



2023 **ANNUAL** REPORT

48th *Annual*
General Meeting



'Where Service Exceeds Expectation'



'Where Service Exceeds Expectation'

UNLOCK

...your DREAMS
...your FUTURE



*Conditions Apply



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

'Where Service Exceeds Expectation'

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



www.mccuja.com

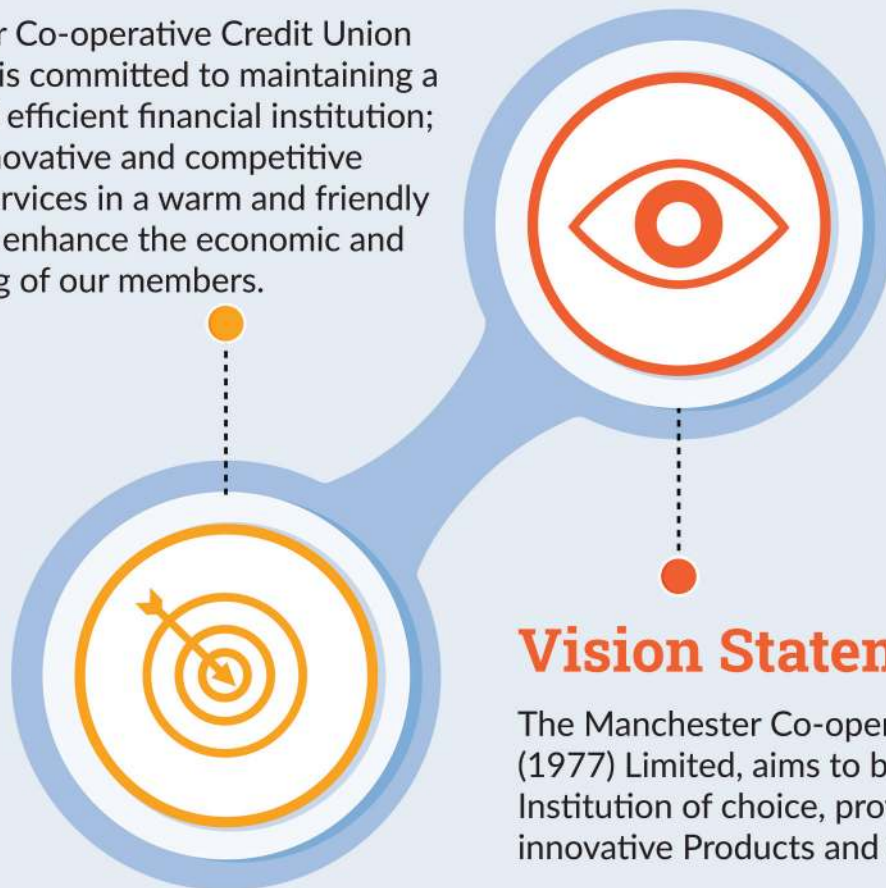




Manchester Co-operative Credit Union (1977) Ltd.

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.



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.

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 **48th Annual General Meeting**
of the Manchester Co-operative Credit Union (1977) Limited will be held
on

Thursday, June 6, 2024 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 2023 are available on our website at
www.mccuja.com.

Members who will be attending the meeting whether in-person or online are required to
register using the following link iteneri.com/mccu. Upon registering online, the link to
join the meeting will then be emailed to members.

Online registration will open on Wednesday, May 15, 2024 at 12:00 p.m.

Online registration will close on Wednesday, June 5, 2024 at 4:00 p.m.

Physical attendance at the meeting will be limited to a maximum of 300 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 15th day of May 2024.

Signed: **Helen 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 47TH ANNUAL GENERAL MEETING

HELD ON THURSDAY JULY 13, 2023 AT 4:00 P.M.

**AT THE CHURCH TEACHERS' COLLEGE STUDENT LOUNGE,
40 MANCHESTER ROAD, MANDEVILLE, MANCHESTER.**

CALL TO ORDER

The Annual General Meeting (AGM) was called to order at 4:10 p.m. by the Chairman, Dr. Cleveland Robinson. He asked everyone to stand and repeat the Prayer of St. Francis of Assisi, which could be found on page 2 of the Booklet. The Secretary, Mrs. Helen Wint, 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 and forty-one (141) members present in the Lounge and another thirteen (13) online; thereby surpassing the minimum requirement of one hundred (100) members to constitute the quorum. She then read the Notice of the 47th AGM of the Manchester Co-operative Credit Union (1977) Limited (MCCU).

WELCOME

On behalf of the Board of Directors, management, staff, and other volunteers, the chairman, extended a cordial welcome to all members who were present in-person and online, especially to the first-time attendees.

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

- | | |
|-----------------------------|--|
| • Mrs. Phueona Reynolds | Jamaica Co-operative Credit Union League (JCCUL) |
| • Mr. Damion Lowe | Department of Co-operatives & Friendly Societies |
| • Ms. Stacy Matheson | Department of Co-operatives & Friendly Societies |
| • Mrs. Kay-Ann Nelson-Facey | Auditor - Crowe Horwath Jamaica |
| • Mr. Dwayne Wynter | Risk & Compliance Manager - New |



- Ms. Neisha Smikle
- Mrs. Wendy Hamm-McLean
- Mr. Oliver Harrison
- Members of the Board of Directors

Human Resources & Facilities Manager - New
Acting General Manager
Accountant (Representing the Finance Manager)

APOLOGIES

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

Mr. Astley Scott
Mr. Andrew Sinclair
Mr. Claude Rattray

President – Board of Directors
Finance Manager - New
Former member - Board of Directors

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.

Parliamentary Rules of Order

The chairman directed the members to the Rules that govern the meeting as outlined on page 143 in the Booklet, which was read by the chairman, mainly for the benefit of the members online.

MINUTES OF THE 46th ANNUAL GENERAL MEETING

Given that the Booklet was circulated physically and online 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. This motion was moved by Ms. Ann-

Marie Roache and seconded by Ms. Ilene Farquharson.

CORRECTIONS TO THE MINUTES

- Page 6: Under Welcome, **"Stacey"** should be corrected to **'Stacy'**
- Page 10: Under Products & Services, delete the second **"in January."**
- Page 13: Last line under item 5, delete the second **"to"**
Second to last line under item 8, insert **"Carter"** after **"Sydney"**
First line under item 11, transpose the word **"she"**
- Page 15: Second paragraph under Delinquency, correct **"imploring"** to read **'implored'**
- Page 17: Under item 5, **"Annette"** corrected to **'Annet'**
- Page 20: Under Supervisory Committee Report, correct **"Credit"** to read **'Supervisory'**
- Page 21: Strike out the second **"PEARLS Review"**



CONFIRMATION OF MINUTES

The Minutes were confirmed on a motion moved by Mrs. Yvonne Dwyer-Smith and seconded by Ms. Yvonne Jackson.

MATTERS ARISING

1. Ms. Pansy Taylor said that, at the last AGM, she requested that water be provided for the members who were waiting to be served under the tent, but this request was not granted. The chairman responded that there would be a follow-up on it so that next time she visits the Credit Union it would be in place.
2. Mr. Alfred Daley asked if the Drop Box was put in place at both branches as was promised at the last AGM. Mrs. Wendy Hamm-McLean, Acting General Manager, responded that the Credit Union looked at the matter and found that it was not convenient at this time as we have to make sure that the proper facilities are in place. Mr. Daley urged that this matter be treated with a sense of urgency, since the Saturday opening was discontinued; therefore, the drop box would be good for members who wish to use that facility. Mrs. McLean informed him that the Credit Union had instituted an Online Loan Application system to allow members to apply online and that we also facilitate members emailing documents.

ADOPTION OF THE MINUTES

A motion was moved for the adoption of the minutes by Mr. Lemuel Sharpe and seconded by Mr. Howard Salmon.

REPORTS

BOARD OF DIRECTORS REPORT

Highlights of the Report were presented by the 1st Vice-President (Chairman), Dr. Cleveland Robinson, as follows:

Dr. Robinson stated that despite the lingering repercussions posed by the pandemic, we remained steadfast in our commitment in supporting our members in achieving their financial goals. Therefore, the report would provide a comprehensive overview of the activities undertaken by our Credit Union and highlight the key performance results that were achieved. Additionally, it would offer insights into the performance of the wider Credit Union movement and the Jamaican economy in 2022.

The Jamaica Credit Union Movement reported growth in its loans, savings, and total assets in 2022. The membership across the Movement increased marginally by **0.52%** to close the year at 1,005,382 members, up from 1,000,157 the previous year.

KEY PERFORMANCE INDICATORS

The chairman highlighted that despite the challenges brought about by the pandemic, the Credit Union still experienced growth in most of our key performance indicators in 2022, with steady growth in the net loans' portfolio. We are proud to have achieved asset growth, which demonstrates our ability to navigate economic uncertainties successfully.



DELINQUENCY MANAGEMENT

Dr. Robinson reported that we closed the year with a delinquency rate of **4.23%**, falling below the industry standard of 5%. This he said was 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 delinquency levels is primarily due to our consistent application of proven debt-management strategies. These strategies were carefully tailored to protect the Credit Union's assets, while supporting our members who face financial hardships.

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 helping members improve their financial health. By keeping delinquencies low, we ensure the financial strength of the Credit Union and the continued trust and confidence of our members.

MARKETING ACTIVITIES

The relaxing 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. The Marketing Department was enthusiastic and well-prepared to seize this opportunity.

The Team proudly participated in numerous events and expositions during 2022 as listed below:

- Devon Primary School's Parents Seminar

- Somerset Primary School's Career Day
- Church Teachers' College Founder's Week and Financial Wellness Day
- Isratech Jamaica Limited's Reseller Seminar
- Bethany Primary & Infant School's Career Day
- MCCU Virtual Town Hall Meeting
- JCDC Festival Queen Competition
- Percy Junor Hospital's Small Business and Financial Wellness Day
- Manchester Pre-Independence Celebrations
- Manchester Chamber of Commerce Wine & Cheese Affair
- Mandeville Art Fair
- Hanson's Medical Centre Health Fair
- 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.

PRODUCTS & SERVICES

• Partner Plan

This product was promoted twice during the year, first in January, to kickstart short-term savings goals, and again in July, to



encourage saving towards Christmas expenses through the “20 Weeks of Christmas” promotion.

- **Wealth Accelerator Plan**

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

- **Cash Secured Loan Special**

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, got up to 6 years to repay at an interest rate of 14.5% per annum.

- **Cash-In this Year Unsecured Loan**

This offer extended from the previous year’s Christmas Loan Special 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.

- **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.

71st Anniversary Celebrations

The Credit Union observed another milestone upon reaching its 71st Anniversary on Sunday, May 29, 2022. In observance of this momentous occasion, the following activities were undertaken:

- Pre-Anniversary Auto Show in Mandeville.
- Token distribution to members.
- Creation of a 71st Anniversary logo and artwork to facilitate Social Media postings and Email blasts.
- Text Message Blast with Anniversary Message.

Sydney Carter Scholarship & Bursaries

Miss Kayla DaCosta, who is studying Actuarial Science at the University of the West Indies was awarded the Sydney Carter scholarship in the amount of \$450,000.00 per year for her



2nd and 3rd years of study.

A total of ten (10) candidates also received financial assistance in the form of one-off bursaries from the Sydney Carter Scholarship Fund.

PEP Bursaries

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.

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 climax of the week's celebrations was **International Credit Union Day**, observed on Thursday, October 20, 2022.

Social and Community Outreach

As part of our commitment to community development and social responsibility; a total of **\$995,258.55** was donated to various individuals and organizations, including schools, churches, and businesses, through our social and community outreach programme in 2022.

Risk and Compliance

During the year, the Credit Union maintained rigorous risk management and compliance processes to adhere to all applicable regulations. The 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.

We continued to invest in the training and development of our staff and volunteers throughout 2022. Several training sessions were conducted, focusing on anti-money laundering, risk-based assessment, anti-fraud strategies, fire drills, and fire awareness. The annual POCA training was also carried out to fulfill our regulatory obligations.

Significant effort was 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.

ADMINISTRATION & HUMAN RESOURCES

Staff Welfare

Throughout 2022, several initiatives were undertaken aimed at ensuring employee satisfaction and overall well-being. Recognizing the crucial role they play in the organization's success; we continuously strive to provide an enriching work environment conducive to their development and engagement.

Promotions/Recruitment & Separation

There were notable changes in staffing in 2022:

- We welcomed thirteen (13) new members to the MCCU team.
- Four (4) 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.

ANNUAL GENERAL MEETINGS AND CONVENTIONS

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

The Jamaica Co-operative Credit Union League held its 81st Annual General Meeting at the Ocean Coral Spring Hotel in Trelawny, from June 17 to 22, 2022. This was held jointly with the Caribbean Confederation of Credit Unions (CCCU), which was celebrating its 50th anniversary, at its 64th Annual International Convention. Delegates and alternate delegates from MCCU attended the League's AGM. MCCU was also represented at the CCCU Convention.

APPRECIATION

In concluding, the chairman highlighted that it was a remarkable year for the Credit Union. Despite the challenges, we remained steadfast in our commitment to serving the members and supporting their financial well-being. He said that the Credit Union is continually adapting its

operations to the rapidly changing environment, by embracing digital transformation, and continuing to provide personalized and member-centric services.

He postulates that, looking ahead, we will 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 that our members thrive in an ever-changing financial landscape. On behalf of the Board of Directors, management and staff, Dr. Robinson extended gratitude to all our members.

QUESTIONS & COMMENTS

1. Mr. Alfred Daley asked what was the status of the onboarding of the AML software, RiskCALM. Mrs McLean, Acting General Manager responded that we were awaiting the implementation of an onboarding system to work in tandem with the transaction monitoring system. She further stated that two (2) software from two (2) different companies were being reviewed and an update would be presented to the Board of Directors by the end of the month. Mr. Daley further asked if it was likely that it would be in place by the end of the year and Mrs. McLean responded that it would be.
2. Mr. Benaldo Spencer asked if more social outreach could be done in the Porus community. Dr. Robinson informed him that the outreach contributions are normally in response to requests made in writing from the institutions or persons



that were listed in the report.

3. Rev. Dr. Paul Gardner commended the Board for their steady performance and for keeping the delinquency rate below the industry standard of 5%. He asked what were some of the key strategic directives that guided the Credit Union through the year. He said with where technology is now, he believes that the Credit Union needs to be at a place where it is much easier to transfer funds from commercial banks to the Credit Union's account. He further noted that there needs to be some improvement to our online banking platform to make it smoother and more efficient.

Dr. Robinson responded that the focus on enhancing the technology is one of those critical strategic objectives that we wanted to have pinned down so that the idea of transfer of funds would become easier and members would experience less hassle in having transactions done. Mrs. McLean added that credit unions are not a part of the automated clearing house, which make them different from the commercial banks; therefore, the smooth transition that is expected from the commercial bank does not exist in the credit union space.

4. Ms. Pansy Taylor expressed her concern about the discontinuation of the issuance of deposit slips as she would prefer to continue using her passbook. Dr. Robinson responded that he understands that we all must co-exist and we are not moving with technology at the same pace. He assured Ms. Taylor that although she does not have to complete a deposit slip, a printed receipt is issued when a deposit is made.

5. Ms. Annet Peart said that she did not know about the Wealth Accelerator saving product until recently, and asked that it be explained to her. Mrs. McLean explained that it is a type of Fixed Deposit that the member starts with a minimum of Fifty Thousand Dollars (\$50,000.00) and it gives the option of depositing increments of not less than Ten Thousand Dollars (\$10,000.00) at any time; unlike the fixed deposit that you must wait until it matures, the Wealth Accelerator is more flexible.
6. Ms. Sherleen Wilson asked how the P.E.P. Youth Savers can benefit from the Credit Union. Dr. Robinson responded that the Youth Savers benefit from the Credit Union through scholarships and bursaries. They also earn interest on their savings and eventually graduate to becoming members of the Credit Union.
7. Ms. Pansy Taylor requested that a special line be put in place to accommodate senior citizen. Dr. Robinson informed her that this was already in place because as a senior, he has benefited. He encouraged the member service representatives to ensure that it is enforced.

Adoption of the Board of Directors Report

The Board of Directors report was adopted on a motion moved by Mr. Howard Salmon and seconded by Ms. Pansy Taylor.

Mr. Marco Williams from CUNA Caribbean Insurance arrived at the meeting and was welcomed.



