MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LTD.

'Where Service Exceeds Expectation'

2022 ANNUAL REPORT

...at your convenience





Online Loan Application



47th Annual General Meeting

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Manchester Co-operative Credit Union (1977) Ltd.

'Where Service Exceeds Expectation'

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

www.mccuja.com

Manchester Co-operative Credit Union (1977) Ltd.

Vision Statement

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





Mission Statement

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

Prayer

OF SAINT FRANCIS OF ASSISI

Lord, make me an instrument of thy peace
Where there is hatred, let me sow love;
Where there is injury, pardon;
Where there is doubt, faith;
Where there is despair, hope;
Where there is darkness, light; and
Where there is sadness, joy.

O Divine Master, grant that we may not
So much seek to be consoled as to console;
To be understood as to understand;
To be loved as to love;
For it is in giving that we receive;
It is in pardoning that we are pardoned;
And it is in dying that we are born to eternal life.



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Manchester Co-operative Credit Union (1977) Limited

NOTICE
OF ANNUAL GENERAL MEETING

Notice is hereby given that the **47th Annual General Meeting** of the Manchester Co-operative Credit Union (1977) Limited will be held on Thursday, July 13, 2023 commencing at 4:00 p.m. in hybrid format at the Church Teachers' College Student Lounge, 40 Manchester Road, Mandeville.

The Audited Financial Statements for the year 2022 are available on our website at www.mccuja.com.

Members who will be attending the meeting whether physically or virtually are required to register using the following link https://iteneri.com/mccu. Upon registering online, the link to join the meeting will then be emailed to members.
Online registration will close on Wednesday, July 12, 2023 at 4:00 p.m.

Physical attendance at the meeting will be limited to a maximum of 250 persons.

For more information and or assistance with registration, you may visit our website at www.mccuja.com or call our offices at (876) 962-0401 or (876) 962-3584 between the hours of 8:30 a.m. and 3:00 p.m.

Dated this 23rd day of June 2023.

Signed: Helen Campbell-Wint
Secretary, Board of Directors

AGENDA

1. Call to Order

- Ascertaining of Quorum
- Notice of Meeting
- Welcome & Courtesies

2. Minutes of Last Annual General Meeting

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

3. Reports

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

4. Fixing of Maximum Liabilities

5. Elections

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

6. Any Other Business

7. Announcements

8. Vote of Thanks

9. Closure

MINUTES OF THE 46TH ANNUAL GENERAL MEETING

HELD ON SATURDAY 13 AUGUST 2022 AT 10:00 A.M.

AT THE GOLF VIEW HOTEL AUDITORIUM,

5 ½ CALEDIONA ROAD, MANDEVILLE, MANCHESTER.

CALL TO ORDER

The Annual General Meeting (AGM) was called to order at 10:27 a.m. by the Chairman, Mr. Alexander Bourne. The Secretary, Miss Althea Campbell was then invited to the podium to give the credentials report to ascertain the quorum.

The Secretary ascertained that the meeting was duly constituted with one hundred (100) members present in the auditorium and another thirty-three (33) online; thereby surpassing the minimum requirement of one hundred (100) members to make the quorum. The Notice of the 46th AGM of the Manchester Co-operative Credit Union (1977) Limited (MCCU) was read by Miss Campbell.

WELCOME

On behalf of the Board of Directors, management, staff, and other volunteers, the Chairman, extended a cordial welcome to all who were present in-person and online.

Special welcome was extended to the following persons who were present.

Mr. Robin Levy	Jamaica Co-operative Credit Union League (JCCUL)
Mrs. Phueona Reynolds	Jamaica Co-operative Credit Union League (JCCUL)
Miss Natalee Balfour	Department of Co-operatives & Friendly Societies
Miss Stacey Matheson	Department of Co-operatvies & Friendly Societies
Ms. Tanesha Facey	Department of Co-operatives & Friendly Societies (Online)
Mrs. Kay-Ann Nelson-Facey	Auditor - Crowe Horwath Jamaica
Rev'd Charles Danvers	Former President

Mrs. Dahlia Brown-Dawson	Chairman – Supervisory Committee
Mr. Oliver Harrison	Acting Finance Manager
Miss Michelle Ambersley	General Manager

A warm welcome was also extended to representatives from CUNA Caribbean Insurance Jamaica Ltd., all members of the Supervisory and Credit Committees, members of staff and members in attendance.

APOLOGIES

Apologies for absence were tendered on behalf of the following persons:

Mr. Clive Dunkley	Chairman – Credit Committee
Mrs. Claudette Gayle-Foster	Member- Credit Committee

CONDOLENCES

The attendees were asked to stand in observance of a moment's silence in respect and honour of the members who died during the year under review, and to stand in solidarity with those who have lost loved ones.

Parliamentary Rules of Order

A portion of the Rules of the meeting as outlined in the Booklet, was read by the Chairman, mainly for the benefit of the members online.

PRAYER

The prayer of Saint Francis of Assisi was repeated by all.

Motion for an Amendment to the Agenda: *The Fixing of Maximum Liabilities (Item 4) to be taken just after Appropriation of Surplus and before the Credit Committee Report (Item 3). It was moved by Mr. Churton Douglas and seconded by Revd. Joan Smith.*

Revd. Kingsley Andrews moved the motion for the Agenda to be adopted as amended: It was seconded by Mrs. Paulette Stephenson-Taylor.

Given that the Booklet was circulated physically and online for more than a week prior to the AGM, the Chairman asked for a motion to be moved for the Minutes and all other reports in the Booklet to be taken as read. The motion was moved by Ms. Thelma Gayle and seconded by Ms. Yvonne Jackson.

MINUTES OF THE 45th ANNUAL GENERAL MEETING

CORRECTIONS TO THE MINUTES

"Tanisha" & "Tanisah" should be corrected to **Tanesha**, on **pages 6 & 21** respectively.
Page 22: Under Credit Committee table - Althea Humber was elected to serve for one (1) year and not two (2) years at the 2021 Annual General Meeting.

"Sub-Credit Committee" should read **'Credit Committee'**
Page 23: Under Supervisory Committee table - Dean Spence was elected to serve for one (1) year, in keeping with the Rules, at the 2021 AGM and not two (2) years.
"Sub-Supervisory Committee" should read **'Supervisory Committee'**

Corrections to Booklet

Page 135: Members **Anthony Banton and Clunie Witter** were incorrectly listed as deceased in the **Condolences**. *MCCU extended sorry for the hurt the error might have caused those members, their families and friends.*

CONFIRMATION OF MINUTES

The Minutes were confirmed on a motion moved by Mr. Astley Scott and seconded by Ms. Camoi Burford.

MATTERS ARISING

1. Mr. Owen Brown stated that he had a problem with the amendment to Rule 62 in Resolution # 6 as he believed that it was disenfranchising his membership in the Organisation and he was not prepared to relinquish such membership and privilege. Mr. Bourne assured him that no member was being disenfranchised. However, the process had changed and was approved by the Department of Co-operatives and Friendly Societies. He further said that Mr. Brown's concerns were noted and were not being ignored. Mr. Bourne expounded that it could not be addressed at the AGM but would be taken under advisement and followed through. The Chairman said that members must respect the fact that the new rule was voted on and approved by the membership.

REPORTS

BOARD OF DIRECTORS REPORT

Highlights of the Report were presented by the President (Chairman), Mr. Alexander Bourne, as follows:

The President indicated that the Report was to summarise the activities undertaken and the key performance results achieved. The Report also provided a summary of the performance of the Credit Union Movement and the Jamaican economy in 2021.

Mr. Bourne stated that despite the continued challenges brought about by the pandemic, 2021 proved more promising than the financial year 2020, as the country's real GDP was estimated to have increased by 4.4%. The country experienced growth in both the goods-producing and service sectors. Those improvements also lead to increased employment during the year. For the first half of 2021, the Bank of Jamaica maintained the policy rate at 0.5% per annum; however, during the fourth quarter of the year, the rate was revised upward each month, and the year ended with a rate of 2.5%. The inflation rate for the calendar year was 9.1%. Despite the increased borrowing rates and other setbacks, the domestic financial sector registered growth in loans, deposits and

assets. In 2021 the financial sector recorded an overall increase of 10.1% in loans; deposits grew by 13.1%, and total assets in the financial sector grew by 13.4%.

The Credit Union Movement

The President noted that the Jamaica Credit Union Movement also reported growth in its loans, savings, and total assets in 2021. The Movement ended the year with a net loans' growth of 6.1%, savings growth of 10.4%, and assets growth of 9.8%. The membership across the Movement decreased marginally by **3.4%** to close the year at 1,000,157 members, down from 1,034,962 members the previous year.

KEY PERFORMANCE INDICATORS

Mr. Bourne highlighted that the Organisation experienced growth in all the key performance indicators. The previous year's dismal performances in net loans and net income were reversed. While trending up, the growth rate of net loans was still below expectations. Work was still being done to improve off-lending, but all members were implored to help by making MCCU their first and only stop for loans and help to encourage others to join and borrow.

It was noteworthy that MCCU maintained a solid capital base and was one of only 11 credit unions that achieved asset growth above the inflation rate of 9.1%.

The Board extended its commendation to the management team, staff, and volunteers for their hard work to improve savings, net loans, total assets, institutional capital, net income, and membership.

DELINQUENCY MANAGEMENT

The Credit Union's delinquency management initiatives were a mix of successes and challenges. MCCU achieved a delinquency ratio of **5.47%**, which was above the industry standards of 5%. The management team employed several delinquency-containment and debt-collection strategies to protect the Credit Union's assets throughout the year. Unfortunately, even with those efforts, some members defaulted on their financial obligations due to the economic pressure brought on by the pandemic. As MCCU continued to reduce delinquency, members who have loans were being implored to prioritise their debt obligations and make their loan payments on time.

MARKETING ACTIVITIES

The continued effects of the Covid-19 pandemic in 2021 resulted in restrictions on public gatherings throughout the year. Within that context, the Marketing Department managed to participate in the following events:

- Virtual presentation at Frankfield Primary School's Career Day
- Virtual presentation on Financial Literacy to the 1st Formers of Manchester High School
- JCCUL Virtual Reality Fair
- Virtual Town Hall Meeting

70th Anniversary Celebrations

The Credit Union commenced its 70th Anniversary celebrations on Friday 28 May 2021, one day before the official anniversary date of May 29. Throughout the rest of the year,

the anniversary celebrations were conducted under the theme, **Building Communities... Fostering Growth.**

International Credit Union Week 2021

International Credit Union Week was celebrated from 17 – 22 October 2021, under the theme **Building Financial Health for a Brighter Tomorrow.**

Family Day Promotions

A marketing promotion dubbed "Family Day" was conducted at the Mandeville and Christiana Branches on August 20 and September 3, respectively.

PRODUCTS & SERVICES

- **Partner Plan**

  In January, a **Partner Plan** promotion was conducted in January to highlight the product as the ideal instrument for saving towards specific short-term goals.

- **Wealth Accelerator Plan**

  The **Wealth Accelerator Plan** was widely promoted during the first quarter of the year. It was positioned as an ideal product for investing lump sum amounts.

- **Cash Secured Loan Special**

  During the year, a special offer was created for the **Cash Secured Loan** product. Members could access cash secured loans using funds held at the Credit Union, at the rate of 6% per annum with no processing fee.

- **Moni Booster and Dream Wheels Auto Loans Promotion**

  The **Moni Booster and Dream Wheels Auto Loan** specials previously approved in 2020 were extended throughout 2021.

OTHER MARKETING ACTIVITIES

Corporate Social Responsibility

Tablet Distribution

To assist with the online learning modality due to the Covid -19 pandemic, MCCU embarked on the distribution of tablets to several schools throughout the parish.

Sydney Carter and PEP Bursaries

Thirteen (13) tertiary level students each received one-off bursaries valued at $70,000.00 to assist with their educational expenses for the 2021/2022 academic year.

Similarly, eleven (11) youth savers were each awarded bursaries valued at $20,000.00 for the 2021/2022 academic year.

Social and Community Outreach

In 2021, a total of $833,429.69 was donated as part of the Credit Union's social and community outreach programme.

Risk and Compliance

The Credit Union ensured its compliance with all applicable regulations. The team worked continuously to ensure outstanding items in relation to the BOJ Licensing regime were addressed. In 2021, several training sessions were conducted and focused on anti-money laundering, risk-based assessment, anti-fraud strategies, fire drills and fire awareness. The annual POCA training for staff and volunteers was completed to meet the necessary regulatory obligations.

ADMINISTRATION & HUMAN RESOURCES

Staff Welfare

Several activities were carried out to ensure the welfare of staff members and to show appreciation for their work and worth.

Promotions/Recruitment & Separation

During the year under review, management hired seven (7) new staff members, six (6) temporary and one (1) permanent. There were five (5) separations.

ANNUAL GENERAL MEETINGS AND CONVENTIONS

- **League AGM and Convention**

  Delegates and alternate delegates from MCCU attended the Jamaica Co-operative Credit Union League 80th Annual General Meeting on Saturday 5 June 2021.

- **Caribbean Confederation of Credit Unions (CCCU) 64th Annual International Convention and the 50th Annual General Meeting**

  MCCU was represented at the annual Conference, held virtually from 21 – 24 June 2021.

APPRECIATION

On behalf of the Board of Directors, Mr. Bourne expressed sincere thanks to the management team, staff, and volunteers for their commitment, dedication, and hard work in ensuring that despite the challenges, the year was successful. He also expressed gratitude to the Jamaica Co-operative Credit Union League and its subsidiaries, the Department of Co-operatives and Friendly Societies, other co-operatives, its Auditors, Bankers, and the many suppliers of goods and services. Special thanks was conveyed to the membership for its continued support.

He further stated that, while MCCU had grown and the world had changed and continued to change, the philosophy and commitment to its members remained unchanged. MCCU continued to be innovative to ensure members received the best service and financial products. The opportunity to be a trusted financial partner was a privilege that MCCU took seriously. The Chairman noted that MCCU was deeply committed to being the financial institution of choice, as it aimed to provide innovative and competitive products and services in a warm and friendly environment to enhance members' economic and social well-being.

QUESTIONS & COMMENTS

1. Mr. Nicholas Spence extended commendations to the management, staff and the volunteer core for the sterling performance that was reported by the Chairman. He noted that, given that the Key Performance Indicators (KPIs) of MCCU were lagging slightly behind that of the Credit Union League, which was essentially representative of the industry standard; he then asked what strategic initiatives were being undertaken by MCCU to align the numbers with industry standard. The question, he said, was specific to any marketing or technological improvements being undertaken to assist in its growth.

   Mr. Bourne responded saying that there had been significant technological improvements; citing the example of the upgraded online platform which provided answers to members' questions and in short order MCCU would soon be able to start receiving online loan applications. The General Manager, Miss Michelle Ambersley was invited to the podium to give more details. She reiterated what the President said namely:

   i. Technology was being used to make processing loans easier.
   ii. Ensure that members were educated about the products that MCCU offered, and the advantages of each.
   iii. The products that were developed had low interest rates and increased limits. The target was geared towards members who wanted to do debt consolidation.
   iv. To ensure that the services provided were of excellent standards.
   v. The Marketing team had been going out to ensure that they captured the membership at the point of their employment.

2. Mr. Spence stated that, since Covid-19, construction and home renovation was one area identified as having a boom. He asked if any products were being developed to address that area. The General Manager responded that several members accessed unsecured loans for that purpose. She noted that the Credit Union also had a mortgage product that was very competitive in the market.

The Secretary, Miss Althea Campbell was excused from the in-person meeting to participate online.

3. Ms. Deloris Morris, who was online, asked that the Credit Union should look at addressing loan payment due dates falling on the weekend. She cited the example of the Income Tax Department which gave the Monday to pay taxes without attracting penalties.

   Mr. Bourne took note of the question and said that the team would look into it. He however advised that when members were applying for loans, they should try to negotiate the loan repayment dates carefully if payments were done by salary deduction, to ensure that their loan payments were not due close to pay day. That he said would give their employer enough time to process and submit their deductions to the Credit Union.

4. Miss Chantal Jamieson congratulated the Credit Union on maintaining low interest rates, even though the Bank of Jamaica had increased in rates. She asked what plans the Credit Union had to put a business development team in place. She said that, due to the competitive nature of the market, Marketing could not stand alone in growing the business, it required business development.

   The President responded that very soon a Unit would be up and running as MCCU was identifying business development officers to be on the road soliciting business.

5. Miss Pansy Taylor asked that members waiting for long periods under the tent should be provided with water. The President assured her that MCCU would do that to better to serve its members.

6. Mr. Tyrone Williams asked why the per day limit at the ATM was so low. The General Manager informed him that that was the limit set for the Credit Union Movement; however, said limit would be increased as soon as there was a full upgrade of the system.

   Mr. Williams also asked when the Credit Union would start facilitating online banking across other financial institutions. Miss Ambersley informed him that the Credit Union was in the process of offering direct transfers to and from other financial institutions through member requests via its website.

7. The Chairman informed the members that the Access Plus Mastercards were ready and were being issued. He implored those who had not yet collected theirs to apply for their cards. Mr. Bourne highlighted the benefits of having the Access Plus Mastercard.

8. Miss Jevetta Awudike, online, asked what was being done to assist members with scholarships or grants for tertiary education. Mr. Bourne informed that the Sydney Scholarship and Bursary were available; there was an application process.

9. Miss Nicola Clarke, online, asked how she could pay her loan from overseas. The General Manager informed her of the "Easi Wire Transfer" available through the website with the information/instructions of making payments from overseas. She added that that could be done through any bank in the USA, and the payment would be sent to the Credit Union.

10. Ms. Zadion Mignott, online, asked if the Mastercard could be used to sign up with other e-commerce platforms, such as Pay Pal. The IT Manager responded yes.

11. Ms. Yvonne Jackson asked if would she be able to make lump sum payments to the Partner Plus Plan account as she would not be able to come in every week to make the payment.

    The General Manager responded that a Standing Order account could be set up for the member where lump sum lodgments could be made and the payments would automatically be transferred by the

system to the Partner Plus Plan account as required.

The Chairman welcomed Miss Vera Marie Lindo and Miss Kimberly Lindo of the Jamaica Co-operative Credit Union League, who joined online.

12. On behalf of the Board of Directors, Mr. Bourne expressed thanks to the volunteer core for the tremendous work and commitment. He especially thanked those who had come to the end of their term and would not continue into the next administrative cycle:

    - Mrs. Dahlia Brown-Dawson
      Supervisory Committee
    - Miss Elaine Bailey
      Supervisory Committee
    - Miss Michelle Douse
      Supervisory Committee
    - Mr. Clive Dunkley
      Credit Committee
    - Special thanks to Mr. George Sloley and Mr. Lemuel Sharpe of the Board of Directors, who did not seek re-election. (Mr. Bourne also would not be returning as he had come to the end of his term). He expressed thanks to the Credit Union for having reposed the trust in him being the President. He said that he deeply appreciated the confidence that was placed in him and gave assurance that the Credit Union was getting stronger. He extended best wishes and God's richest blessing to all those who would be elected to serve.

On a motion moved by Mr. Nicholas Spence and seconded by Revd. Joan Smith, the report of the Board of Directors was adopted.

AUDITOR'S & TREASURER'S REPORTS

Auditor's Report

The Auditor's Report was presented by Mrs. Kay-Ann Nelson-Facey, representative of Crowe Horwath, external auditors.

Highlights of the Report was read by the Treasurer, Mr. Astley Scott as follows:

The Treasurer highlighted that the Credit Union was not immune to the challenges of the year 2021, made worse by the impact of Covid-19. Nevertheless, with the unwavering support of the members, and the hardworking staff and volunteers, MCCU achieved favorable results in most areas of the Credit Union's operations.

Current Performance

The Credit Union generated total income of $613.8 million in 2021, a marginal increase of 1.5% more than 2020.

Interest income earned for the period was broken down as follows:

	$
• Financial Investments	68.30M
• Liquid Assets	101.70M
• Loans to Members	443.80M

Despite the marginal increase in total income, net income on operations of $81.5 million in comparison to $46.5 million in 2020. This represents a 75.1% increase year over year.

Key Profitability Trends

An income to asset ratio of 8.4% was achieved in 2021; which was .05 % below that achieved in 2020. The return on assets ratio was 1.11% at the end of the financial year.

Asset Growth

Total assets ended the year at $7.35 billion, that represented an increase of $522 million or 7.65% over the financial year 2020.

Loans

The loan portfolio increased by $43 million for 2021 when compared to 2020 despite the downturn in some areas and the increased competition in the Jamaican economy.

Investments

The Cash and Investment portfolio closed the year at $3.3 billion; this represents an increase of 18% over 2020 and accounted for 47% of total assets. The Credit Union earned an average of 3.4% on investments during the year.

