ANNUAL REPORT 2015

Manchester Co-operative Credit Union (1977) Ltd.

"Where Service Exceeds Expectation"

65th Anniversary
1951-2016



"Embracing Technology ...
Enabling Growth"

40th Annual General Meeting

LIVE YOUR DREAM IN 2016!

WITH A

MANCHESTER CO-OPERATIVE CREDIT UNION

Dream WHEELS AUTO LOAN

SPECIAL OFFER



NEW & USED VEHICLES

- **UP TO 8 YEARS TO REPAY**
- **INTEREST RATES AS LOW AS 9.75%**
- **FREE LOAN PROTECTION INSURANCE PROVIDED**

CONDITIONS APPLY

MY DREAM
MY CONVENIENCE
MY COMFORT
MY STYLE
MY RIDE!

SPECIAL ENDS ON
AUGUST 31, 2016.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LTD.

Manchester Co-operative Credit Union (1977)Ltd.

'Where Service Exceeds Expectation'

Mandeville Tel: 962-0401 • Christiana Tel: 964-3648

www.manchestercreditunion.com

Vision Statement

The Manchester Co-operative Credit Union (1977) Limited, aims to be the Financial Institution of choice, providing a range of innovative Products and Services.

Mission Statement

The Manchester Co-operative Credit Union (1977) Limited, is committed to maintaining a safe, visible and efficient financial institution; by providing innovative and competitive products and services in a warm and friendly environment to enhance the economic and social well-being of our members.

Prayer Of Saint Francis Of Assisi

Lord, make me an instrument of thy 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; and
Where there is sadness, joy.

O Divine Master, grant that we 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.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given of the

40th ANNUAL GENERAL MEETING

of the

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

at the

HOLMWOOD TECHNICAL HIGH SCHOOL
HOPEWELL, CHRISTIANA
MANCHESTER

On Saturday, May 14, 2016

Commencing at 11:00 a.m. sharp

Signed by:

.....

Claude Rattray
Secretary

AGENDA

1. **Call to Order**
   - Ascertaining of Quorum
   - Notice of Meeting
   - Welcome & Courtesies

2. **Minutes of Last Annual General Meeting**
   - Reading
   - Corrections/Omissions/Amendments
   - Confirmation
   - Matters Arising

3. **Reports**
   a. Board of Directors
   b. Treasurer's/Auditors'
   c. Appropriation of Surplus
   d. Credit Committee
   e. Supervisory Committee

4. **Fixing of Maximum Liabilities**

5. **Elections**
   - Nominating Committee Report
   - Board of Directors
   - Credit Committee
   - Supervisory Committee

6. **Any Other Business**

7. **Announcements**

8. **Prizes**

9. **Vote of Thanks**

10. **Closure**

MINUTES OF THE 39TH ANNUAL GENERAL MEETING HELD ON THURSDAY, MAY 14, 2015, AT 4:00 PM AT THE GOLF VIEW HOTEL CALEDONIA ROAD, MANDEVILLE, MANCHESTER

CALL TO ORDER

The meeting was called to order by the Chairman, Rev. Charles Danvers, at 4:07 pm. The prayer of St. Francis was repeated.

The Secretary, Mr. Claude Rattray ascertained that the meeting was duly constituted with 195 members present. He also read the notice of the 39th Annual General Meeting of the Manchester Co-operative Credit Union (1977) Limited.

WELCOME

The Chairman, on behalf of the Board of Directors, management, staff and other volunteers, extended a warm welcome to all who were present. Special welcome was extended to the following:

Mr. Fitzgerald Rowe	–	*General Manager* – St. Elizabeth Co-op. Credit Union
Ms. Kerry Ainsworth	–	*Business Relations Executive* - JCCUL
Ms. Stephanie Johnson	–	*E-Ambassador* - JCCUL
Ms. Jorgette Lewis	–	*Senior Co-op. Officer* – Department of Co-operatives & Friendly Societies
Mrs. Valrie Reid	–	*Secretary Manager* – JCIA
Mr. Albert Smith	–	*General Manager* – NUCS
Mr. Adave Plummer	–	*Regional Manager* – RGD
Mr. Johnathan Brown	–	*Chairman* - NUCS
Mr. Oswald Parkes	–	CMFG Life Insurance Company Ltd.
Mr. John Spence	–	*Board Chairman* – St. Elizabeth Co-operative Credit Union
Ms. Shakera Lee	–	Credit Union Fund Management Company
Ms. Georgia Morrison	–	Credit Union Fund Management Company
Ms. Raquel Williams	–	Department of Co-operatives & Friendly Societies
Ms. Phillipa Beckford	–	CMFG Life Insurance Company Ltd.

The Chairman also extended special welcome to the members who made the meeting possible to the Auditors of UHY Dawgen, the Board of Directors, the Supervisory Committee and the Credit Committee.

APOLOGIES

Apologies were tendered on behalf of the following persons:

Mrs. Pauline Isaacs-Cole – *Retiring Volunteer*

Mr. Astley Scott – *Former Volunteer*

CONDOLENCES

The attendees were asked to stand as a moment of silence was observed in recognition of those members who died during the year.

MINUTES OF THE 38TH ANNUAL GENERAL MEETING

The minutes, having been previously circulated, were taken as read on a motion moved by Mr. Ivan Green and seconded by Mr. Stanley Skeene.

CORRECTIONS TO THE MINUTES

Page 7 – Bottom left hand corner - "Minutes of the 36th Annual General Meeting" should instead read: "Minutes of the 37th Annual General Meeting"

CONFIRMATION

The minutes were confirmed on a motion moved by Mr. Stanley Skeene and seconded by Ms. Yvonne Smith.

The Chairman paused to welcomed Mr. Owen Lawrence and Ms. Andrea Stone both from the Jamaica Co-operative Credit Union League.

MATTERS ARISING

1. **Mobile Unit:** Mr. Berresford South asked if the Mobile Unit has been commissioned into service and for a report to be given on its activities to date. Rev. Danvers said it was commissioned into service and has been used to provide service to several members within the parish. He said further details would be provided later on in the meeting.

REPORTS

BOARD OF DIRECTORS REPORT: Highlights of this report were read by the President (Chairman), as follows:

The President noted that despite the on-going challenges, the Manchester Co-operative Credit Union (1977) Limited has kept the economic and social affairs of members and the wider community afloat. He said through the continued high-quality support from management and staff, the launch of a Mobile Banking Unit was realized; a promise kept and delivered.

He said during the year under review, two main challenges were low membership and loan growth as both targets were not met. However, other areas of operations produced positive results.

PERFORMANCE OVERVIEW

The following highlights the key performance areas of the Credit Union for 2014:

- Voluntary Shares grew by 2% from $1,335 million in 2013 to $1,363 million
- Deposits grew by 16% from $1133 million in 2013 to $1315 million
- Net Loans grew by 8% from $1,790 million in 2013 to $1,925 million
- Total Assets grew by 10% from $3,362 million in 2013 to $3,684 million
- Net Surplus increased by 1% from $90 million in 2013 to $91 million

Delinquency

The delinquency rate for the year was 5.09% which was 0.09% above the industry standard. The members were commended for honouring their obligations especially during the financially challenging times.

PERSONNEL

The Credit Union experienced some changes to the staff complement during the period under review; there were five (5) promotions, five (5) recruitments and five (5) separations.

Training and Personal Development

During the year, staff and volunteers participated in several training activities. They included:- Time Management, Leadership & Supervision, Service Standards, Risk Management, Credit & Debt Collection and Proceed of Crime Act (POCA). Staff continued with their own personal development.

MARKETING ACTIVITIES

The Marketing Department carried out a number of activities throughout the year to promote the products and services offered by the Credit Union.

Speaking Engagements

The Department participated in several expositions and speaking engagements at various schools and organizations within the parish.

Advertising and Promotions

Advertisements were placed with some of the major media houses to promote the Credit Union's products and services.

PUBLIC RELATIONS

Sydney Carter Scholarship & GSAT Bursaries

A total of five (5) tertiary level students received bursaries from the Sydney Carter Scholarship Fund to start the 2014/2015 academic year. Fifteen (15) active Treasure Chest Youth Savers were presented with GSAT bursaries valued at $10,000.00 each.

Youth Marketing

The Credit Union hosted several competitions with the aim of developing the youth both mentally and physically. They are as follows, the Under 12 and Under 15 Netball Competitions, Essay Competition, Poster Competition, and the Debating Competition.

Town Hall Meeting

A series of town hall meetings was also held throughout the year. Those meetings were geared towards educating members on the features and benefits of the various products and the new online banking services.

PRODUCTS & SERVICES

Loan Specials

New products were developed and launched during the year. Those included the Motor Equity Loan and the Fabulous Promotions.

International Credit Union Week Celebration

International Credit Union Week was observed from October 12 – 17, 2014 under the theme: "Local Service: Global Good". The Credit Union participated in celebrations through the following events:

- Church Service at the Andrews Memorial United Church on October 12
- Dedication & Commissioning of the Mobile Banking Unit on October 13
- Member Appreciation at the Christiana and Mandeville branches, October 15 and 16 respectively
- Treasure Chest Fun Day at Brooks Park on October 17

Mid Island Chapter Awards Banquet

The Annual Mid Island Chapter Banquet was hosted by Manchester Co-operative Credit Union (1977) Limited. Mr. Steve Nugent and Mrs. Vasiana Miller-Hewitt were recognized as the Member and Employee of the year for 2013 respectively.

Awards and Recognition

The Organization was again recognized by the Jamaica Co-operative Credit Union League for the Most Outstanding Parish Credit Union, Runner-up in the Mega Credit Union category, both for 2013. Miss Nereen Allen, former staff member won the award for the top performer for the CPD online

training. The Credit Union was also nominated for an award in the Community Impact category by the Manchester Chamber of Commerce. Expression of thanks were extended to our members for their continued support in making these happen.

Representation at Affiliated Organization
Our Credit Union was represented at the Annual General Meeting (AGM) of the Jamaica Co-operative Credit Union League (JCCUL) and the Caribbean Confederation of Credit Unions (CCCU) Conference.

It was highlighted at the League's 73rd AGM that the Movement performed creditably during 2013. In keeping with the formation of the other entities within the League Group, the League's Board was reduced from twenty-one (21) to fifteen (15) directors.

It was further highlighted that the League was the first institution to be granted approval by the Bank of Jamaica to pilot the first phase of the E-Payment system. Manchester Credit Union was chosen as one of the credit unions to be part of the pilot programme for this initiative. Additionally, it was noted that the ATM (Mandeville branch) was number two performer on the League's network. At its AGM, the League assured credit unions that it would continue to assist in their regulatory readiness programmes, as the Movement gets closer to being regulated by the Bank of Jamaica.

Social and Community Outreach
A total of $1,188,800.00 was donated to support activities in areas such as: education, health care, sports and religion. This was in keeping with the Organization's commitment to give back to the communities in which it operates.

Strategic Objectives
Members of the Board, Credit and Supervisory Committees, Management and staff members retreated from December 5 – 7, 2014 where the strategies and operational objectives for 2014 were assessed and plans for the Organization's operations for 2015 and beyond were developed.

CONCLUSION

In closing, the President said the achievements of the Manchester Co-operative Credit Union (1977) Limited for the year 2014 were made possible through the continued support of the loyal members.

The Board of Directors expressed thanks to the General Manager, Mrs. Cynthia Briscoe, all managers and the entire staff for the continued dedicated work they carried out in helping to make our Credit Union one of choice. Heartfelt thanks were extended to the volunteers who gave their time, energy and wisdom in promotion of a healthy Organization. Thanks was also extended to the partners in the Co-operative Movement, the auditors, the League, our bankers and the providers of the various goods and services.

QUESTIONS AND COMMENTS

Mr. Ivan Green asked if there was proper security for the Mobile Banking Unit. Rev. Danvers said he could not explain the details, but assured the meeting that the security was being addressed and that it would be robust.

Mr. Berresford South said commendation was in order for keeping the delinquency rate at 5.09% and with plans to keep the rate between 5% - 5.7% was good. However, he pointed to the targets like the loan growth and membership growth that were not being met. He said both are integral to the growth of the Credit Union and asked what plans were in place to increase growth in those areas. Rev. Danvers responded that there were strategies employed to grow both the loans and the membership.

Mr. Benaldo Spencer asked if loans could be more competitive for small business people. He said other financial institutions are copying from us (Credit Union) and coming up with attractive loan packages, but made it clear that they (members) want to remain with the Credit Union. Rev. Danvers said the Board and management have listened and will act in ensuring that members are satisfied. He added, however, that it might not be possible in all

instances to match other financial institutions in their product offerings, but would try to ensure member satisfaction as best as possible.

Miss Derlene Anderson asked why deCarteret College got so much financial assistance in comparison to the other institutions listed under 'Social and Community Outreach'. Rev. Danvers said it was dependent on the nature of the request, how deserving the request was and how justified it was felt the request was.

Ms. Lorraine Simpson asked why are members asked to spend so much money to get things done (income statement) whenever a motor vehicle loan was needed when there was no guarantee that the loan would be approved. Rev. Danvers reminded Ms. Simpson that whenever the Credit Union grants a loan to a member it is the peoples' (members) money and the Credit Union has to account for same. Rev. Danvers said he does not know the details of her situation, but advised her to speak with the General Manager or a staff member who could properly inform her as to what was required and why it was required.

Ms. Sonia Bennett said whenever she visits the Credit Union the space is very limited and asked if there were any plans for any expansion. Rev. Danvers said they (Board and management) were aware of the problem which usually occur at a particular time of the month. He said some of the ways to eliminate the crowding in the banking hall are the use of the internet banking and the Automated Teller Machine (ATM). Ms. Bennett further asked if the Credit Union was willing to train the members how to use the internet banking. Rev. Danvers resoundingly responded yes.

On a motion moved by Mr. Ivan Green and seconded by Mr. Berresford South., the report of the Board of Directors was adopted.

TREASURER'S REPORT: Highlights of this report were read by the Treasurer, Mr. Robert Chennis as follows:-

INTRODUCTION

The Government passed all four IMF tests during the year 2014 which was applauded by key multinational agencies. The country also benefited from the steep fall in oil prices during the year which kept inflation rate in check despite the sharp devaluation of the Jamaican dollar.

Another key economic development during the year was Jamaica's successful reentry into the international capital market where over half a billion was borrowed at record low interest rate. Other important achievements were the narrowing of the trade deficit and the sharp cut in the fiscal deficit.

Manchester Co-operative Credit Union (1977) Ltd. played an active role in building the platform for the country's economic recovery during the year. That was done in part by ensuring that members were able to access credit at favourable terms and the creation of wealth by taking advantage of various attractive savings and investment options.

Profitability

A total of $466 million was earned during the fiscal year which was 8.4% above the amount earned in 2013. It cost a total of $375 million to carry out the operations of the Organization in 2014 which was 10.8% more than the previous year. The surplus was $91 million or 1% above the amount earned in 2013. Interest from loans contributed $307 million or 66% of total income. Income from investments was $105 million which was $22 million or 26% above the amount earned in 2013.

Key Profitability Trends

The Credit Union achieved an income to asset ratio of 12.6% in 2014 which was slightly lower than the 12.8% achieved in 2013 and was as a result of reduction in the interest rate on loans during the year. The Credit Union's return on assets ratio was 2.5%.

Asset Growth

The Credit Union was able to increase total assets from $3.36 billion in 2013 to $3.68 billion at the end of 2014 which represented a growth of 10%.

Loans
The growth in total assets was aided by a 7.5% or $135 million increase in loans during the year. This increase was supported by a robust 20% growth in real estate loans.

Investments and Cash Reserves
The investment portfolio closed the year at $1.53 billion which represented an increase of 11% over the previous year and accounted for 41% of total assets. The Credit Union maintained adequate liquidity reserve during the year and was always able to meet the day-to-day cash flow of the Organization.

Savings
A total of $209 million was added to the savings portfolio in 2014 which resulted in an increase of 8% in savings over the previous year. An attractive rate of 8% was earned on the Wealth Accelerator investment plan during the year and resulted in a $127 million increase in the investment account.

The savings portfolio rose from $1.9 billion in 2010 to $2.7 billion in 2014 which meant that members increased their savings in the Credit Union by $772 million over a five (5) year period.

Institutional Capital Reserve
Total institutional Capital stood at $655 million at the end of the period which represented a $72 million growth. The institutional capital to asset ratio rose from 17.3% in 2013 to 17.8% at the end of 2014 financial year. This was above the minimum 8% standard prescribed by our League and surpassed the capital ratio set by the Bank of Jamaica.

Key Financial Indicators
The Credit Union exceeded the League's standards in most of the key financial indicators. However, the Loan to Asset Ratio of 52.2% was noticeably below the minimum standard of 60%. The Board would continue to implement the measures necessary to achieve the desired result in this important area.

Conclusion
In closing, the Treasurer indicated that the financial performance for 2014 was evidence that our Credit Union remains a viable entity. He commended the team of hard-working staff and volunteers for a job well done. He also applauded the valuable contribution from the members. He said that growth in core business areas would be sustained through the enhancements of products and improvements in service delivery standards.

He expressed gratitude for the opportunity to serve as Treasurer and urged members to remain faithful and active members of this Institution as their participation keeps the Credit Union strong, safe and secure.

AUDITOR'S REPORT: The Auditor's Report was presented by External Auditors, Miss Prunella Vassell of UHY Dawgen Chartered Accounts (Incorporating Paul Goldson & Company). The report was summarized as follows:

UHY Dawgen Chartered Accounts (Incorporating Paul Goldson and Company) had audited the financial statements of the Credit Union which comprised the statement of financial position as at December 31, 2014, the statement of comprehensive opinions. In their opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the state of the Credit Union's affairs as at the December 31, 2014 and its financial performance, its changes in equity and cash flow for the year ended.

The Credit Union accounts had been prepared in accordance with International Financial Reporting Standards (IFRS) and complied with the provisions of the Co-operative Societies Act.

QUESTIONS & COMMENTS

There were no questions and or comments.

On a motion moved by Ms. Sheila Green and seconded by Mr. Junior Isaacs, the Treasurer's Report and the Auditor's Report were adopted.

APPROPRIATION OF NET SURPLUS

The Treasurer, Mr. Robert Chennis took the meeting through the Appropriation of Surplus outlined as follows:-

Undistributed Net Surplus	**$102,892,914.00**
Appropriations:	
Institutional Capital	$40,000,000.00
Social Outreach	$ 1,000,000.00
Capital Exp. Reserves	$ 5,000,000.00
Dividend (10%)	$ 8,560,000.00
General Loan Loss Reserves	$ 5,000,000.00
Small Business Development Fund	$ 7,500,000.00
Disaster Relief Fund	$ 100,000.00
Sydney Carter Scholarship	$ 1,000,000.00
Honorarium	$ 1,900,000.00
Total	**($70,060,000.00)**
Balance c/f to next year	**$32,832,914.00**

Mr. Chennis moved for the acceptance of the Appropriation of Surplus as outlined earlier which was seconded by Mr. Churchill Johnson and carried.

FIXING OF MAXIMUM LIABILITY

Be it resolved that the Maximum Liability for which the Board of Directors may commit Manchester Co-operative Credit Union (1977) Limited for the year 2015, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.

Mr. Robert Chennis moved for the acceptance of the Fixing of Maximum Liability, it was seconded by Mr. Stanley Skeene and carried.

Rev. Danvers used the opportunity to thank Mr. Chennis for his service to the Board in his capacity as Treasurer.

CREDIT COMMITTEE REPORT: Highlights of the report were read by the Mr. Churton Douglas – Chairman of the Credit Committee as follows:

Introduction

In his introduction, the Chairman said the Credit Union was not immune to the various challenges which included low growth, heightened competition, low interest rates and decreasing consumer confidence.

Notwithstanding these challenges, the Manchester Co-operative Credit Union (1977) Limited implemented strategies such as the development of new loan products and reviewing of policies and procedures in an effort to maintain a competitive advantage.

Profile of Loan Disbursed by Purpose

Home improvement and repairs accounted for the largest category disbursed during the year. There was an increase of 8% amounting to $200.6 million. Consolidation of debt and education loan were the other purposes in the top five (5) categories to record increases.

Profile of Loans Disbursed by Security

The Monimax (Prosperity Loan) was the largest category with $349.5 million; followed by the registered titles which recorded $129.7 million.

Amendments

During the year amendments were made to the Tuition Plus and Monimax Loan products allowing members to access loans from a minimum of $25,000.00 to a maximum of $1 million above their shares. The ceiling for loans secured by motor vehicles and real estate was extended to $5 million and $15 million respectively; the maximum repayment term for loans secured by real estate was increased to twenty (20) years.

Waivers Granted

Waivers were granted for four (4) loans during the year. Reasons for the waivers were to: extend loan term, additional Peril Insurance, reduce share requirement and extend loan ceiling for motor vehicle loan.

Conclusion
In closing, Mr. Douglas said the Credit Committee members were grateful for the opportunity to serve in the capacity. He said the invaluable support given by the Board of Directors, Supervisory Committee, management team and the staff members, was appreciated.

He expressed sincere appreciation to the members for choosing Manchester Co-operative Credit Union (1977) Limited to be their financial partner.

Questions & Comments

Mr. Renford Douglas said he did not receive an AGM booklet and expressed his pleasure at the turn out for the meeting. His concern, however, was as it related to the $50 million drop in loan disbursement and asked the Chairman to shed some light as to the cause of the fall. The Chairman, Mr. Douglas responded that some of the factors that affected the disbursement of loans were the tightening up of loan approvals and the fact that some members were still not borrowing. The Chairman, on behalf of management, apologized to Mr. Douglas and the other members who did not receive any AGM booklet. He explained that enough books were printed and were being distributed about two (2) weeks before and some persons who received books turned up at the meeting without them and were re-issued a second copy, thus the cause of the shortage.

On a motion moved by Mr. Renford Douglas and seconded by Mr. Clifton Pryce, the report of the Credit Committee was adopted.

SUPERVISORY COMMITTEE: Highlights of this report were read by the Chairman, Mr. Kingsley Andrews as follows:

Introduction
In his opening remarks, the Chairman said though the past year was marked with high and low periods, the Manchester Co-operative Credit Union (1977) Limited remained the premier financial institution of choice which continued to offer products and services that met and exceeded needs of new and existing members.

He said the Supervisory Committee is the oversight body entrusted with the responsibility of overseeing the Internal Audit functions and ensuring that the internal controls, policies and procedures and applicable external regulations are adhered to. He added that the Committee ensures that the assets of the members are safe-guarded and good co-operate governance is practiced.

The following areas of activities were audited during the year:

Bank Reconciliation Statements
The audit of the bank reconciliation statements for the reporting period included scrutiny of the statements and supporting documentations. Re-performance of the reconciliation revealed no exceptions as they were accurate.

ATM Cash Counts
ATM cash counts were done at both the Christiana and Mandeville branches during the financial year. Counts were done to ascertain the adequacy of physical and procedural controls and to determine if the accounting records properly accounted for the cash. No irregularity was observed.