AUDITOR'S & TREASURER'S REPORTS

Auditor's Report

The Auditor's Report was presented by Mrs. Kay-Ann Nelson-Facey, Audit Manager of the auditing firm, Crowe Horwath Jamaica.

TREASURER'S REPORT

Highlights of the report were presented by the Treasurer, Mr. Dalton Campbell as follows:

Mr. Campbell highlighted that the year 2022 represented a year of transition for the country and our Credit Union which was still influenced by the Coronavirus (Covid-19), and the economy continued its recovery from the socially and economically impactful restrictions imposed in 2020-2021. However, with the unwavering support of our members, hardworking staff and volunteers, some favorable results were achieved.

Financial Performance

The 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 previous year, assets grew by 4.2% or \$307 million for the year. The total income generated was \$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

The Organization incurred expenses of \$599 million in operational activities compared to \$532 million in 2021. This was a 12.5% increase compared to the previous year.

Key Profitability Trends

An income to asset ratio of 8.6% was achieved in 2022, representing a 0.2% improvement over what was 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.

Asset Growth

Total assets ended the year at \$7.65 billion. This represented an increase of \$307 million or 4.18% over 2021.

Loan Portfolio

The loan portfolio increased by \$156M for 2022 when compared to 2021 despite the downturn in some areas and the increased competition in the industry in Jamaica. The Credit Union experienced 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.

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. The organization earned an average of 5.1% on investments during the year, bettering the 3.4% earned in 2021.



Savings

Total savings for the year grew by \$271 million or by 5%. At the end of 2022, total savings increased to \$5.75 billion. Commendations to management, staff, and our loyal members for this achievement.

Key Financial Indicators

The Credit Union was able to meet most of the PEARL Standards in its operations for 2022. 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. The Credit Union, with the support of the members, will continue the efforts to achieve this most important standard of 60%-80%.

Institutional Capital Reserve

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 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 4.23% in 2022, down from 5.47% at the end of 2021. Mr. Campbell highlighted that continued efforts for effective delinquency control and further measures to reduce the level of delinquency would be put in place. The co-operation of our members in this regard, is anticipated.

Conclusion

In closing, Mr. Campbell noted that the financial performance for the year 2022 was evidence that the Credit Union showed resilience in the face of the challenging reality of the slow recovery from the recent pandemic and its effects on the economy and society. He expressed thanks to our loyal members for their sterling support throughout the year as we continue to be one of the premier financial institutions in our geographic area of operation.

The Treasurer stated that, upon reflection of 2022, we should be conscious that 2023 would represent 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, he believes that Manchester Co-operative Credit Union (1977) Limited would continue to be the financial institution 'Where Service Exceeds Expectations'.

QUESTIONS & COMMENTS

1. Ms. Sandra Rhone asked why her loan went into delinquency when she had a standing order in place and the monies came in on time. Mr. Campbell responded that the details that she needs he would not be able to provide in that forum, but as the Treasurer, he guaranteed that it would be resolved by the coming week.
2. Ms. Pansy Taylor said that she noticed a list of names of dormant members posted in the banking hall of the Credit Union;



however, there are no contact numbers or addresses listed for these people. She asked if that information could be provided so that other members who might know them could get in touch with these members to inform them to contact the Credit Union. Mrs. McLean informed Ms. Taylor that the list of names are technically not dormant accounts, but the list represents a set of members that the Credit Union has no demographic information on file for, such as address, contact information, or maybe they might have migrated or died. We are therefore asking members who might know these persons to get in touch with the Credit Union to have their accounts updated.

3. Mrs. Christine Gayle-Wright said that she received an email asking her to come in and apply for an Access Plus Mastercard. She asked if she would have to transfer monies from her Share account to use the card. The Treasurer informed her that her funds in the Credit Union is not accessible from the Shares account. Mrs. McLean further explained that for her to access funds via the ATM it must be in the Sure Gain account. She stated that members are encouraged to sign up for online banking so that they can transfer whatever monies they need from other subaccounts, whenever it is convenient for them.

Mr. Raymond Jackson expressed that he was having an issue with his Mastercard. He stated that he went to a gas station where he ordered petrol and was issued a receipt from the point-of-sale machine for the amount he ordered without taking the card from his wallet. Mr. Jackson said he

came to the Credit Union thereafter and was issued a new card. He is therefore asking if there is any security measure that could be put in place to prevent this from recurring. The treasurer responded that the Credit Union could do nothing, and advised him that with any debit or credit card, you must be responsible and not let it out of your sight as it can easily be cloned. He said members must also be mindful of their online use as their card information can be captured by unscrupulous persons. The treasurer said that members should just be careful where and how they use their debit card.

4. Mrs. Doreth Jones expressed her concern with the consistently late arrival of the Guardian Life health insurance cards issued to members through the Credit Union. She stated that this has happened every year. Mrs. McLean informed her that the Brokers advised that the cards would be delivered late and apologized. She assured her that as soon as they were received, the members would be called in to collect. The Acting General Manager noted that this was something that we have no control over, as the Credit Union is only an agent.
5. Mrs. Natalie Smith-Johnson who joined online and is a member of the Christiana branch, asked how the Credit Union can assist her with the completion of her college education. Mrs. McLean advised her to contact one of the credit officers at the Christiana branch so she can be guided accordingly.
6. Ms. Jenelle Kirlew, online attendee, noted that the ATM at the Mandeville branch



was not accepting the new bank notes and asked when would the ATM be upgraded. Mrs. McLean apologized and informed her that we were awaiting the software vendor to provide the fix for the ATM. She noted that this issue was not unique to the credit unions, but some commercial banks were also not able to accept the new notes, however, as soon as the software upgrade is completed, the members would be notified.

7. Ms. Nicole McKenzie, online attendee, said that she noticed that each time her Fixed Deposit rolled over the amount

decreased instead of increased; therefore, she might have to close it. Mrs. McLean said that should not happen as we have not changed the interest rate on Fixed Deposit in a while so she should be getting a similarly increasing amount as the interest is compounded. Mrs. McLean asked that the member contact the Credit Union so the matter can be addressed because the only way the amount should decrease is if she withdraws from the account.

APPROPRIATION OF NET SURPLUS

The Accountant, Mr. Oliver Harrison, on behalf of the treasurer, took the meeting through the Appropriation of the Net Surplus as outlined below:

UNDISTRIBUTED NET SURPLUS	\$57,263,404.00
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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	\$ 2,400,000.00

TOTAL	(\$56,863,404.00)
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BALANCE C/F TO NEXT YEAR	\$400,000.00
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QUESTIONS & COMMENTS

1. Ms. Noreen Daley asked what the honorarium was for. Dr. Robinson responded that the honorarium is used to cover expenses relating to volunteers. Rev. Dr. Paul Gardner clarified that the honorarium is the Credit Union's way of saying thanks to the volunteers for their service.

Rev. Dr. Paul Gardner moved for the acceptance of the Appropriation of surplus as presented, which was seconded by Mr. Alfred Daley.

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.

Mr. Dalton Campbell moved for the acceptance of the Fixing of the Maximum Liability, this was seconded by Rev. Charles Danvers and carried.

The Auditors' and Treasurer's reports were adopted on a motion by Ms Yvonne Dwyer and seconded by Ms. Stephany Wilson.

CREDIT COMMITTEE REPORT

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

The chairman highlighted that 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 their 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 Distributed by Security

The MoniBooster Unsecured Loan product was the largest category accounting for \$1.17 billion of the total loans disbursed in 2022. Motor Vehicle, with a disbursement of \$230.9 million was second, followed by Shares loans with a disbursement of \$217.1 million. Registered Title and Hypothecated loans completed the top five.

Profile of Loans Distributed by Purpose

Home Improvement accounted for the largest category disbursed in 2022 at \$589.3 million. Motor Vehicle Purchase, Debt Consolidation, Educational Expense, and Business Investment completed the top 5 list of purposes for loans disbursed.

Loan Growth Initiatives

The following were some of the loan's growth initiatives undertaken in 2022:

- 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 Granted

Waivers were granted for five (5) loans during the year. Reasons for the waivers were:

- to extend loan ceiling for three (3) Unsecured Loans,
- to extend loan ceiling and loan term of a Real Estate loan and,
- to extend loan term on a Motor Vehicle loan.

Conclusion

In concluding, Mr. Douglas on behalf of the Credit Committee expressed gratitude for the opportunity given to serve in that capacity. They 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 members of the Committee expressed their sincere appreciation to the members, for choosing Manchester Co-operative Credit Union (1977) Limited to be their financial partner. He said that their support and co-operation have been the driving force behind the continued success of the Credit Union. The Committee

commits to continue serving the valued members in 2023 and beyond with God's guiding wisdom and strength while continuing to give of the best service as true co-operators.

QUESTIONS AND COMMENTS

There were no questions or comments.

On a motion moved by Rev. Dr. Paul Gardner and seconded by Mr. Richardo Gordon, the report of the Credit Committee was adopted.

SUPERVISORY COMMITTEE REPORT

Highlights of the Supervisory Committee report was presented by the Chairman, Mrs. Ruthan Smile Biggs as follows:

In her introduction, Mrs. Smile Biggs stated that the Supervisory Committee is charged with the responsibility of ensuring that members' interests are safeguarded. While fulfilling this duty, the 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 serves the interests of the members as well as protects 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 fulfilling this mandate, the Committee embarked on several activities, including the execution of independent and objective audits that evaluate the financial and operational



functions of the Credit Union.

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 to ensure that there were 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 that proper controls were 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 made to Management to improve operations.

Blank Cheques Review

During the review of the governance of Blank Cheques, it was observed that there was sufficient governance; 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 during the year. The audit findings revealed that there was general compliance with the Credit Policies and procedures. The Credit Policies, however, needed to be updated. There was general

compliance with the loan policies and established procedures; however, the deficiencies observed were brought to the attention of Management and corrective measures were subsequently put in place for most of these deficiencies.

Know Your Customer (KYC) – Demographic Assessment

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. Deficiencies were identified and recommendations were made 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. 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 KYC Policy, except for a few discrepancies that were highlighted. The concerns that were raised by the Supervisory Committee were to be addressed by Management.

Bank Reconciliations

A re-performance of Bank Reconciliations was completed for the period. These activities were undertaken by verifying documents such as encashed cheques, lodgment slips, bank statements, credit memos, and other related documents. This review did not



reveal any significant deficiencies; however, a recommendation was made to Management for an Accounting Manual to be put in place.

Teller Overage/Shortage and Policy Review

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 these deficiencies.

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

Delinquency

This area was 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 communicated to Management.

Acknowledgement

Mrs. Smile-Biggs on behalf of the Supervisory Committee and the Audit Team expressed appreciation to the Board of Directors, the Credit Committee, the Management, and Staff for their support and co-operation throughout the execution of their audits. She said that they will remain committed to ensuring that the members' interests are safeguarded. The Committee expressed their profound gratitude to the membership for having allowed them the opportunity to be stewards of their investments.

QUESTIONS AND COMMENTS

There were no questions or comments.

On a motion moved by Ms. Donna Reid and seconded by Mr. Benaldo Spencer, the report of the Supervisory Committee was adopted.

NOMINATING COMMITTEE REPORT

The Chairman of the Nominating Committee, Dr. Cleveland Robinson, referred to the Rules governing the nomination. The Committee



comprised of the following persons:

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

Profile of Nominees

Dr. Robinson read a summary of the profiles of the persons who were nominated to serve as volunteers.

Election of the Board of Directors and Committees

The election proceedings were handed over to Mr. Damion Lowe and Ms. Stacy Matheson, representatives from the Department of Co-operatives and Friendly Societies, who guided the process.

Ms. Matheson introduced the members of the Board of Directors and the Credit, and Supervisory Committees who were recommended, and the terms for which they were recommended 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

MINUTES



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

Acceptance of the Board of Directors:

A motion was moved by Mrs. Ruthan Smile-Biggs and seconded by Ms. Yvonne Jackson for the acceptance of the Board of Directors as presented.

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

Acceptance of the Credit Committee:

A motion was moved by Mrs. Carol Roye-Morgan and seconded by Mr. Clifton Pryce for the acceptance of the Credit Committee as presented.



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. Ruthan Smikle-Biggs	Continuing	1 Year

Acceptance of the Supervisory Committee:

A motion was moved by Mr. Benaldo Spencer and seconded by Mrs. Maxcine Headley for the acceptance of the Credit Committee as presented.

Ms. Matheson congratulated all the members who were duly elected to serve the membership. They were given a round of applause.

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 the Credit Union may be affiliated.

A motion was moved for the acceptance of the recommendation by Mr. Lemuel Sharpe and seconded by Mrs. Christine Gayle-Wright.



Ms. Matheson implored the members to meet with the respective committees within ten (10) days to elect officers and to submit the information to the Department of Co-operative and Friendly Societies, the Jamaica Co-operative Credit Union League, and the Bank of Jamaica.

ANY OTHER BUSINESS

1. Mrs. Delva Marshall asked if the Annual General Meeting can be held in the morning instead of in the evening as persons become tired and would want to go home. Dr. Robinson responded that it was established before that meetings are held alternately – Saturday mornings and Thursday afternoons.

Mrs. Marshall also asked if the presentations could be delivered in a briefer summary seeing that the Booklet would have already been distributed.

2. Ms. Noreen Daley asked why some volunteers were serving for one year, while others were serving for two (2) years. She also wanted to know when the nominations were done. Dr. Robinson informed her that petitions for new persons are posted online and in the banking halls of the Credit

Union.

The Chairman explained that each volunteer is eligible to serve three (3) two-year cycles. After serving for one year, they would have another year left in that cycle. If they are nominated again, they would serve another two-year cycle. However, the Supervisory Committee members only serve for a one-year term at a time as they must retire after one year.

Ms. Stacy Matheson further explained the two-year and one-year by quoting the following Rule:

- The Credit Committee in accordance with Rule # 41(iii) that states; whenever the number of members of the Committee is increased, one-half of such additional members shall be elected for two (2) years and one-half for one (1) year. Thereafter, the term of office for the Committee members shall be for two (2) years.
- 3. Mr. Errol White asked that in the future, Annual General Meetings be held at a more suitable venue to facilitate senior citizens and the physically challenged.

ANNOUNCEMENTS

The Acting General Manager, Mrs. Wendy Hamm-McLean expressed thanks to the following outgoing volunteers for their contribution to the various committees and their commitment to the Credit Union. These persons were retiring and not seeking re-election:

- | | |
|-------------------------------|---------------------------------------|
| • Mr. Courtney Henry | - Member of the Board of Directors |
| • Mrs. Claudette Gayle-Foster | - Member of the Credit Committee |
| • Mr. Glenroy Griffiths | - Member of the Supervisory Committee |



PRESENTATIONS

The Marketing Manager, Mr. Michael Gottshalk, presented prizes to the following members who registered early and stayed for the duration of the meeting, whether online or in person:

- Mrs. Delva Marshall was presented with a Gift Certificate of \$5,000.00 courtesy of the Jamaica Co-operative Credit Union League. She correctly answered a question, relating to the presentation that was made on the Data Protection Act, by the Risk and Compliance Manager, Mr. Dwayne Wynter.
- Third-place winner of a remote standing Fan was Ms. Natasha Crawford.
- Second-place winner of a \$20,000.00 Share Certificate to the member's account, was Mr. Clifton Pryce.
- The First-place winner of a 32" Smart Television was Mr. Cleveland Dawkins.

VOTE OF THANKS

The Vote of Thanks was ably moved by Rev. Kingsley Andrews of the Supervisory Committee. He expressed thanks to the Management and staff of the Manchester Co-operative Credit

Union (1977) Limited whom he believed did a marvellous job in coordinating the event. He also thanked the following individuals and groups:

- Mr. Dwayne Wynter who presented an update on the Data Protection Act in the Convention session.
- First Vice President, Dr. Cleveland Robinson who chaired the Annual General Meeting (AGM).
- The representatives from the Department of Co-operatives and Friendly Societies who conducted the election of volunteers and hoped that they would have a safe journey back home.
- All the members of the committees, especially those who presented reports.
- All the persons who participated in various ways and may the Lord continue to bless each one.

The Chairman's Closing Remarks

Dr. Robinson expressed thanks to the members for staying the course and for those who joined online. He admonished them to continue to support and build their Credit Union so we can all be beneficiaries.

CLOSURE

There being no other business, the Chairman closed the meeting with the singing of the National Anthem by all. The meeting ended at 8:15 p.m.

