2020 ANNUAL REPORT

We are Family



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LTD.

70th Anniversary

1951-2021

45th Annual General Meeting

BUILD, REPAIR OR BUY



with a

PROPERTY LOAN

from MCCU

Up to
$25 Million

We also do
2nd Mortgage

Interest rate as low as **7.99%**

Up to **20 years** to repay



*Conditions Apply

Manchester Co-operative Credit Union (1977) Ltd.

Mandeville Tel: 876-962-0401
Christiana Tel: 876-964-3648

www.mccuja.com

'Where Service Exceeds Expectation'



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.
Amen.

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NOTICE OF THE 45TH ANNUAL GENERAL MEETING

Notice is hereby given that the 45th Annual General Meeting of the Manchester Co-operative Credit Union (1977) Limited will be held Saturday, November 13, 2021, commencing at 10 a.m. in hybrid format to allow members to:

> Consider, and if thought fit, to approve a Resolution submitted by the Board of Directors in respect of amendments to the Rules of the Manchester Co-operative Credit Union (1977) Limited for meetings of members of the Society to be made conducted by attendance at a physical location, or by virtual only or by hybrid-meeting.
> A copy of the full resolution and the 2020 Annual Report will be available on our website at www.mccuja.com.

Members are invited to register at https://iteneri.com/mccu/event/manchester-cooperative-credit-union/show to attend the meeting online due to the COVID-19 pandemic and measures implemented for our mutual health and safety. For more information on registration attendance, participation, and the voting process, you may visit our website www.mccuja.com or call our offices at (876) 962-0401 or 962-3584.

Dated this 8th day of October 2021

Signed by:

Ms. Althea Campbell
Secretary, Board of Directors

AGENDA

1. Call to Order

- Ascertaining of Quorum
- Notice of Meeting
- Prayer
- Welcome, Courtesies & Apologies

2. Resolution to Amend Rules

3. Minutes of Last Annual General Meeting

- Reading
- Corrections/Omissions/Amendments
- Confirmation
- Matters Arising

4. Reports

a. Board of Directors
b. Treasurer's/Auditors'
c. Appropriation of Surplus
d. Fixing of Maximum Liability
e. Credit Committee
f. Supervisory Committee

5. Elections

- Nominating Committee Report
- Board of Directors
- Credit Committee
- Supervisory Committee

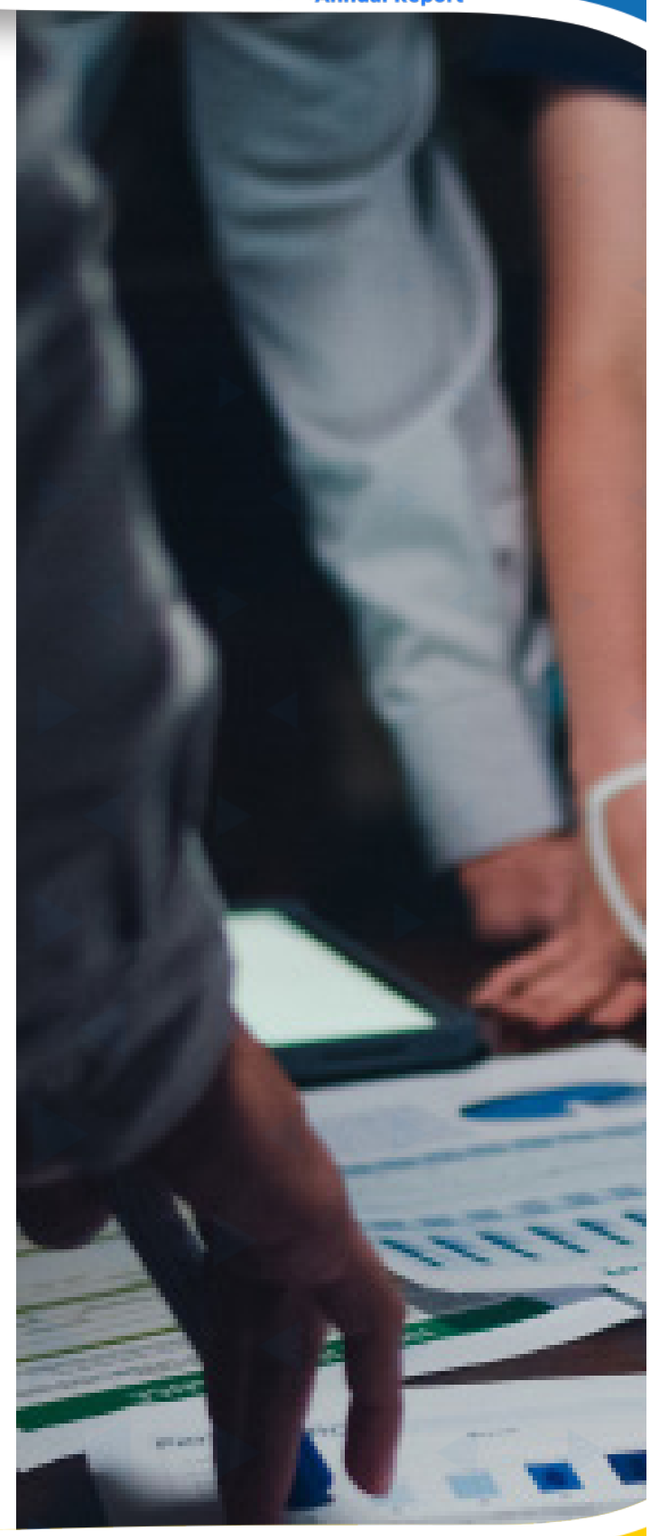
6. Any Other Business

- Congratulatory Resolutions

7. Announcements

8. Vote of Thanks

9. Closure



MINUTES

MINUTES OF THE 44TH ANNUAL GENERAL MEETING HELD ON SATURDAY, OCTOBER 24, 2020, AT 10:00 A.M. AT THE KENDAL CAMP & CONFERENCE CENTRE, KENDAL, MANCHESTER.

CALL TO ORDER

TThe meeting was called to order at 10:19 a.m. by the Chairman, Mr. Alexander Bourne.
The prayer of St. Francis was repeated by all.

The Assistant Secretary, Miss Althea Campbell ascertained that the meeting was duly constituted with one hundred (100) members present. She then read the Notice of the 44th 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. He noted that it was a trying year and that he was hopeful that members and their families were safe during the difficult time. Mr. Bourne said that it was his fervent prayer to safely see MCCU through the pandemic. He inculcated upon members that the pandemic was serious, and it was important that they continued to observe all the necessary precautions to stay safe.

Special welcome was extended to the following individuals:

Mrs. Phueona Reynolds	Jamaica Co-operative Credit Union League (JCCUL)
Mr. Claude Rattray	Past President
Rev. Charles Danvers	Past President
Mr. Courtney Shaw	Department of Co-operatives & Friendly Societies
Ms. Tresann Thompson	Department of Co-operatives & Friendly Societies
Members in Cyber Space	

APOLOGIES

Apologies for absence were tendered on behalf of the following persons for various preclusions such as the Covid-19 restrictions, age compliance, comorbidity concerns, among others.

Mrs. Althia Scott-Jones	Secretary
Mr. Astley Scott	Director
Mr. Geoffrey Sharpe	Director
Mr. Berresford South	Director

Mrs. Ann Julette Rowe	Chairman - Supervisory Committee
Mrs. Patreena Bailey-Green	Supervisory Committee
Mr. Clive Dunkley	Credit Committee
Ms. Elaine Brooks	Credit Committee
Mrs. Helen Campbell-Wint	Sub-Credit Committee
Mr. Christopher Tyme	Sub-Credit Committee
Mrs. Caroline Green	Staff

CONDOLENCES

Attendees stood in a moment of silence in recognition of those members who died during the year (Listed on page 137 of the Booklet).

PARLIAMENTARY RULES OF ORDER

Mr. Bourne drew the members' attention to the Parliamentary Rules of Order, detailed on page 143 of the Booklet, which was observed during the meeting. On a motion moved by Mr. Claude Rattray and seconded by Mr. Glenroy Griffiths, the Parliamentary Rules of Order was adopted.

SUSPENSION OF STANDING ORDERS

i. Due to the inclement weather twinned with the high possibility that persons might leave before the end of the meeting, and given the very slim quorum, the Chairman requested that the Standing Orders be suspended to move forward the following matters:

- ***The election of members who would serve on the volunteer core***
- ***The approval of the Distribution of Surplus***
- ***Fixing of Maximum Liability***

ii. That the reports and Minutes be taken as read, and only highlights of said reports be presented to the membership, given that they were circulated ahead of the meeting. On a motion moved by Mr. Stanford Hastings and seconded by the Rev. Charles Danvers, the suspension of the Standing Orders was accepted and was carried.

NOMINATING COMMITTEE REPORT

Mr. Stallyn Insang, Chairman, of the Nominating Committee, referred to rules governing the nomination. The members of the Committee comprised the following persons:

MINUTES

- Mr. Stallyn Insang - Director/Chairman
- Rev. Charles Danvers - Member
- Mrs. Vanessa Lawrence-Williams - Member
- Mrs. Ruth Anderson-Burnett - Staff Liaison Officer

Mr. Insang read the report to outline to the members, all the volunteers who would be retiring and those who were nominated to serve on the Board of Directors and Committees.
He pointed the membership to the new nominees' profiles found on page 122 of the Booklet.

ELECTION OF THE BOARD OF DIRECTORS AND COMMITTEES

The election proceedings were conducted by Mr. Courtney Shaw, representative from the Department of Co-operatives and Friendly Societies. Mr. Shaw asked for the report to be taken as presented on a motion moved by Mr. Stanford Hastings and seconded by Mr. Claude Rattray:

There being no nominations from the floor, the following members were elected to serve on the Board of Directors, Credit Committee and Supervisory Committee for the administrative year 2020 to 2021:

BOARD OF DIRECTORS

Ser#	PRESENTLY SERVING	STATUS	TERM
1	Mr. Alexander Bourne	Continuing	2 Years
2	Mr. Nicholas Spence	Continuing	1 Year
3	Mrs. Althia Scott-Jones	Continuing	1 Year
4	Mr. Stallyn Insang	Continuing	1 Year
5	Dr. Cleveland Robinson	Continuing	2 Years
6	Ms. Marsha Deer	Continuing	2 Years
7	Mr. Lemuel Sharpe	Continuing	2 Years
8	Mr. Astley Scott	Continuing	1 Year
9	Mr. Beresford South	Continuing	1 Year
10	Ms. Althea Campbell	Continuing	1 Year
11	Mr. Courtney Henry	New	1 Year

Mr. Shaw clarified that Mr. Courtney Henry would serve for one (1) year to complete the unexpired term vacated by Mr. Stanford Hastings.

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CREDIT COMMITTEE

Ser#	PRESENTLY SERVING	STATUS	TERM
1	Mr. Raymond Harper	Continuing	1 Year
2	Mr. Clive Dunkley	Continuing	2 Years
3	Mr. George Sloley	Continuing	2 Years
4	Ms. Elaine Brooks	Continuing	1 Year
5	Mrs. Claudette Gayle-Foster	Continuing	1 Year

SUB-CREDIT COMMITTEE

Ser#	NAMES	STATUS	TERM
1	Mr. Churton Douglas	New	2 Years
2	Mr. Christopher Thyme	Continuing	1 Year
3	Mrs. Helen Campbell-Wint	Continuing	1 Year

SUPERVISORY COMMITTEE

Ser#	PRESENTLY SERVING	STATUS	TERM
1	Miss Michelle Douse	Continuing	1 Year
2	Mrs. Patreena Bailey-Green	Continuing	1 Year
3	Miss Elaine Bailey	Continuing	1 Year
4	Mr. Dalton Campbell	New	1 Year
5	Miss Camoi Burford	New	1 Year

SUB-SUPERVISORY COMMITTEE

Ser#	NAMES	STATUS	TERM
1	Rev. Kingsley Andrews	Continuing	1 Year
2	Mr. Glenroy Griffiths	Continuing	1 Year
3	Mrs. Dahlia Brown-Dawson	Continuing	1 Year

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

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

Mr. Shaw reminded the Board and the other committees that they were to convene within ten (10) days to elect officers for the various committees and forwarded the information to the Department of Co-operatives & Friendly Societies, the Jamaica Co-operative Credit Union League, the Bank of Jamaica, and the other affiliates.

Mr. Bourne congratulated all the members who were returned to serve. He also thanked the members for expressing confidence in those individuals who were elected to serve the Credit Union and by extension the needs of the membership.

TREASURER'S REPORT

The Treasurer's Report was presented by Mr. Nicholas Spence and included the following:

Corrections to the Report:

Page 44: Table 7 **"Summary of Income and Expenses"**– "Less Transfers" in year 2019, 188,177,183" should be changed to '169,202,534'. **"Available for Appropriation"**, "40,142,565" should be changed to '59,117,214'

Page 45: Table 8, "Year 2020" should be changed to 2019' and "Year 2019" be changed to '2018' **"Other Reserves"**, "394,855,684" should be changed to '375,881,035' **"Undistributed Surplus"**, "40,142,565" should be changed to '59,117,214'

The Treasurer noted that the Credit Union was able to return favorable results despite a challenging year and the harsh economic climate.

Current performance

The Credit Union reported a successful performance for 2019; that was despite generating less net income before honoraria of $53.6 million in comparison to $110 million in 2018. However, total comprehensive income increased by $94.5 million or 108% in 2019; as such the Organisation's assets grew by 12% or $647 million.

The Credit Union generated interest income of $601 million, a marginal increase year-over-year.

The reduction in profitability was mainly attributable to increase in expected Credit Loss of $48.5 million or 411%.

The Credit Union incurred $547 million in operational costs compared to $482 million in 2018. That represented a 13% increase when compared to the previous year.

Key Profitability Trends

An income to asset ratio of 9.9% was achieved in 2019 which was slightly below that of 2018.

The return on assets ratio was 0.9% at the end of the financial year, which was below the 2.1% achieved in 2018.

Asset Growth

At the end of 2019, total assets stood at $6.05 billion. That represented an increase of 12% over the financial year 2018. The accumulated increase over the period was $1.9 billion or 48%.

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Loans
The loan portfolio had a marginal growth for the year, with gross loans increasing by 4.74%. That increase was impacted by charged off loans of $51 million. Despite that, MCCU had growth in motor vehicle loans of 13.18%, real estate loans of 5.62%, unsecured loans of 2.13%, and cash secured loans of 0.02%.

Investments and Cash Reserves
The Cash and Investments portfolio closed the year at $2.42 billion which represented an increase of 26% over 2018. It accounted for 40% of total assets. The Credit Union earned an average of 3.35% on investments during the year which was above the 3% achieved in 2018.

Savings
Total Savings grew by $458 million or by 11.28% during the year. Total Savings increased to $4.5 billion at the end of 2019.
Key Financial Indicators MCCU exceeded the PEARL Standards in most of the key financial indicators. The loan to asset ratio decreased from 61.1% in 2018 to 56.9% in 2019.

Delinquency
The delinquency rate increased from 5.75% in 2018 to 6.48% at the end of the 2019 financial year. MCCU continued to implement effective control measures to reduce the level of delinquency. It also anticipated that members would play their part in that effort..

Conclusion
The Treasurer stated that, although the Credit Union performed reasonably well, it was not being complacent in its operations. He further stated that the Board of Directors and Management were cognisant of the impact that competition could have on MCCU's viability. Consequently, there were continuous efforts to transform the Credit Union to meet the needs of its captive market, improve member engagement and increase earnings.

He said that looking ahead, the Credit Union's focus would be ensuring that members were provided with exceptional service, competitive rates, and increased ease of doing business.

Mr. Spence commended the teams of hardworking staff and volunteers for their efforts in MCCU realising its goals, and to the members, for their continued support. He continued that while the Board was mindful of the challenges ahead, he asked that everyone should continue to work together to make MCCU stronger to better able to serve its members.

On a motion moved by
Mrs. Claudette Griffiths-McKenzie and seconded by Mr. Glenroy Griffiths, the Treasurer's report was adopted.

AUDITOR'S REPORT

The Auditor's Report was presented by the External Auditor, Mr. Dawkins Brown of Crowe Horwath Jamaica, in keeping with the Covid-19 protocols set for the meeting.

Mr. Brown stated that Crowe Horwath Jamaica audited the financial statements of MCCU (1977) Limited, which comprised the statement of financial position as at December 31, 2019, the statement of comprehensive income, statements of changes in equity, and cash flow for the then ended year.

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In the Crowe Horwath Jamaica's opinion, the accompanying financial statements given, was a true and fair view of the financial position of the Credit Union as at December 31, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Co-operative Societies Act.

The audit was conducted in accordance with International Standards on Auditing (ISAs).
The Auditor's responsibilities, under those standards, were further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. They had obtained all the information and explanations which, to the best of their knowledge and belief, were necessary for the purposes of their audit. In the auditor's opinion, proper accounting records were maintained, so far as appeared from their examination of those records, and the financial statements, which were in agreement therewith, given the information required by the Co-operatives Societies Act in the manner required.

A motion was moved for the adoption of the Auditors report by Mr. Clifton Pryce and seconded by Mr. Raymond Harper.

APPROPRIATION OF NET SURPLUS

The Treasurer, Mr. Nicholas Spence, took the meeting through the Appropriation of the Net Surplus as outlined below: -

Undistributed Net Surplus	**$59,117,214.00**
Appropriations:	
Institutional Capital	$40,000,000.00
Social Outreach	$ 1,000,000.00
Disaster Relief	$ 1,000,000.00
Dividend (3%)	$ 4,000,000.00
General Loan Loss Reserves	$ 2,000,000.00
Sydney Carter Scholarship	$ 1,500,000.00
Honorarium	$ 2,000,000.00
Total	**($51,500,000.00)**
Balance c/f to next year	**7,617,214.00**

Mr. Nicholas Spence moved a motion for the acceptance of the Appropriation of the Net Surplus as previously outlined, which was seconded by Mr. Stanford Hastings and carried.

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FIXING OF MAXIMUM LIABILITY

Be it resolved that the Maximum Liability for which the Board of Directors may commit the Manchester Co-operative Credit Union (1977) Limited for the year ended 2020, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.

Mr. Nicholas Spence moved a motion for the acceptance of the Fixing of the Maximum Liabilities; it was seconded by Mr. Claude Rattray and carried.

Resumption of the Standing Order
The Chairman asked for a resumption of the standing order for the Agenda to be continued as outlined on page 2 of the Booklet. The motion was moved by Mr. Raymond Harper and seconded by Mr. Churton Douglas and carried.

MINUTES OF 43RD ANNUAL GENERAL MEETING

The Minutes, having been previously circulated online and prior to the start of the meeting, was taken as read, on a motion moved by Miss Michelle Douse and seconded by Mrs. Claudette Griffiths-McKenzie.

CORRECTIONS TO THE MINUTES
There were no corrections, omissions, or amendments to the Minutes.

CONFIRMATION
The Minutes was confirmed on a motion moved by Mr. Benlando Spencer and seconded by Mr. Stanford Hastings.

MATTERS ARISING
1. Regarding the complaint made by member, Miss Beatrice Wright, the General Manager reported that the matter was referred to the Internal Audit Unit where an investigation was conducted. However, no anomalies were found regarding the matter.

General Comment: The Chairman, Mr. Alexander Bourne implored all attendees that they should continue to observe the Covid-19 protocols as they were important for everyone's health and life. He also paused to recognise the health care workers who were in attendance and commended them for the wonderful work they were doing across Jamaica.

BOARD OF DIRECTORS REPORT
Due to the limited time allotted for the meeting, a summary of the report was presented by the President, Mr. Alexander Bourne. He pointed the members to the full report in the Booklet and asked that they read same in their leisure time. Highlights were as follows:

The President named the individual members of the Board of Directors and thanked them for their service during the last administrative cycle.

Introduction:
Mr. Bourne stated that throughout 2019, the Board ensured that the MCCU's strategic direction was maintained and that the Board also bolstered the efforts of management and staff to achieve the objectives of the Credit Union. The President gave the following overview of the Jamaican economy:

Jamaica had successfully completed its final review under the 36-months precautionary Stand by Arrangement with the International Monetary Fund (IMF).

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The IMF noted that Jamaica's reforms under the programme had institutionalised fiscal discipline, which led to a substantial reduction in the public debt, putting the country on track to meet the legislated target of 60% of Gross Domestic Product (GDP) by March 2026.

The Bank of Jamaica maintained a strong net international reserve position during 2019, with reserves increasing by US$157.1 million to close at US$162.5 million.

The Jamaican economy recorded real Gross Domestic Product (GDP) growth of 0.9% in 2019, a slower growth rate than the growth of 1.9% observed in 2018. The Debt/GDP ratio fell below 100% (94.6% for Financial Year 2018/19). That reduction, according to the Economic and Social Survey (conducted by Planning Institute of Jamaica), was the lowest in almost 20 years.

There was a reduction in the overall unemployment rate; the country experienced a historic low of 7.2% in October 2019. The average percentage for the year 2019 stood at 9.52%. On average, inflation rate for the year was 6.2%; interest rates, for the most part, continued its downward trajectory. The exchange rate depreciated by 3.8% compared with the year 2018. The President also remarked on the performance of the Credit Union movement. He stated that the Credit Union Movement performed creditably in relation to several key result areas.

Assets grew by 7.84% to close the year at $123.97 billion; savings grew by 7.84% to $96.31 billion, and net loans increased by 12.53% to $88.67 billion. Membership in the movement reduced marginally by 1.44% to close the year at one million six thousand five hundred and fifty-seven (1,006,557). At the end of 2019, the number of credit unions in operation in Jamaica remained at twenty-five (25).

PERFORMANCE OVERVIEW of MCCU

MCCU experienced exceptional growth in its savings portfolio for 2019. It grew by 11% compared to the Movement's growth of 7.84%. It also experienced significant growth in Total Assets and that was without the benefit of a merger. That was largely due to MCCU's prudent and sound negotiation for higher return on investments; an increase in loans granted to members; and an increase in the fair value of the retirement plan assets.

Membership grew by 6%, which was creditable as the movement experienced an overall decline during the financial year.

The growth in Institutional Capital for 2019 was $92 million or 11% above 2018.

There was an increase of $94.52 million in surplus when compared with the previous year's performance. That increase in surplus was achieved despite an increase of over $48.57 million in provisions for loan impairment.

Delinquency Management

MCCU achieved a delinquency ratio of 6.48%, which was 1.48% over the industry standards of 5%. Delinquency reduction strategies were employed throughout the year in an effort to stem the increase.

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MARKETING ACTIVITIES

The Sales and Marketing Department participated in several expositions and events at schools and other organisations to promote the products and services offered by the Credit Union.

Youth Activities
The Credit Union hosted its annual Debating Competition from February to April 2019.
The competition, which targets schools at the secondary level, saw eight (8) schools competing for the Mavis Campbell Championship Trophy.
The final match was played on April 12, 2019, when Holmwood Technical High School emerged the winner.

Financial Fitness Month
April is designated as Financial Literacy Month by the Jamaica Co-operative Credit Union League; as such, MCCU supported that initiative by executing several activities.

68th Anniversary Activities
On May 29, 2019, the Credit Union observed its 68th Anniversary. Several activities were carried out to mark the occasion.

International Credit Union Week 2019
International Credit Union Week (ICU) was celebrated from October 13-19, 2019, under the theme "Local Service. Global Reach." A number of activities was carried out to mark the occasion, including a church service and member appreciation days at both branches.

PRODUCTS & SERVICES

Savings Promotions
A Partner Plan promotion conducted from January 8 to 22 encouraged persons to start the new year right by choosing a plan to help them save towards
short-term goals. The promotion highlighted the Partner Plan's four (4) draw periods which were linked to specific seasons in the year.

Loan Promotions

"Swap It Out" Loans Promotion
A promotional campaign dubbed "Swap It Out" was launched in the week of January 28 to promote the Credit Union's loan offerings. "Swap It Out" involved exchanging high-interest rate loans held externally for more affordable loan options offered by the Credit Union.

Dream Wheels Auto Loan
The Dream Wheels Auto Loan product was revised at various points throughout the year to reflect several special offers. Those offers included:

100% Financing on vehicles 0 to 5 years old
Rates as low as 5.99% for new vehicles
Extended repayment term up to 8 years
Reduced service charge

Back-to-School Loan
A Special Back-to-School Loan Product was made available for the 2019/2020 Academic School year. Promotion of the Back-to-School Loan commenced on July 15 and continued until September 30, 2019. The features of the product were as follows:

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Name of Product: "One in Fifty" Back-to-School Loan.
Duration: July 15, 2019 - September 30, 2019.
Term: 48 months
Loan Amount: Minimum -$50,000.00; Maximum -$500,000.00
Interest Rate: as low as 15% per annum
Coupon Offer: Cashback rewards of a $1,000.00 voucher for every $50,000 net loan pay-out valid for redemption at participating retail outlets.

Christmas Cash Loan
The Christmas Cash Loan special was revised and promoted for the Yuletide Season. The following were the features of the product:

Name of Product:	Christmas Cash Loan
Duration:	December 1- 31, 2019
Term:	30 months
Loan Amount:	Maximum - $500,000.00
Interest Rate:	15% per annum
Share Requirement:	10% (Share Building Allowed)
Service Charge:	5% of the loan amount
Payment Method:	Salary Deduction & Standing Order.

CORPORATE SOCIAL RESPONSIBILITY

Town Hall Meetings
In keeping with the Credit Union's co-operative principle of member education, a series of Town Hall Meetings to bring relevant information to residents in their localities, continued in 2019. On April 24, 2019, one was convened at the Mile Gully community centre for residents of the town and its environs.

Labour Day Project
The Credit Union carried out its Labour Day project at the Mile Gully community centre on May 23, 2019. Staff, volunteers, and members of the community participated in the repainting of the community centre building, installation of new bathroom fixtures, and a general clean-up of the grounds. Highlights of the day's activities were aired on Central Expressions programme on CVM Television.

Soap & Soup Outreach
The Soap & Soup Outreach saw representatives from the Credit Union visiting the Caribbean Christian Centre for the Deaf (CCCD) located in Knockpatrick, Manchester. During the visit, the students were served soup and a hot meal.
A case of bathing soap was donated to the school.

Back-to-School Extravaganza
The Credit Union hosted a grand Back-to-School fair and outside broadcast by Mello FM on August 24, 2019. The fair dubbed "MCCU Back to School Extravaganza," was held on the greens of the Cecil Charlton Park. Many parents and children participated in the day's activities which included free school medicals, donation of back-to-school supplies to over 300 students, free rides, and refreshments to the children. Parents were encouraged to open accounts.

Sydney Carter Scholarship
Mr. Javid Bryan, who was pursuing a bachelor's degree at the University of the West Indies – Mona, was awarded the Sydney Carter Scholarship for the 2019/2020 academic year. The award covered financial assistance for a maximum of three (3) years. Seven (7) students also from the tertiary level were

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awarded bursaries to assist in their educational expenses.