Audit of Transactions
The audit process involved scrutiny of a sample of loan applications and other transactions including withdrawals and transfers. Three areas that needed to be addressed were identified, but actions were subsequently taken by management to have the issues resolved. No unauthorized transaction was found and the audit revealed compliance with established policies and procedures.

Special Audit
An audit was carried out during the period to determine whether transactions were authentic and properly supported and whether they were done in accordance with the Credit Union's policies and procedures that specifically relate to the transactions. Those transactions included loans, withdrawals, and transfers among others. Some irregularities were found, but management took appropriate actions to strengthen the internal controls and to address the matters.

Teller Cash Counts
Tellers' cash was counted and reconciled to the teller prints. No significant difference was observed.

Receipts and Payments
The objective of the audit was to ascertain whether receipts and payments were accurately and properly accounted for and that payments were authentic. However, there were no irregularities disclosed by the audit.

Teller Closing Listings/End of Day Prints
Audits were carried out at both the Mandeville and Christiana branches to verify that proper supervisory checks of the Teller Closing Listings were done, applicable procedures carried out and to ensure that transactions were authentic.

The prints checked included those for supervisors, member service representatives and credit officers. Although efforts were made to ensure that checking was done at the time of examination, there was a back-log in all areas which was pointed out to management and recommendations for improvement were made. In an effort to clear back-log, additional personnel were deployed to expedite the process.

Treasury Counts
Cash counts for both Mandeville and Christiana branches were conducted, which revealed no material exception when reconciled with the accounting records.

Staff and Volunteer Loans
It was observed that there was general compliance with the loan policy and applicable procedures. Some exceptions were identified and the appropriate recommendations were made to address them.

Estate Accounts
Transactions on deceased members' accounts were examined to verify whether proper procedures were followed in the handling of the accounts. There was general compliance.

Salaries
The objectives for the audit of salaries included ensuring that the rates of pay were appropriately approved, payments were accurate and properly authorized, the required entries were made in the related ledger accounts and the statutory deductions were paid over to the relevant authority in a timely manner. Only one exception was observed which was promptly rectified.

Acknowledgement
In closing, the Chairman said the Supervisory Committee was appreciative of the privilege afforded by the members to serve in this capacity. He also expressed gratitude to the Board of Directors, management and staff for their co-operation which ensured a harmonious and productive relationship.

He said they looked forward to the continued support as they continue to contribute to the improvement of the internal controls and the sustenance of an environment that ensures integrity, efficiency, effectiveness and economic prudence in all aspects of the Credit Union's operations.

QUESTIONS & COMMENTS

Mr. Berresford South said the meeting needed to hear if the recommendations were acted on for those exceptions that were observed, for example the Estate Accounts. Mr. Andrews said the recommendations were indeed acted on. Mr. South said for the record, it would have been good to have it noted in the report.

On a motion moved by Mr. Berresford South and seconded by Mr. Benaldo Spence, the report of the Supervisory Committee was adopted.

Rev. Danvers welcomed Mrs. Karlene Kelly-Reid of JMMB, Ms Suzanne Roper and Moya White of the Jamaica Observer.

NOMINATING COMMITTEE REPORT

Mr. Alfred Daley, Chairman of the Nominating Committee, referred to the Rules governing the nomination. The other members of the Committee were:

- Mrs. Doreen Daley-Grant – Member
- Dr. Grace Kelly-Reid - Member
- Mrs. Donna Bent-White – Staff Liaison

Election of the Board of Directors and Committees

The election proceedings were handed over to Ms. Jorgette Lewis, representative from the Department of Co-operatives & Friendly Societies. She said there was one correction to the nominee list: Churton Douglas should be listed at "continuing" and not "retiring" There were no nominations from the floor for the Board of Directors and the Committees and were therefore accepted as presented.

The following persons were elected to serve on the Board of Directors, Credit Committee and Supervisory Committee for the year 2015 to 2016:

BOARD OF DIRECTORS

NAMES	STATUS	TERM
Rev. Charles Danvers	Continuing	1 Year
Mrs. Sharon Peart	Continuing	1 Year
Mrs. Althia Scott-Jones	New	2 Years
Mr. Stallyn Insang	New	2 Years
Mr. Nicholas Spence	New	2 Years
Mr. Alfred Daley	Continuing	1 Year
Mr. Claude Rattray	Continuing	2 Years
Rev. Joan Smith	Continuing	1 Year
Mrs. Dianna Tomlinson	Continuing	2 Years
Rev. Dr. Paul Gardner	Continuing	1 Year
Mrs. Darcia Roache	Continuing	2 Years

CREDIT COMMITTEE

NAMES	STATUS	TERM
Mr. Churton Douglas	Continuing	1 Year
Miss Lilieth Sutherland	Continuing	1 Years
Mr. Raymond Harper	New	2 Years
Mrs. Vivinne Grant	Continuing	2 Years
Mrs. Thelma Vassall	Continuing	2 Years

SUB-CREDIT COMMITTEE

NAMES	STATUS	TERM
Mr. Everard Harriott	Continuing	1 Year
Mr. Christopher Tyme	New	2 Years
Mr. Paul Grant	Continuing	2 Years

SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Mr. Kingsley Andrews	Continuing	1 Year
Mr. Junior Isaacs	Continuing	1 Year
Mrs. Ruthan Smile-Smikle	Continuing	1 Year
Mrs. Ann Julette Rowe	Continuing	1 Year
Mrs. Claudette Griffiths-McKenzie	Continuing	1 Year

SUB-SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Mr. Calvin Palmer	Continuing	1 Year
Mrs. Claudette Gayle-Foster	Continuing	1 Year
Mrs. Barbara Chamberlain	Continuing	1 Year

Congratulations were extended to all the persons who were elected to serve on the various committees.

The Board of Directors was given authority to select the Delegates and Alternate Delegates to the Credit Union League's Annual General Meeting and other societies to which the Credit Union may be affiliated on a motion moved by Mr. Kingsley Andrews, seconded by Mr. Junior Isaacs and carried. This means that the members have given authority to the Board of Directors to elect among themselves or otherwise two (2) Delegates and two (2) Alternate Delegates to the Jamaica Co-operative Credit Union League.

Miss Lewis reminded the Board and the other committees to meet within ten (10) days to elect officers for the various committees and forward the information to the Department of Co-operatives and Friendly Societies, the Credit Union League and the other relevant institutions. The profiles of the nominees were read by Ms. Lewis.

ANY OTHER BUSINESS

Mr. Stafford Banton expressed thanks for the visit of Mobile Unit to New Forrest. He said the old relationship has been renewed, for which he was grateful. He added that he was requesting a meeting with management to discuss some important matters.

Mr. Renford Douglas asked what initiatives were being taken or contemplated to have Manchester Co-operative Credit Union (1977) Ltd. amalgamated with other credit unions. Rev. Danvers said there have been preliminary discussions in the past, but no concrete decisions have been made. Mr. Douglas

responded that he was not satisfied. He said this courtship/discussion have been taking a long time and recall that these discussions have started a long time ago. He added that the Credit Union was doing fine and that technology is rapidly changing the way we live and operate, which were being thrown at the Movement every day. He said on page 24, under 'Strategic Objectives' he did not see anything there as it relates to the discussion at hand. He said on page 26, under 'Profitability Indicators', showed that our credit union is sort of plateau or growth have slowed down, which he indicated were warning signs. He advised the meeting that the way of the future is growth of the large credit unions. He said there would be resistance to that kind of change. He asked the new Board of Directors to pursue some serious discussion in that regard as we would not want Manchester Co-operative Credit Union (1977) Limited to be left out in the cold. He warned that our Credit Union would be left out in the cold if we continue to operate at our present state.

Rev. Danvers said he understood and appreciated the sentiments shared by Mr. Douglas and asked him if he had any suggestions to put forward. Mr. Douglas said he did not really have any suggestions, but referred to C&WJ Co-operative Credit Union which took over Clarendon and Westmoreland; he said they are now the third largest Credit Union in Jamaica. He said he knew we started discussion with St. Catherine, Clarendon and St. Elizabeth which would have made us into a giant of a Credit Union, but we allowed those opportunities to pass us. He advised the Credit Union not to allow any other such opportunity to pass, but to rather initiate some discussions with for example, St. Elizabeth or St Catherine; he added that the sky is the limit. He said that there are some of us who are of the view that one day to come, maybe not in the near future, that there would be one Credit Union in Jamaica with branches all over. He said amalgamations like the merger of St. Elizabeth Co-operative Credit Union with ALPART and Appleton Estate are success stories; St. Mary Co-operative Credit Union's merger with St. Ann Co-operative Credit Union was also a success story.

Mr. Everard Harriott of the Sub-Credit Committee complained about the approval process of loans to volunteers. It takes too long and asked if anything could be done to speed up the process. Also, Mr. Harriott asked if volunteers could get a 1% reduction in the interest rate for loans. Rev. Danvers reminded Mr. Harriott that volunteers are opened to more scrutiny and cannot operate as if they are 'feathering their own nest' or like they are receiving some special treatment, as such volunteers have to be careful.

Mr. Berresford South said he shared to sentiments expressed by Mr. Douglas regarding mergers. He said he wanted to add that the Board should sit and discuss the expanding of our bond as it would go a far way in increasing our membership. Rev. Danvers responded that the matter of extension of our bond was in fact discussed at the last Board of Directors meeting. Rev. Danvers said those were matters that were being pursued, but reminded the meeting that all the factors surrounding those matters must be carefully analyzed and approached cautiously and diligently with the members' interest in mind. Mr. South said he was very happy that the Board had been giving those matters some consideration.

ANNOUNCEMENT

Rev. Danvers informed the newly elected Board of Directors that the meeting was scheduled for Monday, May 18, 2015 at the Mandeville Office, commencing at 5:30 pm.

Rev. Kingsley Andrews also announced a meeting of the Supervisory Committee to be held on Tuesday, May 19, 2015 at the Mandeville Office, commencing at 5:30 pm.

The Credit and the Sub-Credit Committees would meet on Thursday, May 21, 2015 at the Mandeville and Christiana Offices respectively, commencing at 5:30 pm.

SPECIAL PRESENTATION

Mrs. Cynthia Briscoe – General Manager made presentations to Mrs. Lesline Thomas and Mr. Robert Chennis, who have both served on the Board of Directors for six (6) years and were retiring. The General Manager expressed her gratitude and appreciation to the two individuals for their invaluable service to the Credit Union. The other retirees, Mrs. Pauline Isaacs-Cole and Mr. George Sloley were not in attendance.

Mrs. Briscoe expressed special thanks to CUMFC who had added to the prize list by offering US$50 each to two (2) members.

PRESENTATIONS

Mr. Lenroy Allen, Finance Manager, assisted by the Marketing team, led the proceedings of the presentation of prizes to 30 Early Bird winners.

VOTE OF THANKS

Rev. Paul Gardner moved the vote of thanks.

He thanked everyone for coming to the Annual General Meeting and particularly for those who led the convention: The Chairman – Mrs. Dianna Tomlinson, Mr. Michael Gottshalk, Miss Jholein Marshall and Miss Sandrene Bryan who serenaded us.

He also expressed thanks to the following individuals and organizations:

- The Jamaica Co-operative Credit Union League (JCCUL)
- Department of Co-operatives and Friendly Societies
- St. Elizabeth Co-operative Credit Union Limited
- Mr. Smith and Mr. Brown from NUCS
- To all the members who attended the AGM

CLOSURE

There being no other business, the National Anthem was sung and the Chairman closed the meeting at 7:10 pm.

Mr. Claude Rattray
Secretary

Rev. Charles Danvers
President

REPORT OF THE BOARD OF DIRECTORS

This report from the Board of Directors of the Manchester Co-operative Credit Union (1977) Limited is part of an important responsibility reposed in us by the general membership of our Credit Union. The year was particularly challenging with record numbers of murder, across the island, and deaths through motor vehicle crashes.



REV. CHARLES DANVERS
President of the Board of Directors

After lengthy negotiations the Government eventually settled wage and salary issues with the majority of public sector workers by year end. The Jamaican dollar continues to devalue while interest rates moved downward. The price of petrol declined significantly during the year. The probability of National Parliamentary Elections toward to end of the year did not materialize. The discussions on the Bank of Jamaica and its regulatory functions over Jamaica's Credit Unions became more intense toward the second half of the year.

The year under review saw mixed fortunes for the Manchester Co-operative Credit Union (1977) Limited. The growth targets for Loans and Membership were achieved while the Surplus target fell short. This was primarily because of the higher than budgeted for levels of delinquency. The reductions in interest rates caused a lessening of the earnings from Investments and Loans. The conversion of the Operating System did not materialize at the projected time, due in part to challenges with the Information Technology Provider.

The following provides further detailed insights of the Credit Union's operations for the financial year ended December 31, 2015, as the Board accounts to the owners, you our members.

BOARD OF DIRECTORS MEETINGS

The table below outlines the attendance of the Board of Directors at the eighteen (18) meetings that were held during the year:

NAMES	POSSIBLE MEETINGS	ATTENDED	EXCUSED	ABSENT
*Charles Danvers	18	18	0	0
*Claude Rattray	18	18	0	0
*Robert Chennis	6	5	1	0
*Lesline Thomas	6	5	1	0
*Paul Gardner	18	17	1	0
*Alfred Daley	18	18	0	0
*Joan Smith	18	13	5	0
Dianna Tomlinson	16	13	3	0
Sharon Peart	16	15	1	0
Pauline Isaacs-Cole	6	1	5	0
DarciaRoache	16	15	1	0
Nicholas Spence	10	10	0	0
Althia Scott-Jones	10	7	2	1
StallynInsang	10	10	0	0

*Members of the Executive

Condolence

The Board of Directors, Credit and Supervisory Committees and members of staff extend condolence to the families of our members who died during 2015.

Performance Overview

Key Areas	2015 Millions	2014 Millions	% Change	Target for 2016 Millions
Savings	3003	2677	12	3311
Net Loans	2228	1925	16	2569
Total Assets	4088	3684	11	4475
Institutional Capital	719	655	10	785
Surplus	67	91	-26	72

Delinquency

The Boardrecognizes that some our members felt the effects of the economic challenges during the year as for the first time in over five years the delinquency rate was over the 6% mark. At the end of the reporting period the rate stood at 6.02% which was 1.02% above the standard.

PERSONNEL

Training & Personal Development

The Organization continues to invest in our staff and volunteers in order to ensure improvement in our service delivery. During the year they participated in a number of seminars and workshops. Listed below are some of the training activities that were undertaken:

Credit Bureau, Teller Training, Meeting Protocols, Marketing, Audit Techniques, Developing Selling Techniques, Proceeds of Crime Act (POCA), Customer Service, Risk & Compliance, Fraud & Robbery and Service Excellence.

Recruitment & Separation

Changes to the staff complement during the year are as follows:

Promotions	2
Recruitments	6
Separation	1
Retirement	1

MARKETING ACTIVITIES

Listed below are some of the activities that the Marketing Department participated in during the year:

1. Knox Community College's Wellness Fair
2. Men Who Cook
3. JABATE Expo
4. Central Kiddies Marathon
5. JCDC Festival Queen Competition
6. Porus Health Centre's Health Expo
7. Church Teachers' College's 50th Anniversary Celebrations
8. Christiana High School's Youth Empowerment Fair
9. Percy Junor Hospital's Customer Appreciation Day Expo
10. Silver Streak Taxi Association's Annual General Meeting
11. High Mountain Coffee Road Races

Advertising and Promotions

The Department continued to utilize both print and electronic media to advertise the Credit Union's products and services. New radio commercials were created and strategically placed with some of the major media houses to include the RJR Communications Group, Irie FM, Kool 97 FM,KLAS FM 89, Mello FM and Power 106 FM. Existing Television Commercials were aired on TVJ and CVM Television along with crawl messages placed during major sporting events. Additionally, attractive advertisements were published in the Gleaner, The Jamaica Observer and the Mandeville Weekly.

Outdoor Advertising

During the year, the Credit Union improved its presence and visibility on the public thorough fares throughout the parish. New Super and Billboards were erected in Mandeville and Christiana, respectively. Additionally, three new Welcome Signs were mounted in various locations.Refurbishing work was started on the Bus Shed located on New Green Road, Mandeville.

PUBLIC RELATIONS

Labour Day project

The 2015 project was carried out at the Frankfield Primary and Infant School with the painting of the newly constructed Infant Department. This was accomplished through the efforts of staff and volunteers who joined with other persons from the school community. The project yielded success in bringing the building closer to completion.

Sydney Carter Scholarship & Bursaries

One (1) tertiary level student received the Sydney Carter Scholarship while five (5) others received bursaries from the fund to start the 2015/2016 academic year. The Scholarship and Bursaries totaling $1,000,000 were distributed as follows:

No.	NAME	INSTITUTION	AWARD	AMOUNT ($)
1	Tanielle Fairclough	University of the West Indies	Scholarship	$300,000.00 per year
2	Karlene McFarlane	University of the West Indies	Bursary	$125,000.00
3	Jheanell Brown	Northern Caribbean University	Bursary	$150,000.00
4	Dwade Wilson	University of the West Indies	Bursary	$125,000.00
5	Taivia Johnson	University of Technology	Bursary	$150,000.00
6	Renae Davy	University of Technology	Bursary	$150,000.00

GSAT Bursaries

Sixteen (16) students at the primary school level received GSAT Bursaries valued at $15,000.00 each to assist with the start of their secondary level education. One (1) additional student also received the Credit Union League Bursary valued at $20,000.00. These students were all selected based on them being active Treasure Chest Youth Savers with commendable results in the GSAT Examinations.

Youth Marketing

The Credit Union hosted a number of competitions targeting the youth to aid in their mental and physical development. These included:

- The 11th season of the Under 15 Netball Competition and the 4th staging of the Under 12 Netball Competition. The respective leagues were won by Mandeville Junior High and Bethabara Primary Schools.
- The Essay Competition at the primary level was won by Kashneil Murray of Grove Town Primary School.
- The Debating Competition was won by Knox College.

Town Hall Meetings

As part of its commitment to ongoing member education, the Credit Union hosted a series of town hall meetings throughout the year. These were geared towards educating members on the features and benefits of the various products and services. Entities such as the Heart Trust NTA, Conec Mobile Wallet and the Jamaica Co-operative Insurance Agency also participated in the activities. The meetings were held in the communities of New Forest, Devon and Spalding.

PRODUCTS & SERVICES

New Product Development and Special Promotions

During the year, the Moni Booster Loan Offers were launched. These included the offer for Debt Consolidation and Back to School. The CABS Loan product was enhanced with new and improved features while a CABS Equity Loan Product was launched. A special savings campaign dubbed "Savings is Back in Season" was also conducted highlighting the attractive interest rates that were on offer.

Moni Booster Loan Plan

This Loan option enabled members to access amounts up to $2 million for debt consolidation purposes or as a personal loan. Interest rates went as low as 12% with up to 5 years to repay.

Moni Booster Education Loan

This Loan option was designed to assist with Back to School expenses. Members could access from $50,000.00 up to a maximum of $500,000.00 to take care of school related expenses. Rates were as low as 19.5% with up to 3 years to repay.

CABS Loan

The CABS Loan product was revised to give members access to up to $2.5 million. A Top-Up feature was also added to the product.

CABS Equity Loan

This new product was introduced to give operators of commercial vehicles the leverage of using the equity in their motor vehicles to access loans. Vehicles up to 8 years old are accepted using 100% of the forced sale value. Members are given up to 5 years to repay.

Savings is Back in Season

This campaign ran throughout the second half of the year and promoted the Golden Harvest and Certificate of Deposit products. Members who invested in these instruments could have earned up to 5% and 6%, respectively on their savings.

International Credit Union Week 2015

International Credit Union (ICU) Week was celebrated from October 11-17, 2015, under the theme "People Helping People." The Credit Union participated in the celebrations through the following activities:

1. Church Service at the Church of the First Born, Calvary Gospel Hall, Christiana on October 11
2. Soup & Soap Outreach at the Manchester Infirmary on October 13
3. Member Appreciation Day treat and expo at the Christiana and Mandeville Branches on October 14 and 15, respectively.
4. Transport Centre Promotions in Mandeville & Christiana on October 15
5. Treasure Chest Youth Savers Fun Day at Brooks Park on October 16
6. Tree Planting at the Mount Olivet Boys' Home

Mid Island Chapter Awards Banquet

The awards for Member and Employee of the Year 2014 were presented to Miss Marcia Kirby and Mr. Oliver Harrison, respectively at the Mid Island Chapter of Credit Unions Annual Awards Banquet. The function was hosted by the St. Elizabeth Co-operative Credit Union Limited.

Awards & Recognition

Our Credit Union once again received top awards from the Jamaica Co-operative Credit Union League for its performance in the 2014 financial year. We were presented with the Award for Most Outstanding Parish Credit Union and the Award for Runner –up Mega Credit Union. These awards were received for the fourth and third years consecutively. The Manchester Chamber of Commerce also recognized the Organization for providing 'Exceptional Customer Service' in 2015 at its annual awards banquet. Thanks to you our valued members who all made this possible.

Representation at Affiliated Organizations

Our Credit Union participated in a number of activities spearheaded by the Credit Union League and affiliates during the review period.

The League's Convention & Annual General Meeting

The League held its 74th Annual General Meeting under the theme 'Local Service....GlobalGood.' The year 2014 marked the second year of the League's transformationand the Group was further consolidated with the addition of Quality Network Co-operative (ONET) and Centralize Strategic Services Limited (CSS) as subsidiaries. The League also reported that they received approval from the Bank of Jamaica to pilot phase 2 of the mobile wallet. The Group recorded consolidated profit of $29.9 million after tax and a total comprehensive income of $62.5 million. It was also reported that the Movement recorded lower growth rates in savings and loans when compared to 2013. At the time of reporting the League was awaiting the draft of the BOJ Credit Union Regulations.

Caribbean Confederation of Credit Unions (CCCU)

The58th Convention and AGM was held under the theme 'Celebrating Success and Embracing New Challenges for Sustainable Development'

The following are some of the topics on which presentations were made:

- Engage My Mind – The Human Side of Change
- The Payments Revolution: The Impact of New Financial Technologies & Implications for Growth, Competition & Fraud
- Enhancing Financial Literacy and Access to Credit
- Cyber security: Identifying and Locating Threats
- The Communication Revolution: Driving Growth Through Social Business
- Folding Time & Enhancing Productivity: How to Achieve More in Less Time
- Developing Emerging Leaders and Promoting Effectiveness in Leadership
- Moving at the Speed of Digital: Next Generation Banking

It was noted at the conference that the way forward for the Credit Union Movement is that we must seek to maximize Human capital, effectively manage our time, engage in a timely decision-making process, focus on succession planning and identify potential leaders. In so doing, we create for our members an experience that they will want to repeat.

World Council of Credit Unions (WOCCU)

The conference saw credit union leadersfrom over 65 countries meeting to share experiences as well as learning from leaders in other industries. Listed below are highlights of presentations made at the conference:

- Best Practice - Looking at Changes, Trends, and Best Practices to Build a Successful Rewards Programme

Monetizing Mobile Payments and Increasing Revenue

Payment Technology through Tomorrow; Branch Transformation

How do you delight your members?