Savings

Total Savings grew by $435 million or by 8% for the year. Total Savings increased to $5.5 billion at the end of 2021.

Key Financial Indicators

The Credit Union was able to meet some of the PEARL standards in its operations for 2021. The loan to asset ratio decreased from 49.4% in 2020 to 46.5% in 2021, due to significant growth in assets and less than satisfactory growth in the loan portfolio.

Institutional Capital Reserve

Institutional capital stood at $996 million at the end of the period. That represented $48 million or 5% growth. The institutional capital to asset ratio decreased from 16% in 2020 to 13.55% at the end of the 2021 financial year.

Delinquency

The delinquency rate increased from 5% in 2020 to 5.47% at the end of the 2021 financial year. MCCU continued its efforts for effective delinquency control and would take further measures to reduce the level of delinquency. The co-operation of its members is anticipated.

The effective utilisation of the Credit Union's loan facility was largely dependent on its members honoring their obligations. MCCU therefore imploring its members to protect their Credit Union by repaying credit extended to them., that would aid in fulfilling the mantra of 'people helping people.'

Conclusion

In conclusion, Mr. Scott noted that the financial performance for the year 2021 was evidence that MCCU was still a viable entity, even amidst the current economic and social challenges. The Treasurer added that the financial market grew increasingly competitive as new and old players vied for the shrinking resources of Jamaicans. Mr. Scott thanked the members whom he described as loyal and supportive. He stated that MCCU continued to thrive and that it was one of the premier financial institutions in its geographic area of operation. The Treasurer noted that the Credit Union existed to serve the needs and aspirations of its faithful members

and promised that that would continue, to the best of its abilities, and in the best interest of its members/owners.

In closing, Mr. Scott noted that MCCU would not have emerged without the contribution of its loyal core of volunteers and hardworking staff. He expressed gratitude to members that MCCU continued to be the financial institution 'Where Service Exceeds Expectations'.

QUESTIONS & COMMENTS

1. Mr. Nicholas Spence noted that the Report did not adequately explain the decline in assets over the period 2019 to 2021. He then asked what categories of assets would have significantly declined: Based on the risk assessment, was any of those categories considered to be high risk to the sustainability of the organisation. If yes, what could have been done to mitigate against them.

   The Acting Finance Manager, Mr. Oliver Harrison, responded that the most significant category would be loans and the number of charge-offs that had to be done.

2. Revd. Joan Smith said that she was concerned about the decline in membership and loans. She noted that no matter how much MCCU might need members to borrow, it must have a big membership base; therefore, the strategies that were used to influence persons to join the Credit Union had to be very important. She further stated that she had benefitted extraordinarily from the Credit Union so she wanted it to continue to survive and strive, but it must have membership growth as one of the top priorities.

   Mr. Scott acknowledged Revd. Smith's comment and said that MCCU would work on it; however, the other area that needed much focus was the engagement of inactive members. He added that there was a large number of members on roll who were not participating in the activities of the Credit Union. He said that it was something that had not escaped the Board's attention and the management team had been charged to pull out all the stops in reengaging the inactive members.

3. Ms. Keisha Palmer expressed that she had a problem with how the Credit Union went about collecting delinquent loans. She recounted her experience as a co-signatory for someone in 2020 and recently received a letter stating that the member was not repaying. When she visited the Credit Union, she was told that all her accounts were frozen and the only way to remedy that was to pay the members' outstanding amounts. Ms. Palmer asked how she should go about getting back her money that she had to pay for the delinquent member in order to get her account unfrozen.

   The General Manager apologised to Ms. Palmer and advised her that as a guarantor she was also wholly responsible for the loan that she guaranteed. Miss Ambersley informed her that the Credit Union would have tried to contact the member without success so after some time MCCU would revert to the guarantor. She noted that it was a risk that a member assumed as a guarantor. Miss Ambersley implored

members who would have guaranteed loans that they should impress upon the main debtors to honour their obligations so that the guarantors were not held liable. She stated that that also affected the credit rating of the guarantor.

Mr. Scott appealed to staff members to ensure that when members were co-signing, all the implications were explained in such a manner that they understand what they are getting into.

4. Ms Denise Brown (online) said that some members were inactive because they were only available on Saturdays; she then asked if there were any plans to reopen on Saturdays.

   Miss Ambersley responded that a link would be created on the Website to facilitate members who wished to update their accounts, but there were no immediate plans to reopen on Saturdays. She stated that the Credit Union would have invested in two (2) ATMs for members to utilize for withdrawals and deposits. A drop-box facility would also be put in place for members to drop off the completed documents.

5. Ms. Annette Peart said that she operated a business and in paying her workers, she had to make regular withdrawals from her Credit Union account, which was causing her great inconvenience to make frequent visits to the Credit Union. She needed to know what could be done to make it easier for her. She was advised to encourage her workers to open a Credit Union account and have their pay transferred to their accounts instead of her having to walk around with large sums of cash.

6. Regarding the effort to increase membership, Mr. Benaldo Spencer asked if the Mobile Unit could go out into the communities to inform and encourage persons to be members of the Credit Union. He also expressed the concern that some senior citizens did not understand how to use the ATM and therefore had to be sharing their PINs with persons to assist them. That, he noted, was a dangerous practice. Mr. Spence asked if anything could be done to assist that category of members instead of issuing ATM cards to them and they did not know how to use them.

   Miss Ambersley responded that the Mobile Unit did in fact go into communities for road shows. It was also used at the Mandeville location by the Member Service Department to provide member account updates and to gather information for Common Reporting Standards (CRS) Forms. Regarding the senior citizens and the use of the ATM cards, Miss Ambersley stated that when the cards were being issued, the Member Service Representative would normally show the members how to use them. She suggested that if members had any difficulty in using the ATM, they should ask an employee for assistance. She firmly advised that at no time, a member should give his/her PIN to anyone, not even a staff member.

On a motion moved by Mr. Glenroy Griffiths and seconded by Miss Yvonne Jackson, the Auditor's Report was adopted.

APPROPRIATION OF NET SURPLUS

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

UNDISTRIBUTED NET SURPLUS		**$67,218,721.00**
APPROPRIATIONS:		
INSTITUTIONAL CAPITAL	**$42,000,000.00**	
SOCIAL OUTREACH	**$ 1,000,000.00**	
DISASTER RELIEF	**$ 1,000,000.00**	
DIVIDEND (6%)	**$ 8,750,000.00**	
SYDNEY CARTER SCHOLARSHIP	**$ 1,500,000.00**	
HONORARIUM	**$ 2,666,667.00**	
TOTAL		**($56,916,667.00)**
BALANCE C/F TO NEXT YEAR		**$10,302,054.00**

Mr. Owen Brown proposed amendments to the distribution of the net surplus presented as follows:

INSTITUTIONAL CAPITAL	**$38,000,000.00**	
SOCIAL OUTREACH	**$ 2,000,000.00**	
DISASTER RELIEF	**$ 2,000,000.00**	
DIVIDEND (4%)		
SYDNEY CARTER SCHOLARSHIP	**$ 2,000,000.00**	
HONORARIUM	**$ 2,666,667.00**	
PATRONAGE DIVIDEND (2%)		
TOTAL		**($55,416,667.00)**
BALANCE C/F TO NEXT YEAR		**$11,802,054.00**

This motion was seconded by Rev'd Joan Smith and was then voted on as follows:

Total number of members voted for (including online)	**78**
Total against (online)	**2**
Total abstention	**1**

The motion for the amendments was carried.

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 2021, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.

Mr. Astley Scott moved a motion for the acceptance of the Fixing of the Maximum Liabilities; it was seconded by Mr. Owen Brown and carried.

Ms. Marsha-Lee Green asked for clarity on Institutional Capital. Mr. Harrison explained that it was an amount set aside from the surplus to cushion any unforeseen events that might affect the Credit Union in a negative way. The external auditor further explained that the retained earnings that were brought forward from year-to-year were added to and became the reserve. In the event that anything happened, funds would be available to repay debts, liabilities, etc. If there were to be a lawsuit against the Credit Union, that money could be used to clear up those liabilities.

CREDIT COMMITTEE REPORT

Highlights of the Credit Committee Report were presented by Vice Chairman, Mr. Churton Douglas on behalf of the Chairman, Mr. Clive Dunkley as follows:

Mr. Douglas highlighted that, as Jamaica embraced the new normal of existing with Covid-19 in 2021, the Credit Union sought to rebound from its dismal performance of 2020. Strategies employed resulted in a 1.84% growth in its loan portfolio in comparison to the decline of 1.3% experienced in the previous year.

Profile of Loans Distributed by Security

The Moni Booster Unsecured Loan Product was the largest category accounting for $1.03 billion of the total loans disbursed in 2021. Loans secured by shares with a disbursement of $198.8 million was second, followed closely by Motor Vehicle loans with a disbursement of $198.4 million.

Profile of Loans Distributed by Purpose

Home Improvement accounted for the largest category at $576.2 million followed by Debt

Consolidation, Motor Vehicle Purchase, Educational Expense, and Business Investment.

Loan Growth Initiatives

The following were some of the loan growth initiatives for 2020:

- **Extension of Unsecured Loan Special at 14.50% interest rate**
- **Introduction of 13.99% Christmas Bundle**
- **Extension of Dream Wheels special**
- **Introduction of 6%, no processing fee Cash Secured Loan**
- **Extensive promotion of the Property Loan**

Waivers

No Waivers were granted during the year under review.

Conclusion

Mr. Douglas expressed that members of the Credit Committee were grateful for the opportunity to serve members in that capacity. The invaluable support given by the Board of Directors, the various committees, management, and staff, particularly those of the Credit Department, was much appreciated. The combined effort and response have enabled the Credit Union to continue to offer excellent products and services at competitive and affordable rates to the membership.

On behalf of the Credit Committee, Mr. Douglas expressed appreciation to the members, for choosing MCCU to be their financial partner, and added that he looked forward to serving them in 2022 and beyond.

QUESTIONS AND COMMENTS

Mr. Nicholas Spence noted that there was an opportunity in the micro finance sector that other finance organisations were taking advantage of, and asked if MCCU had looked into that segment to ascertain if there were any opportunities to exploit.

The General Manager responded that the Credit Union already had loan products that catered to that sector of the market.

On a motion moved by Ms. Camoi Burford and seconded by Mr. Benaldo Spence, the Credit Committee's Report was adopted.

SUPERVISORY COMMITTEE REPORT

Highlights of the Credit Committee Report were presented by the Chairman, Mrs. Dahlia Brown-Dawson as follows:

Mrs. Brown-Dawson remarked that despite the challenges, MCCU had surpassed expectations in its creative and innovative successful strategies to ensure the members' interests were and still of paramount importance.

She reported that the Supervisory Committee was charged with the responsibility of safeguarding the interest of the 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 served the interest of the members as well as safeguarded the resources entrusted to them.

Cash, ATM and Treasury Counts

Cash Counts were conducted quarterly to ascertain adequate controls over cash and the cash operations, and to ensure that cash was accounted for and adequately safeguarded.

It was observed that proper controls were being adhered to. Where discrepancies were identified, Management was informed, and recommendations made.

Payroll

Reviews of payroll were conducted during the year to achieve the following objectives:

- To ensure that valid employees were paid for work completed.
- To ensure that all wages/salaries and relevant increases were authorized by the Board of Directors, calculated correctly and recorded by the Accounts Department.
- To ensure that accurate payroll deductions were paid over to the appropriate third parties (e.g., Tax authorities).

The review unearthed deficiencies which were advanced to Management, and recommendations made.

Teller Overage/Shortage Policy

The Teller Overage and Shortage review was completed for the period of January 2020 to December 2020. All teller shortages and overages were reviewed to identify frequency and the extent of the shortages/overages that were incurred by the tellers for the period noted.

The findings revealed that shortages recorded and verified were fewer than prior audits. Several deficiencies were identified, and recommendations communicated to Management. Management made the commitment to implement corrective measures to eliminate the deficiencies identified.

PEARLS Review PEARLS Review

Application of the PEARLS model to MCCU's data revealed that the institution was viable and, in most instances, attained the goals that defined excellent performance for a 'Parish' credit union. In general, the institution was well capitalized, exceeding the minimum prudential norm of 8% and maintained adequate liquidity to meet its short-term obligations. The liquidity ratio had been consistently high and was above the maximum goal (30%) for the audited period.

Disposal and Record Retention Review

The review revealed several deficiencies, which were communicated to the Management Team, who implemented corrective measures and made commitments to correct the identified deficiencies.

Blank Cheques Review

A Blank Cheques Review was conducted with the following objectives:

- To ensure the procedures completed for the purchase of blank cheques were properly governed and was operating as designed.
- To ensure that the cheques received and those in storage were in unbroken sequential order; and
- To determine that the cheques received agreed with the requisition and were under dual custody.

The audit revealed that those objectives were met in most instances. However, three deficiencies were brought to the attention of Management. Two of those were acknowledged and an acceptable explanation was given and received for the third.

Staff Loan Review

A Staff Loan review was completed, and the audit findings revealed that there was general compliance with the Credit Policy and procedures. An update of the Credit Policy was required.

Several deficiencies were brought to the attention of Management. Corrective measures were put in place for most of those deficiencies.

Enterprise Risk Management (ERM)

The audit revealed that the Credit Union had a well-documented Enterprise Risk Management Policy. A monthly report was submitted to Management by the Risk and Compliance Committee. Several areas of concern were noted and communicated to Management who acknowledged same and took steps to address some.

Value Book

There was no general established and practised guidelines by the Credit Union regarding the value book. Recommendations were made to Management to implement adequate control measures.

Estate Payables

General observations, relative to the disbursement of funds for unsettled accounts, were identified with the recurring reason being, "unable to locate/contact the beneficiaries". The Supervisory Committee made some recommendations to the Accounts Department/ Operations Department.

Closing Remarks

Mrs. Brown-Dawson noted that the Supervisory Committee remained committed to ensuring that the members' interests were protected, and that the organisation remained a viable option for all its stakeholders. She expressed thanks to the Board of Directors, the Audit Unit, Management and Staff and the various committees, for their support and cooperation throughout the audits. On behalf of the Supervisory Committee, Mrs. Brown-Dawson also thanked the members for having afforded them the opportunity to be their custodians as they continued to work with all stakeholders and to represent the membership in the achievement of their objectives.

QUESTIONS AND COMMENTS

1. Mr. Owen Brown said that he noticed that irregularities were identified in most of the inspections done; recommendations were made, however, he did not see it recorded in the Report that follow-up were done to ensure that the recommendations made were followed through.

   Mrs. Brown-Dawson responded that although the actions were not presented in the Report, management usually submitted responses that they would have acted on the suggestions given and those would have been recorded in the Minutes of Supervisory Committee.

On a motion moved by Revd. Joan Smith and seconded by Mr. Nicholas Spence, the Supervisory Committee's Report was adopted.

NOMINATING COMMITTEE REPORT

Mr. Berresford South, Chairman, of the Nominating Committee, referred to Rules governing the nomination. The members of the Committee comprised the following persons:

- Mr. Berresford South - Director/Chairman
- Revd. Charles Danvers - Member
- Mrs. Ann Julette Rowe - Member
- Mrs. Karen Christie-Riley - Staff Liaison Officer

Mr. South 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.

The following members were elected to serve on the Board of Directors, Credit Committee and Supervisory Committee for the administrative year 2022 to 2023:

BOARD OF DIRECTORS

PRESENTLY SERVING	STATUS	TERM
Dr. Cleveland Robinson	Continuing	2 Years
Mr. Astley Scott	Continuing	1 Year
Mr. Berresford South	Continuing	1 Year
Ms. Althea Campbell	Continuing	1 Year
Mr. Courtney Henry	Continuing	1 Year
Mr. Dalton Campbell	Continuing	1 Year
Mrs. Helen Wint	Continuing	1 Year
Mrs. Paulette Stephenson-Taylor	Continuing	1 Year
Mrs. Lesline Thomas	New	2 Years
Ms. Hedena Thompson	(New – completing term for Lemuel Sharpe)	2 Years
Mr. Christopher Campbell	New	2 Years

CREDIT COMMITTEE

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

SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Mrs. Patreena Bailey-Green	Continuing	1 Year
Revd. Kingsley Andrews	Continuing	1 Year
Mr. Glenroy Griffiths	Continuing	1 Year
Mr. Dean Spence	Continuing	1 Year
Mrs. Pitrona Rowe-Stern	New	1 Year
Ms. Stacy- Ann Gunter	New	1 Year
Mr. Paul Bailey	New	1 Year
Mrs. Ruthan Smikle-Biggs	New	1 Year

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.

Ratification of the Board of Directors, Credit and Supervisory Committees

The ratification of the persons elected to the Board of Directors, Credit and Supervisory Committees was conducted by Ms. Natalee Balfour, Acting Regional Manager for the Central Region of the Department of Co-operatives and Friendly Societies.

- Mr. Owen Brown expressed his dissatisfaction with the new nominating process, as he believed that his rights to elect members from the floor were being disenfranchised. He said that the process was not democratic but was an autocratic one.

  Miss Balfour assured him that no rule that had been amended could disenfranchise any member. She said that all members were notified and given the opportunity to vote and to make selection for the Board and all the Committees from April 2022. She further stated that before the amendments were circulated the Department had to review those circulations to ensured that they were in accordance with the Rules of the Society and was approved by the Registrar in order that all members were fully notified; that their democratic rights were intact. Miss Balfour clarified that it was posted in various print media and was also sent to members via email and text messages.

Acceptance of the Board of Directors:

A motion was moved by Ms. Pansy Taylor for the acceptance of the Board of Directors as presented and seconded by Ms. Yvonne Smith.

Acceptance of the Credit Committee:

A motion was moved by Mr. Benaldo Spencer for the acceptance of the Credit Committee as presented and seconded by Ms. Hilory Cummells.

Acceptance of the Supervisory Committee:

A motion was moved by Ms. Elaine Bailey for the acceptance of the Supervisory Committee as presented and seconded by Ms. Yvonne Jackson.

On a motion moved by Ms. Marcia Edwards and seconded by Mrs. Diana Tomlinson, the Board of Directors were empowered with the authority to elect representatives to the Jamaica Co-operative Credit Union League Limited and other Co-operative Societies.

Ms. Balfour 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.

ANY OTHER BUSINESS

1. Ms. Marcia Dwyer asked if there were any plans to restart the youth savings programme. Mr. Bourne responded in the affirmative. He stated that some of the plans were put on hold because of the pandemic, but seeing that things were returning to normal, the school saving programme would restart.

   Ms. Dwyer also asked if there were any plans for the Mobile Unit to revisit areas such as Porus to assist members in making payments to their Partner Plan and other deposits. The Chairman responded in the affirmative. He said that in the moments he had left as president, he would ask the team to ensure that the feasibility of it was done.

2. Ms. Dianna Richards asked if an express line could be created for the members who need to make payments to their Partner Plan accounts. She said that she was experiencing difficulties in making payments to her Partner as she had to wait for long periods of time when she visited the Credit Union. Mr. Bourne assured her that we would do more than just look into it but also committed to do better.

3. Mr. George Riley said that, since that the children of staff are exempted from the Sydney Carter Scholarship, why couldn't something else be put in place that staff members' children could benefit from as other institutions did,

   Mr. Riley also asked why was it so difficult for self-employed members to get loans from the Credit Union. He said he was told that he was not able to get a loan if he could not repay via salary deduction. He stated that his track record was there to show that he had never been delinquent, and he was very disappointed with the Credit Union. He asked that something be done for self-employed individuals.

   The Chairman said that he could not address the details of Mr. Riley's concerns regarding the loan; however, at the Credit Union, there are policies in place, but MCCU should not turn away good loans and would craft approaches to ensure that.

   Mr. Bourne asked if anyone else supported Mr. Riley's suggestion that a pool of funds be created over time to ensure that staff member's children could get scholarship or bursary benefits specifically from that pool given that they were excluded from participating in the Sydney Carter Scholarship programme.

   Mr. Owen Brown suggested that it could be done in one out of two ways; it could be taken from the surplus or a monthly deduction be made. He said it could also be a revolving pool of funds.

   Mrs. Ruthan Smile-Biggs suggested that there could be a benefit to staff members where they were given a portion towards their children's school fees or daycare payments. She stated that they would feel more comfortable that they were thought of.

   Mr. Glenroy Griffiths supported the recommendations made and suggested that the programme could be named the "Mavis Campbell Scholarship Fund" in memory of her.

Mr. Bourne responded that there were many benefits that were in place for staff as outlined in the Board of Directors report, but the suggestion raised by Mr. Riley had strong support from members. He stated that it must be looked at wholistically in terms of all that was already in place and in terms of the current situation. He said that MCCU could go back and look at what already existed and see if the suggestions could be incorporated.

4. Ms. Renee Smith asked if the Credit Union could factor in a way where members could have their online banking passwords reset without them having to go into the branch. Mr. Greene informed her that there was a "forget password" feature on the website which took members through the reset process.