PEP Bursaries
Twenty (20) students received PEP bursaries from MCCU valued at $20,000.00 each. The bursaries assisted with preparations for their secondary level education. One (1) additional student also received a PEP bursary from the Jamaica Co-operative Credit Union League for the parish of Manchester.
The students were selected based on their financial needs, saving patterns, and academic performances. Collectively, the students received a total of $420,000.00 in financial assistance.

Social and Community Outreach
A total of $1,124,264.75 was donated to support activities in education, health care, sports, and religion.
That was in keeping with MCCU's commitment as part of its corporate social responsibility to the citizenry of Manchester.

ADMINISTRATION & HUMAN RESOURCES

Staff Welfare
The Human Resources Department continued to provide strong organisational support which focused on staff engagement, and health and wellness. During 2019, various events were held for staff including:

Valentine's Day, Easter Treats, Staff Social, Staff Retreat & Fun Day, and Employees Award Banquet.

Employees participated in community-based events such as the High Mountain Road Race, the Sagicor and Guardian Life 5K Road Races, and the Mandeville Wellness Run.

Employees with children attending school and employees engaging in professional development re ceived Back-to-School grants in 2019.

Training
The Credit Union continued its staff training and development by engaging in the CUNA Professional Development Online (CPD Online). This is the premier web-based training service for the credit union industry.
In 2019, MCCU also participated in twenty-seven (27) face-to-face training sessions. Those sessions consisted of both internal and external training for employees.

Promotions/Recruitment & Separation
Changes to staff complement during the year included promotion of nine (9) employees, contracting of three (3) temporary employees, and the hiring of two (2) permanent employees.
There were seven (7) separations namely Neleasia Lambert, Andrew Richards, Chantal Jamieson, Ryan Lowe, Sandrene Bryan, Rameish Brooks, and Michael Green.

TECHNOLOGICAL ADVANCES

1. The Credit Union's website was redeveloped to strengthen its security features, to enhance the look and feel of the website allowing for an improved user experience, and lastly, to accommodate use of social media platforms which augmented member engagement.

   The address was changed to www.mccuja.com.

2. The Deposit feature of the ATM was enabled

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to facilitate cash deposits via the ATM.

3. Increased payment options for loans and savings by equipping the branches with Point-Of-Sales machines to process debit card transactions from other financial institutions.

4. Development of new Loan Origination system.

5. Upgraded to Dedicated Internet Access 5MB internet connection that allows for a more reliable and faster internet access.

6. Creating a Credit Bureau Interface for automatic sharing of members' credit data from our core banking platform to aid in the credit assessment process.

7. Several systems (Core Banking Platform) upgrades to strengthen internal controls.

Representation at Affiliated Organisations
MCCU attended the Jamaica Co-operative Credit Union League's Annual General Meeting (AGM), held May 30 - June 2, 2019, at the Hilton Rose Hall Hotel and Spa in Montego Bay. Similarly, MCCU's representatives also participated the World Council of Credit Unions and the Caribbean Confederation of Credit Unions combined efforts for the Annual World Credit Union Conference held July 28 – 31, 2019, in the Bahamas.

TRIBUTES

Tributes were paid to two of MCCU's stalwarts, Mr. Josiah Delano (JD) Brown and Mr. Ivan Harris who contributed immensely to the Movement and success of Manchester Credit Union. Details on pages 138 to 140 on the Booklet. The President asked members to stand in acknowledgement of their outstanding service and contribution.

CONCLUSION

The President expressed sincere thanks, on behalf of the Board, to the entire Management Team and all categories of staff. Mr. Bourne also extended appreciation to all volunteers for their individual and collective inputs which he regarded as highly valued. He also expressed gratitude to all other supporters for their respective contributions.
They included the Jamaica Co-operative Credit Union League and its subsidiaries the Department of Co-operatives and Friendly Societies; other Co-operatives, MCCU's Auditors and Bankers; and the many suppliers of goods and services.
Most importantly, indepth gratitude to MCCU's membership for the continued support and goodwill.

QUESTIONS AND COMMENTS

Mr. Benaldo Spencer asked if the Credit Union would be assisting, children who would be returning to school, with laptops or tablets, considering the technological challenges some children faced due to the pandemic. Mr. Bourne responded that the Credit Union was pursuing a programme of donating tablet computers to needy students and a loans product to assist members with the purchase of computer devices.

He appealed to members to donate a device to someone in need. He advised them to visit the credit union to dialogue with members of the Marketing

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team who could be the intermediary between them and the recipients.

Corrections to the Report:
Page 27: Under "Performance of the Credit Union Movement" Assets grew by 7.84% ***should read*** Assets grew by 8.59%.

The Board of Directors Report was adopted on a motion moved by Mr. Benaldo Spencer and seconded by Ms. Nicole Clarke and carried.

CREDIT COMMITTEE REPORT

Highlights of the Credit Committee Report were presented by the Chairman, Mr. Raymond Harper as follows:

Correctios to Report: Page 104 - second paragraph, in second to last line – "growth of 4.47% should read "growth of 4.74%. Page 106 – in the table Comparison of Loans Disbursed (Purpose) for 2018 and 2019 – the Variance of "$390,810,812.65" should read "$683,655,378.24"

Introduction
Mr. Harper stated that ffinancial institutions continued to see reductions in interest rates for both loans and savings. That, he said, impacted the Credit Union's loan portfolio as commercial banks embarked on efforts to consolidate loans from other financial institutions.
Mr. Harper reported that MCCU (1977) Ltd employed several loans growth initiatives to achieve loans growth, which resulted in a subdued loans growth of 4.74% in comparison to the 15.77% for 2018.

Comparison of Loans Disbursed for 2018 & 2019
- The number of loans disbursed to members declined by 17.64% in 2019
- There was a 45.86% growth in dollar value of loans disbursed to members
- A change in how loans were disbursed on system contributed to inflated growth on dollar value.

Profile of Loans Disbursed by Security
The MoniBooster Unsecured Loan Product was the largest category accounting for 62% of the categories of loans in 2019. Loans secured by Motor Vehicles were the second highest at 13%.

Profile of Loans Disbursed by Purpose
Home Improvement accounted for the largest category disbursed in 2019 at $546.47 million and 74% of the dollar value disbursed for 2018. Educational Expense, Motor Vehicle Purchase, Debt Consolidation, and Business Investment completed the top five (5) list of purposes for loans disbursed.

Loan Growth Initiatives
- Introduction of a Business Development Unit comprising of two (2) staff members tasked with soliciting new business
- Increase in the unsecured loan limit to $3,000,000.00
- Motor Vehicle Loans Special with rates as low as 5.99%
- Increased Motor Vehicle loan limit to $9,000,000.00
- 1 in 50 Education Loan Special at reduced interest rate
- Christmas Loan Special at reduced interest rate
- Enhanced marketing activities.

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Waivers
Waivers were granted for five (5) loans during 2019; two (2) for increased loan ceiling, one (1) each for debt-to-income ratio, age of motor vehicle greater than ten (10) years, and lastly extension of loan repayment term to greater than twenty (20) years.

Conclusion
Mr. Harper stated that the members of the Credit Committee were grateful for the opportunity to serve. He further said that the Committee continued to work closely with the Board of Directors, all other committees, the management team, and staff, particularly those of the Credit Department to ensure the growth and continuity of MCCU.

He also expressed sincere appreciation to the members, for choosing Manchester Co-operative Credit Union (1977) Limited to be their financial partner. He said that their support and co-operation have been the driving force behind the continued success of the Credit Union.

QUESTIONS AND COMMENTS
There were no questions or comments

On a motion moved by Mr. Glenroy Griffiths and seconded by Mrs. Smikle-Biggs, the Credit Committee Report was adopted.

SUPERVISORY COMMITTEE REPORT

In the absence of the Chairman, Mrs. Ann Julette Rowe, highlights of the Supervisory Committee Report were presented by the Secretary of the Committee, Miss Elaine Bailey.

Introduction
Miss Bailey stated that the Credit Union remained committed to its members. She elaborated that MCCU continued to create opportunities and implemented strategies to minimise threats. In doing so, MCCU scanned the business environment to identify members' needs and thereafter created innovative products and services to attract new members and to keep the existing ones.

Miss Bailey stated that the Supervisory Committee and the Internal Audit Department worked diligently to ensure the highest operational and financial integrity of MCCU. The Supervisory Committee's ultimate objective was to ensure that the Board of Directors and the Management team served the interests of the members as well as to safeguard the resources entrusted to them. In satisfying that directive, the Supervisory Committee oversees the Internal Audit function to verify that policies and procedures, and applicable external regulations are adhered to.

The activities conducted during the year were summarised as follows:

Staff and Volunteers' Loans
The Staff and Volunteers' Loans were examined to ascertain whether loans granted were in accordance with the stipulations of the Credit Policy, and whether the payments on those accounts were up-to-date, and that the relevant securities were current. The audits revealed general compliance with the Loan Policy and established procedures.

Golden Harvest
The audit of Golden Harvest was done to establish whether the accounts were maintained, up-to-date

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and in accordance with the conditions of the individual Golden Harvest contracts and the Savings Plan and secondly, whether there was proper accounting and compliance with other applicable procedures. The audit revealed that there was general compliance with the policy governing Golden Harvest account and the discrepancies which were observed were addressed by management.

Members' Balances Verification
The verification of Members' Balances was completed to authenticate members' accounts and their respective balances and to support the investigation completed for the fraud audits. The confirmation requests were sent out to a sample of members. Some confirmations were returned by the members with no discrepancies noted. Additional measures were also utilised to verify member balances and staff transactions. The additional measure revealed no discrepancy.

Records Disposal
A Records Disposal exercise was completed and assessed to ensure that written authorisation for destruction of records was received prior to actual destruction, and to verify that the method utilised was in accordance with the disposal policy. Discrepancies which were identified during the audit were communicated to the respective managers along with relevant recommendations. Management subsequently developed and implemented measures to address concerns that were raised during the audit.

Teller Overages and Shortages
The Teller overages and shortages review was done to ascertain whether the overage/shortage policy was being adhered to by the Tellers, Supervisors and Management. Various procedures that are stipulations of the Policy were not being undertaken by the Operations Department. Disciplinary actions were not undertaken in accordance with the policy and recovery measures were not evidenced in accordance with the policy. Management made a commitment to review and update the policy.

Human Resources Department
An Audit of the Human Resources Department revealed some deficiencies which included the need for updated job descriptions and structured orientation of staff based on job role. In addition, improvement was needed in the areas of performance management, health, wellness and safety, appraisals, and the organisational structure. The discrepancies that were highlighted were corrected and, in some cases, implemented.

Know Your Customer (KYC) – New Members' Account
The reviews of New Members' Accounts were undertaken to firstly ascertain whether there was compliance with the Credit Union's Anti-Money Laundering (AML) – Know-Your-Customer (KYC) policy and secondly, that other stipulations for membership were being adhered to, and thirdly to verify that all New Member accounts were correctly generated on the system.

The New Members Accounts that were presented for both the Mandeville and Christiana Branches revealed that there was general compliance with the Credit Union's AML Know-Your-Customer Policy except for a few discrepancies that were highlighted for adjustments by the relevant office. Management was in the process of addressing some of the concerns that were raised by the Supervisory Committee.

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Blank Cheques Review
The blank cheques review was conducted to: -

- verify that the procedures completed for the purchase of blank cheques were properly followed and were operating as designed
- ensure that the cheques received and in stor age were in unbroken sequential order
- ensure that the number of cheques received agreed with the request as per the cheque requisition
- verify that cheques were kept under dual cus tody

Commendations were extended to the Member Service Department for the vast improvements that were noted in the control measures being implemented and practised since the last audit was completed.

Bank Reconciliations
A re-performance of Bank Reconciliations was completed spanning the year 2019. Those activities were undertaken by verifying documents such as encashed cheques, lodgment slips, bank statements, credit memos and other related documents.
That review did not unearth/reveal any significant deficiencies. The Bank reconciliations that were reviewed were all prepared and approved in a timely manner.
Unpresented Cheques, Outstanding Lodgments and other adjusting items were also appropriately presented.

Cash, Automated Teller Machine (ATM) and Treasury Counts
It was observed that the cash held by the Tellers and Treasury was properly safeguarded, accounted for and proper controls were in place.
There was no exception to report regarding the Cash Count as the differences observed were immaterial. There was also no exception to report for the ATM and Treasury counts as the funds held by Treasury were adequately safeguarded and accounted for.

Acknowledgement
Miss Bailey, on behalf of the Supervisory Committee and the Audit Team, expressed profound appreciation to the Board of Directors, the Credit Committee, Management and Staff for their support and co-operation during the audits. She said that they remained committed to ensuring that members' interests were safeguarded, and that MCCU remained the best option for its members.
She also expressed deep gratitude to the members for having allowed the Committee the opportunity to be stewards of their investments. She reiterated the Committee's commitment to ensuring that the collective goals were realised.

QUESTIONS AND COMMENTS

There were no questions or comments

A motion for the adaption of the report was moved by Mr. Claude Rattary and seconded by Ms. Joyce Walcott.

ANY OTHER BUSINESS

Rev. Charles Danvers suggested that the Board and Management team should look a little more closely at the current lending regime, given what obtained in the economy. He continued that the Board should consider a competitive reduction in interest rates; to ensure that MCCU stayed alive, and enticed more of its members, as well as enticed new members given the levels of competition. He also suggested that the

Board should look at ways in which that could be done. That, he said, would allow fewer members to fall into the delinquency category and secondly more members would be more inclined to borrow.
Mr. Bourne responded that the recommendation was an excellent one and would be seriously looked at.

Miss Ambersley would have also responded indicating that during the year the Credit Union launched a few low interest rate products, such as the Special MoniBooster with an interest rate of 14.5% p.a. on the reducing balance; the unsecured loan limit was also increased to $3 million. Interest rate on motor vehicle loan, the Dream Wheels Auto Loan Special, was also reduced to as low as 5.99% p.a. on the reducing balance for the purchase of new vehicles. She informed Rev. Danvers that the Credit Union would continue to look at their interest rates to ensure that they are competitive.

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ANNOUNCEMENTS

- The General Manager announced that the Credit Union would roll out its new dual role MasterCard that members would be able to use anywhere in the world.
- Special recognition was given to the following volunteers who had come to the end of their terms in serving the Credit Union:
- Mr. Nigel Reid - Credit Committee (did not seek re-election)
- Mrs. Ann Julette Rowe - Supervisory Committee (End of Term)
- Mrs. Claudette Griffiths McKenzie - Supervisory Committee (End of Term)

VOTE OF THANKS

Director, Dr. Cleveland Robinson gave the vote of thanks. Firstly, he thanked God whose grace and mercy enabled the various activities.
He also expressed thanks to the following groups and individuals who contributed to the success of the AGM.

- The members who were in attendance
- The Management team and all staff
- The Representatives from the League
- Representatives from the Department of Co-operatives and Friendly Societies who conducted the election of volunteers
- The Auditors
- Representatives from the Health Department
- The Technical Team and Media
- Mr. Bourne for chairing the meeting
- Chairs of various committees for presenting the reports
- The Board of Directors

CLOSURE

There being no other business, the Chairman closed the meeting with the singing of the National Anthem and reminded the committees of the meetings to be scheduled in the following week to elect their officers. The meeting ended at 12:45 p.m.

Miss Althea Campbell
SECRETARY

Mr. Alexander Bourne
PRESIDENT

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting of the **Manchester Co-operative Credit Union (1977) Limited** will be held in a hybrid format on **Saturday, November 13, 2021** commencing at **10 a.m**. for members to consider and if thought fit to pass the following special resolutions:

WHEREAS Section 11 and Regulations 41 of the Co-operative Societies Act and Regulations provide for the amendment of Rules;

WHEREAS Article XXII, Rule 78 allow for the amendments in the Rules of the Manchester Co-operative Credit Union (1977) Limited;

WHEREAS Article II, Rule 4, Article IV, Rule 19, Article V, Rule 20, Article VIII, Rule 37, Article IX, Rule 22, Article IX, Rule 41(i), Article X, Rule 49(i), Article X, Rule 51, Article IX, Rule 44, Article IX, Rule 47, Article XI, Rule 53, Article XI, Rule 54, Article XI, Rule 57, Article XI Rule 58 and Article XII, Rule 62 are being proposed for amendments in the Rules of the Manchester Co-operative Credit Union (1977) Limited;

WHEREAS it is being proposed that meetings of members may be conducted by attendance at a physical location, or by virtual only or by hybrid-meeting;

WHEREAS electronic attendance shall be construed as if the members were present at the physical location where the meeting is being convened;

WHEREAS members attending meetings through electronic media shall constitute to the constitution of the quorum requirement for a legally convened meeting of members of the Society;

WHEREAS The Co-operative Societies (Amendment) Regulations 2021 dealing with the holding of general meetings in Co-operative Societies were promulgated on the 15th January 2021;

WHEREAS this Credit Union has agreed to adopt and accept all the interpretations so ascribed under the said regulations and intends that all amendments hereunder proposed are to be operational immediately and binding upon members, consequent upon approval at this general meeting of members and subject to the Registrar of Co-operative Societies'..... immediate certification.
BE IT RESOLVED that Article II, Rule 4 which now reads:

4. Membership in Manchester Co-operative Credit Union (1977) Limited shall be limited to:-

(a) Persons residing in the parish of Manchester
(b) Person working in the parish of Manchester
(c) Persons/residents within a twenty mile radius of Christiana

(d) Relatives of Members of Manchester Co-operative Credit Union as mentioned at a, b & c above. Provided that relatives shall be restricted to spouses, parents, brothers, sisters, children and grandchildren.
(e) Persons born in the parish of Manchester

BE AMENDED TO READ:

Membership in Manchester Co-operative Credit Union (1977) Limited shall be limited to:-

(a) Persons residing in the parish of Manchester;
(b) Person working in the parish of Manchester;
(c) Persons/residents within a twenty (20) miles radius from Christiana;
(d) Relatives of members of Manchester Co-operative Credit Union as mentioned at (a),
(b) and (c) above; Provided that relatives shall be restricted to spouses (include a single woman or man who has been cohabiting (living together) as if they were in law wife or husband for a period of five or more years), parents, brothers, sisters, children and grandchildren.
(e) Persons born in the parish of Manchester;
(f) A Registered Society under the Co-operative Societies Act (and any amendments therein);
(g) Any person directly employed or had been employed in the Public Service (Government, Statutory Bodies, Executive Agencies or Affiliates);
(h) Relatives of members listed in (g) above; and
(i) Members and persons eligible to become members of Credit Unions that have been merged with Manchester Co-operative Credit Union (1977) Limited.

BE IT RESOLVED that Article IV, Rule 19 which now reads:

19. (i) The Board of Directors may establish rules and conditions under which a member may deposit money in the Credit Union. A member may deposit money in sums of not less than Twenty Dollars ($20.00).

(ii) Deposits may be withdrawn by cheque or in cash on any day that the Credit Union is open for business, but the Board of Directors may at any time require the depositor to give up to thirty (30) days notice of his intention to withdraw the whole or any part of his deposits.

(iii) Deposits may be received in the name of a minor or in trust for a minor who is a Child, grandchild or ward of a member, in such way or manner as the Board of Directors may determine.

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

(iv) Deposits received in the name of a minor shall be held for the exclusive right and benefit of the minor and free from the control or lien of all other persons except creditors, and shall be paid together with interest thereon, to the person in whose name the account shall have been issued. The receipt or acquittance of the minor shall be valid and sufficient release and discharge to the Credit Union for the deposits or any part thereof.

(v) Deposits will be placed on interest on the first of the month following such deposits, provided that amounts paid in on the first of any month shall be placed on interest from that date.

(vi) The rate of interest payable on deposits shall be fixed from time to time by the Board of Directors.

BE AMENDED TO READ:

(i) The Board of Directors may establish rules and conditions under which a member may deposit money in the Credit Union. A member may deposit money in sums of not less than One Thousand Dollars ($1,000.00).

(ii) Deposits may be withdrawn by cheque or in cash or by direct transfer to another Credit Union or Commercial Bank as authorized by the Bank of Jamaica on any day that the Credit Union is open for business, but the Board of Directors may at any time require the depositor to give up to thirty (30) days notice of his intention to withdraw the whole or any part of his deposits.

(iii) Deposits may be received in the name of a minor or in trust for a minor who is a Child, grand child or ward of a member, in such way or manner as the Board of Directors may determine.

(iv) Deposits received in the name of a minor shall be held for the exclusive right and benefit of the minor and free from the control or lien of all other persons except creditors, and shall be paid together with interest thereon, to the person in whose name the account shall have been issued. The receipt or acquittance of the minor shall be valid and sufficient release and discharge to the Credit Union for the deposits or any part thereof.

(v) Deposits will be placed on interest on the first of the month following such deposits, provided that amounts paid in on the first of any month shall be placed on interest from that date.

(vi) The rate of interest payable on deposits shall be fixed from time to time by the Board of Directors.

BE IT RESOLVED that Article V, Rule 20 which now reads

20. (i) Money paid in or paid out on account of shares, deposits, loans, interest, entrance or transfer fees or other savings shall be evidenced by an appropriate voucher or receipt or by entries in a member's Pass Book.
Each voucher or receipt or entry in the Pass Book shall identify the person receiving or paying out on behalf of the Credit Union, the money represented thereby. When Pass Books are used, the member's permanent official record for all transactions shall be the entries in the Pass Book. When a statement of account plan is used, the member's permanent official record for transactions shall be the statement of account, which will itemize all transactions and which must be issued to each member at least quarterly.

(ii) If a Pass Book is lost or stolen, immediate written notice of such fact must be given to the Treasurer and written application shall be made for the issue of a new Pass Book.
The Directors may require the filing of an adequate bond to indemnify the Credit Union against any loss or losses resulting from the issuing of such duplicate Pass Book.
The Directors may also require payment to the Credit Union of a reasonable charge to cover the cost of issuing a duplicate Pass Book.

BE AMENDED TO READ:

20. (i) Money paid in or paid out on account of shares, deposits, loans, interest, entrance or transfer fees or other savings shall be evidenced by an appropriate voucher or receipt or by entries in a member's Pass Book or by an electronic statement generated from the member's account. Each voucher or receipt or entry in the Pass Book or electronic statement shall identify the person receiving or paying out on behalf of the Credit Union, the money represented thereby. When Pass Books or electronic statements are used, the member's permanent official record for all transactions shall be the entries in the Pass Book or on the electronic statements. When a statement of account plan is used, the member's permanent official record for transactions shall be the statement of account, which will itemize all transactions and which must be issued to each member at least quarterly.

(ii) If a Pass Book is lost or stolen, immediate written notice of such fact must be given to the Treasurer and written application shall be made for the issue of a new Pass Book.
The Directors may require the filing of an adequate bond to indemnify the Credit Union against any loss or losses resulting from the issuing of such duplicate Pass Book.
The Directors may also require payment to the Credit Union of a reasonable charge to cover the cost of issuing a duplicate Pass Book.

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

BE IT RESOLVED that Article VIII, Rule 37 which now reads

37. The Board may employ a General Manager and may authorize him under the direction of the Treasurer to perform any of the duties developing in the Treasurer.

BE AMENDED TO READ:

The Board may employ a General Manager and may authorize him under the direction of the Treasurer t perform any of the duties devolving in the Treasurer.

BE IT RESOLVED that Article VI, Rule 22 which now reads:

22. All applications for loans shall be on the printed form provided by the Credit Union and shall set forth the purpose for which the loans is desired, the security, if any, and such other information as the Credit Committee may require. If the facts stated in the application are found to be misrepresented, or the money used for some other purpose than that for which it was borrowed, the loan shall become immediately due and payable.

BE AMENDED TO READ:

All applications for loans shall be on the prescribed form or any prescribed format determined by the Credit Union and shall set forth the purpose for which the loans is desired, the security, if any, and such other information as the Credit Committee may require. If the facts stated in the application are found to be misrepresented, or the money used for some other purpose than that for which it was borrowed, the loan shall become immediately due and payable.

BE IT RESOLVED that Article IX, Rule 41(i) which now reads:

41. (i) The Credit Committee shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than three (3) members, all of whom shall be members of the Credit Union. Each member shall hold office until his successor is elected and shall be eligible for re-election.

BE AMENDED TO READ:

The Credit Committee shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than three (3) and not more than nine (9) member, all of whom shall be members of the Credit Union. Each member shall hold office until his successor is elected and shall be eligible for re-election.

BE IT RESOLVED that Article IX, Rule 44 which now reads:

44. The Credit Committee shall hold such meetings as the business of the Credit Union may require, and not less frequently than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.

BE AMENDED TO READ:

44. (i) The Credit Committee shall hold such meetings as the business of the Credit Union may require, and not less frequently than once per month. Due notice of such meetings shall be given to the other members of the Committee by the Secretary.

(ii) Any meeting of the Credit Committee may be held by electronic communication system including telephone conference or video conferencing technology and any other such similar mechanisms as under Rule 53(iii) and The Chairman or a majority of the Committee members must consent to the meeting being held virtually through an electronic system. The system so employed must provide access to the meeting in a manner by which each person attending can be properly identified and participate fully. The system must facilitate the viewing of documents and the recording of any vote or other action taken at the meeting.

(iii) For the purpose of determining the quorum and for all other voting purposes, attendance at such meetings shall constitute presence in person at the virtual only, Hybrid or In Person meeting.

BE IT RESOLVED that Article IX, Rule 47 which now reads:

47. The Credit Committee by resolution concurred in by all members of the said Committee and a majority of the members present at a General Meeting may delegate to the Treasurer the power to make loans to members provided the amount of any such loans shall not exceed Twenty Dollars ($20) and the periods of repayment shall not exceed thirty (30) days provided also that the member is in good standing.

BE DELETED AND BE SUBSTITUTED WITH THE FOLLOWING NEW RULE 47 WHICH NOW READS:

The Credit Committee shall send a report of its activities to the Board of Directors within fifteen (15) days from the end of each preceding month and shall, at the invitation of the Board of Directors, attend Board Meetings as required from time to time.

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

BE IT RESOLVED that Article X, Rule 49(i) which now reads:

49. (i) The Supervisory Committee shall consist of not less than three (3) members, none of whom shall be members of the Board of Directors or Credit Committee or Loan Officer or employee and all of whom shall be members of the Credit Union.

BE AMENDED TO READ:

49. (i) The Supervisory Committee shall consist of not less than three (3) and no more than nine (9) members, none of whom shall be members of the Board of Directors or Credit Committee or Loan Officer or an employee and all of whom shall be members of the Credit Union.

BE IT RESOLVED that Article XI, Rule 53 which now reads:

53. (i) The supreme authority in the Credit Union is vested in the General Meeting of members at which every member has a right to attend and vote on all questions;

(ii) The first General Meeting of members after registration of the Credit Union shall be called the First Annual General Meeting, and shall have the same powers as are herein given to the Annual General Meeting.

BE AMENDED TO READ by adding the following additional sentences after the current sentences:

(iii) References to a "meeting" shall mean a meeting convened and held in a physical location only or via virtual only and/or in a hybrid manner through a combination of both a physical and electronic system. Members shall be deemed to be present at that meeting for all purposes of the Rules, applicable laws, and the Cooperative Societies (Amendments) Regulations 2021 and said attendance shall be construed to allow the member present in any one of these fora to attend and fully in any such meetings.