.....
Mrs. Helen Wint
SECRETARY

.....
Mr. Astley Scott
PRESIDENT



Astley Scott

President of the Board of Directors

INTRODUCTION

The Board of Directors report demonstrates a responsibility to its members to explain the operations of Manchester Co-operative Credit Union (1977) Limited in an organized manner. We welcome you all to our 48th Annual General Meeting for the fiscal year ending December 2023. Our Credit Union's primary goal is to meet the financial needs of our members as well as the communities we serve. Our Credit Union was formed on a Mantra "people helping people". Our founding fathers envisioned that the pooling of resources would improve members' lives by assisting them in achieving financial goals. As custodians of this institution, we are committed to upholding the greatest standards of honesty, integrity, openness, trust, and service excellence.

As we navigate the ever-evolving landscape of the financial industry, our focus remains steadfast on providing innovative solutions tailored to meeting the diverse needs of our members. Whether you are saving for the future, securing a loan, or planning for retirement, we are here

to support you at every stage of your financial journey.

Our Board comprises individuals with a wide range of experience and a shared passion for empowering our members to achieve their goals. Together, we work diligently to ensure that the Credit Union operates with the utmost diligence, prudence, and foresight. As we embark on the journey ahead, we invite you to actively engage with us, share your insights, and join us in shaping the future of our Credit Union. Your feedback and participation are vital as we strive to improve our offerings and create lasting relationships for our members and communities.

This report will provide a detailed summary of our Credit Union's activities, highlighting the important performance results we have accomplished. Additionally, it will provide insights into the success of the broader Credit Union movement and the Jamaican economy in 2023.



THE CREDIT UNION MOVEMENT

Based on preliminary data from the 25 credit unions as at December 31, 2023, the Credit Union Movement's savings stood at \$140.047 billion; loans \$118.355 billion and the Movement's assets increased to \$176.729 billion. Preliminary data for 2023 indicates that the Movement's growth in the areas of savings, loans and assets outweighed the growth seen for 2022.

Table 1 indicates the key result areas of the movement.

Table 1 – Key Performance Indicators for the Credit Union Movement

	Value	Dec 31, 2023	Dec 31, 2022
	000	Year to Date Growth	Year to Date Growth
Savings	140,047,064	11.49%	7.82%
Net Loans	118,355,971	12.97%	8.51%
Assets	176,729,342	9.36%	7.75%
Membership	1,030,604	2.51%	0.52%

JAMAICA'S ECONOMIC PERFORMANCE

Jamaica experienced continued growth in its economic performance, this includes GDP growth rate of 2.8% while, the services industry increased by 3.1%, goods and produce industry grew by 2% and the financial & insurance sector is estimated to have grown by 1.8%. While the foreign exchange rate decreases to \$155.94 JA\$ to US\$1. "BOJ's monetary policy decisions are aimed at ensuring that the annual increase in the price of consumer goods and services remains within the 4.0% to 6.0% inflation target set by the Government. Given the inflationary target of 4-6%, Credit Unions need to set growth targets above 6% annually, considering the effects of inflation.

The country also experienced a higher level of employment, which drove increases in operations and increase in job opportunities in the Hotel, Manufacturing and Restaurant Industries. The country is expected to continue on this trajectory as this increases the demand for additional services like the tourism sector.



KEY PERFORMANCE INDICATORS FOR MCCU

Despite the challenges brought about by the pandemic, our Credit Union still experienced growth in 2023. Table 2 summarizes the key performance metrics.

Table 2

Key Areas	2023	2022	Annual Growth 2023	Annual Growth 2022
Savings (\$M)	6,466	5,749	12.47%	4.95%
Net Loans (\$M)	4,425	3,659	20.93%	3.03%
Total Assets (\$M)	8,632	7,655	12.76%	4.18%
Institutional Capital (\$M)	1,118	1,045	6.99%	4.95%
Net Income (\$M)	161	54	198.15%	-33.76%
Membership	51,544	50,093	2.90%	2.07%
Surplus	130,747,571	57,263,404		

TABLE 2 – PERFORMANCE OVERVIEW

Our Credit Union grew in all our key performance areas. We have seen tremendous growth in our net loan portfolio and net income, which demonstrates the effectiveness of our advertising campaigns, our product offerings, and the dedication of our team. We will continue to constantly monitor this portfolio and analyze the risks it entails, to ensure sustainable growth. Our Credit Union achieved a significant increase in surplus, we want to commend the staff members and volunteers for their hard work and dedication in making 2023 a successful year for MCCU (1977) Ltd. Other targets that were achieved included New Membership, and a reduction in the Delinquency Rate.

Our risk management technique remains an essential part of our culture and an important aspect in accomplishing our Credit Union's vision and goal. Managing delinquencies properly is crucial to our Credit Union's financial sustainability and to our commitment to assisting members in improving their financial health. We are pleased to report that we completed the year with a delinquency rate of 2.31%, which is lower than the industry standard of 5%. We remain committed to strengthening



our debt collection to reduce losses and provide an appropriate return to our members. We also want to acknowledge members who continue to fulfill their obligations in a timely manner.

ADMINISTRATION & HUMAN RESOURCES

The Human Resources Department strives to build a culture of growth, openness, and trust in our staff members; ensuring that we carefully manage the life cycle of each employee, from recruitment to their departure.

Staff Welfare

Several staff Events were held in 2023:

- Valentines Day Treat, Birthday Club Party, National Credit Union's Fun Day, Easter Treat, Administrative Professionals' Day Celebration and Christmas Dinner.

Employees Participated in the following events 2023:

- In keeping with April being recognized as Cervical Cancer Awareness Month, the MCCU Team attended a 30-minute virtual presentation by Dr. Yasmine Hanna of the Southern Regional Health Authority, on Thursday April 19, 2023.
- Sagicor Sigma 5K Road Race.
- Fifty-seven (57) staff members with children, received Back-to-School grants in 2023.

Promotions/Recruitment & Separation

The following movements took place during the year 2023.

New Addition to the Team	Resignation	Transfer	Promotion	Death	Retirement
10 (including 2 HEART Trainees)	6	4	8	1	1



TRAINING

Manchester Co-operative Credit Union commits to providing excellent service and staff development that exceed expectations. Our team participated in several training programmes, which consisted of both internal and external seminars and workshops to include Credit Union National Association (CUNA) Professional Development Online training platform (CPD Online).

- Customer Service Training
- IFRS Virtual Workshop
- Basil II/III Implementation & Stress Testing Master Class Training
- Teller Training Workshop
- Strategic Data Analytics Workshop
- Fundamentals of Active Directory IT Training
- Employer's Data Privacy
- HR Obligations
- Prioritizing Privacy Conference
- Anti-Fraud Seminar
- Anti-Money Laundering
- Risk-based Assessment
- Anti-fraud Strategies
- Fire Drills and Fire Awareness.
- The annual POCA (Proceeds of Crime Act) Training
- Data Protection Sensitization

RENOVATION AND CONSTRUCTION

The renovation of the Mandeville Branch Banking Hall extended to the construction of a Sick Bay, renovations to the Lunchroom and Kitchen, the removal of the reception area and installation of privacy glasses in the Credit and Teller Areas. We also addressed office leaks on the ground floor and constructed roofing and enclosure in the upstairs lobby area. Renovations and extensions were made to the IT and HR Departments, while the offices of the Internal Auditor and Credit Supervisor were relocated. Importantly, we opened the Banking Hall floor and resumed full operations which resulted in members no longer being required to wait under the tent for a number to be called.

TECHNOLOGY ADVANCES

Discussions with RISKCALM to implement the Transaction Monitoring Software and Automate our Loan Originations System continue.



GOVERNANCE

Data Protection Act

Preparations for the full implementation of the Data Protection Act are currently ongoing and we have tailored our policies accordingly. Multiple awareness and sensitization seminars for management, employees, and volunteers have commenced. We have registered with the Office of the Information Commissioner as a data controller and are currently awaiting the implementation date for the portal to be opened.

CONDOLENCES

The Board of Directors, Supervisory and Credit Committees express their condolences to the families of members who died in 2023, as well as staff members and volunteers who have lost family and friends.

MARKETING ACTIVITIES

The Marketing Department participated in several expositions and events throughout the year. These included:

1. Church Teachers' College Professional Development Seminar
2. RJR Gleaner Communications Group Cross Country Invasion
3. Catholic College of Mandeville's Spring Conference
4. Northern Caribbean University's Financial Literacy Week
5. Knox Community College's Career Day
6. Christiana High School Teacher's Day & Parent Month Celebrations
7. Men Who Cook
8. JCDC Manchester Festival Queen Competition
9. Percy Junor Hospital's Financial Wellness Day
10. Manchester 5K Run/Walk



11. Mandeville Parish Church's Evening of Excellence
12. deCarteret College's Parent Fair
13. Holmwood Technical High School's Tertiary Sensitization Day
14. Three Angels Pharmacy's 23rd Anniversary & Customer Appreciation Day
15. YWOP/YMOP Christmas Treat

PRODUCTS & SERVICES

Savings Promotions

As members sought to meet their short- and long-term financial goals, the various savings products were highlighted. These products included the Partner Plan and the Wealth Accelerator Investment Plan.

Loan Promotions

While being promoted under the campaign slogan, "Let's Drive into 2023 Together," the Dream Wheels Auto Loan gained momentum throughout the year as our members took advantage of the attractive product features.

The Moni Booster Loan continued to provide an option for members who needed to access an unsecured facility that could conveniently cover their various needs at an extremely competitive rate.

The Moni Booster Loan was further modified to target specific market segments such as self-employed individuals and Public Sector workers. As a result, the following features were highlighted:

Moni Booster Over-the-Counter Unsecured Loan

- Borrow up to \$1.2 million
- Up to 5 years to repay
- Competitive Interest Rates



Moni Booster Civil Servants Unsecured Loan Special

- Borrow up to \$5 million
- Up to 6 years to repay
- Interest rate of 14.5% p.a.

PUBLIC RELATIONS / CORPORATE SOCIAL RESPONSIBILITY

Financial Literacy Month Awareness

Within the Credit Union Movement, the month of April was observed as Financial Literacy Month under the theme, **“Financial Lit, A It.”** MCCU therefore planned and carried out several activities during the period to include:

- Posting of Financial Literacy Tips on social media
- Presentations on “Managing your Personal Finances” at tertiary level institutions.
- Participation in the Jamaica Co-operative Credit Union League (JCCUL) Financial Reality Fair

Town Hall Meeting

Manchester Credit Union hosted its first hybrid Town Hall Meeting on **Thursday, May 4, 2023**, inside the Cecil Charlton Park in Mandeville. The event was held under the theme **“Managing Your Finances with MCCU”** with the following topics being presented:

No.	Topic	Presenter
1.	Reflecting on the Seven (7) Co-operative Principles	Katrina Grant-D’Aguilar, JCCUL
2.	Embracing Electronic Banking	Kimblee Elliott, MCCU
3.	Managing your Personal Finances	Michael Gottshalk, MCCU
4.	The Family Indemnity Plan & You	Marco Williams, CUNA Carib. Ins.

Approximately eighty (80) persons attended the meeting physically while One Hundred and Four (104) online views were received via the Live Stream.



Labour Day 2023

Labour Day was observed on **May 23, 2023**, under the national theme, **“Plant a Tree...For Life.”** This focus was aimed at promoting Climate Change Mitigation, Food Security & Road Safety.

Manchester Credit Union’s participation came by way of partnering with the Manchester Municipal Corporation to carry out the repainting of **Pedestrian Crossings** in the town of Mandeville. Manchester Credit Union was able to produce a team of eleven (11) workers for the project.

72nd Anniversary

Our Credit Union reached another milestone when we observed our 72nd Anniversary on May 29, 2023. The day was marked by a series of direct communication of the anniversary message to members using Email Blasts, SMS Blasts and Social Media postings.

A pre-anniversary strategy saw a **72 Hour Loan Sale** being launched at the Men Who Cook Event on Sunday, May 28, 2023. This ran until the end of the business day on May 31st and allowed for members to benefit from a 50% discount on processing fees once they commenced the processing of a Motor Vehicle or Property Loan during the period.

Essay & Poster Competitions

Our Essay and Poster Competitions, which both targeted students ten (10) to twelve (12) years old, were launched in the month of May with letters being sent to schools at the Primary Level.

Essay Competition

Participants were required to write their essays on the topic, **“How can I benefit from being a Smart Youth Saver with the Manchester Co-operative Credit Union.”** A total of twenty-three (23) essays were written by students representing six (6) schools at the Primary Level on June 2 and June 5, 2023. The participating schools were Knox Junior School, Devon Primary and Infant School, McIntosh Memorial Primary School, Frankfield Primary and Infant School, Garlogie Primary and Infant School, and West Indies College Preparatory School.

Following the marking of the essays and the subsequent validation of the scores, the top three (3) essays were identified as follows:



Student	Institution	Placement	Prizes
Xavannah Elliott	Knox Junior School	1st	Student: \$20,000.00 towards a Treasure Chest Youth Account Teacher: \$10,000.00 towards an Adult Account School: \$20,000.00 and the Claude Rat-tray Trophy
Alaina Jones	McIntosh Memorial Primary School	2nd	Student: \$15,000.00 towards a Treasure Chest Youth Account Teacher: \$7,000.00 towards an Adult Account School: \$15,000.00
Tianna Williams	McIntosh Memorial Primary School	3rd	Student: \$10,000.00 towards a Treasure Chest Youth Account Teacher: \$5,000.00 towards an Adult Account School: \$10,000.00

Poster Competition

Participants were required to graphically express their interpretation of the theme, **“My Credit Union: Helping me to Become a Smart Youth Saver.”** A total of fourteen (14) posters were received from six (6) participating primary schools at the close of the competition on June 9. The schools that participated were Grove Town Primary School, Christiana Moravian Primary School, Cumberland Primary School, Knox Junior School, McIntosh Memorial Primary School, and Devon Primary & Infant School.



Following the marking of the posters by a panel of three (3) judges, the top three (3) artwork pieces were identified as follows:

Student	Institution	Placement	Prizes
DeShawn Pommells	McIntosh Memorial Primary School	1st	Student: \$20,000.00 towards a Treasure Chest Youth Account Teacher: \$10,000.00 towards an Adult Account School: \$20,000.00 and a Plaque.
Armodyn Steele	Christiana Moravian Primary School	2nd	Student: \$15,000.00 towards a Treasure Chest Youth Account Teacher: \$7,000.00 towards an Adult Account School: \$15,000.00
Zahri-Orielle Reid	McIntosh Memorial Primary School	3rd	Student: \$10,000.00 towards a Treasure Chest Youth Account Teacher: \$5,000.00 towards an Adult Account School: \$10,000.00



PEP Bursaries

Following the release of the 2023 PEP Examination results, applications for PEP Bursaries closed on July 14, 2023. PEP results were received from schools on the School Savings Programme while application letters were received from parents making walk-in requests. When the short-listing was completed, a total of twenty (20) youth savers were selected to receive bursaries valued at \$25,000.00 each for the 2023/2024 academic year.

Sydney Carter Bursaries

A total of twenty-nine (29) applications were received when the application period closed on July 14, 2023. When the short-listing was completed, a total of ten (10) candidates were selected to receive bursaries valued at \$155,000.00 each to assist with their tertiary level studies.

Bursary Awards Luncheon

The PEP and Sydney Carter Bursary Awards Luncheon was hosted on August 31, 2023, where bursaries were presented to students preparing to enter High School and students studying at Universities/Colleges. The event which was held at the Student's Lounge of the Church Teachers' College saw twenty-one (21) PEP Bursaries with a total value of \$525,000 being awarded while ten (10) Sydney Carter Bursaries with a total value of \$1,550,000 was awarded to tertiary level students. The additional PEP Bursary was sponsored by the Jamaica Co-operative Credit Union League Ltd.

In keeping with the theme, "Awarding Excellence," the previously announced winners of the Essay & Poster Competitions were also presented with their prizes at the luncheon. The Guest Speaker for the event was Custos Rotulorum for the parish of Manchester, the Honourable Garfield Green. While delivering the keynote address, he encouraged the recipients to make use of the assistance and to never give up on their dreams.