5. Mrs. Ruthan Smile-Biggs suggested that a temporary identification card be created for volunteers so that they can be identified by the security guards upon arrival at the Credit Union. Mr. Bourne said that that was an excellent suggestion, which he endorsed.

ANNOUNCEMENTS

- **Easi Wire Transfer:** - This service facilitates members sending money from overseas directly to their Credit Union account. Members were encouraged to send the communication to the Credit Union via email when their transactions were completed to outline the amount sent and how the funds must be allocated.

- The Credit Union was offering unsecured loan dubbed the **"Sure Advance"** loan at a rate of 13.99%. The General Manager implored members to visit a branch and access that product that could be used for debt consolidations, business investments, motor vehicle repairs and educational purposes.

- The General Manager drew the members' attention to the booklet that was issued at the meeting. The booklet consisted of the names of members whose accounts were dormant and needed to be updated with Know Your Customer (KYC) information. Miss Ambersley implored the members to peruse the list and if they recognised any member, they should encourage them to update their accounts as it was important that the Credit Union had current information on all members.

- Miss Ambersley extended congratulations to the management and staff, especially the Marketing team, on hosting a successful AGM), namely Mr. Michael Gottshalk, Mr. Kimani Eaton and Miss Kimblee Elliott.

PRESENTATIONS

The General Manager, Miss Michelle Ambersley, with the assistance of the Marketing Manager, Mr. Michael Gottshalk made presentations to the following volunteers who came to the end of their tenure. Certificates of appreciation were presented to them for their stellar contributions to the development of MCCU:

- Mrs. Dahlia Brown-Dawson
- Miss Camoi Burford

- Miss Michelle Douse
- Mr. Alexander Bourne
- Mr. Lemuel Sharpe
- Mr. Clive Dunkley
- Mr. George Sloley
- Miss Elaine Bailey

PRIZES

Mr. Michael Gottshalk, Marketing Manager presented prizes to the following members who stayed the full duration of the AGM (Registered, Joined, & Stayed on)

Ms. Yvonne Jackson – Remote Standing Fan (third place)

Ms. Elaine Simpson - Cash Prize of $20,000.00 (second place)

Ms. Pauline Williams - 32" Smart Television (grand prize)

VOTE OF THANKS

Director, Mr. Lemuel Sharpe moved the vote of thanks. In doing so, he thanked the management team for putting on a successful AGM.

External partners who travelled from far and those who participated online:

- The Representatives from the League
- Representatives from the Department of Co-operatives and Friendly Societies who conducted the election of volunteers.
- The Auditors
- CUNA Caribbean Insurance Jamaica Ltd.
- Presenters of reports from the various committees
- Mr. Bourne for chairing the meeting and for his quality leadership as president over the year.
- All the members of the Credit Union
- All those who helped to make it a successful AGM.

CLOSURE

There being no other business, the Chairman closed the meeting with the singing of the National Anthem. The meeting ended at 3:34 p.m.

.....
Miss Althea Campbell
SECRETARY

.....
Mr. Alexander Bourne
PRESIDENT



BOARD OF DIRECTORS REPORT

Astley Scott
President of the Board of Directors

Introduction

Fellow cooperators, on behalf of the Board of Management, I extend warm greetings to you. I hope that you and your families are in good health and high spirits. It is with great pleasure and honor that I present to you the annual report of the Board of Directors for the year. Despite the lingering repercussions posed by the pandemic, we remained steadfast in our commitment to supporting our members in achieving their financial goals. This report will provide a comprehensive overview of the activities undertaken by our Credit Union and highlight the key performance results we have achieved. Additionally, it will offer insights into the performance of the wider Credit Union movement and the Jamaican economy in 2022.

The Jamaican Economy

The year 2022 saw the Jamaican economy starting a slow recovery from the effects of the pandemic. In 2022 the country's real GDP was estimated to have increased by 4.5%. The country experienced growth in both the tourism and agriculture sectors. These improvements also led to increased employment during the year. The Bank of Jamaica gradually increased the policy rate during the year; thus, ending the year with a rate of 7.0%. The increase in the policy rate was a move to guide inflation back to the targeted range of 4% to 6% by increasing borrowing costs to reduce private consumption and limit the impact of demand on prices. The inflation rate for the calendar year was 10.3%. Despite the increased borrowing rates and other setbacks, the domestic financial sector registered growth in loans, deposits and assets.

The Credit Union Movement

The Jamaica Credit Union Movement also reported growth in its loans, savings, and total assets in 2022. The Movement ended the year with net loans' growth of 8.5%, savings growth of 7.62%, and assets growth of 7.45%. The membership across the movement increased marginally by 0.52% to close the year at 1,005,382 members, up from 1,000,157 members the previous year.

Table 1 indicates the key result areas of the movement.

Table 1 – Key Performance Indicators for the Credit Union Movement

Key Areas	2022	2021	Annual Growth 2022	Annual Growth 2021
Savings ($M)	124,363	116,722	7.62%	10.4%
Net Loans ($M)	108,687	96,934	8.5%	6.1%
Total Assets ($M)	161,603	150,399	7.45%	9.8%
Membership	1,005,382	1,000,157	0.52%	-3.4%

At the end of 2022, Jamaica's number of credit unions remained at twenty-five (25).

Key Performance Indicators

Despite the challenges brought about by the pandemic, our Credit Union still experienced growth in 2022. Table 2 summarizes the key performance metrics.

Table 2 – Performance Overview

Key Areas	2022	2021	Annual Growth 2022	Annual Growth 2021
Savings ($M)	5,748	5,477	4.95%	8.63%
Net Loans ($M)	3,658	3,551	3.01%	1.28%
Total Assets ($M)	7,655	7,347	4.19%	7.65%
Institutional Capital ($M)	1,045	995	5.03%	5.07%
Net income ($M)	54.16	81.52	(33.56%)	75.16%
Membership	50,093	49,076	2.07%	2.02%

The Organization experienced growth in most of our key performance indicators. The steady growth in the net loans' portfolio is a testament to the effectiveness of our strategic measures and the dedication of our team. We are, however, cognizant of the importance of closely monitoring this portfolio and assessing its attendant risks to ensure sustainable growth.

Maintaining a solid capital base is crucial for the stability and resilience of our Credit Union. We are proud to have achieved asset growth, which demonstrates our ability to navigate economic uncertainties successfully. By implementing sound financial management practices, we were able to address potential obstacles and create a buffer to absorb losses while supporting our lending activities.

The credit for these achievements goes to our staff and volunteers whose hard work and commitment have been instrumental in improving various key performance indicators. Their efforts have contributed to the overall growth of the Credit Union. Moving forward, we will continue to build upon these achievements, focusing on prudent financial management, innovative strategies, and the overall well-being of our members and the community we serve. Together we will strive for even greater accomplishments in the coming years.

Delinquency Management

We are pleased to report that we closed the year with a delinquency ratio of 4.23%, falling below the industry standard of 5%. This is a testament to the diligent efforts and rigorous management strategies employed by our Credit Control team, guided by our management team.

The success in managing our delinquency levels is primarily due to our consistent application of proven debt-management strategies. These strategies were carefully tailored to protect our Credit Union's assets, while also supporting our members who faced financial hardships. We maintained a balanced and fair approach, always mindful of the challenging circumstances impacting our members.

We cannot understate the significance of these results. Managing delinquencies effectively is critical not only to our Credit Union's financial sustainability but also to our commitment to help members improve their financial health. By keeping delinquencies low, we ensure the financial strength of our Union and the continued trust and confidence of our members.

As we continue to navigate the economic impact of the pandemic, we remain committed to proactively managing our delinquency portfolio. We will continue to adapt and refine our strategies as necessary, keeping in step with the evolving financial landscape.

Through meticulous planning and active management, we will continue to protect our Credit Union's assets and support our members in their journey towards financial stability and independence. We move forward with the promise of continued diligence, strengthened resilience, and unwavering commitment to the financial well-being of our members.

Marketing Activities

The easing of the COVID-19 restrictions on public gatherings provided a much-needed respite and allowed us to reconnect with our community, members, and potential members in person. Our Marketing Department was enthusiastic and well-prepared to seize this opportunity.

In our commitment to continue to foster financial wellness and to promote the values and benefits of our Credit Union, we participated in several expositions and events throughout the year. These varied events allowed us to engage with diverse segments of our community, from primary and tertiary educational institutions to community and corporate events.

Below is a list of the events and expositions we proudly participated in during 2022:

1. Devon Primary School's Parents Seminar
2. Somerset Primary School's Career Day
3. Church Teachers' College Founder's Week and Financial Wellness Day
4. Isratech Jamaica Limited's Reseller Seminar
5. Bethany Primary & Infant School's Career Day
6. MCCU Virtual Town Hall Meeting
7. JCDC Festival Queen Competition
8. Percy Junor Hospital's Small Business and Financial Wellness Day
9. Manchester Pre-Independence Celebrations
10. Manchester Chamber of Commerce Wine & Cheese Affair
11. Mandeville Art Fair
12. Hanson's Medical Centre Health Fair
13. YWOP/YMOP Christmas Treat

These events not only offered us the chance to promote our service offerings, but also allowed us to engage directly with our members and potential members, to listen to their concerns, and to provide them with the necessary support. As part of our commitment to the community, we also had the privilege of educating future generations on financial literacy and career prospects, thereby planting seeds for future growth.

We are excited about the opportunities that will present themselves as we continue to build relationships and nurture existing ones. We will continue to strive to be at the forefront of our members' minds as their preferred choice for financial services.

Products & Services

Savings Promotions

In 2022, we remained committed to providing a broad range of products and services to meet the diverse needs of our members through tailored savings and loan offerings.

Partner Plan - This product was promoted twice in the year, first in January, to kickstart short-term savings goals, and then in July, to encourage saving towards Christmas expenses through our **"20 Weeks of Christmas"** promotion.

Wealth Accelerator Plan - Promoted in the first quarter of the year, this product was presented as the perfect solution for those seeking to invest lump sum amounts like NHT Contribution Refunds, Retroactive Payments, and Partner Draws.

Loan Promotions

The Cash Secured, Special Moni Booster and Dream Wheels Auto Loan Specials continued from 2021 into 2022, with various enticing features:

Cash Secured Loan Special: We offered a 6% per annum interest rate, 0% processing fee (increased to 1% from September), same-day approval, subject to terms and conditions.

Dream Wheels Auto Loan: This special included financing for vehicles up to 10 years old, interest rates ranging from 7.5% to 9.99% per annum, up to 10 years repayment term, a service charge of 2% (increased to 2.5% from September), a pre-approved Line of Credit of $50,000.00, subject to terms and conditions.

Special Moni Booster Unsecured Loan: With this loan, members could access up to $3 million, have up to 6 years to repay at an interest rate of 14.5% per annum, a processing fee of 2% (increased to 3% from September), and a potential approval within 48 hours, subject to terms and conditions.

Cash-In this Year Unsecured Loan: This offer extended from the previous year's Christmas Loan Special (Special Moni Booster) and was valid until March 31, 2022. It allowed members to access up to $3 million, up to 6 years repayment term, interest rate of 13.99% per annum, 50% discount on processing fees, and potential approval within 48 hours, subject to terms and conditions. This loan was not permitted to be used to refinance current loans at the Credit Union.

13.99% Sure Advance Loan: This unsecured loan special ran from May 2, 2022, to August 31, 2022, offering members the opportunity to borrow up to $5 million, up to 6 years repayment term, interest rate of 13.99% per annum, a processing fee of 2%, and potential approval within 48 hours, subject to terms and conditions.

Loan Amnesty - A two-month Loan Amnesty started on November 4, 2022, offering delinquent members the chance to waive a portion of the accrued interest on past-due loans. This promotion was communicated widely to our members. The table below indicates the waivers given:

DAYS IN ARREARS	WAIVER AMOUNT (Interest Only)
180 – 270 Days	50%
271 – 365 Days	75%
366 Days & Over	85%

Online Loan Application

Our commitment to enhancing member experience led to the launch of the Online Loan Application platform in September. This new feature allowed members to initiate and submit their loan applications and supporting documents conveniently, reducing the need for physical branch visits.

Internet Banking Added Feature

In June 2022, we added a new Password Reset feature to our Internet Banking (I-Bank) platform, granting members the ability to self-reset their passwords. This simple yet effective addition increased the platform's ease of use.

Public Relations / Corporate Social Responsibility

In 2022, we again made great efforts in continuing to enhance our engagement with members and the wider community, striving to create more opportunities for knowledge-sharing and contributing to the society to which we belong.

Virtual Town Hall Meeting

For the second year in a row, the Credit Union hosted its Town Hall Meeting in the virtual space. This event was held on April 28, 2022, under the theme, **"Invest...Grow...Reap,"** and was streamed live from the Mandeville Hotel across three digital platforms: Facebook, YouTube, and Instagram. Recognizing that it was Farmers' Month, the primary target audience comprised farmers and potential farmers. Several entities were invited to make presentations on various relevant topics. They were as follows:

Entity	Topic
Jamaica Co-operatives Insurance Agency Ltd.	Insurance for Farmers
Rural Agricultural Development Authority	Sound Farming Practices
Isratech Jamaica Ltd.	Drip Irrigation
Chambers HydroFarm	Hydroponic Farming
Anccox Ltd.	Proper Records Keeping

Awards Banquet

The Credit Union closed off its year-long 70th Anniversary Celebrations, with the hosting of a Long Service Awards Banquet on Saturday, April 2, 2022, under the theme **"Empowering Our Human Capital…Our Path to Success."** The event was held in a hybrid format, with physical attendance at the Mandeville Hotel and online viewing via the YouTube platform.

Twenty-eight (28) employees received awards for serving ten (10) years or more, while five (5) retired employees were awarded for their years of service. The occasion was also used to recognize and reward the **Employees of the Year** for the Mandeville and Christiana Branches and the Corporate Office.

71st Anniversary Celebrations

The Credit Union observed another milestone upon reaching its 71st Anniversary on Sunday, May 29, 2022. To mark the occasion, the following activities were carried out:

- Pre-Anniversary Auto Show in Mandeville on Friday, May 27, 2022
- Token distribution to members on Friday, May 27, 2022
- Creation of a 71st Anniversary logo and artwork to facilitate Social Media postings and Email blasts on Sunday, May 29, 2022
- Text Message Blast with Anniversary Message on Sunday, May 29, 2022

Sydney Carter Scholarship & Bursaries

Forty-four (44) applications were received for the Sydney Carter Scholarship, from which twelve (12) candidates were shortlisted for interviews. At the end of the interview sessions, Miss Kayla DaCosta was the scholarship winner, having amassed the highest interview score.

Miss DaCosta, who is studying Actuarial Science at the University of the West Indies received the scholarship amount of $450,000.00 per year for her 2nd and 3rd years of study. The following ten (10) candidates also received financial assistance in the form of one-off bursaries from the Sydney Carter Scholarship Fund.

No.	First Name	Last Name	Institution	Amount ($)
1	Alyisha	Lodge	University of Technology	$200,000.00
2	Caslyn	Campbell	Northern Caribbean University	$180,000.00
3	Leonnie	Haynes	University of the West Indies	$150,000.00
4	Caseann	Mclean	Northern Caribbean University	$150,000.00
5	Kerice	Forde	University of the West Indies	$150,000.00
6	Jodi-Ann	Bennett	University of the West Indies	$150,000.00
7	Samoy	Gordon	University of the West Indies	$150,000.00
8	Lessaun	Blake	Northern Caribbean University	$150,000.00
9	Jada	Thompson	Northern Caribbean University	$150,000.00
10	Shemar	Hutchinson	Northern Caribbean University	$150,000.00

PEP Bursaries

A total of twenty (20) Youth Savers were awarded and presented with PEP Bursaries valued at $20,000.00 each to assist with starting their secondary level education. These amounts were credited to the students' accounts before the commencement of the 2022/2023 academic year in September. They were officially recognized at the Scholarship & Bursary Awards Banquet held on October 15, 2022.

Credit Union Week 2022

Credit Union Week was celebrated from October 16-22 under the theme **"Empower your Financial Future with a Credit Union."** The high point of the week's celebrations was **International Credit Union Day**, observed on Thursday, October 20, 2022. The following table outlines our activities held during the week:

Date	Event	Location	Time
Sunday, October 16	• Parish Church Service	Spring Ground Missionary Church, Christiana	11:00 a.m.
Tuesday, October 18	• Soup and Soap Outreach	Gift of Hope Children's Home: A Mustard Seed Community, Spur Tree	12:00 noon
Wednesday, October 19	• Christiana Member Appreciation Day • Serving of Refreshment • Token Distribution • Partnership with CUNA Caribbean Insurance (Booth Displays)	Christiana Branch	8:30 a.m. – 3:00 p.m.
Thursday, October 20	• International Credit Union Day & Mandeville Member Appreciation Day • Serving of Refreshment • Token Distribution • Partnership with CUNA Caribbean Insurance (Booth Displays)	Mandeville Branch	8:30 a.m. – 3:00 p.m.
Friday, October 21	• Staff Social /Movie Evening	Mandeville Branch	5:00 p.m. – 7:00 p.m.

Our Credit Union was subsequently featured in the **Credit Union Week** in Review Feature spearheaded by the Jamaica Co-operative Credit Union League and published in the Gleaner on October 27, 2022.

Social and Community Outreach

As part of our commitment to community development and social responsibility, we donated a total of **$995,258.55** to various individuals and organizations, including schools, churches, and businesses, through our social and community outreach programme in 2022. The table which follows indicates individuals and organizations that benefited from donations.

Table 7

NAME	AMOUNT	NAME	AMOUNT
PORUS INFANT SCHOOL	25,000.00	FRIENDS OF THE PORUS BRANCH LIBRARY	10,000.00
EDUCATIONAL ASSISTANCE	218,302.90	MANDEVILLE PARISH CHURCH	10,000.00
SPALDING HEALTH CENTER	104,414.32	MANCHESTER POLICE SPORTS CLUB	10,000.00
MEDICAL ASSISTANCE	265,052.20	OFFICE OF THE CUSTOS OF MANCHESTER	10,000.00
ASSISTANCE FOR FIRE VICTIM	36,798.00	MANDEVILLE PRIMARY SCHOOL	55,200.00
MAIDSTONE RESTORED PENTECOSTAL CHURCH OF GOD	10,000.00	R.C. BISHOP OF MANDEVILLE	10,000.00
JAMAICA FIRE BRIGADE	54,391.13	PIKE PRIMARY AND INFANT SCHOOL	10,000.00
FUNERAL ASSISTANCE	50,000.00	CHANTILLY PRIMARY SCHOOL	9,600.00
MAY DAY HIGH SCHOOL	10,000.00	NEW BEULAH MORAVIAN CHURCH	10,000.00
EBENEZER REHABILITATION CENTRE	10,000.00	MAYOR'S CHRISTMAS APPEAL	10,000.00
MANCHESTER CHAMBER OF COMMERCE	66,500.00		
GRAND TOTAL			**$995,258.55**

Risk and Compliance

In 2022, the Credit Union maintained rigorous risk management and compliance processes to adhere to all applicable regulations. Our dedicated team addressed action items and audit findings, while actively working towards meeting the outstanding conditions of the Bank of Jamaica Credit Unions (Special Provisions) Bill. Our compliance efforts are ongoing, and we are committed to ensuring that we maintain the highest standards of regulatory compliance.

Transaction Monitoring/Reporting

As part of our compliance with the Proceeds of Crime Act (POCA), the Proceeds of Crime Money Laundering Prevention Regulations, United Nations Security Council Special Resolutions Implementation Act (UNISCRIA), and the Terrorism Prevention Act (TPA), we diligently monitored and reported transactions.

The reports on Threshold Transaction Reporting (TTR), Suspicious Activity Report, Suspicious Transaction Report, Listed Entity Report, and Proscribed Entity Report were made to the Financial Investigations Division (FID) through the goAML platform. Furthermore, we complied with several formal orders from the Supreme Court, Customer Information Orders, and requisitions and production requests from the FID.

AML Software Onboarding

While we faced unexpected delays in implementing our anti-money laundering (AML) monitoring software in 2022, we have prioritized this for the upcoming year. A significant effort has been invested in enabling the onboarding of RiskCALM, an essential tool to enhance our risk assessment and monitoring capabilities. Our team has been collaborating closely with our core banking software providers to streamline this onboarding process.

Compliance Training

We continued to invest in the training and development of our staff and volunteers throughout 2022. We conducted several training sessions focused on anti-money laundering, risk-based assessment, anti-fraud strategies, fire drills, and fire awareness. The annual POCA training, which covers critical aspects of the TPA, UNSCRIA, BOJ Guidance Notes, and Financial Action Task Force (FATF) Recommendations, was carried out to fulfill our regulatory obligations. Furthermore, we held sensitization sessions on Data Protection and the BOJ Fit & Proper regime, and regularly disseminated regulatory information and crucial industry news to staff and volunteers via email.