(iv) A member's participation in the business of a general meeting shall include without limitation the right to communicate, to vote, and to have access in hard copy or electronic form all documents which are required to participate in the business of a general meeting; and participation in such a meeting shall constitute presence in person at such meeting and shall count towards the quorum and for all other voting processes.

(v) References to "electronic facilities" shall include, without limitation, webcast, video or any form of conference call systems (telephone, video, web or otherwise) and other communication of any sound, document, and or other data.

(vi) If a separate meeting place is linked to the main place of a general meeting by an electronic communication system, such member present at the separate meeting place shall be taken to be present at the general meeting and entitled to exercise all rights as if the member was present at the main physical location.

(vii) All general meetings (including a Special or Annual General Meeting, any adjourned meeting or postponed meeting) may be held as a physical-only, virtual-only or hybrid meeting.

(viii) A virtual-only or hybrid meeting may be held in Jamaica and any part of the world and at one or more locations as may be determined by the Board of Directors in its absolute discretion; however, the principal place and time of such meeting shall be construed to be held in the jurisdiction of Jamaica.

(ix) Votes (whether by a show of hands or by way of a poll) may be cast by such means, electronic or otherwise, in keeping with the Cooperative Societies (Amendment) Regulations 2021.

(x) If voting is to take place at the meeting, there must be reasonable measures in place to verify that every person voting at the meeting by means of electronic communication system is sufficiently identified, and the Secretary shall keep record of any vote or action taken.

(xi) The failure or inability of a member to attend or remain in an Annual or Special General Meeting held in a hybrid or virtual-only meeting, as a result of a mistake or events beyond the control of Manchester Co-operative Credit Union (1977) Limited shall not constitute a defect in the calling of the Annual or Special General Meeting and shall not invalidate any resolutions passed or proceedings taken at that Annual General Meeting.

(xii) The provision of these rules shall apply, with any necessary modification, to hybrid-meetings and virtual-only meetings.

BE IT RESOLVED THAT Article XI, Rule 57 which now reads:

At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the meeting in a conspicuous place in the office and cause written notice thereof to be handed to each member in person or mailed to each member at his address as the same appears in the Records of the Credit Union.

BE AMENDED TO READ:

57 (i) At least seven (7) days before the date of any Annual or Special General Meeting,

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

the Secretary shall issue a written notice of the meeting to be delivered by electronic means and printed in one daily newspaper.

(ii) Where an Annual or Special General Meeting is either virtual-only or Hybrid meeting, the Secretary shall cause the notice of the meeting to provide instructions for attendance and participation, including voting by members electronically, and an electronic link for attendees.

BE IT RESOLVED THAT Article XI, Rule 58 which now reads:

58 (i) (a) A quorum at Annual or Special General Meetings, shall be one-half of the number of members or ten (10) members, whichever is less, when the Credit Union consists of not more than 40 members and not more than 40 members; or

(b) One-quarter of the total number of members or 50 members, whichever is less when the Credit Union consists of more than 40 members and not more than 500 members: or

(c) One-tenth of the total number of members or 75 members, whichever is less when the Credit Union consists of more than 500 members and not more than 1,000 members; or

(d) 100 members when the Credit Union consists of more than 1,000 members.

(ii) If at the expiration of a reasonable period after the date fixed for any Annual or Special General Meeting, the members present are not sufficient to form a quorum, such Meeting shall be considered as dissolved if convened on the demand of members;
in all other cases an adjournment may be given to a date not fewer than fourteen (14) days thereafter.

The same notice shall be given for the Adjourned Meeting as is prescribed in Rule 57 of these Rules for the Original Meeting.

BE AMENDED TO ADD SUB-RULE (iii) at Rule 58 to read:

(iii) Where the meeting is held as a hybrid-meeting or virtual-only meeting and during the meeting a number of members participating, virtually, cease to be able to participate in the meeting, at any time and for any period during the meeting, in such numbers that the quorum requirement for that meeting

is not met, all business transacted at that meeting, including matters put to the vote and any resolution passed, shall be void.

78 **BE IT RESOLVED THAT ARTICLE XXII, RULE 78 (AMENDMENTS TO THESE RULES) WHICH NOW READS:**

These Rules may be amended by a resolution of the members at the Annual General Meeting or Special General Meeting called for the purpose by three-fourth votes of those present and entitled to vote, provided a copy of the proposed amendments together with a written notice of the meeting shall have been sent to each member or handed to him in person at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Act.

BE AMENDED TO READ:

These Rules may be amended by a resolution of the members at the Annual General Meeting or Special General Meeting called in accordance with Article XI, Rule 53 (vii) for the purpose by at least three-fourth of those members present either Physically, Virtual-only or at a Hybrid-meeting, provided that a written notice of the meeting has been sent to each member by electronic means and printed in one daily newspaper at least seven (7) days before the said meeting. No amendment shall become operative until it has been approved by the Registrar in accordance with the Act.

BE IT RESOLVED THAT ARTICLE XII RULE 62 which now reads:

62. (i) 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 many be a member of the existing Board of Directors.

It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting one member for each vacancy for which elections are being held. No nomination so made shall be valid if the nominee is delinquent in his obligations to the Credit Union.

(ii) After the nominations of the Nominating Committee have been placed before the members, the Returning Officer shall call for nominations from the floor. No nomination so made shall be valid if the nominee is delinquent in his obligations to the Credit Union. When the nominations are closed, tellers shall be appointed by the Returning Officer, ballots shall be distributed, the votes shall be taken and tallied by the tellers, and the results announced.

(iii) All elections shall be determined by a majority vote and shall be by ballot except where there is only one nominee for each vacancy.

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

(iv) Nominations shall be in the following order: -
- (a) Nominations for members of the Board of Directors;
- (b) Nominations for Credit Committee members;
- (c) Nominations for Supervisory Committee members;
- (d) Nominations for representatives to any Registered Society under Rule 55 (ii)d.

Elections may be by separate ballots following the same order as the nominations or if preferred, may be by one ballot.

BE SUBSTITUTED WITH THE FOLLOWING NEW RULE 62:

62 (i) Nominating Committee

A Nominating Committee shall be appointed by the Board of Directors at least one hundred and twenty days (120) days prior to the Annual General Meeting and shall consist of three (3) members, one of whom will be a Board member not seeking election who shall be the Chairman of the Committee.

(ii) Nominating Process

(a) Not less than ninety days (90) days prior to the Annual General Meeting (AGM) the Nominating Committee shall meet to consider the following:
- i. The vacancies that will arise at the AGM on the Board of Directors, the Credit Committee and the Supervisory Committee;
- ii. A preliminary list of nominations to be made to fill such vacancies;
- iii. All other matters and procedures required to fill such vacancies.

(b) Not less than eighty (80) days prior to the AGM the Nominating Committee shall in writing:
- i. notify the membership of vacancies for the Board of Directors, Credit and Supervisory Committees.
- ii. Invite nominations from the membership to be made for each vacancy by petition in the prescribed form signed by at least five (5) members each of whom shall be a member in good standing with the Society;
- iii. notify the membership of the closing date for receiving nominations by petition.

(c) In all cases, the period for receiving nominations shall extend to at least forty (40) days from the date of written notification by the Nominating Committee.

(d) The written notice from the Nominating Committee to the membership shall indicate that there shall be no nominations from the floor.

(e) The written notice from the Nominating Committee to the membership shall also be prominently displayed at the place of business and if more than one, the places of business of the Credit Union, and maybe posted on the Credit Union's website or other electronic media, and in the Newspaper.

(f) Upon consideration of all nominations made and received by petition, the Nominating Committee shall review and recommend at least one (1) member for each vacancy.

(g) The Nominating Committee shall report its recommended nominations to the Secretary of the Credit Union at least forty (40) days before the AGM.

(h) Each nominee by petition shall submit to the Nominating Committee:
- i. An petition duly completed with the signatures of five (5) members;
- ii. A brief statement of qualifications and experiences in a Resume or another form approved by the Board of Directors;
- iii. A completed Fit and Proper Questionnaire in a form determined by the Board of Directors;
- iv. A signed letter from the nominee stating that he/she is agreeable to the nomination and will serve if elected to office.

(i) The Nominating Committee shall have the authority to include candidates not nominated by members' petition among those to be considered by the Committee, and of its own accord submit by way of petition in like manner, suitable candidates to fill the vacancies on the various committees;

(j) Members of the Nominating Committee shall not be eligible for nominations.

(k) The Nominating Committee shall act in accordance with the Rules and the Nominating Committee Policy of the Credit Union in its selection of each nominee.

(l) A member seeking nomination to hold office shall be disqualified if that member:
- i. fails to satisfy the Nominating Committee that he/she is a fit and proper person to accept the responsibilities and perform governance functions of the Credit Union;
- ii. is delinquent in their loan or other obligations with the Society at the date of the petition for vacancy and up to the date of election;
- iii. has been a member of the Credit Union less than six (6) months before the date of the petition, save where the member is an active member for more than six (6) months in another Co-operative Society in Jamaica;

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

iv. whose membership in any other Co-operative Society at the time of the Nominating Committee's deliberations, has been judged delinquent; and
v. is not ordinarily resident in the Island.

(m) Where a Volunteer's term has not expired and he is seeking nomination or election to a Committee other than the Committee he currently serves on, he shall tender his resignation from that Committee and will be required to be nominated and elected to the Office in which he/she in seeking to serve.

(n) The Nominating Committee will no later than thirty (30) days prior to the AGM notify the members in writing of the nominations recommended by them. The notice shall also be posted in a conspicuous place at each business office(s) of the Credit Union.

(o) After the Nominating Committee has notified the members of its recommended nominees the nominees shall be presented and placed before the members at the AGM by the Nominating Committee to be considered by the members present.

(iii) Elections

(a) Elections shall be in the following order:
i. Elections for members of the Board of Directors;
ii. Elections for members of the Credit Committee;
iii. Elections for members of the Supervisory Committee;
iv. Nominations for representatives to any Registered Society under Rule 55 (ii) d.
v. Election of Delegates and Alternate Delegates to the League or any affiliated organizations as determined by the Board of Directors.

(b) After the nominees of the Nominating Committee have been placed before the members, a Returning Officer shall be appointed by the Chairman and will preside over the elections at the Annual General Meeting.

(c) If the nominees equal the number of vacancies, the nominees shall be declared elected by general consent or acclamation of the membership at the Annual General Meeting.

(d) In the event there are more nominations recommended by the Nominating Committee than the number of vacancies available, there shall be voting by ballot. The Returning Officer shall be responsible for appointing poll clerks, distributing ballots, conducting and tallying the votes; any other action to ensure a valid, efficient and smooth election and thereafter announcing the

results.

(e) In the event a vacancy arises between the close of nomination and the AGM, or if there are in sufficient nominees to fill all vacancies, the Board of Directors shall appoint a member to fill such vacancy until the next AGM in accordance with the Rules of the Credit Union.

BE IT RESOLVED THAT Article XI, Rule 51 which now reads:

51. (i) The Supervisory Committee shall: -

(a) at frequent intervals inspect the securities, cash and accounts of the Credit Union;

(b) make an examination of the affairs of the Credit Union at least quarterly including an audit of its book of accounts;

(c) by unanimous vote, if it deems such action necessary to the proper conduct of the Credit Union, suspend any Officer, member of the Board of Directors or Credit Committee and within fourteen (14) days thereafter call a Special General Meeting of the members to take such action relative to the suspension as the members may determine;

(d) receive and investigate any complaint made by any member affecting the proper running of the Credit Union;

(e) by a majority of its members, call a Special General Meeting of the members to consider any violation of these Rules or any practice of the Credit Union which in the opinion of the Committee is unsafe and unauthorized;

(f) at least once a year cause the Pass Book and Accounts of the members to be verified with the records of the Treasurer. The Committee shall maintain a recordof such verification.

(ii) In the process of its examinations and audit, the Committee shall examine all applications for loans made during the period under examination and satisfying itself that for each loan made an application is on file and that each application states the purpose for which the loan is made, the description of the security if any offered, and that it bears the approval of the Credit Committee or a Loan Officer.

(iii) Within thirty (30) days of the end of the half-year the Treasurer shall submit for attestation by at least two (2) members the Supervisory Committee, the statement for that half-year if he is required under Rule 35 (vi) (e) to prepare it.

SPECIAL RESOLUTIONS – *Proposed Ammendment to the Credit Union Rules*

BE AMENDED TO READ:

(i) The Supervisory Committee shall: -

(a) at frequent intervals inspect the securities, cash and accounts of the Credit Union;

(b) make an examination of the affairs of the Credit Union at least half yearly including an audit of its book of accounts;

(c) by unanimous vote, if it deems such action necessary to the proper conduct of the Credit Union, suspend any Officer, member of the Board of Directors or Credit Committee and within fourteen (14) days thereafter call a Special General Meeting of the members to take such action relative to the suspension as the members may determine;

(d) receive and investigate any complaint made by any member affecting the proper running of the Credit Union;

(e) by a majority of its members, call a Special General Meeting of the members to consider any violation of these Rules or any practice of the Credit Union which in the opinion of the Committee is unsafe and unauthorized;

(f) at least once a year cause the Pass Book and Accounts of the members to be verified with the records of the Treasurer. The Committee shall maintain a record of such verification.

(ii) In the process of its examinations and audit, the Committee shall examine all applications for loans made during the period under examination and satisfying itself that for each loan made an application is on file and that each application states the purpose for which the loan is made, the description of the security if any offered, and that it bears the approval of the Credit Committee or a Loan Officer.

(iii) Within thirty (30) days of the end of the half-year the Treasurer shall submit for attestation by at least two (2) members the Supervisory Committee, the statement for that half-year if he is required under Rule 35 (vi) (e) to prepare it.

Moved by :

Seconded by :

Date :

There were ……. persons present at the time of voting.

Voted for	:	(In-person votes)	(Virtual votes)
Against	:	(In-person votes)	(Virtual votes)
Abstained	:	(In-person votes)	(Virtual votes)

Signed

President **Secretary**

SEAL OF THE MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

CERTIFICATE

We hereby certify that the Special Resolution to amend the Credit Union's Rules (Articles II (Rule 4); Article IV (Rule 19); Article V (Rule 20); Article VI (Rule 22); Article VIII (Rule 37); Article IX (Rule 41, 44 & 47); Article X (Rule 49 & 51); Article XI (Rules 53, 54, 57 & 58) and Article XII (Rules 62 & 78) at the 45th Annual General Meeting of the Manchester Co-operative Credit Union Limited (1977) Limited, which was held on Saturday, November 13, 2021 via hybrid format were passed in accordance with the Co-operative Societies Act and Regulations.

Signed **PRESIDENT**

Signed **SECRETARY**

BOARD OF DIRECTORS REPORT



Mr. Alexander Bourne
President of the Board of Directors

Introduction

Fellow cooperators, friends all, on behalf of the Board of Management, I extend warm greetings to you with the hope that you are well. This report is an account of the stewardship of the Board of Directors for the year 2020. It was a year of unpreceded challenges and uncertainties brought on by the COVID-19 pandemic. On March 10, 2020, Jamaica announced the first imported COVID-19 case. Following this announcement, the government implemented several containment measures under the Disaster Management Act.
These measures impacted almost every facet of everyday life and adversely affected the business sector. Included among the implemented measures were the:

1. Closure of all primary and secondary schools to in-person teaching and learning;
2. Imposition of work-from-home directives for non-essential workers;
3. Imposition of mandatory work-from-home orders for all public sector workers 65-years and older;
4. Implementation of parish specific and island-wide curfews;
5. Suspension of dividend payments by the country's central bank;
6. Imposition of intermittent travel bans and border closures.

The Jamaican Economy

The Jamaican economy experienced mixed fortunes and outcomes during 2020. As we navigated the year, we experienced an uptick in the number of COVID-19 cases. The increase in cases resulted in the imposition of additional restrictions by the government. Jamaica's main trading partners in Europe and North America also implemented harsh restrictions to manage the pandemic in their jurisdictions. These restrictions dampened external demand for key goods and services.
They resulted in a slower than expected pick-up in the global economy, especially in the travel industry and agricultural sector.

Unfortunately, Jamaica's economy declined by an estimated 10.2%. This decline marked the first year of contraction following seven consecutive years of GDP growth. The value of the local currency was also impacted; as at December 31, 2020, the local currency traded at an exchange rate of $J142.65 to US$1. This represented a 7.6% depreciation in the value of the Jamaican dollar for the year, relative to

2019.
Employment levels also declined during 2020. The unemployment data provided by STATIN estimated an unemployment rate of 10.7% for 2020, an increase of 3.5% over the unemployment rate for 2019; approximately 92,600 fewer persons were employed in 2020 relative to 2019.

On a positive note, inflation remained relatively stable; the annual rate for 2020 was estimated to be 6.4%. During 2020, the Central Bank maintained the policy rate at 0.5% per annum. This decision was based on the BOJ's assessment that inflation would continue to trend between 4.0% to 6.0% over the next two years.

Despite the challenges faced due to the pandemic, the domestic financial sector registered growth in its net loans, deposit, and assets. For 2020, the financial sector recorded overall loans growth of 9.0%; the total loans portfolio in the market now exceeds one trillion dollars. Total deposits across the financial sector grew by 16.2%, while total assets across the industry increased by 11.7%. This level of growth is laudable in the context of the shortfall in economic activity.

The Credit Union Movement

The Jamaica Credit Union Movement also reported growth in its loans, savings, and assets portfolios. The Movement ended the year with net loans growth of 3.12%, savings growth of 9.87%, and assets growth of 10.41%.
The membership number of the Movement grew marginally by 2.82% to close the year at One Million Thirty-four Thousand, Nine Hundred and Sixty-two (1,034,962) members. Table 1 indicates the key result areas of the Movement.

Table 1 – Key Performance Indicators for the Credit Union Movement

Key Areas	2020	2019	% Change
Savings ($B)	105.82	96.31	9.87%
Net Loans ($B)	91.44	88.67	3.12%
Total Assets ($B)	136.87	123.97	10.41%
Membership	1,034,962	1,006,557	2.82%

At the end of 2020, the number of credit unions in operation in Jamaica remained at Twenty-five (25).

Manchester Co-operative Credit Union 1977 Ltd. (MCCU)

The pandemic negatively impacted the MCCU. The income of many of our members – especially those in the transportation (taxi and bus operators), education (especially those employed at private educational institutions), BPO, tourism, and agricultural sectors were among those most adversely affected. Hourly paid security guards also experienced a negative impact on their incomes.

Consequently, several members with loans were unable to meet all their financial obligations. The Board responded to the challenges by approving strategies to protect the members' interests and keep the staff safe as they continued to provide quality service to members during the pandemic. As part of our corporate social responsibilities, we also contributed to community concerns and initiatives aimed at mitigating the impact of the pandemic.

The main measures are outlined below:

1. We activated our Crisis Management Response Team to monitor, develop, and recommend response strategies to the negative impact of the pandemic.
2. The Board approved a Pandemic Response Plan based on the recommendations from the Crisis Management Team and external

BOARD OF DIRECTORS REPORT

sources, including the Ministry of Health and Wellness.

The plan included structural and operational changes including the following:

a. adjustments to our operating hours,
b. installing plexiglass barriers at areas where we directly interact with walk-in traffic and any office area deemed necessary,
c. installing 6ft markers in the halls of the Cred it Union and on the exterior of the Credit Union,
d. mandating the wearing of the masks at all our locations,
e. requiring temperature checks and sanitization upon entry and
f. increasing the frequency of cleaning at high-touch areas.

3. The Board also approved several cost-con tainment strategies to mitigate the negative financial impact brought on by the pandemic.
4. The Board also approved measures to help alleviate the financial pressures on members. One important measure was the Moratorium/ Payment Holiday Programme, which offered a mixture of payment holidays and moratoriums on the loans of members whose income was affected by the pandemic.
5. The Board also approved increased social outreach donations to assist in the fight against COVID-19.

The Board also provided strategic direction and governance oversight of the operations of the Credit Union through the monitoring of the key performance indicators, organizational objectives, growth initiatives, budget targets, and other critical internal and external indicators.

The Board reviewed the ongoing performance of the Credit Union and the reports from the Supervisory Committee, Credit Committee, and Board-appointed committees at its monthly meetings.

Members of the Board also participated in the training sessions concerning the Proceeds of Crime and Anti-Money Laundering Act and the Counter Financing of Terrorism Act.

KEY PERFORMANCE INDICATORS

Despite the challenges brought about by the pan-demic, the MCCU performed well during 2020. Table 2 summarizes the key performance metrics.

Table 2 – Performance Overview for MCCU

Key Areas	2020	2019	%Change
Savings ($B)	5,042	4,515	11.67%
Net Loans ($B)	3,370	3,443	-2.12%
Total Assets ($B)	6,825	6,057	12.68%
Institutional Capital ($M)	947	898	5.46%
Net Income ($M)	46.54	53.65	-13.25%
Membership	48,105	46,909	2.55%

The Credit Union experienced exceptional growth of **11.67%** in our savings portfolio and **12.68%** in our total assets. This level of growth was higher than what was obtained in the Movement. It was due to several successful strategies, including the careful negotiations for higher returns on investments and an increase in the fair value of the retirement plan assets.

Unfortunately, our loans portfolio registered a decline of 2.12% in net loans. On the other hand, the Credit Union maintained a solid capital base. The growth in institutional capital for 2020 was **$49M** or **5.46%** above 2019. Our membership grew by **2.55%** for 2020. The Board commends

the management team, staff, and volunteers for their hard work to improve Savings, Total Assets, Institutional Capital, and Membership.

The positive outcomes are especially noteworthy because the Credit Union had to contend with the adverse effects of the pandemic while operating in a context of reduced interest rates, increased individualised credit risk, reduced loan demand, and increased competition from traditional commercial banks and non-traditional micro-financing institutions.

To adequately compete during 2020, the Board approved several initiatives, including reduced processing fees and several low-interest rate loan products throughout the year. The Credit Union continued to operate generally on revenue earned from interest income instead of a service fee structure, as this was in our members' best interest. As we forge forward, though, we must all work to improve our loans portfolio. I urge every member to help in this regard by borrowing from your Credit Union and recommending others to borrow.

DELINQUENCY MANAGEMENT

Our delinquency management initiatives were a mix of successes and challenges. We achieved a delinquency ratio of **5 %**, which met the industry standards. The management team employed several delinquency containment and debt collection strategies to protect the Credit Union's assets throughout the year. They include the following:

- The application of sound lending policies and practices, including detailed assessments of potential borrowers' ability to repay the loans.
- The provision of opportunities for debt consolidation to give members relief through lower monthly payments and longer repayment terms.
- The approval of moratoriums and payment holidays to provide further relief to members needing assistance.
- Ongoing member education. Members were constantly reminded of the importance of having and maintaining a good credit report and that they were the owners of the Credit Union.

Unfortunately, even with these efforts, some members defaulted on their financial obligations. As we continue to reduce delinquency, we implore our members who have loans to give priority attention to their debt obligations and make their loan payments on time, every time.

MARKETING ACTIVITIES

The Marketing Department participated in several expositions and events before the ban on public gatherings was implemented. These were as follows:

1. Holmwood Technical High School Career Day
2. Alphansus Davis High School Career Day
3. Manchester Parish Library Reggae on the Lawn Expo
4. Church Teachers College Research Day
5. RJR Communications Group Cross Country Tour: Manchester Leg

Youth Activities

The Credit Union's Debating Competition got underway on February 14, 2020, with five (5) schools participating in the first round of matches. With the onset of the COVID-19 pandemic in Jamaica, the competition came to a premature end before the second round.

BOARD OF DIRECTORS REPORT

69th Anniversary Celebrations

The Credit Union commemorated its 69th Anniversary on May 29, 2020. While being mindful of the social distancing orders, the Marketing Department carried out several activities in a scaled-down manner. These included:

- serving pre-packaged refreshments (cake and bottled water) throughout the day;
- broadcasting an anniversary message by way of an SMS blast;
- posting historical photos and a 69th Anniversary banner on various social media platforms;
- engaging members via our social media platforms. We invited members to share their most memorable moment since becoming a member.

International Credit Union Week 2020

We observed International Credit Union Week (ICU Week) from October 11 – 17 under the theme, **"Inspiring Hope for a Global Community."** Due to the COVID-19 pandemic, the management team scaled down activities to comply with the Government's Disaster Risk Management Act.
The staff carried out the following activities (table 3) with the support of our volunteers and other members.

Table 3 – ICU Week Activities

Date	Event	Location
October 11	Promoted & Participated in Credit Unions of Jamaica's Virtual Comedy Show & Concert	Live Stream on Credit Unions of Jamaica's social media platforms: **Instagram:** @creditunionja **Facebook:** @CreditUnionsofJamaica **YouTube:** Credit Unions of Jamaica
October 13	Soup and Soap Outreach	Mount Olivet Boys' Home
October 14	Christiana Member Appreciation Day • Serving of Refreshment • Token Distribution	Christiana Branch
October 15	International Credit Union Day & Mandeville Member Appreciation Day • Serving of Refreshment • Token Distribution	Mandeville Branch

PROMOTIONAL ACTIVITIES

Heroes of May Promotion

In May, the Marketing Department hosted an online competition dubbed **MCCU Heroes of May**. This competition ran from May 8 to May 25, 2020, and invited persons to nominate members who were either mothers, teachers, or nurses. The nominee's picture was posted on Facebook and tagged the Credit

Union with the respective hashtag: **#MCCUMotherOfTheMonth; #MCCUTeacherOfTheMonth; #MCCUNurseOfTheMonth.**

The mother, teacher, and nurse who received the most likes received a $10,000.00 MCCU Share Certificate. The winners of the Heroes of May promotion are indicated in table 4.

Table 4

No.	Names	Awards
1	Samanta Caine	Teacher of the Month
2	Shevanesse Barham	Nurse of the Month
3	Yvonne Brown-Evans	Mother of the Month

Fathers' Day Promotion

In recognition of Fathers' Day, the Marketing Department partnered with H&L Rapid True Value to conduct another online competition from June 10 – 21, 2020. Dubbed MCCU Super Dad, the competition took the form of a Facebook Campaign which invited persons to post a picture of their father, tag the Credit Union and invite their friends to like the post. To qualify for the competition, the nominated father had to be an active member.

The top five fathers who received the most likes received prizes sponsored by the Credit Union and H&L Rapid True Value. The winners are indicated in table 5.

Table 5

No.	Name	Facebook Likes	Prizes
1	Sherlock Robinson	376	1st Place - $15,000 Gift Card
2	Desmond Robinson	131	2nd Place - $12,000 Gift Card
3	Griff Morris	73	3rd Place- $10,000 Gift Card
4	Assad Swaby	38	4th Place- $5,000 in Gift Card/Certificate
5	Richard Malcolm	10	5th Place-$5,000 in Gift Card/Certificate

PRODUCTS & SERVICES

Partner Plan

A Partner Plan Promotion conducted in January highlighted this product as the ideal instrument for members saving towards short-term goals. The product was promoted again in July as the **"20 Weeks of Christmas"** promotion invited members to start a 20 weeks partner plan to receive a draw in time for Christmas.