How do you manage risk? How do you reinvent your business?

The Branch has to entice people to come in

Simplify Banking

Solve people's problems

Save people time.

Leaders were encouraged to face the challenges and plan to win.

Board of Directors



(L-R): Mrs. Darcia Roache, Mr. Stallyn Insang, Rev. Joan Smith, Mrs. Dianna Tomlinson, Mr. Alfred Daley, Rev. Charles Danvers, Mrs. Cynthia Briscoe (General Manager), Mr. Claude Rattray, Rev. Dr. Paul Gardner, Mr. Nicholas Spence, Mrs. Althia Scott-Jones. (Inset: Mrs. Sharon Peart)

- At the Intersection between Millennials & Credit Unions: Lessons Learned on Global Scale When You Pair Millennials & Technology.

The power of Social media

Mobile first

Board composition and Millennials

Simplicity and relevance

Building & Maintaining Effective 3rd Party Risk Programme

Driving Non-Interest Incomeby Cross-Selling

- Disruption: Lessons on How Your Credit Union Can Win Your Members Loans

How to fight disruption- Be Alert! Build an offensive strategy

Pay attention to the clock

Be pre-emptive- empower the member

Fraud-The new 'F-Word' Omni Channel Recent developments in Anti-Money Laundering compliance

- Recruiting Youth-Bringing Down the Average age of Credit Unions

  'Think The Unthinkable to Spark Transformation in Your Business'.

- Across The Globe: Mergers are Occurring at Record Speed-Are You Approaching a Merger Successfully?

Look at the Demographics

Why merge? Board needs to be 'Hands On' in the process

'Buy-in' from Internal Customers important

Single Operating platform the Ideal

Minimal use of Consultants

Emerging Payment technologies- Risk Management

How to Work With Your Regulator

Reaching Gen Y and Millennials With a Message They'll Actually Listen To

System Evolution Services

Public Policy and branding from a Second Tier Perspective What Matters Now

Insights from the MiddleFuture of PaymentsThe most invisible Wallet wins!! FRAUD? Grassroots Advocacy

Reinvent and Reposition: Essential Principles for Growth and Profitability. Small Credit Union Sustainability and Growth Why Gen Y? The Role of Wealth Management in Attracting and Retaining Millennials.

These conferences were very enlightening and the presentations very relevant. The participants were able to learn from co-operators of varied cultures as we interacted with each other.

Social and Community Outreach

The following represents contributions made during the year.

EDUCATIONAL ASSISTANCE	49,500.00
ALSTON HIGH SCHOOL	4,000.00
BELAIR HIGH SCHOOL	5,500.00
CHRISTIANA LEASED PRIMARY	27,500.00
CHRISTIANA MORAVIAN PRIMARY	3,000.00
CHURCH TEACHERS' COLLEGE	72,500.00
CRAIGHEAD ALL AGE SCHOOL	3,000.00
FRANKFIELD PRIMARY & INFANT SCHOOL	40,000.00
GROVE MOUNT BASIC SCHOOL	6,000.00
HATFIELD PRIMARY & JUNIR HIGH	3,000.00
HOLMWOOD TECH.HIGH SCHOOL	100,000.00
KHULCHA THEATRE SCHOOL OF DANCE	10,000.00
KNOX COLLEGE	25,000.00
KNOX COMMUNITY COLLEGE	17,000.00
MAY DAY HIGH SCHOOL	3,000.00
NEW FOREST PRIMARY, JUNIOR HIGH	10,000.00
NORTHERN CARIBBEAN UNIVERSITY	50,000.00
SACRED HEART ACADEMY	2,250.00
SPALDING HIGH SCHOOL	3,000.00
SPALDING PRIMARY SCHOOL	5,000.00
UNIPEN EARLY CHILDHOOD INSTITUTION	5,000.00
UNIVERSITY OF THE WEST INDIES	150,000.00
VILLA ROAD PRIMARY & JUNIOR HIGH	5,000.00
WRIGHT'S BASIC SCHOOL	5,000.00
YABNEL CARE CENTRE SCHOOL	3,500.00
KNOX JUNIOR SCHOOL	15,000.00
WEST INDIES COLLEGE PREP	10,000.00
CHUDLEIGH PATH EARLY CHILDHOOD	10,000.00
CONTRIVANCE EARLY CHILDHOOD	10,000.00
WOODLANDS PRIMARY SCHOOL	20,000.00
MEDICAL ASSISTANCE	53,500.00
ASSEMBLIES OF GOD BIBLE COLLEGE	2,500.00
BRYCE UNITED CHURCH	5,000.00
CALVARY GOSPEL HALL	5,000.00
CHANTILLY NEW TESTAMENT CHURCH	5,000.00
CHRISTIANA CITIZENS COMMITTEE	50,000.00
CHURCH OF THE UNITED BRETHREN	5,000.00
DYNAMIC OPTIMIST CLUB OF SPALDLING	3,000.00
LIONS CLUB OF MANDEVILLE	6,000.00
LMAJ MANCHESTER CHAPTER	16,000.00
M/VILLE NEW TESTAMENT CHURCH OF GOD	7,500.00
MANCHESTER CHAMBER OF COMMERCE	18,000.00
MANCHESTER PARISH COUNCIL	6,000.00
MANDEVILLE BAPTIST CHURCH	6,000.00
MANDEVILLE COMMUNITY FELLOWSHIP	7,500.00
MANDEVILLE NEW TESTAMENT CHURCH	3,500.00
MANDEVILLE POLICE YOUTH CLUB	2,500.00
MELROSE MEWS CITIZENS' ASSOC'N	3,000.00
MOUNT ZION APOSTOLIC TABERNACLE	2,000.00
N.E.MANCHESTER TAXI ASSN.	4,000.00
PUSEY HILL UNITED CHURCH	3,500.00
JAMAICA FIRE BRIGADE	7,000.00
ROTARY CLUB OF MANDEVILLE	9,000.00
ROYAL AIR FORCES ASSOCIATION	5,000.00
RUSSELLS SHILOH APOSTOLIC CHUR	6,000.00
ST AUGUSTINE'S ANGLICAN CHURCH	10,000.00
ST MARK MANDEVILLE PARISH CHUR	4,800.00
JA.ASSN.OF CREDIT UNION MANAGERS	29,000.00
THE ROTARY CLUB OF CHRISTIANA	6,000.00
THE SHILOH APOSTOLIC CHURCH OF	24,000.00
FINANCIAL ASSISTANCE	10,000.00
FUNERAL ASSISTANCE	10,000.00
ZORN MORAVIAN CHURCH	5,000.00
TOTAL	**1,013,050.00**

THE WAY FORWARD

The theme for our 2015 Strategic Planning Session which was held from December 4-6, 2015 was 'Embracing Technology....Enabling Growth'. The strategies were crafted against the background of assessing the macro-economic conditions within which the Credit Union operates as well as assessing the internal environment.

The Strategic objectives are as follows:

- The development and implementation of a comprehensive compliance plan to enable the Credit Union to attain and maintain licensing in accordance with the BOJ regulations.
- To achieve greater levels of efficiency in service delivery and other key areas of operations to sustain the viability of the Credit Union.
- To strengthen the key financial pillars of the Credit Union through the crafting and effective implementation of strategies.

For 2016 the financial & operational targets are:

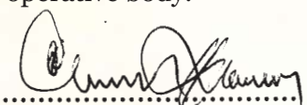
- To attain 17.5% loans growth
- To grow savings by 12%
- To grow assets by 11% to $4.5b
- To attain surplus of $72m
- To attain an average loan yield of 14.85%
- To attain an average investment yield of 5.8%
- To maintain delinquency rate of 5.75%
- To attain institutional capital ratio of 19.2% amounting to $875m
- To maintain a 8.3% operating expense: assets ratio
- To attain net return on asset ratio of 1.7%
- To attain a 57% net loan: assets ratio
- To maintain a non-earning asset ratio of 6%
- To attain growth in membership of 5%
- To increase youth savers by 15%
- To utilize electronic banking

CONCLUSION

The strength and viability of the Manchester Co-operative Credit Union (1977) Ltd. resides with the members. The Board expresses its appreciation to the members who continue to support their Credit Union and live up to their obligations. Greater responsibility is needed though, on the part of some of our members whose actions have caused the delinquency rate to be going in the wrong direction. We recognize that sometimes members face unexpected challenges, however, that is precisely why your Credit Union is your partner, to help you overcome life's difficulties. The Board has worked closely with the management and staff in crafting and providing the best possible financial and social benefits for our members and the wider Manchester community.

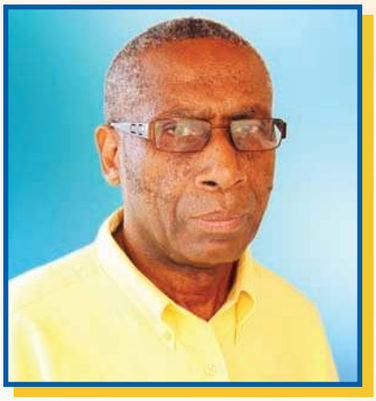
The Board recognizes and thanks the General Manager, Branch Managers, Unit Managers, all Supervisory staff and the full complement of all staff members for their dedication to the Credit Union's continued viability, in the interest of our members. This team, lead by Mrs. Cynthia Briscoe, the General Manager, has provided support and guidance through the year as we approached each hurdle that presented itself. We express gratitude to the corps of Volunteers who continue to give of their time, wise counsel and experience, in the interest of a healthy Organization. To all other Co-operative partners, we register our thanks for your continued support: our Auditors, our League, our bankers, providers of the various goods and services, your help is appreciated.

The very thin interest margins that now obtain have made it imperative that our efficiencies are of the highest degree. Our faith in the God who is 'The Great Provider' has given us the strength and forbearance to be realistic, cautious and pragmatic. As God's instruments of 'Love and Peace' we go forward with the assurance that in His hands we are safe. God's guiding light be on us all as a co-operative body.



Rev Charles Danvers
President

TREASURER'S REPORT
FOR FINANCIAL YEAR ENDED DECEMBER 31, 2015



Alfred Daley
Treasurer

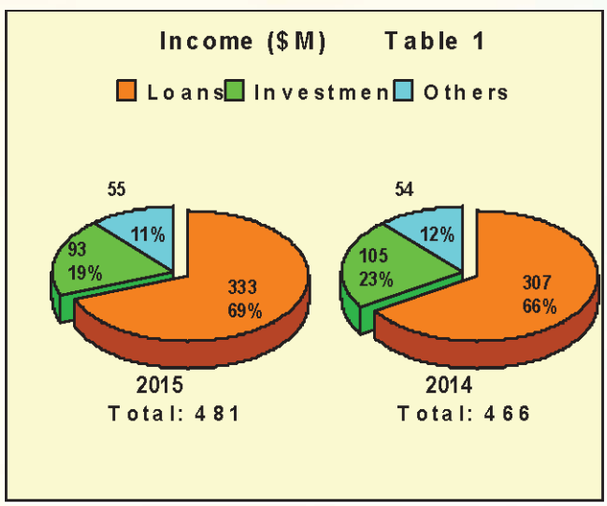
The Government, aided by its ability to pass all of the IMF tests to-date, was able to achieve improvements in key economic fundamentals during the year 2015. Inflation, for example, reached its lowest levels in fifty years and there was further strengthening of the net international reserves. Additionally, there was a welcomed decline in the Debt to GDP ratio due mainly to the Petro Caribe Debt buyback deal. This led to the relaxation of the IMF's stringent fiscal surplus target – a move that was intended to give the Government well needed fiscal space to stimulate economic growth.

The improvement in the economic indicators, coupled with strong investor confidence, resulted in a noticeable reduction in interest rates. This reduction was expected to fuel economic activities through increase investments from the productive sectors. On the other hand, lower interest rates have had adverse impact on the revenues of institutions within the financial sector.

Our Credit Union was not immune to the effects of the fall in interest rates as, loan and investment yields fell to their lowest levels during the year. Furthermore, in the face of fierce competition resulting from the lower margins, the necessary steps were taken to ensure that our Organization remain viable. These measures included the offering of very attractive rates on savings as well as the reduction in rates on loans. While the reduction in rates resulted in the desired growth in loans and savings, it also triggered a fall-off in interest income and a consequent decline in the Credit Union's surplus.

Profitability

Total income of $481 million was earned during the 2015 financial year as shown in **Table 1.** This was 3.4% above the amount earned in 2014. It cost a total of $414 million to carry out the operations of the Organization in 2015. This was 10.5% more than what was spent during the previous year.



The surplus for the year was $67.2 million. This was 26% below the amount earned in 2014. The decline in surplus was due primarily to the 105% increase in provisions for loan losses as well as the lower than projected interest from loans and investment during the year.

Interest from loans contributed $333 million or 69% of total income. Income generated from investments was $93 million. This was $11 million or 11% below the amount earned in 2014. The decrease in investment income was as a result of the fall in interest rates during the year. Income from fees and commissions contributed $55

million or 11% of total revenues for the year. This was a slight increase over the $54 million earned in the previous year.

Key Profitability Trends

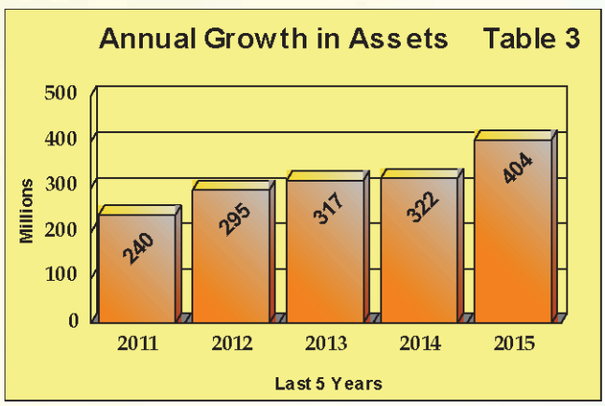
Table 2 shows the trends in key profitability ratios over the past five (5) years. The Credit Union achieved an income to asset ratio of 11.8% in 2015. This was a decline from the 12.6% in the 2014. The decline in the income to asset ratio was as a result of the reduction in the interest rate on loans and investments during the year. The return on assets ratio was 1.6% at the end of the financial year. This was the lowest since 2011 and is an indication of the impact of the gradual slide in rates on the Credit Union's bottom line.

Table 2

Profitability Indicators	Year 2011	Year 2012	Year 2013	Year 2014	Year 2015
Total Income to Assets	12.8%	12.7%	12.8%	12.6%	11.8%
Operating Exp. to Assets	7.3%	7.5%	7.3%	7.2%	7.0%
Return on Assets	2.9%	2.6%	2.7%	2.5%	1.6%

Asset Growth

Our Organization reached a significant milestone in 2015 when the asset base surpassed the $4 billion mark. Total assets ended the year at $4.1 billion – up 11% from the $3.7 billion the year before. **Table 3** indicates the movement in our Credit Union's asset base over the last five (5) years. The accumulated increase over the period was $1.6 billion or 63%.

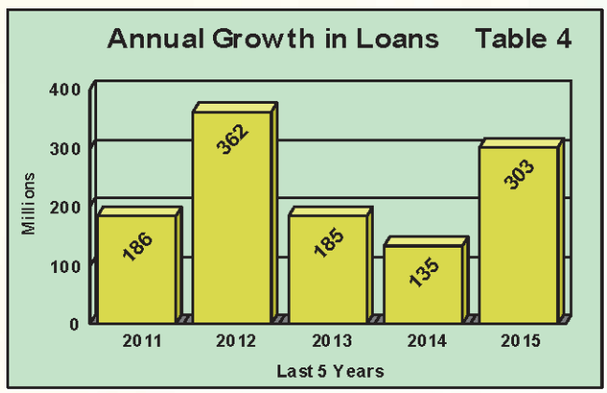


Loans

The growth in total assets was aided by a 15.7% or $303 million increase in loans after provisions were accounted for. This increase was supported by robust growth in motor vehicle and real estate loans which rose by 26% and 23% respectively. Unsecured loans also went up by 15% during the year.

Table 4 shows the extent of the growth in net loans over the last five (5) years. The growth in 2015 was only surpassed by the record $362 million increase in 2012. The average annual loans growth over the five year period was 22%.

Given the fall in lending rates, it is crucial that the pace of loans growth be accelerated. Therefore, members are encouraged to make the Credit Union your first choice for loans. To this end, your Board will continue to ensure that loans remain accessible to you the members, as we aim to maintain buoyant growth in this core business area.



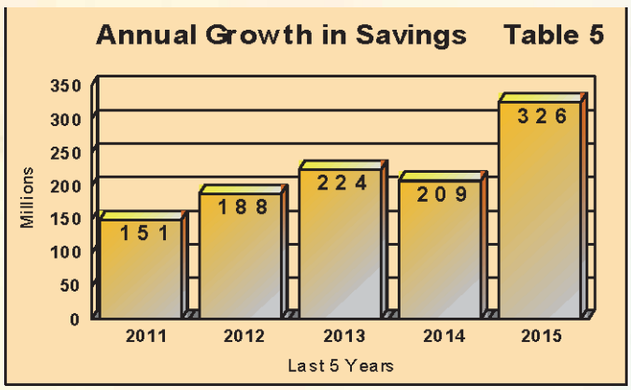
Investments and Cash Reserves

The investment portfolio closed the year at $1.62 billion. This represented an increase of 6% over 2014 and accounted for 40% of total assets. The Credit Union earned an average of 6.5% on investments during the year. This was below the 7.4% achieved in 2014.

The Credit Union maintained adequate liquidity reserves during the year and was always able to meet the day-to-day cash flow requirements. These reserves were held in interest bearing accounts at the Credit Union Fund Management Company.

Savings

Total savings grew by $326 million or by 12% during the year. This was noticeably the highest annual growth over the five years as shown in **Table 5**. The strong savings growth in 2015 resulted in the portfolio surpassing the $3 billion mark at the end of the year. We commend you for this achievement and assure you that our Organization will continue to offer competitive returns on its range of savings and investments products.



Institutional Capital Reserve

Our Credit Union was able to strengthen its capital base during the year. Total institutional capital stood at $719 million at the end of the period. This represented a $64 million or 10% growth. The institutional capital to asset ratio fell from 17.8% in 2014 to 17.6% at the end of the 2015 financial year. This was well above the minimum 8% standard prescribed by our League and surpassed the capital ratio set by the Bank of Jamaica. This crucial reserve will be further strengthened with an additional allocation from the surplus of the 2015 financial year.

Key Financial Indicators

Our Organization exceeded the League's standards in most of the key financial indicators. Excerpts of these are outlined in **Table 6**. The loan to asset ratio rose from 52.2% in 2014 to 54.5% in 2015. Notwithstanding this improvement, the ratio remained below the minimum standard of 60%.

Table 6

Key Financial Indicators	Target Standard	2015 Actual	2014 Actual
Provision for Loan Loss	100.0%	133%	139%
Institutional Capital : Total Assets	8.0%	17.6%	17.8%
Net Loans: Total Assets	60% -80%	54.5%	52.2%
Delinquent Loans: Total Loans	< or = 5%	6.0%	5.1%
Non-Earning Asstes: Total Assets	7.0%	5.9%	6.4%
Operating Expense : Total Assets	8.0%	7.0%	7.2%
Membership Growth	5.0%	5.4%	5.1%
Asset Growth	10.3%	11.0%	9.6%
Institutional Capital Growth	13.0%	9.5%	12.6%

Summary of Income & Expenses

Table 7

Income & Expenditure	Year 2015	Year 2014	Increase/ Decrease	% Change
Total Income	481,244,643	465,520,927	15,723,716	3.4%
Total Expenses	-414,016,462	-374,803,526	-39,212,936	10.5%
Surplus	*67,228,181*	*90,717,401*	*-23,489,220*	*-25.9%*
Add Undistributed Surplus	102,892,914	100,073,991	2,818,923	2.8%
Less Transfers	-81,733,359	-87,898,478	6,165,119	-7.0%
Available for Appropriation	*88,387,736*	*102,892,914*	*-14,505,178*	*-14.1%*

Summary of Balance Sheet

Table 8

Assets, Liabilities & Reserves	Year 2015	Year 2014	Increase/ Decrease	% Change
We The Members Own:				
Institutional Capital	623,298,853	569,461,217	53,837,636	9.5%
Permanent Shares	95,452,550	85,621,044	9,831,506	11.5%
Other Reserves	224,319,413	207,851,996	16,467,417	7.9%
Undistributed Surplus	88,387,736	102,892,914	-14,505,178	-14.1%
Total	*1,031,458,552*	*965,827,171*	*65,631,381*	*6.8%*
The Money Was Used For:				
Net Loans to Members	2,228,073,886	1,925,027,414	303,046,472	15.7%
Cash & Investments	1,680,710,249	1,579,462,274	101,247,975	6.4%
Fixed Assets	73,451,490	69,860,332	3,591,158	5.1%
Other Assets	105,926,413	110,046,603	-4,120,190	-3.7%
Total Assets	*4,088,162,038*	*3,684,396,623*	*403,765,415*	*11.0%*
Less Savings & Other Liabilities	3,056,703,486	2,718,569,452	338,134,034	12.4%
Our Credit Union's Net Worth	*1,031,458,552*	*965,827,171*	*65,631,381*	*6.8%*

Conclusion

The year 2015 was a defining and challenging one, which in many ways brought out the best in us. This happened because your Credit Union chose to face the challenges and overcome them. The twin goals of providing our membership with excellent products and services, along with making the institution stronger and more viable were attained. This was achieved because you the members responded positively to the various product offerings.

I take this opportunity to express thanks to the committed staff and volunteers for the commendable performance, and to you our members who continue to give your full support.

It is expected that the financial environment in 2016 will be even more competitive than the previous year. However, the lessons learnt during 2015 will help to inform how we proceed in the future. We are committed to continue to do whatever is required to make the Manchester Cooperative Credit Union stronger, more secure, and fully capable of serving you better.

Alfred Daley
Treasurer

DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

(Agency of the Ministry of Industry, Commerce, Agriculture and Fisheries)

2 MUSGRAVE AVENUE
KINGSTON 10

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or 978-1946
Fax: 927-5832

E-mail: dcfs@cwjamaica.com

ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE PERMANENT SECRETARY AND THE FOLLOWING REFERENCE QUOTED:-

S1
R459/-905/03/16

March 31, 2016

The Secretary
Manchester Co-operative Credit Union Limited
2 Main Street
Mandeville P.O.
MANCHESTER

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2015.

You must now hold the Annual General Meeting convened under **Regulation 19** of the Co-operative Societies Regulations, 1950. At least seven (7) days notice shall be given before the meeting is held.

A copy of your report, which you intend to present to the Annual General Meeting on the year's working of the Society as set forth in **Regulation 35** of the Co-operative Societies Regulations should be forwarded to this office.

Kindly advise me of the date of the Annual General Meeting, so that arrangements may be made for the Department to be represented.

Yours sincerely,

.....

Lavern Gibson-Eccleston (Mrs.)
FOR REGISTRAR OF CO-OPERATIVE SOCIETIES
AND FRIENDLY SOCIETIES

LGE/kd

MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.