Going forward, we will maintain our strong commitment to risk and compliance, focusing on implementing the AML software and further enhancing our compliance training and policies. Our goal is to foster a robust risk and compliance culture to protect our members and maintain the integrity of our Credit Union.

Administration & Human Resources

Staff Welfare

Our dedicated team at Manchester Cooperative Credit Union (1977) Limited (MCCU) represents the heart of our organization. Recognizing the crucial role they play in our success, we continuously strive to provide an enriching work environment conducive to their development and engagement. Throughout 2022, we undertook several initiatives aimed at ensuring employee satisfaction and their overall well-being:

COVID-19 Protocols: We maintained strict health safety measures, including daily temperature checks and sanitization. Fourteen team members tested positive for COVID-19, and we ensured they received appropriate support during their recovery.

Health & Wellness Programme: Our wellness initiatives continued with weekly fitness classes from Monday through Thursday. These sessions were relocated from the Banking Hall to Brooks Park to comply with COVID-19 protocols. We also collaborated with the Southern Regional Health Authority to host two sessions on the "Importance of Wellness" (February 3) and "Caring for your Mental Health" (March 17).

Social Events: We organized various social events to foster camaraderie among team members, including a Valentine's Day Treat and Karaoke (February 14), MCCU Sound Clash (March 1 and 4), and a Management Team Social (August 16).

Employee Recognition: We celebrated the Employees of the Quarter for Mandeville (Andre Campbell), Christiana (Sharon Williams), and Corporate (Kimani Eaton), selected for their outstanding performance during October - December 2021.

Training and Development: We facilitated various online training programs to support the continuous professional growth of our team members.

Staff Retreat: The team enjoyed a fun-filled Staff Retreat at Ocean's Coral Spring Resort Hotel from September 16-18.

Back-to-School Grants: The Credit Union provided Back-to-School grants to all employees with children attending school and employees engaged in professional development.

Long Service Awards: We celebrated our loyal employees' years of dedication at the Employee Long Service Award Banquet on April 2, where we honored them with plaques, gift certificates, and citations.

Promotions/Recruitment & Separation

In terms of our staff composition, there were notable changes in 2022:

- We welcomed thirteen (13) new members to the MCCU team.
- Four deserving team members were promoted, acknowledging their hard work and commitment to the organization.
- Nine (9) team members separated from the company, including one contract worker who chose not to renew her contract.

These changes reflect our commitment to attracting and retaining top talent, promoting from within where possible, and respecting individual career choices. We strive to maintain a dynamic, motivated, and skilled workforce to provide the best service to our members.

Annual General Meetings & Conventions

MCCU 46th Annual General Meeting

The 46th Annual General Meeting was successfully held on August 13, 2022, at the Golf View Hotel in Mandeville. The event was also streamed live on the internet allowing for virtual attendance by our members. The following table outlines the total number of attendees in both the physical and virtual spaces:

Categories	Number
Specially Invited Guests	8
Staff Registration (Physical Attendees)	48
Volunteer Registration (Physical Attendees)	14
Member Registration (Physical Attendees)	106
Member Registration (Virtual Attendees)	101
Total	277

Additionally, the **"Register, Join, Stay & Win"** Campaign that was conducted to boost attendance produced the following Prize Winners:

1. **Pauline Williams** (Physical Attendee) - 32" Smart TV
2. **Elaine Simpson** (Virtual Attendee) - $20,000 MCCU Gift Certificate
3. **Yvonne Jackson** (Physical Attendee) - Standing Inverter Fan

Caribbean Confederation of Credit Unions (CCCU) 64th Annual International Convention and the 51th Annual General Meeting and the League AGM

The Jamaica Co-operative Credit Union League held their 81st Annual General Meeting at the Ocean Coral Spring Hotel in Trelawny, from June 17 to 22, 2022. Delegates and alternate delegates from MCCU attended the AGM. Also in attendance were delegates from other credit unions, JCCUL staff, the Registrar of Cooperatives, and other observers.

The convention was held jointly with the Caribbean Confederation of Credit Unions (CCCU), who was celebrating their 50th anniversary, at their 64th annual international convention and attracted attendees from credit unions across seventeen (17) Caribbean countries. The theme for the joint convention was 'Innovation, Integration, Next Generational Leadership'.

Board of Directors Meetings – 2022

The table below outlines the attendance of the Board of Directors at the Thirty (30) meetings that were held during the year:

Table 8

NAMES	POSSIBLE MEETINGS	ATTENDED	EXCUSED	ABSENT
*Astley Scott	30	27	3	0
*Helen Wint	21	19	2	0
*Dalton Campbell	22	19	3	0
*Cleveland Robinson	30	25	5	0
*Althea Campbell	27	27	0	0
*Lemuel Sharpe	18	16	2	0
*Paulette Stephenson-Taylor	21	21	0	0
**Alexander Bourne	24	23	1	0
Berresford South	18	18	0	0
Courtney Henry	18	10	5	3
George Sloley	9	4	5	0
Hedena Thompson	9	5	4	0
Christopher Campbell	9	9	0	0
Lesline Thomas	9	4	5	0

*Members of the Executive Committee

**Ex-officio

BOARD OF DIRECTORS



Astley Scott
President



Helen Campbell-Wint
Secretary



Dalton Campbell
Treasurer



Cleveland Robinson
1st Vice President



Paulette Stephenson-Taylor
2nd Vice President



Christopher Campbell
Asst. Treasurer



Hedena Thompson
Assistant Secretary



Berresford South
Director



Courtney Henry
Director



Althea Campbell
Director

Lesline Thomas
Director



Alexander Bourne
Ex-officio

Appreciation

In conclusion, the year 2022 was a remarkable one for our credit union. Despite the challenges, we remained steadfast in our commitment to serving our members and supporting their financial well-being. We are continuously adapting our operations to a rapidly changing environment, by embracing digital transformation, and continuing to provide personalized and member-centric services.

The performance of the Credit Union movement in Jamaica was also encouraging, with significant growth in loans, deposits, and assets within the financial sector. The Jamaican economy showed signs of recovery, particularly in the tourism and agriculture sectors.

Looking ahead, we remain committed to our mission of empowering our members and contributing to the development of our communities. We will continue to leverage technology, enhance our services, and prioritize financial education to ensure our members thrive in an ever-changing financial landscape. We extend our gratitude to our members.

.....

Mr. Astley Scott

President

TREASURER'S REPORT



Dalton Campbell
Treasurer

I am pleased to present the Treasurer's Report to this the 47th Annual General Meeting of the Manchester Co-operative Credit Union 1977 Limited for the financial year ended December 31, 2022. The Audited Financial Statements are set out on pages 52 to 108 excerpts from these statements are included in this, the Treasurer's Report.

The year 2022 represented a year of transition for the country and our Credit Union. Sill influenced by the Novel Coronavirus (Covid-19), the economy continued its recovery from the socially and economically impactful restrictions imposed in 2020-2021. This was born out in some areas of operations however, with the unwavering support of you the members, our hardworking staff and volunteers, we achieved some favorable results.

FINANCIAL PERFORMANCE

Our Credit Union recorded Net Income on operations of $54.2 million in comparison to $81.5 million in 2021. Despite generating less Net Income in comparison to the prior year our Assets grew by 4.2% or $307 million for the year. The Credit Union generated total income of $655.7 million, resulting in an increase of 6.8% when compared to 2021.

Interest income earned for the period was broken down as follows:

	$
• Financial Investments	73,259,370
• Liquid Assets	160,539,701
• Loans to Members	421,909,827

Our Credit Union incurred expenses of $599 million in operational activities of running the business, compared to $532 million in 2021. This was a 12.5% increase compared to the previous year.



KEY PROFITABILITY TRENDS

Profitability Indicators below show the trends in key profitability ratios over the past five (5) years. An **income to asset ratio** of 8.6% was achieved in 2022, representing a .2% improvement on that achieved for 2021. The **return on assets ratio** was 0.74% at the end of the financial year. This was below the 1.11% achieved in 2021.

Profitability Indicators					
	2018	2019	2020	2021	2022
Total Income to Assets	11.0%	9.9%	8.9%	8.4%	8.6%
Operating Exp. To Assets	7.1%	6.7%	5.7%	5.5%	7.8%
Return on Assets	2.1%	0.92%	0.68%	1.11%	0.74%

ASSET GROWTH

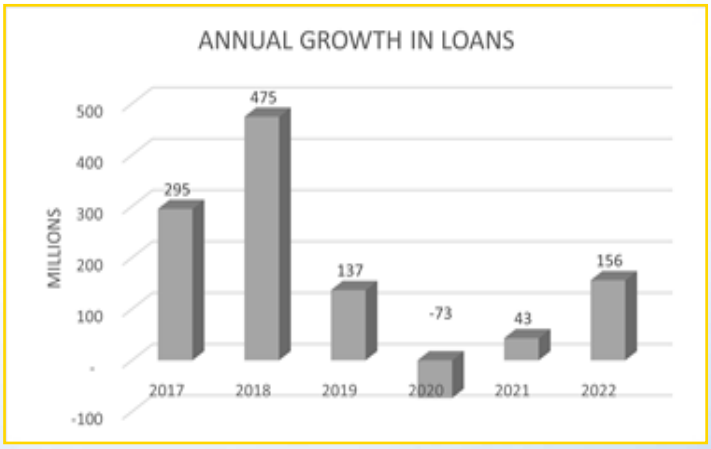
Total assets ended the year at $7.65 billion. This represented an increase of $307 million or 4.18% over the financial year 2021. **The Annual Growth in Assets chart** shows the movement in the asset base over the last five (5) years. The accumulated increase over the period was $2.7 billion or 35% of the Credit Union's total assets.



LOANS

Our credit union managed to increase the loan portfolio by $156M for 2022 when compared to 2021 despite the downturn in some areas and the increased competition in the industry in Jamaica. Our Credit Union had growth in all areas of the portfolio with motor vehicle, real estate, cash secured and unsecured loans increasing by 6%, 2%, 5% and 2% respectively.

The annual Growth in Loans table shows the net growth in loans over the last five (5) years.



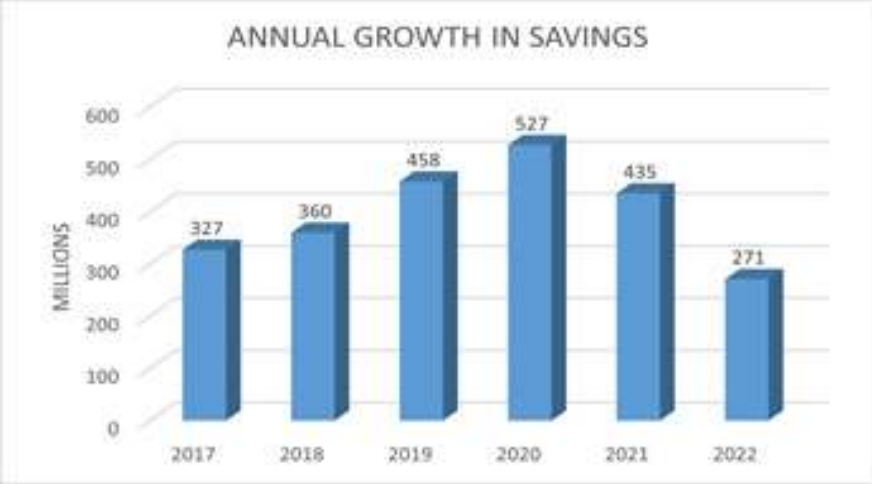
INVESTMENTS AND CASH RESERVES

The Cash and Investment portfolio closed the year at $3.5 billion; this represented an increase of 1.2% over 2021 and accounted for 45% of total assets. Our Credit Union earned an average of 5.1% on investments during the year, bettering the 3.4% earned in 2021. This was attributable to Credit Union taking advantage of increases in repo rates during the year.

Adequate liquidity reserves were maintained during the year and our day-to-day cash flow requirements were met. These reserves were held in interest-bearing accounts at the Cumax Wealth Management Limited, formerly Credit Union Fund Management Company (CUFMC).

SAVINGS

Total Savings grew by $271 million or by 5% for the year as shown in **Annual Growth in Savings** chart. Total Savings increased to $5.75 billion at the end of 2022. We commend Management, Staff, and you, our loyal members 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

Our Credit Union was able to meet most of the PEARL standards in our operations for 2022. Some of these indicators are outlined in **Financial Indicators** table. The loans to asset ratio increased from 46.5% in 2021 to 46.6% in 2022, representing less than significant growth in both the assets and loan portfolios. Our Credit Union, with your support, will continue the efforts to achieve this most important standard of 60%-80% in the not-too-distant future.

Financial Indicators			
Metrics	Target Standard	2022 Actual	2021 Actual
INSTITUTIONAL CAPITAL: TOTAL ASSETS	10%	13.65%	13.55%
NET LOANS: TOTAL ASSETS	60%-80%	46.63%	46.46%
DELINQUENT LOANS: TOTAL LOANS	< or = 5%	3.43%	5.47%
NON-EARNING ASSETS: TOTAL ASSETS	7%	8.09%	6.93%
OPERATING EXPENSE: TOTAL ASSETS	8%	7.8%	5.5%
MEMBERSHIP GROWTH	5%	2.1%	2%
INSTITUTIONAL CAPITAL GROWTH	8%	5.0%	5.1%

INSTITUTIONAL CAPITAL RESERVE

Our Credit Union was able to strengthen its capital base during the year. Institutional capital stood at $1.05 billion at the end of the period. This represented $49 million or 5% growth. The institutional capital to asset ratio marginally improved from 13.55% in 2021 to 13.65% at the end of the 2022 financial year. This ratio, however, 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 to a multi-year low of 3.43% in 2022, down from 5.47% at the end of the 2021 financial year. We continue our efforts for effective delinquency control and will take further measures to reduce the level of delinquency. We anticipate the co-operation of our members in this regard.

The debt recovery process continues to be challenging. We continue to see members giving very low priority to servicing their Credit Union obligations, when they experience difficulties.

This has resulted in our Credit Union having to charge off $123 million in non-performing loans during the financial year 2022. This has significant negative effects on our Credit Union.

These are funds that could have increased our operational surplus for the year. This is a direct loss to our Credit Union's bottom line and negatively impacts benefits that could be extended to members and our community. Management will continue to execute stringent debt collection practices which include the following:

- Utilization of bailiff
- Recovery and auction of Motor Vehicles
- Foreclosure of real estate properties
- The utilization 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 borrowers' names 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)				
	2022	2021	Var	Growth %
Total Income	655.71	613.85	41.86	6.82%
Total Expenses	-601.55	-532.33	-69.22	13.00%
Surplus	54.16	81.52	-27.36	-33.56%
Add Undistributed Surplus	67.21	44.82	22.39	49.96%
Less Transfers	-64.11	-59.13	-4.98	8.42%
Available for Appropriation	57.26	67.21	-9.95	-14.80%

Summarized Balance Sheet ('m)				
	2022	2021	Var	Growth %
We The Members Own:				
Institutional Capital	1,045.05	995.69	49.36	4.96%
Permanent Shares	164.53	155.38	9.15	5.89%
Other Reserves	521.95	557.43	-35.48	-6.36%
Undistributed Surplus	57.26	67.22	-9.96	-14.82%
Total Capital & Reserves	1,788.79	1,775.72	13.07	0.74%
The Money Was Used For:				
Net Loans to Members	3,569.74	3,413.74	156.00	4.57%
Cash & Investments	3,465.92	3,425.57	40.35	1.18%
Fixed Assets	276.51	272.5	4.01	1.47%
Other Assets	342.72	235.8	106.92	45.34%
Total Assets	7,654.89	7,347.61	307.28	4.18%
Less Savings & Other Liabilities	5,866.10	5,571.89	294.21	5.28%
Our Credit Union's Net Worth	1,788.79	1,775.72	13.07	0.74%

CONCLUSION

The financial performance for the year 2022 is evidence that our Credit Union has shown resilience in the face of the challenging reality of the slow recovery from the recent pandemic and its effects on the economy and society. The financial market grows increasingly competitive as new and old players vie for the shrinking resources of Jamaicans. We take this opportunity to say thanks to our loyal members for their sterling support during 2022. We continue to be one of the premier financial institutions in our geographic area of operation. This would not be so without our members recognizing that they remain MCCU's top priority. Our Credit Union exists to serve the needs and aspirations of you, our faithful members. This we promise to continue to do to the best of our abilities, in the best interest of you, our members/owners. Together we will continue to grow and prosper.

As we reflect on 2022, we are conscious that 2023 represents a year of great opportunity for our Credit Union. Through a redoubled commitment to improving standards, providing best-in-class products and relying on the oversight and loyal service of our core of volunteers and hardworking staff it is our belief that Manchester Co-operative Credit Union (1977) Limited will continue to be the financial institution 'Where Service Exceeds Expectations'. God bless you all.

.....

Mr. Dalton Campbell

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: info@dcfs.gov.jm **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
R459/453/04/23

April 21, 2023

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, 2022.

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.

Kindly advise the Department of the date of the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

.....

Lavern Gibson-Eccleston (Mrs.)
(For) Registrar of Co-operative Societies
And Friendly Societies

HOPE GARDENS
Hope Gardens
Kingston 6
(876) 977-2508 / 927-1948

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

FOR THE YEAR ENDED 31ST DECEMBER 2022



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 2022

(Expressed in Jamaican Dollars unless otherwise indicated)

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MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

	Notes	2022 $	2021 $
INTEREST INCOME:			
Liquid Assets		134,065,662	74,602,291
Loans to Members		421,909,827	443,778,979
Financial Investments		41,844,354	23,451,387
		597,819,843	541,832,657
INTEREST EXPENSE:			
Interest Expense on Members' Voluntary Shares		40,974,090	44,561,108
Savings Deposits		22,505,300	21,566,679
Other Financial Costs	20	20,323,381	18,512,380
		83,802,771	84,640,166
NET INTEREST INCOME		514,017,072	457,192,491
Less Provision for Loan Impairment	6	67,789,014	39,998,972
Less Reimbursement to Members for ATM Fraud		137,534	1,217,619
NET INTEREST INCOME AFTER PROVISION		446,090,525	415,975,900
NON - INTEREST INCOME			
Other Income	21	57,889,055	72,018,230
		57,889,055	72,018,230
GROSS INCOME		503,979,580	487,994,130
Less Operating Expenses	22	447,153,701	406,470,729
NET INCOME BEFORE HONORARIA		56,825,878	81,523,400
Honoraria Payment		(2,666,667)	-
NET INCOME		54,159,211	81,523,400
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit or loss:			
Revaluation- Available for Sale Investments		(2,969,021)	(6,772,367)
Items that will not be reclassified to profit or loss:			
Remeasurement Loss on Retirement Benefit	11	(35,427,000)	(12,118,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		15,763,191	62,633,033

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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY

	Members' Permanent Share Capital	Non-Institutional Capital	Institutional Capital	Total
	$	$	$	$
Balance at 31st December 2020	147,488,454	620,298,619	947,384,651	1,715,171,724
Total Surplus for the Year	-	81,523,400	-	81,523,400
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	(6,772,367)	-	(6,772,367)
Pension Expense	-	(12,118,000)	-	(12,118,000)
	-	(18,890,367)	-	(18,890,367)
Total Comprehensive Income for the Year after Honoraria	-	62,633,033	-	62,633,033
Transactions with Owners				
Permanent Share Capital Subscribed	7,888,159	-	-	7,888,159
Appropriations of Net Surplus for 2020				
Dividends on Permanent Shares	-	(7,000,000)	-	(7,000,000)
Institutional Capital	-	(32,000,000)	32,000,000	-
Social Outreach Programme	-	(1,324,358)	-	(1,324,358)
Sydney Carter Scholarship	-	(1,500,000)	-	(1,500,000)
Disaster Relief Fund	-	(1,000,000)	-	(1,000,000)
Transfer to Social Outreach Programme	-	1,324,358	-	1,324,358
Transfer to Sydney Carter Scholarship	-	1,500,000	-	1,500,000
Transfer to Disaster Relief Fund	-	1,000,000	-	1,000,000
Redemption of Permanent Shares	-	(82,969)	-	(82,969)
Payments made from Other Non-Qualifying Reserves	-	(2,888,872)	-	(2,888,872)
Transfer to Statutory Reserve	-	(16,304,680)	16,304,680	-
	7,888,159	(58,276,521)	48,304,680	(2,083,683)
Balance at 31st December 2021	155,376,613	624,655,131	995,689,331	1,775,721,075

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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY (CONT'D)