Golden Harvest Savings Plan

The team promoted the Golden Harvest Savings Plan using the campaign slogan, **#whatsyourgoal**.
The promotion highlighted the following as reasonable long-term goals:

- Marriage

BOARD OF DIRECTORS REPORT

- Education
- Home Acquisition
- Motor Vehicle Acquisition
- Retirement

0% Loans Promotion
This promotion targeted salary deducted members with a loan amount of $50,000 and a tenure of 6 months. This loans product was introduced in the lead-up to Valentine's Day and later repackaged to help members invest in the Trans Jamaican Highway IPO.

"Swap It Out" Loans Promotion
This unsecured loan product came on stream in February and was made available to salary deducted members for the sole purpose of Debt Consolidation. These members could borrow up to $3 million at a rate of 14.5% p.a. with a payback period of 5 years.

Dream Wheels Auto Loan
The Dream Wheels Auto Loan product was on offer throughout the year. The product offered members:

- Rates as low as 5.99% for new vehicles
- Extended repayment term up to 10 years
- Reduced service charge
- Loan amounts up to $9 Million
- Pre-approved Line of Credit of $50,000.

MCCU Tech Loan
This new loan product was introduced on December 1, 2020, to assist members with acquiring devices necessary for the digital learning environment. The following were the features of the product:

- Name of Product: MCCU Tech Loan
- Loan Amount: Max. $250,000.00
- Term: 30 months
- Interest Rate: 13% p.a.
- Share Requirement: 10% (Share Building Allowed)
- Service Charge: 2% of loan amount
- Payment Method: Salary Deduction
- Pool: $10 Million
- Purpose: For the purchase of educational equipment and supplies, computers, tablets, office or school set up, set up for internet access, printers, desk, chairs, software licenses and subscription.

OTHER MARKETING EFFORTS

Social Media Marketing

With the need to communicate and advertise more effectively in the digital space, the Credit Union increased its activities on the more popularly used social media platforms (Facebook, Instagram, and Twitter). Table 6 indicates the initial results of our social media marketing activities:

Table 6

Platforms	As of Dec. 2019	As of Dec. 2020	Growth
Facebook	2,637 Fans	3,132 Fans	495
Instagram	282 Followers	542 Followers	260
Twitter	108 Followers	118 Followers	10

Website Enhancement

On July 13, 2020, we successfully activated a Live Chat feature on our website. This feature enhanced our website by allowing users to interact with a live agent while browsing the Credit Union's website.
When the agent is offline, users can leave a message, along with their name and email address, to facilitate a reply as soon as the agent becomes available. To date, this new feature has been working smoothly.

Outdoor Signage

The Credit Union's outdoor presence was bolstered early in the year after installing a new look Superboard and Billboard in Mandeville and Christiana, respectively. The signs give a visual presentation of the Credit Union's loan products suited to help persons achieve their life goals.

Inspirational Video

An inspirational video presentation entitled "Inspiring Hope" was created and shared with members.
The video featured the General Manager and other staff members thanking members for their support throughout 2020, thanking team members for working together throughout the challenges of 2020, and looking forward to a prosperous 2021.

Radio Feature "MCCU Buzz"

In December, the Credit Union engaged NCU FM and started a feature entitled "MCCU Buzz." Approximately ten (10) minutes in length, the feature aired on Thursdays at approximately 3:10 p.m. throughout December and focused on the following:

- MCCU's Corporate Social Responsibility, Involvement in the Community, and Introduction of the Feature
- Loan Specials for the Holiday Season
- Introduction of the Online Banking Platforms and Safety Tips while using these platforms
- Saving Options for the New Year

During the first episode's airing, one lucky listener won an MCCU Gift Certificate for correctly answering a question about the Credit Union.

BOARD OF DIRECTORS REPORT

CORPORATE SOCIAL RESPONSIBILITY

Labour Day

The COVID-19 pandemic impacted our normal Labour Day activities. Nonetheless, the Credit Union conducted a social outreach activity and distributed fifty (50) Care Packages consisting of food items to selected members who fell in the senior age group. The marketing team later posted the photographs of some of these presentations on the Credit Union's social media pages.

MCCU Toy Drive

During December, the Credit Union embarked on a Toy Drive in aid of the Pediatric Ward at the Mandeville Regional Hospital. Members and staff donated toys and books by placing them in designated, labelled containers at both branches. We presented the toys to children on the ward on December 22, 2020. The nurses and administration of the hospital expressed gratitude for such an initiative.

MCCU Toy Drive

During December, the Credit Union embarked on a Toy Drive in aid of the Pediatric Ward at the Mandeville Regional Hospital. Members and staff donated toys and books by placing them in designated, labelled containers at both branches. We presented the toys to children on the ward on December 22, 2020. The nurses and administration of the hospital expressed gratitude for such an initiative.

Soap & Soup Outreach

With the onset of the COVID-19 pandemic, the Credit Union carried out a scaled-down version of the Soup & Soap project when it visited the Mount Olivet Boys' Home. The visit saw the Credit Union presenting the home with nonperishable grocery items and sanitizing supplies.

Sydney Carter Bursaries

A total of eleven (11) tertiary-level students received one-off bursaries to assist with their educational expenses for the 2020/2021 academic year. Due to the restrictions on public gatherings, the annual awards ceremony transformed into a series of individual presentations in the Credit Union's Board Room. Each recipient shared a short video expressing their gratitude to the Credit Union. These short videos were compiled and posted on our social media platforms. Table 7 outlines the slate of recipients:

Table 7

Recipient	Institution	Award	Amount ($)
Jevaugh Beaumont	Church Teachers College	Bursary	$100,000.00
Denise McLean	University of Technology	Bursary	$100,000.00
Jodi-Ann Bennett	University of the West Indies	Bursary	$100,000.00
Abigail Senior	University of the West Indies	Bursary	$100,000.00
Diana Crawford	Northern Caribbean University	Bursary	$100,000.00

Kadey-Ann Waite	University of the West Indies	Bursary	$100,000.00
Shanakay Patrick	University of the West Indies	Bursary	$100,000.00
Racarri Rowe	University of the West Indies	Bursary	$100,000.00
Racardo Rowe	University of the West Indies	Bursary	$50,000.00
Danielle McBean	University of the West Indies	Bursary	$100,000.00
Chavel McIntosh	Northern Caribbean University	Bursary	$100,000.00

PEP Bursaries

A total of eighteen (18) youth savers received bursaries valued at $20,000 each for the start of the 2020/2021 academic year. Due to the pandemic, students, accompanied by a parent, collected their bursary letters in a series of individual presentations made in the boardroom of the corporate office. The presentations were recorded and later posted on social media with a brief caption.

SOCIAL AND COMMUNITY OUTREACH

Table 8 indicates individuals and organizations that benefited from the social and community outreach provisions during the year under review:

Table 8

NAME OF INSTITUTION	AMOUNT	NAME OF INSTITUTION	AMOUNT
BELLEFIELD HIGH SCHOOL	131,250.00	MANCHESTER POLICE SPORTS CLUB	2,000.00
MANCHESTER DIVISIONAL INTELLIGENCE UNIT	10,000.00	MANDEVILLE RADIOLOGY AND IMAGING SERVICES RE: HARRIS HAMILTON	7,500.00
CHRISTIANA MORAVIAN PRIMARY SCHOOL	10,000.00	MEDICAL EXPENSES RE: HARRIS HAMILTON	3,500.00
CURPHEY HOME	20,000.00	REGISTRAR GENERALS DEPARTMENT RE: DAVIAN POWELL FOR NHF	12,800.00
DECARTERET COLLEGE CHOIR	95,162.50	SOUTHER REGIONAL HEALTH AUTHORITY	42,210.33
EYELAND EYEWEAR GLASSES RE:CHAVEL MCINTOSH	13,120.00	SURGIX JAMAICA LTD RE: ROBERT CHENNIS	150,000.00
GARLOGIE PRIMARY SCHOOL- SPONSORSHIP	25,900.77	THE MORAVIAN CHURCH IN JA	12,000.00
JCCUL DONATIONS FOR PPE FOR GOVERNMENT SVCS.	250,000.00	TROY HIGH SCHOOL DONATION	10,000.00
MANCHESTER PARISH LIBRARY	9,600.00		
GRAND TOTAL			**805,043.60**

ADMINISTRATION & HUMAN RESOURCES

Staff Welfare

The Human Resource Department is cognizant of the fact that the success of the Credit Union depends on its Human Resources. In 2020 the department made a strategic shift to build organizational resilience through staff development . Below are some of the main activities completed during the period:

- Staff treats and recognition for Valentine's Day, Mother's Day, Father's Day, Easter, and Christmas.
- Sponsored participation in Sagicor Sigma Road Race
- Constant & robust communication to allay fears concerning the pandemic and to keep connected
- Organized COVID-19 testing of staff at the Mandeville Health Department & Percy Junor Hospital.

BOARD OF DIRECTORS REPORT

- Implemented enhanced measures to ensure the emotional wellbeing of employees through the Employee Assistance programme (that offers confidential counselling to employees and their immediate family).
- Coordinated the training and development of employees via online platforms.
- Ensured business continuity by onboarding required staff through online recruitment, interviews, and onboarding.
- Offered assistance to employees in the form of supermarket vouchers.
- Granted a total of twenty-Three (23) study days to employees for personal development.

Training
In 2020, the Credit Union coordinated the training and development of employees using CUNA Professional Development Online (CPD Online) - the premier web-based training service for the credit union industry. Staff members participated in approximately f**orty (40) in-house training and seven (7) face-to-face** training sessions.

Promotions/Recruitment & Separation
During the year, the management promoted one (1) employee and hired (3) temporary and four (4) permanent new staff members. There were six (6) separations: Annakay Bartley, Greggory Mulgrave, Sancia Malcolm, Claudette McFarquhar, Hicksford Robinson, and Lorette Francis.

TECHNOLOGICAL ADVANCES
Following the commitments made in 2019, the Board approved investments in technology to ensure business continuity, competitiveness, enhanced security, and improvements in member experience. In 2020, the Credit Union:

1. Completed a new ATM vestibule in Mandeville.
2. Secured the certification of a full-service Diebold ATM at the Mandeville branch.
3. Upgraded the PBX & Directory Access systems to include directory access and message on hold features.
   The upgraded system now allows an outside caller to select the department they wish to connect with, and if placed on hold, the caller hears a promotional recording while they wait.
4. Established a secure remote access protocol (via a Virtual Private Network) to allow employees a reliable and secure work from home solution during the pandemic and beyond.
5. Upgraded to a Dedicated Internet Access (DIA) 20MB internet connection - This has allowed a dramatic increase in accessing internet content, the transmission of emails and improved the reliability of our daily backups activities.
6. Increased cyber security measures such as the encryption of mobile devices.
7. Increased our payment options for loans and savings via bank transfers.
8. Upgraded Universa (Core Banking Platform) to strengthen internal controls.

ANNUAL GENERAL MEETINGS & CONVENTIONS

League AGM and Convention
Due to the COVID-19 pandemic, the Jamaica Co-operative Credit Union League (JCCUL) cancelled their annual convention and postponed their AGM from May 23, 2020, to October 3, 2020. The Credit Union participated in JCCUL's AGM, held under the theme 'Together We Do More.' The meeting was delivered using a hybrid method (virtually using Zoom with limited

in-person attendees) following the Government's COVID-19 public restrictions at the time. Fifty-three (53) delegates attended the meeting in person and approximately 150 delegates via the Zoom platform.

Caribbean Confederation of Credit Unions (CCCU) 63rd Annual International Convention and the 49th Annual General Meeting.
Unfortunately, the Caribbean Confederation of Credit Unions cancelled their convention and AGM planned for July 3 – 7, 2020, in Punta Cana, Dominica Republic.

BOARD OF DIRECTORS MEETINGS – 2020
Table 9 outlines the attendance at meetings of the Board of Directors held during the year:

Table 9

NAMES	POSSIBLE MEETINGS	ATTENDED	EXCUSED	ABSENT
*Alexander Bourne	20	20	0	0
*Althea Campbell	15	13	2	0
* Nicholas Spence	20	17	3	0
* Cleveland Robinson	20	20	0	0
*Stallyn Insang	20	19	1	0
* Althia Scott-Jones	18	16	2	0
Astley Scott	14	9	5	0
Marsha Deer	14	13	1	0
Lemuel Geoffrey Sharpe	14	10	3	1
Berresford South	14	11	2	1
Stanford Hastings	7	7	0	0
Courtney Henry	3	2	1	0

*Members of the Executive Committee

THE WAY FORWARD
In 2021, we will continue with our digital transformational initiatives for the Credit Union as we develop our new loan origination system, onboarding platform, transaction monitoring system, and the increased use of the Credit Union website to improve the ease of doing business. These initiatives will form a solid foundation to increase member engagement and propel the Credit Union into the future. In 2021, we will also celebrate our 70th anniversary. We hope to mark this milestone by paying tribute to the generations of members who have supported their Credit Union since its formation. We would not be the award-winning credit union we are today without them – especially those who have served as staff or volunteers.

There is little doubt that this pandemic will continue throughout 2021 and will pose a significant challenge to our business and way of life. Even so, let us remain true to our values and principles that have guided us since our founding. Do what is necessary to stay safe. Trust in God, and look confidently to the future from the

BOARD OF DIRECTORS REPORT

shoulders of those who have brought us here. We are positioned well for the future—a future fraught with challenges, but also ripe with opportunities that we will seize to ensure the financial success of our members and our community.



Alexander Bourne
President



Althea Campbell
Secretary



Nicholas Spence
Treasurer



Cleveland Robinson
1st Vice President



Stallyn Insang
2nd Vice President



Courtney Henry
Director



Astley Scott
Assitant Treasurer



Althia Scott-Jones
Assistant Secretary



Marsha Deer
Director



Lemuel Geoffrey Sharpe
Director



Berresford South
Director

APPRECIATION

In closing, the Board takes this opportunity to express sincere thanks to the Management Team, staff, and volunteers for their commitment, dedication, and hard work to ensure that the year was successful despite the challenges. To all other supporters of our work, we express our gratitude: The Jamaica Co-operative Credit Union League and its subsidiaries, the Department of Co-operatives and Friendly Societies, other Co-operatives, our Auditors, Bankers, and the many suppliers of goods and services. Of course, special thanks to our membership for their continued support.



Alexander Bourne
President



TREASURER'S REPORT



Mr. Nicholas Spence
Treasurer

I am pleased to present the Treasurer's Report to this the 45th Annual General Meeting of the Manchester Co-operative Credit Union 1977 Limited for the financial year endedDecember 31, 2020.

The Audited Financial Statement is set out on pages 57 to 111, extracts of these statements are included in the treasurer's report. Your Credit Union was able to provide favorable results despite a challenging year and harsh economic conditions garnered with the impact of Covid 19 and its challenges.

CURRENT PERFORMANCE

The Credit Union is reporting a successful performance for 2020 despite generating less Net Income in comparison to the prior year. The Credit Union recorded Net Income before honoraria of $46.5 million in comparison to $55.6 million in 2019.

Assets also grew by 12.7% or $767 million. The Credit Union generated interest income of $604.9 million, a marginally increase year upon year. The reduction in profitability is mainly attributable to increase in Expected Credit Loss of $17.3M or 28%. Interest income earned for the period is broken down as follows:

	$
Financial Investments	70,659,660
Liquid Assets	84,463,922
Loans to Members	449,830,250

The Credit Union incurred $558 million in operational activities of running the business compared to $545 million in 2019. This was 2.3% increase compared to the previous year.



KEY PROFITABILITY TRENDS

Profitability Indicators shows the trends in key profitability ratios over the past five (5) years. An income to asset ratio of 8.9% was achieved in 2020; this was 1% below that achieved for 2019. The return on assets ratio was 0.68% at the end of the financial year. This was below the 0.92% achieved in 2019.

Profitability Indicators					
	2016	2017	2018	2019	2020
Total Income to Assets	11.1%	11.0%	11.0%	9.9%	8.9%
Operating Exp. to Assets	6.8%	7.7%	7.1%	6.7%	5.7%
Return on Assets	1.70%	1.8%	2.1%	0.92%	0.68%

ASSET GROWTH

Total assets ended the year at $6.83 billion. This represented an increase of 12.7% over the financial year 2019. Annual Growth in Assets chart indicates the movement in the asset base over the last five (5) years. The accumulated increase over the period was $2.7 billion or 40% of the Credit Union's total assets, which is due to consistent growth in loans and Cash and investments.



LOANS

The loan portfolio decreased year over year due to reduced loan demand aggregated with charge-off loans.

The portfolio declined by $45M for 2020.
This decline was exacerbated by charged off loans of $57 million, despite this the Credit Union had growth in motor vehicle and unsecured loans of 3.68% and 4% respectively.

Cash secured and real estate loans declined by 13.41% and 6.6% respectively. Annual Growth in Loans shows the extent of the growth in net loans over the last five (5) years.



INVESTMENTS AND CASH RESERVES

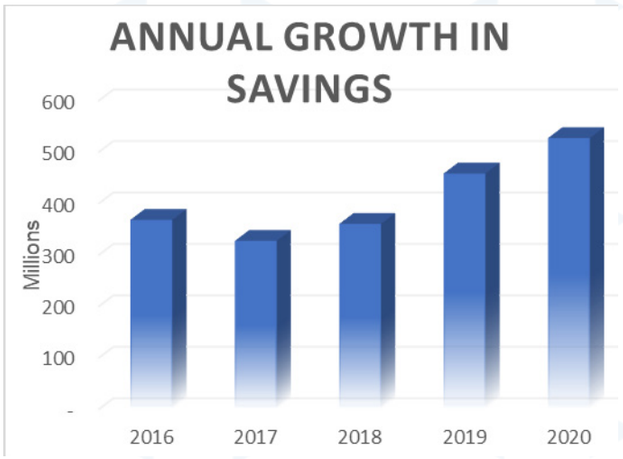
The Cash and Investment portfolio closed the year at $3 billion; this represented an increase of 31.6% over 2019 and accounted for 44% of total assets. The Credit Union earned an average of 3.5% on investments during the year. This was above the 3.35% achieved in 2019.

TREASURER'S REPORT

This is attributable to significant decline in repo rates since 2018, moving from rates as high as 6% in to a low of 2.1%. Adequate liquidity reserves were maintained during the year and the day-to-day cash flow requirements were met. These reserves were held in interest-bearing accounts at the Credit Union Fund Management Company (CUFMC).

SAVINGS

Total Savings grew by $527 million or by 11.68% for the year as shown in Annual Growth in Savings chart. Total Savings increased to $5 billion at the end of 2020. We commend Management & Staff for this achievement and assure you that our Credit Union will continue to offer competitive returns on our range of savings and investments products.



KEY FINANCIAL INDICATORS

The Credit Union performed fairly well compare to the Pearl standard. Some of these indicators are outlined in Financial Indicators table. The loan to asset ratio decreased from 56.9% in 2019 to 49.4% in 2020, due to significant growth in assets not being driven by the loan portfolio growth. The Credit Union, with your support aims to achieve the minimum standard of 60% over the long term.

INSTITUTIONAL CAPITAL RESERVE

Our Credit Union was able to strengthen its capital base during the year. Total institutional capital stood at $1.094 billion at the end of the period. This represented $104 million or 5.5% growth.
The institutional capital to asset ratio decreased

Financial Indicators

Metrics	Target Standard	2020 Actual	2019 Actual
Institutional Capital : Total Assets	8.0%	16.0%	17.2%
Net Loans: Total Assets	60% -80%	49.4%	56.9%
Delinquent Loans: Total Loans	< or = 5%	5.0%	6.5%
Non-Earning Asstes: Total Assets	7.0%	8.2%	5.2%
Operating Expense : Total Assets	8.0%	5.7%	6.7%
Membership Growth	5.0%	2.6%	6.2%
Institutional Capital Growth	8.0%	5.5%	11.3%

marginally from 17.2% in 2019 to 16% at the end of the 2020 financial year. However, this ratio was well above the minimum 8% standard prescribed by the PEARL Standards and surpassed the capital ratio requirement set by the Bank of Jamaica.

DELINQUENCY

The delinquency rate decreased from 6.48% in 2019 to 5% at the end of the 2020 financial year.
We continue along the path of effective delinquency control and will take further measures to reduce the level of delinquency and anticipate your co-operation in this regard.

The debt recovery process has become extremely challenging where the ethical values of some of our members are dubious. Members are accessing credit facility with no intention to settle their obligations. This has resulted in the Credit Union charging off $57 million for the financial year 2020. Management will continue to execute more stringent debt collection practices which include some of the following:

- Utilization of bailiff
- Foreclosure of real estate properties
- The employment of an Attorney at Law to pursue recovery through the courts
- The publication of names of delinquent borrowers on notice boards in the branches and on the Credit Union's website
- The publication of delinquent borrower's name in the print media.

The effective utilization of the Credit Union's loan facility is largely dependent on its members honoring their obligations. We ask that members protect their Credit Union by repaying credit extended to them, as this will aid in us achieving the mantra of people helping people.

FINANCIAL SUMMARY

Summarized Income Statement ('m)

	2020	2019	Var	Growth %
Total Income	604.95	601.27	3.68	0.6%
Total Expenses	(558.41)	(545.62)	(12.79)	2.3%
Surplus	46.55	55.66	(9.11)	(16.37%)
Add Undistributed Surplus	59.12	172.66	(113.55)	(65.76%)
Less Transfers	(60.84)	(169.20)	108.36	(64.04%)
Available for Appropriation	44.82	59.12	(14.29)	(24.18%)

TREASURER'S REPORT

Summarized Income Statement ('m)

	2020	2019	Var	Growth %
We The Members Own:				
Institutional Capital	947.38	898.08	49.31	5.5%
Permanent Shares	147.49	141.46	6.03	4.3%
Other Reserves	575.47	375.88	199.59	53.1%
Undistributed Surplus	44.82	59.12	(14.29)	(24.18%)
Total Capital & Reserves	1,715.17	1,474.53	240.64	16.3%
	2020	**2019**	**Var**	**Growth %**
The Money Was Used For:				
Net Loans to Members	3,370.63	3,443.98	(73.34)	(2.13%)
Cash & Investments	2,893.32	2,333.09	560.23	24.0%
Fixed Assets	280.29	77.67	202.62	260.9%
Other Assets	280.91	202.54	78.37	38.7%
Total Assets	6,825.15	6,057.27	767.88	12.7%
Less Savings & Other Liabilities	5,109.98	4,582.74	527.24	11.5%
Our Credit Union's Net Worth	1,715.17	1,474.53	240.64	16.3%

CONCLUSION

Although the Credit Union has performed reasonably well, we are not being complacent in its operations as the Board and Management recognize the impact that competition can have on its viability. Therefore, we are constantly seeking methods to increase earnings and improve the member experience that will continue to transform the Credit Union to meet the needs of its captive market. As we look ahead, the Credit Union will focus on ensuring that our members are provided with exceptional service, competitive rates, and increased ease of doing business.

We take this opportunity to commend the team of hardworking staff and volunteers for the efforts you have made in realizing these goals and to you, our members, for your continued support. While we are mindful of the challenges that lie ahead, let us continue to work together to make our Credit Union stronger and better able to serve you, our members.

Nicholas Spence
Treasurer

DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES
CHARITIES AUTHORITY, JAMAICA
Ministry of Industry, Investment, and Commerce
2 Musgrave Avenue, Kingston 10
Jamaica, W.I.
Tel: (876) 927-4912 | 927-6572 | 978-1946
E-mail: dcfs@cwjamaica.com **Website: www.dcfs.gov.jm**

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

S1
R459-40/10/21

October 15, 2021

The Secretary
Manchester Co-operative Credit Union Limited
2 Main Street
Mandeville
Manchester

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the financial year ended December 31, 2020.

The Annual General Meeting (AGM) must be convened under ***Regulation 19, 21*** **and 25 a-f** of the Co-operative Societies (Amendment) Regulations, 2021. 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 (b)*** of the Co-operative Societies Regulations should be forwarded to this office.

An AGM Protocol Documents developed by the Department should be used as a guide in preparing for the Meeting, along with the ***Exceptions to Prohibition on Public Gathering Exceeding Specified Number of Persons*** available to Societies under the Disaster Risk Management (Enforcement Measures) Order, 2021.

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

Yours truly,

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

HOPE GARDENS
Hope Gardens, Kingston 6
(876) 977-2277 / 927-1948
Fax (876) 977-2698

MANDEVILLE, MANCHESTER
23 Caledonia Road
(RADA Bldg.)
(876) 615-9083

MONTEGO BAY, ST. JAMES
10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913



Manchester Co-operative Credit Union (1977 Ltd

Financial Statements

As at December 31, 2020

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 2020

(Expressed in Jamaican Dollars unless otherwise indicated)

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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)

Opinion

We have audited the financial statements of Manchester Co-operative Credit Union (1977) Limited ("the Credit Union") which comprise the statement of financial position as at 31st December 2020, the statement of comprehensive income, statements of changes in equity, cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at 31st December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Co-operative Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Credit Union, in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter	**How the matter was addressed during the audit**
Expected Credit Loss ('ECL') on Financial Assets	**Our procedures in this area includes the following:**
IFRS 9 was implemented by the Credit Union on January 1, 2018. The adopted standard is new and complex and requires the Credit Union to recognize expected credit losses ('ECL') on financial assets, the determination of which is highly subjective and requires management to make significant judgment and estimates. The key areas requiring greater management judgment include the identification of significant increase in credit risk ('SICR'), the determination of probabilities of default, loss given default, exposure at default and the implication of forward-looking information.	▪ Obtaining an understanding of the models used by the Credit Union for the calculation of expected credit losses including governance over the determination of key judgments. ▪ Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key data inputs into IFRS 9 impairment models for investments. ▪ Testing the completeness and accuracy of the data used in the models of the underlying accounting records based on a sample basis.

Crowe

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)

Key Audit Matter	How the matter was addressed during the audit
Expected Credit Loss ('ECL') on Financial Assets	**Our procedures in this area includes the following:**
Significant management judgement is used in determining the appropriate variables and assumptions used in the ECL computations, which increase the risk of material misstatement. We therefore determined that impairment on loans receivable and investment securities has a high degree of estimated uncertainty. In addition, disclosure regarding the Credit Union's application of IFRS 9 are key to understanding the change from IAS 39 as well as explaining the key judgments and material inputs to the IFRS 9 ECL results.	▪ Evaluation of the appropriateness of the Credit Union's impairment methodology including (SICR) criteria presented. ▪ Assessment of the assumptions for probability of default, loss given default and exposure at default. ▪ Assessment of the adequacy of the disclosure of the key assumption and judgments as well as the details of transition adjustment for compliance with IFRS 9.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that matter to those charged with governance.

Crowe

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)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for maintenance of adequate accounting records in accordance with International Financial Reporting Standards (IFRS) and the Co-operative Societies Act, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Credit Union's internal control.

