

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.



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-Fifth Annual General Meeting of the Canning's Employees' Credit Union Co-operative Society Limited will take place at Lion's Cultural Centre, FitzBlackman Drive, Woodbrook on Thursday 29th March 2007, 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 2006.
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. Acting President's Welcome: Govind Maharaj
4. Feature Address
5. Vote of Thanks: Kenny Jalsa/Acting Vice President CECU
6. Correspondence
7. Reading and Confirmation of Minutes
8. Reports:
 - a) Board of Directors
 - b) Auditors
 - c) Budget
 - d) Credit Committee
 - e) Supervisory Committee
9. Resolutions
10. New Business
 - a) Election of Officers
 - b) Any other Business

BY ORDER OF THE BOARD OF DIRECTORS



Maria Rivas-Mc Millan
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 2006 with comparative figures for 2005

	2006 \$	2005 \$
TOTAL ASSETS	121,729,268	107,051,838
SHARES	81,926,829	72,400,406
LOANS	70,995,152	62,518,336
NET INCOME	6,938,434	6,636,727
TOTAL EXPENSES	3,848,617	3,189,461
DIVIDENDS	8%	8%
MEMBERSHIP	5,261	4,934
STAFF	13	12

Auditors:

PriceWaterhouseCoopers

#11-13 Victoria Avenue

PORT OF SPAIN

Solicitors:

Mr. Bhan Ramcoomarsingh

Attorney At Law

Suite 312, Park Plaza

St. Vincent Street

PORT OF SPAIN

Mr. Joseph Toney

Attorney At Law

28 Gordon Street

PORT OF SPAIN

Mr. B.D. Hewitt

Attorney At Law

#76 Abercromby Street

PORT OF SPAIN

Minutes of the 54th annual general meeting of the Canning's employees' credit union co-operative society limited held on Wednesday, March 29th 2006 at 5:00 p.m. at the Lions' Cultural Centre, Fitzblackman Drive, Woodbrook.

Hi, I am Maria,
your Secretary
and here are the Minutes



Call To Order

CECU's President and Chairman of proceedings, Mr. Emil de la Grenade, called the meeting to order at 5:10 p.m. In accordance with the report of the Credentials' Committee that there were 126 members and 18 guests, he gave notice that the meeting was duly constituted.

Upon the official opening of the meeting, Mr. de la Grenade called for a minute of silence in remembrance of departed members.

Apologies were received from Mrs Maria Rivas-Mc Millan, who was out of the country on business; Mrs. Terri Ann Braithwaite, Assistant Secretary to the Board, represented her. Mr. Bernard Dulal-Whiteway and the President of the League also extended their apologies.

Notice Of The Meeting

Mrs Terri Ann Braithwaite, read the official Notice of the Meeting.

1. To receive the report of the Report of Board of Directors, Committees and the Balance Sheet of the Credit Union for the year ended 31st December 2005.
2. To elect officers.
3. To appoint Auditors.
4. To transact any ordinary business that may properly come before the house by order of the Board of Directors.

Welcome & Opening Remarks

The Chairman welcomed Members, Committee members, the Board of Directors and more particularly the distinguished guest speaker, Ms Sharon Braithwaite.

The Chairman reported with delight yet another successful year for CECU, measuring the credit union's success against international benchmarks. He attributed this performance to the excellent performance of CECU's Chief Executive Officer and staff and thanked them for their commitment. He noted that CECU's affairs are managed by staff who reports to the CEO and who in turn is accountable to the Board. He then reminded the members that all Directors and Committee members served voluntarily, with no specific or special benefits.

It is encouraging to note that we are all on the same page, aiming for the financial stability and soundness for each credit union and the movement as a whole. Each of us has a role to play...

Canning's Employees' Credit Union's 2005's performance was matched against six other Credit Unions, and comparisons distributed to all members at the meeting for review. Mr. de la Grenade encouraged members to compare the figures against other credit unions within Trinidad & Tobago. He noted CECU may be the smallest in membership, but was the strongest, and well secured and well placed for many years to come. In fact, Canning's had the lowest expense ratio.

He noted that competition among credit unions to pay out high dividends was inadvisable as increased dividends must come from high performance and not competition. If this continues, it will result in depleted reserves and set the stage for disastrous effects in years to come.

Mr. de la Grenade cleared up any confusion on the League's labeling of 'renegade' to Canning's Employees Credit Union. Some five months prior, 15 credit union presidents met to assist the League to formulate good financial standards for the financial institutions. The League's financial reporting continued to reflect signs of insolvency but requests for in-depth financial reports were never met. The 15 presidents further learned that management resources had been discharged of duty and, to compound this situation, upheaval in other credit unions could cause a loss of public confidence.

These 15 Presidents will seek a special meeting to try to revive the credit union movement. It is the view of the Board that CECU should desist from future participation in League activities.

The Central Bank has advised of a new Act to supervise Credit Unions. CECU welcomes this and was pleased to report that for the last seven years, the CEO has been submitting all financial accounts to the Ministry of Finance and Minister of Labour – which promotes transparency.

Returning to the question of integrity, Mr. de la Grenade expected that credit unions will align with Canning's to bring integrity back in the movement. He had penned a letter to the League President advising that CECU members would not accept irresponsible comments and invited him at the Annual General Meeting to hear CECU's position on the present insolvency issues which plagued the League.

The following was proposed to deal with anomalies in the Bye-Laws:

1. No person should hold the same Board or Committee position for more than three terms

2. Adherence to the new Act which requires Directors and Committee Members to meet the 'fit and proper' criteria as defined by the Central Bank.

He noted that the credit union movement required financial and professional skills to negotiate with Central Bank technocrats. The Movement's representatives must be able to deal with such issues as – will credit unions be compared to banks, will they be required to make deposits into a special reserve.

Mr. de la Grenade advised that able professionals led two recently convened Committees at CECU: Information Technology (IT), Kenny Jalsa and Marketing, Maria Mc Millan.

CECU is committed to year-round good service. In this regard, CECU has signed a letter of understanding with TECU for improved service to members, giving the option of transacting business at TECU offices and vice versa. At that meeting it was clear that CECU brought accountability and integrity to the table. TECU is a powerful ally with assets of more than \$1b.

The evening's guest speaker was Ms Sharon Braithwaite, a Jamaican by birth. Jamaica has the most powerful and respected Credit Union League in the Caribbean. She was warmly welcomed:

Feature Address

Ms Braithwaite, a representative of the Central Bank of Trinidad & Tobago, thanked CECU for the opportunity to address its members and conveyed deepest regrets on behalf of Catherine Kumar, Inspector of Financial Institutions, on her absence.

Ms Braithwaite further congratulated CECU on 54 years of achievement and wished members continued success for the next 54 years, whilst keeping its place within the financial services sector. For any credit union, surviving more than 50 years is a good testimony of considerable resilience and a clear indication that it is fulfilling its mission. In 2005, Canning's graduated from a medium to large sized credit union when it achieved a new milestone of reporting total assets in excess of \$100m, to be precise over \$107m.

The movement deserves much credit for encouraging the habit of saving in its members, for educating sections of the population on financial matters and for helping to finance small business investments. Today the movement faces a number of challenges in the marketplace, brought on by the competition for savings and investment funds. Credit unions must now venture into new areas to compete and maintain their membership base.

Some credit unions have chosen attractive interest rates on deposits to grow their membership base and many others see the need to explore even riskier activities in order to survive or grow. The point is, that engaging in non-traditional activities without an adequate risk management framework or the required management expertise could put member savings at risk. Moreover, financial difficulties in one or two large credit unions could undermine confidence in the entire movement and could conceivably have contagious effects on the entire financial system – and herein lies the case for formal legislation of the credit union sector. It is to protect the savings of its members and ultimately safeguard the integrity of the financial system.

Ms Braithwaite went on: “We believe that Trinidad & Tobago is at a significant milestone in the financial regulation of credit unions; we believe the movement understands and supports the rationale behind the appointment of the Central Bank as a financial regulator; our mandate is to protect savings from undue loss and to safeguard the integrity of the financial system. These are certainly consistent with one of the key operating principles for credit unions, that is, building financial stability. It is encouraging to note that we are all on the same page, aiming for the financial stability and soundness for each credit union and the movement as a whole. Each of us has a role to play, including members, i.e. to ensure that the business of the credit union is managed effectively and efficiently. “

The Central Bank accepts that legislation intended for commercial banks is inappropriate for credit unions, given the co-operative nature and democratic systems of the movement. As such, there will be specific credit union legislation to recognize these characteristics. As you may know, formal arrangements for the prudential regulation of credit unions are a relatively recent phenomenon; in fact, data published by the World Council indicate that only 1/3 of the 104 member countries surveyed have credit union specific legislation. Cabinet has approved that the Commissioner of Co-operatives will continue to be the regulator for credit unions in areas of development and governance. The credit union sector will therefore have two regulators – a unique situation, certainly in the Caribbean, but then Trinidad & Tobago is no stranger to being unique and taking the lead in charting new waters.

Central Bank recently met with the Commissioner and representatives from the Ministry of Labour and there was mutual commitment to working together to create the most appropriate legislation and to ensure that the two Acts are complimentary. The Central Bank’s team working on this specific legislation is Ms Wendy Ho Sing, Deputy Financial Inspector of Financial Institutions; Ms Cheryl Pierre-Atkins, Examiner and Ms Braithwaite, Manager, Pensions and Other Financial Institutions.

The Central Bank’s plan for building the legislation:

Consultation and collaboration with the credit union movement:

Central Bank believes that the most appropriate legislation will be arrived at with input from both the regulator and the sector to be supervised. It’s completed initial industry consultations with legislation amendments pertaining to commercial banks and insurance companies in keeping with international practices.

Central Bank is aware that the leaders in the credit union sector are not a shy bunch and can count on their participation and their support for effective legislation that will protect, not just their savings of members, but also the overall financial marketplace. The team looks forward to input and participation when the time for consultation is at hand. Central Bank appreciates that compromise and understanding will be required so that this legislation brings about change in the credit union movement and proposes to build on work already completed by reviewing and amending the current draft bill based on the legislative policy framework as approved in Cabinet in 2004. By way of precedence, the team will review these against legislature of other Caribbean jurisdictions, Canada, Ireland, Australia and Singapore, and the World Council’s model legislation.