Credit Union Week 2023

Credit Union Week was celebrated from October 15 – 21 under the international theme, **"Celebrating 75 Years"** and under the local theme, **"Celebrating the Credit Union Difference."**

The activities that were carried out by the Marketing Department were as follows:



Date	Event	Location
Sunday, October 15	<ul style="list-style-type: none"> Parish Church Service 	Mandeville Baptist Church, Mandeville
Tuesday, October 17	<ul style="list-style-type: none"> Soup and Soap Outreach Porus Pop-up Shop 	<p>New Vision Children's Home Coleyville, Manchester</p> <p>Main Street, Porus</p>
Wednesday, October 18	<ul style="list-style-type: none"> Christiana Branch's Member Appreciation Day: <ul style="list-style-type: none"> Serving of Refreshment Token Distribution Health Checks 	Christiana Branch
Thursday, October 19	<ul style="list-style-type: none"> International Credit Union Day & Mandeville Branch's Member Appreciation Day: <ul style="list-style-type: none"> Serving of Refreshment Token Distribution Health Checks 	Mandeville Branch
Friday, October 20	<ul style="list-style-type: none"> Seniors' Lyme: <ul style="list-style-type: none"> Sip and Paint Health Checks CUNA Caribbean Insurance Booth Display Live Entertainment Serving of Refreshment 	Mandeville Hotel



Social and Community Outreach

As part of our commitment to community development and social responsibility, we donated a total of **\$344,831.02** to various individuals and organizations, including schools, churches, and businesses, through our social and community outreach programme in 2023. The table which follows indicates individuals and organizations that benefited from donations:

Table 7

SOCIAL OUTREACH	
NAME	AMOUNT (\$)
BRONTIE APOSTOLIC CHURCH	9,600.00
WILLIAMSFIELD POLICE	10,000.00
KNOX JUNIOR SCHOOL	5,000.00
HOLMWOOD TECHNICAL HIGH SCHOOL	10,000.00
CHRISTIANA LEASED PRIMARY AND INFANT SCHOOL	10,000.00
THE MORAVIAN CHURCH IN JAMAICA & CAYMAN ISLANDS	7,500.00
MCINTOSH MEMORIAL PRIMARY SCHOOL	100,000.00
HATFIELD PRIMARY AND JUNIOR HIGH	5,000.00
MANCHESTER JUSTICE OF THE PEACE REG 5	10,000.00
GARLOGIE PRIMARY SCHOOL	25,000.00
MANDEVILLE BAPTIST CHURCH BROTHERHOOD	10,800.00
ECCLESIA WORSHIP CENTER	10,000.00
DONATION TO FIRE VICTIM	111,931.02
RED FLAME SPORTS CLUB	10,000.00
MANCHESTER POLICE	10,000.00
GRAND TOTAL	\$344,831.02



ANNUAL GENERAL MEETINGS & CONVENTIONS

MCCU 47th Annual General Meeting (AGM)

The 47th Annual General Meeting was successfully held on July 13, 2023, on the campus of the Church Teachers' College. The quorum for the meeting was achieved from the two hundred and two (202) members that were in attendance. This figure was broken down as follows:

	Physical Attendance	Virtual Attendance
Members	70	48
Staff	67	
Volunteers	17	
Total	154	48

Additionally, three (3) lucky members were awarded prizes for being present at the time when their names were drawn. The members and the respective prizes that they won were as follows:

Member	Prize
Cleveland Dawkins	32" Smart TV
Clifton Pryce	\$20,000.00 MCCU Gift Certificate
Natesha Crawford	Standing Fan
Delva Marshall	\$5,000.00 JCCUL Gift Certificate

Caribbean Confederation of Credit Unions (CCCU) 65th Annual International Convention and the 52nd Annual General Meeting

Our Credit Union was represented at the 65th Annual International Convention and 52nd Annual General Meeting of the Caribbean Confederation of Credit Unions (CCCU) which was held June 16th – 21st, 2023 in Puerto Rico, under the theme "Make the Member Connection Mission Possible".



Jamaica Co-operative Credit Union (JCCUL) League AGM and Convention

The League's 82nd Annual General Meeting and Convention was held on June 1st - 4th, 2023 at the Ocean Coral Spring Resort in Trelawny. Manchester Credit Union was represented by its delegates, alternate delegates, committee members and staff.

BOARD OF DIRECTORS MEETINGS – 2023

The table below outlines the attendance of the Board of Directors at the Twenty (20) meetings that were held during the year:

Table 8

NAMES	POSSIBLE MEETINGS	ATTENDED	EXCUSED	ABSENT
* Astley Scott	20	17	3	0
* Helen Wint	20	19	1	0
* Dalton Campbell	20	16	4	0
* Cleveland Robinson	20	20	0	0
*Paulette Stephenson-Taylor	20	20	0	0
Althea Campbell	15	15	0	0
Berresford South	15	15	0	0
Christopher Campbell	15	15	0	0
Hedena Thompson	15	9	2	4
** Alexander Bourne	13	11	2	0
Lesline Thomas	15	11	4	0
Courtney Henry	8	4	1	3
Maxcine Headley	7	7	0	0

*Members of the Executive

**Ex-Officio

BOARD OF DIRECTORS



Astley Scott
President



Helen Wint
Secretary



Dalton Campbell
Treasurer



Cleveland Robinson
1st Vice President



Paulette Stephenson-Taylor
2nd Vice President



Christopher Campbell
Assistant Treasurer



Althea Campbell
Assistant Secretary



Berresford South
Director



Hedena Thompson
Director



Lesline Thomas
Director



Maxcine Headley
Director



Alexander Bourne
Ex-officio



Appreciation

In closing, I would like to express our heartfelt gratitude to the dedicated staff, volunteers, and members of our organization. Your unwavering commitment, passion, and hard work are the driving forces behind our collective achievements. To our staff, your tireless efforts and dedication to our mission are truly commendable. Your expertise, professionalism, and willingness to go above and beyond have been instrumental in driving our Credit Union forward.

To all our volunteers, your selflessness and generosity of stewardship have not gone unnoticed. Your contributions and time spent make a significant difference in the lives of our members.

To our members, your support and engagement are invaluable to the success of our Credit Union. Your feedback, ideas, and advocacy strengthen our community and help shape our future endeavors.

Together, the backbone of the Credit Union is formed, and we are immensely grateful for your contributions. It is through our collective efforts and the remembrance of our mantra “people helping people” that we can fulfill our mission and make a positive impact in our Parish and Community.

As we move forward, let us continue to work together with passion, integrity, honesty, trust, and a shared vision for a brighter future for our beloved Credit Union. Thank you once again for your dedication, commitment, and unwavering support.

.....

Mr. Astley Scott

President



Dalton Campbell
Treasurer

I am pleased to present the Treasurer's Report to this the 48th Annual General Meeting of the Manchester Co-operative Credit Union 1977 Limited for the financial year ended December 31, 2023. 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 2023 represented a year of recovery for the country and our Credit Union. This was born out in most areas of operations with record growth which is reflected in the value of the Credit Union, the Net Loans, the Savings Portfolio and Surplus. This was achieved through the unwavering support of you the members, our hardworking team and volunteers.

FINANCIAL PERFORMANCE

Our Credit Union recorded Net Income on operations of \$160.63 million, representing a 196.6% increase on the \$54.2 million surplus recorded in 2022. The surplus generated in 2023 represents a record for the Credit Union. Assets grew by 12.8% or \$977 million for 2023. In addition, the Credit Union generated total

income of \$812 million, resulting in an increase of 23.8% when compared to 2022.

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

- Financial Investments \$135,840,782
- Liquid Assets \$ 223,919,034
- Loans to Members \$452,201,622

Our Credit Union incurred expenses of \$649 million in operational activities compared to \$599 million in 2022. This was an 8.3% increase compared to the previous year.





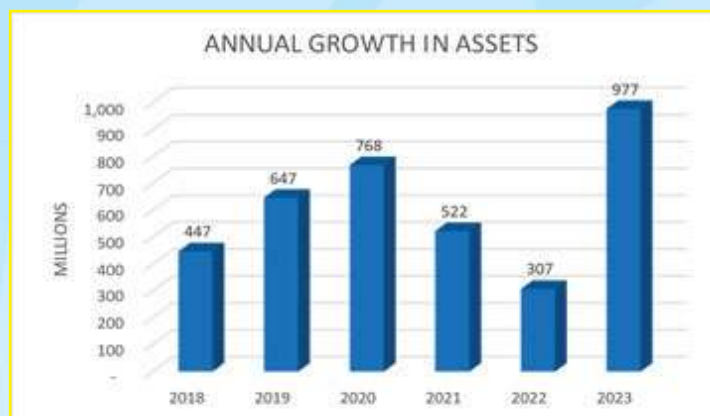
KEY PROFITABILITY TRENDS

Profitability Indicators below show the trends in key profitability ratios over the past five (5) years. An **income to asset ratio** of 9.4% was achieved in 2023, representing an 0.8% improvement on that achieved for 2022. The **return on assets ratio** was 1.89% at the end of the financial year. This bettered the 0.74% achieved in 2022.

Profitability Indicators					
	2019	2020	2021	2022	2023
Total Income to Assets	9.9%	8.9%	8.4%	8.6%	9.4%
Operating Exp. To Assets	6.7%	5.7%	5.5%	7.8%	6.0%
Return on Assets	0.92%	0.68%	1.11%	0.74%	1.89%

ASSET GROWTH

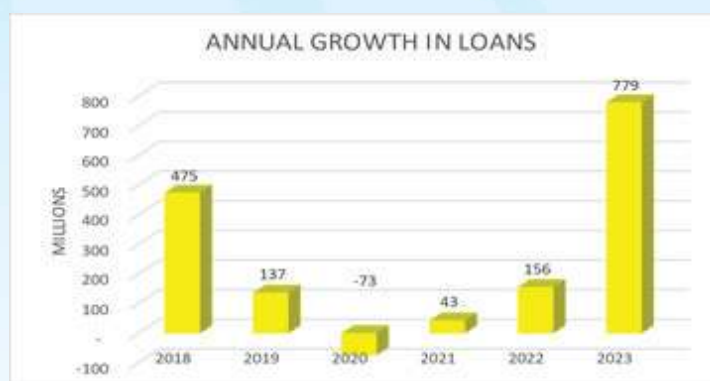
Total assets ended the year at \$8.63 billion. This represented an increase of \$977 million or 12.76% over the financial year 2022. **The Annual Growth in Assets chart** shows the movement in the asset base over the last five (5) years. The accumulated increase over the period was \$3.2 billion or 37% of the Credit Union's total assets.



LOANS

The Credit Union's loan portfolio grew by \$779M for 2023 when compared to 2022 despite intense competition within the sector. Growth were reflected in all areas of the portfolio with motor vehicle, real estate, cash secured and unsecured loans increasing by 42%, 3%, 5% and 28% respectively.

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





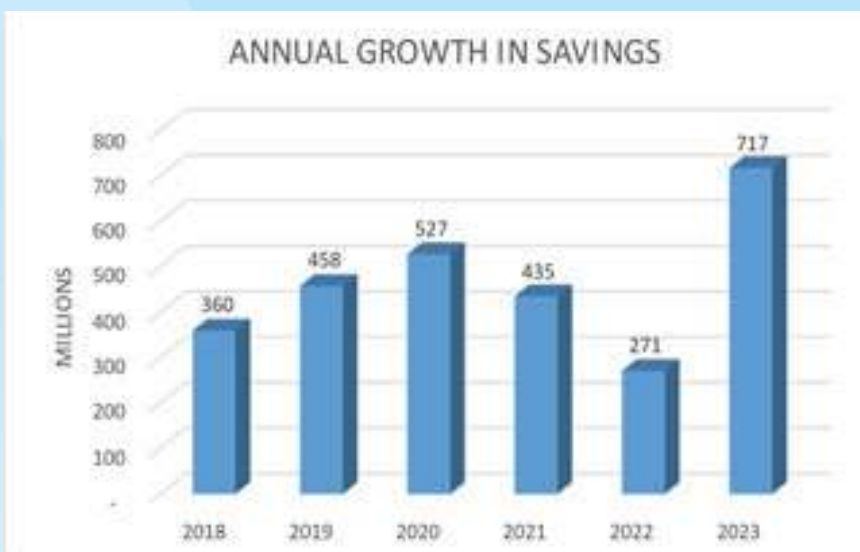
INVESTMENTS AND CASH RESERVES

The Cash and Investment portfolio closed the year at \$3.6 billion. This represented an increase of 2.7% over 2022 and accounted for 41% of total assets. Our Credit Union earned an average of 7.6% on investments during the year, bettering the 5.1% earned in 2022. This was attributable to Credit Union taking advantage of increases in Repurchase Agreement rates during the year.

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

SAVINGS

Total Savings grew by \$717 million or by 12% for the year as shown in **Annual Growth in Savings** chart. Total Savings increased to \$6.47 billion at the end of 2023. 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

The table below outline the Financial Indicators as per the PEARL standard. It depicts the performance of Our Credit Union across the different metrics for the years 2022 and 2023. One key variable is the loans to asset ratio which increased from 46.6% in 2022 to 50.39% in 2023. This increase demonstrates the effort of the team at Our Credit Union, with your support to achieve and surpass this most important standard of 60%-80% in the near future.



Financial Indicators			
Metrics	Target Standard	2023 Actual	2022 Actual
INSTITUTIONAL CAPITAL: TOTAL ASSETS	10%	12.95%	13.65%
NET LOANS: TOTAL ASSETS	60%-80%	50.39%	46.63%
DELINQUENT LOANS: TOTAL LOANS	< or = 5%	2.31%	3.43%
NON-EARNING ASSETS: TOTAL ASSETS	7%	8.40%	8.09%
OPERATING EXPENSE: TOTAL ASSETS	8%	7.5%	7.8%
MEMBERSHIP GROWTH	5%	2.9%	2.1%
INSTITUTIONAL CAPITAL GROWTH	8%	7.0%	5.0%

INSTITUTIONAL CAPITAL RESERVE

Our Credit Union was able to strengthen its capital base during the year. Institutional capital stood at \$1.12 billion at the end of the period. This represented \$73 million or 7% growth. The institutional capital to asset ratio was 12.95% at the end of 2023 financial year. This is mainly due to the strong growth in the value of the Credit Union. This ratio was well above the minimum 8% Target 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 record low of 2.31% in 2023, down from a multi-year low of 3.43% at the end of 2022 which is below the industry benchmark of 5%. We continue our efforts for effective delinquency control and are actively taking 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 some members giving very low priority to servicing their Credit Union obligations.

These uncollected funds could have increased our operational surplus for the year. This is a direct loss to our Credit Union's bottom line. It negatively impacts benefits that could be extended to you the 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 loans as agreed with the Credit Union. This will aid in our Credit Union achieving the mantra of people helping people.

FINANCIAL SUMMARY

Summarized Income Statement ('m)				
	2023	2022	Var	Growth %
Total Income	811.96	655.71	156.25	23.83%
Total Expenses	-651.33	-601.55	-49.78	8.28%
Surplus	160.63	54.16	106.47	196.58%
Add Undistributed Surplus	57.26	67.21	-9.95	-14.80%
Less Transfers	-87.15	-64.11	-23.04	35.94%
Available for Appropriation	130.74	57.26	73.48	128.33%

Summarized Balance Sheet ('m)				
	2023	2022	Var	Growth %
<i>We The Members Own:</i>				
Institutional Capital	1,117.74	1,045.05	72.69	6.96%
Permanent Shares	174.38	164.53	9.85	5.99%
Other Reserves	567.25	521.95	45.3	8.68%
Undistributed Surplus	130.75	57.26	73.49	128.34%
Total Capital & Reserves	1,990.12	1,788.79	201.33	11.26%



<i>The Money Was Used For:</i>				
Net Loans to Members	4,349.16	3,569.74	779.42	21.83%
Cash & Investments	3,557.82	3,465.92	91.9	2.65%
Fixed Assets	295.53	276.51	19.02	6.88%
Other Assets	429.29	342.72	86.57	25.26%
Total Assets	8,631.80	7,654.89	976.91	12.76%
Less Savings & Other Liabilities	6,641.68	5,866.10	775.58	13.22%
Our Credit Union's Net Worth	1,990.12	1,788.79	201.33	11.26%

CONCLUSION

The financial performance for the year 2023 is evidence that our Credit Union has shown it is regaining its pre-pandemic momentum of growth. We can see signs of health through the growth of the Loans and Savings portfolios and the record high value of Total Assets. In addition, the Delinquency rate is at a record low.

We take this opportunity to say thanks to our loyal members for their continued sterling support during 2023. 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.