Financial Statements

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

FINANCIAL STATEMENTS

&

Notes to the Financial Statements

YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

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UHY Dawgen
Chartered Accountants

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REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES
AND FRIENDLY SOCIETIES
RE MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)

Report on the Financial Statements

We have audited the accompanying financial statements of the Manchester Co-operative Credit Union (1977) Limited which comprise the statement of financial position as at 31st December 2015, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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.

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UHY Dawgen Chartered Accountants

Incorporating Paul Goldson & Co.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE REGISTRAR OF CO-OPERATIVES
AND FRIENDLY SOCIETIES
RE MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
(A SOCIETY REGISTERED UNDER THE CO-OPERATIVE SOCIETIES ACT)**

Auditors' Responsibility - Cont'd
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 financial statements, give a true and fair view of the financial position of Manchester Co-operative Credit Union (1977) Limited and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Co-operative Societies Act.

Report on additional matters as required by the Co-operative Societies Act
We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements which are in agreement therewith, give the information required by the Co-operative Societies Act, in the manner required.

UHY Dawgen
UHY DAWGEN CHARTERED ACCOUNTANTS
Signature

10th March 2016

A member of UHY International, a network of independent accounting and consulting firms

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

	Notes	2015 $	2014 $
ASSETS:			
EARNING ASSETS:			
Liquid Assets	4	911,594,267	840,572,505
Loans to Members after Provision for Impairment	5	2,228,073,886	1,925,027,414
Financial Investments	7	708,823,124	683,894,522
Total Earning Assets		3,848,491,277	3,449,494,441
NON-EARNING ASSETS:			
Liquid Assets	8	60,292,858	54,995,247
Other Assets	9	39,128,413	43,634,603
Property, Plant and Equipment	10	73,451,490	69,860,332
Retirement Benefit Asset	11	66,798,000	66,412,000
Total Non-Earning Assets		239,670,761	234,902,182
TOTAL ASSETS		4,088,162,038	3,684,396,623
LIABILITIES:			
INTEREST BEARING LIABILITIES:			
Members' Voluntary Share Capital	12	1,532,122,921	1,362,557,298
Savings Deposits	13	1,471,370,935	1,314,804,679
Total Interest Bearing Liabilities		3,003,493,856	2,677,361,977
NON-INTEREST BEARING LIABILITIES:			
Accruals		17,155,582	18,465,678
Payables	14	26,441,438	16,703,800
Others	15	9,612,610	6,037,997
Total Non-Interest Bearing Liabilities		53,209,630	41,207,475
TOTAL LIABILITIES		3,056,703,486	2,718,569,452
EQUITY:			
Members' Permanent Share Capital	16	95,452,550	85,621,044
Non-Institutional Capital	17	312,707,149	310,744,910
Institutional Capital	18	623,298,853	569,461,217
Total Capital		1,031,458,552	965,827,171
TOTAL LIABILITIES AND EQUITY		4,088,162,038	3,684,396,623

The accompanying notes form an integral part of the financial statements.

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 10/3/2016 **AND SIGNED ON ITS BEHALF BY:**

REV. CHARLES DANVERS
PRESIDENT

MR. ALFRED DALEY
TREASURER

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

	Notes	2015 $	2014 $
INTEREST INCOME:			
Liquid Assets		43,280,502	61,637,563
Loans to Members		332,802,720	306,910,369
Financial Investments		50,251,251	43,343,774
		426,334,473	411,891,706
INTEREST EXPENSE:			
Interest Expense on Members' Voluntary Shares		25,239,664	34,142,341
Savings Deposits		47,533,299	43,402,142
Other Financial Costs	19	12,556,472	11,154,386
		85,329,435	88,698,869
NET INTEREST INCOME		341,005,038	323,192,837
Less Provision for Loan Impairment		41,302,121	20,130,631
NET INTEREST INCOME AFTER PROVISION		299,702,917	303,062,206
NON - INTEREST INCOME			
Other Income	20	54,910,170	53,629,221
		54,910,170	53,629,221
GROSS INCOME		354,613,087	356,691,427
Less Operating Expenses	21	285,424,906	264,174,026
NET INCOME BEFORE HONORARIA		69,188,181	92,517,401
Honoraria Payment		(1,900,000)	(1,800,000)
NET INCOME AFTER HONORARIA		67,288,181	90,717,401
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit or loss:			
Revaluation- Available for Sale Investments		(1,869,981)	1,378,362
Items that will not be reclassified to profit or loss:			
Pension Income	11	386,000	12,576,000
Minimum Business Tax		(60,000)	(60,000)
TOTAL COMPREHENSIVE INCOME AFTER HONORARIA		65,744,200	104,611,763

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY

	Members' Permanent Share Capital	Non-Institutional Capital	Institutional Capital	Total
	$	$	$	$
Balance at 31st December 2013 brought forward	76,664,752	279,090,479	505,957,737	861,712,968
Total Surplus for the Year	-	90,717,401	-	90,717,401
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	1,378,362	-	1,378,362
Pension Income	-	12,576,000	-	12,576,000
Minimum Business Tax	-	(60,000)	-	(60,000)
	-	13,894,362	-	13,894,362
Total Comprehensive Income for the Year after Honoraria	-	104,611,763	-	104,611,763
Transactions with Owners				
Permanent Share Capital Subscribed	8,956,292	-	-	8,956,292
Appropriations of Net Surplus for 2013				-
Dividends on Permanent Shares	-	(7,484,998)	-	(7,484,998)
Institutional Capital	-	(45,000,000)	45,000,000	-
Capital Development Reserves	-	(5,000,000)	-	(5,000,000)
Social Outreach Programme	-	(750,000)	-	(750,000)
Sydney Carter Scholarship	-	(800,000)	-	(800,000)
Disaster Relief Fund	-	(300,000)	-	(300,000)
Unsecured Loan Reserve	-	(10,000,000)	-	(10,000,000)
Transfer to Capital Development Programme	-	5,000,000	-	5,000,000
Transfer to Social Outreach Programme	-	750,000	-	750,000
Transfer to Sydney Carter Scholarship	-	800,000	-	800,000
Transfer to Disaster Relief Fund	-	300,000	-	300,000
Transfer to Unsecured Loan Reserve	-	10,000,000	-	10,000,000
Redemption of Permanent Shares	-	(127,869)	-	(127,869)
Payments made from Other Non-Qualifying Reserves	-	(1,840,985)	-	(1,840,985)
Transfer to Statutory Reserve	-	(18,503,480)	18,503,480	-
	8,956,292	(72,957,332)	63,503,480	(497,560)
Balance at 31st December 2014 carried forward	85,621,044	310,744,910	569,461,217	965,827,171

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY (CONT'D)

	Members' Permanent Share Capital	Non-Institutional Capital	Institutional Capital	Total
	$	$	$	$
Balance at 31st December 2014 brought forward	85,621,044	310,744,910	569,461,217	965,827,171
Total Surplus for the Year	-	67,288,181	-	67,288,181
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	(1,869,981)	-	(1,869,981)
Pension Income	-	386,000	-	386,000
Minimum Business Tax	-	(60,000)	-	(60,000)
	-	(1,543,981)	-	(1,543,981)
Total Comprehensive Income for the Year after Honoraria	-	65,744,200	-	65,744,200
Transactions with Owners				
Permanent Share Capital Subscribed	9,831,506	-	-	9,831,506
Appropriations of Net Surplus for 2014				-
Dividends on Permanent Shares	-	(8,345,891)	-	(8,345,891)
Institutional Capital	-	(40,000,000)	40,000,000	-
Capital Development Reserves	-	(5,000,000)	-	(5,000,000)
Small Business Development	-	(7,500,000)	-	(7,500,000)
Social Outreach Programme	-	(1,000,000)	-	(1,000,000)
Sydney Carter Scholarship	-	(1,000,000)	-	(1,000,000)
Disaster Relief Fund	-	(100,000)	-	(100,000)
Unsecured Loan Reserve	-	(5,000,000)	-	(5,000,000)
Transfer to Capital Development Programme	-	5,000,000	-	5,000,000
Transfer to Small Business Development	-	7,500,000	-	7,500,000
Transfer to Social Outreach Programme	-	1,000,000	-	1,000,000
Transfer to Sydney Carter Scholarship	-	1,000,000	-	1,000,000
Transfer to Disaster Relief Fund	-	100,000	-	100,000
Transfer to Unsecured Loan Reserve	-	5,000,000	-	5,000,000
Redemption of Permanent Shares	-	251,971	-	251,971
Payments made from Other Non-Qualifying Reserves	-	(1,900,573)	-	(1,900,573)
Retained Undistributed Earnings	-	50,168	-	50,168
Transfer to Statutory Reserve	-	(13,837,636)	13,837,636	-
	9,831,506	(63,781,961)	53,837,636	(112,819)
Balance at 31st December 2015	95,452,550	312,707,149	623,298,853	1,031,458,552

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

NON-INSTITUTIONAL CAPITAL

	(i) Capital Reserves $	Other Reserves $	(ii) Capital Development Reserves $	Retirement Benefit Reserves $	Other Non - Qualifying Reserves $	Permanent Share Transfer Fund $	Undistributed Net Income $	Total $
Balance at 31st December 2013 brought forward	8,725,445	30,758,338	70,000,000	53,836,000	10,876,544	4,820,161	100,073,991	279,090,479
Total Surplus for the Year	-	-	-	-	-	-	90,717,401	90,717,401
Other Comprehensive Income								
Revaluation - Available for Sale Investments	-	1,378,362	-	-	-	-	-	1,378,362
Pension Income	-	-	-	12,576,000	-	-	-	12,576,000
Minimum Business Tax	-	-	-	-	-	-	(60,000)	(60,000)
	-	1,378,362	-	12,576,000	-	-	(60,000)	13,894,362
Total Comprehensive Income for the Year after Honoraria	-	1,378,362	-	12,576,000	-	-	90,657,401	104,611,763
Transactions with Owners								
Appropriations of Net Surplus for 2013								
Dividends on Permanent Shares	-	-	-	-	-	-	(7,484,998)	(7,484,998)
Transfer to Institutional Capital	-	-	-	-	-	-	(45,000,000)	(45,000,000)
Capital Development Reserves	-	-	5,000,000	-	-	-	(5,000,000)	-
Social Outreach Programme	-	-	-	-	750,000	-	(750,000)	-
Sydney Carter Scholarship	-	-	-	-	800,000	-	(800,000)	-
Disaster Relief Fund	-	-	-	-	300,000	-	(300,000)	-
Unsecured Loan Reserve	-	10,000,000	-	-	-	-	(10,000,000)	-
Transfer of 20 % of Net Income for the Year before Honoraria	-	-	-	-	-	-	(18,503,480)	(18,503,480)
Transfer from Permanent Share Transfer Fund	-	-	-	-	-	(127,869)	-	(127,869)
Payments made from Non-Qualifying Reserve	-	-	-	-	(1,840,985)	-	-	(1,840,985)
Transactions with Owners	-	10,000,000	5,000,000	-	9,015	(127,869)	(87,838,478)	(72,957,332)
Balance at 31st December 2014	8,725,445	42,136,700	75,000,000	66,412,000	10,885,559	4,692,292	102,892,914	310,744,910

(i) Capital Reserves represent unrealised gain on revaluation of the Co-operative's building.

(ii) Capital Development Reserves are being set aside for the future acquisition of Computer Equipment and Software.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

NON-INSTITUTIONAL CAPITAL (CONT'D)

	(i)		(ii)					
	Capital Reserves	**Other Reserves**	**Capital Development Reserves**	**Retirement Benefit Reserves**	**Other Non - Qualifying Reserves**	**Permanent Share Transfer Fund**	**Undistributed Net Income**	**Total**
	$	$	$	$	$	$	$	$
Balance at 31st December 2014 brought forward	8,725,445	42,136,700	75,000,000	66,412,000	10,885,559	4,692,292	102,892,914	310,744,910
Total Surplus for the Year	-	-	-	-	-	-	67,288,181	67,288,181
Other Comprehensive Income								
Revaluation - Available for Sale Investments	-	(1,869,981)	-	-	-	-	-	(1,869,981)
Pension Income	-	-	-	386,000	-	-	-	386,000
Minimum Business Tax	-	-	-	-	-	-	(60,000)	(60,000)
	-	(1,869,981)	-	386,000	-	-	(60,000)	(1,543,981)
Total Comprehensive Income for the Year after Honoraria	-	(1,869,981)	-	386,000	-	-	67,228,181	65,744,200
Transactions with Owners								
Appropriations of Net Surplus for 2014								
Dividends on Permanent Shares	-	-	-	-	-	-	(8,345,891)	(8,345,891)
Transfer to Institutional Capital	-	-	-	-	-	-	(40,000,000)	(40,000,000)
Capital Development Reserves	-	-	5,000,000	-	-	-	(5,000,000)	-
Small Business Development	-	-	-	-	7,500,000		(7,500,000)	-
Social Outreach Programme	-	-	-	-	1,000,000	-	(1,000,000)	-
Sydney Carter Scholarship	-	-	-	-	1,000,000	-	(1,000,000)	-
Disaster Relief Fund	-	-	-	-	100,000	-	(100,000)	-
Unsecured Loan Reserve	-	5,000,000	-	-	-	-	(5,000,000)	-
Transfer of 20% of Net Income for the Year before Honoraria	-	-	-	-	-	-	(13,837,636)	(13,837,636)
Transfer from Permanent Share Transfer Fund	-	-	-	-	-	251,971	-	251,971
Retained Undistributed Earnings	-	-	-	-	-	-	50,168	50,168
Payments made from Non-Qualifying Reserve	-	-	-	-	(1,900,573)	-	-	(1,900,573)
Transactions with Owners	-	5,000,000	5,000,000	-	7,699,427	251,971	(81,733,359)	(63,781,961)
Balance at 31st December 2015	8,725,445	45,266,719	80,000,000	66,798,000	18,584,986	4,944,263	88,387,736	312,707,149

(i) Capital Reserves represent unrealised gain on revaluation of the Co-operative's building.

(ii) Capital Development Reserves are being set aside for the future acquisition of Computer Equipment and Software.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

Institutional Capital

	Statutory and Legal Reserves	Revenue Reserves	Total
	$	$	$
Balance at 31st December 2013	214,010,482	291,947,255	505,957,737
Transfer of 20 % of Net Income for the Year before Honoraria	18,503,480	-	18,503,480
Transfer from Undistributed Net Income to Institutional Capital	-	45,000,000	45,000,000
Balance at 31st December 2014	232,513,962	336,947,255	569,461,217
Transfer of 20 % of Net Income for the Year before Honoraria	13,837,636	-	13,837,636
Transfer from Undistributed Net Income to Institutional Capital	-	40,000,000	40,000,000
Balance at 31st December 2015	246,351,598	376,947,255	623,298,853

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

	2015	2014
	$	$
Cash flows from Operating Activities		
TOTAL COMPREHENSIVE INCOME AFTER HONORARIA	65,744,200	104,611,763
Non- cash items included in income		
Depreciation - Property, Plant and Equipment	9,363,402	7,747,999
Loss on Asset Disposal	-	35,683
Pension Income	-	(12,576,000)
Retained Undistributed Earnings	50,168	-
Loss/(Gain) on Revaluation of Investments	1,869,981	(1,378,362)
Provision for Loan Impairment	41,302,121	20,130,631
	118,329,872	118,571,714
Decrease / (Increase) in Operating Assets		
Other Assets	4,506,190	(16,661,337)
Increase / (Decrease) in Operating Liabilities		
Accruals	(1,310,096)	5,881,773
Payables	9,692,782	1,513,588
Others	3,574,613	870,480
Net Cash Provided by Operating Activities	**134,793,361**	**110,176,218**
Cash Flows from Investing Activities:		
Addition to Property, Plant & Equipment	(12,954,560)	(16,216,787)
Proceeds on Disposal - Property, Plant & Equipment	-	103,000
Financial Investments	(26,798,583)	(96,789,479)
Loans advanced to Members	(1,247,101,300)	(958,369,102)
Repayment of Loans by Members	902,752,707	803,419,786
Net Cash Used in Investing Activities	**(384,101,736)**	**(267,852,582)**
Cash Flows from Financing Activities:		
Voluntary Share Capital	169,565,623	27,431,245
Permanent Share Capital	9,831,506	8,956,292
Savings Deposits	156,611,112	182,267,147
Social Outreach	(1,003,550)	(1,183,400)
Permanent Share Transfer Fund	251,971	(127,869)
Dividend on Permanent Shares	(8,345,891)	(7,484,999)
Share Building Reserves	102,977	113,540
Special Reserve	-	28,875
Disaster Relief Fund	-	-
Sydney Carter Scholarship Fund	(1,000,000)	(800,000)
Net Cash Provided by Financing Activities	**326,013,748**	**209,200,831**
Increase in Liquid Assets	76,705,373	51,524,467
Liquid Assets at Beginning of Year	895,567,752	844,043,284
Liquid Assets at End of Year	**972,273,125**	**895,567,752**
Liquid Assets - Earning	911,594,267	840,572,505
Liquid Assets - Non - Earning	60,292,858	54,995,247
	971,887,125	**895,567,752**

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

1. Identification:

The Co-operative is registered under the Co-operative Societies Act. Membership is limited to persons working, living or born in the parish of Manchester, residents within a twenty-mile radius of Christiana and spouses, parents, brothers, sisters, children and grandchildren of members. The Co-operative's main activities are:

(a) the promotion of thrift;

(b) the provision of loans to members exclusively for provident and productive purposes; and

(c) to receive the savings of its members either as payment on shares or as deposits.

The Co-operative is exempt from Income Tax under Section 59 (1) of the Co-operative Societies Act and Section 12 of the Income Tax Act.

2. Adoption of Standards, Interpretation and Amendments:

a) The following are Standards and Interpretations in respect of published standards which are in effect and are relevant to the Credit Union:

The International Accounting Standards Board (IASB) issued certain new standards and interpretations as well as amendments to existing standards, which became effective during the year under review. Management has accessed the relevance of these new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations. The new standards which became effective during the year and considered relevant to the Credit Union were:

IAS 19: Defined Benefit Plans: Employee Contributions (Effective July 2014)

Amends IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service. In addition, it permits a practical expedient if the amount of the contributions is independent of the number of years of service, in that contributions, can, but are not required, to be recognised as a reduction in the service cost in the period in which the related service is rendered.

Improvements to IFRS 2010–2012 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

- **IFRS 13: Fair Value Measurement (Effective July 2014)**

  Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusion only).

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretation and Amendments (cont'd):

a) The following are Standards and Interpretations in respect of published standards which are in effect and are relevant to the Credit Union:

Improvements to IFRS 2010–2012 cycle (cont'd)

- **IAS 16: Property, Plant and Equipment (Effective July 2014)**

  Proportionate restatement of accumulated depreciation under the revaluation method.

  For all depreciable assets:

  The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life [IAS 16.50].

  The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8. [IAS 16.51]

  The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the entity [IAS 16.60]; a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. [IAS 16.62A]

  The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8. [IAS 16.61] Expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset. [IAS 16.56]

  Depreciation should be charged to profit or loss, unless it is included in the carrying amount of another asset [IAS 16.48].

  Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle. [IAS 16.55]

- **IAS 24: Related Party Disclosures (Effective July 2014)**

  Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

  If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity*. [IAS 24.17A, 18A]

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretation and Amendments (cont'd):

a) The following are Standards and Interpretations in respect of published standards which are in effect and are relevant to the Credit Union:

Improvements to IFRS 2011–2013 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

- **IFRS 13: Fair Value Measurement (Effective July 2014)**

  Scope of paragraph 52 (portfolio exception)
  Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

- **IAS 24: Related Party Disclosures (Effective July 2014)**

  This has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. The reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services provided by the management entity but it is not required to disclose compensation paid by the management entity to the individuals providing the key management personnel services.

These affected the financial statements for accounting periods beginning on or after the first day of the months stated. The adoption of these Standards and amendments did not have a material impact on the Credit Union's financial statements.

(b) Standards and interpretations in respect of published standards that are not in effect:

Certain new, revised and amended standards and interpretations have been issued which are not yet effective for the current year and which the Credit Union has not early-adopted. The Credit Union has assessed the relevance of all the new standards, amendments and interpretations with respect to the company's operations and has determined that the following are likely to have an effect on the Credit Union's financial statements:

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretation and Amendments (cont'd):

b) Standards and Interpretations which are considered relevant to the Credit Union were issued but not yet effective - cont'd:

Improvements to IFRS 2012–2014 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments are as follows:

- **IFRS 5 : Non-current Assets Held for Sale and Discontinued Operations (Effective July 2016)**

  Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

- **IFRS 7: Financial Instruments: Disclosures (Effective July 2016)**

  Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

- **IAS 19: Employee Benefits (Effective July 2016)**

  Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

The Credit Union does not expect these amendments to have any significant impact on its 2016 financial statements.

IFRS 15 - Revenue from Contracts with Customers (IAS 18 will be superseded by IFRS 15 Revenue from Contracts with Customers.) (Effective January 2017)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

-Identify the contract with the customer

-Identify the performance obligations in the contract

-Determine the transaction price

-Allocate the transaction price to the performance obligations in the contracts

-Recognise revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretation and Amendments (cont'd):

b) Standards and Interpretations which are considered relevant to the Credit Union were issued but not yet effective - cont'd:

IAS 1: Presentation of Financial Statement (Effective January 2016)

The amendment address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

Clarifies that information should not be obscured by aggregating or by providing immaterial information materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarifies that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of Other Comprehensive Income (OCI) of equity-accounted associates and joint ventures should be presented in aggregated as single line items based on whether or not it will subsequently be reclassified to profit or loss;

Provides additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need to be presented in the order so far listed in paragraph 114 of IAS 1.

IAS 16: Property, Plant and Equipment and IAS 38 Intangible Assets (Effective January 2016)

- Clarify that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment;

- Introduce a rebuttable presumption that an amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated;

- Add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretation and Amendments (cont'd):

b) Standards and Interpretations which are considered relevant to the Credit Union were issued but not yet effective - cont'd:

IFRS 9: Financial Instruments (Effective January 1, 2018)

This replaces the existing guidance in ***IAS 39, Financial Instruments: Recognition and Measurement.*** IFRS 9 introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The determination of classification will be made at initial recognition and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Management has determined that the standard is relevant to existing policies for its current operations, but has not yet assessed the impact on adoption.

These affect financial statements for accounting periods beginning on or after the first day of the month stated. The Credit Union is assessing the impact these amendments will have on its 2016 and 2017 financial statements.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies:

(a) **Statement of Compliance and Basis of Preparation -**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB), and comply with the requirements of the Co-operative Societies Act. They have been prepared under the historical cost convention and are represented in Jamaican Dollars which is the functional currency of the Credit Union.

(b) **Use of Estimates -**

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires directors and management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience and directors and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(c) **Loans to Members and Provisions for Loan Impairment -**

Loans are recognized when cash is advanced to borrowers. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs and subsequently measured at amortized cost using the effective interest rate method.