She noted that the Central Bank has participated in past committees on the regulation of credit unions and therefore has some understanding of the movement. Ms Braithwaite herself comes from the Jamaican environment with a wealth of background experience within the Jamaican League. To further increase their understanding of the movement, the team has been meeting with the Commissioner of Co-operatives, the Ministry of Labour, and Credit Union League, the Credit Union Stabilization Fund, the Central Financial Facility and other credit unions.

These meetings will continue until a sound understanding of the movement is achieved and the aspects that differentiate the banking from the credit union movement are firmly identified. Contact had been made with the Bank’s regional counterparts and they had accepted an invitation to make a presentation at the World Council’s conference in Ireland later in the year. Such opportunities will help keep pace with new developments in the regulations of credit unions.

Capital requirements:

WOCCU lists capital adequacy as a key element, and in its paper for best practices, encourages credit unions to maintain a level of institutional capital. Such capital does not belong to the individual members, but to the membership as a whole and it is used as a buffer against unforeseen losses that will otherwise be charged against members’ deposits. She realized that CECU is familiar with this as Mr de la Grenade had alluded to the fact that capital will also help the credit union to remain competitive and support growth.

The legislature, as proposed, will seek to preserve the Movement's unique characteristics and will be developed in consultation and collaboration with the Credit Union League and individual credit unions...

This system will be a management tool and supervisory standard used to assess the financial soundness of the credit union. She envisages statutory minimum liquidity ratios, limits on unsecured lending and other prudential targets.

Supervision of participation non-financial activities:

Activities that have in recent years resulted in significant expansion and provided a source of income to supplement earnings from other financial activities. It is argued that these activities provide additional services to credit union members. From a regulatory review point, these non-core activities can be a potential drain on the credit union's resources. They put pressure on limited managerial capacity and pose risk that are outside the supervisory responsibility of the Central Bank.

This is not limited to the credit union movement and the Central Bank is working on amendments to the Financial Institutions Act (FIA), which would require a clear separation between financial and non-financial activities of a mixed conglomerate. It is proposed that this pattern be adopted for the credit unions.

Corporate Governance:

The draft credit union bill will need to formulate guidelines governing the Board of Directors and other supporting committees, for example, CECU's Credit and Supervisory Committees, which should not be new to the credit union movement.

Transitional provisions:

Discussions will ensue to formulate a transitional period, which would allow credit unions to make the necessary adjustments to meet the provisions of the new legislation. Some of the standard provisions of the FIA will need to be incorporated in the draft Credit Union bill, with appropriate modifications where needed, for example, the authority for the regulator to share information with other regulators, locally, regionally and internationally. Regulators would be authorized to level civil monetary penalties for non-compliance.

Financial disclosure and Financial reporting requirements:

Fit and proper criteria for Directors and Senior Officers of credit unions will be required.

Anti-Money Laundering Supervisory Practices:

Time line for industry consultation is scheduled for May-June 2006 and it is expected that out of these meetings a Bill will be drafted for presentation to Parliament later in the year.

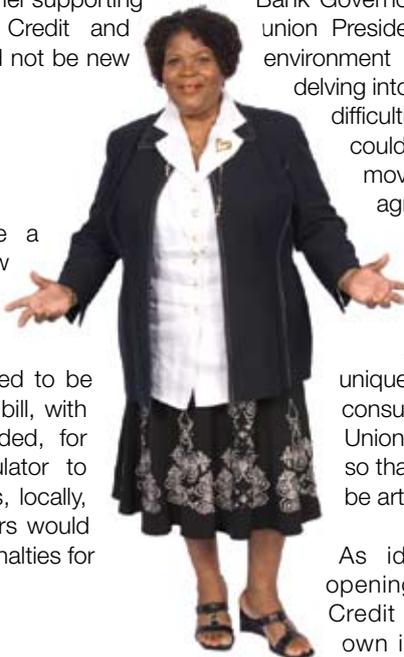
In closing, Ms. Braithwaite, thanked the members for the opportunity to address them on this issue and reminded the Credit Union members that the only thing in life that is constant is change. Ms Braithwaite wished them a successful and enjoyable Annual General Meeting, with the hope that it achieved its 2006 targets and remained strong. She looked forward to working together with the Movement as a regulator.

Vote Of Thanks

On behalf of the Board and membership, Mr. Govind Maharaj moved a Vote of Thanks to Ms Braithwaite on a most timely presentation. He was happy that the Central Bank chose to share its perspective of the credit union legislature with Canning's membership. The Central Bank Governor, in a previous address to the credit union Presidents, had indicated that the financial environment was changing – credit unions were delving into riskier investments and those financial difficulties in one or two large credit unions could undermine confidence in the entire movement. Canning's was in absolute agreement with the proposed formal legislation such that the members' funds were safeguarded.

The legislature, as proposed, will seek to preserve the Movement's unique characteristics and will be developed in consultation and collaboration with the Credit Union League and individual credit unions, so that the views of the wider community will be articulated.

As identified by the President in his opening remarks, it is important that the Credit Union League –which is battling its own internal issues, - properly represent



the views of the widest credit union section in its consultation with the Central Bank so as to develop the most appropriate legislation.

Acceptance Of The Annual Report

The Annual Report was taken as read and moved by Ms Volneitha Sarjeant and seconded by Mr Victor Griffith with all in favour.

Procedure For The Meeting

The Standing Orders: The meeting moved the acceptance of the Standing Orders on page 8, on a motion moved by Ms Sheila Chaves and seconded by Mr John Scott.

Adoption Of The Minutes

The Minutes of the 53rd Annual General Meeting were to be found on pages 10-19 of the annual report. After review, the minutes were accepted by Ms Paula Pierre and seconded by Ms Dian Lopez, with all in favour.

Matters Arising

There being no matters arising from the Minutes – the President moved to review the Board of Directors' report.

Adoption Of The Board Of Directors' Report

The Chairman invited a review of the Board of Director's report, found on pages 22 – 27 of the annual report. The report was moved by Mr Calvin Francis and adopted by Ms Carol Roberts, with all in favour.

Matters Arising

Mr Ignatius Blandin referred members to the Board and Committees' attendance records, noting with a measure of disappointment that certain members needed to increase their level of commitment. He further requested that persons entering office knowing of their inability to serve should not accept the positions. Mr de la Grenade advised that due to the demands of their jobs, Messrs. Ian Lewis and Sean Clarke had declined to serve in the directorship. Special commendation was given to Mr Clarke, whose valued contributions would be missed. Mr Blandin subsequently thanked the Board and Committees for their contributions, yet reiterated that such persons must ensure they had the time and enthusiasm required when accepting the positions.

Mr. Blandin offered 'kudos' to the Board for managing its delinquency ratios. However, he expressed the desire that these figures be reported as a percentage total of the loan and that 6.76% was very good. Another point for observation was that 64% of the membership was ex-employees and relatives – this did not auger well for CECU given the climate. CECU had an excellent

membership however there was a need to retain and increase membership. With regard to the impending regulations – The Executive should seek an amendment to the statutory amount paid to a beneficiary, when a member dies before the Will or Letters of Administration are filed. It should be increased by approximately 300% paid to beneficiary when member passes before claimant. Mr. de la Grenade assured the membership that all will be reviewed accordingly and they will be awaiting the recommendations of the Regulators.

Delinquency – Mr de la Grenade advised that the 2005 delinquency is 2.5% and is about the lowest in the entire credit union movement. Canning's has written off a few loans that they still intend to pursue. CECU carefully reviews its policies and is prudent in granting loans. Mr. de la Grenade took this point to further amplify 8% dividend and advised that \$5m was set aside in retained earnings. He encouraged members to peruse the 10 Year review, only once was 8% not paid over the last eight years, however, the Credit Union is on a drive to build its retained earnings.

Mr Simpson enquired on the Board's plans to educate members so that they can make meaningful contribution towards the legislature. Mr de la Grenade advised that the Central Bank planned to collaborate with the League but it was his hope that CECU would have the opportunity to participate in these collaborative efforts. Mr. de la Grenade contended that when CECU was invited, the membership could be assured all would be done with the interest of the membership.

Mr Govind Maharaj underscored Mr de la Grenade's point reminding that given the draft legislation, continued consultation with the League and other industry Credit Unions is expected. Ms Braithwaite had also just reiterated that by May/June 2006 Central Bank will present the draft legislature to the Movement so that individual credit unions can have the opportunities to submit comments – should this not be adopted, it will have to be explained. Mr de la Grenade invited Ms Braithwaite from CBTT to hold further discussions with CECU on this matter advising that all information will be communicated to the membership.

Mr. Simpson was concerned about the credit union's governance. Government now requires that management must meet defined qualifications, rather than just from ordinary membership – would this have adverse effects? Mr de la Grenade assured the membership that whilst education is key, it is not the only viable asset required for holding position on the Committees or Board. In his experience, persons must demonstrate the ability to perform the duty and commitment; however, the credit union's practices must withstand scrutiny and so hold itself up to a higher standard than just eligible service.

Voting Procedures

Mr. de la Grenade then invited members to begin the voting process. He reminded all present that persons could not serve on the Supervisory Committee and any of the other Committees at the same time.

The scrutinizers for the Supervisory Committee Deanne Boucaud, Joy Hamilton, Patrice Williams and Marsha Ali, were invited to inspect the ballot boxes to verify all were clear.