	Members' Permanent Share Capital	Non-Institutional Capital	Institutional Capital	Total
	$	$	$	$
Balance at 31st December 2021	155,376,613	624,655,131	995,689,331	1,775,721,075
Total Surplus for the Year	-	54,159,211	-	54,159,211
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	(2,969,021)	-	(2,969,021)
Pension Expense	-	(35,427,000)	-	(35,427,000)
	-	(38,396,021)	-	(38,396,021)
Total Comprehensive Income for the Year after Honoraria	-	15,763,191	-	15,763,191
Transactions with Owners				
Permanent Share Capital Subscribed	9,150,790	-	-	9,150,790
Appropriations of Net Surplus for 2021				
Dividends on Permanent Shares	-	(8,749,352)	-	(8,749,352)
Institutional Capital	-	(38,000,000)	38,000,000	-
Social Outreach Programme	-	(2,000,000)	-	(2,000,000)
Sydney Carter Scholarship	-	(2,000,000)	-	(2,000,000)
Disaster Relief Fund	-	(2,000,000)	-	(2,000,000)
Transfer to Social Outreach Programme	-	2,000,000	-	2,000,000
Transfer to Sydney Carter Scholarship	-	2,000,000	-	2,000,000
Transfer to Disaster Relief Fund	-	2,000,000	-	2,000,000
Redemption of Permanent Shares	-	(37,529)	-	(37,529)
Payments made from Other Non-Qualifying Reserves	-	(3,050,163)	-	(3,050,163)
Transfer to Statutory Reserve	-	(11,365,176)	11,365,176	-
	9,150,790	(61,202,220)	49,365,176	(2,686,255)
Balance at 31st December 2022	164,527,402	579,216,101	1,045,054,507	1,788,798,011

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 2022
(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 2020	212,549,809	119,112,242	52,000,000	100,000,000	63,343,000	23,437,178	5,032,031	44,824,359	620,298,619
Total Deficit for the Year	-	-	-	-	-	-	-	81,523,400	81,523,400
Other Comprehensive Income									
Revaluation - Available for Sale Investments	-	(6,772,367)	-	-	-	-	-	-	(6,772,367)
Pension Expense	-	-	-	-	(12,118,000)	-	-	-	(12,118,000)
	-	(6,772,367)	-	-	(12,118,000)	-	-	-	(18,890,367)
Total Comprehensive Loss for the Year after Honoraria	-	(6,772,367)	-	-	(12,118,000)	-	-	81,523,400	62,633,033
Transactions with Owners									
Appropriations of Net Surplus for 2020									
Dividends on Permanent Shares	-	-	-	-	-	-	-	(7,000,000)	(7,000,000)
Transfer to Institutional Capital	-	-	-	-	-	-	-	(32,000,000)	(32,000,000)
Social Outreach Programme	-	-	-	-	-	1,324,358	-	(1,324,358)	-
Sydney Carter Scholarship	-	-	-	-	-	1,500,000	-	(1,500,000)	-
Disaster Relief Fund	-	-	-	-	-	1,000,000	-	(1,000,000)	-
Transfer of 20% of Net Income for the Year before Honoraria	-	-	-	-	-	-	-	(16,304,680)	(16,304,680)
Transfer to Permanent Share Transfer Fund	-	-	-	-	-	-	(82,969)	-	(82,969)
Payments made from Non-Qualifying Reserve	-	-	-	-	-	(2,888,872)	-	-	(2,888,872)
Transactions with Owners	-	-	-	-	-	935,486	(82,969)	(59,129,038)	(58,276,521)
Balance at 31st December 2021	212,549,809	112,339,875	52,000,000	100,000,000	51,225,000	24,372,664	4,949,062	67,218,721	624,655,131

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

NON-INSTITUTIONAL CAPITAL (CONT'D)

	(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 2021	212,549,809	112,339,875	52,000,000	100,000,000	51,225,000	24,372,664	4,949,062	67,218,721	624,655,131
Total Deficit for the Year	-	-		-	-	-	-	54,159,211	54,159,211
Other Comprehensive Income									
Revaluation - Available for Sale Investments	-	(2,969,021)	-	-	-	-	-	-	(2,969,021)
Pension Expense	-	-	-	-	(35,427,000)	-	-	-	(35,427,000)
	-	(2,969,021)	-	-	(35,427,000)	-	-	-	(38,396,021)
Total Comprehensive Loss for the Year after Honoraria	-	(2,969,021)	-	-	(35,427,000)	-	-	54,159,211	15,763,191
Transactions with Owners									
Appropriations of Net Surplus for 2021									
Dividends on Permanent Shares	-	-	-	-	-	-	-	(8,749,352)	(8,749,352)
Transfer to Institutional Capital	-	-	-	-	-	-	-	(38,000,000)	(38,000,000)
Social Outreach Programme	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Sydney Carter Scholarship	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Disaster Relief Fund	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Transfer of 20% of Net Income for the Year before Honoraria	-	-	-	-	-	-	-	(11,365,176)	(11,365,176)
Transfer to Permanent Share Transfer Fund	-	-	-	-	-	-	(37,529)	-	(37,529)
Payments made from Non-Qualifying Reserve	-	-	-	-	-	(3,050,163)	-	-	(3,050,163)
Transactions with Owners	-	-	-	-	-	2,949,837	(37,529)	(64,114,528)	(61,202,220)
Balance at 31st December 2022	212,549,809	109,370,854	52,000,000	100,000,000	15,798,000	27,322,501	4,911,533	57,263,404	579,216,101

(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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

Institutional Capital

	Statutory and Legal Reserves	Revenue Reserves	Total
	$	$	$
Balance at 31st December 2020	**330,437,395**	**616,947,256**	**947,384,651**
Transfer of 20% of Net Income for the Year before Honoraria	16,304,680	-	16,304,680
Transfer from Undistributed Net Income to Institutional Capital	-	32,000,000	32,000,000
Balance at 31st December 2021	**346,742,075**	**648,947,256**	**995,689,331**
Transfer of 20% of Net Income for the Year before Honoraria	11,365,176	-	11,365,176
Transfer from Undistributed Net Income to Institutional Capital	-	38,000,000	38,000,000
Balance at 31st December 2022	358,107,251	686,947,256	1,045,054,507

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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

	2022 $	2021 $
Cash flows from Operating Activities		
TOTAL COMPREHENSIVE INCOME AFTER HONORARIA	15,763,191	62,633,033
Non- cash items included in income		
Depreciation - Property, Plant and Equipment	12,707,432	16,724,186
Pension Income	35,427,000	12,118,000
Gain on Revaluation of Investments	2,969,021	6,772,367
Provision for Loan Impairment	67,789,014	39,998,972
	134,655,657	138,246,558
Decrease in Operating Assets		
Other Assets	(40,784,391)	(13,208,153)
Increase in Operating Liabilities		
Accruals	4,272,596	3,347,561
Payables	24,343,324	6,271,936
Others	(5,294,905)	17,259,011
Net Cash Provided by Operating Activities	**117,192,281**	**151,916,913**
Cash Flows from Investing Activities:		
Addition to Property, Plant & Equipment	(16,762,774)	(8,917,895)
Financial Investments	(24,475,498)	(277,209,381)
Loans to Members	(1,342,736,219)	(1,712,262,834)
Repayment of Loans by Members	1,118,946,595	1,629,155,196
Net Cash Used in Investing Activities	**(265,027,897)**	**(369,234,914)**
Cash Flows from Financing Activities:		
Voluntary Share Capital	78,084,119	212,778,398
Permanent Share Capital	9,150,790	7,888,159
Savings Deposits	192,802,678	222,252,378
Social Outreach	(953,436)	(793,430)
Permanent Share Transfer Fund	(37,529)	(82,969)
Dividend on Permanent Shares	(8,749,352)	(7,000,000)
Share Building Reserves	3,273	4,557
Disaster Relief Fund	-	(810,000)
Sydney Carter Scholarship Fund	(2,100,000)	(1,290,000)
Net Cash Provided by Financing Activities	**268,200,542**	**432,947,094**
Increase in Liquid Assets	120,364,926	215,629,093
Liquid Assets at Beginning of Year	2,376,438,079	2,160,808,986
Liquid Assets at End of Year	**2,496,803,005**	**2,376,438,079**
Liquid Assets - Earning	2,270,358,835	2,250,400,160
Liquid Assets - Non - Earning	226,444,170	126,037,919
	2,496,803,005	**2,376,438,079**

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 2022
(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:

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, liability income or expenses, or the information that entities disclose about those items. They:

- 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.

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).

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(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):**

Amendments to References to the Conceptual Framework in IFRS Standards

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.

Reference to the Conceptual Framework (Amendments to IFRS 3)(Effect January 2022):

The changes in *Reference to the Conceptual Framework (Amendments to IFRS 3):*

- updates IFRS 3, so that it refers to the 2018 *Conceptual Framework* instead of the 1989 *Framework* ;
- adds to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination; and
- adds to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

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.

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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER 2022

(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:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (Effective January 1, 2023)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (Effective January 1, 2023)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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

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

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

(b) **Use of Estimates -**

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

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)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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

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

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.

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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

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

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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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

(g) **Employee Benefits -**

Pension assets

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

The amount recognised in the statement of financial position as asset or liability in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Government securities which have terms to maturity approximating the terms of the related pension obligation.

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

Net interest expense/(income) is recognised in the statement of comprehensive income as part of staff costs, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset), at the beginning of the annual reporting period, to the balance of the net defined benefit obligation (asset) and the fair value of plan assets.

Actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, are charged or credited to equity, through other comprehensive income, in the period in which they arise.

(h) **Provisions -**

General

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

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

IFRS 9- Expected Credit Loss (ECL)

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 "Financial Instruments: Recognition and measurement". IFRS 9 bring fundamental changes to the accounting of financial assets and to certain aspects of the accounting for financial liabilities.

As a result of the adoption of IFRS 9, the Credit Union has adopt consequential amendments to IFRS 7 "Financial Instruments Disclosure", which are applied to disclosures about they financial year 2018, but have not been applied to the comparative information

The Expected Credit Loss (ECL) represents the amount the Credit Union is likely to lose in the event of a default.

In recognising Expected Credit Loss (ECL) as prescribed by IFRS 9, the Credit Union took into account past events, current conditions and forecast information. The Credit Union determined the economic variables that are likely to influence the borrowers ability to meet their loan obligation in the future and incorporate such forward looking economic information in the overall estimation of the expected credit loss.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (cont'd):

(h) **Provisions (Cont'd) -**

IFRS 9- Expected Credit Loss (ECL) (Cont'd)

At each reporting date, the Credit Union is required to update the amount of ECLs recognised to reflect changes in credit risk of the loan portfolio.

At least once annually, the credit union re-assesses the risk ratings bands and carries out the necessary adjustments in order to ensure that the ratings bands are consistent with prevailing trends and conditions.

As permitted by transitional provisions of IFRS 9, any adjustments to the carrying amount of financial assets and liabilities

at the date of transition were recognized in the opening retained earning and other reserves of the current period.

(i) **Permanent Shares -**

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

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

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

(j) **Foreign Currency Transactions -**

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

(k) **Institutional Capital -**

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

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER 2022

(Expressed in Jamaican Dollars unless otherwise indicated)

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% (2020 - 0.20%) of total assets. Stabilisation dues are fixed at a rate of 0.15% (2020 - 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 15.4% (2020 - 16.1%) 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).

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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4. Earning Assets - Liquid Assets:

	2022 $	2021 $
Savings Account Balances	-	151,509
Foreign Currency Savings Accounts	89,295,217	59,417,918
Placement with JCCUL	496,694,670	533,763,864
Placement with Other Financial Institutions	1,684,368,948	1,657,066,869
	2,270,358,835	2,250,400,160

5. Loans To Members:

	2022 $	2021 $
Balance at Beginning of Year	3,551,375,991	3,487,097,634
Loans Granted	1,226,487,345	1,693,433,553
	4,777,863,336	5,180,531,187
Less Repayments and Transfers	1,118,946,595	1,629,155,196
	3,658,916,741	3,551,375,991
Less: Allowance for Expected Credit Loss (IFRS 9)	(89,175,007)	(137,634,868)
Balance at End of Year	3,569,741,734	3,413,741,123

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:

	2022 $	2021 $
Total Non-Performing Loans	286	517
Balance, 1st January	137,634,868	116,465,177
Allowance/Provision for the Year	67,789,014	39,998,972
	205,423,881	156,464,149
Recoveries during the Year	6,842,564	12,386,233
Charged off during the year	(123,091,438)	(31,215,514)
Balance, 31st December	89,175,007	137,634,868
Regulatory loan loss provision	62,608,446	122,537,219
Less: Allowance for Expected Credit Loss (IFRS 9)	(89,175,007)	(137,634,868)
(Shortage)/ Excess of Regulatory Loan Impairment over IFRS Provision	(26,566,561)	(15,097,649)

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:

	2022 DELINQUENT LOANS $	RATE %	2022 PROVISION FOR LOAN LOSSES $	2021 PROVISION FOR LOAN LOSSES $
2 - 3 Months	20,021,192	10	2,002,119	557,363
3 - 6 Months	36,472,344	30	10,941,703	6,207,684
6 - 12 Months	48,547,205	60	29,128,323	28,286,046
Over 12 Months	20,536,300	100	20,536,300	87,486,126
	125,577,041		62,608,445	122,537,219

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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
	#	$	$	$
2 to 3 months	16	20,021,192	1,144,100	(18,877,092)
3 to 6 months	57	36,472,344	4,070,865	(32,401,479)
6 to 12 months	89	48,547,205	7,453,722	(41,093,483)
Over 12 months	33	20,536,300	2,773,816	(17,762,484)
	195	125,577,041	15,442,503	(110,134,538)

(d) The Directors estimate the value of the chattels held as security against the outstanding loans to be $15,442,503 (2021 - $37,313,121). At 31st December 2022 there were 195 delinquent loans (2021 - 517).

7. Earning Assets - Financial Investments:

	2022	2021
	$	$
Fair value through other comprehensive income		
Placement with JCCUL	27,174,146	12,531,797
Placement with Other Financial Institutions	1,002,883,621	981,447,382
	1,030,057,767	993,979,178
Un-quoted Equity Securities	136,421,531	136,421,531
Quoted Equity Shares	33,072,395	47,644,506
Expected Credit Losses/Provision for losses on unquoted shares	(4,000,000)	(4,000,000)
	165,493,925	180,066,037
	1,195,551,693	1,174,045,215

8. Non Earning - Liquid Assets:

	2022	2021
	$	$
Cash and Bank	226,444,170	126,037,919

9. Non Earning - Other Assets:

	2022	2021
	$	$
Accrued Income	68,804,151	48,909,499
Receivables	31,680,313	10,790,574
	100,484,464	59,700,073

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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 2020	78,000,000	182,188,870	84,781,505	3,819,046	8,103,151	58,461,900	415,354,472
Additions	-	-	1,433,173	3,777,602	-	3,707,120	8,917,895
31st December 2021	**78,000,000**	**182,188,870**	**86,214,678**	**7,596,648**	**8,103,151**	**62,169,020**	**424,272,367**
Additions	-	-	421,744	16,292,670	-	48,360	16,762,774
31st December 2022	**78,000,000**	**182,188,870**	**86,636,422**	**23,889,318**	**8,103,151**	**62,217,380**	**441,035,141**
Depreciation:							
31st December 2020	-	20,303,560	53,454,106	-	8,103,151	53,227,887	135,088,704
Charge for year	-	4,779,672	8,496,132	-	-	3,448,383	16,724,186
31st December 2021	**-**	**25,083,232**	**61,950,238**	**-**	**8,103,151**	**56,676,270**	**151,812,891**
Charge for year	-	4,053,646	6,984,133	-	-	1,669,653	12,707,432
31st December 2022	**-**	**29,136,877**	**68,934,371**	**-**	**8,103,151**	**58,345,923**	**164,520,322**
Net Book Values:							
31st December 2022	**78,000,000**	**153,051,993**	**17,702,051**	**23,889,318**	**-**	**3,871,457**	**276,514,819**
31st December 2021	78,000,000	157,105,638	24,264,440	7,596,648	-	5,492,751	272,459,476
31st December 2020	78,000,000	161,885,310	31,327,399	3,819,046	-	5,234,013	280,265,768

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

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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 2022.

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

	2022 $	2021 $
Present Value of funded obligations	201,872,000	340,637,000
Fair Value of Plan Assets	(395,465,000)	(391,862,000)
Over-Funded Obligation	(193,593,000)	(51,225,000)
Effect of Asset Ceiling	177,795,000	-
Asset in the Statement of Financial Position	(15,798,000)	(51,225,000)

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

Current service cost	9,222,000	8,904,000
Interest cost on Obligation	26,834,000	27,183,000
Interest Income on Plan assets	(31,548,000)	(33,541,000)
Administrative Expenses	2,061,000	1,999,000
Pension Expense	6,569,000	4,545,000

The actual return on plan assets was $3,603,000 (2021 - $21,313,000)

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

Net Asset at beginning of year	(51,225,000)	(63,343,000)
Pension Expense	6,569,000	4,545,000
Remeasurement	36,926,000	15,463,000
Contributions Paid	(8,068,000)	(7,890,000)
Closing Net Asset at End of Year	(15,798,000)	(51,225,000)

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11. Retirement Benefit Asset (cont'd):

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

	2022	2021
Discount Rate	13.00%	8.00%
Future salary increases	7.50%	5.50%

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

	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000
Fair Value of plan assets	309,086	345,664	370,549	391,862	395,465
Defined benefit obligation	265,340	277,400	307,205	340,637	201,872
Surplus	43,746	68,264	63,343	51,225	193,593
Experience adjustments-					
Fair value of plan assets	3,719	9,188	(4,157)	(14,488)	(30,850)
Defined benefit obligation	427	(1,999)	6,502	(10,126)	(25,428)

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12. Members' Voluntary Share Capital:

	2022	RESTATEMENT 2021
	$	$
Balance at Beginning of Year	2,804,137,625	2,591,359,227
Add Amount Subscribed	1,616,826,875	1,588,500,031
	4,420,964,500	4,179,859,258
Less Withdrawals & Transfers	1,538,742,756	1,375,721,633
Balance at End of Year	2,882,221,744	2,804,137,625

13. Savings Deposits:

		2022	2021
		$	$
i.	Term Deposits	366,751,497	458,319,003
ii.	Members' Regular Deposits	1,428,011,589	1,303,976,854
iii.	Golden Harvest Deposits	53,408,927	51,789,840
iv.	Insurance Savings Club	12,729,526	11,889,660
v.	Youth Savings	124,386,714	119,851,962
vi.	Partner Plan Plus Deposits	98,828,354	91,022,192
vii.	Solid Saver Deposits	327,541,736	306,647,350
viii.	Horizon 55	-	339,882
ix.	Wealth Accelerator Savings	447,588,822	322,756,885
x.	Standing Order Holding	7,079,753	6,930,613
		2,866,326,919	2,673,524,241

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 2.25% -3% 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 0.85% to 2.05% per annum.

14. Accruals:

	2022	2021
	$	$
Accrued Interest on Deposits	3,777,833	3,913,598
Other Accruals	17,307,067	12,898,705
	21,084,899	16,812,303

15. Payables:

	2022	2021
	$	$
Collector of Taxes	18,680,919	10,045,634
Salary Deductions Payable	44,213,791	28,613,304
Other Payables	3,426,786	3,319,234
	66,321,496	41,978,172

16. Non - Interest Bearing Liabilities - Others:

	2022	2021
	$	$
Estate Accounts	30,140,645	35,435,550
	30,140,645	35,435,550

This amount represents unsettled claims in respect of deceased members.