We, at the Manchester Co-operative Credit Union (1077) Ltd., are committed to not resting on the good work of 2023. We see the positive signs in the attached audited financial statements as a springboard from which we will achieve even greater things in 2024. Under the guidance of our newly installed General Manager and her reinvigorated staff we expect that 2024 will be a year of records broken and higher watermarks set. Such ambitions, with the support, 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: dcfs@cwjamaica.com

Website: www.dcfs.gov.jm

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

**S1
R459-249/04/24**

April 16, 2024

The Secretary
Manchester Co-operative Credit Union (1977) Limited
2 Main Street, Mandeville
Manchester

Dear Sir/Madam:

I forward herewith the Financial Statements of your Society for the year ended December 31, 2023.

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

Yours truly,

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

HOPE GARDENS
Hope Gardens, Kingston 6
(876) 648-6870

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



FINANCIAL STATEMENTS





MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 2023

(Expressed in Jamaican Dollars unless otherwise indicated)

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FINANCIAL STATEMENTS



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

(Expressed in Jamaican Dollars unless otherwise indicated)

	Notes	2023 \$	2022 \$
ASSETS:			
EARNING ASSETS:			
Liquid Assets	4	2,102,559,773	2,270,358,835
Loans to Members after Provision	5	4,349,164,413	3,569,741,734
Financial Investments	7	1,455,259,333	1,195,551,693
Total Earning Assets		7,906,983,518	7,035,652,262
NON-EARNING ASSETS:			
Liquid Assets	8	238,522,468	226,444,170
Other Assets	9	128,235,353	100,484,464
Property, Plant and Equipment	10	295,530,142	276,514,819
Retirement Benefit Asset	11	62,530,000	15,798,000
Total Non-Earning Assets		724,817,962	619,241,452
TOTAL ASSETS		8,631,801,480	7,654,893,714
LIABILITIES:			
INTEREST BEARING LIABILITIES:			
Members' Voluntary Share Capital	12	3,300,638,509	2,882,221,744
Savings Deposits	13	3,165,036,980	2,866,326,919
Total Interest Bearing Liabilities		6,465,675,488	5,748,548,663
NON-INTEREST BEARING LIABILITIES:			
Accruals	14	33,820,946	21,084,899
Payables	15	104,556,805	66,321,496
Others	16	37,625,313	30,140,645
Total Non-Interest Bearing Liabilities		176,003,063	117,547,040
TOTAL LIABILITIES		6,641,678,551	5,866,095,704
EQUITY:			
Members' Permanent Share Capital	17	174,382,822	164,527,402
Non-Institutional Capital	18	697,998,707	579,216,101
Institutional Capital	19	1,117,741,400	1,045,054,507
Total Capital		1,990,122,929	1,788,798,011
TOTAL LIABILITIES AND EQUITY		8,631,801,480	7,654,893,714

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

APPROVED FOR ISSUE BY THE BOARD OF DIRECTORS ON *April 11, 2024* AND SIGNED ON ITS BEHALF BY:

MR. ASTLEY SCOTT
PRESIDENT

MR. DALTON CAMPBELL
TREASURER



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

(Expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2023 \$	2022 \$
INTEREST INCOME:			
Liquid Assets		192,766,261	134,065,662
Loans to Members		452,201,622	421,909,827
Financial Investments		79,171,734	41,844,354
		<u>724,139,616</u>	<u>597,819,843</u>
INTEREST EXPENSE:			
Interest Expense on Members' Voluntary Shares		44,333,167	40,974,090
Savings Deposits		26,358,569	22,505,300
Other Financial Costs	20	21,519,372	20,323,381
		<u>92,211,108</u>	<u>83,802,771</u>
NET INTEREST INCOME		631,928,508	514,017,072
Less Provision for Loan Impairment	6	37,529,658	67,789,014
Less Reimbursement to Members for ATM Fraud		-	137,534
		<u>594,398,850</u>	<u>446,090,525</u>
NET INTEREST INCOME AFTER PROVISION			
NON - INTEREST INCOME			
Other Income	21	87,821,820	57,889,055
		<u>87,821,820</u>	<u>57,889,055</u>
GROSS INCOME		682,220,671	503,979,580
Less Operating Expenses	22	518,786,207	447,153,701
NET INCOME BEFORE HONORARIA		163,434,464	56,825,878
Honoraria Payment		(2,800,000)	(2,666,667)
NET INCOME		<u>160,634,464</u>	<u>54,159,211</u>
<u>OTHER COMPREHENSIVE INCOME</u>			
Items that will or may be reclassified to profit or loss:			
Revaluation- Available for Sale Investments		(2,562,935)	(2,969,021)
Items that will not be reclassified to profit or loss:			
Remeasurement Gain/ (Loss) on Retirement Benefit	11	46,732,000	(35,427,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>204,803,529</u>	<u>15,763,191</u>

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 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY

	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)
	-	15,763,191	-	15,763,191
Total Comprehensive Income for the Year after Honoraria	9,150,790	-	-	9,150,790
Transactions with Owners				
Permanent Share Capital Subscribed	-	(8,749,352)	-	(8,749,352)
Appropriations of Net Surplus for 2021	-	(38,000,000)	38,000,000	-
Dividends on Permanent Shares	-	(2,000,000)	-	(2,000,000)
Institutional Capital	-	(2,000,000)	-	(2,000,000)
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 2023
(Expressed in Jamaican Dollars unless otherwise indicated)

SUMMARY (CONT'D)

	Members' Permanent Share Capital	Non- Institutional Capital	Institutional Capital	Total
	\$	\$	\$	\$
Balance at 31st December 2022	164,527,402	579,216,101	1,045,054,507	1,788,798,011
Total Surplus for the Year	-	160,634,464	-	160,634,464
Other Comprehensive Income				
Revaluation - Available for Sale Investments	-	(2,562,935)	-	(2,562,935)
Pension Expense	-	46,732,000	-	46,732,000
	-	44,169,065	-	44,169,065
Total Comprehensive Income for the Year after Honoraria	-	204,803,529	-	204,803,529
Transactions with Owners	9,855,420	-	-	9,855,420
Permanent Share Capital Subscribed	-	-	-	-
Appropriations of Net Surplus for 2022	-	-	-	-
Dividends on Permanent Shares	-	(8,463,404)	-	(8,463,404)
Institutional Capital	-	(40,000,000)	40,000,000	-
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	-	119,550	-	119,550
Payments made from Other Non-Qualifying Reserves	-	(1,476,486)	-	(1,476,486)
Other Reserves from Prior Periods	-	(3,513,689)	-	(3,513,689)
Transfer to Statutory Reserve	-	(32,686,893)	32,686,893	-
Balance at 31st December 2023	174,382,822	697,998,707	1,117,741,400	1,990,122,929

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

FINANCIAL STATEMENTS



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (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 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 Surplus for the Year	-	-	-	-	-	-	-	54,159,211	54,159,211
Other Comprehensive Income	-	(2,969,021)	-	-	(35,427,000)	-	-	-	(2,969,021)
Revaluation - Available for Sale Investments	-	(2,969,021)	-	-	(35,427,000)	-	-	-	(35,427,000)
Pension Expense	-	(2,969,021)	-	-	(35,427,000)	-	-	-	(35,427,000)
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	-	-	-	-	-	-	-	(8,749,352)	(8,749,352)
Dividends on Permanent Shares	-	-	-	-	-	-	-	(38,000,000)	(38,000,000)
Transfer to Institutional Capital	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Social Outreach Programme	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Sydney Carter Scholarship	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Disaster Relief Fund	-	-	-	-	-	-	-	(11,365,176)	(11,365,176)
Transfer of 20% of Net Income for the Year before Honoraria	-	-	-	-	-	(3,050,163)	(37,529)	(37,529)	(37,529)
Transfer to Permanent Share Transfer Fund	-	-	-	-	-	-	(37,529)	-	(37,529)
Payments made from Non-Qualifying Reserve	-	-	-	-	-	-	-	-	(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



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

NON-INSTITUTIONAL CAPITAL (CONT'D)

	(i)					(ii)						
	Capital Reserves	Other Reserves	Loan Loss Reserves	Capital Development Reserves	Retirement Benefit Reserves	Other Non-Qualifying Reserves	Permanent Share Transfer Fund	Undistributed Net Income	Total			
	\$	\$	\$	\$	\$	\$	\$	\$	\$			\$
Balance at 31st December 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			
Total Surplus for the Year	-	-	-	-	-	-	-	160,634,464	160,634,464			
Other Comprehensive Income	-	(2,562,935)	-	-	46,732,000	-	-	-	(2,562,935)			
Revaluation - Available for Sale Investments	-	-	-	-	-	-	-	-	46,732,000			
Pension Expense	-	(2,562,935)	-	-	-	-	-	-	-			
Total Comprehensive Surplus for the Year after Honoraria	-	(2,562,935)	-	-	46,732,000	-	-	-	44,169,065			
Transactions with Owners	-	(2,562,935)	-	-	46,732,000	-	-	-	44,169,065			
Appropriations of Net Surplus for 2022	-	-	-	-	-	-	-	-	204,803,529			
Dividends on Permanent Shares	-	-	-	-	-	-	-	-	-			
Transfer to Institutional Capital	-	-	-	-	-	-	-	-	-			
Social Outreach Programme	-	-	-	-	-	2,000,000	-	-	-			
Sydney Carter Scholarship	-	-	-	-	-	2,000,000	-	-	-			
Disaster Relief Fund	-	-	-	-	-	2,000,000	-	-	-			
Transfer of 20% of Net Income for the Year before Honoraria	-	-	-	-	-	-	119,550	-	(32,686,893)			
Transfer to Permanent Share Transfer Fund	-	(3,513,689)	-	-	-	(1,476,486)	-	-	119,550			
Payments made from Non-Qualifying Reserve	-	-	-	-	-	-	-	-	(1,476,486)			
Other Reserves from Prior Periods	-	(15,000,000)	-	-	-	-	-	-	(3,513,689)			
Transfer to Loan Loss Reserve from Prior Periods	-	(15,000,000)	15,000,000	-	-	-	-	-	-			
Transactions with Owners	-	(18,513,689)	15,000,000	-	-	4,523,514	-	(87,150,297)	(86,020,923)			
Balance at 31st December 2023	212,549,809	88,294,230	67,000,000	100,000,000	62,530,000	31,846,014	5,031,083	130,747,571	697,998,707			

(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 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

Institutional Capital

	Statutory and Legal Reserves	Revenue Reserves	Total
	\$	\$	\$
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
Transfer of 20% of Net Income for the Year before Honoraria	32,686,893	-	32,686,893
Transfer from Undistributed Net Income to Institutional Capital	-	40,000,000	40,000,000
Balance at 31st December 2023	<u>390,794,144</u>	<u>726,947,256</u>	<u>1,117,741,400</u>

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



FINANCIAL STATEMENTS

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2023
(Expressed in Jamaican Dollars unless otherwise indicated)

	2023	2022
	\$	\$
Cash flows from Operating Activities		
TOTAL COMPREHENSIVE INCOME AFTER HONORARIA	204,803,529	15,763,191
Non- cash items included in income		
Depreciation - Property, Plant and Equipment	14,575,717	12,707,432
Pension (Income)/ Expense	(46,732,000)	35,427,000
Loss on Revaluation of Investments	2,562,935	2,969,021
Provision for Loan Impairment	37,529,658	67,789,014
	<u>212,739,839</u>	<u>134,655,657</u>
Decrease in Operating Assets		
Other Assets	(27,750,889)	(40,784,391)
Increase in Operating Liabilities		
Accruals	12,736,046	4,272,596
Payables	38,235,308	24,343,324
Others	7,484,668	(5,294,905)
Net Cash Provided by Operating Activities	<u>243,444,972</u>	<u>117,192,281</u>
Cash Flows from Investing Activities:		
Addition to Property, Plant & Equipment	(33,591,040)	(16,762,774)
Financial Investments	(262,270,575)	(24,475,498)
Loans to Members	(1,947,263,577)	(1,342,736,219)
Repayment of Loans by Members	1,130,311,241	1,118,946,595
Net Cash Used in Investing Activities	<u>(1,112,813,952)</u>	<u>(265,027,897)</u>
Cash Flows from Financing Activities:		
Voluntary Share Capital	418,416,765	78,084,119
Permanent Share Capital	9,855,420	9,150,790
Savings Deposits	298,710,060	192,802,678
Social Outreach	512,467	(953,436)
Permanent Share Transfer Fund	119,550	(37,529)
Dividend on Permanent Shares	(8,463,404)	(8,749,352)
Share Building Reserves	11,046	3,273
Other Reserve	(3,513,689)	-
Sydney Carter Scholarship Fund	(2,000,000)	(2,100,000)
Net Cash Provided by Financing Activities	<u>713,648,215</u>	<u>268,200,542</u>
(Decrease)/ Increase in Liquid Assets	(155,720,764)	120,364,926
Liquid Assets at Beginning of Year	2,496,803,005	2,376,438,079
Liquid Assets at End of Year	<u>2,341,082,241</u>	<u>2,496,803,005</u>
Liquid Assets - Earning	2,102,559,773	2,270,358,835
Liquid Assets - Non - Earning	238,522,468	226,444,170
	<u>2,341,082,241</u>	<u>2,496,803,005</u>

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 2023

(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 assessed 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:**

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 2023
(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:

Leases on sale and leaseback (Amendments to IFRS 16) (Effective January 1, 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Non-current liabilities with covenants (Amendments to IAS 1) (Effective January 2, 2024)

These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)

FOR THE YEAR ENDED 31ST DECEMBER 2023

(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 2023

(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
- Establishing groups of similar financial assets for the purpose of measuring expected credit losses.



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023

(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 -

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 2023
(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 2023
 (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 2023
(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.



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

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 2023**

(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 its 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.



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023

(Expressed in Jamaican Dollars unless otherwise indicated)

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

(s) Related Party Balances and Transactions:

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

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

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
(Expressed in Jamaican Dollars unless otherwise indicated)

4. Earning Assets - Liquid Assets:

	2023	2022
	\$	\$
Foreign Currency Savings Accounts	50,396,356	89,295,217
Placement with JCCUL	518,491,579	496,694,670
Placement with Other Financial Institutions	1,533,671,838	1,684,368,948
	<u>2,102,559,773</u>	<u>2,270,358,835</u>

5. Loans To Members:

	2023	2022
	\$	\$
Balance at Beginning of Year	3,658,916,741	3,551,375,991
Loans Granted	<u>1,896,543,249</u>	<u>1,226,487,345</u>
	5,555,459,990	4,777,863,336
Less Repayments and Transfers	<u>1,130,311,241</u>	<u>1,118,946,595</u>
	4,425,148,749	3,658,916,741
Less: Allowance for Expected Credit Loss (IFRS 9)	<u>(75,984,336)</u>	<u>(89,175,007)</u>
Balance at End of Year	<u>4,349,164,413</u>	<u>3,569,741,734</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

6. Allowance for Expected Credit Loss:

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

	2023	2022
	\$	\$
Total Non-Performing Loans	<u>208</u>	<u>286</u>
Balance, 1st January	89,175,007	137,634,868
Allowance/Provision for the Year	<u>37,529,658</u>	<u>67,789,014</u>
	126,704,665	205,423,881
Recoveries during the Year	20,966,331	6,842,564
Charged off during the year	<u>(71,686,660)</u>	<u>(123,091,438)</u>
Balance, 31st December	<u>75,984,336</u>	<u>89,175,007</u>
Regulatory loan loss provision	32,990,425	62,608,445
Less: Allowance for Expected Credit Loss (IFRS 9)	<u>(75,984,336)</u>	<u>(89,175,007)</u>
(Shortage)/ Excess of Regulatory Loan Impairment over IFRS Provision	<u>(42,993,911)</u>	<u>(26,566,562)</u>

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:

	2023		2023	2022
	DELINQUENT		PROVISION FOR	PROVISION FOR
	LOANS	RATE	LOAN LOSSES	LOAN LOSSES
	\$	%	\$	\$
1 Month	37,850,742	-	-	-
2 - 3 Months	6,120,394	10	612,039	2,002,119
3 - 6 Months	16,378,101	30	4,913,430	10,941,703
6 - 12 Months	35,542,988	60	21,325,793	29,128,323
Over 12 Months	<u>6,139,163</u>	100	<u>6,139,163</u>	<u>20,536,300</u>
	<u>102,031,388</u>		<u>32,990,425</u>	<u>62,608,445</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

6. Allowance for Expected Credit Loss (cont'd):

(c) Delinquent Loans:

MONTHS IN ARREARS	NO. OF LOANS IN ARREARS	DELINQUENT LOANS	PORTION SAVINGS HELD AGAINST LOANS	COVERED BY / (IN EXCESS OF) SAVINGS
	#	\$	\$	\$
1 month	101	37,850,742	24,910,502	(12,940,240)
2 to 3 months	17	6,120,394	1,436,050	(4,684,344)
3 to 6 months	29	16,378,101	2,244,920	(14,133,180)
6 to 12 months	46	35,542,988	3,971,944	(31,571,043)
Over 12 months	<u>15</u>	<u>6,139,163</u>	<u>1,472,462</u>	<u>(4,666,701)</u>
	<u>208</u>	<u>102,031,388</u>	<u>34,035,879</u>	<u>(67,995,509)</u>

(d) The Directors estimate the value of the chattels held as security against the outstanding loans to be \$34,035,879 (2022 - \$15,442,503). At 31st December 2023 there were 208 delinquent loans (2022 - 195).