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). The results are as follows:

Supervisory Committee

Volneitha Sargeant, Employee Relations Officer, HiLo Food Stores	193
Carl Phillip Assistant Store Manager, Just Personal Pharmacy, HiLo West Mall	171
Victor Griffith Retired Stores Operations Consultant, Tru Valu	166
Courtney Augustine Pharmacy, Oper. Manager, HiLo West Mall	115 (Alter)
Derrick Le Gay Backstore Manager, LBs	75
Shereen Motilal Customer Service Manager, LBs	44
Fabeian Diaz Perishable Coordinator, LBs	39

Credit Committee

Calvin Francis Retired Maintenance Manager, HiLo	255
Glen Piontkowski Manager Cold Storage, HiLo	239
Junior Dhoray Employee Relations Manager, CBTT	235
John Scott Retired Operations Director, HiLo	232
Rosemary Ayers Backstore Supervisor, HiLo	218

Neela Rambharose Grocery Department Supervisor, LBs	137 (Alter)
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Board of Directors

Terri Ann Brathwaite General Manager, Fresh Express	191
Carol Roberts Asst. Accountant, HiLo	165
Peggy La Guerre Ag. Area Manager, HiLo	147
Glenroy Forrester Manager Store Operations, HiLo	101
Frank Theodore Manager Store Operations, HiLo	84 (1st Alter)
Pearl Butler-Lopez Store Manager, HiLo	80 (2nd Alter)
Vena Monseque Store Manager, HiLo	58
Orlando Lopez Store Manager, LBs	57
Susan Longdon Asst. Clerk/Store Keeper/Dispatcher, HiLo	55
Devika Singh Administrative Supervisor, Arvees	48
Ramdath Chadee Purchasing Manager, LBs	35
Primawattee Ramsuibick Customer Service Manager, LBs	34
Hayden Alleyne Warehouse Manager, LBs	30
The auditor's statement as on pages 31-41 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 Mrs Maharaj with all in favour.

Budget

Mr. de la Grenade drew members attention to the Reserve fund on page 41 and invited comment on the Budget.

One member raised the issue of a pending crisis within the Movement and CECU's response to minimize the impact on its membership. Mr. de la Grenade indicated that CECU's management was transparent in its communication of its figures and practices so as to dispel any fears. He further proposed the following:

Improved service

Increased staff training

Presentations to the League – to assist with the 'cleaning up' of the League

Presentation of accounts to withstand internal and external scrutiny

Ms. Elizabeth Raphael underscored that Canning's commitment to accountability and transparency as evident in their practices:

Monthly reporting to the Commissioner of Co-operative Development

Submission of financial accounts on a monthly basis to the Central Bank

Calling of Annual General Meeting as per legal requirements, where members are free to question and receive answers on all reports.

Periodic auditing by Supervisory Committee and annual auditing by external auditors PriceWaterhouseCoopers.

Subsequent to a request for earlier circulation of the Annual Report, Mr. de la Grenade regretted that the untimely passing of the artist, a CECU member, contracted to produce the report had caused an unavoidable delay. They then had to await the auditor's finalized report. Mr. de la Grenade hoped to ensure earlier delivery in 2007.

Mr. Blandin recommended that management keep members informed of the 64% membership of ex-employees and relatives, one such method could be via monthly or quarterly newsletters. Mr de la Grenade accepted the suggestion and invited both Mr Blandin and all other members to visit the website www.mycecu.com.

Mr. Simpson inquired about the credit union's succession planning and plans for the young and new members? Mr de la Grenade assured him that no one person will be allowed to serve in the same position for more than 3 consecutive terms as a Director. In addition, the Bye-

Laws would be amended to allow interested persons the opportunity to serve. They were also exploring the establishment of a Nomination Committee that would take recommendations from within the membership.

The Budget was moved by Mr. Junior Dhoray and adopted by Mr. Glen Piontkowski, with all in favour.

Ms Raphael invited the members' attention to page 42, for the projected statement of Revenues and Expenses for the Fiscal period ending December 31st 2006. She provided explanations for the variances in the 2005 projections and actuals.

Loan Interest:

There was a projection of \$7.7m, which was slightly greater by 10% over 2005's actual, assuming a realized loan budget of \$22m. The investment income has been conservatively projected at \$2.7m. CECU's portfolio is moderately aggressive with a diversified portfolio of stocks, money market funds, mutual funds and fixed deposits. CECU's management is well aware of the challenges with regard to interest rates and the Investment Committee is very proactive in re-examining the portfolio and seeking competitive rates while at the same time evaluating and managing the risk associated with each investment.

A conservative return of \$2,750,000 is expected, an increase of \$878,812 or 8.9% over the actual earnings of 2005 – this is regarded as a conservative expectation.

Here the challenge is in managing the expenses. Canning's benchmarked against 6 other well established credit unions within Trinidad & Tobago, and Canning's had the lowest expense ratio – 32.45%; the closet rival was 36.57%, while the others ranged between 43.8% – 69.8%.

CECU's actual budget expense in 2005 was well below the projections. There was a positive variance of \$416,101. Even though the revenue budget was not achieved, there was a negative variance of \$328,000, the end result was \$87,289 better than was expected. This enviable position was only accomplished through the constant monitoring of expenses.

Line items that exceed the budget by a total of \$92,572

AGM & Other expenses Increase of	\$21000
CUNA Premium	\$12023
Rates & Utilities	\$1611
Office Expenses	\$ 599
Depreciation	\$2779

All other items show positive variances by \$437,100 on the expenses side.

The projections and expenses have been consistent with that of previous years, the largest allocations were:

Personal costs	\$48,406 or 4.6%
Marketing	\$67,182 or 81%

Ms. Raphael took the opportunity to assure Mr. Blandin that his comments will be reviewed by the Marketing committee. Other proposed initiatives (posted on the internet, www.mycecu.com) are:

- Deepening the relationship with members
- Periodic newsletters
- Electronic news – highlighting credit union news
- Quarterly promotional giveaways
- Radio programmes
- Membership drive
- Mini seminars – resume writing, department, essay writing

CECU is proposing a share capital of \$78m at year end and, once the targets are met, the dividend rate will be maintained.

Ms. Raphael opened the floor for discussion on the budget. There being no discussions the Budget was adopted on a motion moved by Mr. Junior Dhoray and seconded by Mr. Glen Piontkowski, with the majority in favour. Mr. de la Grenade referred to the Credit Committee Report on page 43-44.

2005 Committee members:

- Calvin Francis - Chairman
- John Scott
- Junior Dhoray
- Glen Piontkowski
- Rosemary Ayers
- Dian Lopez (Alternate)

Mr. de la Grenade drew the membership's attention to page 42, to the approved loans amount of 6062, of which 14 were not approved. Commending this committee for its excellent performance, he advised that they convene every Monday without fail. Mr. Blandin offered his thanks and congratulations to this Committee for their attendance.

There being no matters arising, the report of the Credit Committee was adopted by Mr. John Scott and seconded by Mr Kenny Jalsa.

The Supervisory Committee Report

The Report of the Supervisory Committee was submitted for comment and referred to on page 45. There being no questions the report was adopted by Mr. Trevor Howell and seconded by Ms Rosemary Ayres.

Mr. de la Grenade then gave notice that the meeting was duly constituted with 311 members and 20 guests in attendance. The President welcomed Mr. Ronald Jones of TECU and the Neal & Massy Credit Union's representative.

Greetings:

Mr Jones, President, TECU: Mr. Jones thanked the Chair and brought greetings from TECU members (who

celebrate their Diamond Jubilee). TECU noted that CECU was still desirous of establishing its own Head Office and would like to propose an alliance to assist this effort. He thanked Mr. de la Grenade for the invitation and opportunity to participate. Mr de la Grenade recognized the attendance of Messrs. Andrew and Attai (Directors). He thanked Mr. Jones for his offer of an alliance, advising that this would be placed before the Investment Committee.

The Credit Union League Board's representative, brought greetings and assured the Board and members that she would take their comments and recommendations to the League's President. The President of the Tranquility Credit Union in her greetings noted that there was need to pull together and show the CBTT that the credit union movement could get its act together. She extended congratulations to the members and its Board on its 54th Anniversary.

Mrs Joseph, Secretary, Education Committee represented the Telephone Workers' Credit Union: Noted also that similar to CECU, the Telephone Workers' Credit Union does not pay an honorarium to its serving Committee and Board members. She offered God's richest blessings to CECU on its 54th Anniversary.

Ms. Dianne Howard, CLICO Credit Union, Ms Cathy Garcia, Neal & Massy Credit Union, Mr. Lai Leung of Teachers Credit Union and Mr. Hackshaw who represented all other credit unions brought greetings to the Board and membership of CECU congratulating them and wishing continued successful growth. Mr. Hackshaw noted that it was refreshing to witness the young members contributing to the meeting. He complimented and encouraged future participation.

Memorial

Mr. de la Grenade took a moment to recognise the following persons who contributed to the success of CECU, but had passed on earlier in the year.

- Ralph Amora – Former Attorney of the credit union
- Illya Furlong-Walker – Graphic Artist and Managing Director, Form & Function

Resolutions

Two resolutions were presented for the approval of the membership.

- For the payment of a dividend of 8% to be paid on all fully paid up shares at the end of the financial year ended 31st December 2005 and that such dividends be credited to members' shares (in accordance with by-law 25 Section 1). Approved on a motion by Ms Carol Roberts and seconded by Mr Calvin Francis, with all in favour
- Move the appointment of *PriceWaterhouseCoopers* as auditors for the 2006 Term. Approved on a motion by Mr Govind Maharaj and seconded by Mr Victor Griffith, with all in favour.

Other Matters

Mr. Dyer thanked and commended the Supervisory Committee and Board for their efforts throughout the year. Mr de la Grenade wished to make a special commendation to Ms Raphael who had joined CECU sixteen (16) years prior and within her tenure had completely changed the credit union's paradigm.

The Chairman officially notified and invited all Presidents to a special meeting of the League at the National Flour Mills.

Mr. Blandin called to issue Note 13 on page 41 of the Notes to the Financial Statements "2004 actual dividend 8 cents per share". Mr Maharaj noted the error and directed Mr Blandin to Resolutions on page 27, Note 1 advising that this took precedence over the items in the Notes.

Given that the Credit Union tax credits were removed – what was CECU doing to mobilize savings? In response to a question on the removal of the Credit Union tax benefit, Mr. de la Grenade informed members that CECU has placed 5 items before the League, three of which are:

1. Desire for a strong and respectable League, where the Presidents of the creditable credit unions are given the opportunity to serve
2. Closer collaboration with the Government
3. Representation on the Board of UTC

Mr. de la Grenade reported from the Central Bank publication:

T&T's gross domestic product (GDP) has been running at 7.5% for the last five months and is envisaged to increase to 10.1%

Vol 5: Central Bank of Trinidad & Tobago

Yet, while the USA is at 3.5% we still have more poverty, as the practice in Trinidad & Tobago for savings is at the lowest end – even Barbados's savings rate is higher. The existing trend is to spend or acquire luxury items. The credit union would continue with its efforts of assistance, however it cannot get 28 members to sign up to try to clean up the League. His hope was that changes could be effected after this meeting.

