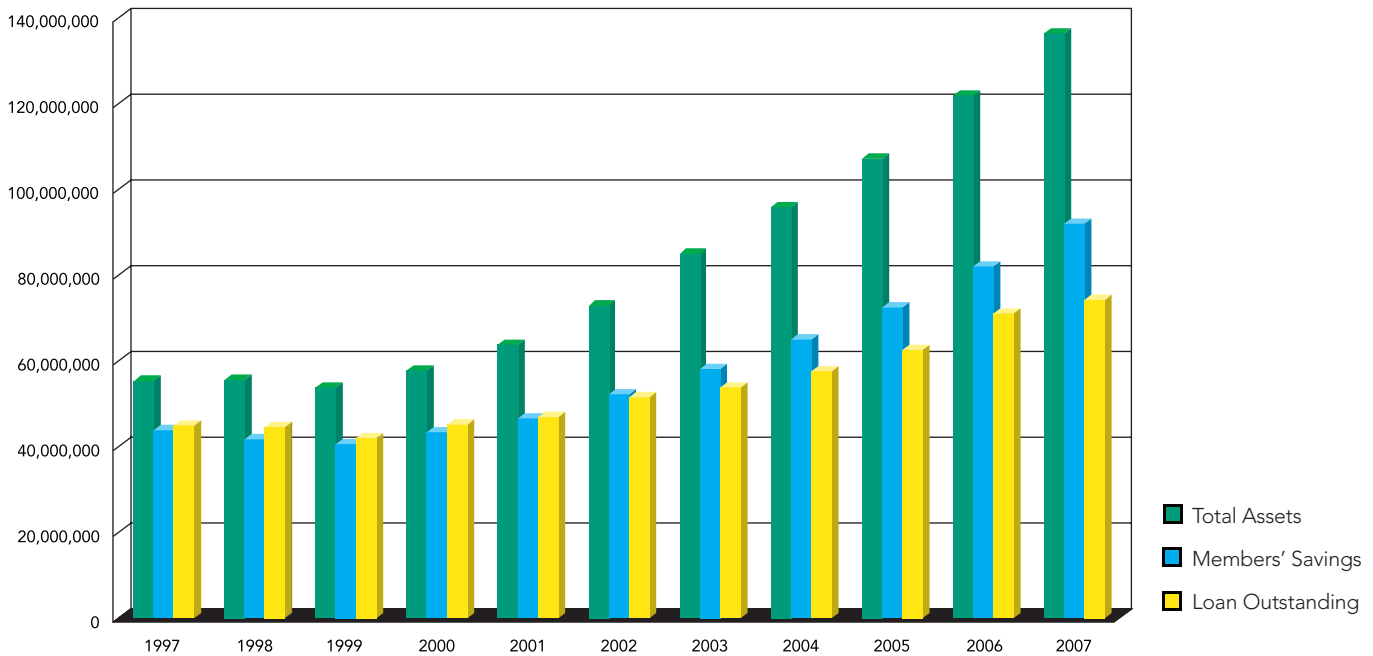
From left to right: Sharon Howard *Loans Officer*, Paula Pierre *Head Teller*, Sandra Johnson *System Administrator*, Cynthia Goindoo *Support Staff*, Deion Raphael *Office Clerk*, Amanda Best *Marketing Assistant*



From left to right:  
Theresa Mendez *Confidential Secretary*,  
Kevin Thomas *Courier*,  
Deborah Byng *Senior Loans Officer*,  
Lorraine Ragbir *Marketing Manager*,  
Deanne Simpson *Operations Manager*,  
Linda Mentor *Recoveries Officer*



## Ten Year Review



Year	No. of Members	Total Assets	Members Savings	Loan Outstanding	Reserve Fund	Total Income	Surplus (After Transfer to Reserve)	Dividend Paid	%
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
2006	5261	121,729,680	81,926,829	70,995,152	8,597,956	10,787,050	6,071,129	5,860,396	8
2007	5754	136,231,872	91,878,293	74,149,118	9,384,404	12,326,357	6,976,923	6,649,079	8*