Crowe

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)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of the Credit Union of which we are the independent auditors.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Crowe

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)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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, given the information required by the Co-operatives Societies Act, in the manner required.

Crowe Horwath Jamaica

Crowe Horwath Jamaica

47-49 Trinidad Terrace
Kingston 5
Jamaica

September 28, 2021

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

	Notes	2020 $	2019 $
ASSETS:			
EARNING ASSETS:			
Liquid Assets	4	1,989,714,118	1,586,607,609
Loans to Members after Provision	5	3,370,632,457	3,443,976,033
Financial Investments	7	903,608,201	746,485,077
Total Earning Assets		6,263,954,776	5,777,068,719
NON-EARNING ASSETS:			
Liquid Assets	8	171,094,867	91,128,149
Other Assets	9	46,491,920	43,143,027
Property, Plant and Equipment	10	280,265,768	77,669,127
Retirement Benefit Asset	11	63,343,000	68,264,000
Total Non-Earning Assets		561,195,555	280,204,303
TOTAL ASSETS		6,825,150,331	6,057,273,022
LIABILITIES:			
INTEREST BEARING LIABILITIES:			
Members' Voluntary Share Capital	12	2,591,359,227	2,346,093,083
Savings Deposits	13	2,451,271,863	2,169,060,629
Total Interest Bearing Liabilities		5,042,631,090	4,515,153,712
NON-INTEREST BEARING LIABILITIES:			
Accruals	14	13,464,742	18,732,312
Payables	15	35,706,236	35,197,957
Others	16	18,176,539	13,656,322
Total Non-Interest Bearing Liabilities		67,347,517	67,586,591
TOTAL LIABILITIES		5,109,978,607	4,582,740,303
EQUITY:			
Members' Permanent Share Capital	17	147,488,454	141,458,975
Non-Institutional Capital	18	620,298,619	434,998,249
Institutional Capital	19	947,384,651	898,075,495
Total Capital		1,715,171,724	1,474,532,719
TOTAL LIABILITIES AND EQUITY		6,825,150,331	6,057,273,022

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

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON 28/09/2021 **AND SIGNED ON ITS BEHALF BY:**

MR ALEXANDER BOURNE
PRESIDENT

NICHOLAS SPENCE
TREASURER

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

	Notes	2020 $	2019 $
INTEREST INCOME:			
Liquid Assets		57,890,721	45,533,553
Loans to Members		449,830,250	457,034,292
Financial Investments		26,573,201	27,724,343
		534,294,172	530,292,188
INTEREST EXPENSE:			
Interest Expense on Members' Voluntary Shares		47,052,070	42,559,156
Savings Deposits		24,010,081	20,968,142
Other Financial Costs	20	19,088,026	17,065,411
		90,150,177	80,592,709
NET INTEREST INCOME		444,143,995	449,699,479
Less Provision for Loan Impairment	6	77,735,341	60,375,566
Less Reimbursement to Members for ATM Fraud		823,134	771,380
NET INTEREST INCOME AFTER PROVISION		365,585,520	388,552,533
NON - INTEREST INCOME			
Other Income	21	70,719,660	70,981,891
		70,719,660	70,981,891
GROSS INCOME		436,305,180	459,534,424
Less Operating Expenses	22	389,759,401	403,878,416
NET INCOME BEFORE HONORARIA		46,545,779	55,656,008
Honoraria Payment		-	(2,000,000)
NET INCOME AFTER HONORARIA		46,545,779	53,656,008
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit or loss:			
Revaluation- Available for Sale Investments		(3,984,449)	103,418,414
Items that will not be reclassified to profit or loss:			
Pension Expense	11	(4,921,000)	24,518,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		37,640,330	181,592,422

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY

	Members' Permanent Share Capital	Non-Institutional Capital	Institutional Capital	Total
	$	$	$	$
Balance at 31st December 2018 as restated brought forward	128,830,494	354,717,698	806,944,292	1,290,492,484
Total Surplus for the Year	-	53,656,008	-	53,656,008
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	103,418,414	-	103,418,414
Pension Expense	-	24,518,000	-	24,518,000
	-	127,936,414	-	127,936,414
Total Comprehensive Income for the Year after Honoraria	-	181,592,422	-	181,592,422
Transactions with Owners				
Permanent Share Capital Subscribed	12,628,481	-	-	12,628,481
Appropriations of Net Surplus for 2018				
Dividends on Permanent Shares	-	(6,571,331)	-	(6,571,331)
Institutional Capital	-	(80,000,001)	80,000,001	-
Capital Development Reserves	-	(15,000,000)	-	(15,000,000)
Social Outreach Programme	-	(2,000,000)	-	(2,000,000)
Sydney Carter Scholarship	-	(1,500,000)	-	(1,500,000)
Disaster Relief Fund	-	(1,000,000)	-	(1,000,000)
Loan Loss Reserve	-	(50,000,000)	-	(50,000,000)
Transfer to Capital Development Programme	-	15,000,000	-	15,000,000
Transfer to Social Outreach Programme	-	2,000,000	-	2,000,000
Transfer to Sydney Carter Scholarship	-	1,500,000	-	1,500,000
Transfer to Disaster Relief Fund	-	1,000,000	-	1,000,000
Transfer to Loan Loss Reserve	-	50,000,000	-	50,000,000
Redemption of Permanent Shares	-	(4,937)	-	(4,937)
Payments made from Other Non-Qualifying Reserves	-	(3,604,400)	-	(3,604,400)
Transfer to Statutory Reserve	-	(11,131,202)	11,131,202	-
	12,628,481	(101,311,871)	91,131,203	2,447,813
Balance at 31st December 2019	141,458,975	434,998,249	898,075,495	1,474,532,719

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY (CONT'D)

	Members' Permanent Share Capital	Non-Institutional Capital	Institutional Capital	Total
	$	$	$	$
Balance at 31st December 2019	141,458,975	434,998,249	898,075,495	1,474,532,719
Total Surplus for the Year	-	46,545,779	-	46,545,779
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	(3,984,449)	-	(3,984,449)
Pension Expense	-	(4,921,000)	-	(4,921,000)
	-	(8,905,449)	-	(8,905,449)
Total Comprehensive Income for the Year after Honoraria	-	37,640,330	-	37,640,330
Transactions with Owners				
Permanent Share Capital Subscribed	6,029,479	-	-	6,029,479
Appropriations of Net Surplus for 2019				
Dividends on Permanent Shares	-	(6,029,479)	-	(6,029,479)
Institutional Capital	-	(40,000,000)	40,000,000	-
Capital Development Reserves	-	-	-	-
Social Outreach Programme	-	(1,000,000)	-	(1,000,000)
Sydney Carter Scholarship	-	(1,500,000)	-	(1,500,000)
Disaster Relief Fund	-	(1,000,000)	-	(1,000,000)
Unsecured Loan Reserve	-	(2,000,000)	-	(2,000,000)
Revaluation Surplus	-	203,824,364	-	203,824,364
Transfer to Social Outreach Programme	-	1,000,000	-	1,000,000
Transfer to Sydney Carter Scholarship	-	1,500,000	-	1,500,000
Transfer to Disaster Relief Fund	-	1,000,000	-	1,000,000
Transfer to Unsecured Loan Reserve	-	2,000,000	-	2,000,000
Redemption of Permanent Shares	-	4,592	-	4,592
Payments made from Other Non-Qualifying Reserves	-	(830,282)	-	(830,282)
Transfer to Statutory Reserve	-	(9,309,156)	9,309,156	-
	6,029,479	147,660,039	49,309,156	202,998,675
Balance at 31st December 2020	147,488,454	620,298,619	947,384,651	1,715,171,724

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

NON-INSTITUTIONAL CAPITAL

	(i) Capital Reserves $	Other Reserves $	Loan Loss Reserves $	(ii) Capital Development Reserves $	Retirement Benefit Reserves $	Other Non - Qualifying Reserves $	Permanent Share Transfer Fund $	Undistributed Net Income $	Total $
Balance at 31st December 2018 as restated brought forward	8,725,445	19,678,277	-	85,000,000	43,746,000	19,871,860	5,032,376	172,663,740	354,717,698
Total Surplus for the Year	-	-		-	-	-	-	53,656,008	53,656,008
Other Comprehensive Income									
Revaluation - Available for Sale Investments	-	103,418,414		-	-	-	-	-	103,418,414
Pension Expense	-	-	-	-	24,518,000	-	-	-	24,518,000
	-	103,418,414	-	-	24,518,000	-	-	-	127,936,414
Total Comprehensive Income for the Year after Honoraria	-	103,418,414	-	-	24,518,000	-	-	53,656,008	181,592,422
Transactions with Owners									
Appropriations of Net Surplus for 2018									
Dividends on Permanent Shares	-	-		-	-	-	-	(6,571,331)	(6,571,331)
Transfer to Institutional Capital	-	-		-	-	-	-	(80,000,001)	(80,000,001)
Capital Development Reserves	-	-		15,000,000	-	-	-	(15,000,000)	-
Social Outreach Programme	-	-		-	-	2,000,000	-	(2,000,000)	-
Sydney Carter Scholarship	-	-		-	-	1,500,000	-	(1,500,000)	-
Disaster Relief Fund	-	-		-	-	1,000,000	-	(1,000,000)	-
Loan Loss Reserve	-	-	50,000,000	-	-	-	-	(50,000,000)	-
Transfer of 20% of Net Income for the Year before Honoraria	-	-		-	-	-	-	(11,131,202)	(11,131,202)
Transfer to Permanent Share Transfer Fund	-	-		-	-	-	(4,937)	-	(4,937)
Payments made from Non-Qualifying Reserve	-	-	-	-	-	(3,604,400)	-	-	(3,604,400)
Transactions with Owners	-	-	50,000,000	15,000,000	-	895,600	(4,937)	(167,202,534)	(101,311,871)
Balance at 31st December 2019	8,725,445	123,096,691	50,000,000	100,000,000	68,264,000	20,767,460	5,027,439	59,117,214	434,998,249

(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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

NON-INSTITUTIONAL CAPITAL (CONT'D)

	(i)			(ii)					
	Capital Reserves	Other Reserves	Loan Loss Reserves	Capital Development Reserves	Retirement Benefit Reserves	Other Non - Qualifying Reserves	Permanent Share Transfer Fund	Undistributed Net Income	Total
	$	$	$	$	$	$	$	$	$
Balance at 31st December 2019	8,725,445	123,096,691	50,000,000	100,000,000	68,264,000	20,767,460	5,027,439	59,117,214	434,998,249
Total Surplus for the Year	-	-		-	-	-	-	46,545,779	46,545,779
Other Comprehensive Income									
Revaluation - Available for Sale Investments	-	(3,984,449)		-	-	-	-	-	(3,984,449)
Pension Expense	-	-		-	(4,921,000)	-	-	-	(4,921,000)
Minimum Business Tax	-	-	-	-	-	-	-	-	-
	-	(3,984,449)	-	-	(4,921,000)	-	-	-	(8,905,449)
Total Comprehensive Income for the Year after Honoraria	-	(3,984,449)	-	-	(4,921,000)	-	-	46,545,779	37,640,330
Transactions with Owners									
Appropriations of Net Surplus for 2019									
Dividends on Permanent Shares	-	-		-	-	-	-	(6,029,479)	(6,029,479)
Transfer to Institutional Capital	-	-		-	-	-	-	(40,000,000)	(40,000,000)
Social Outreach Programme	-	-		-	-	1,000,000	-	(1,000,000)	-
Sydney Carter Scholarship	-	-		-	-	1,500,000	-	(1,500,000)	-
Disaster Relief Fund	-	-		-	-	1,000,000	-	(1,000,000)	-
Unsecured Loan Reserve	-	-	2,000,000	-	-	-	-	(2,000,000)	-
Revaluation Surplus	203,824,364	-	-	-	-	-	-	-	203,824,364
Transfer of 20% of Net Income for the Year before Honoraria	-	-		-	-	-	-	(9,309,156)	(9,309,156)
Transfer to Permanent Share Transfer Fund	-	-		-	-	-	4,592	-	4,592
Payments made from Non-Qualifying Reserve	-	-		-	-	(830,282)	-	-	(830,282)
Transfer to Loan Loss Reserve	-	-	-	-	-	-	-	-	-
Transactions with Owners	203,824,364	-	2,000,000	-	-	2,669,718	4,592	(60,838,635)	147,660,039
Balance at 31st December 2020	212,549,809	119,112,242	52,000,000	100,000,000	63,343,000	23,437,178	5,032,031	44,824,358	620,298,619

(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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

Institutional Capital

	Statutory and Legal Reserves	Revenue Reserves	Total
	$	$	$
Balance at 31st December 2018	309,997,037	496,947,255	806,944,292
Transfer of 20 % of Net Income for the Year before Honoraria	11,131,202	-	11,131,202
Transfer from Undistributed Net Income to Institutional Capital	-	80,000,001	80,000,001
Balance at 31st December 2019	321,128,239	576,947,256	898,075,495
Transfer of 20% of Net Income for the Year before Honoraria	9,309,156	-	9,309,156
Transfer from Undistributed Net Income to Institutional Capital	-	40,000,000	40,000,000
Balance at 31st December 2020	330,437,395	616,947,256	947,384,651

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

	2020 $	2019 $
Cash flows from Operating Activities		
TOTAL COMPREHENSIVE INCOME AFTER HONORARIA	37,640,330	181,592,422
Non- cash items included in income		
Depreciation - Property, Plant and Equipment	18,506,799	14,619,637
(Gain)/Loss on Disposal of Property, Plant and Equipment	(20,000)	-
Pension Income	4,921,000	(24,518,000)
Gain on Revaluation of Investments	3,984,449	(103,418,414)
Provision for Loan Impairment	77,735,341	60,375,566
	142,767,919	128,651,211
(Increase)/Decrease in Operating Assets		
Other Assets	(3,348,893)	2,081,363
(Decrease)/Increase in Operating Liabilities		
Accruals	(5,267,570)	1,435,525
Payables	508,279	6,671,089
Others	4,520,217	(2,980,669)
Net Cash Provided by Operating Activities	**139,179,952**	**135,858,519**
Cash Flows from Investing Activities:		
Addition to Property, Plant & Equipment	(221,103,440)	(3,770,615)
Proceeds in Disposal of Property,Plant & Equipment	20,000	-
Financial Investments	(161,107,573)	(364,128,284)
Loans to Members	(1,736,169,678)	(2,218,702,005)
Repayment of Loans by Members	1,731,777,913	2,021,538,976
Net Cash Used in Investing Activities	**(386,582,778)**	**(565,061,928)**
Cash Flows from Financing Activities:		
Voluntary Share Capital	245,266,144	220,716,590
Permanent Share Capital	6,029,479	12,628,481
Savings Deposits	282,211,234	236,939,661
Social Outreach	(835,044)	(1,999,062)
Permanent Share Transfer Fund	4,592	(4,937)
Dividend on Permanent Shares	(6,029,479)	(6,571,331)
Share Building Reserves	4,762	32,592
Revaluation Surplus	203,824,364	-
Disaster Relief Fund	-	(137,930)
Sydney Carter Scholarship Fund	-	(1,500,000)
Net Cash Provided by Financing Activities	**730,476,053**	**460,104,064**
Increase in Liquid Assets	483,073,227	30,900,655
Liquid Assets at Beginning of Year	1,677,735,758	1,646,835,103
Liquid Assets at End of Year	**2,160,808,985**	**1,677,735,758**
Liquid Assets - Earning	1,989,714,118	1,586,607,609
Liquid Assets - Non - Earning	171,094,867	91,128,149
	2,160,808,985	**1,677,735,758**

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2020
(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:

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:

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

Amendments to References to the Conceptual Framework in IFRS Standards (Effective January 2020)

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (Effective January 2020)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

Definition of a Business (Amendments to IFRS 3) (Effective January 2020)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A, Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

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

a) Standards and Interpretations in respect of published standards which are in effect and are relevant to the Credit Union (Cont'd):

Definition of Material (Amendments to IAS 1 and IAS 8) (Effect January 2020)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards.

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 which are considered relevant to the Credit Union were issued but not yet effective:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (Effect January 2022)

The amendments in *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)* affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset,

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and are to be applied retrospectively. Earlier application is permitted.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37) (Effect January 2022)

The changes in *Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)* specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Entities should apply the amendments to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
(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)

Annual Improvements to IFRS Standards 2018–2020 (Cont'd)

Annual Improvements to IFRS Standards 2018–2020 makes amendments to the following standards (Cont'd):

IFRS 9 Financial Instruments (Effect January 2022)

Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IAS 41 Agriculture-Taxation in fair value measurements (Effect January 2022)

The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9, and IAS 41 are all effective for annual periods beginning on or after 1 January 2022. Early application is permitted.

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 2020 and 2021 financial statements.

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.

Critical Accounting Estimate and judgement applied

i) **Classification of Financial Asset**

The assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal payment amount outstanding requires management to make certain judgments on its business operations

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(b) **Use of Estimates (Cont'd)-**

Critical Accounting Estimate and judgement applied (Cont'd)

ii) Impairment of Financial Assets

Establishing the criteria of determining whether credit risk of the financial assets has increase significantly since initial recognition , determining the methodology for incorporating forward-looking information into the measurement of expected credit losses (ECL) and selection and approval of models used to measure ECL requires significant judgement.

Risk of Estimation uncertainty

i) Measurement of Expected Credit allowance/provision under IFRS 9

The measurement of expected credit allowance for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. That is the likelihood of members defaulting and the resulting loss).

A number of significant judgements are also required in applying the accounting requirement for measuring expected credit losses, as follow:

- Determining criteria for significant increase in credit risk;
- Selecting appropriate models and assumptions for the measurement of expected credit losses;
- Establishing of the number and relative weightings of forward-looking scenarios for each type pf product or market and associated expected credit loss;
- Establishing groups of similar financial assets for the purpose of measuring expected credit losses.

(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.

The Credit Union, under the IFRS 9 Expected Credit Loss (ECL) impairment framework, recognises ECLs on loans, taking into account past events, current conditions and forecast information. In this regard, the Credit Union determines the economic variables that are likely to influence the borrowers' ability to meet their loan obligations in the future and incorporate such forward looking economic information in the overall estimation of the expected credit loss.

Additionally, the credit union is required to update the amount of ECLs recognised at each reporting date to reflect changes in credit risk of the loan portfolio.

Loans to members are held solely for the collection of principal and interest in accordance with the contractual arrangement between the credit union and the borrower. Therefore, loans are classified under the hold to collect business model and are measured at amortized cost.

The credit union assigns an initial risk rating to each loan at the date of disbursement. The risk rating is determined by the credit score assigned and categorised in the recognised credit score bands.

Loan Staging

By way of disclosure, the credit union estimates and reports the ECL on a stage by stage basis.

Stage 1

Loans are placed in Stage 1 at origination and remains in this stage providing that such loans have not experience a significant increase in credit risk.

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

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

Loan Staging (Cont'd)

Stage 2
Loans are transitioned to Stage 2 when there is evidence that such loans have experienced a significant increase in credit risk.

Stage 3
Loans are transitioned into Stage 3 if there is evidence that these loans are impaired or are at a default stage. Loans that are past due for a period of 90 days or more are deemed to have defaulted.

(d) **Investments -**

At initial recognition, the Credit Union measures a financial asset at its fair value, plus or minus (in the case of a financial asset not at fair value through profit or loss transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset; such as fees and commissions. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Immediately after recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

From 1st January 2018, the Credit Union has applied IFRS 9 and classified its financial assets as either Fair value through profit or loss (FVTPL), Fair value through other comprehensive income (FVOCI) or Amortised cost.

Classification and subsequent measurement of debt instruments depend on the credit union's business model for managing the asset; and the cash flow characteristics of the asset.

Based on these factors, the credit union classifies its debt instruments into one of the following three measurement categories:

- *Amortised cost:* Assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI') and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described at (vi). Interest income from these financial assets is included in ' Interest and similar income' using the effective interest method.
- *Fair value through other comprehensive income (FVOCI):* Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are measured at fair value through other comprehensive income (FVOCI).
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within. 'Net trading income' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Net investment income'. Interest income from these financial assets is included in 'Interest income' using the effective interest method.

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

(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.

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 -**

Business Model: the business model reflects how the Credit Union manages the assets in order to generate cash flows. That is, whether the credit union's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Loss allowances are measured at an amount equal to lifetime ECL except for the following are measured as a 12-month ECL:

- debt investment securities that are low in risk

- other financial instruments (other than lease receivables) on which credit risk not not increased significantly.

(f) **Impairment (Cont'd)-**

12-month ECL are the portion of ECL that result from default events of a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised is referred to as Stage 1 financial instrument.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial Instruments for which lifetime ECL is recognised and is not credit-impaired is referred to Stage 2 financial instruments.

At each reporting date, the credit union assesses whether the financial assets carried at amortised cost are credit-impaired (referred to a Stage 3 financial assets).

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER 2020

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

(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.

(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% (2019 - 0.20%) of total assets. Stabilisation dues are fixed at a rate of 0.15% (2019 - 0.15%) 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 16.1% (2019 - 17.2%) which is in compliance with the requirements.

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

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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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).

(vi i) 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).

(vi ii) 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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
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4. Earning Assets - Liquid Assets:

	2020 $	2019 $
Savings Account Balances	151,301	154,123
Foreign Currency Savings Accounts	36,440,093	33,822,548
Placement with JCCUL	476,851,286	427,574,158
Placement with Other Financial Institutions	1,476,271,438	1,125,056,780
	1,989,714,118	1,586,607,609

5. Loans To Members:

	2020 $	2019 $
Balance at Beginning of Year	3,531,825,905	3,380,708,228
Loans Granted	1,687,049,642	2,172,656,653
	5,218,875,547	5,553,364,881
Less Repayments and Transfers	1,731,777,913	2,021,538,976
	3,487,097,634	3,531,825,905
Less: Allowance for Expected Credit Loss (IFRS 9)	(116,465,177)	(87,849,872)
Balance at End of Year	3,370,632,457	3,443,976,033

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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6. Allowance for Expected Credit Loss:

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

	2020 $	2019 $
Total Non-Performing Loans	500	485
Balance, 1st January	87,849,872	73,519,658
Allowance/Provision for the Year	77,735,341	60,375,566
	165,585,213	133,895,224
Recoveries during the Year	8,120,276	5,118,169
Charged off during the year	(57,240,312)	(51,163,521)
Balance, 31st December	116,465,177	87,849,872
Regulatory loan loss provision	105,929,623	106,824,521
Less: Allowance for Expected Credit Loss (IFRS 9)	(116,465,177)	(87,849,872)
(Shortage)/ Excess of Regulatory Loan Impairment over IFRS Provision	(10,535,554)	18,974,649

The provision determined in accordance with IFRS 9 exceeded the JCCUL requirements.

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

	DELINQUENT LOANS $	RATE %	2020 PROVISION FOR LOAN LOSSES $	2019 PROVISION FOR LOAN LOSSES $
1 Month	18,020,238	-	-	-
2 - 3 Months	9,008,749	10	900,875	1,333,749
3 - 6 Months	27,275,619	30	8,182,686	15,156,743
6 - 12 Months	56,856,437	60	34,113,862	26,002,324
Over 12 Months	62,732,200	100	62,732,200	64,331,704
	173,893,243		105,929,623	106,824,521

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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6. Allowance for Expected Credit Loss (cont'd):

(c) Delinquent Loans:

MONTHS IN ARREARS	NO. OF LOANS IN ARREARS	DELINQUENT LOANS	PORTION SAVINGS HELD AGAINST LOANS	COVERED BY / (IN EXCESS OF) SAVINGS
	#	$	$	$
1 month	82	18,020,238	5,717,464	12,302,774
2 to 3 months	25	9,008,749	2,227,869	6,780,880
3 to 6 months	86	27,275,619	6,329,858	20,945,761
6 to 12 months	130	56,856,437	7,940,495	48,915,942
Over 12 months	177	62,732,200	8,413,632	54,318,568
	500	173,893,243	30,629,318	143,263,925

(d) The Directors estimate the value of the chattels held as security against the outstanding loans to be $30,629,318. (2019 - $70,784,033). At 31st December 2020 there were 500 delinquent loans (2019 - 485).

7. Earning Assets - Financial Investments:

	2020	2019
	$	$
Fair value through other comprehensive income		
Placement with JCCUL	12,381,741	12,221,351
Placement with Other Financial Institutions	708,204,513	549,951,820
	720,586,254	562,173,171
Un-quoted Equity Securities	136,421,531	136,421,531
Quoted Equity Shares	50,600,416	51,890,375
Expected Credit Losses/Provision for losses on unquoted shares	(4,000,000)	(4,000,000)
	183,021,947	184,311,906
	903,608,201	746,485,077

8. Non Earning - Liquid Assets:

	2020	2019
	$	$
Cash and Bank	171,094,867	91,128,149

9. Non Earning - Other Assets:

	2020	2019
	$	$
Accrued Income	35,872,963	37,328,681
Receivables	10,618,957	5,814,346
	46,491,920	43,143,027

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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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 2018	11,109,483	44,723,697	69,890,449	3,678,291	8,103,151	58,185,692	195,690,763
Additions	-	531,325	1,320,212		-	1,919,078	3,770,615
Transfer			736,997	(736,997)			-
Disposals	-	-	(52,763)	-	-	(1,799,639)	(1,852,402)
31st December 2019	11,109,483	45,255,022	71,894,895	2,941,294	8,103,151	58,305,131	197,608,976
Revaluation	66,890,517	136,933,848	-	-	-	-	203,824,365
Additions	-	-	16,244,554	877,752	-	156,769	17,279,075
Disposals/Write Off	-	-	(3,357,944)	-	-	-	(3,357,944)
31st December 2020	78,000,000	182,188,870	84,781,505	3,819,046	8,103,151	58,461,900	415,354,472
Depreciation:							
31st December 2018	-	15,373,145	43,341,985	-	8,103,151	40,354,332	107,172,613
Charge for year	-	1,101,914	5,869,614	-	-	7,648,109	14,619,637
Released on Disposal	-	-	(52,762)	-	-	(1,799,639)	(1,852,401)
31st December 2019	-	16,475,059	49,158,837	-	8,103,151	46,202,802	119,939,849
Charge for year	-	3,828,501	7,653,213	-	-	7,025,085	18,506,799
Released on Disposal	-	-	(3,357,944)	-	-	-	(3,357,944)
31st December 2020	-	20,303,560	53,454,106	-	8,103,151	53,227,887	135,088,704
Net Book Values:							
31st December 2020	78,000,000	161,885,310	31,327,399	3,819,046	-	5,234,013	280,265,768
31st December 2019	11,109,483	28,779,963	22,736,058	2,941,294	-	12,102,329	77,669,127
31st December 2018	11,109,483	29,350,552	26,548,464	3,678,291	-	17,831,360	88,518,150

Freehold land and buildings were revalued in March 2020 by Thomas, Forbes & Associates Limited, independent valuers, at an amount of $245,000,000.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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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 2020.