Mr. Simpson inquired on the following issues:

- Social issue of HIV/AIDS, what was CECU's planned response given the young age group – the future savers
- poverty and alleviation
- gender policy document – CECU was pleased to advise that there are currently 6 ladies serving on the various Committees/Board – gender equality was not an issue.

Mr. de la Grenade assured Mr Simpson these issues, like all others are brought before the Board for consideration and review. In addition, the CEO monitors the report of

the financial scholarship winners. CECU will not forsake its social responsibilities.

The Board had signed a document Principles of Fairness which allowed for fairness and equity in all matters of the Credit Union.

Resolution For The Destruction Of The Ballots

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

Vote Of Thanks

Ms. Terri Ann Brathwaite expressed thanks first, to God for another successful year which resulted in efficiency and integrity. To the Board of Directors for their direction in policy making and the Credit Committee for their weekly meetings, all of which are conducted with due diligence and to the staff ably headed by Ms. Elizabeth Raphael.

She extended appreciation to those organizations that contributed to the door prizes: HiLo FoodStores Nationwide, Eastern Commercial Lands, Laughlin & De Gannes, Food Giant, Trinidad Tissues, John Dickinson, Peter Roberts of Chase Financial Institutions, Rotoplasics, St. James Colour Shop and Caribbean Bottlers.

To those who made the AGM possible – Ikin Williams and Team (sound technician crew), Sel Duncan, Vonline (Banners), CPPPL (annual report printers), Seaview Foods Limited (caterers), New Dimensions (florists)), Hans Party Rentals, Form and Function (Design of Annual Report) LIONS management and most importantly, you the members.

Door Prizes

Ms Lorraine Ragbir, ably assisted by Ms Tanya Rawlinson invited all members to search under their chairs for winning numbers. All winners were invited on stage to collect their prizes.

There being no further official business, the Chairman closed the official aspect of the Annual General Meeting at 8:06 p.m.



Maria Rivas-Mc Millan
Secretary

Report of the Board of Directors 2006/2007

*I'm here with my
Director, Calvin Francis
and
Secretary, Maria Rivas-
McMillan*

*I'm Carol Roberts, Director
here with
Director, Sheila Chaves*

*I'm Elizabeth Raphael, your
Chief Executive Officer*



*I'm Terri Ann Brathwaite, your
Assistant Secretary*

*I'm getting advice from
Directors,
Dian Lopez and Trevor Howell*

*I'm your Directors, Kenny Jalsa
here with
Govind Maharaj, Acting President
and
Director, Peggy La Guerre*



Report of the Board of Directors 2006/2007

Overview

The year 2006 was a most eventful year for CECU. We had to deal with the peculiar circumstances relating to the rapid decline of almost every stock listed on the local exchange, the main cause being a decline in participation by institutional investors in the market. These institutional investors, such as major pension plans and savings plans, once made up as much as 80% of the demand on the local exchange. This was a direct violation of the legislation governing the portfolio mix of pension plans which requires that no more than 50% of the market value of pension plan assets be allocated to equity investments.

In compliance with a directive from the Inspector of Financial Institutions to bring their portfolios in line with the regulations, these institutional investors were forced to reduce their holdings, bringing millions of shares onto the local market and thereby driving share prices down. Additionally, high liquidity prevailed in the financial system resulting in low interest rates on investments.

CECU also experienced change at the level of directorship, when our President, Emil de la Grenade fell ill in the aftermath of the historic participation by the Soca Warriors in the 2006 World Cup finals in Germany. Emil has been at the helm of CECU since 1982. Known for his proactive nature, original ideas, leadership qualities and negotiating skills, he brought a unique leadership style to the organization. Today we pay special tribute to Emil de la Grenade for his dedication, motivation and dynamism that enabled CECU to progress in the manner it has over the years. The stroke has left Emil incapacitated and he continues his recuperation under professional care. We wish to acknowledge the deep concern as well as the financial support given by members, kindred organizations and companies in alleviating the cost of Mr. de la Grenade's medical expenses.

Then, in February 2007, another long serving and dedicated committee member – John Scott, went to the great beyond.

John served as Chairman of the Credit Committee over the years 1969 – 1978 and again from 1980 – 1984. He was again elected in 1989 and has been serving consistently since then, until his demise earlier this year. It should be noted that he not only served, but also performed the functions of Secretary of the Committee since 1999. Words cannot express our appreciation for the tremendous contribution of this exemplary member to the development of the organization as well as the individual membership.

These two instances of sickness and death have reinforced the urgency to continue to attract qualified, experienced and committed members to the board and committees as the demands become more complex and time consuming.



Hi, I'm Govind Maharaj,
your Acting President

A Record of Directors' Attendance is summarized in the following schedule:

Names	Position	Possible Attendance	Attended	Excused
Emil de la Grenade	President	9	2	7
Govind Maharaj	V. President	9	8	1
Maria Rivas-Mc Millan	Secretary	9	6	3
Terri Ann Braithwaite	Asst. Sec.	9	7	2
Kenny Jalsa	Director	9	9	-
Sheila Chaves	Director	9	7	2
Calvin Francis	Director	9	9	-
Trevor Howell	Director	9	7	2
Carol Roberts	Director	9	8	1
Dian Lopez	Director	9	8	1
Glenroy Forrester	Director	9	5	4
Peggy La Guerre	Director	9	4	5
Frank Theodore	Alternate 1	9	0	9
Pearl Butler-Lopez	Alternate 2	9	4	5

Concerns about the new legislation and regulations which govern the operations of Credit Unions were at the forefront throughout the year. The rapid growth of Credit Unions over the years and the tendency of some units to venture into new non-traditional areas, without adequate risk management framework or the required management expertise could have placed members' savings at risk. CECU recognizes and supports the argument for more formal regulation. There are, however, some issues in the proposed legislation that undermine the co-operative principles and philosophy

- e.g. - licensing and restrictions on the type of business in which Credit Unions can be involved
- the new level of capital requirement that is proposed
 - the issue of permanent shares
 - the role of the league in the process of arriving at an acceptable resolution

To ensure proper representation, a group of concerned Presidents has been meeting regularly. The group has diligently critiqued the draft legislation as well as the responses presented by the Central Bank resulting from the group meetings held with the units last year.

CECU is a proponent for change – change that would enable rather than cripple the expansion of the Credit Union Movement. We have therefore aligned ourselves with this group of concerned Credit Union Presidents which comprises twenty-seven of the more progressive units.

These are some of the emerging issues and some of the constraints with which your credit union had to treat in a manner that ensured that our targets were achieved.

In these circumstances, our organization demonstrated tremendous maturity and resilience, as the analyses of the key performance areas would reveal:

Board Of Directors

Following the 54th Annual General Meeting, the following persons were elected to serve on the

Executive:

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

Other serving Directors were:

Kenny Jalsa	Glenroy Forrester
Sheila Chaves	Peggy La Guerre
Calvin Francis	Trevor Howell
Carol Roberts	Dian Lopez
Alternate 1: Frank Theodore	
Alternate 2: Pearl Butler-Lopez	

Meetings

In compliance with Byelaw 18 (v), the Board met on a monthly basis to conduct the business of the society. A total of nine (9) meetings were held over the period April 2006 – March, 2007.

In view of the peculiar situations alluded to in the overview, a number of sub-committees were established to assist the Board in its efforts:

Convenors	Committees
Emil de la Grenade	Executive
Maria Rivas McMillan	Education /Marketing/ Public Relations
Govind Maharaj	Investments
Emil de la Grenade	Building
Calvin Francis	Delinquency Control
Kenny Jalsa	Information Technology

Membership

With gross member growth of 450, this past year marks a gain of 6.63% over the previous year. The power of the word of mouth continues to build CECU as members keep referring co-workers and family at an astounding rate. There were 109 resignations and 14 deaths during the year. At year-end the membership stood at 5,261.

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

	2006	2005
Employees	1,867	1,768
Relations	898	865
Ex: Employees	2,496	2,301
Total membership	5,261	4,934

Shares:

Shares grew by \$9,526,423 or 13.16% over the previous year. The portfolio moved from \$72,400,406 to \$81,926,829. This is indeed a testament to the membership's growing confidence and relationship in its Credit Union.

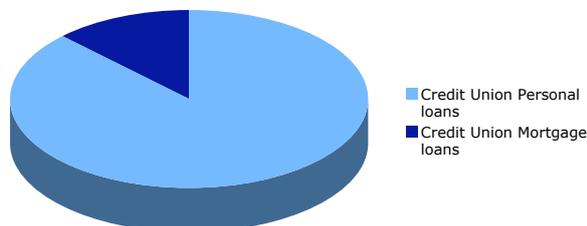
Deposits:

The deposit portfolio also grew by \$1,227,448 or 15.26% moving from \$8,044,678 to \$9,272,126. The flexible mode of interest payments is an added attraction for our retirees who are the main contributors to this portfolio.

Loans:

The loans portfolio increased by \$6,262,170 or 10.02%. The increase was driven by growth in mortgages and investments. At year-end, the loans portfolio stood at \$68,780,506.

Total Loans Outstanding



Credit Union Personal loans	\$60,116,877	87.4%
Credit Union Mortgage loans	\$ 8,663,629	12.6%

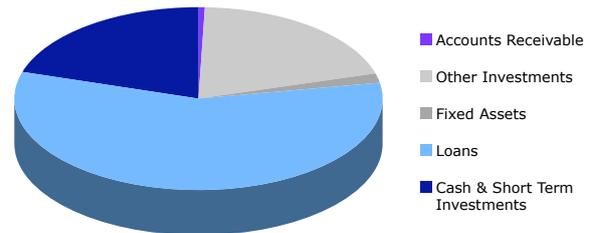
Delinquency

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 \$2,214,645 adequately satisfies the exposure of impaired or doubtful loans in the loan portfolio. The sum of \$503,804 was recovered during the year.