A provision for loan impairment is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due according to the original contractual terms will not be collected. When a loan is identified as impaired, the carrying amount of the loan is reduced by recording specific provisions for credit losses to write down the loan to its estimated recoverable amount which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

The provision for loan impairment also covers situations where there is objective evidence that probable losses are present in components of the loan portfolio at the date of the statement of financial position. These have been estimated based on historical patterns of losses in each component, the credit ratings allocated to the borrowers and reflecting the current economic climate in which the borrowers operate.

Specific provisions are established as a result of a review of the carrying value of loans in arrears and are derived based on the regulator's provisions in accordance with the policy of making a full provision for loans in arrears over twelve (12) months. General provisions of ten percent (10%) to one hundred percent (100%) are established in respect of loans in arrears for two (2) to twelve (12) months and one hundred percent (100%) for those over twelve (12) months.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(c) **Loans to Members and Provisions for Loan Impairment (cont'd) -**

Regulatory loan loss reserve requirements that exceed the provision required under International Financial Reporting Standards - IAS 39 "Financial Instruments" are dealt with in a non-distributable loan loss reserve as a transfer from unappropriated surplus.

(d) **Investments -**

Investments are classified as available-for-sale or held-to-maturity securities. Management determines the appropriate classification of investments at the time of purchase.

Available-for-sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates or market prices. They are initially recognized at cost, which includes transaction costs, and subsequently re-measured at fair value based on quoted bid prices or amounts derived from cash flow models. Unrealised gains or losses arising from changes in fair value of available-for-sale securities are recognized in members' equity. When the securities are disposed of or impaired, the related accumulated unrealised gains or losses included in members' equity are transferred to the statement of comprehensive income.

Held to maturity securities are those with fixed or determinable payments and fixed maturity. A positive intent and ability to hold to maturity must be demonstrated.

All purchases and sales of investment securities are recognised at settlement date.

(e) **Property, Plant and Equipment -**

Land and Buildings are shown at deemed cost less subsequent depreciation for building. Under IFRS 1, a first time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment as its deemed cost. The Credit Union has elected to apply this provision. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment if any.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(e) **Property, Plant and Equipment (cont'd) -**

Depreciation is provided on the straight-line basis by reference to cost or valuation, calculated at rates estimated to write-off the relevant assets over their useful lives. The annual rates used are as follows:

Buildings	2 %
Furniture, Fixtures & Equipment	10%
Computer Equipment & Software	20%
Motor Vehicle	15%

Land is not depreciated.

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of Property, Plant and equipment are determined by their carrying amount and are taken into account in determining operating profit.

(f) **Impairment -**

The carrying amount of the Credit Union's assets, other than loans to members (which are dealt with at note 3(c), are reviewed at the date of each statement of financial position to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at that date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

The recoverable amount of the Credit Union's held-to-maturity investments and receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

In respect of held-to-maturity investments and receivables, the impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(g) **Employee Benefits -**

Pension assets

The Credit Union participates in a multi-employer defined benefit pension scheme. The pension scheme is generally funded by payments from employees and the Credit Union, taking into account the recommendation of independent qualified actuaries. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets, together with adjustments for actuarial gains/losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by the estimated future cash outflows using interest rates of Government securities which have terms to maturity approximating the terms of the related liability.

Remeasurement of the net defined benefit

- Actuarial gains and losses
- Return on plan assets (interest exclusive)
- Any asset ceiling effects (interest exclusive)

Service costs are recognised in the profit or loss, and include current and past service costs as well as gains or losses on curtailment.

Net interest expense/(income) is recognised in the statement of comprehensive income, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset), at the beginning of the annual reporting period, to the balance of the net defined benefit obligation (asset). The calculation also takes into consideration the effects of contributions and benefit payments during the year. Gains or losses arising from the changes to the plan benefits or plan curtailment are recognised immediately in the statement of comprehensive income.

Settlement of the defined benefit plan is recognised in the year in which the settlement occur.

(h) **Provisions -**

Provisions are recognized when the Credit Union has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the date of the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(i) **Permanent Shares -**

Under International Financial Reporting Standards, Voluntary Shares in the Credit Union can no longer be regarded as Share Capital but should be treated as a liability. The Credit Union has therefore established Permanent Shares in order to strengthen its capital base. Special Bye-Laws were passed at the Annual General Meeting held on 7th May 2009, in accordance with the Co-operative Societies Act and approved by the Registrar. All new applicants for membership and existing members of the Credit Union are required to subscribe a minimum of one Permanent Share. These shares are issued at par value of $2,000 each and are referred to as Permanent Shares.

Monies paid for Permanent Shares may not be withdrawn in whole or in part and may not be pledged to secure credit facilities with the Credit Union.

Permanent Shares are redeemable only upon transfer to another member. An individual ceasing to be a member of the Credit Union, may have any amount held as Permanent Shares transferred to the Credit Union for subsequent disposal to any new or existing member. To facilitate this, the Credit Union has established a Permanent Share Transfer Fund.

(j) **Foreign Currency Transactions -**

Transactions in foreign currencies are converted at the rates of exchange ruling on the dates of those transactions. Foreign currencies at the date of the statement of the financial position are converted at the rates ruling on that date. Gains or losses arising from fluctuations in exchange rates are included in the statement of comprehensive income.

(k) **Institutional Capital -**

Institutional Capital includes Revenue Reserves and the Statutory and Legal Reserves as set out in Article XIV Rule 66. These reserves are set aside in order to strengthen the capital base of the Credit Union and are not available for distribution.

(l) **Statutory Reserve -**

The Co-operative Societies Act provides that at least twenty percent (20%) of the annual net income should be carried to a Statutory Reserve Fund.

(m) **Revenue Recognition -**

Interest income earned from investments and fees are recorded on the accrual basis.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(n) **Liquid Assets -**

For the purpose of the statement of cash flows, liquid assets include cash and cash equivalents which consists of cash on hand, foreign and local savings accounts and current accounts held at banks.

(o) **League fees and stabilisation dues -**

JCCUL has fixed the rate of league fees at 0.20% (2014 - 0.15%) of total assets. Stabilisation dues are fixed at a rate of 0.15% (2014 - 0.35%) of total savings.

(p) **Comparative Information -**

Where necessary, comparative figures have been re-classified to conform to changes in presentation in the current year. In particular, comparatives have been adjusted to take into account the requirements of IFRS.

(q) **Risk Management -**

The Board of Directors have overall responsibility for the implementation and monitoring of the Credit Union's management of risk. Its policies have been devised to identify and analyse the risks faced by the Credit Union. The Board, through its executive officers and various committees, is responsible for monitoring compliance with those policies and for reviewing their adequacy. All committees report periodically to the Board.

(r) **Capital Management -**

The Credit Union's objectives when managing capital are to safeguard it's ability to continue as a going concern, to provide returns to its members, to provide benefits for other stakeholders, and to maintain a strong capital base in order to support the development of its business. The Credit Union defines its capital as members' permanent share capital, institutional capital and other eligible reserves. Its dividend payout is made taking into account maintenance of an adequate capital base. At least twenty percent (20%) of net income before honoraria must be transferred to reserves each year.

The Credit Union is required by the Jamaica Co-operative Credit Union League to maintain its institutional capital at a minimum of eight percent (8%) of total assets. At the date of the statement of financial position, the ratio of institutional and permanent share capital to total assets was 17.58% (2014 - 17.78%) which is in compliance with the requirements.

There were no changes in the Credit Union's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(s) **Related Party Balances and Transactions:**

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to the reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

4. Earning Assets - Liquid Assets:

	2015 $	2014 $
Savings Account Balances	171,022	150,038
Foreign Currency Savings Accounts	41,732,093	27,729,334
Placement with JCCUL	323,598,921	310,781,356
Held to Maturity		
Placement with Other Financial Institutions	546,092,231	501,911,777
	911,594,267	840,572,505

5. Loans To Members:

	2015 $	2014 $
Balance at Beginning of Year	1,981,671,298	1,835,733,140
Loans Granted	1,241,404,219	949,357,944
	3,223,075,517	2,785,091,084
Less Repayments and Transfers	902,752,707	803,419,786
	2,320,322,810	1,981,671,298
Less Provision for Loan Impairment	(92,248,924)	(56,643,884)
Balance at End of Year	2,228,073,886	1,925,027,414

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

6. Provision for Loan Impairment:

(a) The movement in the provision for loan impairment determined under the requirements of IFRS is as follows:

	2015 $	2014 $
Total Non-Performing Loans	636	532
Balance, 1st January	56,643,884	45,524,411
Provision for the Year	41,302,121	20,130,631
	97,946,005	65,655,042
Recoveries during the Year	2,512,035	1,030,769
Charged off during the year	(8,209,116)	(10,041,927)
Balance, 31st December	92,248,924	56,643,884
Regulatory loan loss provision	69,294,924	40,790,418
Less: Provision based on IAS 39	(92,248,924)	(56,643,884)
Excess of IFRS Loan Impairment over JCCUL regulatory requirement.	(22,954,000)	(15,853,466)

As the provision determined in accordance with the IFRS rules exceeds the JCCUL requirements, no adjustment to the IFRS amount is deemed necessary.

(b) The following is a summary of delinquent loans at 31st December determined under JCCUL regulatory requirements:

	DELINQUENT LOANS $	RATE %	2015 PROVISION FOR LOAN LOSSES $	2014 PROVISION FOR LOAN LOSSES $
1 Month	35,387,669	-	-	-
2 - 3 Months	12,163,830	10	1,216,383	837,878
3 - 6 Months	22,595,901	30	6,778,770	8,379,993
6 - 12 Months	20,398,247	60	12,238,948	11,232,874
Over 12 Months	49,060,822	100	49,060,822	20,339,673
	139,606,469		69,294,924	40,790,418

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

6. Provision for Loan Impairment (cont'd):

(c) Delinquent Loans:

MONTHS IN ARREARS	NO. OF LOANS IN ARREARS	DELINQUENT LOANS	SAVINGS HELD AGAINST LOANS	PORTION NOT COVERED BY / (IN EXCESS OF) SAVINGS
	#	$	$	$
1 month	172	35,387,669	16,950,505	18,437,164
2 to 3 months	52	12,163,830	4,290,757	7,873,073
3 to 6 months	110	22,595,901	7,248,099	15,347,802
6 to 12 months	120	20,398,247	6,253,423	14,144,824
Over 12 months	182	49,060,822	4,667,106	44,393,716
	636	139,606,469	39,409,890	100,196,579

(d) The Directors estimate the value of the chattels held as security against the outstanding loans to be $37,424,765 (2014 - $29,231,335). At 31st December 2015 there were 636 delinquent loans (2014 - 532).

7. Earning Assets - Financial Investments:

	2015	2014
	$	$
Available for Sale		
Placement with JCCUL	11,169,351	13,194,379
Placement with Other Financial Institutions	646,362,514	642,651,262
	657,531,865	655,845,641
Un-quoted Equity Securities	53,041,259	29,798,881
Provision for losses on unquoted shares	(1,750,000)	(1,750,000)
	51,291,259	28,048,881
	708,823,124	683,894,522

8. Non Earning - Liquid Assets:

	2015	2014
	$	$
Cash and Bank	60,292,858	54,995,247

9. Non Earning - Other Assets:

	2015	2014
	$	$
Accrued Income	22,255,402	27,198,586
Receivables	16,873,011	16,436,017
	39,128,413	43,634,603

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

10. Property, Plant and Equipment:

	Land $	Buildings $	Furniture, Fixtures and Equipment $	Construction Work in Progress $	Motor Vehicle $	Computer Equipment $	Total $
At Cost or Valuation:							
31st December 2013	11,109,483	39,911,126	41,378,440	-	-	23,784,147	116,183,196
Additions	-	739,840	4,767,757	-	8,103,151	3,670,119	17,280,867
Disposals	-	-	(507,701)	-	-	-	(507,701)
Adjustments/Transfers	-	-	(587,042)	-	-	(477,038)	(1,064,080)
31st December 2014	11,109,483	40,650,966	45,051,454	-	8,103,151	26,977,228	131,892,282
Additions	-	633,029	6,678,651	1,100,000	-	4,542,879	12,954,560
Disposals	-	-	(489,779)	-	-	(522,549)	(1,012,328)
31st December 2015	11,109,483	41,283,995	51,240,326	1,100,000	8,103,151	30,997,558	143,834,513
Depreciation:							
31st December 2013	-	10,916,904	28,366,194	-	-	15,369,871	54,652,969
Charge for year	-	859,715	3,075,223	-	1,215,473	2,773,041	7,923,452
Released on Disposal	-	-	(369,018)	-	-	-	(369,018)
Adjustments/Transfers	-	-	(175,453)	-	-	-	(175,453)
31st December 2014	-	11,776,619	30,896,946	-	1,215,473	18,142,912	62,031,950
Charge for year	-	883,782	3,754,215	-	2,025,788	2,699,617	9,363,402
Released on Disposal	-	-	(489,779)	-	-	(522,549)	(1,012,328)
31st December 2015	-	12,660,401	34,161,382	-	3,241,261	20,319,980	70,383,024
Net Book Values:							
31st December 2015	11,109,483	28,623,594	17,078,944	1,100,000	4,861,890	10,677,578	73,451,490
31st December 2014	11,109,483	28,874,347	14,154,508	-	6,887,678	8,834,316	69,860,332
31st December 2013	11,109,483	28,994,222	13,012,246	-	-	8,414,276	61,530,227

Freehold land and buildings were revalued in December 2007 by Thomas, Forbes & Associates Limited, independent valuers, at an amount of $115,500,000.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

11. Retirement Benefit Asset - (cont'd):

The principal actuarial assumptions used in valuing the plan were as follows:

	2015	2014
Discount Rate	8.50%	9.50%
Expected rate of return on plan assets	N/A	N/A
Future salary increases	6.00%	6.50%

The five year trend for the fair value of plan assets, the defined benefit obligations, the surplus in the pension plan, and experience adjustments for plan assets and liabilities were as follows:

	2011 $'000	2012 $'000	2013 $'000	2014 $'000	2015 $'000
Fair Value of plan assets	133,194	155,382	170,154	190,180	234,287
Defined benefit obligation	95,699	103,114	116,318	123,768	167,488
Surplus	37,495	52,268	53,836	66,412	66,799
Experience adjustments-					
Fair value of plan assets	8,326	468	(10,956)	(3,058)	15,095
Defined benefit obligation	3,444	2,559	(3,850)	(588)	3,873

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

11. Retirement Benefit Asset:

The Credit Union participates in a multi-employer pension scheme. The pension scheme is a defined benefit plan and is funded. The assets of the funded plan are held independently of the Credit Union's assets in separate trustee administered funds. Independent actuaries value the scheme annually using the projected unit credit method. The latest actuarial valuation was carried out as at 31st December 2015.

The amounts recognised in the statement of financial position are determined as follows:

	2015 $	2014 $
Present Value of funded obligations	(66,412,000)	(53,836,000)
Fair Value of plan assets	(386,000)	(12,576,000)
	(66,798,000)	(66,412,000)
Asset in the Statement of Financial Position	(66,798,000)	(66,412,000)

The amounts recognised in the statement of comprehensive income are as follows:

	2015 $	2014 $
Current service cost	3,345,000	3,394,000
Interest cost on Obligation	11,984,000	11,114,000
Interest Income on Plan assets	(18,614,000)	(16,513,000)
Administrative Expenses	1,125,000	768,000
Pension Income	(2,160,000)	(1,237,000)

The actual return on plan assets was $44,107,000 (2014- $ 20,026,000)

Movements in the amounts recognised in the statement of financial position:

	2015 $	2014 $
Net Asset at beginning of year	(66,412,000)	(53,836,000)
Pension Income	(2,160,000)	(1,237,000)
Remeasurement	8,533,000	(5,332,000)
Contributions Paid	(6,759,000)	(6,007,000)
Closing Net Asset at End of Year	(66,798,000)	(66,412,000)

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER 2015

(Expressed in Jamaican Dollars unless otherwise indicated)

12. Members' Voluntary Share Capital:

	2015	2014
	$	$
Balance at Beginning of Year	1,362,557,298	1,335,126,053
Add Amount Subscribed	1,337,838,651	1,087,097,385
	2,700,395,949	2,422,223,438
Less Withdrawals & Transfers	1,168,273,028	1,059,666,140
Balance at End of Year	1,532,122,921	1,362,557,298

13. Savings Deposits:

		2015	2014
		$	$
i.	Term Deposits	563,893,343	537,261,954
ii.	Members' Regular Deposits	428,107,392	363,169,388
iii.	Golden Harvest Deposits	52,193,367	49,041,955
iv.	Insurance Savings Club	5,373,960	5,032,250
v.	Youth Savings	43,190,087	34,502,672
vi.	Partner Plan Plus Deposits	41,151,217	32,310,917
vii.	Solid Saver Deposits	110,831,269	88,270,962
viii.	Horizon 55	815,161	946,749
ix.	Wealth Accelerator Savings	225,815,139	204,267,832
		1,471,370,935	1,314,804,679

i. Term Deposits

Term Deposits are for varying periods up to 365 days on which interest was paid at rates of between 3% and 6% per annum. Interest is paid on maturity.

ii. Members' Regular Deposits

Regular Deposits are savings accounts on which interest was paid at rates of between 1.25% to 2.25% per annum.

iii. Golden Harvest Deposits

Golden Harvest Deposits are for varying periods up to and over five (5) years on which interest was paid at rates of 3.5% to 6% per annum.

iv. Insurance Savings Club

Insurance Club Deposits are savings accounts on which interest was paid at rates ranging from 1.35% to 2.35% per annum.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

13. Savings Deposits (cont'd):

vii. Solid Saver Deposits

Solid Saver Deposits are savings accounts on which interest was paid at rates of between 1.35% and 2.35% per annum.

v. Youth Savings

Youth Savings are accounts on which interest was paid at rates of between 1.25% to 2.25% per annum.

vi. Partner Plan Plus Deposits

This represents deposits made in equal monthly instalments for varying periods of between 12 weeks and 48 weeks on which bonuses between one-fifth to two and a half times the weekly throw were paid at the end of the contractual period.

viii. Horizon 55

This represents long-term savings accounts on which interest was paid at rates of between 3.15% and 5.1% per annum.

ix. Wealth Accelerator Savings

This represents deposits for periods between 6 and 36 months on which interest was paid at 3.5% to 7.00% per annum.

14. Payables:

	2015	2014
	$	$
Collector of Taxes	5,064,038	6,073,797
Salary Deductions Payable	15,536,108	5,470,063
Other Payables	5,841,292	5,159,940
	26,441,438	16,703,800

15. Non - Interest Bearing Liabilities - Others:

	2015	2014
	$	$
Estate Accounts	9,612,610	6,037,997
	9,612,610	6,037,997

This amount represents unsettled claims in respect of deceased members.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
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16. Members' Permanent Share Capital:

	2015	2014
	$	$
Balance at Beginning of Year	85,621,044	76,664,752
Add Permanent Share Capital Subscribed	9,831,506	8,956,292
Balance at End of Year	95,452,550	85,621,044

Under the International Financial Reporting Standards, Voluntary Shares in the Credit Union can no longer be regarded as Share Capital but should now be treated as a liability. The Credit Union established a new category of shares termed "Permanent Shares" in order to maintain its capital base. Special Bye-Laws were passed at the Annual General Meeting held on 7th May 2009, in accordance with the Co-operative Societies Act and approved by the Registrar. All new applicants for membership and existing members of the Credit Union are required to subscribe for a minimum of one Permanent Share. These shares are issued at a par value of $2,000 each.

17. Non-Institutional Capital:

	2015	2014
	$	$
Capital Reserves (Unrealised) (Note 23)	8,725,445	8,725,445
Other Reserves	45,266,719	42,136,700
Capital Development Reserves	80,000,000	75,000,000
Retirement Benefit Reserves (Note 11)	66,798,000	66,412,000
Other Non-qualifying Reserves (Note 25)	18,584,986	10,885,559
Permanent Share Transfer Fund	4,944,263	4,692,292
Undistributed Net Income	88,387,736	102,892,914
	312,707,149	310,744,910

18. Institutional Capital:

	2015	2014
	$	$
Retained Earnings Reserves at Beginning of Year	336,947,255	291,947,255
Appropriation of Net Surplus	40,000,000	45,000,000
Retained Earnings Reserves at End of Year	376,947,255	336,947,255
Statutory & Legal Reserves (Note 24)	246,351,598	232,513,962
	623,298,853	569,461,217

19. Other Financial Costs:

	2015	2014
	$	$
Life Savings Insurance	6,255,088	5,669,038
Loan Protection Insurance	5,080,617	4,574,967
Bank Charges and Interest	1,220,767	910,381
	12,556,472	11,154,386

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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20. Other Income:

	2015	2014
	$	$
Inspection & Arbitration Fees	22,100	9,495
Commitment Fees - Service Charge on Loans	28,914,532	23,447,828
Mortgage Charges	424,658	506,523
Miscellaneous	2,347,936	2,155,902
Gain on Foreign Exchange	5,257,904	10,291,816
FIP Administration Fee	2,103,578	1,820,813
ABM Fees	731,709	650,467
Standing Order Fees	616,896	561,915
Account User Fee	14,490,857	14,184,462
	54,910,170	53,629,221

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

21. Operating Expenses:

Personnel Expenses:	**2015**	**2014**
	$	$
Employee Salaries & Allowances	160,118,161	146,990,996
Employee Benefits	17,923,445	17,562,845
Education & Training	1,608,364	1,379,683
Staff Travel & Related Expenses	2,943,253	2,355,786
Others	1,480,619	2,381,924
	184,073,842	170,671,234
Administrative Expenses:		
Rental	960,000	960,000
Utilities	7,143,979	9,013,212
Depreciation and Impairment	9,363,402	7,923,452
Audit and Supervision - Current Year	2,750,000	2,675,000
Repairs & Maintenance (Office)	10,311,569	10,336,151
Telecommunications	4,105,579	3,387,004
Printing, Stationery & Supplies	5,236,703	5,240,017
Insurance Premiums	2,835,929	2,859,918
Professional & Consulting Fees	713,019	280,944
Subscriptions & Other Administrative Expenses	18,415,700	15,853,817
	61,835,880	58,529,515
Marketing & Promotion:		
Publicity & Promotion	14,323,266	13,396,580
Public Relations	640,012	572,204
	14,963,278	13,968,784
Representation & Affiliation:		
League and Other Dues	11,234,561	10,301,009
Seminars & Meetings	5,317,014	3,454,344
Board of Directors & Committees	4,046,711	3,522,757
Annual General Meetings	3,677,763	3,567,248
Meeting/ Special Functions	275,857	159,135
	24,551,906	21,004,493
TOTAL OPERATING EXPENSES	285,424,906	264,174,026

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Appropriations:

	2015	2014
	$	$
Dividend on Permanent Shares	8,345,891	7,484,998
Social Outreach Programme	1,000,000	750,000
Sydney Carter Scholarship	1,000,000	800,000
Disaster Relief Fund	100,000	300,000
Small Business Development	7,500,000	-
Capital Development Reserves	5,000,000	5,000,000
Unsecured Loan Reserve	5,000,000	10,000,000
Institutional Capital	40,000,000	45,000,000
	67,945,891	69,334,998

23. Capital Reserves:

	2015	2014
	$	$
Balance at Beginning of Year	8,725,445	8,725,445
Balance at End of Year	8,725,445	8,725,445

This represents unrealised gain on the revaluation of the Co-operative's building.