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

	2020 $	2019 $
Present Value of funded obligations	307,205,000	277,400,000
Fair Value of Plan Assets	(370,549,000)	(345,664,000)
	(63,343,000)	(68,264,000)
Effect of Asset Ceiling	-	-
Asset in the Statement of Financial Position	(63,343,000)	(68,264,000)

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

	2020 $	2019 $
Current service cost	8,329,000	8,642,000
Interest cost on Obligation	20,700,000	18,571,000
Interest Income on Plan assets	(26,127,000)	(21,902,000)
Administrative Expenses	2,484,000	2,122,000
Pension Expense	5,386,000	7,433,000

The actual return on plan assets was $24,884,000 (2019 - $36,579,000)

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

	2020 $	2019 $
Net Asset at beginning of year	(68,264,000)	(43,746,000)
Pension Expense	5,386,000	7,433,000
Remeasurement	7,741,000	(24,249,000)
Contributions Paid	(8,206,000)	(7,702,000)
Closing Net Asset at End of Year	(63,343,000)	(68,264,000)

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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11. Retirement Benefit Asset (cont'd):

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

	2020	2019
Discount Rate	9.00%	7.50%
Expected rate of return on plan assets	N/A	N/A
Future salary increases	6.50%	5.00%

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:

	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000
Fair Value of plan assets	253,824	282,114	309,086	345,664	370,549
Defined benefit obligation	179,960	211,820	265,340	277,400	307,205
Surplus	73,864	70,294	43,746	68,264	63,343
Experience adjustments-					
Fair value of plan assets	(3,700)	5,077	3,719	9,188	9,188
Defined benefit obligation	(12,416)	3,981	427	(1,999)	(1,999)

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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12. Members' Voluntary Share Capital:

	2020	2019
	$	$
Balance at Beginning of Year	2,346,093,083	2,125,376,493
Add Amount Subscribed	1,572,660,564	1,774,694,324
	3,918,753,647	3,900,070,817
Less Withdrawals & Transfers	1,327,394,420	1,553,977,734
Balance at End of Year	2,591,359,227	2,346,093,083

13. Savings Deposits:

		2020	2019
		$	$
i.	Term Deposits	478,922,795	520,548,180
ii.	Members' Regular Deposits	1,148,664,948	910,176,220
iii.	Golden Harvest Deposits	48,072,395	57,171,794
iv.	Insurance Savings Club	10,391,931	9,190,641
v.	Youth Savings	104,333,386	89,318,424
vi.	Partner Plan Plus Deposits	82,033,247	91,641,463
vii.	Solid Saver Deposits	273,594,601	237,989,803
viii.	Horizon 55	331,706	323,705
ix.	Wealth Accelerator Savings	300,597,435	249,474,297
x.	Standing Order Holding	4,329,419	3,226,102
		2,451,271,863	2,169,060,629

i. Term Deposits

Term Deposits are for varying periods up to 365 days on which interest was paid at rates of between .25% and 1.75% 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 0.1% to 0.6% 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 1.5% to 2.2% per annum.

iv. Insurance Savings Club

Insurance Club Deposits are savings accounts on which interest was paid at rates ranging from 0.2% to 0.7% per annum.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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13. Savings Deposits (cont'd):

v. Youth Savings

Youth Savings are accounts on which interest was paid at rates of between 0.1% to 0.6% 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.

vii. Solid Saver Deposits

Solid Saver Deposits are savings accounts on which interest was paid at rates of between 0.2% and 0.7% per annum.

viii. Horizon 55

This represents long-term savings accounts on which interest was paid at a rate 2.50% per annum.

ix. Wealth Accelerator Savings

This represents deposits for periods between 6 and 36 months on which interest was paid at .95% to 2.05% per annum.

14. Accruals:

	2020	2019
	$	$
Accrued Interest on Deposits	4,778,389	3,636,369
Other Accruals	8,686,353	15,095,943
	13,464,742	18,732,312

15. Payables:

	2020	2019
	$	$
Collector of Taxes	8,186,639	7,123,569
Salary Deductions Payable	24,506,545	24,387,659
Other Payables	3,013,052	3,686,729
	35,706,236	35,197,957

16. Non - Interest Bearing Liabilities - Others:

	2020	2019
	$	$
Estate Accounts	18,176,539	13,656,322
	18,176,539	13,656,322

This amount represents unsettled claims in respect of deceased members.

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17. Members' Permanent Share Capital:

	2020	2019
	$	$
Balance at Beginning of Year	141,458,975	128,830,494
Add Permanent Share Capital Subscribed	6,029,479	12,628,481
Balance at End of Year	147,488,454	141,458,975

Under the International Financial Reporting Standards (IFRS), 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.

18. Non-Institutional Capital:

	2020	2019
	$	$
Capital Reserves (Unrealised) (Note 24)	212,549,809	8,725,445
Other Reserves	119,112,242	123,096,691
Loan Loss Reserves	52,000,000	50,000,000
Capital Development Reserves	100,000,000	100,000,000
Retirement Benefit Reserves (Note 11)	63,343,000	68,264,000
Other Non-qualifying Reserves (Note 26)	23,437,178	20,767,460
Permanent Share Transfer Fund	5,032,031	5,027,439
Undistributed Net Income	44,824,358	59,117,214
	620,298,619	434,998,249

19. Institutional Capital:

	2020	2019
	$	$
Retained Earnings Reserves at Beginning of Year	576,947,256	496,947,255
Appropriation of Net Surplus	40,000,000	80,000,001
Retained Earnings Reserves at End of Year	616,947,256	576,947,256
Statutory & Legal Reserves (Note 25)	330,437,395	321,128,239
	947,384,651	898,075,495

20. Other Financial Costs:

	2020	2019
	$	$
Life Savings Insurance	6,370,080	6,047,754
Loan Protection Insurance	10,140,476	8,574,441
Bank Charges and Interest	2,577,470	2,443,216
	19,088,026	17,065,411

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21. **Other Income:**

	2020	2019
	$	$
Commitment Fees - Service Charge on Loans	27,184,740	33,736,748
Mortgage Charges (Net)	-	500
Miscellaneous	2,913,887	4,534,510
Gain on Foreign Exchange	12,916,382	7,932,322
Gain on sale of Investment	2,747,850	-
FIP Administration Fee	3,881,103	3,594,045
ABM Fees	1,266,908	1,421,885
Standing Order Fees	767,625	861,131
Account User Fee	19,041,165	18,900,750
	70,719,660	70,981,891

22. **Operating Expenses:**

	2020	2019
	$	$
Personnel Expenses:		
Employee Salaries & Allowances	222,929,303	229,562,214
Employee Benefits	26,209,327	22,419,580
Education & Training	855,002	3,136,845
Staff Travel & Related Expenses	2,099,595	4,533,874
Others	16,649	4,858,336
	252,109,876	264,510,849

	2020	2019
	$	$
Administrative Expenses:		
Rental	960,000	923,500
Utilities	6,788,538	7,124,447
Depreciation and Impairment	18,506,799	14,619,634
Audit and Supervision - Current Year	3,180,000	3,180,000
Repairs & Maintenance (Office)	17,359,042	16,355,168
Telecommunications	6,830,807	5,014,635
Printing, Stationery & Supplies	4,636,468	7,361,591
Insurance Premiums	4,077,160	3,549,779
Professional & Consulting Fees	1,966,969	403,444
Subscriptions & Other Administrative Expenses	30,913,111	28,295,679
	95,218,894	86,827,877

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22. Operating Expenses - (cont'd):

	2020	2019
	$	$
Marketing & Promotion:		
Publicity & Promotion	12,244,712	18,446,878
Public Relations	1,520,000	515,835
	13,764,712	18,962,713

	2020	2019
	$	$
Representation & Affiliation:		
League and Other Dues	18,512,543	16,802,204
Seminars & Meetings	2,753,472	5,853,790
Board of Directors & Committees	4,220,746	4,990,155
Annual General Meetings	3,144,478	5,861,428
Meeting/ Special Functions	34,680	69,400
	28,665,919	33,576,977
TOTAL OPERATING EXPENSES	389,759,401	403,878,416

23. Appropriations:

	2020	2019
	$	$
Dividend on Permanent Shares	6,029,479	6,571,331
Social Outreach Programme	1,000,000	2,000,000
Sydney Carter Scholarship	1,500,000	1,500,000
Disaster Relief Fund	1,000,000	1,000,000
Capital Development Reserves	-	15,000,000
Unsecured Loan Reserve	2,000,000	50,000,000
Institutional Capital	40,000,000	80,000,001
	51,529,479	156,071,332

24. Capital Reserves:

	2020	2019
	$	$
Balance at Beginning of Year	8,725,445	8,725,445
Additions	203,824,364	-
Balance at End of Year	212,549,809	8,725,445

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

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25. Statutory and Legal Reserves:

	2020	2019
	$	$
Balance at Beginning of Year	321,128,239	309,997,037
20% (2019- 20%) Transfer from Net Income	9,309,156	11,131,202
Balance at End of Year	330,437,395	321,128,239

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%.

26. Other Non-Qualifying Reserves:

	2020	2019
	$	$
Special Reserve	57,587	57,587
Sydney Carter Scholarship Fund	1,504,191	4,191
Social Outreach Programme	1,665,545	1,500,589
Disaster Relief Fund	3,859,684	2,859,684
Share Building Fund	2,640,057	2,635,295
Stabilization Fund Reserves	1,210,114	1,210,114
Business Development Fund	12,500,000	12,500,000
	23,437,178	20,767,460

27. Staff Costs:

Staff costs for the year amounted to $252,072,616 (2019: $264,510,849).

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28. Comparison of Ledger Balances:

	Permanent Shares	Voluntary Shares	Deposits	Loans
	$	$	$	$
General Ledger	147,488,454	2,591,359,227	2,451,271,863	3,487,097,634
Personal Ledger Listing	147,488,454	2,591,359,227	2,451,271,861	3,487,097,815
Differences as at 31st December 2020	-	-	2	(181)
Differences as at 31st December 2019	-	-	(6,922)	(182)

29. Related Party Transactions:

At 31st December 2020, the eleven (11) members of the Credit Union's Board of Directors had savings totalling $11,423,949. Of these Directors, ten (10) had loans totalling $9,379,959. Seventeen (17) Committee Members had savings totalling $12,050,867. Of these Seventeen (17) Committee Members, nine (9) had loans totalling $27,318,471.

Of the sixty seven (67) Credit Union Staff, all had savings of $44,428,287 and fifty-seven (57) had loans including interest totalling $251,887,381. During the year, one (1) staff member received a loan which necessitated a waiver of the loan policy. None of the Volunteers received loans which necessitated a waiver of the loan policy. At 31st December 2020, loans owing by all Committee Members and Staff were being repaid in accordance with their loan agreements.

30. Life Savings and Loan Protection Insurance:

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

31. Fidelity Insurance:

Fidelity Insurance Coverage was adequately maintained during the year.

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32. 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

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.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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32. 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:

	2020 $	2019 $
Loans to members (net)	3,370,632,457	3,443,976,033
Liquid assets - earning	1,989,714,118	1,586,607,609
Financial investments	903,608,201	746,485,077
Liquid assets - non-earning	171,094,867	91,128,149
Non earning assets - other	46,491,920	43,143,027
	6,481,541,563	5,911,339,895

(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.

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32. 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, 2020, an estimate of the fair values of collateral held against loans to members are as follows:

	2020	2019
Type of Collateral	$	$
Motor Vehicles	560,250,995	537,422,436
Real Estate	991,099,041	1,061,783,548
	1,551,350,036	1,599,205,984

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

Prior to January 1, 2018, the Credit Union inline with IAS 39 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 Credit Union 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. This additional allowance is treated as an appropriation and taken to reserves.

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

a) Credit Risk- (Cont'd)

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

Allowances for impairment (Cont'd)

Effective January 1, 2018, the Credit Union under IFRS 9 established an impairment framework that estimates excepted credit losses in its loan portfolio. The Credit Union have a documented IFRS 9 policy in place to guide the recognition and derecognition process. Management is responsible for the reassessment of credit risk of all loans to members annually or earlier if the needs arises and determine whether there is a significant increase in the credit risk from the loan origination date to the date reporting date.

The League's loan loss provisioning rules in (Note 6) focus more on credit-quality mapping of the respective delinquency periods to corresponding pre-determined percentages. In contrast, impairment provisions described above are recognised for financial reporting purposes only for losses that have been incurred at the date of the statement of financial position based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements may differ from the amount determined from the League's loan loss provisioning rules that are used for internal operational management and the Credit Union's internal provisioning method.

The difference between the two amounts is dealt with as an additional provision through transfer from accumulated surplus to the loan loss reserve in non-institutional capital.

Credit Risk Exposure

Maximum Exposure under IFRS 9

Loans:

As per Expected Credit Loss (ECL) Report	Gross Carrying Amount		Expected Credit Loss	
	2020	2019	2020	2019
	$	$		
Stage 1 (12- month ECL)	3,189,543,019	3,302,296,502	52,475,023	33,022,964
Stage 2 (Lifetime ECL)	101,208,949	69,969,465	5,865,655	6,275,668
Stage 3 (Lifetime ECL)	196,345,666	159,559,938	58,124,499	48,551,240
Total	**3,487,097,634**	**3,531,825,905**	**116,465,177**	**87,849,872**
As per General ledger	**3,487,097,634**	**3,531,825,905**	**116,465,177**	**87,849,872**
Difference	-	-	-	-

The gross carrying amount of financial assets above represents the maximum exposure to credit risk on these assets.

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

a) Credit Risk- (Cont'd)

For items on the statement of financial position, the exposures are based on net carrying amounts as reported in the statement of financial position.

For items not on the statement of financial position, see below representing a worst case scenario of credit risk exposure to the Credit Union at 31st December 2020, without accounting for any collateral held or other credit enhancements.

(i) Changes in Credit quality since initial recognition:

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Gross carrying amount on Loans as at January 1, 2020	3,302,296,502	69,969,465	159,559,938	**3,531,825,905**
Financial Assets derecognized during the period other than write offs	(1,154,374,449)	(81,945,426)	(64,166,989)	**(1,300,486,864)**
Transfers between Stages				-
Transfer from Stage 1 to 2	(164,254,917)	164,254,917	-	-
Transfer from Stage 1 to 3	(142,800,979)	-	142,800,979	-
Transfer from Stage 2 to 1	24,251,802	(24,251,802)	-	-
Transfer from Stage 2 to 3	-	(28,343,173)	28,343,173	-
Transfer from Stage 3 to 1	11,426,155	-	(11,426,155)	-
Transfer from Stage 3 to 2		1,524,968	(1,524,968)	-
New Financial Assets originated	1,312,998,905	-	-	**1,312,998,905**
Loan Write offs	-	-	(57,240,312)	**(57,240,312)**
Gross Carrying Amount on Loans as at December 31, 2020	3,189,543,019	101,208,949	196,345,666	3,487,097,634

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Expected Credit Loss as at January 1, 2020	33,022,964	6,275,668	48,551,240	**87,849,872**
Transfers between Stages				
Transfer from Stage 1 to 2	(1,727,028)	1,727,028		-
Transfer from Stage 1 to 3	(2,730,801)	-	2,730,801.00	-
Transfer from Stage 2 to 1	2,392,202	(2,392,202)	-	-
Transfer from Stage 2 to 3	-	(1,834,743)	1,834,743.00	-
Transfer from Stage 3 to 1	783,056	-	(783,056.00)	-
Transfer from Stage 3 to 2	-	397,019	(397,019.00)	-
ECL on New Financial Asset originated	22,378,312			**22,378,312**
Net movement due to Asset derecognition and changes PD/LGDs/EADs factors	(1,643,682)	1,692,885	6,187,790	**6,236,993**
Expected Credit Loss as at December 31,2020	**52,475,023**	**5,865,655**	**58,124,499**	**116,465,177**

a) Credit Risk- (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.

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 43% (2019: 37%) 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.

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32. 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	973,777,660	537,791,100	-	-	478,145,358	1,989,714,118
Loans	10,874,095	11,573,096	1,822,135,320	1,499,119,357	26,930,589	3,370,632,457
Financial Investments	52,381,741	243,348,522	270,000,000	154,855,991	183,021,947	903,608,201
NON-EARNING ASSETS:						
Liquid Assets	-	-	-	-	171,094,867	171,094,867
Other Assets	-	46,491,920	-	-	-	46,491,920
Property, Plant & Equipment	-	-	-	-	280,265,768	280,265,768
Retirement Benefit Asset	-	-	-	-	63,343,000	63,343,000
Total Assets	1,037,033,496	839,204,638	2,092,135,320	1,653,975,348	1,202,801,529	6,825,150,331

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32. 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	2,591,359,227	-	-	-	-	2,591,359,227.00
Savings Deposits	674,581,964	1,442,791,861	312,082,792	21,815,246	-	2,451,271,863.00
NON-INTEREST BEARING LIABILITIES & CAPITAL:						
Accruals	13,464,742	-	-	-	-	13,464,742.00
Payables	35,706,236	-	-	-	-	35,706,235.72
Others	18,176,539	-	-	-	-	18,176,539.00
Capital and Reserves	-	-	-	-	1,715,171,724	1,715,171,723.82
Total Liabilities & Capital	3,333,288,708	1,442,791,861	312,082,792	21,815,246	1,715,171,724	6,825,150,331
Net Liquidity Gap	(2,296,255,212)	(603,587,223)	1,780,052,528	1,632,160,102	(512,370,195)	-
Cumulative Liquidity Gap	(2,296,255,212)	(2,899,842,435)	(1,119,789,907)	512,370,195	-	-
	<----------2019---------->					
Net Liquidity Gap	(2,034,110,627)	(301,903,200)	1,261,786,837	1,453,145,714	(378,918,724)	-
Cumulative Liquidity Gap	(2,034,110,627)	(2,336,013,827)	(1,074,226,990)	378,918,724	-	-

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32. 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:

	2020	2019
Liquid Assets - Earning		
United States dollar	$ 28,701	$ 121,321
Canadian dollar	$ 219,457	$ 113,496
Pound Sterling	£ 41,915	£ 38,664
Financial Investments		
United States dollar	$ 653,226	$ 636,000

Sensitivity analysis

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

	US $	CAD $	UK £
28th February 2021	151.94	120.39	210.67
31st December 2020	142.65	111.41	193.67
31st December 2019	132.57	100.15	171.62

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

32. 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 2019 to December 2020. Over the twelve months ended 31st December 2020, the exchange rate movement for the United Sates dollar, Canadian dollar and the Pound Sterling has shown an increase of 7.6%, 11.24% and 12.85% 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			
	2020	2019	2020	2019
	%	%	J$	J$
Liquid Assets - earning				
United States dollar	4	4	163,768	643,341
Canadian dollar	5	5	1,222,485	568,331
Pound Sterling	5	5	405,884	331,776
Financial Investments				
United States dollar	4	4	3,727,308	3,372,581

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2019.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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32. 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:

	2020		2019	
	Interest Rate		Interest Rate	
	%	$	%	$
Financial Assets				
Liquid Assets				
Local Savings Accounts	0.10	151,301	0.10	154,123
Foreign Savings Accounts	0.01 - 0.05	36,440,093	0.01 - 0.05	33,822,548
Foreign Currency Investments	1.85 - 5.5	93,052,145	1.85 - 5.5	84,223,504
Amortised Cost Investments	2.35 - 6.70	1,383,219,293	2.35 - 6.70	1,040,833,276
Loans to Members	5.99 - 27.2	3,370,632,457	5.99 - 27.2	3,443,976,033
Financial Investments	4.5 - 7.25	720,586,254	4.5 - 7.25	562,173,171
		5,604,081,543		5,165,182,655
Financial Liabilities				
Members' Voluntary Share Capital	1.80	2,591,359,227	1.80	2,346,093,083
Savings Deposits	0.1 - 3.25	2,451,271,863	0.1 - 3.25	2,169,060,629
		5,042,631,090		4,515,153,712
		561,450,453		650,028,943

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

32. 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 January 2020 to December 2020, interest rates have moved downwards, with the BOJ 3-6 months deposit rates moving by approximately 100 basis points. This trend is expected to continue as the Government of Jamaica (GOJ) continues its policy of lowering of interest rates.

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

	2020		2019	
	Interest Rate %	$	Interest Rate %	$
Financial Assets				
Liquid Assets				
Foreign Savings Accounts	-0.07	(25,508)	-0.07	(23,676)
Foreign Currency Investments	0.00	-	0	-
Amortised Cost	-0.3	(3,803,853)	-0.3	(2,862,292)
Loans to Members	-1.955	(65,895,865)	-1.955	(67,329,731)
Financial Investments	-1	(7,205,863)	-1	(5,621,732)
		(76,931,088)		(75,837,430)
Financial Liabilities				
Members' Voluntary Share Capital	0	-	0	-
Savings Deposits	-0.5	(12,256,359)	-0.5	(10,845,303)
		(12,256,359)		(10,845,303)
		(64,674,729)		(64,992,127)

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

32. 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	973,777,660	537,791,100	-	-	478,145,358	1,989,714,118
Loans to Members	10,874,095	11,573,096	1,822,135,320	1,499,119,357	26,930,589	3,370,632,457
Financial Investments	52,381,741	243,348,522	270,000,000	154,855,991	183,021,947	903,608,201
	1,037,033,496	792,712,718	2,092,135,320	1,653,975,348	688,097,894	6,263,954,776
Non-Earning Assets						
Liquid Assets	-	-	-	-	171,094,867	171,094,867
Other Assets	-	46,491,920	-	-	-	46,491,920
Property, Plant & Equipment	-	-	-	-	280,265,768	280,265,768
Retirement Benefit Asset	-	-	-	-	63,343,000	63,343,000
	-	46,491,920	-	-	514,703,635	561,195,555
	1,037,033,496	839,204,638	2,092,135,320	1,653,975,348	1,202,801,529	6,825,150,331

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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32. 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	2,591,359,227	-	-	-	-	2,591,359,227
Savings Deposits	674,581,964	1,442,791,861	312,082,792	21,815,246	-	2,451,271,863
	3,265,941,191	1,442,791,861	312,082,792	21,815,246	-	5,042,631,090
Non Interest-Bearing Liabilities						
Accruals	-	-	-	-	13,464,742	13,464,742
Payables	-	-	-	-	35,706,236	35,706,236
Others	-	-	-	-	18,176,539	18,176,539
	-	-	-	-	67,347,517	67,347,517
Equity						
Members' Permanent Share Capital	-	-	-	-	147,488,454	147,488,454
Non-Institutional Capital	-	-	-	-	620,298,619	620,298,619
Institutional Capital	-	-	-	-	947,384,651	947,384,651
	-	-	-	-	1,715,171,724	1,715,171,724
	3,265,941,191	1,442,791,861	312,082,792	21,815,246	1,782,519,241	6,825,150,331
Net Interest Rate Gap	(2,228,907,695)	(603,587,223)	1,780,052,528	1,632,160,102	(579,717,712)	-
Cumulative Interest Rate Gap	(2,228,907,695)	(2,832,494,918)	(1,052,442,390)	579,717,712	-	-

<----------2019---------->

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-rate Sensitive	Total
	$	$	$	$	$	$
Net Interest Rate Gap	(1,966,524,036)	(301,903,200)	1,261,786,837	1,453,145,714	(446,505,315)	-
Cumulative Interest Rate Gap	(1,966,524,036)	(2,268,427,236)	(1,006,640,399)	446,505,315	-	-

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
(Expressed in Jamaican Dollars unless otherwise indicated)

32. 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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2020
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32. 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 2020 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 observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 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.

	2020			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Available-for-sale Investments -				
Unquoted Investments at Fair Value	-	-	136,421,531	136,421,531
Quoted Investments at Fair Value	50,600,416	-	-	50,600,416
	50,600,416	-	136,421,531	187,021,947

	2019			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Available-for-sale Investments -				
Unquoted Investments at Fair Value	-	-	136,421,531	136,421,531
Unquoted Investments at Fair Value	101,343,341	-	-	101,343,341
	101,343,341	-	136,421,531	237,764,872

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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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32. Financial Instruments and Financial Instruments Risk Management (cont'd):

(e) Fair Value (Cont'd)

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.

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;

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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32. Financial Instruments and Financial Instruments Risk Management (cont'd):

(e) Fair Value (Cont'd)

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
	2020 $	2020 $	2019 $	2019 $
Assets				
Earning Assets				
Liquid Assets	1,989,714,118	1,989,714,118	1,586,607,609	1,586,607,609
Loans to Members (net)	3,370,632,457	3,370,632,457	3,443,976,033	3,443,976,033
Financial	903,608,201	903,608,201	746,485,077	746,485,077
Non Earning Assets				
Liquid Assets	171,094,867	171,094,867	91,128,149	91,128,149
Other Assets	46,491,920	46,491,920	43,143,027	43,143,027
Liabilities				
Interest Bearing Liabilities				
Members' Vol. Share Capital	2,591,359,227	2,591,359,227	2,346,093,083	2,346,093,083
Savings Deposits	2,451,271,863	2,451,271,863	2,169,060,629	2,169,060,629
Non-Interest Bearing Liabilities				
Accruals	13,464,742	13,464,742	18,732,312	18,732,312
Payables	35,706,236	35,706,236	35,197,957	35,197,957
Others	18,176,539	18,176,539	13,656,322	13,656,322

33. COVID-19

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020, and the Government of Jamaica declared the island a disaster area on March 13, 2020.

The Credit Union's team of management instituted measures at both branches (Mandeville and Christiana) to safeguard and protect it's stakeholders. These measures included;

1) The provision of COVID related information to employees and members;
2) The provision of supplies to all personnel to prevent the contagion;
3) The establishment of COVID protocols to access both branches (protocols were supported by government guidelines).
4) The establishment and implementation of Remote Work Policy. This enabled staff to work remotely using a flexible work plan;
5) The establishment and implementation of the Disaster Risk Management Policy (DRMP) and Covid Response Plan (CRP), which provides a detailed approach adopted by the Credit Union in mitigating the impact of the pandemic.

The Crisis Management team established under DRMP and CRP was responsible for;

i) Planning and responding to the challenges arising;
ii) Implementation of safety and sanitization protocols with respect to the protection of staff and members;
iii) Preparation of a work from home mandate;
iv) Enhancement of technical capacity of the virtual network and;
v) The expansion and continued use of member email services.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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33. COVID-19 (Cont'd)

The pandemic and the measures to control its human impact have resulted in disruptions to economic activities and business operations. The Credit Union saw a reduction in business activities during the financial year, most notably in the following areas;

1) Loans to Members Portfolio

   There was a reduction in the volume of new loans and closed cash secured loans. Total loans granted for the financial year 2020 amounted to $1.6billion when compared to $2.1 billion in 2019. Although delinquency was not significantly impacted at the financial year end, the loan portfolio would have experienced significant increase in credit risk and reduced cash flows from member repayments.

   Recognizing the economic impact on members, the Credit Union granted moratoria of principal balances and interest.

2) Investment Portfolio

   The performance of the investment portfolio was negatively impacted by the fallout in the financial markets. This resulted in primarily equity-based investments experiencing losses. However, the Credit Union's liquidity position was not negatively affected during the year.

The Credit Union could experience further negative impact, depending on factors such as;

1) The duration and spread of the virus;
2) The restrictions and advisories from the Government of Jamaica;
3) The effects of the financial market and;
4) The effects of the global and local economy.