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17. Members' Permanent Share Capital:

	2022	2021
	$	$
Balance at Beginning of Year	155,376,613	147,488,454
Add Permanent Share Capital Subscribed	9,150,790	7,888,159
Balance at End of Year	164,527,402	155,376,613

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:

	2022	2021
	$	$
Capital Reserves (Unrealised) (Note 24)	212,549,809	212,549,809
Other Reserves	109,370,854	112,339,875
Loan Loss Reserves	52,000,000	52,000,000
Capital Development Reserves	100,000,000	100,000,000
Retirement Benefit Reserves (Note 11)	15,798,000	51,225,000
Other Non-qualifying Reserves (Note 26)	27,322,501	24,372,664
Permanent Share Transfer Fund	4,911,533	4,949,062
Undistributed Net Income	57,263,404	67,218,721
	579,216,101	624,655,131

19. Institutional Capital:

	2022	2021
	$	$
Retained Earnings Reserves at Beginning of Year	648,947,256	616,947,256
Appropriation of Net Surplus	38,000,000	32,000,000
Retained Earnings Reserves at End of Year	686,947,256	648,947,256
Statutory & Legal Reserves (Note 25)	358,107,251	346,742,075
	1,045,054,507	995,689,331

20. Other Financial Costs:

	2022	2021
	$	$
Life Savings Insurance	7,466,676	6,979,599
Loan Protection Insurance	10,992,571	10,048,510
Loss on Foreign Exchange	1,355,071	-
Bank Charges and Interest	509,063	1,484,271
	20,323,381	18,512,380

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21. Other Income:

	2022	2021
	$	$
Commitment Fees - Service Charge on Loans	29,721,327	27,544,291
Miscellaneous	2,679,567	3,315,086
Mortgage and Discharge Cost	(53,000)	-
Gain on Foreign Exchange	-	12,881,251
Gain on sale of Investment	-	2,540,088
FIP Administration Fee	4,406,537	4,181,701
ABM Fees	1,693,689	1,919,285
Standing Order Fees	713,600	778,018
Account User Fee	18,727,335	18,858,510
	57,889,055	72,018,230

22. Operating Expenses:

	2022	2021
	$	$
Personnel Expenses:		
Employee Salaries & Allowances	248,269,703	228,922,793
Employee Benefits	23,507,082	24,998,202
Education & Training	2,082,115	1,751,021
Staff Travel & Related Expenses	2,412,846	2,030,887
	276,271,745	257,702,903
Administrative Expenses:		
Rental	960,000	960,000
Utilities	9,279,692	7,250,611
Depreciation and Impairment	13,014,134	16,814,382
Audit and Supervision - Current Year	3,180,000	3,180,000
Repairs & Maintenance (Office)	30,390,529	22,031,745
Telecommunications	8,235,928	9,033,833
Printing, Stationery & Supplies	7,859,042	5,452,502
Insurance Premiums	5,103,887	5,492,236
Professional & Consulting Fees	531,022	2,238,967
Subscriptions & Other Administrative Expenses	36,167,060	31,413,744
	114,721,296	103,868,020

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
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22. Operating Expenses - (cont'd):

	2022	2021
	$	$
Marketing & Promotion:		
Publicity & Promotion	19,722,234	15,563,828
Public Relations	7,086	-
	19,729,320	15,563,828
Representation & Affiliation:		
League and Other Dues	20,590,336	17,304,908
Seminars & Meetings	2,083,438	1,524,701
Board of Directors & Committees	8,712,576	5,060,171
Annual General Meetings	5,044,990	4,782,953
Meeting/ Special Functions	-	663,245
	36,431,340	29,335,978
TOTAL OPERATING EXPENSES	447,153,701	406,470,729

23. Appropriations:

	2022	2021
	$	$
Dividend on Permanent Shares	8,749,352	7,000,000
Social Outreach Programme	2,000,000	1,324,358
Sydney Carter Scholarship	2,000,000	1,500,000
Disaster Relief Fund	2,000,000	1,000,000
Institutional Capital	38,000,000	32,000,000
	52,749,352	42,824,358

24. Capital Reserves:

	2022	2021
	$	$
Balance at Beginning of Year	212,549,809	212,549,809
Balance at End of Year	212,549,809	212,549,809

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

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25. Statutory and Legal Reserves:

	2022 $	2021 $
Balance at Beginning of Year	346,742,075	330,437,395
20% (2021- 20%) Transfer from Net Income	11,365,176	16,304,680
Balance at End of Year	358,107,251	346,742,075

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:

	2022 $	2021 $
Special Reserve	57,587	57,587
Sydney Carter Scholarship Fund	1,614,191	1,714,191
Social Outreach Programme	3,243,037	2,196,473
Disaster Relief Fund	6,049,684	4,049,684
Share Building Fund	2,647,887	2,644,614
Stabilization Fund Reserves	1,210,114	1,210,114
Business Development Fund	12,500,000	12,500,000
	27,322,501	24,372,664

27. Staff Costs:

Staff costs for the year amounted to $276,271,745 (2021: $257,702,904).

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28. Comparison of Ledger Balances:

	Permanent Shares	Voluntary Shares	Deposits	Loans
	$	$	$	$
General Ledger	164,527,402	2,882,221,744	2,866,326,919	3,658,916,741
Personal Ledger Listing	164,527,402	2,882,221,744	2,866,326,919	3,658,916,741

29. Related Party Transactions:

At 31st December 2022, the eleven (11) members of the Credit Union's Board of Directors had savings totalling $9,862,733.79. Of these Directors, six (6) had loans totalling $3,418,146.86. Seventeen (17) Committee Members had savings totalling $11,177,993.22. Of these Seventeen (17) Committee Members, nine (9) had loans totalling $25,559,709.62.

Of the seventy six (76) Credit Union Staff, all had savings of $41,158,057.76 and fifty (50) had loans including interest totalling $245,190,229.69. During the year, one 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 2022, 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 accruals.

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

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

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

a) Credit Risk

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

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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:

	2022 $	2021 $
Loans to members (net)	3,569,741,734	3,413,741,123
Liquid assets - earning	2,270,358,835	2,250,400,160
Financial investments	1,195,551,693	1,174,045,215
Liquid assets - non-earning	226,444,170	126,037,919
Non earning assets - other	100,484,464	59,700,073
	7,362,580,895	7,023,924,490

(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, 2021, an estimate of the fair values of collateral held against loans to members are as follows:

	2022	2021
Type of Collateral	$	$
Motor Vehicles	728,208,276	636,486,877
Real Estate	2,217,886,445	1,660,676,880
	2,946,094,721	2,297,163,757

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.

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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)

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	
	2022	2021	2022	2021
	$	$	$	$
Stage 1 (12- month ECL)	3,432,894,873	3,331,463,742	59,245,150	83,735,778
Stage 2 (Lifetime ECL)	157,071,977	124,083,276	14,166,499	12,236,295
Stage 3 (Lifetime ECL)	68,949,891	95,828,973	15,763,358	41,662,795
Total	**3,658,916,741**	**3,551,375,991**	**89,175,007**	**137,634,868**
As per General ledger	**3,658,916,741**	**3,551,375,991**	**89,175,007**	**137,634,868**

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 2021, without accounting for any collateral held or other credit enhancements.

(i) Changes in Credit quality since initial recognition:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount on Loans as at January 1, 2022	3,331,463,742	124,083,276	95,828,973	3,551,375,991
Transfers between Stages				
Transfer from Stage 1 to 2	(41,988,560)	41,988,560	-	-
Transfer from Stage 1 to 3	(4,945,617)	-	4,945,617	-
Transfer from Stage 2 to 1	82,622,294	(82,622,294)	-	-
Transfer from Stage 2 to 3	-	(115,875)	115,875	-
Transfer from Stage 3 to 1	49,827,889	-	(49,827,889)	-
Transfer from Stage 3 to 2	-	12,312,258	(12,312,258)	-
New Financial Assets originated	15,915,125	61,426,052	30,199,573	107,540,750
Gross Carrying Amount on Loans as at December 31, 2022	3,432,894,873	157,071,977	68,949,891	3,658,916,741

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Loss as at January 1, 2022	83,735,778	12,236,295	41,662,795	137,634,868
Transfers between Stages				
Transfer from Stage 1 to 2	(2,993,387)	2,993,387	-	-
Transfer from Stage 1 to 3	(1,668,821)	-	1,668,821	-
Transfer from Stage 2 to 1	2,679,610	(2,679,610)	-	-
Transfer from Stage 2 to 3	-	(11,058)	11,058	-
Transfer from Stage 3 to 1	1,434,822	-	(1,434,822)	-
Transfer from Stage 3 to 2	-	1,845,653	(1,845,653)	-
Net movement due to Asset derecognition and changes PD/LGDs/EADs factors	(23,942,852)	(218,168)	(24,298,841)	(48,459,861)
Expected Credit Loss as at December 31,2022	59,245,150	14,166,499	15,763,358	89,175,007

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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% (2021: 43%) 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:

2022

	Within 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$	$	$	$	$	$
ASSETS:						
EARNING ASSETS:						
Liquid Assets	1,684,368,948	-	-	-	585,989,887	2,270,358,835
Loans	9,244,082	54,994,917	1,772,812,275	1,713,563,118	19,127,343	3,569,741,735
Financial Investments	255,228,952	443,536,722	169,999,000	-	326,787,018	1,195,551,692
NON-EARNING ASSETS:						
Liquid Assets	-	-	-	-	226,444,170	226,444,170
Other Assets	-	100,484,464	-	-	-	100,484,464
Property, Plant & Equipment	-	-	-	-	276,514,819	276,514,819
Retirement Benefit Asset	-	-	-	-	15,798,000	15,798,000
Total Assets	1,948,841,982	599,016,103	1,942,811,275	1,713,563,118	1,450,661,237	7,654,893,714

2021

ASSETS:						
EARNING ASSETS:						
Liquid Assets	942,369,211	714,697,659	-	-	593,333,290	2,250,400,160
Loans	16,761,740	65,367,293	1,717,465,549	1,590,228,814	23,917,727	3,413,741,123
Financial Investments	128,663,579	425,300,819	295,296,961	-	324,783,856	1,174,045,215
NON-EARNING ASSETS:						
Liquid Assets	-	-	-	-	126,037,919	126,037,919
Other Assets	-	59,700,073	-	-	-	59,700,073
Property, Plant & Equipment	-	-	-	-	272,459,476	272,459,476
Retirement Benefit Asset	-	-	-	-	51,225,000	51,225,000
Total Assets	1,087,794,530	1,265,065,844	2,012,762,510	1,590,228,814	1,391,757,268	7,347,608,966

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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
2022	$	$	$	$	$	$
LIABILITIES :						
INTEREST BEARING LIABILITIES:						
Members' Voluntary Share Capital	2,882,221,744	-	-	-	-	2,882,221,744
Savings Deposits	174,391,798	642,750,012	15,315,475	5,310,722	2,028,558,912	2,866,326,919
NON-INTEREST BEARING LIABILITIES & CAPITAL:						
Accruals	-	21,084,899	-	-	-	21,084,899
Payables	66,321,496	-	-	-	-	66,321,496
Others	30,140,645	-	-	-	-	30,140,645
Capital and Reserves	-	-	-	-	1,788,798,011	1,788,798,011
Total Liabilities & Capital	3,153,075,683	663,834,911	15,315,475	5,310,722	3,817,356,923	7,654,893,714
Net Liquidity Gap	(1,204,233,701)	(64,818,809)	1,927,495,800	1,708,252,396	(2,366,695,686)	-
Cumulative Liquidity Gap	(1,204,233,701)	(1,269,052,510)	658,443,290	2,366,695,686	-	-
2021						
LIABILITIES :						
INTEREST BEARING LIABILITIES:						
Members' Voluntary Share Capital	2,804,137,625	-	-	-	-	2,804,137,625
Savings Deposits	162,661,381	599,515,608	14,285,284	4,953,498	1,892,108,471	2,673,524,241
NON-INTEREST BEARING LIABILITIES & CAPITAL:						
Accruals	16,812,303	-	-	-	-	16,812,303
Payables	41,978,172	-	-	-	-	41,978,172
Others	35,435,550	-	-	-	-	35,435,550
Capital and Reserves	-	-	-	-	1,775,721,075	1,775,721,075
Total Liabilities & Capital	3,061,025,032	599,515,608	14,285,284	4,953,498	3,667,829,545	7,347,608,966
Net Liquidity Gap	(1,973,230,502)	665,550,236	1,998,477,226	1,585,275,316	(2,276,072,277)	-
Cumulative Liquidity Gap	(1,973,230,502)	(1,307,680,265)	690,796,961	2,276,072,277	-	-

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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:

	2022	2021
Liquid Assets - Earning		
United States dollar	$ 168,485	$ 73,482
Canadian dollar	$ 508,298	$ 316,447
Pound Sterling	£ 51,886	£ 43,659
Financial Investments		
United States dollar	$ 589,095	$ 667,599

Sensitivity analysis

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

	US $	CAD $	UK £
31st December 2022	149.96	107.91	176.90
31st December 2021	155.09	122.76	210.14
28th February 2021	151.94	120.39	210.67
31st December 2020	142.65	111.41	193.67

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

(c) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

	US $	CAD $	UK £
2022	**-3.31%**	**-12.10%**	**-15.82%**
2021	**6.51%**	**8.06%**	**8.78%**

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			
	2022	2021	2022	2021
	%	%	J$	J$
Liquid Assets - earning				
United States dollar	4	4	1,010,643	455,850
Canadian dollar	5	5	2,742,522	2,453,892
Pound Sterling	5	5	458,935	267,981
Financial Investments				
United States dollar	4	4	3,533,629	4,141,520

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2021.

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FOR THE YEAR ENDED 31ST DECEMBER 2022
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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:

	2022		2021	
	Interest Rate		Interest Rate	
	%	$	%	$
Financial Assets				
Liquid Assets				
Local Savings Accounts	0.10	-	0.10	151,509
Foreign Savings Accounts	0.01 - 0.05	89,295,217	0.01 - 0.05	59,417,918
Foreign Currency Investments	1.85 - 5.5	88,340,721	1.85 - 5.5	103,537,990
Amortised Cost Investments	2.35 - 6.70	1,596,028,227	2.35 - 6.70	1,553,528,879
Loans to Members	5.99 - 27.2	3,569,741,734	5.99 - 27.2	3,413,741,123
Financial Investments	4.5 - 7.25	1,030,057,767	4.5 - 7.25	993,979,178
		6,373,463,666		6,124,356,597
Financial Liabilities				
Members' Voluntary Share Capital	1.80	2,882,221,744	1.80	2,804,137,625
Savings Deposits	0.1 - 3.25	2,866,326,919	0.1 - 3.25	2,673,524,241
		5,748,548,663		5,477,661,866
		624,915,003		646,694,731

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(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 2021 to December 2021, 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:

	2022		2021	
	Interest Rate		Interest Rate	
	%	$	%	$
Financial Assets				
Liquid Assets				
Foreign Savings Accounts	-0.07	(62,507)	-0.07	(41,593)
Amortised Cost	-0.3	(4,389,078)	-0.3	(4,272,204)
Loans to Members	-1.955	(69,788,451)	-1.955	(66,738,639)
Financial Investments	-1	(10,300,578)	-1	(9,939,792)
		(84,540,613)		(80,992,228)
Financial Liabilities				
Members' Voluntary Share Capital	0	-	0	-
Savings Deposits	-0.5	(14,331,635)	-0.5	(13,367,621)
		(14,331,635)		(13,367,621)
		(70,208,978)		(67,624,606)

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 2022
(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	1,684,368,948	-	-	-	585,989,887	2,270,358,835
Loans to Members	9,244,082	54,994,917	1,772,812,275	1,713,563,118	19,127,343	3,569,741,735
Financial Investments	255,228,952	443,536,722	169,999,000	-	326,787,018	1,195,551,692
	1,948,841,982	498,531,639	1,942,811,275	1,713,563,118	931,904,248	7,035,652,262
Non-Earning Assets						
Liquid Assets	-	-	-	-	226,444,170	226,444,170
Other Assets	-	100,484,464	-	-	-	100,484,464
Property, Plant & Equipment	-	-	-	-	276,514,819	276,514,819
Retirement Benefit Asset	-	-	-	-	15,798,000	15,798,000
	-	100,484,464	-	-	518,756,989	619,241,452
	1,948,841,982	599,016,103	1,942,811,275	1,713,563,118	1,450,661,237	7,654,893,714

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(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)

	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	2,882,221,744	-	-	-	-	2,882,221,744
Savings Deposits	174,391,798	642,750,012	15,315,475	5,310,722	2,028,558,912	2,866,326,919
	3,056,613,542	642,750,012	15,315,475	5,310,722	2,028,558,912	5,748,548,663
Non Interest-Bearing Liabilities						
Accruals	-	21,084,899	-	-	-	21,084,899
Payables	66,321,496	-	-	-	-	66,321,496
Others	30,140,645	-	-	-	-	30,140,645
	96,462,141	21,084,899	-	-	-	117,547,040
Equity						
Members' Permanent Share Capital	-	-	-	-	164,527,402	164,527,402
Non-Institutional Capital	-	-	-	-	579,216,101	579,216,101
Institutional Capital	-	-	-	-	1,045,054,507	1,045,054,507
	-	-	-	-	1,788,798,011	1,788,798,011
	3,153,075,683	663,834,911	15,315,475	5,310,722	3,817,356,923	7,654,893,714
Net Interest Rate Gap	(1,204,233,701)	(64,818,809)	1,927,495,800	1,708,252,396	(2,366,695,686)	-
Cumulative Interest Rate Gap	(1,204,233,701)	(1,269,052,510)	658,443,290	2,366,695,686	-	-
	----------2021----------					
Net Interest Rate Gap	(1,973,230,502)	665,550,236	1,998,477,226	1,585,275,316	(2,276,072,277)	-
Cumulative Interest Rate Gap	(1,973,230,502)	(1,307,680,265)	690,796,961	2,276,072,277	-	-

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(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 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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 2021 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.

	2022			
	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	33,072,395	-	-	33,072,395
	33,072,395	-	136,421,531	169,493,925

	2021			
	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	47,644,506	-	-	47,644,506
	47,644,506	-	136,421,531	184,066,037

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)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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)
FOR THE YEAR ENDED 31ST DECEMBER 2022
(Expressed in Jamaican Dollars unless otherwise indicated)

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
	2022	2022	2021	2021
	$	$	$	$
Assets				
Earning Assets				
Liquid Assets	2,270,358,835	2,270,358,835	2,250,400,160	2,250,400,160
Loans to Members (net)	3,569,741,734	3,569,741,734	3,413,741,123	3,413,741,123
Financial	1,195,551,693	1,195,551,693	1,174,045,215	1,174,045,215
Non Earning Assets				
Liquid Assets	226,444,170	226,444,170	126,037,919	126,037,919
Other Assets	100,484,464	100,484,464	59,700,073	59,700,073
Liabilities				
Interest Bearing Liabilities				
Members' Vol. Share Capital	2,882,221,744	2,882,221,744	2,804,137,625	2,804,137,625
Savings Deposits	2,866,326,919	2,866,326,919	2,673,524,241	2,673,524,241
Non-Interest Bearing Liabilities				
Accruals	21,084,899	21,084,899	16,812,303	16,812,303
Payables	66,321,496	66,321,496	41,978,172	41,978,172
Others	30,140,645	30,140,645	35,435,550	35,435,550

APPROPRIATION OF NET SURPLUS

As Treasurer, I find it a pleasure to present to you the following proposal for distribution of surplus accumulated by the Credit Union as at December 31, 2022.

UNDISTRIBUTED NET SURPLUS	**$57,263,404.00**

APPROPRIATIONS:

INSTITUTIONAL CAPITAL	**$ 40,000,000.00**
SOCIAL OUTREACH	**$ 2,000,000.00**
DISASTER RELIEF	**$ 2,000,000.00**
DIVIDEND (5%)	**$ 8,463,404.00**
SYDNEY CARTER SCHOLARSHIP	**$ 2,000,000.00**
HONORARIUM	**$ 2,800,000.00**
TOTAL	**($57,263,404.00)**

FIXING OF MAXIMUM LIABILITY

Be it resolved that the Maximum Liability for which the Board of Directors may commit **Manchester Co-operative Credit Union (1977) Limited** for the year 2023, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.



CREDIT COMMITTEE REPORT

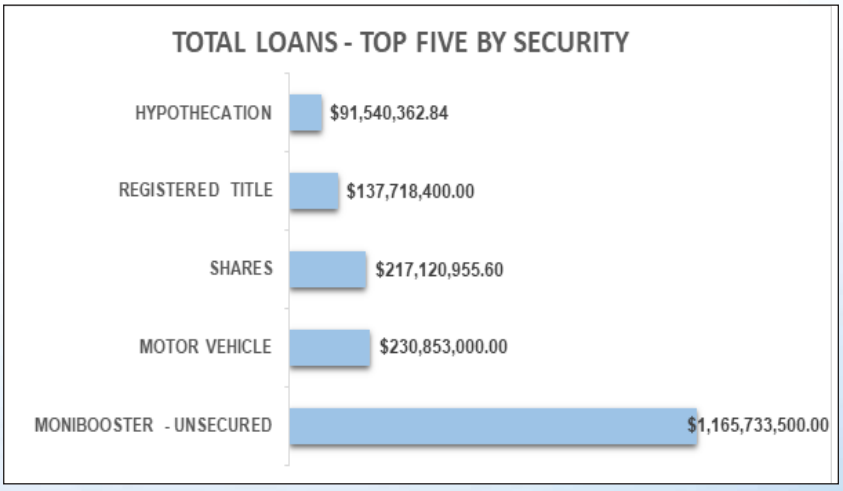
Churton Douglas
Chairman

INTRODUCTION

The Jamaican economy and our valued members saw a return to normality in 2022. The business sector was in a rebuilding mode as internationally and locally there was an acceptance that while COVID-19 could not be completely defeated our lives must go on. This new dispensation brought new challenges and opportunities to the Credit Union. The pandemic served as a catalyst for a myriad of changes in the banking space as financial institutions sought to provide simple and effective solutions to serve customers. To remain viable and competitive, Manchester Co-operative Credit Union (1977) Limited embraced the opportunity of seeking new borrowers through the introduction of our online banking platform. Conquering the challenges and relishing opportunities resulted in a 4.83% growth in its loan portfolio in comparison to the 1.84% growth experienced in 2021.