7. Earning Assets - Financial Investments:

	2023	2022
	\$	\$
<u>Fair value through other comprehensive income</u>		
Placement with JCCUL	33,172,962	27,174,146
Placement with Other Financial Institutions	1,240,667,434	1,002,883,621
	<u>1,273,840,396</u>	<u>1,030,057,767</u>
Un-quoted Equity Securities	154,421,531	136,421,531
Quoted Equity Shares	30,997,407	33,072,395
Expected Credit Losses/Provision for losses on unquoted shares	(4,000,000)	(4,000,000)
	<u>181,418,938</u>	<u>165,493,925</u>
	<u>1,455,259,333</u>	<u>1,195,551,693</u>

8. Non Earning - Liquid Assets:

	2023	2022
	\$	\$
Cash and Bank	<u>238,522,468</u>	<u>226,444,170</u>

9. Non Earning - Other Assets:

	2023	2022
	\$	\$
Accrued Income	83,220,491	68,804,151
Receivables	<u>45,014,861</u>	<u>31,680,313</u>
	<u>128,235,353</u>	<u>100,484,464</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

10. Property, Plant and Equipment:

	Land \$	Buildings \$	Furniture, Fixtures and Equipment \$	Construction Work in Progress \$	Motor Vehicle \$	Computer Equipment \$	Total \$
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
Additions	-	-	3,159,127	14,616,750	-	15,815,163	33,591,040
31st December 2023	78,000,000	182,188,870	89,795,549	38,506,068	8,103,151	78,032,543	474,626,181
Depreciation:							
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
Charge for year	-	4,416,659	6,099,836	-	-	4,059,222	14,575,717
31st December 2023	-	33,553,536	75,034,207	-	8,103,151	62,405,145	179,096,039
Net Book Values:							
31st December 2023	78,000,000	148,635,334	14,761,342	38,506,068	-	15,627,397	295,530,142
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

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



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023

(Expressed in Jamaican Dollars unless otherwise indicated)

11. Retirement Benefit Asset :

The Credit Union participates in a multi-employer pension scheme. The pension scheme is a defined benefit plan and is funded. The assets of the funded plan are held independently of the Credit Union's assets in separate trustee administered funds. Independent actuaries value the scheme annually using the projected unit credit method. The latest actuarial valuation was carried out as at 31st December 2023.

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

	2023	2022
	\$	\$
Present Value of funded obligations	332,211,000	201,872,000
Fair Value of Plan Assets	<u>(420,851,000)</u>	<u>(395,465,000)</u>
Over-Funded Obligation	(88,640,000)	(193,593,000)
Effect of Asset Ceiling	<u>26,110,000</u>	<u>177,795,000</u>
Asset in the Statement of Financial Position	<u>(62,530,000)</u>	<u>(15,798,000)</u>

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

Current service cost	2,760,000	9,222,000
Interest cost on Obligation	25,169,000	26,834,000
Interest Income on Plan assets	(51,209,000)	(31,548,000)
Interest on Effect of Asset Ceiling	23,113,000	-
Administrative Expenses	<u>2,073,000</u>	<u>2,061,000</u>
Pension Expense	<u>1,906,000</u>	<u>6,569,000</u>

The actual return on plan assets was \$25,386,000 (2022 - \$3,603,000).

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

Net Asset at beginning of year	(15,798,000)	(51,225,000)
Pension Expense	1,906,000	6,569,000
Remeasurement	(41,493,000)	36,926,000
Contributions Paid	<u>(7,145,000)</u>	<u>(8,068,000)</u>
Closing Net Asset at End of Year	<u>(62,530,000)</u>	<u>(15,798,000)</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

11. Retirement Benefit Asset (cont'd):

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

	2023	2022
Discount Rate	11.00%	13.00%
Future salary increases	<u>8.00%</u>	<u>7.50%</u>

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:

	2019	2020	2021	2022	2023
	\$'000	\$'000	\$'000	\$'000	\$'000
Fair Value of plan assets	345,664	370,549	391,862	395,465	420,851
Defined benefit obligation	<u>277,400</u>	<u>307,205</u>	<u>340,637</u>	<u>201,872</u>	<u>332,211</u>
Surplus	<u>68,264</u>	<u>63,343</u>	<u>51,225</u>	<u>193,593</u>	<u>88,640</u>
Experience adjustments-					
Fair value of plan assets	9,188	(4,157)	(14,488)	(30,850)	206,551
Defined benefit obligation	<u>(1,999)</u>	<u>6,502</u>	<u>(10,126)</u>	<u>(25,428)</u>	<u>6,334</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED NOTES TO THE FINANCIAL STATEMENTS - (CONT'D) FOR THE YEAR ENDED 31ST DECEMBER 2023

(Expressed in Jamaican Dollars unless otherwise indicated)

12. Members' Voluntary Share Capital:

	2023 \$	2022 \$
Balance at Beginning of Year	2,882,221,744	2,804,137,625
Add Amount Subscribed	2,339,108,176	1,616,826,875
	5,221,329,920	4,420,964,500
Less Withdrawals & Transfers	1,920,691,411	1,538,742,756
Balance at End of Year	3,300,638,509	2,882,221,744

13. Savings Deposits:

	2022 \$	2022 \$
i. Term Deposits	318,388,510	366,751,497
ii. Members' Regular Deposits	1,568,568,920	1,428,011,589
iii. Golden Harvest Deposits	54,768,579	53,408,927
iv. Insurance Savings Club	15,912,659	12,729,526
v. Youth Savings	137,340,539	124,386,714
vi. Partner Plan Plus Deposits	143,856,301	98,828,354
vii. Solid Saver Deposits	366,821,174	327,541,736
viii. Wealth Accelerator Savings	550,618,405	447,588,822
ix. Standing Order Holding	8,761,891	7,079,753
	3,165,036,980	2,866,326,919

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.



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

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. 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.

ix. Standing Order Holding

This represents accounts used to make regular fixed payments to members' loans, Partner Plan and/or fixed deposit.

14. Accruals:

	2023	2022
	\$	\$
Accrued Interest on Deposits	3,899,694	3,777,833
Other Accruals	29,921,252	17,307,067
	<u>33,820,946</u>	<u>21,084,899</u>

15. Payables:

	2023	2022
	\$	\$
Collector of Taxes	19,771,053	18,680,919
Salary Deductions Payable	73,628,665	44,213,791
Other Payables	11,157,087	3,426,786
	<u>104,556,805</u>	<u>66,321,496</u>

16. Non - Interest Bearing Liabilities - Others:

	2023	2022
	\$	\$
Estate Accounts	<u>37,625,313</u>	<u>30,140,645</u>

This amount represents unsettled claims in respect of deceased members.



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
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17. Members' Permanent Share Capital:

	2023	2022
	\$	\$
Balance at Beginning of Year	164,527,402	155,376,613
Add Permanent Share Capital Subscribed	9,855,420	9,150,790
Balance at End of Year	174,382,822	164,527,402

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:

	2023	2022
	\$	\$
Capital Reserves (Unrealised) (Note 24)	212,549,809	212,549,809
Other Reserves	88,294,230	109,370,854
Loan Loss Reserves	67,000,000	52,000,000
Capital Development Reserves	100,000,000	100,000,000
Retirement Benefit Reserves (Note 11)	62,530,000	15,798,000
Other Non-qualifying Reserves (Note 26)	31,846,014	27,322,501
Permanent Share Transfer Fund	5,031,083	4,911,533
Undistributed Net Income	130,747,571	57,263,404
	697,998,707	579,216,101

19. Institutional Capital:

	2023	2022
	\$	\$
Retained Earnings Reserves at Beginning of Year	686,947,256	648,947,256
Appropriation of Net Surplus	40,000,000	38,000,000
Retained Earnings Reserves at End of Year	726,947,256	686,947,256
Statutory & Legal Reserves (Note 25)	390,794,144	358,107,251
	1,117,741,400	1,045,054,507

20. Other Financial Costs:

	2023	2022
	\$	\$
Life Savings Insurance	7,488,871	7,466,676
Loan Protection Insurance	12,208,841	10,992,571
Loss on Foreign Exchange	-	1,355,071
Bank Charges and Interest	1,821,659	509,063
	21,519,372	20,323,381



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (Expressed in Jamaican Dollars unless otherwise indicated)

21. Other Income:

	2023	2022
	\$	\$
Commitment Fees - Service Charge on Loans	54,746,981	29,721,327
Miscellaneous	3,300,446	2,626,567
Gain on Foreign Exchange	3,735,036	-
FIP Administration Fee	4,608,099	4,406,537
ABM Fees	1,922,067	1,693,689
Standing Order Fees	633,357	713,600
Account User Fee	18,875,835	18,727,335
	<u>87,821,820</u>	<u>57,889,055</u>

22. Operating Expenses:

	2023	2022
	\$	\$
Personnel Expenses:		
Employee Salaries & Allowances	271,479,456	248,269,703
Employee Benefits	27,368,985	23,507,082
Education & Training	2,813,149	2,082,115
Staff Travel & Related Expenses	4,639,515	2,412,846
Others	161,401	-
	<u>306,462,506</u>	<u>276,271,745</u>

Administrative Expenses:

Rental	1,020,000	960,000
Utilities	9,329,060	9,279,692
Depreciation and Impairment	14,575,717	13,014,134
Audit and Supervision - Current Year	3,180,000	3,180,000
Repairs & Maintenance (Office)	31,535,714	30,390,529
Telecommunications	12,683,760	8,235,928
Printing, Stationery & Supplies	11,955,436	7,859,042
Insurance Premiums	5,685,803	5,103,887
Professional & Consulting Fees	2,455,367	531,022
Subscriptions & Other Administrative Expenses	49,063,275	36,167,060
	<u>141,484,131</u>	<u>114,721,296</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
(Expressed in Jamaican Dollars unless otherwise indicated)

22. Operating Expenses - (cont'd):

	2023	2022
	\$	\$
Marketing & Promotion:		
Publicity & Promotion	23,130,832	19,722,234
Public Relations	-	7,086
	<u>23,130,832</u>	<u>19,729,320</u>
Representation & Affiliation:		
League and Other Dues	28,778,659	20,590,336
Seminars & Meetings	5,572,857	2,083,438
Board of Directors & Committees	6,966,700	8,712,576
Annual General Meetings	<u>6,390,522</u>	<u>5,044,990</u>
	<u>47,708,738</u>	<u>36,431,340</u>
TOTAL OPERATING EXPENSES	<u>518,786,207</u>	<u>447,153,701</u>

23. Appropriations:

	2023	2022
	\$	\$
Dividend on Permanent Shares	8,463,404	8,749,352
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
Institutional Capital	<u>40,000,000</u>	<u>38,000,000</u>
	<u>54,463,404</u>	<u>52,749,352</u>

24. Capital Reserves:

	2023	2022
	\$	\$
Balance at Beginning of Year	<u>212,549,809</u>	<u>212,549,809</u>
Balance at End of Year	<u>212,549,809</u>	<u>212,549,809</u>

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



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FOR THE YEAR ENDED 31ST DECEMBER 2023

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25. Statutory and Legal Reserves:

	2023	2022
	\$	\$
Balance at Beginning of Year	358,107,251	346,742,075
20% (2022- 20%) Transfer from Net Income	32,686,893	11,365,176
Balance at End of Year	390,794,144	358,107,251

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:

	2023	2022
	\$	\$
Special Reserve	57,587	57,587
Sydney Carter Scholarship Fund	1,614,191	1,614,191
Social Outreach Programme	5,755,504	3,243,037
Disaster Relief Fund	8,049,684	6,049,684
Share Building Fund	2,658,934	2,647,887
Stabilization Fund Reserves	1,210,114	1,210,114
Business Development Fund	12,500,000	12,500,000
	31,846,014	27,322,501

27. Staff Costs:

Staff costs for the year amounted to \$303,405,332 (2022: \$276,271,745).

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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28. Comparison of Ledger Balances:

	Permanent Shares	Voluntary Shares	Deposits	Loans
2023	\$	\$	\$	\$
General Ledger	174,382,822	3,300,638,509	3,165,036,980	4,425,148,749
Personal Ledger Listing	<u>174,382,822</u>	<u>3,300,638,509</u>	<u>3,165,036,980</u>	<u>4,425,148,749</u>
2022				
General Ledger	164,527,402	2,882,221,744	2,866,326,919	3,658,916,741
Personal Ledger Listing	<u>164,527,402</u>	<u>2,882,221,744</u>	<u>2,866,326,919</u>	<u>3,658,916,741</u>

29. Related Party Transactions:

At 31st December 2023, the twelve (12) members of the Credit Union's Board of Directors had savings totalling \$16,685,225. Of these Directors, five (5) had loans totalling \$7,987,643. Sixteen (16) Committee Members had savings totalling \$11,681,400. Of these Sixteen (16) Committee Members, seven (7) had loans totalling \$35,092,296.

Of the seventy six (76) Credit Union Staff, all had savings of \$44,060,820 and fifty-eight (58) had loans including interest totalling \$238,416,348. 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 2023, 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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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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32. Financial Instruments and Financial Instruments Risk Management (cont'd):

(a) Credit Risk (Cont'd)

Exposure to credit risk

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

	2023	2022
	\$	\$
Loans to members (net)	4,349,164,413	3,569,741,734
Liquid assets - earning	2,102,559,773	2,270,358,835
Financial investments	1,455,259,333	1,195,551,693
Liquid assets - non-earning	238,522,468	226,444,170
Non earning assets - other	128,235,353	100,484,464
	<u>8,273,741,339</u>	<u>7,362,580,895</u>

(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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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023

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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, 2023, an estimate of the fair values of collateral held against loans to members are as follows:

	2023	2022
<u>Type of Collateral</u>	<u>\$</u>	<u>\$</u>
Motor Vehicles	873,883,759	728,208,276
Real Estate	<u>1,107,543,697</u>	<u>2,217,886,445</u>
	<u>1,981,427,456</u>	<u>2,946,094,721</u>

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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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)

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 expected 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:

<u>As per Expected Credit Loss (ECL) Report</u>	Gross Carrying Amount		Expected Credit Loss	
	2023	2022	2023	2022
	\$	\$	\$	\$
Stage 1 (12- month ECL)	4,254,563,905	3,432,894,873	52,788,732	59,245,150
Stage 2 (Lifetime ECL)	120,389,955	157,071,977	6,218,807	14,166,499
Stage 3 (Lifetime ECL)	50,194,890	68,949,891	16,976,798	15,763,358
Total	4,425,148,749	3,658,916,741	75,984,336	89,175,007
<u>As per General Ledger</u>	4,425,148,749	3,658,916,741	75,984,336	89,175,007

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 2023, without accounting for any collateral held or other credit enhancements.