24. Statutory and Legal Reserves:

	2015	2014
	$	$
Balance at End of Year	232,513,962	214,010,482
20% Transfer from Net Income	13,837,636	18,503,480
Balance at End of Year	246,351,598	232,513,962

Statutory and Legal Reserves are maintained in accordance with the provisions of the Co-operative Societies Act which requires that a minimum of 20% of Net Income be carried to a reserve fund. Upon application by a Registered Society, the Registrar may allow the required percentage to be reduced but not below 10%.

25. Other Non-Qualifying Reserves:

	2015	2014
	$	$
Special Reserve	86,462	86,462
Sydney Carter Scholarship Fund	4,191	4,191
Social Outreach Programme	220,799	224,349
Disaster Relief Fund	2,106,670	2,006,670
Share Building Fund	2,456,750	2,353,773
Stabilization Fund Reserves	1,210,114	1,210,114
Business Development Fund	12,500,000	5,000,000
	18,584,986	10,885,559

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

26. Staff Costs:

Staff costs for the year amounted to $184,073,842 (2014 : $170,671,552).

27. Comparison of Ledger Balances:

	Permanent Shares	Voluntary Shares	Deposits	Loans
	$	$	$	$
General Ledger	95,452,550	1,532,122,921	1,471,415,791	2,320,322,810
Personal Ledger Listing	95,452,550	1,532,123,580	1,471,415,789	2,320,322,809
Differences as at 31st December 2015	-	(659)	2	1
Differences as at 31st December 2014	-	-	(1)	1

28. Related Party Transactions:

At 31st December 2015, the eleven (11) members of the Credit Union's Board of Directors had savings totalling $9,992,449. Of these Directors, eight (8) had loans totalling $9,526,023. Seventeen (17) Committee Members had savings totalling $11,191,975. Of these seventeen Committee Members, ten (10) had loans totalling $12,009,551.

Of the sixty (60) Credit Union Staff, all had savings of $44,420,130 and fifty (50) had loans including interest totalling $192,431,571. During the year no staff members received loans which necessitated waiver of the loan policy. No Volunteers received loans which necessitated a waiver of the loan policy. At 31st December 2015, loans owing by all Committee Members were being repaid in accordance with their loan agreements.

29. Life Savings and Loan Protection Insurance:

There were life savings and loan protection insurance in force during the year.

30. Fidelity Insurance:

Fidelity Insurance Coverage was adequately maintained during the year.



NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2015
(Expressed in Jamaican Dollars unless otherwise indicated)

31. Financial Instruments and Financial Instruments Risk Management:

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include investments, cash and cash equivalents and receivables. Financial liabilities have been determined to be saving deposits, external credits, payables and accruals.

The Credit Union is exposed to credit risk, liquidity risk, market risk and operational risk from its use of financial instruments. Market risk includes interest rate risk and currency risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Credit Union's risk management framework. The Credit Union's risk management policies are established to identify and analyse the risks faced by the Credit Union, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Board through its various committees is responsible for monitoring compliance with the Credit Union's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Credit Union. All committees report monthly to the Board on their activities.

The Supervisory Committee is directly responsible for monitoring compliance with the Credit Union's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Credit Union. The Supervisory Committee is assisted in these functions by the Internal Audit Department which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Supervisory Committee.

a) Credit Risk

Credit risk is the risk that a party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. This risk arises primarily from the Credit Union's loans to members, deposits with other institutions and investment securities. There is also credit risk exposure in respect of "off-balance sheet" financial instruments such as loan commitments and guarantees. These expose the Credit Union to similar risks as loans and are managed in the same manner.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

a) Credit Risk- (Cont'd)

Exposure to credit risk

The carrying amount of financial assets represents the maximum exposure to credit risks before collaterals held. At the date of the statement of financial position, these amounts were:

	2015	2014
	$	$
Loans to members (net)	2,228,073,886	1,925,027,414
Liquid assets - earning	911,594,267	840,572,505
Financial investments	708,823,124	683,894,522
Liquid assets - non-earning	60,292,858	54,995,247
Non earning assets - other	39,128,413	43,634,603
	3,947,912,548	3,548,124,291

i) Loans to members and guarantees

The Board of Directors is responsible for formulating the Credit Union's credit policies, establishing the authorisation structure for the approval of credit facilities, limiting concentration of exposure to counterparties and developing and maintaining the Credit Union's risk ratings. The management of credit risk in respect of loans to members and guarantees is delegated to the Credit Committee. The Credit Committee has oversight responsibility for the Credit Union's credit risk management process, including reviewing and assessing credit risk. There is a documented credit policy in place which guides the Credit Union's credit review process.

Credit Review Process

The credit review process establishes loan policy and loan interest rates that manage risk and provide the best possible rate based on the member's credit worthiness at the time of the loan; protects saver interests by managing risk; provides competitive interest rates and prompt service to borrowers; complies with all applicable laws and regulations.

Risk Based Lending provides different rates for different borrowers based on their financial circumstances and credit history. Members applying for loans are evaluated against a pre-determined set of factors in determining and assigning their appropriate risk category.

Collateral

The Credit Union holds collateral against loans to members in the form of mortgage interests over property, lien over motor vehicles, other registered charges over assets, hypothecation of shares held in the Credit Union and guarantees. Estimates of fair values are based on the values of collateral assessed at the time of borrowing and are generally not updated until a loan is individually assessed as impaired.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

a) Credit Risk- (Cont'd)

i) Loans to members and guarantees - (cont'd)

Collateral cont'd.

Collateral is not generally held against deposits and investment securities, except when securities are held as part of reverse repurchase agreements. At December 31, 2015, an estimate of the fair values of collateral held against loans to members are as follows:

	2015	2014
Type of Collateral	$	$
Motor Vehicles	367,173,091	291,057,950
Real Estate	767,893,488	623,653,289
	1,135,066,579	914,711,239

Impaired loans

Impaired loans are loans for which the Credit Union determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Past due but not impaired loans

These are loans where contractual interest or principal payments are past due but the Credit Union believes that impairment is not appropriate on the basis of the level of security available or the stage of collection of amounts owed to the Credit Union.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the member's financial position and where the Credit Union has made concessions that it would not otherwise consider. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

Allowances for impairment

The Credit Union established an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established on a group basis in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment. Additional regulatory allowance is made based on the aging of the delinquency portfolio where this exceeds the standard computation. This additional allowance is treated as an appropriation and taken to reserves.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

a) Credit Risk- (Cont'd)

i) Loans to members and guarantees - (cont'd)

Write-off policy

The Credit Union writes off loans and any related allowances for impairment losses when it is determined that the loans are uncollectible. This determination is usually made after considering information such as changes in the borrower's financial position, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

ii) Deposits and investment securities

The Credit Union limits its exposure to credit risk by investing mainly in liquid assets. These investments are held only with counterparties that have high credit quality and Government of Jamaica securities. The management therefore does not expect any counterparty to fail to meet its obligations.

iii) Non-Earning Asset

Liquid Assets

Liquid assets on which the Credit Union faces credit risks comprise its current accounts held with financial institutions. The Credit Union limits its exposure to credit risk by placing its liquid assets with counter-parties that have high credit quality.

Others

Credit risks on other non-earning assets are managed by performing reconciliation of significant balances on a daily basis and submission of settlement reports or returns at least monthly. Balances are normally settled within a month, however, there is no specific settlement schedule for withholding taxes receivable.

Accordingly, management does not expect any counter-party to fail to meet its obligation.

There has been no change to the Credit Union's exposure to credit risk or the manner in which it manages and measures the risk.



31. Financial Instruments and Financial Instruments Risk Management (cont'd):

b) Liquidity Risk

Liquidity risk is the risk that the credit union will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Credit Union is exposed to daily calls on its available cash resources from loan draw-downs, withdrawal of savings, overnight and maturing deposits. The approach to managing liquidity is to ensure, as far as possible, that there is always sufficient cash and marketable securities to meet obligations when due, under normal as well as stressed conditions. The Board of Directors has delegated responsibility for the management of liquidity risk to the General Manager. On a monthly basis, the Manager reviews the ratios and gap reports in order to assess and manage liquidity risk and to ensure compliance with internal policies and regulatory guidelines. There is also the monitoring of future cash flows and maintenance of an adequate amount of committed facilities. Liquidity is monitored on a daily basis.

The Credit Union is subject to a liquidity limit imposed by the Jamaica Co-operative Credit Union League (JCCUL) and compliance is regularly monitored. This limit requires that the Credit Union maintain liquid assets amounting to at least 10% of savings and deposits and member's voluntary share capital. The key measure used by the Credit Union for managing liquidity risk is the ratio of liquid assets to total savings deposits. For this purpose, liquid assets include cash and bank balances, deposits held with JCCUL and highly liquid investments which are readily convertible into cash within nine months. The liquid asset ratio at the end of the year was 32% (2014: 33.9%) which is in compliance with the liquidity limit.

There has been no change to the Credit Union's exposure to liquidity risk or the manner in which it manages and measures this risk.

Members Voluntary Shares have no contractual maturity. The amounts included in the analysis are based on management's estimate of expected cash flows on these instruments as determined by retention history. These may vary significantly from actual cash flows which are generally expected to maintain a stable or increasing balance.

31. Financial Instruments and Financial Instruments Risk Management - (cont'd):

(b) Liquidity Risk (Cont'd) :

The Credit Union maintains sufficient maturing instruments to meet its daily needs. The matching and controlled mismatching of maturities and interest rates of assets and liabilities are fundamental to the management of the Co-operative.

The following tables summarises the net liquidity gap and the cumulative liquidity gap of the Credit Union by analysing its assets and liabilities into periodic maturity categories :

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$	$	$	$	$	$
ASSETS:						
EARNING ASSETS:						
Liquid Assets	668,473,160	243,121,107	-	-	-	911,594,267
Loans	125,352,077	381,571,104	1,077,181,540	643,969,165	-	2,228,073,886
Financial Investments	-	-	565,480,500	80,882,014	62,460,610	708,823,124
NON-EARNING ASSETS:						
Liquid Assets	60,292,858	-	-	-	-	60,292,858
Other Assets	-	-	-	-	39,128,413	39,128,413
Property, Plant & Equipment	-	-	-	-	73,451,490	73,451,490
Retirement Benefit Asset	-	-	-	-	66,798,000	66,798,000
Total Assets	854,118,095	624,692,211	1,642,662,040	724,851,179	241,838,513	4,088,162,038

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31. Financial Instruments and Financial Instruments Risk Management - (cont'd):

(b) Liquidity Risk (Cont'd) :

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$	$	$	$	$	$
LIABILITIES :						
INTEREST BEARING LIABILITIES:						
Members' Voluntary Share Capital	-	-	-	-	1,532,122,921	1,532,122,921
Savings Deposits	948,950,327	439,568,800	82,896,664	-	-	1,471,415,791
NON-INTEREST BEARING LIABILITIES & CAPITAL:						
Accruals	17,155,582	-	-	-	-	17,155,582
Payables	26,396,582	-	-	-	-	26,396,582
Others	9,612,610	-	-	-	-	9,612,610
Capital and Reserves	-	-	-	-	1,031,458,552	1,031,458,552
Total Liabilities & Capital	1,002,115,101	439,568,800	82,896,664	-	2,563,581,473	4,088,162,038
Net Liquidity Gap	(147,997,006)	185,123,411	1,559,765,376	724,851,179	(2,321,742,960)	-
Cumulative Liquidity Gap	(147,997,006)	37,126,405	1,596,891,781	2,321,742,960	-	-
	<----------2014---------->					
Net Liquidity Gap	(6,616,676)	99,685,815	1,460,256,012	553,909,123	(2,107,234,274)	-
Cumulative Liquidity Gap	(6,616,676)	93,069,139	1,553,325,151	2,107,234,274	-	-

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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates, foreign currency rates and equity prices and will affect the Credit Union's income or the value of its holdings of financial instruments. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters, while optimising the return on risk. Market risk exposures are measured using sensitivity analyses.

There has been no change to the Credit Union's exposure to market risks or the manner in which it manages and measures these risks.

The foreign currency exchange rates have steadily stabilised over the preceding eight months. The co-operative's exposure to market risks has therefore fluctuated as a consequence.

i) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flows from financial instruments will vary because of exchange rate fluctuations. The Credit Union is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican dollar. The credit union manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring foreign currency positions and by buying or selling currencies at spot rates when necessary to address short-term imbalances.

The Credit Union's foreign currency exposure consists mainly of deposit accounts which at the date of the statement of financial position were as follows:

		2015		2014
Liquid Assets - earning				
United States dollar	$	215,701	$	134,966
Canadian dollar	$	141,657	$	95,263
Pound Sterling	£	23,463	£	17,950
Financial Investments				
United States dollar	$	985,183	$	210,353

Sensitivity analysis

Exchange rates in terms of Jamaican Dollars which is the Credit Union's principal intervening currency, were as follows:

	US $	CAD $	UK £
31st January 2016	121.37	85.73	173.89
31st December 2015	120.42	84.91	177.12
31st December 2014	114.66	98.94	178.68

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management cont'd:

c) Market Risk (cont'd.)

ii) Interest rate risk - (Cont'd)

The following table summarises the interest rate gap and the cumulative interest rate gap of the Credit Union analysing its assets and liabilities into periodical interest rate movements.

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-rate Sensitive	Total
	$	$	$	$	$	$
ASSETS						
Earning Assets						
Liquid Assets	874,609,927	36,984,340	-	-	-	911,594,267
Loans to Members	91,340,578	41,578,787	1,219,331,457	875,823,064	-	2,228,073,886
Financial Investments	-	-	474,305,851	183,226,014	51,291,259	708,823,124
	965,950,505	78,563,127	1,693,637,308	1,059,049,078	51,291,259	3,848,491,277
Non-Earning Assets						
Liquid Assets	-	-	-	-	60,292,858	60,292,858
Other Assets	-	-	-	-	39,128,413	39,128,413
Property, Plant & Equipment	-	-	-	-	73,451,490	73,451,490
Retirement Benefit Asset	-	-	-	-	66,798,000	66,798,000
	-	-	-	-	239,670,761	239,670,761
	965,950,505	78,563,127	1,693,637,308	1,059,049,078	290,962,020	4,088,162,038

31. Financial Instruments and Financial Instruments Risk Management cont'd:

c) Market Risk (cont'd.)

ii) Interest rate risk - (Cont'd)

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-rate Sensitive	Total
	$	$	$	$	$	$
LIABILITIES & EQUITY						
Interest-Bearing Liabilities						
Members' Voluntary Share Capital	1,532,122,921	-	-	-	-	1,532,122,921
Savings Deposits	315,926,652	502,559,822	610,352,002	42,577,315	-	1,471,415,791
	1,848,049,573	502,559,822	610,352,002	42,577,315	-	3,003,538,712
Non Interest-Bearing Liabilities						
Accruals	-	-	-	-	17,155,582	17,155,582
Payables	-	-	-	-	26,396,582	26,396,582
Others	-	-	-	-	9,612,610	9,612,610
	-	-	-	-	53,164,774	53,164,774
Equity						
Members' Permanent Share Capital	-	-	-	-	95,452,550	95,452,550
Non-Institutional Capital	-	-	-	-	312,707,149	312,707,149
Institutional Capital	-	-	-	-	623,298,853	623,298,853
	-	-	-	-	1,031,458,552	1,031,458,552
	1,848,049,573	502,559,822	610,352,002	42,577,315	1,084,623,326	4,088,162,038
Net Interest Rate Gap	(882,099,068)	(423,996,695)	1,083,285,306	1,016,471,763	(793,661,306)	-
Cumulative Interest Rate Gap	(882,099,068)	(1,306,095,763)	(222,810,457)	793,661,306	-	-

<----------2014---------->

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-rate Sensitive	Total
	$	$	$	$	$	$
Net Interest Rate Gap	(725,368,489)	(30,326,215)	747,763,033	718,654,383	(710,722,713)	-
Cumulative Interest Rate Gap	(725,368,489)	(755,694,704)	(7,931,670)	710,722,713	-	-

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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

c) Market Risk (cont'd.)

i) Foreign currency risk (cont'd)

There was a significant foreign exchange rate movement in the United States Dollar, Canadian Dollar and Pound Sterling rates during the period December 2014 to December 2015. Over the twelve months ended 31st December 2015, the exchange rate movement for the United Sates Dollar have shown an increase of 5.02% while the Canadian dollar and Pound Sterling have shown a decrease of 14.18% and 0.87% respectively. The Credit Union's assets held in these currencies are minimal in comparison to total assets and therefore consequential adjustments would not be considered significant.

The strengthening/weakening of the Jamaican dollar to the extent shown against each currency would have reduced/increased income and equity by the amounts shown.

	Movement			
	2015	2014	2015	2014
	%	%	J$	J$
Liquid Assets - earning				
United States dollar	8	10	2,077,891	1,547,520
Canadian dollar	-1	-1	(120,276)	(94,253)
Pound Sterling	3	3	124,672	96,219
Financial Investments				
United States dollar	8	10	9,490,465	2,411,906

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2014.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

c) Market Risk (cont'd.)

ii) Interest rate risk

Interest rate risk is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments due to a change in market interest rates. It arises when there is a mismatch between interest-earning assets and interest-bearing liabilities which are subject to interest rate adjustments within a specified period. It can be reflected as a loss of future net interest income and/or a loss of current market values. Interest rate risk is managed principally through monitoring interest rate gaps and by setting pre-approved gap ratios. The General Manager has oversight responsibility for the daily management and monitoring of interest rate risk and reports monthly to the Board of Directors on its strategies and position.

At the date of the statement of financial position the Interest Profile of the Credit Union's interest bearing financial instruments was:

	2015		2014	
	Interest Rate %	$	Interest Rate %	$
Financial Assets				
Liquid Assets				
Local Savings Accounts	0.10	171,022	1.0	150,038
Foreign Savings Accounts	1.0	41,732,093	0.1 - 0.2	27,729,334
Foreign Currency Investments	2.35	36,984,340	3.1 - 5.3	34,402,739
Held-to-Maturity Investments	5.25 - 8.25	509,107,891	7.30 - 9.0	467,509,038
Loans to Members	9.45 - 29	2,228,073,886	4.0 - 29.75	1,925,027,414
Financial Investments	5.0 - 7.5	655,781,865	6.6 - 8.50	654,095,641
		3,471,851,097		3,108,914,204
Financial Liabilities				
Members' Voluntary Share Capital	2.0 - 3.0	1,532,122,921	2.0 - 3.0	1,362,557,298
Savings Deposits	1.25 - 7.0	1,471,415,791	1.25 - 7.0	1,314,804,679
		3,003,538,712		2,677,361,977
		468,312,385		431,552,227

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

c) Market Risk (cont'd.)

ii) Interest rate risk (cont'd)

Sensitivity Analysis
During the period December 2014 to December 2015, interest rates continued to trend downwards, with the BOJ 3-6 months deposit rates remaining constant at 6.88% resulting in 0 basis points this is as a result of GOJ's continuing its policies of lowering of interest rates.

Assuming interest rate movements as set out below these would affect surplus and equity as follows:

	2015		2014	
	Interest Rate %	$	Interest Rate %	$
Financial Assets				
Liquid Assets				
Local Savings Accounts	-0.45	(770)	-0.45	(675)
Foreign Savings Accounts	-0.9	(375,589)	-0.9	(249,564)
Held-to-Maturity Investments	1.0	5,091,079	1.0	4,675,090
Loans to Members	0.125	2,785,092	0.125	2,406,284
Financial Investments	0.45	2,951,018	0.45	2,943,430
		10,450,831		9,774,566
Financial Liabilities				
Members' Voluntary Share Capital	0.05	766,061	0.05	681,279
Savings Deposits	0.6	8,828,495	0.6	7,888,828
		9,594,556		8,570,107
		856,275		1,204,459

This analysis assumes that all other variables, in particular exchange rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

d) **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to Senior Management. This responsibility is supported by overall Credit Union standards for the management of operational risk in the following areas:

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentations of controls and procedures.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with Credit Union policies is supported by a programme of periodic reviews undertaken by an Internal Audit Unit and the Credit Union's regulatory body. The results of Internal Audit and other reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Supervisory Committee, senior management and the Board of Directors.



31. Financial Instruments and Financial Instruments Risk Management (cont'd):

e) Fair value

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

The following table provides an analysis of financial instruments held as at 31st December 2015 that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs).

There were no transfers between levels during the year.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Available-for-sale Investments -				
Unquoted Investments at Fair Value	-	-	708,823,124	708,823,124
	-	-	708,823,124	708,823,124

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1.

The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Many of the Credit Union's financial instruments lack an available trading market. Therefore, these instruments have been valued using present value or other valuation techniques and may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

The fair values of cash resources, securities purchased under resale agreements, other assets, other liabilities, are assumed to approximate their carrying values due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

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31. Financial Instruments and Financial Instruments Risk Management (cont'd):

e) Fair Value (cont'd)

The fair value of the quoted equities is determined based on their quoted bid price at the date of the statement of financial position. The fair value of Government of Jamaica securities is estimated by discounting the future cash flows of the securities at the estimated yields at the date of the statement of financial position for similar securities. The estimated fair values of loans to members are assumed to be the principal receivable less any allowance for loan losses.

The fair value of external credits, deposits payable on demand or after notice, and deposits with a variable or floating rate payable on a fixed date are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits payable within a year are assumed to approximate their carrying values, due to their short-term nature.

Fair values were estimated a follows:

The fair values of Liquid Assets, cash and bank balances, interest and other receivables; interest-bearing and non interest-bearing liabilities are assumed to approximate their carrying values due to their short-term nature;

Financial Investments and Liquid Assets classified as available for sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing or other recognised valuation techniques;

Loans and long term liabilities are carried at amortised cost, which is deemed to approximate their fair values as these balances attract rates and terms comparable to market rates and terms for similar transactions;

The fair values of deposits which are payable on demand or notice are assumed to be equal to their carrying values due to their short term nature.

	Carrying Value	Fair Value	Carrying Value	Fair Value
	2015 $	2015 $	2014 $	2014 $
Assets				
Earning Assets				
Liquid Assets	911,594,267	911,594,267	840,572,505	840,572,505
Loans to Members (net)	2,228,073,886	2,228,073,886	1,925,027,414	1,925,027,414
Financial Investments	708,823,124	708,823,124	683,894,522	683,894,522
Non Earning Assets				
Liquid Assets	60,292,858	60,292,858	54,995,247	54,995,247
Other Assets	39,128,413	39,128,413	43,634,603	43,634,603
Liabilities				
Interest Bearing Liabilities				
Members' Vol. Share Capital	1,532,122,921	1,532,122,921	1,362,557,298	1,362,557,298
Savings Deposits	1,471,415,791	1,471,415,791	1,314,804,679	1,314,804,679
Non-Interest Bearing Liabilities				
Accruals	17,155,582	17,155,582	18,465,678	18,465,678
Payables	26,396,582	26,396,582	16,703,800	16,703,800
Others	9,612,610	9,612,610	6,037,997	6,037,997

APPROPRIATION OF NET SURPLUS

As Treasurer, I find it a pleasure to present to you the following proposal for distribution of surplus accumulated by the Credit Union as at December 31, 2015.