PROFILE OF LOANS DISBURSED BY SECURITY

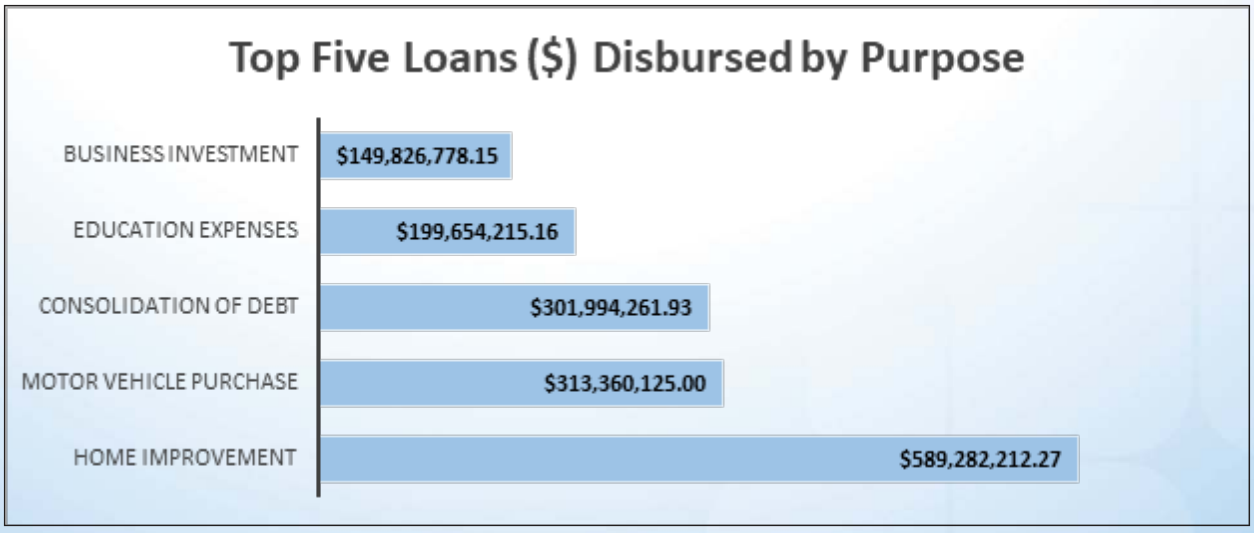
The following chart displays the top five categories of loans disbursed by security during the 2022. The MoniBooster Unsecured Loan Product was the largest category accounting for $1.17b of the of the total loans disbursed in 2022. Motor Vehicle with a disbursement of $230.9m was second followed by Shares loans with a disbursement of $217.1m. Registered Title and Hypothecated loans completed the top five loans.



Loans Disbursed by Security						
Types of Security	**Number of Borrowers**			**Amount Disbursed**		
	2021	**2022**	**Variance**	**2021**	**2022**	**Variance**
Hypothecation	172	174	2	$60,024,451.58	$91,540,362.84	**$31,515,911.26**
Registered Title	37	31	(6)	$177,325,000.00	$137,718,400.00	**($39,606,600.00)**
Comaker	1	4	3	$80,000.00	$691,000.00	**$611,000.00**
Shares	781	728	(53)	$198,827,003.78	$217,120,955.60	**$18,293,951.82**
Insurance Policy - Cash Surrender Value	1	0	(1)	$169,500.00	$0.00	**($169,500.00)**
Fixed Deposits	36	52	16	$9,412,687.00	$36,113,058.38	**$26,700,371.38**
Bill of Sale - Motor Vehicle	94	100	6	$198,440,000.00	$230,853,000.00	**$32,413,000.00**
Golden Harvest	15	6	(9)	$3,681,386.93	$1,585,008.42	**($2,096,378.51)**
Solid Saver	13	11	(2)	$3,215,000.00	$2,473,500.00	**($741,500.00)**
Hypothecation - Other Financial Institution	3	5	2	$1,798,770.00	$3,404,000.00	**$1,605,230.00**
Line of Credit - Unsecured	0	0	0	$0.00	$0.00	**$0.00**
Line of Credit - Secured	65	69	4	$7,259,269.02	$5,779,222.55	**($1,480,046.47)**
Monibooster – Unsecured	1182	1226	44	$1,031,338,250.00	$1,165,733,500.00	**$134,395,250.00**
Wealth Accelerator	8	14	6	$1,862,235.00	$4,792,600.00	**$2,930,365.00**
Totals	**2,408**	**2,420**	**12**	**$1,693,433,553.31**	**$1,897,804,607.79**	**$204,371,054.48**

PROFILE OF LOANS DISBURSED BY PURPOSE

The following graph displays the top five categories of loans disbursed by purpose for 2022. Home Improvement accounted for the largest category disbursed in 2022 at $589.3m. Motor Vehicle Purchase, Debt Consolidation, Educational Expense, and Business Investment complete the top 5 list of purposes for loans disbursed.



Loans Disbursed by Purpose						
PURPOSE	**Number of Borrowers**			**Amount Disbursed**		
	2021	**2022**	**Difference**	**2021**	**2022**	**Difference ($)**
Consolidation of Debt	266	246	(20)	$303,806,962.50	$301,994,261.93	**($1,812,700.57)**
Purchase of Land	20	20	0	$61,986,600.00	$53,577,000.00	**($8,409,600.00)**
Home Improvement	680	680	0	$576,196,944.97	$589,282,212.27	**$13,085,267.30**
Agriculture	100	117	17	$36,541,129.85	$31,776,496.44	**($4,764,633.41)**
Medical Expenses	45	55	10	$24,183,797.38	$31,027,625.00	**$6,843,827.62**
Education Expenses	180	292	112	$137,926,083.24	$199,654,215.16	**$61,728,131.92**
Vacation and Travel	7	12	5	$2,146,000.00	$5,361,500.00	**$3,215,500.00**
Household Appliances	131	200	69	$56,482,800.00	$99,647,389.63	**$43,164,589.63**
Business Investment	238	274	36	$110,509,989.24	$149,826,778.15	**$39,316,788.91**
Miscellaneous Expenses	404	142	(262)	$80,771,496.74	$31,375,709.78	**($49,395,786.96)**
Wedding Expenses	4	6	2	$702,325.00	$4,451,000.00	**$3,748,675.00**
Funeral Expenses	19	24	5	$9,285,109.45	$11,346,100.00	**$2,060,990.55**
Legal Expenses	9	9	0	$6,775,800.00	$7,404,000.00	**$628,200.00**
Line of Credit	65	68	3	$7,259,269.02	$5,699,222.55	**($1,560,046.47)**
Motor Vehicle Repairs	**93**	**103**	**10**	**$55,435,945.92**	**$62,020,971.88**	**$6,585,025.96**
Motor Vehicle Purchase	**147**	**172**	**25**	**$223,423,300.00**	**$313,360,125.00**	**$89,936,825.00**
Totals	**2408**	**2420**	**12**	**$1,693,433,553.31**	**$1,897,804,607.79**	**$204,371,054.48**

LOAN GROWTH INITIATIVES

- Extension of Unsecured Loan Special at 14.50% interest rate
- Extension of 13.99% Special
- Introduction of increased $5m loan ceiling for Unsecured Loans
- Extension on Dream Wheels special
- Extension of 6%, no processing fee Cash Secured Loan
- Extensive promotion of the Property Loan

WAIVERS

The following waivers were granted for five (5) loans during 2022

Loan Type	Reasons For Waivers	Dollar Value
Unsecured Loan	Above Loan Ceiling	$4,200,000.00
Unsecured Loan	Above Loan Ceiling	$5,000,000.00
Unsecured Loan	Above Loan Ceiling	$4,950,000.00
Real Estate	Above Loan Ceiling & Loan Term	$21,000,000.00
Motor Vehicle	Above Maximum Loan Term	$5,200,000.00

CREDIT COMMITTEE MEMBERS ATTENDANCE FOR 2022

The Credit Committee held meetings at both the Mandeville and Christiana location.

The attendance of the members is listed below:

Attendance Record for Credit Committee Volunteers				
Volunteers	**Possible Meetings**	**Attended**	**Excused**	**Absent**
Clive Dunkley	19	18	1	0
Claudette Gayle-Foster	19	16	3	0
Elaine Brooks	28	27	1	0
Lilieth Sutherland	27	26	1	0
Althea Humber	28	26	2	0
Churton Douglas	12	12	0	0
Michelle Pinto-Campbell	6	6	0	0
Howard Salmon	10	10	0	0
Sadia Lindsay-Johnson	2	1	1	0

CONCLUSION

The members of the Credit Committee are grateful for the opportunity given to serve in this capacity. 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 growth and continuity of our Credit Union. The combined efforts have enabled the Credit Union to remain relevant in this competitive environment.

We 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 in 2023 and beyond with God's guiding wisdom and strength while we continue to give of our best service as true co-operators.

Thank you.

.....

Mr. Churton Douglas

Chairman

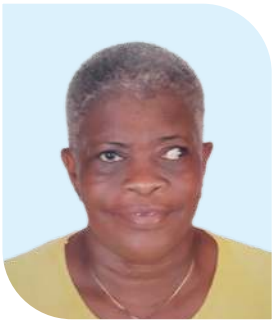
CREDIT COMMITTEE



Churton Douglas
Chairman



Elaine Brooks
Secretary



Lilieth Sutherland
Assisstant Secretary



Athea Humber
Member



Howard Salmon
Member



Michelle Pinto-Campbell
Member



Saadia Lindsay-Johnson
Member



SUPERVISORY COMMITTEE REPORT

Mrs. Ruthan Smile-Biggs
Chairman

Manchester Co-operative Credit Union (1977) Limited (hereinafter referred to as "the Credit Union") operates in an extremely competitive environment and has therefore required greater accountability from stakeholders. It is against this background that the Credit Union has, over the year in review, continued to focus on navigating the challenges to maintain our viability and remain competitive. The Credit Union remains committed to its members and will continue to make life-changing impacts.

The Supervisory Committee of the Credit Union is charged with the responsibility of ensuring that members' interests are safeguarded. While fulfilling this duty, the Supervisory Committee and the Internal Audit Department acted diligently to ensure the utmost operational integrity of the organization is upheld. The Committee's objective is to ensure that the Board of Directors and the Management team serve the interests of the members as well as protect the resources entrusted to them. In fulfilling this mandate, the Supervisory Committee directs the Internal Audit function in the verification of the policies and procedures and regulatory requirements.

In completing this mandate, the Supervisory Committee embarked on several activities including the execution of independent and objective audits that evaluate the financial and operational functions of the Credit Union.

During the financial year, January to December 2022, thirteen (13) regular committee meetings

Members	Meetings Held	Possible Attendance	Meetings Attended	Excused	Absent
Ruthan Smile-Biggs	13	5	5	0	0
Rev. Kingsley Andrews	13	13	13	0	0
Glenroy Griffths	13	13	11	2	0
Paul Bailey	13	5	5	0	0

Dean Spence	13	13	10	3	0
Patreena Bailey-Green	13	13	10	3	0
Dahlia Brown-Dawson	13	8	7	1	0
Michelle Douse	13	8	7	1	0
Elaine Bailey	13	8	8	0	0
Camoi Burford	13	8	8	0	0
Pitrona Rowe-Stern	13	5	2	3	0
Stacey-Ann Gunter	13	5	5	0	0

were held. The attendance of the members is as follows:

AUDITS EXECUTED

The activities conducted during the year are summarized below:

Cash, Automated Teller Machine (ATM), and Treasury Counts

The objective of the quarterly Cash Count, ATM, and Treasury Counts was to verify the existence of Cash on Hand to determine whether monies were properly accounted for and that there are adequate safeguards in place governing the process.

It was observed that the cash held by the Tellers and Treasury was properly safeguarded and accounted for and proper controls are in place. There were no exceptions to report as it relates to the Cash Counts as the differences observed were immaterial. Exceptions were observed for Teller and Treasury Operations. The relevant recommendations were advanced to Management to improve operations.

Blank Cheques Review

The Blank Cheque review was conducted to verify that there were appropriate safeguards governing the process and that various procedures were being followed by the relevant custodians. The process was also assessed to ensure that the cheques are kept in dual custody and to ensure that access to cheques was limited to only authorized persons.

During the review of the governance of Blank Cheques, it was observed that there was sufficient governance and cheques were adequately safeguarded by the relevant custodians. Commendations were extended to the department for the vast improvements that were noted in the control measures being implemented and practiced since the last audit was completed.

Staff and Volunteers Loan Reviews

The Staff Loan reviews were completed with the following objectives in mind:

- To verify that loans were authorized by the respective persons with the relevant authority, according to the Credit Policy;
- To verify that the loan Application and Agreement correspond with the information recorded on Universa (system);

- To ensure the terms of the loans are in keeping with the Credit Policies and procedures; and
- To ensure that there are adequate security/ collateral is in place.

The audit findings revealed that there was general compliance with the Credit Policies and procedures. The Credit Policies, however, need to be updated. The audits revealed general compliance with the loan policies and established procedures.

Several deficiencies were brought to the attention of Management. Corrective measures were subsequently put in place for most of these deficiencies.

Know Your Customer (KYC) – Demographic Assessment

The reviews of the Credit Union's membership were undertaken to ascertain whether there was compliance with the Credit Union's Anti-Money Laundering (AML) – Know-Your-Customer (KYC) policy. This review was undertaken to verify that the minimum requirements to satisfy the stipulation of KYC are established and maintained by the Credit Union.

Deficiencies were identified and recommendations were advanced to Management for corrective measures to be undertaken.

Know Your Customer (KYC) – New Members' Account

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 Member Applications 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 office.

Management is in the process of addressing some of the concerns that have been raised by the Supervisory Committee.

Bank Reconciliations

The objectives of quarterly reviews of Bank reconciliations were to ascertain the timeliness and accuracy of same being completed by the Accounting Department.

A re-performance of Bank Reconciliations was completed for subsequent periods. These activities were undertaken by verifying documents such as encased cheques, lodgment slips, bank statements, credit memos, and other related documents. This review did not reveal any significant deficiencies. The recommendation for an Accounting Manual was forwarded to Management.

Management noted that the formulation of a documented Accounting Manual will be initiated by the Accounting Department and if conformed with, will mitigate possible irregularities inherent to the department.

The Bank reconciliations reviewed were all prepared and approved in a timely manner. Unpresented cheques, outstanding lodgments, and other adjusting items were also appropriately presented.

Teller Overage/Shortage and Policy Review

The objectives of the Teller Overage/Shortage and Policy review were:

- To verify that overage and shortage are recorded and recovered in accordance with the applicable Policies and Procedures;
- To verify that unreconciled differences are posted to the Cash Overage/Shortage general ledger after approval by the immediate Supervisor;
- to ascertain whether a monthly Tellers' Shortages Summary Report is completed by the Supervisor and submitted to the Branch Manager monthly.

The Teller Overage and Shortage review was completed for the period of August 2020 to July 2022. All teller shortages and overages were reviewed to identify frequency and the extent of the shortages/overages that were incurred by the tellers for the period noted.

The findings revealed that shortages recorded and verified were fewer than in prior audits. Several deficiencies were identified, and recommendations were communicated to Management. Management has committed to implementing corrective measures to eliminate the deficiencies identified.

Securities Review

The main objective of this exercise was to obtain assurance on the effectiveness of the system of internal controls and the level of compliance with the Credit Union's Policies and Procedures, regulatory requirements, and Industry Best Practices.

Other objectives were as follows:

- To verify that the security pledged is adequate to protect the Credit Union's interest.
- To verify that liens are adequately noted based on the relevant security that has been pledged by the member;
- To verify that relevant documents such as insurance, titles, and contracts, are received and maintained by the Securities Unit;
- To confirm the adequacy of the securities that are being held for collateralized loans;
- To verify that the collateral offered is of sufficient value based on relevant documentation to cover the amount loaned in case of default by members; and
- To verify follow-up with members regarding outstanding legal documents and/or information to finalize security documentation.

Deficiencies, implications, and recommendations were noted and communicated to Management for corrective actions to be taken.

Value Book/Mail Book

The objectives of the review were:

- To verify details that are captured in the value book;
- To verify that mails received and updated in the value book by the administrative department were opened under dual custody; and
- To determine if proper procedures were undertaken for accounting purposes.

There are no general established organizational guidelines governing the value book. Recommendations were forwarded to Management to implement adequate control measures.

Delinquency

The audit areas highlighted above were examined to achieve the following objectives:

- To ascertain whether the actions taken regarding delinquent loans were in accordance with the established policies and procedures;
- To verify the accuracy of delinquent amounts and establish whether the removal of loans from the delinquency listing was appropriately completed;
- To ensure that the delinquent files are adequately maintained based on established policies and procedures;

Deficiencies were identified that require corrective actions to improve operations; the relevant recommendations were advanced to Management.

Special Audits

Two (2) special audits were conducted during the year 2022. The findings and recommendations for corrective actions, in accordance with the relevant Policies and Procedures and Industry Best Practices, were presented to Management. Recommendations were also advanced to minimize recurrence.

Activity Log

Know Your Employee (KYE) policies and procedures, as established by the Credit Union, form a part of the Organization's compliance program on ethics, anti-money laundering, and employee fraud. The level of risk associated is considered 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 operations, financial position, and ultimately its reputation.

Deficiencies identified for the period of January to December 2022 were presented to Management.

Acknowledgment

The Supervisory Committee and the Audit Team express appreciation to the Board of Directors, the Credit Committee, the Management, and Staff for their support and cooperation throughout the execution of our audits. We remain committed to ensuring that members' interests are safeguarded. The Supervisory Committee would like to express our profound gratitude to the membership for having allowed the Committee the opportunity to be stewards of your investments. We continue to be committed to ensuring that our collective objectives are realized.

.....

Mrs. Ruthan Smile-Biggs
Chairman

SUPERVISORY COMMITTEE



Ruthan Smile-Biggs
Chairman



Kingsley Andrews
Asst. Chairman



Patreena Bailey-Green
Secretary



Stacy-Ann Gunter
Asst. Secretary



Glenroy Griffiths
Member



Pitrona Rowe-Stern
Member



Dean Spence
Member



Paul Bailey
Member



NOMINATING COMMITTEE REPORT

Dr. Cleveland Robinson
Chairman

In accordance with the provision of Rule 62(i), the Board of Directors of Manchester Co-operative Credit Union (1977) Limited, which states in part,

"Not less than (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 the following persons:

- Dr. Cleveland Robinson - Director/Chairman
- Mr. Claude Rattray - Member
- Mr. Christopher Tyme - Member
- Miss Debbie Barrett - Staff Liaison Officer

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

BOARD OF DIRECTORS

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mrs. Lesline Thomas		Mrs. Lesline Thomas
Ms. Hedena Thompson		Ms. Hedena Thompson

Mr. Christopher Campbell		Mr. Christopher Campbell
Dr. Cleveland Robinson		Dr. Cleveland Robinson
Ms. Althea Campbell		Ms. Althea Campbell
Mr. Astley Scott		Mr. Astley Scott
Mr. Berresford South		Mr. Berresford South
Mr. Courtney Henry	Not seeking re-election	Mrs. Maxcine Headley
Mr. Dalton Campbell		Mr. Dalton Campbell
Mrs. Helen Wint		Mrs. Helen Wint
Mrs. Paulette Stephenson-Taylor		Mrs. Paulette Stephenson-Taylor

CREDIT COMMITTEE

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mrs. Claudette Gayle-Foster	Retiring (Not seeking re-election)	
Ms. Elaine Brooks		Ms. Elaine Brooks
Mr. Churton Douglas		Mr. Churton Douglas
Mrs. Lilieth Sutherland		Mrs. Lilieth Sutherland
Mrs. Saadia Lindsay-Johnson		Mrs. Saadia Lindsay-Johnson
Mrs. Michelle Pinto-Campbell		Mrs. Michelle Pinto-Campbell
Ms. Althea Humber		Ms. Althea Humber
Mr. Howard Salmon		Mr. Howard Salmon

SUPERVISORY COMMITTEE

PRESENTLY SERVING	RETIRING	NOMINATED
Mrs. Patreena Bailey-Green		Mrs. Patreena Bailey-Green
Mrs. Ruthann Smikle-Biggs		Mrs. Ruthann Smikle-Biggs
Rev'd Kingsley Andrews		Rev'd Kingsley Andrews
Mr. Glenroy Griffiths	Retiring (End of Term)	Ms. Faith-Marie McLeod
Mr. Dean Spence		Mr. Dean Spence

Mrs. Pitrona Rowe-Stern		Mrs. Pitrona Rowe-Stern
Mr. Paul Bailey		Mr. Paul Bailey
Ms. Stacy-Ann Gunter		Ms. Stacy-Ann Gunter

APPENDIX

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

BOARD OF DIRECTORS

PRESENTLY SERVING	STATUS	TERM
Dr. Cleveland Robinson	Continuing	1 Year
Mr. Astley Scott	Continuing	2 Years
Mr. Berresford South	Continuing	2 Years
Ms. Althea Campbell	Continuing	2 Years
Mrs. Maxcine Headley	New	2 Years
Mr. Dalton Campbell	Continuing	2 Years
Mrs. Helen Wint	Continuing	2 Years
Mrs. Paulette Stephenson-Taylor	Continuing	2 Years
Mrs. Lesline Thomas	Continuing	1 Year
Ms. Hedena Thompson	Continuing	1 Year
Mr. Christopher Campbell	Continuing	1 Year

CREDIT COMMITTEE

PRESENTLY SERVING	STATUS	TERM
Ms. Elaine Brooks	Continuing	2 Years
Mr. Churton Douglas	Continuing	1 Year
Mrs. Saadia Lindsay-Johnson	Continuing	2 Years
Ms. Lilieth Sutherland	Continuing	2 Years
Mrs. Michelle Pinto-Campbell	Continuing	2 Years
Ms. Althea Humber	Continuing	1 Year
Mr. Howard Salmon	Continuing	1 Year

SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Mrs. Patreena Bailey-Green	Continuing	1 Year
Rev'd Kingsley Andrews	Continuing	1 Year
Ms. Faith-Marie McLeod	New	1 Year
Mr. Dean Spence	Continuing	1 Year
Mrs. Pitrona Rowe-Stern	Continuing	1 Year
Ms. Stacy- Ann Gunter	Continuing	1 Year
Mr. Paul Bailey	Continuing	1 Year
Mrs. Ruthann Smikle-Biggs	Continuing	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-operative Societies to which the Credit Union may be affiliated.