Assets

A growing economy, stable performance and the provision of outstanding service in helping members achieve their financial goals all contributed to CECU's continuing success. Assets grew by \$12,365,939 or 10.36% to a total of \$119,417,777. This growth compares with that of 2005.

Asset Mix



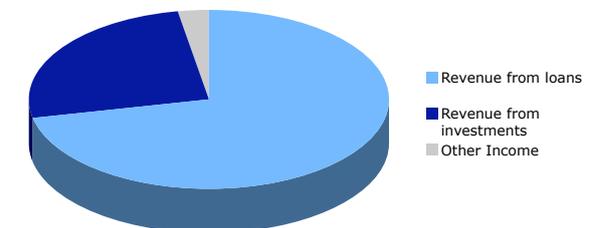
Accounts Receivable	\$ 744,598	0.62%
Other Investments	\$23,775,696	19.91%
Fixed Assets	\$ 2,053,103	1.72%
Loans	\$68,780,506	57.60%
Cash & Short Term Investments	\$24,063,872	20.15%

The investment portfolio continues to increase steadily, consistent with previous years. In an effort to diversify the portfolio, we placed approximately \$4M in external emerging markets. These are viewed as long-term investment opportunities.

Revenue

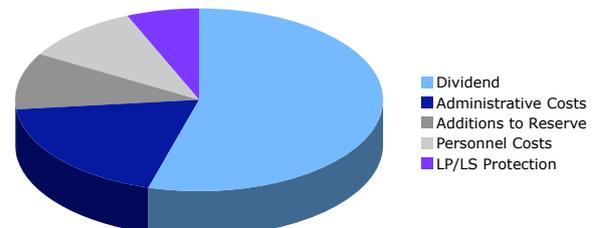
The results showed an increase in revenue by \$850,220 over 2005. Gross Revenue fell short of the projections by \$28,592. Expenses exceeded the budget by \$122,055; the increase in the provision for loan loss accounted for this variance. (The end result showed that the net surplus of \$6,827,791 fell short of the projected figure of \$6,978,438 by \$150,647).

Sources Of Revenue



Revenue from loans	\$7,663,493	71.78%
Revenue from investments	\$2,710,993	25.40%
Other Income	\$ 301,922	2.82%

Use Of Revenue:



Dividend	\$5,860,396	54.33%
Administrative Costs	\$2,057,587	19.07%
Additions to Reserve	\$1,078,038	10%
Personnel Costs	\$1,092,589	10.13%
LP/LS Protection	\$ 698,440	6.47%

Dividends

Although our net earnings fell short of the projection by some \$150,647 the Board took a decision to recommend a dividend payment of 8%. This is an extremely competitive return which has been made possible through the commitment of the Board of Directors to maintain operating cost within the recommended Pearls ratio as part of its long-term planning process. An amount of \$5,792,032 representing 96.57% of the net surplus, after statutory appropriation will be returned to members, whilst the sum of \$206,168 will be capitalized in the retained earnings account.

We take this opportunity to remind members that investment income, which constitutes a sizeable part of our revenue stream, is sensitive to changes in mix and volumes of investment as well as external conditions. Looking back at recent events, there is no doubt that volatility remains the only certainty when it comes to financial markets. These market fluctuations have a direct bearing on our revenue earnings, which may not always be in a position to support such high returns to our membership. This was made possible through the astute management of the investment portfolio. Compared with the money market instruments of the UTC, Republic Bank and RBTT, CECU's dividend rate of 8% remains unbeaten.

Marketing:

In 2006 Trinidad and Tobago gained international recognition in the football arena; we look forward to 2007 as the Caribbean gets ready to take centre stage and host Cricket world cup. While 2006 proved challenging for Canning's Employees' Credit Union in a number of ways, the organization still remains among the Top 10 credit unions. The Movement has had to deal with the proposed new regulations to govern Credit Unions and the risk of removing some of the core values associated with the development of co-operatives. The impact of a weak, disunited and vacillating League to deal with this matter objectively does not augur well for the Movement. In view of this, the Board concluded that there were no positive gains to be achieved from its affiliation with the Co-operative Credit Union League of Trinidad and Tobago and voted unanimously to withdraw its membership with effect from December 31, 2006.

Membership

In keeping with the Pearls International benchmark, CECU has once again achieved substantial growth in the membership area. We are realizing the success of attempting to bring in all employees of each host company into the credit union. In addition to this, three new companies have joined our family and we would like to acknowledge them: Correia's, Climate Control and Dairy Distributors.

Newsletter

The newsletter for CECU is finally a reality. Members have called in to commend the credit union on this new way of dispensing information. CECU News is here to stay.

Golden Star Account

Golden Star kicked off well, as the fund value now stands at \$88,040.42. Members are starting to use our deposit account facility, enjoying our 5% interest paid out twice for the year. This account is separate and apart from the share account.

Calendar 2007

Our painting competition was a huge success; we received participation from members throughout Trinidad & Tobago, all serving to produce a really unique piece of memorabilia for the 2007 ICC World Cup. The competition consisted of paintings of local cricket scenes and had a theme of *"How's dat"*. Twelve painters were chosen to be part of the calendar: Agnelia Reyes, Surajee Harris, Stephen Jerome Ali, Pauline Jack, Issac Jack, Denicia Lewis, Saleem Mohammed, Kerron Lamorrell, Kyle Lamorrell, Shurlanda Lewis, Keion Lamorrell and Anya Reyes. We thank everyone for participating and making this such a success.

Education

Human Resource Development is of great importance and CECU sees the need to train and retrain so as to keep pace with the trends in the financial sector. CECU embarked on training for our staff and directors as we see the consistent updating of skills as a necessary part of the growth of our credit union. In January 2006 Maria Mc Millan, Trevor Howell, Kenny Jalsa and Lorraine Ragbir attended a seminar on Corporate Governance at the Arthur Lok Jack Institute of Business.

Calvin Francis and Lorraine Ragbir were chosen to represent CECU at CUNA Mutual's Discovery 2006 conference held in Las Vegas. More than 1,000 credit union leaders gathered together for 5 days with new ideas, a renewed passion for innovation and the inspiration to act.

Trevor Howell also attended Training cum Workshop in Financial Securities Management in Margarita where he met with a team of experts in this discipline. He was provided with information, ideas and knowledge to deal with investments and investment opportunities for our credit union.

CECU's entire staff took part in a training programme facilitated by Ms. Corinne Mohammed. Entitled "Building an Organization of the Future" The training equipped members of staff with the proper tools to move forward with the credit union. There were seven sessions amounting to 21 contact hours. This will continue in 2007.

In partnership with YTEPP, CECU provided a Micro Entrepreneurship Training programme for the general membership. Participants evaluated the training positively and felt more equipped as we move forward with CSME (Caricom Single Market Economy). Although all locations were notified, participation was disappointing.

Corporate Responsibility

CECU has not neglected its social responsibility within our community and assisted several organizations, all in the context of embracing the Credit Union philosophy of "People Helping People."

PEARLS ANALYSIS

COMPONENTS	SATISFACTORY	UNSATISFACTORY	ACTUAL 2006
Protection (Capital/Total Assets)	8% +	<3%	13%
Earnings (Net Income/Average Assets) (Operating Exps./Gross Income)	0.5-1.5% 30-50%	<0.5% >60%	6.03% 36.05%
Asset Quality (Delinquent Loans/Total Loans)	<3%	>5%	net 3.22%
Rate of Growth Savings Growth Rate (Shares & Deposits)	>inflation +Growth Rate	<0.5%	13.37%
Loans Growth Rate	>Savings Growth Rate	<0.5%	10.02%
Membership Growth Rate	min. 5%	<5%	6.63%
Liquidity (Loans/Total Assets)	70-80%	>90%	57.60%
Structure (Non earning Assets/Total Assets)	<5%	15%	2.35%

CECU believes in the development of minds through education, and supported the building fund for Holy Name Convent by purchasing tickets for their "Vintage fuh so" Carnival production. In addition to this, as an organization in support of the Arts, CECU sponsored advertisements for the Bollywood smash "Chalte Chalte" produced by the "D" C-Shell Theatre, a member at CECU.

We also sponsored one of our members, Kwesi Jeffers, in the DIGICEL Rising Star competition. He sang his way to third place and now has a contract to sing on the Cruise Ship "Carnival" in the Caribbean.

We again assisted in defraying costs for one student from the National Centre for Persons with Disabilities. This is to provide them with the opportunity for vocational growth and success.

We also defrayed costs to send young member, Walter Romany, to the Caribbean Islands Swimming Championships as a member of the Trinidad & Tobago National team. CECU has continued with this sponsorship, as Walter's dedication and success are quite apparent. He is one of the fastest swimmers in this region in his age group; this was demonstrated by his triple gold medal-winning performance in the 50, 100 and 200 metre backstroke events in Barbados, setting a new national record in the 50m back stroke. His medal tally also included 2 bronze medals in the 50 and 100m free style events and 5 silver medals in the 200m individual medley and as part of the 4x100 free, 4x100 medley and 4x200m freestyle relays.

As we sought to develop our relationship with Tranquility High School, we sponsored young member, Travis Williams, on an educational trip to Barbados and the United States of America where he was able to visit "The Kennedy Space Centre" and get a feel of what a career

in astronomy entails. We were proud to make this dream come true for young Travis.

CECU also sponsored 20 footballs to the Mental Olympics being hosted by Edugames in conjunction with the Ministry of Sport and Youth Affairs as well as two students from the Butler Institute of Learning and Labour to attend the second part of a development course entitled "Leadership and Management"

Children's Christmas Party

Participation in CECU's Children's Christmas party was once again overwhelming. Six hundred persons inclusive of parents and children participated in the event. Kay Donna was used for a third year and everyone who attended really had an enjoyable time.

Obituaries

The Board extends sincere condolences to all relatives and friends who lost their loved ones during the year. Among those leaving us were the second President of the Credit Union, Maurice Quesnel, Victor Thomas, nicknamed the Credit Union's "go for" and "The Annual General Meeting Man" and our Graphic Artist Illya Furlonge Walker who was responsible for the design of CECU's Annual Report for the last five (5) years.