As at the authorised issue date of the Financial Statements, these impacts were highly uncertain and could not be reliably measured.

Appropriation of Net Surplus

As Treasurer, I find it a pleasure to present to you the following proposal for the distribution of surplus accumulated by the Credit Union as at December 31, 2020.

UNDISTRIBUTED NET SURPLUS		**$44,824,358**
APPROPRIATIONS:		
INSTITUTIONAL CAPITAL	$32,000,000	
SOCIAL OUTREACH	$ 1,324,358	
DISASTER RELIEF	$ 1,000,000	
DIVIDEND (3%)	$ 7,000,000	
SYDNEY CARTER SCHOLARSHIP	$ 1,500,000	
HONORARIUM	$ 2,000,000	
TOTAL		**($44,824,358)**
BALANCE C/FWD TO NEXT YEAR	-	

FIXING OF MAXIMUM LIABILITY

Be it resolved that the Maximum Liability for which the Board of Directors may commit the Manchester Co-operative Credit Union (1977) Limited for the year ended 2020, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.

CREDIT COMMITTEE REPORT



Mr. Raymond Harper
Chairman

2020 was the year of Covid 19 that saw the Jamaican economy navigating a variety of challenges that it had never experienced before. Financial institutions were not immune to these challenges as job losses and income slashes became a constant. Credit Unions including MCCU (1977) Ltd had to seek creative ways to remain relevant with our members' interest being forefront in our strategic plans.

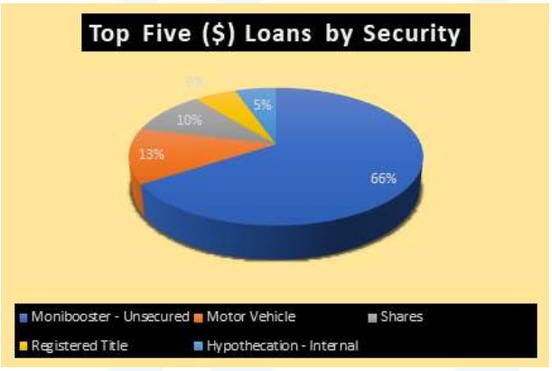
Lending was curtailed between March and June of 2020 while we monitored the severity of the various government restrictions on our member's ability to repay. As Jamaica saw the concept of stability being shifted; it was important for MCCU (1977) Ltd to meet the needs of our members by shifting the focus from lending to certain business sectors to assistance through moratoriums.

The Credit Union saw a major decrease in the disbursement of Cash secured loans and an increase in the settlement of other loans as our members opted to withdraw funds instead of borrowing against and to use savings to settle existing loans. To counteract the negative impact on the overall portfolio, MCCU (1977) Ltd employed several loan growth initiatives to retain and attain new loans.

We focused on meeting our members' needs while maintaining a competitive advantage. After a challenging year the Credit Union saw a reduction in the loan portfolio by 1.3% in comparison to the growth of 4.47% for 2019.

PROFILE OF LOANS DISBURSED BY SECURITY

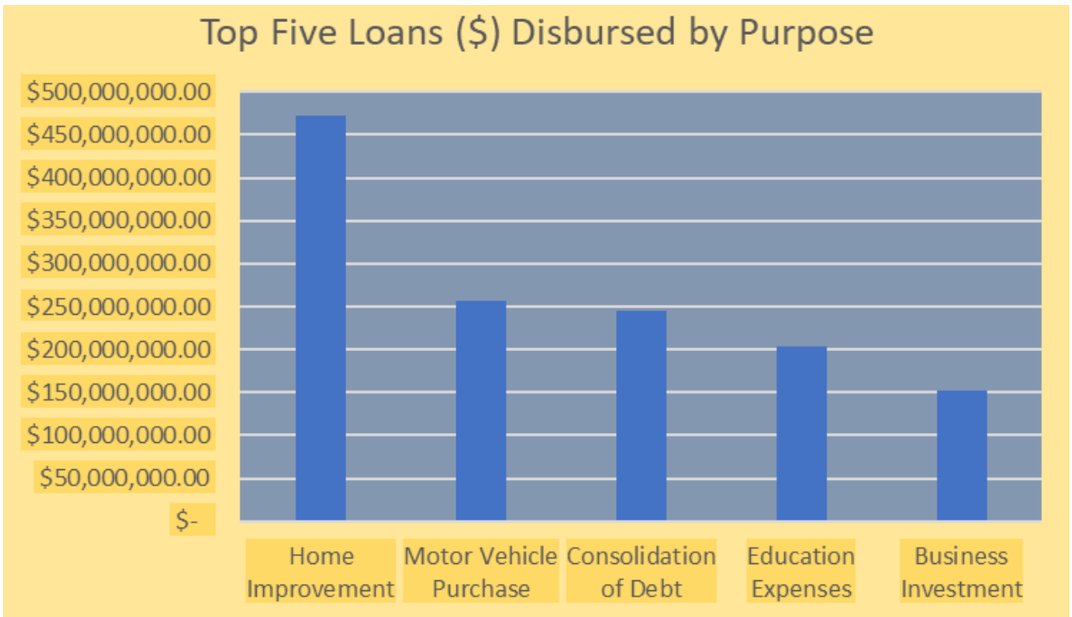
The following chart displays the top five categories of loans disbursed by security during the year. The MoniBooster Unsecured Loan Product was the largest category accounting for 66% of the categories of loans in 2020; with loans secured by Motor Vehicles being the next highest at 13%.



Comparison of Loans Disbursed (Security) for 2019 and 2020						
SECURITIES	Number of Borrowers			Amount Disbursed		
	2019	2020	Variance	2019 ($)	2020 ($)	Variance ($)
Hypothecation - Internal	218	184	(34)	$94,737,590.47	$85,080,769.75	($9,656,820.72)
Registered Title	40	24	(16)	$182,152,500.00	$87,233,400.00	($94,919,100.00)
Comaker	8	7	(1)	$2,078,200.00	$2,829,600.00	$751,400.00
Shares	1226	784	(442)	$256,043,894.04	$164,017,967.07	($92,025,926.97)
Insurance - Cash Surrender Value	3	0	(3)	$840,000.00	$0.00	($840,000.00)
Certificate of Deposit	80	59	(21)	$22,042,585.83	$21,020,935.94	($1,021,649.89)
Motor Vehicle	133	95	(38)	$264,025,145.00	$204,807,700.00	($59,217,445.00)
Golden Harvest	17	9	(8)	$3,626,625.24	$2,983,600.00	($643,025.24)
Solid Saver	18	17	(1)	$3,245,150.00	$5,682,400.00	$2,437,250.00
Hypothecation - External	3	3	0	$5,009,800.00	$5,130,500.00	$120,700.00
Line of Credit - Unsecured	0	0	0	$0.00	$0.00	$0.00
Line of Credit - Secured	158	86	(72)	$9,007,752.40	$6,964,589.68	($2,043,162.72)
Monibooster - Unsecured	2008	1296	(712)	$1,314,037,360.18	$1,043,962,271.64	($270,075,088.54)
Wealth Accelerator	12	5	(7)	$2,372,400.00	$2,205,400.00	($167,000.00)
Swap-It-Out	0	13	13	$0.00	$12,599,900.00	$12,599,900.00
Christmas Cash - Unsecured	66	0	(66)	$15,143,000.00	$0.00	($15,143,000.00)
Totals	**3990**	**2582**	**(1408)**	**$2,174,362,003.16**	**$1,644,519,034.08**	**($529,842,969.08)**

PROFILE OF LOANS DISBURSED BY PURPOSE

The following chart displays the top five categories of loans disbursed by purpose for 2020.
Home Improvement accounted for the largest category disbursed in 2020 at $471m. Motor Vehicle Purchase, Debt Consolidation, Educational Expense, and Business Investment complete the top 5 list of purposes for loans disbursed.



CREDIT COMMITTEE REPORT

Comparison of Loans Disbursed (Purpose) in 2019 and 2020

PURPOSE	Number of Borrowers			Amount Disbursed		
	2019	2020	Variance	2019 ($)	2020 ($)	Variance ($)
Consolidation of Debt	407	272	(135)	$260,005,055.38	$245,703,591.44	($14,301,463.94)
Purchase of Land	45	28	(17)	$93,026,350.00	$37,626,000.00	($55,400,350.00)
Home Improvement	866	634	(232)	$546,473,418.46	$471,888,166.09	($74,585,252.37)
Agriculture	195	110	(85)	$62,980,032.55	$41,493,408.32	($21,486,624.23)
Medical Expenses	99	45	(54)	$50,968,120.00	$27,186,150.00	($23,781,970.00)
Education Expenses	603	309	(294)	$350,430,579.18	$203,577,208.61	($146,853,370.57)
Vacation and Travel	82	5	(77)	$17,937,400.00	$1,466,125.00	($16,471,275.00)
Household Appliances	178	122	(56)	$79,735,107.96	$64,001,175.00	($15,733,932.96)
Business Investment	461	304	(157)	$177,835,694.34	$152,472,393.42	($25,363,300.92)
Miscellaneous Expenses	351	335	(16)	$57,586,013.59	$61,125,369.88	$3,539,356.29
Wedding Expenses	17	5	(12)	$8,045,000.00	$1,881,700.00	($6,163,300.00)
Funeral Expenses	44	15	(29)	$23,623,001.78	$5,885,750.00	($17,737,251.78)
Legal Expenses	14	16	2	$8,968,405.93	$15,919,500.00	$6,951,094.07
LOC	159	86	(73)	$9,049,252.40	$7,243,063.29	($1,806,189.11)
Motor Vehicle Repairs	227	126	(101)	$103,899,022.75	$51,287,206.64	($52,611,816.11)
Motor Vehicle Purchase	242	170	(72)	$324,159,548.84	$256,025,700.00	($68,133,848.84)
Totals	**3990**	**2582**	**(1408)**	**$2,174,722,003.16**	**$1,644,782,507.69**	**($529,939,495.47)**

LOAN GROWTH INITIATIVES

1. Introduction of Swap It Out loan promotion
2. Introduction of Unsecured Loan Special at 14.50% interest rate
3. Increase in Motor Vehicle loan repayment time to maximum 10 years.
4. Extension on Dream Wheels special
5. Introduction of Tech Loan Special
6. Introduction of 0% Loan Special

Waivers

The following waivers were granted for three (3) loans during 2020:

Loan Type	Reasons for waivers	Dollar Value
Real Estate	Debt Service Ratio exceeded 80%	$ 8,950,000.00
Unsecured	Reduced Interest Rate, Extended term, Reduced Shares Required	$ 1,750,000.00
Unsecured	Refinanced before two years	$ 990,000.00

CREDIT COMMITTEE MEMBERS ATTENDANCE FOR 2020

The Credit Committee and Sub-Credit Committee held Eighteen (18) and Eight (8) meetings respectively during the year under review. The Covid 19 curfew restrictions affected the committee's ability to meet during year as a result less meetings were held.

The attendance of the members are listed below:

Credit Committee	Possible meetings	Attended	Excused	Absent
Raymond Harper	18	16	2	0
Clive Dunkley	18	18	0	0
George Sloley	18	16	2	0
Elaine Brooks	17	16	1	0
Claudette Gayle-Foster	17	16	1	0
Helen Campbell-Wint	8	7	1	0
Christopher Tyme	8	7	1	0
Nigel Reid	7	0	7	0
Churton Douglas	1	1	0	0

A member of the Credit Committee was a part of the meetings.

Committee Members



Raymond Harper
Chairman



Clive Dunkley
Assistant Chairman



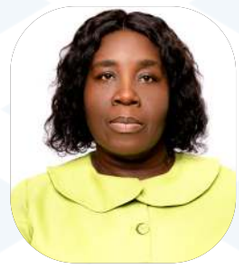
Christopher Tyme
Chairman (Sub-Committee)



Helen Campbell-Wint
Secretary (Sub-Committee)



Elaine Brooks
Assistant Secretary



Claudette Gayle-Foster
Member



Churton Douglas
Member (Sub-Committee)

CREDIT COMMITTEE REPORT

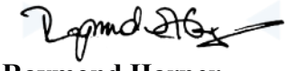
CONCLUSION

As the members of MCCU (1977) Ltd continue to put their trust in us, we the members of the Credit Committee are grateful for the opportunity given to serve in this capacity. The needs of our members are at our core; and in the spirit of community we continue to work closely with the Board of Directors, all committees, the management team, and the staff members, particularly those of the Credit Department to ensure the stability of our members through the granting of affordable loans.

We will also take this opportunity to express our sincere appreciation to our members, for choosing Manchester Co-operative Credit Union (1977) Limited to be your financial partner. Your support and co-operation have been the driving force behind the continued success of the Credit Union.

We will continue to serve you, our members and look forward to a more successful year in 2021. With God's guiding wisdom and strength, we will continue to give of our best service as true co-operators.

Thank you



Raymond Harper
Chairman

SUPERVISORY COMMITTEE REPORT



Mrs. Dahlia Brown- Dawson
Chairman

The Jamaican economy over the past year has been one of instability and uncertainty as we experience a pandemic that has affected the entire world. The year has been characterized with many negativisms that have adversely affected many Financial Institutions.

The Manchester Co-operative Credit Union (1977) Limited, despite the challenges, has surpassed expectations and continues to be creative in its implementation of innovative and successful strategies to ensure the members' interest is of utmost importance. As a Committee we believe in the confidence, commitment, adherence, and resilience of the Credit Union and stand willingly in support to maintain this standard.

The Supervisory Committee is charged with the responsibility of safeguarding the interest of the Manchester Cooperative Credit Union members.

The Committee in carrying out its mandate worked assiduously with the Internal Audit Department to ensure the Board of Directors and Management Team strategically serve the interest of the members as well as safeguard the resources entrusted to them.

In satisfying this mammoth task, the Committee supervises the internal audit function to verify that the internal controls, policies and procedures, and applicable external regulations are adhered to.

As a Committee our role is one of monitoring to ensure best practices are maintained and within legal stipulations. We provide monthly activity reports to the Board of Directors to facilitate transparency and aid in decision-making. During the year the Supervisory Committee embarked on various activities to include a series of independent and objective audits that assessed the reliability and authenticity of the financial and operational functions of the Credit Union.

The Supervisory Committee met sixteen (16) times during the year. Below is the table that outlines the member's individual attendance.

SUPERVISORY COMMITTEE REPORT

Members	Meetings Held	Possible Attendance	Meetings Attended	Excused	Absent
Ann Julette Rowe	16	13	13	0	0
Claudette Griffiths-McKenzie	16	13	11	2	0
Michelle Douse	16	16	15	1	0
Elaine Bailey	16	16	16	0	0
Dahlia Brown-Dawson	16	16	15	1	0
Glenroy Griffths	16	16	14	2	0
Kingsley Andrew	16	16	16	0	0
Patreena Bailey-Green	16	16	13	3	0
Dalton Campbell	16	3	3	0	0
Camoi Burford	16	3	3	0	0

Below is a summary of the activities undertaken by the Supervisory Committee:

Cash Counts, ATM Counts and Treasury Counts
These counts were conducted quarterly in order to achieve the following objective:
ascertaining if there were adequate controls over cash and the cash operations; and to ensure that cash was accounted for and adequately safeguarded. It was observed by the Committee that proper controls are being adhered to.
Where discrepancies were identified, management was informed and recommendations provided.

Bank Reconciliation
Bank Reconciliation reviews were conducted to ascertain whether the Bank Reconciliations were completed in a timely manner, accurate, and appropriately approved by the relevant parties within the Accounts Department.

A re-performance of the Bank Reconciliations was undertaken. This process involved the verification of documents such as encashed cheques, lodgement slips, bank statements and other related documents.
The audit revealed that the Bank Reconciliations were prepared in a timely manner and appropriately presented.
Deficiencies identified were communicated to management and recommendations made.

Fixed Assets
The objective of the Fixed Assets review was to verify whether there was compliance with the applicable policies and procedures governing the process from acquisition to disposal of fixed assets. Additionally, the review aimed to establish whether the reported fixed assets balance is correct, transactions are valid, assets were properly classified, and are in existence.
The audit revealed that there was general compliance by the Credit Union in regards to documentation, acquisition, disposal, insurance, and maintenance of fixed assets.
Where deficiencies were identified,

recommendations were made to include the formulation of a comprehensive documented Fixed Asset Policies and Procedures Manual and an Accounting Manual. This manual will assist in ensuring a consistent approach in reporting and accounting for assets as well as provide guidance for overall physical control and management of the assets.

TELLER END OF DAY

The objective of the Teller End of Day Review was to:

a) Verify whether proper supervisory checks of the teller end of day prints were completed and whether transactions were authentic;

b) Obtain assurance that the internal controls of the Credit Union are operating efficiently and are in line with established policies, procedures, and "Industry Best Practices".

The review revealed that there has been commendable improvements by the Branches in ensuring that the Tellers' End of Day Prints are reviewed by respective Supervisors. It was however revealed that there is no general established and practiced guidelines by the Organisation relating to the End of Day Teller Prints. Several exceptions were observed and recommendations made to Management; including the development of an Operations Manual.
These exceptions are being addressed.

Enterprise Risk Management (ERM) Review

The objective of this review was to:

a) Ascertain if an effective risk management program has been developed and implemented;

b) Establish if accountability is well-established and acknowledged by those to be held accountable;

c) Assess if the appropriate systems, policies, procedures, and guidelines related to ERM supported by suitable awareness, training and compliance activities;

d) Establish if the Organization em braced the Risk Management philosophy and if the consideration of risk was an integral part of day-to-day business decisions.

The Enterprise Risk Management Policy along with the Risk Registers was reviewed to identify adherence/deviations from the Policy based on practices and observations.

The audit revealed that the Credit Union has a well-documented Enterprise Risk Management Policy. Risk Registers have been developed for several areas and there is an active Risk and Compliance Committee that reports to Management on a monthly basis.

Several areas of concerns were noted and communicated to Management for the necessary action (s) to be taken, Management has acknowledged the deficiencies and has committed to addressing the concerns noted.

Telecommuting Policy
A review of the Telecommuting Policy Draft was done to identify any possible irregularities/breaches that may be noted and to recommend the necessary changes. The review involved the assessment of the Telecommuting Policy for industry best practices,

SUPERVISORY COMMITTEE REPORT

legal requirements, procedures, and policies of the Credit Union. From this review the necessary queries and recommendations were presented to the General Manager.

ACCESS CONTROL

The objectives of the Access Control Review were:

i) To verify that all access establishes a consistent relationship between the users' job functions and the level of access granted to the particular application on the operating system;

ii) To verify that appropriate systems, policies, and procedures are used to guide how the systems department assign user access roles;

iii) To verify that the consideration of risk is an integral part of day-to-day business decisions as it relates to system control procedures.

The deficiencies identified were communicated to Management and the team has initiated corrective actions.

LOAN BOOK

The objectives of this audit were to ascertain total loan balance, types of loan facilities offered, if loans were properly secured and if they were approved in accordance with the Credit Policy.
No significant discrepancies were discovered except that the Credit Policy needs to be updated.

DORMANT AND INACTIVE ACCOUNTS

The objectives of Dormant and Inactive Accounts were to ascertain whether transactions in dormant and inactive accounts were authentic and if evidence of supporting documents were present on the members' accounts; to determine if the Policy for reviewing Dormant and Inactive accounts is being adhered to.

The audit involved the scrutiny of transaction vouchers, supporting adjustments to the system and documented supporting records.
The audit concluded that there was general conformance with the applicable policies and procedures and no unauthorized transactions were observed on these accounts. Recommendations were made to Management.

KNOW YOUR CUSTOMER (KYC)-NEW MEMBER APPLICATIONS

The reviews of New Members' Accounts were undertaken to ascertain whether there was compliance with the Credit Union's Anti -Money Laundering (AML) – Know-Your-Customer (KYC) policy and that other stipulations for membership are being adhered to and to verify that all New Member accounts were correctly generated on the system.

The New Members' Accounts that were presented for both the Mandeville and Christiana Branches revealed that there was general compliance with the Credit Union's AML Know-Your-Customer Policy except for a few discrepancies that were highlighted for adjustment by the relevant officers.

ESTATE PAYABLES

The objectives of the review were:

i) To ascertain whether proper

procedures were followed in the han dling of deceased members' accounts with specific attention to payments received from CUNA Carib bean Insurance and payments made to beneficiaries upon the death of a member.

ii) To ascertain that, if the beneficiary or beneficiaries are all deceased, the cheque is sent to the Administrator General to be administered for payment to next of kin.

General observations, relative to the disbursement of funds for unsettled accounts were noted with the recurring reason being "unable to locate/contact the beneficiaries". Recommendations were made to Management, by the Supervisory Committee to consider additional steps to locate beneficiaries that have no contact information and for those whose, contact details may have been changed.
The additional steps recommended include, but are not limited to; the use of social media, print media, or electronic media.

FRAUD RISK MANAGEMENT

During the year ended December 31, 2020, the Internal Audit Unit conducted a fraud risk assessment in relation to cash disbursed by the Credit Union. The assessment concluded that the transactions reviewed appeared to be authentic.

SPECIAL AUDITS

Four (4) special audits were conducted for this period. This included the analysis of members' and staff accounts assessing various transactions completed. The findings and recommendations for corrective actions in accordance with the relevant Policies and Procedures and Industry Best Practices were submitted to Management. Management took and implemented appropriate corrective measures. Recommendations were also advanced to minimize recurrence.

ATM INCIDENT

The objective of this Audit was to determine the extent of any incidence of fraud against the Institution, and the effects on members and non-members. The quick actions by Management including having the affected members cards 'Hot' which was used during this period mitigated and minimized the impact of the financial loss to the members and the Institution. The findings and recommendations were advanced to Management for further corrective and mitigating actions to be implemented.

BOARD OF DIRECTORS MINUTES

The objective of this audit was to evaluate the governance framework and decisions are taken by the Board of Directors in managing the operations of the Credit Union.

It was observed that the Board of Directors was involved in setting the strategic direction of the Organization and approving significant organizational and strategic initiatives.
The Board approved the budget and key performance indicators. It was also observed that Policies and Procedures implemented/updated was approved by the Board of Directors and financial statements alongside other reports were presented to the Board for adequate monitoring of performance within the Organization.

A number of queries were made by the Supervisory

SUPERVISORY COMMITTEE REPORT

Committee and submitted to the Board of Directors.

CREDIT COMMITTEE MINUTES

The objective of this review was to evaluate the assessment mechanism used in determining loan approval, reporting, and decisions executed by the Credit Committee and the basis used for making these decisions. In satisfying this objective the Supervisory Committee assessed whether or not the Credit Committee was operating within the mandate as prescribed by its terms of reference.

The Credit Policy was adhered to by the Credit Committee in completing their mandate and the necessary waivers were granted. A number of queries were made by the Supervisory Committee and submitted to the Credit Committee.

The Supervisory Committee will continue to work with the Credit Committee to ensure that the relevant requirements
are satisfied in adherence to proper governance.

HEADS OF DEPARTMENT MINUTES

The objective of this audit was to evaluate the governance, reporting, and decisions executed by Management.
Management developed/presented sound strategic directives for the Organization's improvement. It was observed that Management endeavours to adhere to best practice governance standards.

A number of queries were made by the Supervisory Committee and submitted to the General Manager for action.

ACTIVITY REPORTS (MONITORING)

Know Your Employee (KYE) policies and procedures, as established by the Credit Union forms a part of the Organization's compliance program on ethics, anti-money laundering, and employee fraud. The level of risk associated is considered to be critical. It is on this premise that the Supervisory Committee has found it necessary to complete ongoing monitoring of staff accounts as a part of the Organization's review exercise.

These activities are undertaken in an effort to identify and anticipate concerns that might impact the Credit Union's time, financial position, and ultimately its reputation.

There were no discrepancies noted for the period of January to December 2020.

ACKNOWLEDGEMENT

The Supervisory Committee remains committed to ensure that members' interests are protected and that the organization remains a viable option for its stakeholders. To the Board of Directors, the Audit Unit, Management and Staff and the various Committees, thank you for your support and cooperation throughout the audits.

To the members of the Manchester Cooperative Credit Union, the Supervisory Committee is thankful for having afforded us the opportunity to be your custodians.

The Supervisory Committee continues to work with all stakeholders and to represent the membership in

the achievement of our objectives.

Submitted by:

Mrs. Dahlia Brown-Dawson
Chairman

Committee Members



Dahlia Brown- Dawson
Chairman



Elaine Bailey
Secretary



Dalton Campbell
Member



Kingsley Andrews
Chairman (Sub-Committee)



Michelle Douse
Secretary (Sub-Committee)



Glenroy Griffiths
Member



Camoi Burford
Member



Patreena Bailey-Green
Member (Sub-Committee)

NOMINATING COMMITTEE REPORT



Mr. Lemuel Geoffrey Sharpe
Chairman

In accordance with the provisions of Rule 62 (i), the Board of Directors 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:

Mr. Lemuel Geoffrey Sharpe	-	Director/Chairman
Mr. Claude Rattray	-	Member
Mrs. Kenisha Dwyer Powell	-	Member
Mr. Arlando Dawson	-	Staff Liaison Officer

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

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mr. Alexander Bourne		Mr. Alexander Bourne
Mr. Nicholas Spence	Retiring – End of Term	Mr. Dalton Campbell
Mrs. Althia Scott-Jones	Retiring – End of Term	Mrs. Paulette Stephenson Taylor
Mr. Stallyn Insang	Retiring – End of Term	Mrs. Helen Wint
Mr. Cleveland Robinson		Mr. Cleveland Robinson
Miss. Marsha Deer	Resigned	Mr. George Sloley (Completing term for Miss Marsha Deer)
Mr. Lemuel Geoffrey Sharpe		Mr. Lemuel Geoffrey Sharpe
Mr. Astley Scott		Mr. Astley Scott
Mr. Berresford South		Mr. Berresford South
Miss. Althea Campbell		Ms. Althea Campbell
Mr. Courtney Henry	Seeking own mandate	Mr. Courtney Henry

CREDIT COMMITTEE

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mr. Raymond Harper	Retiring – End of Term	Miss Lilieth Sutherland
Mr. Clive Dunkley		Mr. Clive Dunkley
Mr. George Sloley	Nominated to the Board	Miss Althea Humber
Ms. Elaine Brooks		Ms. Elaine Brooks
Mrs. Claudette Gayle-Foster		Mrs. Claudette Gayle-Foster
Mr. Churton Douglas		Mr. Churton Douglas
Mr. Christopher Thyme	Retiring – End of Term	Miss Sadia Lindsay Johnson
Mrs. Helen Wint	Nominated to the Board	Mrs. Michelle Pinto-Campbell

SUPERVISORY COMMITTEE

PRESENTLY SERVING	RETIRING	NOMINATED
Mrs, Dahlia Brown-Dawson	Retiring	Mrs. Dahlia Brown-Dawson
Miss Michelle Douse	Retiring	Miss Michelle Douse
Mr. Glenroy Griffiths	Retiring	Mr. Glenroy Griffiths
Mr. Kingsley Andrews	Retiring	Mr. Kingsley Andrews
Miss Elaine Bailey	Retiring	Miss Elaine Bailey
Mrs. Patreena Bailey-Green	Retiring	Mrs. Patreena Bailey-Green
Mr. Dalton Campbell	Nominated to the Board	Mr. Dean Spence
Miss. Camoi Burford	Retiring	Miss Camoi Burford

APPENDIX

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

BOARD OF DIRECTORS

PRESENTLY SERVING	STATUS	TERM
Mr. Alexander Bourne	Continuing	1 Year
Mr. Cleveland Robinson	Continuing	1 Year
Mr. Lemuel Geoffrey Sharpe	Continuing	1 Year
Mr. Astley Scott	Continuing	2 Years
Mr. Beresford South	Continuing	2 Years
Ms. Althea Campbell	Continuing	2 Years
Mr. George Sloley	Continuing	1 Year
Mr. Courtney Henry	New	2 Years
Mr. Dalton Campbell	New	2 Years
Mrs. Helen Wint	New	2 Years
Mrs. Paulette Stephenson Taylor	New	2 Years

NOMINATING COMMITTEE REPORT

CREDIT COMMITTEE

PRESENTLY SERVING	STATUS	TERM
Mr. Clive Dunkley	Continuing	1 Year
Ms. Elaine Brooks	Continuing	2 Years
Mrs. Claudette Gayle-Foster	Continuing	2 Years
Mr. Churton Douglas	Continuing	1 Year
Mr. Saadia Lindsay Johnson	New	2 Years
Ms. Lileith Sutherland	New	2 Years
Mrs. Michelle Pinto- Campbell	New	2 Years
Ms. Althea Humber	New	1 Year

SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Miss Michelle Douse	Continuing	1 Year
Mrs. Patreena Bailey-Green	Continuing	1 Year
Miss Elaine Bailey	Continuing	1 Year
Miss Camoi Burford	Continuing	1 Year
Rev. Kingsley Andrews	Continuing	1 Year
Mr. Glenroy Griffiths	Continuing	1 Year
Mrs. Dahlia Brown-Dawson	Continuing	1 Year
Mr. Dean Spence	New	1 Year

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

The Nominating Committee is recommending that 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.