UNDISTRIBUTED NET SURPLUS		**$88,387,736.00**
APPROPRIATIONS:		
INSTITUTIONAL CAPITAL	**$45,000,000.00**	
SOCIAL OUTREACH	**$ 1,000,000.00**	
DIVIDEND (7.5%)	**$ 7,150,000.00**	
GENERAL LOAN LOSS RESERVES	**$ 2,500,000.00**	
SYDNEY CARTER SCHOLARSHIP	**$ 1,000,000.00**	
HONORARIUM	**$ 1,900,000.00**	
TOTAL		**($58,550,000.00)**
BALANCE C/F TO NEXT YEAR		**$29,837,736.00**

FIXING OF MAXIMUM LIABILITY

Be it resolved that the Maximum Liability for which the Board of Directors may commit Manchester Co-operative Credit Union (1977) Limited for the year 2016, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.

CREDIT COMMITTEE REPORT

Introduction

The further devaluation of the dollar as well as the rigid requirements of the International Monetary Fund (IMF) were some of the challenges faced by the Jamaican economy and the financial sector in particular. The various institutions in the sector were pressured to reduce their lending rates in an effort to encourage growth in the economy; which resulted in fierce competition among the players.

The Manchester Co-operative Credit Union (1977) Limited implemented creative strategies such as the development of new loan products and reviewed our policies and procedures in an effort to maintain a competitive advantage. These measures reaped success as our members were able to utilize the loan products towards debt consolidation, home improvement, wealth creation and personal development.

The Credit Union was able to achieve a growth of 17% in the loan portfolio; while maintaining a tolerable delinquency rate with the combined efforts of the committed members and staff.



Churton Douglas
Chairman

Credit Committee Members



(L-R): Mrs. Vivinne Grant, Mr. Raymond Harper, Mr. Churton Douglas, Miss Lilieth Sutherland, Mrs. Thelma Vassall

Sub-Credit Committee Members



(L-R): Mr. Christopher Tyme, Mr. Everard Harriott, Mr. Paul Grant

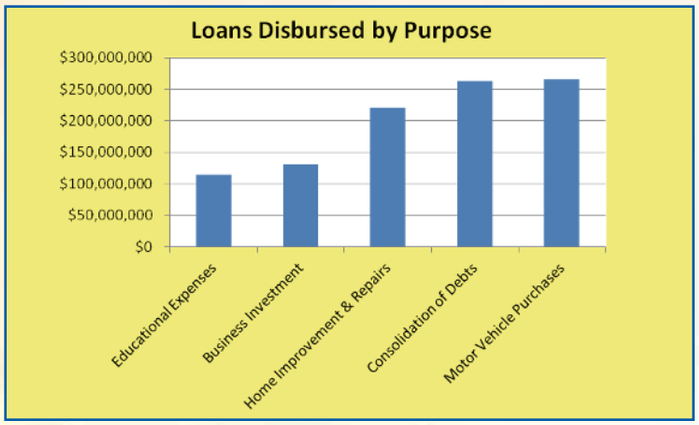
Comparison of Loans Disbursed (Purpose) for 2015 and 2014

Purpose	Number of Borrowers			Amount Disbursed		
	2015	2014	Variance	2015	2014	Variance
Consolidation of Debts	757	698	59	$263,499,634.69	$153,635,518.70	$109,864,115.99
Purchases of Land & Building	44	53	(9)	$33,564,069.58	$37,081,816.15	($3,517,746.57)
Home Improvement & Repairs	904	947	(43)	$221,574,635.69	$200,684,102.99	$20,890,532.70
Agriculture	175	155	20	$20,110,607.61	$16,301,595.36	$3,809,012.25
Medical Expenses	148	158	(10)	$17,127,177.17	$18,962,772.56	($1,835,595.39)
Motor Vehicle Repairs	300	321	(21)	$34,197,071.24	$39,240,830.71	($5,043,759.47)
Motor Vehicle Purchases	293	181	112	$265,594,176.05	$116,205,671.12	$149,388,504.93
Educational Expenses	892	862	30	$114,239,926.78	$119,590,897.53	($5,350,970.75)
Vacation and Travel	85	82	3	$8,834,171.11	$9,868,968.02	($1,034,796.91)
Household Appliance Purchase & Repairs	240	245	(5)	$25,620,903.61	$27,184,638.84	($1,563,735.23)
Business Investment	535	578	(43)	$131,196,725.62	$101,465,796.29	$29,730,929.33
Miscellaneous Expenses	216	262	(46)	$23,603,347.58	$23,753,501.09	($150,153.51)
Wedding Expenses	9	19	(10)	$829,896.29	$2,635,760.41	($1,805,864.12)
Funeral Expenses	39	47	(8)	$5,861,672.98	$6,099,396.63	($237,723.65)
Legal Expenses	28	36	(8)	$4,829,547.74	$5,188,123.13	($358,575.39)
Special Education Loan	3	32	(29)	$304,029.21	$4,400,004.44	($4,095,975.23)
Moni-Tree Line of Credit	3,119	3,456	(337)	$70,416,626.28	$66,708,550.47	$3,708,075.81
Small Business Loan	-	4	(4)	$0.00	$350,000.00	($350,000.00)
Totals	**7,787**	**8,136**	**(349)**	**$1,241,404,219.23**	**$949,357,944.44**	**$292,046,274.79**

When compared with 2014; loans decreased in numbers by 349 or 4.29% from 8,136 to 7.787; however there was an increase in the dollar value of$292 million or 30.76% from $949 million to $1.24 billion. The overall loan portfolio increased from $1.980 billion in 2014 to $2.318 billion in 2015representing a growth of 17.10%.

Profile of Loans Disbursed by Purpose

The following chart displays the top five categories of loans disbursed (by purpose) during the year. Motor Vehicle Purchase accounted for the largest categorydisbursed during the year; compared to 2014 there was an increase of 128.56% from $116million to $265 million.Consolidation of Debts, Business Investments and Home Improvement were the other categories in the top five categoryto record increases for the years in comparison, of 71%, 29% and 10% respectively.

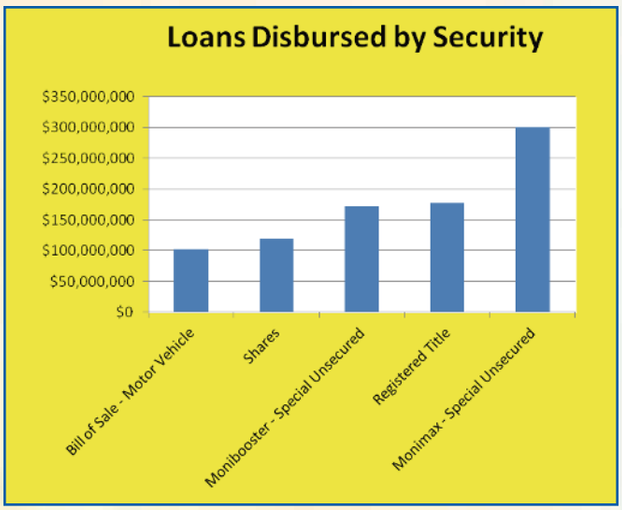


Comparison of Loans Disbursed by Security for 2015 and 2014

Types of Security	Number of Borrowers			Amount Disbursed		
	2015	2014	Variance	2015	2014	Variance
Hypothecation	111	97	14	$27,465,171.84	$22,326,195.74	$5,138,976.10
Registered Title	82	79	3	$177,273,593.91	$129,788,725.13	$47,484,868.78
Comaker	51	59	(8)	$6,044,813.83	$9,587,750.00	($3,542,936.17)
Insurance Policy	7	4	3	$3,366,482.15	$964,384.71	$2,402,097.44
Shares	824	795	29	$118,647,280.08	$103,470,822.76	$15,176,457.32
Character/Unsecured	543	823	(280)	$75,399,419.53	$111,290,295.80	($35,890,876.27)
Fixed Deposits	259	278	(19)	$63,872,450.50	$63,492,901.01	$379,549.49
Special M/Vehicle - CABS	74	0	74	$101,753,000.01	$0.00	$101,753,000.01
Bill of Sale - Motor Vehicle	93	71	22	$102,889,379.13	$78,172,263.56	$24,717,115.57
Golden Harvest	40	48	(8)	$3,184,370.31	$6,882,305.16	($3,697,934.85)
Solid Saver	43	27	16	$4,713,880.56	$2,505,480.52	$2,208,400.04
Hypothecation - Other Financial Institution	9	14	(5)	$1,756,909.51	$4,274,788.13	($2,517,878.62)
Fixed Deposit - Other Financial Institution	4	3	1	$1,909,000.00	$310,800.00	$1,598,200.00
Unsecured - Line of Credit	606	750	(144)	$4,899,523.36	$9,485,017.11	($4,585,493.75)
Secured - Line of Credit	2,513	2,706	(193)	$65,517,102.92	$57,223,533.36	$8,293,569.56
Monimax - Special Unsecured	2,171	2,382	(211)	$299,804,235.51	$349,582,681.45	($49,778,445.94)
Monibooster – Unsecured	343	0	343	$172,395,064.00	$0.00	$172,395,064.00
Monibooster – M/Vehicle	14	0	14	$10,512,542.08	$0.00	$10,512,542.08
Totals	7,787	8,136	(349)	$1,241,404,219.23	$949,357,944.44	$292,046,274.79

The Monimax and Monibooster Unsecured Loan products registered a combined amount of $471 million for the year, followed by loans secured by Registered Title with $177 million which experienced the largest growth when compared with 2014.

Profile of Loans Disbursed by Security



The following chart displays the top five categories of loans disbursed (by security) during the year. The Monimax(or Prosperity Loan) was the largest category with $299 million; followed by Registered Title which recorded $177 million.

New Loan Product

The **MoniBooster Loan** product was introduced to allow our members to consolidate their loans and have an affordable monthly payment as well as access to more disposable income. Members were able to apply for loansfor any purpose from a minimum of $200,000 up to $2 million, either unsecured or secured by motor vehicles as old as 16 years old, with a maximum repayment period of 5 years.

Another loan product, the **MoniBooster Christmas Line** was also introduced to allow members to take care of expenses normally associated with the Yuletide season. The loan amounts ranged from a minimum of $25,000 to a maximum amount of $100,000; with the repayment period ranging from 6 – 15 months. Members were not required to have any shares in order to access this loan.

Amendments

During the year amendments were made to the **Unsecured Loans** and **CABS Loans** products allowing members to access loans up to a maximum of **$1.3 million** and **$2.5 million respectively.** The maximum loan limit for loans secured by motor vehicles and real estate was further extended to **$5 million** and **$15 million,** respectively; while the maximum repayment term for loans secured by real estate was increased to twenty **(20)** years. Interest rates were also reduced in order to make loans more affordable to you our members.

Loan Administration

The Credit Union continued to monitor this area to ensure that we consistently provided efficient service in an effective manner.Technology was used to enhance the loan underwriting process and our members were also encouraged to utilize the various channels available to them in an effort to reduce the waiting period.

Waivers

The following waivers were granted for two (2) loans during 2015:

Reason for waiver	Number of loans	Dollar Value
Extend loan ceiling for Property Loan	1	$16,000,000.00
Extend Loan Term	1	$1,790,000.00
Totals	**2**	**$17,790,000.00**

Credit Committee Members attendance for 2015

The Credit Committee and Sub-Credit Committee held **Twenty (20)** meetings each during the year under review and the attendance of the members are listed below:

Credit Committee	Possible Meetings	Attended	Excused	Absent
Mr. Churton Douglas	20	17	3	-
Mr. Raymond Harper	11	9	2	-
Miss Lilieth Sutherland	20	14	6	-
Mrs. Vivinne Grant	20	17	3	-
Mrs. Thelma Vassall	20	16	4	-
Mr. George Sloley	9	8	1	-
Sub-Credit Committee	**Possible Meetings**	**Attended**	**Excused**	**Absent**
Mr. EverardHarriott	20	19	1*	-
Mr. Christopher Tyme	12	12	-	-
Mr. Paul Grant	20	18	2*	-
Mrs. Jean Lee-Wright	7	6	1*	-

Note: A member of the Credit Committee was a part of the meeting.

Conclusion

The members of the Credit Committee take this opportunity to express our sincere appreciation firstly to you our members, for choosing Manchester Co-operative Credit Union (1977) Limited to be your financial partner. The sterling support given by the Board of Directors, all committees, the management team and the staff members, particularly those of the Credit Department, was greatly appreciated.

The Credit Union's ability to offer excellent products and services to our membersat competitive and affordable rates is as a result of the partnership of all stakeholders. Your support and co-operation have been the driving force behind the continued success of the Credit Union.

We look forward to continue serving you as true co-operators with God's guidance.

.....

Churton Douglas
Chairman

SUPERVISORY COMMITTEE REPORT



Kingsley Andrews
Chairman

INTRODUCTION

During the review period, the operations of financial institutions, including credit unions,was greatly impacted by constraints in the global financial market. However, Manchester Co-operative Credit Union Limited,maintained its fiscal prudence and continue to be the vibrant institution for its members.

For credit unions across Jamaica,the impending BOJ regulations will result in increased competition, thus requiring greater focus on customer service and more creativity in product offerings.Our Credit Union is cognisant of this fact, and views this as a challenge that will provide opportunities.The institution, therefore, is prepared to capitalize on the opportunities that will be created. In its pursuit for success, Manchester Co-operative Credit Union will remain true to its mission, "providing innovative and competitive products and services in a warm and friendly environment to enhance the economic and social well-being of our members".

The Supervisory Committee is responsible for ensuring that the Credit Union's policies/procedures and external regulations are being complied with and that the interest of its members is protected. It was on this premise that the Committee along with the Internal Audit team met consistently to fulfil this mandate. As required, monthly reports were submitted to the Board of Directors, which communicated the issues observed and appropriate recommendations to strengthen internal controls.

Supervisory Committee Members



(L-R): Mrs. Barbara Chamberlain, Mr. Calvin Palmer, Mrs. Claudette Gayle-Foster, Mr. Junior Isaacs, Rev. Kingsley Andrews, Mrs. Ann Julette Rowe, Mrs. Claudette Griffiths-McKenzie, (Missing from photo: Mrs. Ruthan Smile-Smikle)

During the period, January- December 2015, thirteen (13) Committee meetings were held. The following table outlines the attendance of the members.

Members	Meetings Held	Meetings Attended	Excused	Absent
Kingsley Andrews	13	13	0	0
Junior Isaacs	13	10	3	0
Calvin Palmer	13	12	1	0
Claudette Griffiths-McKenzie	13	9	4	0
Ann Julette Rowe	13	13	0	0
Ruthan Smile-Smikle	13	8	1	4
Barbara Chamberlain	13	9	3	1
Claudette Gayle-Foster	13	10	3	0

AREAS OF FOCUS

The activities conducted during the year are summarized below:

New Membership Applications/Accounts

An audit of new members' accounts was conducted with the primary objective to establish whether there was compliance with the Credit Union's Anti-Money Laundering(AML) Know-Your-Customer (KYC) Policy and other procedures applicable in the opening of accounts. There was general compliance with the AML KYC Policy and other applicable procedures. Some exceptions were observed for which appropriate recommendations for improvement were made.

ATM Cash Counts

During the financial period, ATM cash counts were carried out at the Mandeville and Christiana branches. There were no exceptions to report. These counts were done to ensure that adequate measures were in place to safeguard cash and that these funds were properly accounted for.

Golden Harvest Accounts

A comprehensive audit of the Golden Harvest accounts was conducted to determine whether the individual accounts were maintained up-to-date and in accordance with the related contracts. The objectives also included verifying whether the insurance premiums were paid over by the Credit Union in a timely manner, and if breached accounts were closed out promptly. It was observed that there were some exceptions and appropriate recommendations were put forward to correct the issues.

Staff and Volunteers' Loans

The Staff and Volunteers' Loans were examined to ascertain whether loans granted were in accordance with the stipulations of the Loan Policy, and whether the payments on these accounts were up-to-date. The audits revealed general compliance with the Loan Policy and established procedures. However, a few exceptions were observed for which appropriate recommendations were made to resolve the matters.

Delinquent Loans

This activity sought to verify whether delinquent amounts were accurate and if the actions taken in regards to these loans were in accordance with the established policy and procedures. The audit also assessed the adequacy of provisions for loan loss and verified whether the removal of loans from the delinquency listing was appropriately done. The audit revealed that there was general compliance with the delinquency and loan policies, and the

applicable procedures. Some weaknesses were however observed. Recommendations were put forward to improve the system of control and to correct issues identified.

Teller Cash Counts

The cash counts in some instances, revealed differences between the physical cash and the accounting records. However, the amounts were not significant. The objectives of these activities were to ensure that cash was accurately accounted for and properly supported. Also, the aim was to ascertain whether there were appropriate safeguards over the handling of cash.

Dormant/Inactive Accounts - Daily Security Log

The audit revealed no discrepancy. There was compliance with the procedures for handling these types of transactions. The purpose of the audit was to ensure that transactions done in dormant and inactive accounts were legitimate and that the transactions on the members' accounts were properly supported.

Interest Paid On Deposit Accounts

This exercise included the testing of the interest paid and withholding tax for various savings type including Sure Gain, Youth Savers, Voluntary Shares, Solid Saver, and Term Deposit accounts. The objectives were to verify the accuracy of interest amounts paid on the savings accounts and the withholding tax applied, and determine if the correct rates were applied. The audit revealed no significant exception. For the few cases in which differences were observed between the amounts paid and the amounts re-calculated by Internal Audit, the differences were very small amounts.

Treasury Cash Counts

There were no exceptions to report for the cash counts. For each occasion, the objective was to ensure that the cash held in Treasury was properly accounted for and that the system of control over Treasury was appropriate and adequate.

Salaries

The audit of salaries was done to ensure that salary was paid to legitimate employees only and that rates of pay were properly approved and accurately applied. It was also aimed at ascertaining whether the necessary postings to the ledger accounts were done, statutory deductions were remitted to the relevant authority on a timely basis, and that there were appropriate controls over payroll in general.

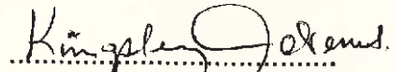
It was observed that there were appropriate measures in place for the payroll process from preparation to approval and disbursement. The payments were also properly supported. However, there was the need for improvement in one area and the appropriate recommendation was made to address this.

New Loans

The audit of the new loans issued during the period under review, revealed no exception. There was compliance with the loan policy and relevant procedures. The objective was to ensure that loans granted were in accordance with the stipulations of the loan policy/procedures, and to ascertain whether the payments on these accounts were up-to-date.

ACKNOWLEDGEMENT

The Supervisory Committee wishes to express gratitude to the Board of Directors, the Credit Committee, Management and Staff, as well as the Internal Audit team who have given sterling support during the year. We are extremely thankful to the general membership for the confidence placed in us to serve in this capacity.



Kingsley Andrews
Chairman

NOMINATING COMMITTEE REPORT



Mrs. Sharon Peart
Chairman

In accordance with Article XII, Rule 62 (i), of the Rules of Manchester Co-operative Credit Union (1977) Limited, which states in part,

"Not less than thirty (30) days prior to each Annual General Meeting, the Board of Directors shall appoint a Nominating Committee of three (3) members, of which not more than one may be a member of the existing Board of Directors." The Board of Directors appointed said Committee, which comprised of the following persons:

Mrs. Sharon Peart– *Director/Chairman*
Mrs. Paulette Stephenson-Taylor–*Member*
Mr. David Harris – *Member*
Mrs. Loye Richards – *Staff Liaison*

The Nominating Committee hereby recommends the following nominees for the vacant positions:

BOARD OF DIRECTORS

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Rev. Charles Danvers	Retiring	Rev. Charles Danvers
Rev. Dr. Paul Gardner	Retiring	Rev. Dr. Paul Gardner
Rev. Joan Smith	Retiring	Rev. Joan Smith
Mr. Nicholas Spence		
Mr. Stallyn Insang		
Mrs. Althia Scott-Jones		
Mr. Alfred Daley	Retiring	Mr. Alfred Daley
Mr. Claude Rattray		
Mrs. Darcia Roache		
Mrs. Dianna Tomlinson		
Mrs. Sharon Peart	Retiring (End of Term)	Mr. Alexander Bourne

CREDIT COMMITTEE

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mr. Churton Douglas	Retiring	Mr. Churton Douglas
Miss Lilieth Sutherland	Retiring (End of Term)	Mr. Clive Dunkley
Mrs. Thelma Vassall		
Mr. Raymond Harper		
Mrs. Vivinne Grant		

SUB-CREDIT COMMITTEE

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mr. Christopher Tyme		
Mr. Everard Harriott	Retiring	Mr. Everard Harriott
Mr. Paul Grant		

SUPERVISORY COMMITTEE

PRESENTLY SERVING	RETIRING (PositionVacant)	NOMINATED
Mrs. Ann Julette Rowe	Retiring	Mrs. Ann Julette Rowe
Mrs. Claudette Griffiths-McKenzie	Retiring	Mrs. Claudette Griffiths-McKenzie
Mrs. Ruthan Smile-Smikle	Retiring	Mrs. Ruthan Smile-Smikle
Mr. Kingsley Andrews	Retiring (End of Term)	Ms. Elaine Bailey
Mr. Junior Isaacs	Retiring (End of Term)	Mrs. Michelle Douse

SUB-SUPERVISORY COMMITTEE

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mrs. Claudette Gayle-Foster	Retiring	Mrs. Claudette Gayle-Foster
Mrs. Barbara Chamberlain	Retiring	Mrs. Barbara Chamberlain
Mr. Calvin Palmer	Retiring (End of Term)	Mrs. Dahlia Brown-Dawson

APPENDIX

If elected as recommended the new cadre of volunteers will serve as follows:

BOARD OF DIRECTORS

NAMES	STATUS	TERM
Rev. Charles Danvers	Continuing	2 Years
Mr. Alexander Bourne	New	2 Years
Mrs. Althia Scott-Jones	Continuing	1 Year
Mr. Stallyn Insang	Continuing	1 Year
Mr. Nicholas Spence	Continuing	1 Year
Mr. Alfred Daley	Continuing	2 Years
Mr. Claude Rattray	Continuing	1 Year
Rev. Joan Smith	Continuing	2 Years
Mrs. Dianna Tomlinson	Continuing	1 Year
Rev. Dr. Paul Gardner	Continuing	2 Years
Mrs. Darcia Roache	Continuing	1 Year

CREDIT COMMITTEE

NAMES	STATUS	TERM
Mr. Churton Douglas	Continuing	2 Years
Mr. Clive Dunkley	New	2 Years
Mr. Raymond Harper	Continuing	1 Year
Mrs. Vivinne Grant	Continuing	1 Year
Mrs. Thelma Vassall	Continuing	1 Year

SUB-CREDIT COMMITTEE

NAMES	STATUS	TERM
Mr. Everard Harriott	Continuing	2 Years
Mr. Christopher Thyme	Continuing	1 Year
Mr. Paul Grant	Continuing	1 Year

SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Ms. Elaine Bailey	New	1 Year
Mrs. Michelle Douse	New	1 Year
Mrs. Ruthan Smile-Smikle	Continuing	1 Year
Mrs. Ann Julette Rowe	Continuing	1 Year
Mrs. Claudette Griffiths-McKenzie	Continuing	1 Year

SUB-SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Mrs. Dahlia Brown-Dawson	New	1 Year
Mrs. Claudette Gayle-Foster	Continuing	1 Year
Mrs. Barbara Chamberlain	Continuing	1 Year

DELEGATES TO THE CREDIT UNION LEAGUE & OTHER CO-OPERATIVE SOCIETIES

The Nominating Committee is recommending that the authority be given to the Board of Directors to elect representatives to the Jamaica Co-operative Credit Union League Limited and other Co-operatives Societies to which the Credit Union may be affiliated.