Maurice Quesnel
Victor Thomas
Illya Furlonge-Walker
Chatran Ramdeo
Fitzroy Lewis
George Quamina
Edmond Bowen
Allan Kong

Clarrie Thomas
Tricia St Bernard
Baboolal Ramnarace
Madan Rajnauth
Franklyn Reece
Alfred Jobes
Mohanalal Mahabir

May their souls rest in peace.

Cuna Benefits Family Indemnity Plan

Members continue to benefit immensely from this plan, which covers the funeral costs associated with the death of the member and/or eligible family members. During the year, claims amounting to \$370,000 were received on behalf of 20 members. The total number of participants at year-end was 886.

CUNA Loan Protection/Life Savings Coverage (LP/LS)

Benefits received from CUNA Caribbean for thirteen LP/LS claims totaled \$528,260.98. The claims in this respect represented 75.63% of the total premiums paid.

Outgoing Directors

In accordance with Byelaws 18 and 22, the Credit and Supervisory Committees are outgoing. Messrs. Emil de la Grenade, Sheila Chaves, Calvin Francis, and Dian Lopez are out-going from the Board. We place on record, the sterling contributions of those Directors particularly Emil de la Grenade for his dynamic leadership through which the organization has achieved superior and enviable results.

The Board Of Directors At A Glance

2004 - 2007

Emil de la Grenade	Sheila Chaves
Calvin Francis	Dian Lopez

2005 - 2008

Govind Maharaj	Maria Rivas-McMillan
Trevor Howell	Kenny Jalsa

2006 - 2009

Terri Ann Braithwaite	Glenroy Forrester
Carol Roberts	Peggy La Guerre

Acknowledgments:

Great Institutions don't just happen! CECU's results can be attributed to the commitment of a cohesive group of employees and committee members; a talented management team; and effective oversight by a Board of Directors. In my new role as Acting President, I could not have asked for more from this cadre of dedicated men and women whose support and encouragement I sincerely appreciate.

The Board also records its deepest gratitude to our sponsor Companies, our Bankers, Insurance Brokers, Stockbrokers, Auditors, the CUNA Mutual Group and the Co-operative Division for the yeoman services provided during the year.

We extend special thanks to our membership for the trust and confidence they continue to repose in CECU. We value their business as sacred, fully conscious of the fact that without their support and confidence,

our hopes and aspirations may not be achieved in the projected time.

We thank you, and feel assured that together we would be able to take this organization to even greater heights in 2007.

Conclusion:

The Credit Union movement is at a major crossroad, preparing for the imminent Central Bank regulations. In this world of rapidly shifting tides, the only thing constant is change. With change comes opportunity – new worlds of growth, expansion and the chance to rise to new challenges with innovation and creativity. Striving in a sea of change requires an eyes-wide open approach using strong peripheral vision along with a variety of potential resources.

The daunting task that confronts CECU at this time is finding the right combination of persons with the required qualification, skills set, COMMITMENT and WILLINGNESS to serve on a voluntary basis. We have started building a database to capture all our members who would like to offer their services to build on the solid foundation this unique, forward-thinking financial organization is built upon.

It's your Credit Union. We encourage you to grasp the opportunity whereby you can shape and direct our future through your participation in the governance and democratic processes.

Thank You and God Bless You All.



Govind Maharaj
Ag. President

Resolutions

1. 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 2006, and that such dividends be credited to member's shares.
2. Be it resolved that the firm PriceWaterhouseCoopers be appointed Auditors for the 2007 term.

Staff

Hi, I'm Lorraine Ragbin
your Marketing Officer

Hi, I'm Jacqueline Hyacynth
your Marketing Assistant

Hi, I'm Deanne Simpson
your Operations Manager

Hi, I'm Sandra Johnson
your System Administrator

Hi, I'm Theresa Mendez
your Administrative
Assistant



Hi, we are
Linda Mentor, Recoveries Officer
Cynthia Goindoo, Support Staff
Rosemarie Inniss, Clerk/Receptionist



Hi, we are
Deion Raphael, Office Assistant
Sharon Howard, Loans Officer
Paula Pierre, Head Teller
Deborah Byng, Senior Loans Officer



Auditor's 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 2006 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 International Financial Reporting Standards. 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 2006, and of its financial performance and its cash flows for the year then ended in accordance with the Co-operative Societies Act 1971.

A handwritten signature in black ink that reads "PricewaterhouseCoopers". The signature is written in a cursive, flowing style.

Port of Spain
Trinidad, West Indies
16 March 2007

Balance Sheet

	Notes	31 December	
		2006 (\$)	2005 (\$)
ASSETS			
Cash and short term deposits	4	24,063,874	15,009,774
Investments - available-for-sale	5	10,674,881	9,534,926
- loans and receivables	5	13,100,815	17,260,114
Loans net of allowance for loan losses	6(i)	68,780,506	62,518,336
Accounts receivable and accrued interest		744,598	647,678
Property and equipment	7	2,053,103	2,081,010
Total Assets		119,417,777	107,051,838
Liabilities And Members' Funds			
Fixed Deposits	9	1,331,000	1,210,000
Accounts payable and accrued expenses		601,229	487,034
Due to National Insurance Board	8	1,459	258
Total Liabilities		1,933,688	1,697,292
Members' shares		81,926,829	72,400,406
Members' deposits	10	9,272,126	8,044,678
Fair value reserves		5,428,726	5,637,040
Reserve fund	11	8,586,892	7,904,006
Education fund	12	183,514	186,999
EDLG Medical Assistance Fund		44,328	--
Retained income		12,041,674	11,181,417
Total Members' Fund		117,484,089	105,354,546
Total Liabilities And Members' Funds		119,417,777	107,051,838

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

On 16 March 2007, the Directors of Canning's Employees' Credit Union Co-operative Society Limited authorised these financial statements for issue.

Ag. President: 

Treasurer: 

Income and Expenditure Account

	Note	Year Ended 31 December	
		2006 (\$)	2005 (\$)
INCOME			
Loan interest		7,663,493	6,977,083
Investment income		2,710,993	2,634,302
Rent		74,900	75,100
Sundry revenue		227,022	139,703
		10,676,408	9,826,188
EXPENDITURE			
Annual general meeting		181,175	181,133
Audit fee		31,043	28,664
Bad debt provision		460,000	134,000
Bank charges and interest		5,758	5,489
Computer services		11,818	7,622
CUNA insurance premium		698,440	612,023
Depreciation	6	52,194	52,779
Directors' travel and subsistence		30,900	26,775
Electricity		10,934	10,236
Employees' retirement income security plan		49,991	54,001
Fidelity bond		--	2,160
Insurance		31,267	22,212
Interest on members' fixed deposits		783,357	648,157
League dues		--	33,062
Legal and professional fees		4,465	1,354
Marketing		125,102	82,818
Miscellaneous		9,331	7,089
Office expenses		159,341	155,994
Repairs and maintenance		27,495	16,481
Salaries, wages and national insurance		1,036,265	983,592
Security		8,475	8,033
Stationery, printing and postage		54,120	45,627
Telephone		71,825	66,075
Travelling and entertainment		4,473	4,085
Loss on disposal of investment		848	--
		3,848,617	3,189,461
		Excess of Income Over Expenditure	6,636,727
		6,827,791	6,636,727

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

Cash Flow Statement

	Year Ended 31 December	
	2006 (\$)	2005 (\$)
Cash Flows From Operating Activities		
Surplus for the year	6,827,791	6,636,727
Adjustment for non-cash items:		
Capitalised interest on investments and originated securities	(10,397)	(511,955)
Gain on disposal of financial assets at fair value through profit or loss	(521,648)	(1,890,497)
Depreciation	52,194	52,779
Cash Flows Before Changes In Operating Asset And Liabilities	6,347,940	4,287,054
Loans to members (net)	(6,262,171)	(5,012,412)
Increase in other payables	236,396	127,516
Increase in customer deposits	1,227,448	1,981,127
(Increase)/decrease in receivables	(96,920)	592,232
Cash Generated From Operations	1,452,693	1,975,517
Cash Flows From Investing Activities		
Proceeds on disposal of investments	7,657,987	12,100,815
Purchase of investments	(4,314,911)	(10,440,810)
Purchase of plant, machinery and equipment	(24,287)	(49,922)
Net Cash Used In Investing Activities	3,318,789	1,610,083
Cash Flows From Financing Activities		
Issue of shares	9,526,423	7,464,505
Dividend paid	(5,114,060)	(4,634,451)
Education fund	(174,180)	(146,282)
EDLG Medical Assistance Fund	44,328	--
Entrance fees	107	11
Net Cash Provided By Financing Activities	4,282,618	2,683,882
Net Increase In Cash And Cash Equivalents	9,054,100	6,269,482
Cash And Cash Equivalents, Beginning Of Year	15,009,774	8,740,292
Cash And Cash Equivalents, End Of Year	24,063,874	15,009,774

Statement of Changes in Members' Funds

Year Ended 31 December 2006

	Members' Shares (\$)	Members' Deposits (\$)	Fair Value Reserve (\$)	Reserve Fund (\$)	Education Fund (\$)	EDLG 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)
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

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



Statement of Changes in Members' Funds

Year Ended 31 December 2006

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

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

Auditor's Report

Receipts	\$	Payments	\$
Shares	17,848,662	Shares	7,685,823
Loans- personal	11,910,773	Loans- personal	21,327,980
- mortgage	971,175	- mortgage	2,602,070
Members' deposits	2,046,843	Members' deposits	1,270,583
NIB mortgage	158,828	NIB mortgage	193,873
CUNA insurance claims	279,749	CUNA Family Indemnity Plan	881,806
Interest on loans	6,808,574	Salaries and staff expenses	1,091,763
Investment income	2,241,639	Investments	2,316,903
Other	3,847	Audit fee	31,043
Rent	75,250	Bank charges	5,758
Entrance fee	107	Computer expenses	11,818
Commission	217,760	Education fund expenses	174,180
Bad debt recovered	11,937	Miscellaneous expenses	41,155
Accounts and payroll receivables	548,387	Rates, taxes and utilities	83,665
Staledated cheques	11,610	Cuna insurance premiums	637,471
Share reserve	414	Cuna insurance claims	104,068
TECU clearing account	211,468	Office expense	159,341
Proceeds from sale of investment	5,150,047	Repairs and maintenance	27,495
ELDLG medical assistance	188,455	Stationery, printing and postage	54,232
		Fixed assets	24,287
		Advertising and marketing	127,032
		Professional and legal	4,464
		Annual general meeting	178,675
		Commissions and charges	54,207
		Security	8,475
		Bad debts	3,575
		TECU clearing	186,886
		EDLG Medical Assistance Fund	144,127

Balance at 31 December 2005

RBTT Bank Limited	
- current account	1,362,608
Payroll in transit	98,940
US Money Market Fund	1,684,672
UTC Second Unit Scheme	11,762,015
Clico/Central Finance Facility	10,100,815
Petty cash	479

Balance at 31 December 2006

RBTT Bank Limited	
- current account	1,815,306
Payroll in transit	297,610
US Money Market Fund	1,772,042
UTC Second Unit Scheme	20,271,479
Clico/Central Finance Facility	10,100,815
Petty cash	714
RBTT Credit Card	1,349
RBTT US\$ Savings	2,984

73,695,054

73,695,054

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

Notes To The Financial Statements

Year Ended 31 December 2006

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.