.....

Dr. Cleveland Robinson

Chairman

PROFILE OF NOMINEES

Maxcine Pamela Headley

Mrs. Maxcine Headley was born in the parish of Manchester and attended Manchester High School. After leaving high school she worked as an Accounting Clerk at the Jamaica Pump and Valve Ltd. and a Stenographer typist at Church Teachers' College. She later switched her career path and earned a Diploma in Education at Church Teachers' College. She then obtained a Bachelor of Arts in Secondary Education from the Northern Caribbean University and a Master of Science in Teaching and Learning from Nova Southeastern University.

Mrs. Headley is currently the first past student to become Principal of the Kendal Primary and Infant School where she has been for the past 27 years, serving as Principal for 14 years.

She has been a member of the Kiwanis Club of Mandeville since 2004 and holds the titles of Distinguished President and Distinguished Secretary. She is a member of the Jamaica Red Cross Society, Mandeville Branch, where she sits on the Executive Committee, serving as Branch Chairman and Secretary.

She is an active member of the St. James Anglican Church, Kendal, where she is the Church Secretary and Lay Reader. Mrs. Headley has been with the Girl Guides Association since September 1997 and is a Commissioner for the parish.

Mrs. Maxcine Headley is a Justice of the Peace for the parish of Manchester and is currently serving as the Secretary of the Lay Magistrates Association of Jamaica, Manchester chapter, since June 2021.

She has two adult children, Jermaine and Kimberley. Her motto is "Service above Self."

Mrs. Maxine Headley was elected to serve on the Board of Directors.

Faith-Marie McLeod

Miss Faith-Marie McLeod is the Secretary/ Bursar at Church Teachers' College: Mandeville.

She holds a Bachelor of Science in Accounting from the University of the West Indies, Mona.

Her professional experience includes working briefly as a Teacher of Principles of Accounts and Principles of Business at the Glenmuir High School and as Assistant Bursar at both Glenmuir High and York Castle High Schools and as Bursar at Holmwood Technical High School. She also held the posts of Parish Representative for Manchester, Vice President, and Public Relations Officer, for the Ministry of Education's Region 5 Bursars' Association of Jamaica.

Miss McLeod is very passionate about her job and loves to take on new challenges in the workplace. Her philosophy is "Smile a while and leave everything to the Lord". She is a very jovial individual who loves to listen to all genre of music and singing.

Miss Faith-Marie McLeod was elected to serve on the Supervisory Committee.

PICTORIAL REVIEW

VIRTUAL TOWN HALL MEETING

















LONG SERVICE AWARDS BANQUET





























As part of its 70th Anniversary Celebrations, the Credit Union recognised its long serving staff members.

71ST ANNIVERSARY AUTO LOAN SALE







CREDIT UNION WEEK

Member Appreciation Day












MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Credit Union Week 2022
October 16-22, 2022
EMPOWER
YOUR FINANCIAL FUTURE
WITH A CREDIT UNION


MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Credit Union Week 2022




MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
October 16-22, 2022
EMPOWER


MANCHESTER CO-OPERATIVE
CREDIT UNION (1977) LTD.
Credit Union Week 2022
16-22, 2022

SOUP AND SOAP





Highlights of our Credit Union Week Celebrations at our Mandeville and Christiana Branches.

SYDNEY CARTER SCHOLARSHIP AND BURSARY AWARDS





Recipients of the 2022 Sydney Carter Scholarship and Bursaries.

PEP BURSARY AWARDS





Recipients of the 2022 PEP Bursaries.

46TH AGM HIGHLIGHTS































Highlights of our 46th AGM, which was held in hybrid format at the Golf View Hotel on August 13, 2022.

LIST OF STAFF MEMBERS

ADMINISTRATION DEPARTMENT

1.	Mrs. Wendy Hamm-McLean	-	Acting General Manager
2.	Miss Carol Bowen	-	Executive Secretary
3.	Miss Neisha Smikle	-	Human Resource and Facilities Manager
4.	Mrs. Caroline Meikle	-	Administrative/HR Assistant
5.	Miss Natalie Bailey	-	Internal Auditor
6.	Mr. Dwayne Wynter	-	Risk & Compliance Manager
7.	Mr. David Samuels	-	Risk & Compliance Analyst
8.	Miss Jeniffer Haslam	-	Audit Officer
9.	Miss Renee Taylor	-	Office Assistant
10.	Miss Roxanne Hall	-	Office Attendant
11.	Mrs. Nicole Robinson-Gayle	-	Office Attendant
12.	Mr. William Allen	-	Messenger
13.	Mr. Damion Simpson	-	Parking Attendant

ACCOUNTS & DELINQUENCY DEPARTMENT

14.	Mr. Andrew Sinclair	-	Finance Manager
15.	Mr. Oliver Harrison	-	Accountant
16.	Mrs. Delrose James	-	Senior Accounting Officer
17.	Mrs. Shelly Daley-Broomfield	-	Accounting Officer
18.	Miss Kimeisha Robinson	-	Accounting Officer
19.	Mr. Ryan Lowe	-	Accounting Officer
20.	Mr. Davion Williamson	-	Acting Accounting Clerk

DELINQUENCY UNIT

21.	Miss Marsha McLean	-	Credit Control Supervisor
22.	Mr. Mark Brown	-	Credit Control Officer
23.	Mrs. Claudia Pitter-Lewis	-	Credit Control Officer
24.	Mrs. Gail Taylor	-	Credit Control Officer
25.	Mr. Bonito Daley	-	Credit Control Officer

IT DEPARTMENT

26.	Mr. Omar Greene	-	Information Technology Manager
27.	Mrs. Jacqueline Kennedy	-	Systems Administrator

MARKETING DEPARTMENT

28.	Mr. Michael Gottshalk	-	Marketing Manager
29.	Miss Kimblee Elliott	-	Marketing Officer
30.	Mr. Kimani Eaton	-	Marketing Representative

MANDEVILLE BRANCH

31.	Miss Shevaun Hart	-	Branch Manager
32.	Miss Debbie Barrett	-	Utility Officer
33.	Mrs. Asheika Ebanks-Newell	-	Member Service Officer
34.	Mr. Richard Barrett	-	Credit Supervisor
35.	Miss Nadine Ricketts	-	Credit Officer
36.	Miss Jannese Francis	-	Credit Officer
37.	Mr. Shamar Mullings	-	Junior Credit Officer
38.	Miss Veda Smith	-	Junior Credit Officer
39.	Mrs. Ruth Anderson-Burnett	-	Securities Officer
40.	Mr. Rajeve Stewart	-	Senior Member Service Representative
41.	Miss Jenice Green	-	Member Service Representative
42.	Mr. Kirkton Richards	-	Driver/Member Service Representative
43.	Mrs. Shannon Thompson-Green	-	Member Service Representative
44.	Mr. Andre Campbell	-	Member Service Representative
45.	Mr. Elijah Davis	-	Member Service Representative
46.	Miss Tamara Webb	-	Member Service Representative
47.	Miss Danielle McClymont	-	Member Service Representative
48.	Miss Lexianne Hynes	-	Member Service Representative
49.	Mr. Jerdaine Griffiths	-	Member Service Representative
50.	Miss Shadia Johnson	-	Member Service Representative
51.	Ms. Mikalia Lawrence	-	Records Clerk

CHRISTIANA BRANCH

52.	Mrs. Gennevieve Minzie-Allen	-	Acting Branch Manager
53.	Mr. Floyd McConnell	-	Member Service Officer
54.	Miss Samantha Johnson	-	Credit Officer
55.	Mrs. Terry Ann Birthwright	-	Credit Officer
56.	Mrs. Lavene Gyles-Marshall	-	Acting Credit Officer
57.	Mrs. Karen Christie-Riley	-	Administrative Assistant
58.	Miss Jholein Marshall	-	Senior Member Service Representative
59.	Mrs. Sharon Williams	-	Junior Credit Officer
60.	Mrs. Natalee Simpson-Blake	-	Member Service Representative
61.	Mr. Craig Williams	-	Member Service Representative
62.	Mrs. Natalee Williams-Smith	-	Member Service Representative
63.	Miss Alesha Rowe	-	Member Service Representative
64.	Mrs. Selena Anson	-	Member Service Representative
65.	Miss Paula Robinson	-	Member Service Representative
66.	Mrs. Jasette Wright	-	Office Attendant
67.	Mr. Trevor Johnson	-	Messenger

TEMPORARY EMPLOYEES

1.	Miss Maureen Peterkin	-	General Clerk
2.	Mr. Prince Dunkley	-	General Clerk
3.	Miss Sharia Levy	-	Office Attendant - Mandeville
4.	Mrs. Maxine Griffiths-Beckford	-	Office Attendant - Christiana
5.	Miss Faith White	-	Office Attendant - Mandeville

PART TIME EMPLOYEES

1.	Mrs. Carletta Salmon	-	Office Attendant - Mandeville
2.	Mrs. Juliet Saunders	-	Office Attendant - Christiana
3.	Mr. Bevin Samms	-	Casual Worker - Mandeville

STAFF PICTURES

Management Team



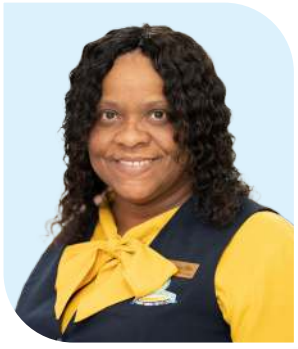
Wendy Hamm-McLean
Acting General Manager



Andrew Sinclair
Finance Manager



Shevaun Hart
Branch Manager-Mandeville



Gennevieve Minzie-Allen
Acting Branch Manager-Christiana



Michael Gottshalk
Marketing Manager



Omar Greene
IT Manager



Neisha Smikle
HR and Facilities Manager



Dwayne Wynter
Risk & Compliance Manager

Marketing Department



From left: Michael Gottshalk, Kimblee Elliott and Kimani Eaton.

Administration Department- Head Office



Seated (from left): Nicole Robinson-Gayle, Wendy Hamm-McLean and Natalie Bailey.

Standing (from left): Renee Taylor, Neisha Smikle, Damion Simpson, Carol Bowen, William Allen, Roxanne Hall, Carletta Salmon, Caroline Meikle, Faith White, and Jeniffer Haslam.

Accounts Department



Front row (from left): Delrose James, Shelly Daley-Broomfield, Kimeisha Robinson.
Back row (from left): Andrew Sinclair, Davion Williamson, Ryan Lowe and Oliver Harrison.

Credit Control Unit



From left: Mark Brown, Andrew Sinclair, Marsha McLean, Gail Taylor, Bonito Daley, and Claudia Pitter-Lewis.

Risk & Compliance Department



From left:
David Samuels and Dwayne Wynter.

IT Department



From left:
Jacqueline Kennedy and Omar Greene.

Mandeville Branch



Seated (from left): Lexianne Hynes, Asheika Ebanks-Newell, Debbie Barrett, Shevaun Hart, Tamara Francis-Ebanks, Danielle McClymont and Veda Smith.

Standing (from left): Prince Dunkley, Jannese Francis, Shannon Thompson-Green, Nadine Ricketts, Jenice Green, Tamara Webb, Mikalia Lawrence, Shadia Johnson and Ruth Anderson-Burnett.

Standing back row (from left): Rajeve Stewart, Jerome Thompson, Elijah Davis, Richard Barrett, Kirkton Richards, Andre Campbell and Shamar Mullings.

Member Services - Mandeville



Front row (from left): Asheika Ebanks-Newell, Lexianne Hynes, Tamara Webb, Shevaun Hart, Jenice Green, Veda Smith and Danielle McClymont.

Back row (from left): Prince Dunkley, Rajeve Stewart, Elijah Davis, Shannon Thompson-Green, Shadia Johnson, Kirkton Richards and Andre Campbell.

Missing from photo: Maureen Peterkin

Credit Department- Mandeville



Front row (from left): Nadine Ricketts, Tamara Francis-Ebanks, Shevaun Hart, Debbie Barrett and Mikalia Lawrence.

Back row (from left): Shamar Mullings, Jannese Francis, Jerome Thompson, Ruth Anderson-Burnett and Richard Barrett.

CHRISTIANA BRANCH

Administration Department- Christiana



From left: Maxine Griffiths-Beckford, Juliet Saunders, Gennevieve Minzie-Allen, Karen Christie-Riley, Trevor Johnson and Jasette Wright.

Member Services- Christiana



From left: Jerdaine Griffiths, Selena Anson, Natalee Williams-Smith, Natalee Simpson, Jholein Marshall, Craig Williams, Floyd McConnell and Paula Robinson.

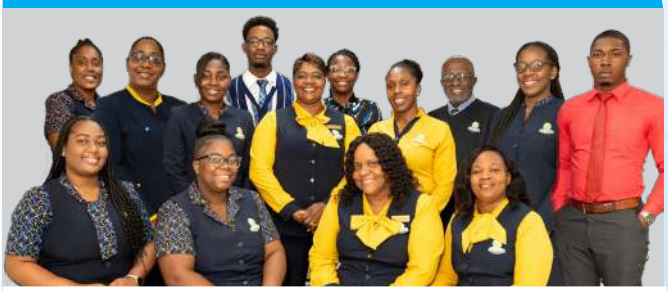
Credit Department- Christiana



From left: Lavene Gyles-Marshall, Terry-Ann Birthwright, Alesha Rowe, Gennevieve Minzie-Allen and Samantha Johnson

Missing from photo: Sharon Williams

Christiana Branch



Seated (from left): Lavene Gyles-Marshall, Natalee Williams-Smith, Gennevieve Minzie-Allen and Karen Christie-Riley.

Standing from left: Jholein Marshall, Samantha Johnson, Alesha Rowe, Jerdaine Griffiths, Terry-Ann Birthwright, Selena Anson, Natalee Simpson, Floyd McConnell, Paula Robinson and Craig Williams.

Missing from photo: Sharon Williams



Condolences

Aaron Anderson
Aaron Powell
Alfred Swaby
Angella Lee
Angela Tyme
Ann-Marie Anderson-Brown
Anthony Powell
Arethea James
Aston Williams
Audrey Rowe
Audrey Saunders
Auvryn Scarlett
Basil Haynes
Bertie Garwood
Betty Isaacs-Simpson
Brenda Bramwell
Brodley Bent
Bryan Cole
Carleen Plummer
Cecil Dixon
Cecille Williams
Charles Powell
Charles Williams
Christopher Needham
Clarice Brown-Reid
Claudette McFarquhar
Clayton Petgrave
Cleon Francis
David McClymont
Delmae Powell
Dwayne Robinson
Elaine Patmore
Eulalee Nettleford
Eunice Powell
Everton Peart
Florence Harriott
Gene Morrison
George Richards
Gladstone Jones
Glen Muir
Gloria Garwood
Gwendolyn Mortimore
Henrique Chambers
Herman Douse
Icilda Francis
Ivy Ashman
Jacqueline Archibald
Jacqueline White-Powell
Jamoly Powell
Jean Graham
Jeselda Morrison
Joan Harriott
John Hewitt
Joseph Anderson
Kadian Tyme
Kadianne Bolton
Kayann Allen
Keith Richards
Kenneth Henry
Lillian Collins
Lillieth Skeene
Linda Smith
Lorna Archibald-Hamilton
Lorraine Kennedy-Davis
Luke McKenzie
Lynette Lewis
Marcella Scott
Marcia Banton
Marcia Reece-Chance
Marcus Clarke
Marjorie Forbes
Mavis Stewart
Michael Williams
Millicent Morgan
Monica Campbell-Kilburn
Nathaniel Coke
Olive Steadman
Osmond Campbell
Oswell Woodburn
Pansy Thompson
Patricia Gayle
Paulate Mullings
Paulene Nicholson
Pearl Williams
Prichilyn Richards
Romell Hamm
Rosalee Wright
Rose Howell
Shirley Smith
Sophia Forbes
Suzie Williams
Tyrone Wilburn
Valerie Campbell
Vivia Sinclair-Gibson
Waltham Powell Zedemore
Wilmoth

THE ROLES OF THE BOARD AND COMMITTEES

Board of Directors

The business of the Credit Union shall be conducted by the Board of Directors, which shall be elected at the Annual General Meeting of the Credit Union. The major functions of the Board of Directors are as follows:

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

Credit Committee

The Credit Committee shall be elected at the Annual General Meeting of the Credit Union. The committee has overall responsibility for the Loan Portfolio and Credit Administration of the Organization, guided by the Credit Policy approved by the Board of Directors. The functions of the Credit Committee include:

- Studying and implementing the Credit Policy of the Organization.
- Recommending amendments to the Credit Policy, where necessary.
- Evaluation and decision making on member loan requests
- Conducting interviews with loan applicants where required
- Determining the adequacy of security for loans
- Ensuring that delinquency is effectively controlled through the committee's evaluation and approval of loans.

Supervisory Committee

The Supervisory Committee shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than three

members, none of whom shall be members of the Board of Directors or Credit Committee or Loan Officer or Employee.

The Supervisory Committee is charged with the responsibility of being the Internal Audit Committee of the Credit Union for and on behalf of the members. The main functions of the committee include:

- Determining compliance with the Rules of the Credit Union, the Co-operative Societies Act and Regulations, the rules of the League and the Bank of Jamaica (Credit Unions) Regulations, when enacted.
- Ensuring that no irregular or unauthorized transactions are carried out by either employees or volunteers or any parties connected to these persons.
- Checking on the Credit Union's Credit Administration to ensure that delinquency is kept under control and that securities are adequately endorsed in the Credit Union's favour.
- Evaluating whether the policies and procedures established by the Board of Directors are documented and adhered to.
- Ascertaining whether the established systems of internal control provide reasonable assurance to the members that the assets of the Credit Union are adequately protected to ensure safeguards against errors, carelessness and fraud.
- Evaluating the Credit Union's compliance with applicable legislation and making recommendations to the Board of Directors where necessary.
- Receive and investigate any complaint made by any member affecting the proper running of the Credit Union.

PARLIAMENTARY RULES OF ORDER

1. (a) A **member** shall stand, when 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 communication 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 were 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 in person 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, unless voting by call of names or ballot is demanded by at least five of the members present before the declaration of the result of the show of hands, and in such case voting by call of names or ballot shall be taken as the case may be.

(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 Directors and Officers

What is the Fit and Proper Criteria?

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

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

Fit and Proper Requirements for Credit Union Directors and Officers

How does the process work?

- Notification of persons elected as Directors and Officers at 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.

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*Conditions Apply

Manchester Co-operative Credit Union (1977) Ltd.

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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.
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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,
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Notes


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47th Annual General Meeting

2022 ANNUAL REPORT





Online Loan Application



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2 Main Street, Mandeville, Manchester
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Fax: (876) 962-0205

Christiana Office
Main Street, Christiana, Manchester
Telephone: (876) 964-2408 / 3648
Fax: (876) 964-3270

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