.....
Sharon Peart (Mrs.)
Chairman

PROFILE OF NOMINEES

ALEXANDER BOURNE

Alexander Bourne is the principal at Knox College in Spalding and has 17 years of experience as a professional educator. He is a co-author as well as a content developer of e-learning and other content material for the teaching and learning of mathematics.

Mr. Bourne is a member of the Knox Junior School Board of Governors as well as Chairman of the school's Finance Committee. He is also a member of the Mount Olivet Boys' Home Board of Management and serves as chairman of the Education and Vocation Committee.

Mr. Bourne holds a Master's Degree in Education, Bachelor of Arts Degree in Accounting and Financial Management and is pursuing his Doctoral of Science in Leadership.

Mr. Alexander Bourne has been nominated to serve on the Board of Directors

CLIVE DUNKLEY

Clive Dunkley, a professional educator since 1993, is a lecturer and heads the Mathematics Department at Knox Community College. Prior to becoming a professional educator, he was a research agronomist at Sugar Industry Research Institute.

Mr. Dunkley is chairman of the Audit Committee for the Central Jamaica Conference of Seventh Day Adventist as well as a member of the Central Jamaica Conference of Seventh Day Adventist Executive Committee.

Mr. Dunkley holds a Bachelor of Science Degree in Mathematics and is in pursuit of his Master of Science in Mathematics.

Mr. Clive Dunkley has been nominated to serve on the Credit Committee

ELAINE BAILEY

Elaine Bailey is a senior lecturer in the Business Department at Knox Community College.

Ms. Bailey is a member of the Finance Committee at the Broadleaf New Testament Church of God.

Ms. Bailey holds a Master of Science in Business Administration, Bachelor of Science Degree in Economics and is pursuing her ACCA qualification.

Ms. Elaine Bailey has been nominated to serve on the Supervisory Committee.

DAHLIA BROWN-DAWSON

Dahlia Brown-Dawson is a lecturer and also head of the Business Department at Holmwood Technical High School. She is a professional educator with 20 years of experience and earned the 2015 Teacher of Excellence Award for Manchester.

As a part of her contributing to community involvement Mrs. Brown-Dawson is a Justice of the Peace for the parish of Trelawny; Vice President of Wire Fence Citizens' Association as well as Public Relations Officer of the Wire Fence Farmers' Association

Mrs. Brown-Dawson holds a Bachelor of Science Degree in Business Administration.

Mrs. Dahlia Brown-Dawson has been nominated to serve on the Sub-Supervisory Committee

MICHELLE DOUSE

Michelle Douse is a Tax Auditor at Tax Administration Jamaica and has been for the last four years. She is a part-time lecturer at HEART Trust NTA VTDI.

She holds a Masters of Business Administration and is pursuing her ACCA qualification.

Ms. Michelle Douse has been nominated to serve on the Supervisory Committee

39TH ANNUAL GENERAL MEETING

















Sydney Carter Scholarship Function 2015











NETBALL COMPETITION 2015













ICU WEEK 2015 – Member Appreciation Day













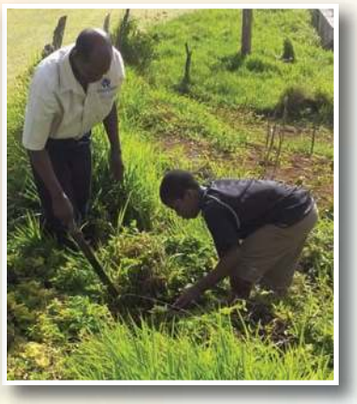







ICU WEEK 2015 – Tree Planting Day



ICU WEEK 2015 – Soup & Soap Outreach











ICU WEEK 2015 – Treasure Chest Fun Day





DEBATING COMPETITION 2015





LABOUR DAY PROJECT






Mid Island Chapter Banquet 2015









LEAGUE AGM AWARDS BANQUET 2015



~ STAFF LIST ~

ADMINISTATION DEPARTMENT

1.	Mrs. Cynthia Briscoe	–	*General Manager*
2.	Miss Carol Bowen	–	*Executive Secretary*
3.	Miss Vanaya Jack	–	*Human Resource Officer*
4.	Mrs. Caroline Green	–	*Administrative Assistant*
5.	Mrs. Lorette Ffrench - Francis	–	*Risk & Compliance Officer*
6.	Miss Sherylee Duricka	–	*Risk & Compliance Assistant*
7.	Mrs. Salome Ford-Brooks	–	*Internal Auditor*
8.	Miss Jeniffer Haslam	–	*Internal Audit Assistant*
9.	Miss Maureen Peterkin	–	*Registry Clerk*
10.	Miss Claudette McFarquhar	–	*Office Attendant*
11.	Mr. William Allen	–	*Messenger*
12.	Mr. Hicksford Robinson	–	*Parking Attendant*

ACCOUNTS DEPARTMENT

13.	Mr. Lenroy Allen	–	*Finance Manager*
14.	Mr. Omar Greene	–	*Information Technology Manager*
15.	Mrs. Delrose James	–	*Senior Accounting Officer*
16.	Mrs. Jacqueline Kennedy	–	*Systems Administrator*
17.	Mrs. Shelly Ann Daley-Broomfield	–	*Accounting Clerk*
18.	Mr. Oliver Harrison	–	*Accounting Clerk*

SALES & MARKETING DEPARTMENT

19.	Mr. Michael Gottshalk	–	*Sales & Marketing Manager*
20.	Mr. Greggory Mulgrave	–	*Marketing Officer (Christiana)*
21.	Mrs. Loye Richards	–	*Business Development Officer*
22.	Mrs Vasiana Miller-Hewitt	–	*Marketing Representative*

MANDEVILLE BRANCH

23.	Mrs. Wendy Hamm-McLean	–	*Branch Manager*
24.	Miss Debbie Barrett	–	*Utility Officer*
25.	Mrs. Ashieka Ebanks-Newell	–	*Member Service Officer*
26.	Mrs. Deon Daley-White	–	*Credit Officer*
27.	Miss Nadine Ricketts	–	*Credit Officer*

28.	Mr. Richard Barrett	–	*Credit Officer*
29.	Mrs. Ruth Anderson-Burnett	–	*Securities Officer*
30.	Mr. Andrew Richards	–	*Field Officer*
31.	Mrs. Gail Taylor	–	*Junior Credit Officer*
32.	Mrs. Donna Bent-White	–	*Senior Member Service Representative*
33.	Miss Jenice Green	–	*Member Service Representative*
34.	Miss Chantal Jamieson	–	*Member Service Representative*
35.	Miss Lavene Gyles	–	*Member Service Representative*
36.	Miss Neleasia Lambert	–	*Member Service Representative*
37.	Miss Keniesha Pennant	–	*Member Service Representative*
38.	Mr. Rajeve Stewart	–	*Member Service Representative*
39.	Miss Sandrene Bryan	–	*Member Service Representative*
40.	Miss Jannese Francis	–	*Member Service Representative*
41.	Mr. Kirkton Richards	–	*Driver/Member Service Representative*
42.	Mr. David Samuels	–	*Member Service Representative*

CHRISTIANA BRANCH

43.	Mrs. Janice Gayle	–	*Branch Manager*
44.	Mr. Floyd McConnell	–	*Member Service Officer*
45.	Mrs. Gennevieve Minzie-Allen	–	*Credit Officer*
46.	Miss Samantha Johnson	–	*Credit Officer*
47.	Mr. Mark Brown	–	*Assistant Field Officer*
48.	Miss Claudia Pitter	–	*Junior Credit Officer*
49.	Mrs. Karen Christie-Riley	–	*Administrative Assistant*
50.	Mrs. Terryann Gayle-Birthwright	–	*Senior Member Service Representative*
51.	Mrs. Sharon Williams	–	*Member Service Representative*
52.	Miss Jholein Marshall	–	*Member Service Representative*
53.	Miss Natalee Simpson	–	*Member Service Representative*
54.	Mr. Jerome Thompson	–	*Member Service Representative*
55.	Mrs. Jassette Wright	–	*Office Attendant*

PART TIME WORKERS

Mrs. Ann-Marie Virtue	–	*Mandeville*
Miss Hyacinth Spurgeon	–	*Mandeville*
Mr. Michael Green	–	*Mandeville*
Miss Beverly White	–	*Christiana*
Mr. Trevor Johnson	–	*Christiana*

~ STAFF PICTURES ~



Mrs. Cynthia Briscoe

General Manager

Head Office



Seated (L-R): Miss Vanaya Jack, Miss Sherylee Duricka, Mrs. Vasiana Miller-Hewitt, Mrs. Loye Richards, Mrs. Salome Ford-Brooks, Mrs. Delrose James, Miss Jeniffer Haslam, Mrs. Lorette Ffrench-Francis
Standing: (L-R): Mr. Hickford Robinson, Mr. Oliver Harrison, Miss Carol Bowen, Mrs. Jacqueline Kennedy, Miss Claudette McFarquhar, Mr. Omar Greene, Mrs. Caroline Green, Mr. William Allen, Mr. Lenroy Allen, Mr. Michael Gottshalk. (Missing from Photo: Mrs. Shelly Ann Daley-Broomfield)

Mandeville Branch



Seated (L-R): Miss Neleasia Lambert, Mrs. Donna-Bent White, Miss Debbie Barrett, Mrs. Deon Daley-White, Miss Jenice Green, Mrs. Gail Taylor, Miss Chantal Jamieson, Miss Jannese Francis
Standing (L-R): Miss Maureen Peterkin, Mr. Rajeve Stewart, Mrs. Wendy Hamm-McLean, Mr. Richard Barrett, Miss Nadine Ricketts, Mrs. Asheika Ebanks-Newell, Miss Sandrene Bryan, Mr. David Samuels, Miss Keniesha Pennant, Mrs. Ruth Anderson-Burnett, Mr. Kirkton Richards
(Missing from Photo: Miss Lavene Gyles, Mr. Andrew Richards)

Christiana Branch



Seated (L-R): Miss Samantha Johnson, Mrs. Terryann Gayle-Birthwright, Mrs. Karen Christie-Riley, Miss Claudia Pitter, Mrs. Gennevieve Minzie-Allen
Standing (L-R): Mr. Jerome Thompson, Miss Natalee Simpson, Mrs. Jassette Wright, Mrs. Janice Gayle, Mr. Greggory Mulgrave, Miss Jholein Marshall, Mr. Trevor Johnson, Mrs. Sharon Williams, Mr. Floyd McConnell (Missing from Photo: Mr. Mark Brown)

Accounts Department



(L-R): Mr. Omar Greene, Mrs. Jacqueline Kennedy, Mr. Lenroy Allen.
Seated (L-R): Mr. Oliver Harrison, Mrs. Delrose James
(Missing from photo: Mrs. Shelly Ann Daley-Broomfield)

Sales & Marketing Department



(L-R): Mr. Greggory Mulgrave, Mrs. Loye Richards,
Mrs. Vasiana Miller-Hewitt, Mr. Michael Gottshalk

Administrative Department



Seated (L-R): Miss Jeniffer Haslam, Mrs. Salome Ford-Brooks, Mrs. Caroline Green
Standing (L-R): Miss Claudette McFarquhar, Miss Carol Bowen, Mr. William Allen,
Mrs. Lorette Ffrench-Francis, Miss Vanaya Jack, Miss Sherylee Duricka
(Missing from Photo: Mr. Hicksford Robinson)

~ CREDIT DEPARTMENT ~

Mandeville



(L-R): Miss Nadine Ricketts, Miss Debbie Barrett, Mr. Andrew Richards, Mrs. Gail Taylor
(Missing from Photo: Mrs. Deon Daley-White, Mr. Richard Barrett)

Christiana



(L-R): Miss Samantha Johnson, Miss Claudia Pitter, Mrs. Gennevieve Minzie-Allen
(Missing from Photo: Mr. Mark Brown)

~ MEMBER SERVICES ~

Mandeville



Seated (L-R): Miss Jannese Francis, Mrs. Asheika Ebanks-Newell, Mrs. Donna Bent-White
Standing (L-R): Mr. David Samuels, Miss Chantal Jamieson, Mr. Kirkton Richards, Miss Keneisha Pennant, Miss Sandrene Bryan, Mr. Rajeve Stewart
(Missing from Photo: Miss Neleasia Lambert, Miss Lavene Gyles, Miss Jenice Green)

Christiana



Seated (L-R): Miss Jholien Marchall, Miss Natalee Simpson, Mrs. Terryann Gayle-Birthwright,
Standing (L-R): Mr. Floyd Mcconnell, Mrs. Sharon Williams, Mr. Jerome Thompson

CONDOLENCES

Allison Leyden
Alves Dunkley
Annie Haye
Anthony Lennard
Arnold Henry
Azeth Sutherland
Basil McLeod
Calvin Ricketts
Carol Spencer
Ceveron Kameka
Clarence King
David Dunkley
Delreitta Harrison
Derrick McKnight
Doreen Waugh-Fagon
Dorian Pryce
Doris Roach
Dotilda Richards
Dunbar Wilson
Egbert Sharpe
Epsey Jones
Ermin Walters
Evelyn Ellis
Everton Robinson
Eyon Barrett
Fay Francis
Francella Hyman
Franklyn Rowe
George Crawford
George Robinson
George Rudolph
Gwendolyn Drummond
Harvey Simpson
Heather Lindo
Heather Webb
Hector Roach
Hortence Morgan
Howard Wright
Hyacinth Rose
Idene Mills-Allen
Inez Barnett
Jacinth Hill
Joan Martin
John Forbes
Jonnette Watson
Joseph Vaughan
Kenneth Morgan
Kerine Larmond
Kernis Gordon
Kerry-Ann Copeland
Kesha Green
Kirk Badresingh
Lambert Watson
Lester Barnes
Lester Jones
Lillian Neil
Lloyd Ellington
Lorena Williams
Marcia James
Marie Dixon
Marvia Watson
Maudlyn White
Mavis Pryce-Gayle
Merle Lilly
Michelle Larmond
Monica Beckford
Necretia Watson
Nevis Black
Nigel Walker
Omar Hanson
Pansy Biggs
Petro Bernard
Prudence McLean
Ralph Larmond
Raymond Mitchell
Renae Roberts
Robert Broomfield
Robert Ellis
Rohan Smith
Rose Beezer
Roselyn Brown
Rupert Gordon
Rusine Fagan
Sandra Thyme
Sean Roach
Sharon Anderson
Sidney Jones
Sonia Brown
Stephanie Burrell
Stephanie Roach
Terence Green
Tesha Anderson
Thelma Bowes
Theslin Reid
Thomas Palmer
Yvette Channer-Smith
Yvonne Clarke
Zachariah Watson
Zelma Clarke

The Roles of the Board and Committees

BOARD OF DIRECTORS

- The business of the Credit Union shall be conducted by the Board of Directors, which shall be elected at the Annual General Meeting of the Credit Union. The major functions of the Board of Directors are as follows:
- Overall leadership, direction and control of the affairs of the Credit Union.
- Development of policies to guide the successful operations of the Organization.
- Deciding on the long-term goals and objectives of the Organization and planning for its achievement.
- Reporting to members at Annual General Meetings.
- Ensuring that the Credit Union's Rules, the Co-operative Societies Act and Regulations, the rules of the League and other relevant legislation are complied with.
- Recommending amendments to Rules.
- Ensuring the provision of competent and adequate personnel and facilities for efficient operation of the Credit Union.
- Monitoring and evaluating the performance of the Credit Union.
- Ensuring that members' funds and the assets of the Credit Union are adequately protected.
- Appointing relevant committees to assist the Board's functioning
- Equipping themselves with the requisite skills and knowledge to effectively perform their functions.
- Attending the requisite courses for certification as Credit Union Professionals.

CREDIT COMMITTEE

- The Credit Committee shall be elected at the Annual General Meeting of the Credit Union. The committee has overall responsibility for the Loan Portfolio and Credit Administration of the Organization, guided by the Credit Policy approved by the Board of Directors. The functions of the Credit Committee include:
- Studying and implementing the Credit Policy of the Organization.
- Recommending amendments to the Credit Policy, where necessary.
- Evaluation and decision making on member loan requests
- Conducting interviews with loan applicants where required
- Determining the adequacy of security for loans
- Ensuring that delinquency is effectively controlled through the committee's evaluation and approval of loans.

SUPERVISORY COMMITTEE

- The Supervisory Committee shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than three members, none of whom shall be members of the Board of Directors or Credit Committee or Loan Officer or Employee.
- The Supervisory Committee is charged with the responsibility of being the Internal Audit Committee of the Credit Union for and on behalf of the members. The main functions of the committee include:

- Determining compliance with the Rules of the Credit Union, the Co-operative Societies Act and Regulations, the rules of the League and the Bank of Jamaica (Credit Unions) Regulations, when enacted.

- Ensuring that no irregular or unauthorized transactions are carried out by either employees or volunteers or any parties connected to these persons.

- Checking on the Credit Union's Credit Administration to ensure that delinquency is kept under control and that securities are adequately endorsed in the Credit Union's favour.

- Evaluating whether the policies and procedures established by the Board of Directors are documented and adhered to.

- Ascertaining whether the established systems of internal control provide reasonable assurance to the members that the assets of the Credit Union are adequately protected to ensure safeguards against errors, carelessness and fraud.

- Evaluating the Credit Union's compliance with applicable legislation and making recommendations to the Board of Directors where necessary.

Receive and investigate any complaint made by any member affecting the proper running of the Credit Union

PARLIAMENTARY RULES OF ORDER

1. (a) **A member** shall stand, when addressing the chair.

   (b) Speeches shall be clear and relevant to the subject before the meeting.

2. **A member** shall only address the meeting when called upon by the Chairman to do so, after which he/she immediately takes his/her seat.

3. **No member** shall address the meeting except through the Chairman.

4. **A member** shall not speak twice on the same subject except:

   (a) The mover of a motion who has the right to reply.

   (b) He/she rises to object or to explain (with permission of the Chair).

5. No speeches shall be made after the question has been put and carried or neglected.

6. The mover of a procedural motion (adjournments, postponement, lay on the table) 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 Orders.

8. (a) **A member** shall not call another member to order, but may draw the attention of the Chair to a "Breach of Order."

   (b) No event can a **member** call the Chair "to order."

9. A Question should not be put to the vote if a member desires to speak on it or move an amendment to it - except that a "Procedural Motion," the Previous Question "proceed to the next business" or the "closure." "That the question be now put," may be moved at any time.

10. Only one amendment shall be before the meeting at one and the same time.

11. When a motion is withdrawn, any amendment to it falls.

12. The Chairman shall have, in addition to his ordinary vote, a "Casting Vote" in the case of inequality votes.

13. If there is an equality of votes on an amendment, and if the Chair does not exercise his casting vote, the amendment is lost.

14. The Chairman shall make provisions for the protection of members from vilification (personal abuse.)

15. No member shall impute improper motivates against the Chairman, Board of Directors, Officers of the Confederation or any other member.

Fit and Proper Criteria for Credit Union Directors and Officers

◆ **What is the Fit and Proper Criteria?**

▶ Requirement of the Bank of Jamaica Credit Union Regulations seeks to ensure that persons elected as Directors or officers of a Credit Union:-

- ✓ Are competent, diligent and able to exercise sound judgement.
- ✓ Have not been convicted of an offence involving honesty and are not Un-discharged Bankrupts.
- ✓ Have employment records free of acts of dishonesty or impropriety in the handling of financial affairs.

Fit and Proper Requirements for Credit Union Directors and Officers

How does the process work?

- ✓ Notification of persons elected as Directors and Officers at a AGM or appointed by a committee and forwarded to the Supervisor.
- ✓ The Supervisor will assess the fitness of the persons.
- ✓ The Supervisor will advise the Credit Union if any person does not meet the fit and proper criteria.
- ✓ The Credit Union is then required to terminate the appointment of the affected person.

National Anthem

Eternal Father

Eternal Father, bless our Land
Guard us with thy mighty hand,
Keep us free from evil powers,
Be our light through countless hours.
To our leaders, Great Defender
Grant true wisdom from above.
Justice, truth be ours forever.
Jamaica, land we love.
Jamaica, Jamaica, Jamaica,
Land we love

Teach us true respect for all,
Stir response to duty's call
Strengthen us the weak to cherish
Give us vision lest we perish.
Knowledge send us, Heavenly Father
Grant true wisdom from above
Justice, truth, be ours forever,
Jamaica, land we love.
Jamaica, Jamaica, Jamaica
Land we Love

Notes

SAVE BIG IN 2016!

WITH

MANCHESTER CO-OPERATIVE CREDIT UNION



- PREMIUM INTEREST RATES
- INVESTMENT PERIODS: (6 MTHS. TO 3 YRS.)
- ALLOWS ADDITION OF CASH TO INVESTED AMOUNT ($10,000 OR MORE)
- INVESTMENT MAY BE USED AS COLLATERAL



- GET YOUR PARTNER ON TIME
- ATTRACTIVE BONUS ON YOUR DRAW
- FLEXIBLE PERIODS (12, 20, 32, 48 WEEKS)
- FLEXIBLE PAYMENT (WEEKLY, FORTNIGHTLY OR MONTHLY)
- MAY HAVE MULTIPLE PLANS AT ONCE
- SAVINGS MAY BE USED AS COLLATERAL



- ATTRACTIVE INTEREST RATES
- FREE INSURANCE COVERAGE ON SAVINGS GOAL
- SAVE TOWARDS YOUR GOAL IN 1- 10 YRS.
- IN CASE OF PERMANENT DISABILITY OR DEATH THE GOAL AMOUNT IS PAID OUT.
- SAVINGS MAY BE USED AS COLLATERAL

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Fax#: (876)962-0205

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Manchester
Tel#: (876)964-2408 ; 964-3648
Fax#: (876)964-3270

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40th Annual General Meeting