4 Cash and Short Term Deposits	2006 (\$)	2005 (\$)
<i>Cash and Cash Equivalents</i>		
RBTT Bank Limited – current account	2,815,306	1,362,608
Unit Trust Corporation - US Dollar Money Market Fund	1,772,042	1,684,672
Unit Trust Corporation – Second Scheme	19,271,479	11,762,015
Petty cash	714	479
RBTT Merchant Bank & Finance Company Limited- fixed deposits	200,000	200,000
RBTT Credit Card	1,349	--
RBTT USD Savings	2,984	--
	24,063,874	15,009,774

5 Investments	2006 Cost (\$)	2005 Cost (\$)
<i>Loans and receivables</i>		
Guardian Life of the Caribbean	--	2,009,252
Central Finance Facility	10,100,815	10,100,815
Guardian Asset Management	3,000,000	--
Angostura Fixed Rate Bond 2002-2012	--	5,150,047
	13,100,815	17,260,114

	2006 Cost (\$)	2006 Market Value (\$)	2006 Market Value (\$)
<i>Available for Sale</i>			
Quoted shares	2,632,061	8,552,794	8,137,108
- Savinvest US Growth Fund	212,690	212,690	--
- Savinvest Structured Investment Fund	84,215	84,215	--
- Savinvest India Asia Fund	629,952	729,106	314,995
Mutual Funds			
- Praetorian Property Mutual fund	600,000	600,000	630,000
- Scotiabank Global Growth Fund	123,528	155,175	136,328
- Unit Trust Chaconia Income & Growth Fund	327,570	315,901	291,495
Unquoted share			
- Central Finance Facility	25,000	25,000	25,000
	10,674,881	10,674,881	9,534,926

6(i) Loans	2006 (\$)	2005 (\$)
Gross loans	70,995,151	64,261,418
Allowance for loan losses 6(ii)	(2,214,645)	(1,743,082)
	68,780,506	62,518,336

	Personal Loans (\$)	Mortgage Loans (\$)	Car Loan (\$)	Small Business Loan (\$)	2006 Total (\$)	2005 Total (\$)
Non-delinquent loans	57,578,272	8,388,491	404,720	--	66,371,483	59,728,699
Delinquent loans	4,328,420	275,138	--	20,110	4,623,668	4,532,719
	61,906,692	8,663,629	404,720	20,110	70,995,151	64,261,418

Of the balance of delinquent loans \$4,389,780 (2005: \$3,876,304) represents accounts on which no collections have been received for the year.

Shares held by members whose loans are delinquent total \$2,114,287 (2005: 2,482,431). The Credit Union also holds security in respect of the mortgage loans.

6(ii) Allowance for loan losses	2006 (\$)	2005 (\$)
Balance brought forward	1,743,082	1,588,276
Increase in the provision	460,000	134,000
Loans written off	(1,776)	(5,265)
Amounts recovered on balances previously written off	16,914	32,553
Amounts paid to collectors	(3,575)	(6,482)
Balance carried forward	2,214,645	1,743,082

7 Property and Equipment

	Office Furniture (\$)	Furniture & Fixtures (\$)	Leasehold Premises (\$)	Computer Hardware (\$)	Total (\$)
Year ended 31 December 2006					
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
Disposals	--	--	--	--	--
Depreciation charge	(5,833)	(16,697)	(13,961)	(15,703)	(52,194)
Closing net book amount	25,950	155,645	1,824,102	47,406	2,053,103
Year ended 31 December 2005					
Opening net book amount	23,660	147,362	1,852,309	60,536	2,083,867
Additions	6,380	24,702	--	18,840	49,922
Disposals	--	--	--	--	--
Depreciation charge	(5,550)	(15,536)	(14,246)	(17,447)	(52,779)
Closing net book amount	24,490	156,528	1,838,063	61,929	2,081,010

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:-

	2006 (\$)	2005 (\$)
Balance due at 1 January	258	717
Amounts received on mortgages disbursed	195,075	199,899
	195,333	200,616
Funds paid over to National Insurance Board	(193,874)	(200,358)
Balance due at 31 December	1,459	258

9 Fixed Deposits

Maturing within 1 year	1,331,000	1,210,000
	1,331,000	1,210,000

The interest rate is 10% per annum.

10 Members' Deposits

Period to Maturity		
Within three months	585,001	2,477,558
Between three months and one year	8,687,124	5,567,120
	9,272,125	8,044,678

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% (2005: 2.5%) of the net surplus.

13 Dividends Per Share

Dividends payable are not accounted for until they have been ratified at the Annual General Meeting. At a meeting of the Board of Directors on 2 February 2007 a dividend in respect of 2006 of 8 cents per share (2005 actual dividend 8 cents per share) amounting to a total of \$5,792,032 (2005 actual \$5,114,060) 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 2007.

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 2006, there was \$1,150,169 (2005: \$1,309,747) in loans that were approved but not yet fully disbursed.

Canning's Employees' Credit Union Co-operative Society Limited
PROJECTED INCOME AND EXPENDITURE ACCOUNT
 JANUARY - DECEMBER 2007

INCOME	BUDGET FORECAST 2007	BUDGET FORECAST 2006	ACTUAL 2006	ACTUAL 2005	ACTUAL 2004
LOAN INTEREST	8,500,000.00	7,700,000.00	7,663,492.54	6,977,083.00	6,513,929.00
INVESTMENT INCOME	3,000,000.00	2,750,000.00	2,710,993.00	2,634,302.00	2,129,402.00
RENT	80,000.00	80,000.00	74,900.00	75,100.00	80,417.00
REALIZED GAINS ON DISPOSAL OF INVESTMENTS	-	-			528,650.00
SUNDRY REVENUE	250,000.00	175,000.00	227,022.61	139,703.00	148,550.00
	11,830,000.00	10,705,000.00	10,676,408.15	9,826,188.00	9,400,948.00
EXPENDITURE					
PERSONNEL COSTS					
SALARIES & WAGES	917,000.00	860,000.00	879,249.98	830,332.00	766,817.00
EMPLOYER'S CONTRIBUTION TO PENSION	60,000.00	60,000.00	49,990.69	54,001.00	43,916.00
EMPLOYER'S NIS CONTRIBUTION	36,000.00	36,000.00	33,693.43	32,443.00	28,388.00
EMPLOYEES' EXPENSES	12,000.00	10,000.00	8,855.00	4,158.00	6,879.00
EMPLOYEE'S FRINGE BENEFITS	150,000.00	120,000.00	120,800.00	116,660.00	112,517.00
	1,175,000.00	1,086,000.00	1,092,589.10	1,037,594.00	958,517.00
ADMINISTRATION COSTS					
AGM & OTHER EXPENSES	200,000.00	200,000.00	181,175.25	181,133.00	152,420.00
MEETINGS & SEMINARS	-	200,000.00	-	-	
CUNA CARIBBEAN INS. PREMIUM	725,000.00	640,000.00	698,439.65	612,023.00	578,897.00
BANK CHARGES & INT. & COMM.	10,000.00	10,000.00	13,162.78	5,489.00	5,727.00
BAD DEBT PROVISIONS	200,000.00	200,000.00	460,000.00	134,000.00	
INTEREST ON MEMBERS' DEPOSITS	850,000.00	700,000.00	783,356.67	648,157.00	709,205.00
RATES & UTILITIES	90,000.00	80,000.00	80,154.37	76,311.00	65,819.00
AUDIT FEES	40,000.00	30,000.00	31,042.53	28,664.00	27,514.00
STATIONERY & PRINTING	60,000.00	55,000.00	54,120.45	45,627.00	48,569.00
LEAGUE DUES	33,062.00	33,062.00	33,062.00		
PROFESSIONAL & LEGAL FEES	20,000.00	20,000.00	4,465.00	1,354.00	24,978.00
MISCELLANEOUS EXPENSES	45,000.00	25,000.00	31,938.06	33,386.00	57,991.00
MARKETING	175,000.00	150,000.00	125,101.60	82,818.00	128,158.00
SECURITY	12,000.00	10,000.00	8,475.35	8,033.00	6,942.00
BOARD & COMMITTEE MEETINGS	40,000.00	30,000.00	30,900.00	26,775.00	24,125.00
FIDELITY BOND	2,500.00	2,500.00	2,000.00	2,160.00	2,160.00
COMPUTER SERVICES	20,000.00	10,000.00	11,817.60	7,622.00	67,384.00
LOSS ON DISPOSAL OF EQUIPMENT	-	-	848.15		22,447.00
OFFICE EXPENSES	175,000.00	165,000.00	159,340.54	155,994.00	139,705.00
REPAIRS AND MAINTENANCE	300,000.00	25,000.00	27,495.41	16,481.00	13,074.00
DEPRECIATION	60,000.00	55,000.00	52,194.03	52,779.00	52,355.00
	3,024,500.00	2,640,562.00	2,756,027.44	2,151,868.00	2,159,632.00
TOTAL EXPENSES	4,199,500.00	3,726,562.00	3,848,616.54	3,189,461.00	3,118,149.00
EXCESS OF INCOME OVER EXPEN.	7,630,500.00	6,978,438.00	6,827,791.61	6,636,727.00	6,282,799.00
APPROPRIATED AS FOLLOWS:					
RESERVE FUND - 10%	763,050.00	697,844.00	682,779.00	663,673.00	628,280.00
EDUCATION FUND 2.5%	190,762.00	174,461.00	170,695.00	165,918.00	157,070.00
RETAINED EARNINGS	6,676,688.00	6,106,133.00	5,974,317.61	5,807,136.00	5,497,449.00
	7,630,500.00	6,978,438.00	6,827,791.61	6,636,727.00	6,282,799.00

Report of the Credit Committee

For The Financial Year

ENDED 31ST DECEMBER, 2006

The Credit Committee is pleased to report another highly successful year of operations. We surpassed our goals by one million, nine hundred and thirty-two thousand, six hundred and fifty dollars (\$1,932,650.00) or 8.78%. This outstanding performance was achieved notwithstanding the intense competition presented by other financial institutions and the escalating rate of inflation experienced during the latter part of the year.