(i) Changes in Credit quality since initial

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL	Lifetime ECL	
Gross carrying amount on Loans as at January 1, 2023	3,432,894,873	157,071,977	68,949,891	3,658,916,741
<u>Transfers between Stages</u>				
Transfer from Stage 1 to 2	-	-	-	-
Transfer from Stage 1 to 3	-	-	-	-
Transfer from Stage 2 to 1	157,071,977	(157,071,977)	-	-
Transfer from Stage 2 to 3	-	-	-	-
Transfer from Stage 3 to 1	3,800,266	-	(3,800,266)	-
Transfer from Stage 3 to 2	-	65,149,625	(65,149,625)	-
New Financial Assets originated	<u>660,796,788</u>	<u>55,240,330</u>	<u>50,194,890</u>	<u>766,232,008</u>
Gross Carrying Amount on Loans as at December 31, 2023	<u>4,254,563,905</u>	<u>120,389,955</u>	<u>50,194,890</u>	<u>4,425,148,749</u>

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL	Lifetime ECL	Lifetime ECL	
Expected Credit Loss as at January 1, 2023	59,245,150	14,166,499	15,763,358	89,175,007
<u>Transfers between Stages</u>				
Transfer from Stage 1 to 2	-	-	-	-
Transfer from Stage 1 to 3	-	-	-	-
Transfer from Stage 2 to 1	14,166,499	(14,166,499)	-	-
Transfer from Stage 2 to 3	-	-	-	-
Transfer from Stage 3 to 1	1,868,031	-	(1,868,031)	-
Transfer from Stage 3 to 2	-	13,895,328	(13,895,328)	-
Net movement due to Asset derecognition/recognition and changes PD/LGDs/EADs factors	<u>(22,490,948)</u>	<u>(7,676,521)</u>	<u>16,976,798</u>	<u>(13,190,671)</u>
Expected Credit Loss as at December 31, 2023	<u>52,788,732</u>	<u>6,218,807</u>	<u>16,976,798</u>	<u>75,984,336</u>



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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% (2022: 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:

	2023	Within 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	No Specific Maturity \$	Total \$
ASSETS:							
EARNING ASSETS:							
Liquid Assets	1,403,805,052		129,866,785	-	-	568,887,936	2,102,559,773
Loans	6,757,731		52,990,154	2,145,275,253	2,128,257,142	15,884,133	4,349,164,413
Financial Investments	162,075,371		543,523,581	309,999,000	91,300,000	348,361,381	1,455,259,333
NON-EARNING ASSETS:							
Liquid Assets	-		-	-	-	238,522,468	238,522,468
Other Assets	-		128,235,353	-	-	-	128,235,353
Property, Plant & Equipment	-		-	-	-	295,530,142	295,530,142
Retirement Benefit Asset	-		-	-	-	62,530,000	62,530,000
Total Assets	1,572,638,154		854,615,873	2,455,274,253	2,219,557,142	1,529,716,059	8,631,801,480
LIABILITIES:							
EARNING LIABILITIES:							
Liquid Liabilities	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 LIABILITIES:							
Liquid Liabilities	-		-	-	-	226,444,170	226,444,170
Other Liabilities	-		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 Liabilities	1,948,841,982		599,016,103	1,942,811,275	1,713,563,118	1,450,661,237	7,654,893,714

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

(b) Liquidity Risk (Cont'd) :

	2023	Within 3 Months \$	3 to 12 Months \$	1 to 5 Years \$	Over 5 Years \$	No Specific Maturity \$	Total \$
LIABILITIES :							
INTEREST BEARING							
LIABILITIES:							
Members' Voluntary Share Capital	3,300,638,509	-	-	-	-	-	3,300,638,509
Savings Deposits	496,098,030	481,650,742	80,857,682	9,074,748	2,097,355,779	-	3,165,036,980
NON-INTEREST BEARING							
LIABILITIES & CAPITAL:							
Accruals	-	33,820,946	-	-	-	-	33,820,946
Payables	104,556,805	-	-	-	-	-	104,556,805
Others	37,625,313	-	-	-	-	-	37,625,313
Capital and Reserves	-	-	-	-	-	1,990,122,929	1,990,122,929
Total Liabilities & Capital	3,938,918,656	515,471,687	80,857,682	9,074,748	4,087,478,708	-	8,631,801,480
Net Liquidity Gap	(2,366,280,501)	339,144,185	2,374,416,572	2,210,482,394	(2,557,762,649)	-	-
Cumulative Liquidity Gap	(2,366,280,501)	(2,027,136,316)	347,280,255	2,557,762,650	-	-	-
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	-	-	-



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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:

	2023	2022
<u>Liquid Assets - Earning</u>		
United States dollar	\$ 214,085	\$ 168,485
Canadian dollar	\$ 71,670	\$ 508,298
Pound Sterling	£ 48,213	£ 51,886
<u>Financial Investments</u>		
United States dollar	\$ 513,552	\$ 589,095

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 2023	153.59	115.91	190.98
31st December 2022	149.96	107.91	176.90
31st December 2021	155.09	122.76	210.14



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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)	<u>US \$</u>	<u>CAD \$</u>	<u>UK £</u>
2023	2.42%	7.41%	7.96%
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.

	<u>Movement</u>			
	2023	2022	2023	2022
	<u>%</u>	<u>%</u>	<u>J\$</u>	<u>J\$</u>
<u>Liquid Assets - earning</u>				
United States dollar	4	4	1,315,254	1,010,643
Canadian dollar	5	5	415,361	2,742,522
Pound Sterling	5	5	<u>460,389</u>	<u>458,935</u>
<u>Financial Investments</u>				
United States dollar	4	4	<u>3,155,059</u>	<u>3,533,629</u>

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

	<u>2023</u>		<u>2022</u>	
	Interest Rate		Interest Rate	
	%	\$	%	\$
<u>Financial Assets</u>				
Liquid Assets				
Foreign Savings Accounts	0.01 - 0.05	50,396,356	0.01 - 0.05	89,295,217
Foreign Currency Investments	1.85 - 5.5	78,876,486	1.85 - 5.5	88,340,721
Amortised Cost Investments	2.35 - 6.70	1,454,795,352	2.35 - 6.70	1,596,028,227
Loans to Members	5.99 - 27.2	4,349,164,413	5.99 - 27.2	3,569,741,734
Financial Investments	4.5 - 7.25	<u>1,273,840,396</u>	4.5 - 7.25	<u>1,030,057,767</u>
		<u>7,207,073,002</u>		<u>6,373,463,666</u>
<u>Financial Liabilities</u>				
Members' Voluntary Share Capital	1.80	3,300,638,509	1.80	2,882,221,744
Savings Deposits	0.1 - 3.25	<u>3,165,036,980</u>	0.1 - 3.25	<u>2,866,326,919</u>
		<u>6,465,675,488</u>		<u>5,748,548,663</u>
		<u>741,397,514</u>		<u>624,915,003</u>



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (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 2023 to December 2023, interest rates have moved downwards, with the BOJ 3-6 months deposit rates moving by approximately 25 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:

	2023		2022	
	Interest Rate		Interest Rate	
	%	\$	%	\$
<u>Financial Assets</u>				
Liquid Assets				
Foreign Savings Accounts	-0.07	(35,277)	-0.07	(62,507)
Amortised Cost	-0.3	(4,000,687)	-0.3	(4,389,078)
Loans to Members	-1.955	(85,026,164)	-1.955	(69,788,451)
Financial Investments	-1	(12,738,404)	-1	(10,300,578)
		<u>(101,800,533)</u>		<u>(84,540,613)</u>
<u>Financial Liabilities</u>				
Members' Voluntary Share Capital	0	-	0	-
Savings Deposits	-0.5	(15,825,185)	-0.5	(14,331,635)
		<u>(15,825,185)</u>		<u>(14,331,635)</u>
		<u>(85,975,348)</u>		<u>(70,208,978)</u>

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 2023
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32. Financial Instruments and Financial Instruments Risk Management cont'd:

(c) Market Risk (Cont'd)

(ii) Interest Rate Risk - (Cont'd)

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						
<i>Earning Assets</i>						
Liquid Assets	1,403,805,052	129,866,785	-	-	568,887,936	2,102,559,773
Loans to Members	6,757,731	52,990,154	2,145,275,253	2,128,257,142	15,884,133	4,349,164,413
Financial Investments	162,075,371	543,523,581	309,999,000	91,300,000	348,361,381	1,455,259,333
	<u>1,572,638,154</u>	<u>726,380,520</u>	<u>2,455,274,253</u>	<u>2,219,557,142</u>	<u>933,133,449</u>	<u>7,906,983,518</u>
<i>Non-Earning Assets</i>						
Liquid Assets	-	-	-	-	238,522,468	238,522,468
Other Assets	-	128,235,353	-	-	-	128,235,353
Property, Plant & Equipment	-	-	-	-	295,530,142	295,530,142
Retirement Benefit Asset	-	-	-	-	62,530,000	62,530,000
	<u>-</u>	<u>128,235,353</u>	<u>-</u>	<u>-</u>	<u>596,582,610</u>	<u>724,817,962</u>
	<u>1,572,638,154</u>	<u>854,615,873</u>	<u>2,455,274,253</u>	<u>2,219,557,142</u>	<u>1,529,716,059</u>	<u>8,631,801,480</u>

MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (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						
<i>Interest-Bearing Liabilities</i>						
Members' Voluntary Share Capital	3,300,638,509	-	-	-	-	3,300,638,509
Savings Deposits	496,098,030	481,650,742	80,857,682	9,074,748	2,097,355,779	3,165,036,980
	3,796,736,538	481,650,742	80,857,682	9,074,748	2,097,355,779	6,465,675,488
<i>Non Interest-Bearing Liabilities</i>						
Accruals	-	33,820,946	-	-	-	33,820,946
Payables	104,556,805	-	-	-	-	104,556,805
Others	37,625,313	-	-	-	-	37,625,313
	142,182,117	33,820,946	-	-	-	176,003,063
<i>Equity</i>						
Members' Permanent Share Capital	-	-	-	-	174,382,822	174,382,822
Non-Institutional Capital	-	-	-	-	697,998,707	697,998,707
Institutional Capital	-	-	-	-	1,117,741,400	1,117,741,400
	-	-	-	-	1,990,122,929	1,990,122,929
Net Interest Rate Gap	1,572,638,154	854,615,873	2,455,274,253	2,219,557,142	(460,406,871)	6,641,678,551
Cumulative Interest Rate Gap	1,572,638,154	2,427,254,027	4,882,528,280	7,102,085,422	6,641,678,551	-
-----2022----->						
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	-	-



MANCHESTER CO-OPERATIVE CREDIT UNION (1977) LIMITED
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
FOR THE YEAR ENDED 31ST DECEMBER 2023
 (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 2023
 (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.

	2023			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Available-for-sale Investments -				
Unquoted Investments at Fair Value	-	-	154,421,531	154,421,531
Quoted Investments at Fair Value	30,997,407	-	-	30,997,407
	<u>30,997,407</u>	<u>-</u>	<u>154,421,531</u>	<u>185,418,938</u>

	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
	<u>33,072,395</u>	<u>-</u>	<u>136,421,531</u>	<u>169,493,925</u>

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 2023
 (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 as 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 2023

(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
	2023	2023	2022	2022
	\$	\$	\$	\$
Assets				
Earning Assets				
Liquid Assets	2,102,559,773	2,102,559,773	2,270,358,835	2,270,358,835
Loans to Members (net)	4,349,164,413	4,349,164,413	3,569,741,734	3,569,741,734
Financial	1,455,259,333	1,455,259,333	1,195,551,693	1,195,551,693
Non Earning Assets				
Liquid Assets	238,522,468	238,522,468	226,444,170	226,444,170
Other Assets	128,235,353	128,235,353	100,484,464	100,484,464
Liabilities				
Interest Bearing Liabilities				
Members' Vol. Share Capital	3,300,638,509	3,300,638,509	2,882,221,744	2,882,221,744
Savings Deposits	3,165,036,980	3,165,036,980	2,866,326,919	2,866,326,919
Non-Interest Bearing Liabilities				
Accruals	33,820,946	33,820,946	21,084,899	21,084,899
Payables	104,556,805	104,556,805	66,321,496	66,321,496
Others	<u>37,625,313</u>	<u>37,625,313</u>	<u>30,140,645</u>	<u>30,140,645</u>



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, 2023:

UNDISTRIBUTED NET SURPLUS **\$130,747,571.00**

APPROPRIATIONS:

INSTITUTIONAL CAPITAL	\$ 60,000,000.00	
SOCIAL OUTREACH	\$ 8,000,000.00	
CAPITAL EXPENDITURE RESERVES	\$ 30,000,000.00	
DIVIDEND (10%)	\$ 17,438,282.20	
DISASTER RELIEF FUND	\$ 4,000,000.00	
SYDNEY CARTER SCHOLARSHIP	\$ 3,000,000.00	
HONORARIUM	\$ 8,309,288.80	
TOTAL		(\$130,747,571.00)

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 2024, shall not exceed a ratio of twelve (12) times the Capital and Reserve Fund.



Althea Humber
Chairman

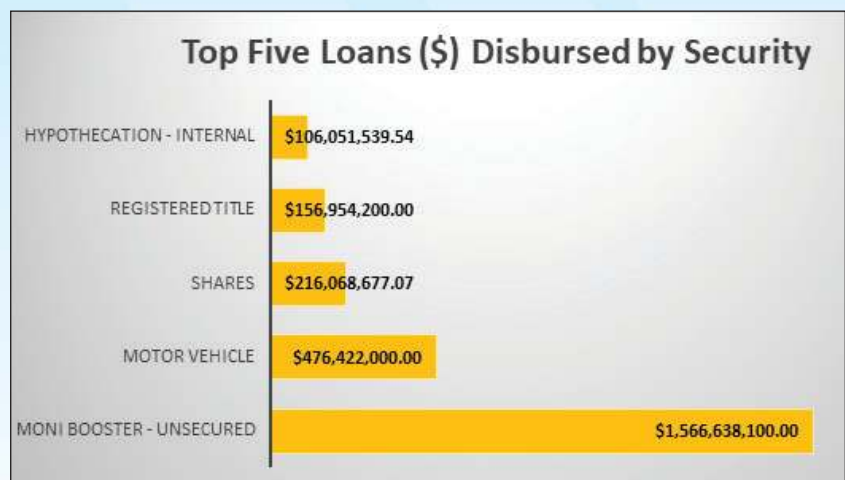
INTRODUCTION

The Bank of Jamaica (BOJ), in its assessment of the Jamaican economy, saw it prudent to increase interest rates. This resulted in financial institutions, inclusive of credit unions and commercial banks, increasing their respective rates on both savings and loans. Manchester Cooperative Credit Union MCCU (1977) Ltd however, had a strategic mandate for 2023 to provide a suite of loan products that would meet the needs of our valuable members. This

resulted in the creation of the **Civil Servant Unsecured Loan** and the conversion of our previous loan specials into regular loan products. Market research has shown that your Credit Union was offering the lowest rates for all the major loan types. This strategic dedication to improving the lives of our members was a risk that was significantly rewarded. Implementing these strategies resulted in a **20.94%** growth in our loan portfolio when compared to the 4.83% growth experienced in 2022.

PROFILE OF LOANS DISBURSED BY SECURITY

The following chart displays the top five categories of loans disbursed by security during 2023. The MoniBooster Unsecured Loan Product was the largest category accounting for \$1.57b of the total loans disbursed in 2023. Motor Vehicle Loans with a disbursement of \$476.4m was second followed by loans secured by Shares with a disbursement of \$216.1m. Registered Title and Hypothecated loans completed the top five loans in this category.