\* proposed dividend

## Liaison Officers

MEMBER COMPANY	LAISION OFFICER	CONTACT
Hilo St. Anns	Marcia Bartholomew	621-5300
Hilo St. Augustine	Jacqueline Pujadas	645-4456
Hilo, Alyce Glenn	Natalie Owen	633-5188
Hilo, Broadway, Arima	Ingrid Nicholls	667-2920
Hilo, Chaguanas	Aquile Crichlow	665-4109
Hilo, Crews Inn	Diana Bailey	634-4038
Hilo, El Dorado	Damian Charles	662-5741
Hilo, El Socorro	Esme Neptune	675-6619
Hilo, French Street	Angelis Burgin	628-7503
Hilo, Glencoe	Carol Prentice	633-0101
Hilo, Gulf City	Celia Jackson	657-0721
Hilo, Head Office	Jennifer Williams	627-7482,86-88
Hilo, Marabella	Zorida Bakar	658-0288
Hilo, Maraval	Lucy Constantine	622-6752
Hilo, Point Fortin	Ethelbert Bascombe	648-3174
Hilo, Ridgewood Arima	Nicole Doyle Edwards	667-3947
Hilo, Starlite, Diego Martin	Viola Callender	637-9769
Hilo, Westmorrings	Erica Cazoe	632-1085
Arvees Foodmaster	Devika Singh	645-6855
Athabasca (LB'S) Supermarket	Orlando Lopez	640-4208
Auto Spot Ltd.	Camille Faustin	628-7768
Automotive Components	Paul Gowandan	642-4236
BHP Billiton	Stephanie Garner Walker	625-0555
Cardio Vascular Associates Ltd	Courteney Augustine	624-8934
Carib	Shelton Dasiy	662-2231
Caribbean Bottlers, San Fernando	Amraz Ali-Bocas	652-5322
Caribbean Bottlers, Tunapuna	Patricia White	662-4416
Caribbean Paper & Printed Products	Samantha Haban	674-1884
Cascadia Hotel	Karen Bissessar	623-4208
Climate Control	Lucy Sheen	624-2665
Correiras (C.A.R.S.)	Pauline Williams	637-5225
CUNA Caribbean	Deanne Boucaud	627-7060
Diary Distributors	Susan Lennox-Wright	638-6455
Food Giant	Wendell Mansano	674-9184
G4S (Securicor)	Annette Hospedales	624-5751
HADCO Ltd.	Amanda Bharose	675-7628
Hamel-Smith & Co.	Miguel Phinero	623-4237
Illuminat	Dedra Cox	625-1204
John Dickinson	Loraine Thomas	632-3422
Kiss Baking	Tara Outar	665-5047
Laughlin & De Gannes	Margaret Ann Parris	625-1712
Marketing & Distribution	Jeanette Williams	645-7454
Mc Cann Erickson	Camille Ramlochan	628-9109
Melville Shipping	Abzal Ali	625-4977
Micon Marketing	Theresa Victor	624-5996
National Carnival Commission	Henry Marcial	627-1350
Neal & Massy Energy	Christen Dookhoo	657-8622
Neal & Massy Holdings	Marsha Ali	625-3426
NEDCO	Avalon Millington	625-7679
Plantation Beach Villas	Sean Clarke	639-9377
Pro Technologies	Wendy Plentie	625-6945
Raytodd Chemicals	Anisa Ali- Anderson	645-3254
Rostant Advertising	Abbeygail De Souza	622-9556
Rotoplastics	Sheryl Viarruel	674-8265
Sissons	Marcia Huggins	665-5721
Tracmac	Jane Rodriguez	657-8622
Trinidad Tissues	Vera Maharaj	640-4725
Tru Valu	Christine Rampersad	640-1124
Waste Disposal	Alyson Forde	625-6746

# Notes



# Notes





Trisha Ramsubick  
Owner since 1996

A proud owner of CECU, Trisha is a young person planning for her future. She has been steadily building a sound financial foundation while pursuing her dream of becoming an accomplished Indian dancer.