At the last Annual General Meeting held on 29th March, 2006 the following persons were elected:

Messrs:

Calvin Francis

John Scott

Junior Dhoray

Glen Piontkowski

Rosemary Ayres

*Hi, I'm Rosemary Ayers
and I'm with Committee Members,
Glen Piontkowski, Junior
Dhoray and Chairman Calvin
Francis*

Calvin Francis and John Scott were subsequently appointed to serve as Chairman and Secretary respectively when the committee convened its first meeting on 3rd April, 2006.

A total of forty (40) meetings were held at which four thousand, nine hundred and eighty (4,980) loans were considered. The information regarding approved loans are detailed in Appendix III.

Quite apart from its substantive role of approving loans, the committee found it necessary to counsel members when it was discovered that they were over-extending themselves (i.e. their debt service ratio exceeded 30% of their earnings) or taking loans for non-productive purposes. In all our deliberations, the interest was to ensure that there was mutual benefit to be gained by the member as well as to the Credit Union.

Whilst the total number of loans was lower than the previous year (1115 – 18.39%), this deficit is attributed to the fact that a Loan Sale was not promoted in 2006. The dollar value of loans granted exceeded that of the last reporting period by three million, eight hundred and ten thousand, seven hundred and forty-seven dollars (\$3,810,747.00) – 18.94%.



In 2006 we saw the withdrawal of the savings incentive allowed to Credit Union members for savings up to the maximum of ten thousand dollars (\$10,000.00).

It is indeed encouraging to note that members heeded the committee's advice in the last report and are now borrowing for more productive purposes. We again encourage you to continue in that trend. A significant shift was recorded in the areas of housing (17.88%) and investments (123.40%).

This movement augurs well for the membership as it demonstrates stability and a strong desire for their self-improvement.

All other areas remained fairly consistent or recorded marginal increases.

In 2006 we saw the withdrawal of the savings incentive allowed to Credit Union members for savings up to the maximum of ten thousand dollars (\$10,000.00).

Notwithstanding this, we encouraged our members to save consistently since members' savings provide the basis for low-cost loans. Additionally, CECU consistently pays dividends that are superior to our competitors.

Honouring A Legacy

On a sombre note, regrettably we advise that one of our long standing members – John Scott became critically ill in December 2006 and consequently was unable to continue serving when sittings were resumed in 2007. John subsequently departed this life on 15th February 2007. For seventeen (17) years John has been serving faithfully and loyally as a member of the Credit Committee. He had a deep understanding and appreciation of the co-operative principles and philosophy and the plight of the marginalized people in our community. He worked untiringly to support and implement policies that support the great diversity of our membership and create opportunities for people to improve their standard of living. John's love for CECU was unending and even in his failing health, he told his wife, Doreen, "I have a lot of Credit Union work to do".



We would surely miss John's wise counsel. We extend our profound gratitude to his family for allowing him to contribute so much of his time to the development of humanity. May his soul rest in peace.

The love, respect, close bond and camaraderie that existed among the Credit Committee is indeed very unique to CECU. It is a quality that we cherish dearly as these are the characteristics that propel us when there is the tendency to be overwhelmed in finding solutions to satisfy the varied and sometimes difficult requests of the several hundred applications that we consider on a weekly basis.

We thank the Chief Executive Officer and her staff for the tremendous support given to us during the term. We also extend our heartfelt thanks to our loyal membership for **their patronage. It is your business that makes CECU the outstanding organization that it is today.**

We acknowledge the great privilege to be of service to our fellowmen and we look forward to continuing this service if given the opportunity in the ensuing term.

Calvin Francis
Chairman

Glen Piontkowski
Ag. Secretary

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

	PRESENT	EXCUSED	ABSENT
Calvin Francis	39	1	
John Scott	26	14	
Glen Piontkowski	34	6	
Junior Dhoray	35	5	
Rosemary Ayres	40	-	

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

APPROVED	NOT APPROVED	TOTAL
4,947	33	4,980

TABLE 111

NO. OF LOANS		PURPOSE OF LOANS	VALUE OF LOANS	
2005	2006		2006	2005
858	920	Domestic	1,064,858.56	913,169.59
254	286	Holiday (Local & Abroad)	1,041,370.38	1,034,829.99
575	519	Housing	6,076,862.42	5,155,159.79
186	188	Investments	3,337,985.37	1,494,191.69
27	36	Funerals	77,585.00	68,331.75
120	131	Weddings & Christening	414,558.46	382,917.61
16	17	Car Licenses & Permits	10,810.00	9,800.00
247	296	Car Repairs & Parts	809,953.64	548,779.64
103	130	Purchasing of Cars	4,779,196.66	3,492,628.71
729	621	Consolidating Debts	1,628,608.78	1,859,803.09
132	153	Fire, Life & Car Ins.	400,468.61	320,405.81
358	348	Medical Expenses	770,250.26	740,364.62
515	454	Education Expenses	1,308,824.58	1,235,763.68
37	67	Legal Expenses	219,991.66	63,248.12
206	183	Household Furnishings	665,345.66	589,807.10
391	476	Christmas Shopping	1,168,290.06	834,441.76
17	18	Miscellaneous	23,050.00	25,850.00
22	38	Carnival	49,390.00	26,565.54
73	66	Rent	85,250.00	115,445.00
1196	---	Anniversary Loans	-	1,210,400.00
6062	4947		\$23,932,650.10	\$20,121,903.49

Report of the Supervisory Committee 2006 - 2007

Victor Griffith served as Chairman of the Supervisory Committee for the term, with Volneitha Sarjeant as Secretary, Carl Phillip as member. Courtney Augustine the Alternate also served on some of the meetings.

On reviewing the overall performance of the Credit Union in all its operations, this Supervisory Committee is quite satisfied that all matters are handled in a very professional manner. Information and queries requested by the Supervisory Committee were promptly responded to, and, we were quite satisfied with the explanations.

The Investment Committee continues to be the guiding light of the Credit Union. Decisions made by them increased the profit base of the Credit Union. We continue to rely on the expertise and dedication of this committee and we are confident that they will take this Credit Union to much higher levels.

Over the past years the Credit Committee has served and is still serving with the passion/dedication required to sustain the growth of our Credit Union.

On reviewing the loan applications, we see that the Credit Committee is striving to assist the members as far as possible. This we see as a step which will encourage members to continue to use our lending services.

The Loans Officers of CECU are providing the type of service necessary to retain and encourage membership.

They are responding to the ongoing training, which constantly upgraded to meet the challenges/needs of the general membership, thereby creating the long term success of CECU.

Plans of the Marketing Committee to visit and educate members at all locations are moving and in place. We see this as another positive step towards the growth of our membership base.

The Board of Directors continues to invite the members of the Supervisory Committee to its meetings, thereby giving us another opportunity to observe the operation from close up.



Victor Griffith
Chairman

*Hi, I'm Volneitha Sarjeant
with Carl Phillip, fellow
member of the
Supervisory Committee*



TEN (10) YEAR STATISTICAL REVIEW

Year	No. of Members	Total Assets	Members Savings	Loan Outstanding	Reserve Fund	Total Income	Surplus (After Trans 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	119,417,777	81,926,829	68,780,506	8,586,892	10,676,408	6,827,791	5,792,032	8*

* proposed dividend

Liaison Officers

MEMBER COMPANY	LAISION OFFICER	CONTACT
Hilo, Broadway, Arima	Ingrid Nicholls	667-2920
Hilo, Chaguanas	Rhonda Birmingham	665-4109
Hilo, Crews Inn	Diana Bailey	634-4038
Hilo, El Dorado	Pearl Lopez	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	Uriah Weekes	648-3174
Hilo, Ridgewood Arima	Vena Monsegue	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	Stacy Welch	625-0555
Budget Foods, Alyce Glenn	Natalie Owen	633-5188
Carib	Shelton Dasiy	662-2231
Caribbean Bottlers, San Fernando	Amraz Ali-Bocas	652-5322
Caribbean Bottlers, Tunapuna	Junior Dhoray	662-4416
Caribbean Paper & Printed Products	Anne Mc Leod	674-1884
Cascadia Hotel	Karen Bissessar	623-4208
Climate Control	Lucy Sheen	624-2665
Correiras (C.A.R.S.)	Pauline Williams	628-7768
CUNA Caribbean	Deanne Boucaud	627-7060
Diary Distributors	Chery Ann Donald	628-4691
Food Giant	Wendell Mansano	674-9184
G4S (Securicor)	Annette Hospedales	624-5751
Hamel-Smith & Co.	Miguel Phinero	623-4237
Illuminat	Dedra Cox	625-1204
John Dickinson	Lorraine 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	Leah Ling	657-8622
Neal & Massy Holdings	Marsha Ali	625-3426
NEDCO	Avalon Millington	623-1671
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 Viarrael	674-8265
Sissons	Marcia Huggins	665-5721
Tracmac	Trevor Fung	657-8622
Trinidad Tissues	Vera Maharaj	640-4725
Tru Valu	Christine Rampersad	640-4191
Waste Disposal	Alyson Forde	625-6746