Lemuel Geoffrey Sharpe
Chairman

PROFILE OF NOMINEES

MRS. PAULETTE STEPHENSON-TAYLOR

Mrs. Paulette Stephenson-Taylor has over 14 years of experience in the field of education and has a wealth of knowledge in Business related subject areas such as Financial Accounting, Organizational Behaviour and Entrepreneurial skills.

Mrs. Stephenson-Taylor currently holds the position of Campus Director at Knox Community College and has held several leadership positions in notable organisations such as the Nova Southeastern University. She is also a well-known leader in her community and volunteers as a Trustee of the George and Jasmine Kirby Foundation, is a Board member of the Alphansus Davis High School, and a Justice of the Peace for the Parish of Manchester.

Mrs. Stephenson-Taylor holds a Diploma in Teacher Education from Church Teachers' College, a Bachelor of Science Degree in Management Studies from the University of the West Indies, and a Master of Science in Teaching and Learning from the Nova Southeastern University.

Mrs. Stephenson-Taylor has been nominated to serve on the Board of Directors.

MR. DALTON CAMPBELL

Mr. Dalton Campbell is a graduate of the York St. John University through the York Business School in the United Kingdom with an MBA in Leadership and Management (he is currently writing his dissertation). He also possesses a Bachelor of Science in Mathematics from the Northern Caribbean University, Mandeville, Manchester.
He is currently employed to the Barita Investments Limited as a Senior Business Analyst.

Mr. Campbell has also held the following roles: -

- Assistant Vice President – Operations Manager (Barita Investments Limited)
- Senior Operations Supervisor (Barita Investments Limited) – restructuring of Government Debt to meet the IMF agreement, February 2013
- Operations Supervisor (Barita Investments Limited) – restricted government Debt to meet the IMF agreement, January 2010

Mr. Campbell is presently actively working on a Business Process Reengineering project and conducting an Enterprise Risk Management exercise for his organization.
He has been a member of the Manchester Co-operative Credit Union (1977) Limited since December 2004.

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

PROFILE OF NOMINEES

MRS. HELEN WINT

Mrs. Helen Wint is an educator and currently heads the Business Department at Christiana High School. Mrs. Wint's professional training includes credit administration, supervisory management, and enterprise risk management, as well as audit compliance. She currently serves as the Junior Achievement Club Coordinator for the Christiana High School.

Mrs. Wint also served Manchester Cooperative Credit Union (1977) Limited as a volunteer on the Credit and Supervisory Committees for a combined period of nine years.

Mrs. Wint has been nominated to serve on the Board of Directors.

MRS. MICHELLE PINTO-CAMPBELL

Mrs. Michelle Pinto-Campbell has over 20 years' experience in the field of tax administration. During this time, she has worked in several capacities such as Taxpayer Service Officer, Taxpayer Account Officer, Deputy Collector of Taxes, and a Collector of Taxes. She is currently an Assigned Manager - Tax Accounts & Collections. In addition, she served as a member of the Church of God's Regional Finance Committee and is currently the Treasurer at her local Church.

Mrs. Pinto-Campbell earned a Bachelor of Science Degree in Public Sector Management with a minors in Psychology and Criminology from the University of the West Indies. She has also obtained numerous certificates in relation to ISO Audits, Business Ethics, Risk Management and Database Management. Mrs. Pinto-Campbell is a devout member of Manchester Co-operative Credit Union (1977) Limited since 2001.

Mrs. Pinto- Campbell has been nominated to serve on the Credit Committee.

MRS. SAADIA LINDSAY-JOHNSON

Mrs. Saadia Lindsay-Johnson has been a Senior Teacher at the Christiana High School for over 20 years. Her area of speciality is English Language and Literature Teaching. Mrs. Lindsay-Johnson currently holds the position of Assistant Head of the English Department and is also the Grade 10 Assistant Grade Supervisor. She is also well known for her excellent speech writing skills and oral communication techniques. Mr. Lindsay-Johnson holds a Diploma in Teacher Education from Church Teachers' College, a Bachelor of Arts Degree in Guidance & Counselling from the International University of the Caribbean, and a Certificate in Tourism and Hospitality Management from the Brown's Town Community College.

MISS. ALTHEA HUMBER

Ms. Althea Humber has been a member of the Manchester Co-operative Credit Union for over 15 years. She has over ten years' experience in general accounting, administration, and customer service and is currently employed to Manchester Municipal Corporation as an Accounting Clerk for the past two and a half years. Ms. Humber has also worked with Pro Hardware Limited in the capacity of Assistant Accountant for approximately ten (10) years.
Ms. Humber obtained Bachelor of Science Degree in Accounting from the University of the West Indies and a Certificate in Supervisory Management from Management Institute for National Development (MIND).

Ms. Humber was nominated to serve on the Credit Committee.

MISS. LILEITH SUTHERLAND

Miss Lileith Sutherland has been a member of the Manchester Co-operative Credit Union for over 30 years.

She is a retired teacher with over 28 years in the education industry, a past volunteer of the Manchester Co-operative Credit Union's Credit Committee for six (6) years. Miss Sutherland plays a vibrant role in her community and has held multiple leadership positions to include President for the Manchester Teacher's Association, President for the Youth Leadership Association, President (JTA North District Association, Director of Junior Camp Jamaica Methodist Churches, and member of the Manchester Football Association.

She received the medal of honour from the Jamaica Teacher Association in May 2021.

Miss Sutherland holds BSc in Teaching and Learning from Nova Southeastern University, Diploma in Education from Church Teaches College.

She has been nominated to serve on the Credit Committee.

MR DEAN SPENCE

Mr. Dean Spence has been a member of the Manchester Co-operative Credit Union for over 30 years.

He is an educator with over 28 years of experience and currently holds the position of principal at the Christiana High School.

Mr. Dean Spencer is a graduate of Northern Caribbean University with a B.Sc. in Biology and a Certificate in Computer Studies and a three-credit score in Administration.
Mr. Spence holds the position of Chairman of the Curriculum Implementation team and serves as member of committees to include Disciplinary, safety and security and Guidance etc. at the Christian High School.
He has been nominated to serve on the Supervisory Committee.

CONGRATULATORY RESOLUTION



Mr. Claude Rattray

WHEREAS Mr. Claude Rattray has been a member of the Manchester Co-operative Credit Union (1977) Limited since 1986; and

WHEREAS Mr. Rattray has served the Manchester Co-operative Credit Union (1977) Limited with distinction; and

WHEREAS he has served as a member of the Credit Committee, and as a member of the Board of Directors for more than twenty (20) years, functioning in the capacities of Secretary, 2nd Vice President, 1st Vice President and President respectively; and

WHEREAS he has served the Credit Union Movement with distinction over these years; and

NOW, THEREFORE, on a motion of the Manchester Co-operative Credit Union (1977) Limited for loyal and
dedicated service.

BE IT RESOLVED that in view of his dedication and service to the Credit Union and by extension the Co-operative Movement, that the 45th Annual General Meeting of the Manchester Co-operative Credit Union (1977) Limited,
congratulates Mr. Claude Rattray on this outstanding achievement of over 20 years of service.

Moved by:

Seconded by:

CONGRATULATORY RESOLUTION



Rev. Charles Lloyd Danvers

WHEREAS Rev. Charles Lloyd Danvers has been a member of the Manchester Co-operative Credit Union (1977) Limited since 2001; and

WHEREAS Rev. Danvers has served the Manchester Co-operative Credit Union (1977) Limited with distinction; and

WHEREAS he has served as a member of the Board of Directors for more than twelve (12) years, functioning in the capacities of Secretary, 2nd Vice President, 1st Vice President and President; and

WHEREAS he has served the Credit Union Movement with distinction over these years; and

NOW, THEREFORE, on a motion of the Manchester Co-operative Credit Union (1977) Limited for loyal and dedicated service.

BE IT RESOLVED that in view of his dedication and service to the Credit Union and by extension the Co-operative Movement, that the 45th Annual General Meeting of the Manchester Co-operative Credit Union (1977) Limited, congratulates Rev. Charles Lloyd Danvers on this outstanding achievement of over 12 years of service.

Moved by:

Seconded by:

OUTREACH HIGHLIGHTS







Mr. Michael Gottshalk, Marketing Manager, presents care packages to the Mount Olivet Boys Home during the Soup and Soap activities for International Credit Union Week 2020.











During the month of May 2020, the Credit union embarked on the distribution of Covid-19 care packages to approximately 50 of its Senior Members.







Through the support of our members, the credit union was successful in presenting the Children's Ward at the Mandeville Regional Hospital with toys from our Christmas Toy Drive.

INTERNATIONAL CREDIT UNION WEEK HIGHLIGHTS



Christiana Branch

Mandeville Branch



During our week of celebrations, our Mandeville and Christiana members were treated to refreshment and gifted with a token.

Manchester Co-operative Credit Union (1977) Limited facilitates Wire Transfers directly from your Commercial Bank account to your Credit Union accounts.



Easi Wire Transfer

- **Transfer savings to your Credit Union Account**
- **Make your loan payments online**
- **Send money from abroad to a local account for any of the options above**

HOW TO SEND

Incoming Wire Transfer
The following recipient information applies:

Intermediary US Bank:	**Bank of America** **701 Brickell Avenue** **Miami. FL, 33131** **FEDWIRE ABA: 026009593**
For onward transmission to:	**The Bank of Nova Scotia Jamaica Ltd.** **Scotiabank Centre** **Kingston, Jamaica** **Swift Code: NOSCJMKN**
Beneficiary:	**Account Name: Manchester Co-operative Credit Union (1977) Ltd.** **Bank Name: Bank of Nova Scotia Jamaica Ltd.** **Account Number: 392-17** **Branch: Mandeville** **Branch Code: 50195**

CONFIRMATION OF TRANSFER

After completing the transaction, the sender should either fax or email the following:

1. The document received from the bank or financial institution.
2. Recipient's information (Member's Name and Account Number at Manchester Co-operative Credit Union).
3. Type of account (Shares, Sure Gain, Loan Account, Deposit, Golden Harvest etc.) to which the deposit should be placed.

PROCESSING TIME

Members are being advised that monies remitted will not be directly credited to their Credit Union account at Manchester Co-operative Credit Union until the funds sent is reflected in our Bank of Nova Scotia Account.

CONTACT INFORMATION

Accounts department fax number is 876-962-0205(Mandeville branch) or 876-964-3270 (Christiana Branch) or email the Accounts department at: accounts@manchestercreditunion.com

SYDNEY CARTER SCHOLARSHIP & PEP BURSARIES HIGHLIGHTS













Eleven (11) Tertiary Level students were presented with their Sydney Carter Bursary Awards at our Head Office.

Eighteen (18) Primary Level students were presented with their PEP Bursary Awards at our Head Office.


MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Sydney & Carter
P.E.P. BURSARY
AWARDS CEREMONY


MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Sydney & Carter
P.E.P. BURSARY
RDS CEREMONY


MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Sydney & Carter
P.E.P. BURSARY
WARDS CEREMONY


MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Sydney & Carter
P.E.P. BURSARY
AWARDS CEREMONY


MANCHESTER CO-OPERATIVE
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Sydney & Carter
P.E.P. BURSARY
AWARDS CEREMONY

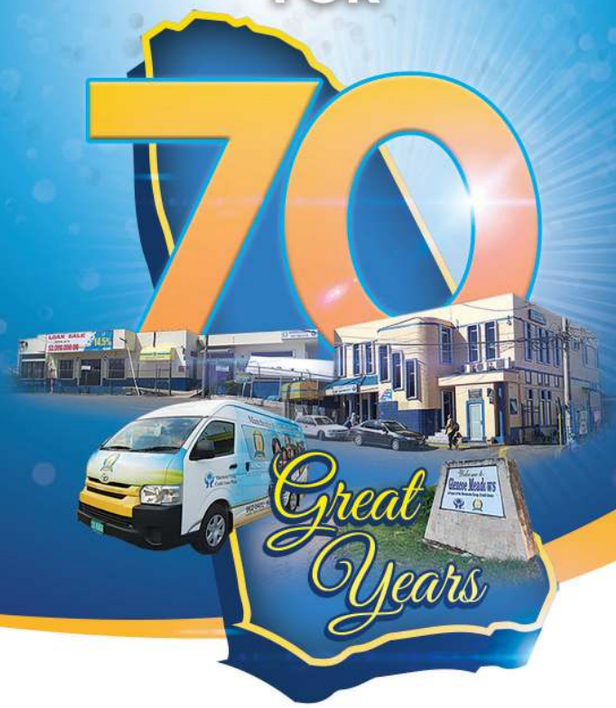

MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Sydney & Carter
P.E.P. BURSARY
WARDS CEREMONY

70th Anniversary
1951-2021

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LTD.

Building Communities ...Fostering Growth

Thank You MANCHESTER FOR 70 Great Years



- Loans
- Savings
- Insurance
- Remittance
- ATM Service
- Online Banking

Manchester Co-operative Credit Union (1977) Ltd.

'Where Service Exceeds Expectation'

Mandeville Tel: 876-962-0401
Christiana Tel: 876-964-3648

www.mccuja.com

LIST OF STAFF MEMBERS

ADMINISTATION DEPARTMENT

1.	Miss Michelle Ambersley	-	General Manager
2.	Miss Carol Bowen	-	Executive Secretary.
3.	Miss Vanaya Jack	-	Human Resource and Facilities Manager
4.	Mrs. Caroline Meikle	-	Administrative/HR Assistant
5.	Miss Natalie Bailey	-	Internal Auditor
6.	Mr. Daryl Palmer	-	Risk & Compliance Manager
7.	Mrs. Sherylee Duricka-Chin	-	Risk & Compliance Assistant
8.	Miss Jeniffer Haslam	-	Audit Officer
9.	Mrs. Lavene Gyles-Marshall	-	Business Development Officer
10.	Miss Maureen Peterkin	-	Registry Clerk
11.	Miss Renee Taylor	-	Office Assistant
12.	Miss Roxanne Hall	-	Office Attendant
13.	Mrs. Nicole Robinson-Gayle	-	Office Attendant
14.	Mr. William Allen	-	Messenger
15.	Mr. Damion Simpson	-	Parking Attendant

ACCOUNTS & DELINQUENCY DEPARTMENT

16.	Mr. Arlando Dawson	-	Finance Manager
17.	Mrs. Delrose James	-	Senior Accounting Officer
18.	Mr. Oliver Harrison	-	Accounting Officer
19.	Mrs. Shelly Daley-Broomfield	-	Accounting Officer
20.	Miss Kimeisha Robinson	-	Accounting Officer
21.	Ms. Anecia King	-	Accounting Clerk (Contract)

DELINQUENCY UNIT

22.	Mr. Michael Ringrose	-	Credit Control Supervisor
23.	Mr. Mark Brown	-	Credit Control Officer
24.	Mrs. Claudia Pitter-Lewis	-	Credit Control Officer
25.	Mrs. Gail Taylor	-	Credit Control Officer
26.	Mr. Bonito Daley	-	Credit Control Officer

IT DEPARTMENT

27.	Mr. Omar Greene	-	Information Technology Manager
28.	Mrs. Jacqueline Kennedy	-	Systems Administrator
29.	Mr. Dale Stephenson	-	IT Support Officer

MARKETING DEPARTMENT

30.	Mr. Michael Gottshalk	-	Marketing Manager
31.	Mr. Kimani Eaton	-	Marketing Representative (Contract)

MANDEVILLE BRANCH

32.	Miss Shevaun Hart	-	Branch Manager
33.	Miss Debbie Barrett	-	Utility Officer
34.	Mrs. Asheika Ebanks-Newell	-	Member Service Officer
35.	Mrs. Loye Richards	-	Credit Supervisor

LIST OF STAFF MEMBERS

36.	Miss Nadine Ricketts	-	Credit Officer
37.	Mr. Richard Barrett	-	Credit Officer
38.	Miss Jannese Francis	-	Credit Officer
39.	Mrs. Ruth Anderson-Burnett	-	Securities Officer
40.	Miss Jenice Green	-	Member Service Representative
41.	Miss Rajeve Stewart	-	Senior Member Service Representative
42.	Mr. David Samuels	-	Securities Clerk
43.	Mr. Kirkton Richards	-	Driver/Member Service Representative
44.	Mr. Davion Williamson	-	Member Service Representative
45.	Mr. Shamar Mullings	-	Member Service Representative
46.	Miss Princess Walters	-	Member Service Representative
47.	Mr. Jardane Green	-	Member Service Representative
48.	Mrs. Shannon Thompson-Green	-	Member Service Representative
49.	Mrs. Tamara Francis-Ebanks	-	Junior Credit Officer
50.	Mr. Jerome Thompson	-	Junior Credit Officer
51.	Mrs. Kimblee Elliott	-	Member Service Representative
52.	Mr. Andre Campbell	-	Member Service Representative
53.	Miss Khimesha Wallace	-	Member Service Representative
54.	Ms. Mikalia Lawrence	-	Records Clerk (Contract)

CHRISTIANA BRANCH

55.	Mrs. Wendy Hamm-McLean	-	Branch Manager
56.	Mr. Floyd McConnell	-	Member Service Officer
57.	Mrs. Gennevieve Minzie-Allen	-	Credit Officer
58.	Miss Samantha Johnson	-	Credit Officer
59.	Mrs. Terry Ann Birthwright	-	Credit Officer
60.	Mrs. Karen Christie-Riley	-	Administrative Assistant
61.	Miss Jholein Marshall	-	Senior Member Service Representative
62.	Mrs. Sharon Williams	-	Junior Credit Officer
63.	Miss Natalee Simpson	-	Member Service Representative
64.	Mr. Craig Williams	-	Member Service Representative
65.	Mrs. Natalee Williams-Smith	-	Member Service Representative
66.	Miss Alesha Rowe	-	Member Service Representative
67.	Ms. Paula Robinson	-	Member Service Representative (Contract)
68.	Mrs. Jasette Wright	-	Office Attendant
69.	Mr. Trevor Johnson	-	Messenger

TEMPORARY EMPLOYEES

1.	Sharia Levy	-	Office Attendant - Mandeville
2.	Maxine Griffiths-Beckford	-	Office Attendant - Christiana
3.	Faith White	-	Office Attendant - Mandeville
4.	Lavender McKenzie	-	Office Attendant - Mandeville

PART TIME EMPLOYEES

1. Mrs. Carletta Myers	-	Office Attendant - Mandeville
2. Miss Beverley White	-	Office Attendant - Christiana
3. Mrs. Juliet Saunders	-	Office Attendant - Christiana
4. Mr. Bevin Samms	-	Casual Worker - Mandeville

STAFF PICTURES

Management Team



Michelle Ambersley
General Manager



Arlando Dawson
Finance Manager

Daryl Palmer
Risk & Compliance Manager



Shevaun Hart
Mandeville Branch Manager



Wendy-Hamm McLean
Christiana Branch Manager



Michael Gottshalk
Marketing Manager



Omar Green
IT Manager



Vanaya Jack
HR & Facilities Manager

STAFF PICTURES

Accounts Department



Seated (from left): Kimeisha Robinson and Delrose James. Standing (from left): Anecia King, Arlando Dawson, Shelly Daley- Broomfield and Oliver Harrison.

Marketing Department



From left: Kimani Eaton and Michael Gottshalk

IT Department



From left: Jacqueline Kennedy and Omar Greene.

Delinquency Department



Seated: Gail Taylor, Standing (from left): Michael Ringrose, Arlando Dawson and Bonito Daley. Inset: Claudia Pitter-Lewis (missing from photo: Mark Brown)

Admin Department - Mandeville



Seated (from left): Carol Bowen and Vanaya Jack. Standing (from left): Natalie Bailey, Roxanne Hall, Damion Simpson, Nicole Robinson-Gayle, Renee Taylor, William Allen, Caroline Meikle. Inset: Jeniffer Haslam. (missing from photo: Sherylee Duricka-Chin, Lavene Gyles-Marshal, Maureen Peterkin)

Member Services - Mandeville



Seated (from left): Shevaun Hart and Ashieka Ebanks-Newell. Standing (from left): Kimblee Elliott, Andre Campbell, Princess Walters, Kirton Richards, Jardane Green, Shamar Mullings, Rejeve Stewart, Shannon Thompson-Green, Khimesha Wallace. Inset: Mikalia Lawrence (missing from photo: Jenice Green and Davion Williamson)

Credit Department - Christiana



Standing (from left): Gennevieve Minzie-Allen, Terry Ann Birthwright and Samantha Johnson. (missing from photo: Sharon Williams)

Admin Department - Christiana



Standing (from left): Karen Christie-Riley, Wendy Hamm-McLean and Trevor Johnson (missing from photo: Jasette Wright)

Members Service - Christiana



From left: Natalee Williams-Smith, Jholein Marshall, Alesha Rowe, Craig Williams, Paula Robinson, Natalee Simpson. (missing from photo: Floyd McConnell)

Credit Department - Mandeville



Seated (from left): Shevaun Hart and Debbie Barrett. Standing (from left): Richard Barrett, Nadine Ricketts, Jannese Francis, David Samuels, Ruth Anderson-Burnett, Tamara Francis-Ebanks and Jerome Thompson. (missing from photo: Loye Richards)

CONDOLENCES



Ambrozene Swaby
Ancel Jarrett
Angella Currie
Aston Williams
Berkie Myers
Burchell Spurgeon
Clinton Brown
Clifton Robinson
Collin Nelson
Daniel Saunders
Dermott Jarrett
Daphne Knight-Ricketts
Derick Ellis
Doreen James
Dira Boulton
Donald Miller
Doreen James
Doreen Smith
Earl Davis
Elease Harris
Elsie Peart
Erold Foster
Errol Grey
Evine Mclean
Eston Burton
Ferdinand Elliott
Glenton Daley
Gloria Yorke
Gwendolyn Palmer
Headley Duncan
Icilda Smith
Idalyn Fuller
Imogene Brooks-Powell
Irene Warren
James Dixon
Janette Mcleod
Jenniffer Wint
Jerris Johnson
Joseph Bonner
Joseph Thompson
Joslyn Thompson
Joan King
Keith Powell
Keshia Edwards
Lorna Lewis
Lucille Jones
Naomi Miller-Walcott
Nelta Palmer
Notinca Robinson
Odette Dinnal Griffiths
Olga Nelson
Pearl Willis
Patroy Richards
Primrose Dixon
Raudell Byrd
Raymond Thoms
Roland Hope
Ruth Brown
Shieka-Ann Mahabeer
Stephenson Black
Sylvester Scott
Trevor Senior
Valrie Lalor
Valrie Edwards
Vernold Langley
Winnifred Bailey
Winston Burton
William Phipps

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 Cred it 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 present in a physical meeting whilst addressing the Chair, subject to the exception where the meeting is being held in a virtual or hybrid manner through a combination of both physical and electronic com munication system, and the following shall apply:

   (i) If a separate meeting place is linked to the main place of the meeting by an electronic communication system, such member present at the separate meeting place shall be taken to be present at the meeting and entitled to exercise all rights as if the member was present at the main physical location.

   (ii) A member present in the meeting by electronic communication system may obtain the floor by clicking the "raise hand" feature or any other similar icon and being recognized by the Chair. (Instructions for accessing the "raise hand" or similar icon will be provided at each meeting). Once a member with his or her hand raised is recognized by the Chair, he or she will be able to unmute his or her microphone and turn on his or her camera, at least initially, to be properly identified and to be allowed to speak. Such member should be properly attired and should be in an environment that is conducive and the member should conduct his or her self in manner appropriate to the holding of the meeting.

   (iii) References to "electronic facilities" shall include, without limitation, webcast, video or any form of conference call systems (telephone, video, web or otherwise) and other communication of any sound, document, and or other data.

   (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 should immediately take his/her seat when present in a physical meeting or to remove the "raise hand" feature, turn off camera and mute his/her microphone.

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, whether in a physical only, virtual only and/or hybrid meeting 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. (a) Votes (whether by a show of hands ("raise hand") or by way of a poll) may be cast by such means, electronic or otherwise, excepting members voting via an electronic communication must briefly turn on their camera to be sufficiently identified.

(b) 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'S DIRECTORS AND OFFICERS

1. What is the Fit and Proper Criteria?

a) Requirement of the Bank of Jamaica Credit Union Regulations seeks to ensure that persons elected as Direct ors 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.

2. How does the process work?

- Notification of persons elected as Directors and Officers at an 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.

The National Anthem

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

NOTES



Manchester Co-operative Credit Union (1977) Ltd.

Mandeville Tel: 876-962-0401
Christiana Tel: 876-964-3648

www.mccuja.com

'Where Service Exceeds Expectation'

Manchester Co-operative Credit Union (1977) Ltd.

45th Annual General Meeting

2020 **ANNUAL REPORT**

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Telephone: (876) 962-0401 / 3584
Fax: (876) 962-0205

Christiana Office
Main Street, Christiana, Manchester
Telephone: (876) 964-2408 / 3648
Fax: (876) 964-3270

www.mccuja.com