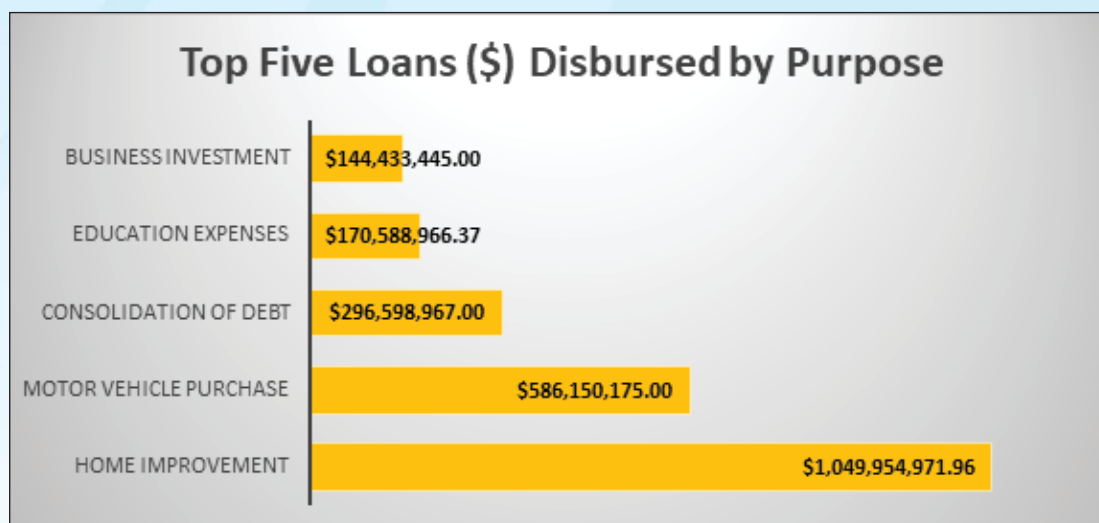


Loans Disbursed by Security Analysis

SECURITIES	Number of Borrowers			Amount Disbursed		
	2022	2023	Difference	2022 (\$)	2023 (\$)	Difference (\$)
Hypothecation - Internal	174	179	5	\$91,540,362.84	\$106,051,539.54	\$14,511,176.70
Registered Title	31	34	3	\$137,718,400.00	\$156,954,200.00	\$19,235,800.00
Comaker	4	2	(2)	\$691,000.00	\$317,000.00	(\$374,000.00)
Insurance - Cash Surrender Value	0	1	1	\$0.00	\$551,000.00	\$551,000.00
Shares	728	738	10	\$217,120,955.60	\$216,068,677.07	(\$1,052,278.53)
Certificate of Deposit	52	42	(10)	\$36,113,058.38	\$15,867,709.31	(\$20,245,349.07)
Motor Vehicle	100	162	62	\$230,853,000.00	\$476,422,000.00	\$245,569,000.00
Golden Harvest	6	10	4	\$1,585,008.42	\$3,234,856.28	\$1,649,847.86
Solid Saver	11	16	5	\$2,473,500.00	\$4,034,500.00	\$1,561,000.00
Hypothecation - External Savings	5	1	(4)	\$3,404,000.00	\$350,000.00	(\$3,054,000.00)
Wealth Accelerator	14	20	6	\$4,792,600.00	\$14,839,032.00	\$10,046,432.00
Line of Credit - Secured	69	39	(30)	\$5,779,222.55	\$7,071,950.48	\$1,292,727.93
Moni Booster - Unsecured	1226	1324	98	\$1,165,733,500.00	\$1,566,638,100.00	\$400,904,600.00
Totals	2420	2568	148	\$1,897,804,607.79	\$2,568,400,564.68	\$670,595,956.89

PROFILE OF LOANS DISBURSED BY PURPOSE

The following graph displays the top five categories of loans disbursed by purpose for 2023. Home Improvement accounted for the largest category disbursed in 2023 at \$1.05b. Motor Vehicle Purchase, Debt Consolidation, Educational Expense, and Business Investment completed the top 5 list of purposes for loans disbursed.





Loans Disbursed by Purpose Analysis

PURPOSE	Number of Borrowers			Amount Disbursed		
	2022	2023	Difference	2022 (\$)	2023 (\$)	Difference (\$)
Consolidation of Debt	246	218	(28)	\$301,994,261.93	\$296,598,967.00	(\$5,395,294.93)
Purchase of Land	20	21	1	\$53,577,000.00	\$61,299,000.00	\$7,722,000.00
Home Improvement	680	923	243	\$589,282,212.27	\$1,049,954,971.96	\$460,672,759.69
Agriculture	117	106	(11)	\$31,776,496.44	\$32,348,764.18	\$572,267.74
Medical Expenses	55	44	(11)	\$31,027,625.00	\$28,007,520.20	(\$3,020,104.80)
Education Expenses	292	235	(57)	\$199,654,215.16	\$170,588,966.37	(\$29,065,248.79)
Vacation and Travel	12	16	4	\$5,361,500.00	\$7,000,250.00	\$1,638,750.00
Household Appliances	200	191	(9)	\$99,647,389.63	\$80,161,925.00	(\$19,485,464.63)
Business Investment	274	244	(30)	\$149,826,778.15	\$144,433,445.00	(\$5,393,333.15)
Miscellaneous Expenses	142	128	(14)	\$31,375,709.78	\$21,337,685.53	(\$10,038,024.25)
Wedding Expenses	6	1	(5)	\$4,451,000.00	\$140,000.00	(\$4,311,000.00)
Funeral Expenses	24	19	(5)	\$11,346,100.00	\$10,352,300.00	(\$993,800.00)
Legal Expenses	9	7	(2)	\$7,404,000.00	\$2,362,500.00	(\$5,041,500.00)
Line of Credit	68	38	(30)	\$5,699,222.55	\$6,971,950.48	\$1,272,727.93
Motor Vehicle Repairs	103	117	14	\$62,020,971.88	\$70,692,143.96	\$8,671,172.08
Motor Vehicle Purchase	172	260	88	\$313,360,125.00	\$586,150,175.00	\$272,790,050.00
Totals	2,420	2,568	148	\$1,897,804,607.79	\$2,568,400,564.68	\$670,595,956.89

LOAN GROWTH INITIATIVES

The following specific initiatives were implemented during 2023 which contributed to the aforementioned growth in the Loan Portfolio:

- Introduction of the Civil Servant Loan
- Conversion of the Dream Wheels Special to regular loan
- Conversion of the 14.5% special to regular rate
- Increase Over the Counter Loan to \$1.2million
- Extensive promotion of the Property Loan
- Extensive promotion of the Dream Wheels Auto Loan



WAIVERS

The following waivers were granted for two (2) loans during 2023.

Loan Type	Reasons For Waivers	Dollar Value
Unsecured Loan	Above Loan Ceiling (Overall Loan)	\$977,000.00
Motor Vehicle	Above Maximum Loan Limit	\$12,000,000.00

CREDIT COMMITTEE MEMBERS ATTENDANCE FOR 2023

The Credit Committee held meetings at both the Mandeville and Christiana locations. The attendance of the members is listed below:

Attendance Record for Credit Committee Volunteers				
Volunteers	Possible Meetings	Attended	Excused	Absent
Elaine Brooks	41	27	14	0
Lilieth Sutherland	41	25	16	0
Althea Humber	41	34	07	0
Churton Douglas	41	35	06	0
Michelle Pinto-Campbell	41	12	29	0
Howard Salmon	41	37	04	0
Saadia Lindsay-Johnson	41	28	13	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 implore all our members to maximise the opportunities with our lower rate and help to grow your Credit Union.



CREDIT COMMITTEE REPORT

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.

With God's guiding wisdom and strength, we will continue to serve you in 2024 and beyond and give of our best as true co-operators.

Thank you.

.....
Miss. Althea Humber

Chairman

CREDIT COMMITTEE



Athea Humber
Chairman



Elaine Brooks
Vice Chairman



Lilieth Sutherland
Secretary



Saadia Lindsay-Johnson
Assistant Secretary



Howard Salmon
Member



Churton Douglas
Member



Michelle Cornwall
(Formerly Michelle Pinto-Campbell)
Member



Ruthan Smile-Biggs

Chairman

Manchester Co-operative Credit Union (1977) Limited (hereinafter referred to as “the Credit Union”) operates in a competitive business environment which has therefore required strict accountability from stakeholders. The Credit Union, over the year in review, continues to focus on navigating the challenge to maintain viability and to remain competitive. As stewards of integrity and transparency within our organization, the Supervisory Committee has persistently fulfilled its mandate to oversee financial reporting, risk management, and compliance processes.

Throughout the past year, our committee has remained steadfast in its commitment to encourage corporate governance and financial accountability. We have worked collaboratively with management, and other stakeholders to ensure that our company operates with integrity, transparency, and efficiency.

In this report, we provide a comprehensive overview of our activities, findings, and recommendations over the financial year ended December 31, 2023. From our evaluation of internal controls to our assessment of financial accounts, each aspect of our oversight role is

thoroughly documented. Furthermore, the committee aims to gain and offer insights into the evolving regulatory landscape and its implications for our business operations. By staying abreast of emerging risks and regulatory requirements, we endeavor to safeguard the interests of our shareholders and uphold the trust placed in us by our stakeholders.

As we navigate the complexities of the business environment, we remain committed to fostering a culture of accountability, transparency, and ethical conduct. Through the collective efforts of the Supervisory Committee, Management, and the Board of Directors, we strive to enhance shareholder value and promote sustainable growth.

In completing its mandate, the Supervisory Committee undertook various activities including the execution of independent and objective audits that assessed the financial and operational functions of the Credit Union.

Manchester Co-operative Credit Union (1977) Limited, despite the challenges, has surpassed expectations in its creative and innovative strategies to ensure the members’ interests are



of paramount importance. This enhanced resilience has allowed the Credit Union to weather the changing atmosphere while generating a noteworthy surplus.

During the financial year ending December 31, 2023, fourteen (14) regular committee meetings were held. The attendance of the members is outlined in the following table:

Members	Meetings Held	Possible Attendance	Meetings Attended	Excused	Absent
Rev. Kingsley Andrews	14	14	11	3	0
Patreena Bailey-Green	14	14	12	2	0
Paul Bailey	14	14	13	1	0
Dean Spence	14	14	11	3	0
Ruthan Smile-Biggs	14	14	12	2	0
Pitrona Rowe-Stern	14	14	5	9	0
Faith McLeod	14	5	4	1	0
Stacy-Ann Gunter	14	14	12	2	0
Glenroy Griffiths	14	9	5	4	0

AUDITS EXECUTED

The activities conducted during the year are summarized as follows:

Bank Reconciliations

Bank Reconciliations were reviewed to assess the timeliness and accuracy of the same, which is a function of the Accounting Department.

In re-performing bank reconciliations, we verified documents such as encashed cheques, lodgment slips, bank statements and credit memos. These reviews did not reveal major deficiencies. Management is committed to formulating an Accounting Manual that will aid in mitigating possible irregularities inherent to the Accounting department.

The Bank reconciliations reviewed were not all prepared and approved in a timely manner. However, these have been brought

to management's attention and the necessary changes are being made. Other adjusting items reviewed were appropriately presented.

Cash, Automated Teller Machine (ATM) and Treasury Counts

Quarterly cash, ATM and Treasury counts were conducted to verify the existence and accuracy of cash on hand as well as to ascertain the adequacy of safeguards in place to secure cash.

It was observed that the cash held by the Tellers and Treasury was properly safeguarded, accounted for and proper controls are in place. With respect to cash, differences identified were immaterial therefore there were no exceptions to report. Additionally, the ATM and Treasury counts revealed no exceptions and funds appear to be adequately safeguarded and accounted for.



Teller overages and shortages

The Teller overages and shortages review was completed to ascertain whether the overage/shortage policy is being adhered to by the Tellers, Supervisors and Management.

The audit revealed that the Teller Overage and Shortage Policy has not been updated since May 2006. Various procedures that are stipulations of the Policy are not being undertaken by the Operations Department. Management has committed to review and update the policy, as recommended, to ensure compliance with regulatory requirements.

Members Loan Trial Balance

The members' loan trial balance was reviewed to ensure that terms and conditions are consistent with policies and procedures. Additionally, reviews were undertaken to ascertain whether the required documentation was submitted for loan processing and that lien documents reflected the correct amounts and were registered with the relevant external bodies.

The loans selected for review were found to satisfy the requirements of the Credit Policy. Internal control deficiencies were identified, and management has responded positively to recommendations to ensure control procedures are adhered to.

Dormant and Inactive Members' Accounts

Dormant and Inactive Accounts were reviewed to verify the authenticity of transactions which includes proper authorization and completion in accordance with the stipulations of the

operations' policy.

System adjustment forms alongside other supporting documents were examined for compliance. The audit concluded that there was general compliance with the applicable policies and procedures with minimal anomalies. Recommendations were made to management based on the exceptions observed and these will be addressed via the development of an Operations Policy.

New Members' Account - Know Your Customer (KYC)

The reviews of New Members' Accounts were conducted to ensure compliance with the Credit Union's Anti -Money Laundering (AML) – Know-Your-Customer (KYC) policy. Other objectives of the audit included ensuring that other stipulations for membership are being adhered to and that all New Member accounts were correctly generated on the system.

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

Management is in the process of addressing the concerns raised by the Supervisory Committee.

Value Book

The objectives of the review were:

- To understand details that are captured in the value book and whether these are



adequate to identify each receipt.

- To verify that mail received and updated in the Value Book, by the Administrative department, were opened under dual custody; and where applicable, properly accounted for in the general ledger.

There are no generally established and practiced guidelines, by the Organization, as it relates to the value book. Recommendations were made to Management to implement adequate control measures.

Staff and Volunteers' Loans

The Staff and Volunteers' Loans were examined to achieve the following objectives:

- whether loans granted were in accordance with the Credit Policy.
- whether the payments on these accounts were up-to-date; and
- whether the relevant securities were current.

The audit revealed general compliance with the Credit Policy and established procedures. The exceptions were brought to the attention of management and are being addressed and monitored by Management.

Teller End of Day

The Teller End-of-Day review was undertaken to verify whether proper supervisory checks of the Teller End-of-Day reports were being completed to ensure that transactions were authentic.

Reviews were conducted at the Mandeville Branch; assessing the review and approval

process of teller prints by the Member Service Department, Credit Department and Delinquency Unit. Deficiencies identified were communicated to Management with the requisite recommendations. Follow-up review undertaken revealed that Management was adhering to control measures and recommendations made by the Supervisory Committee.

Anti-Money Laundering/Combating the Financing of Terrorism - Membership Demographic Assessment

This audit aimed to highlight if minimum AML requirements were met and are being monitored and updated in accordance with regulatory requirements.

Compliance deficiencies were observed and communicated to Management. Management has endeavored to correct the deficiencies that were highlighted.

Know-Your-Employees (KYE) - Human Resources Management Review

The Human Resource Review was conducted to evaluate the completeness of personnel file with reference to performance appraisal reports, pension and other relevant documentations noted /not noted on the employee's file. Additionally, this review aimed to identify gaps/lapses or irregularities in the implementation of the policies/procedures of the Human Resources Department and to suggest remedial actions.

The findings revealed that the employees' files were adequately maintained and met most of the best practice requirements. However, the policies and procedures that should govern the Human Resources Department did not exist or were



not up to date. Management has subsequently developed/implemented the policies that were recommended. Other gaps/lapses identified were communicated to management who have committed to implementing measures to improve the processes.

Special Review

The Internal Audit Unit completed one (1) special audit. Deficiencies were identified and communicated to Management along with appropriate recommendations to minimize reoccurrence.

Activity Reports (Monitoring)

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 to be critical. It is on this premise that the Supervisory Committee has found it necessary to conduct ongoing monitoring of staff accounts as a part of the Organization's review exercise. These activities are undertaken in an effort to identify and anticipate concerns that might impact the Credit Union's time, financial position, and ultimately its reputation.

Discrepancies identified, for the year ended December 31, 2023, were communicated to Management and corrective measures implemented.

Policies and Procedures and General Compliance – The Bank of Jamaica (BOJ) Credit Union Regulations

The objective of continued control assessment was to identify the requirements necessary re: licensing and operational readiness to become compliant with the Bank of Jamaica's Standard of Sound Business Practices and BOJ Licensing Requirements for Deposit-taking entities.

This process includes continued review of applicable BOJ regulations/requirements to identify areas in which the Credit Union is non-compliant and would therefore need to address. The continued assessment revealed that not all the policies and procedures are currently in place or up-to-date and therefore require review and update.

It was recommended that, where applicable, Management develop policies and update existing ones. Management is currently working on the development and implementation of the necessary Policies and Procedures to ensure that the Credit Union complies with the necessary requirements.

Monitoring Activity - Implementation Status of Audit Recommendations (ISOARs)

The Internal Audit Department with the assistance of the Supervisory Committee maintains an action-tracking and follow-up document - ISOARs highlighting audit areas requiring corrective actions by the Management Team. These highlights recommendations proposed by the Supervisory Committee and action plans that have been acknowledged and agreed by Management.



Acknowledgement

The Supervisory Committee along with the Audit Team wishes to express our sincere gratitude to the Board of Directors, the Credit Committee, Management and Staff for their support and co-operation. We remain committed to ensuring that members' interest is safeguarded, and that the organization remains a viable option for its stakeholders. To you, our fellow members, we would like to express our profound gratitude for having allowed us the opportunity to be stewards

of your investments. Together, we will continue to uphold the principles of good governance and maintain the trust and confidence of our stakeholders.

.....

Mrs. Ruthan Smile-Biggs
Chairman

SUPERVISORY COMMITTEE



Ruthan Smile-Biggs
Chairman



Patreena Bailey-Green
Assistant Chairman



Stacy-Ann Gunter
Secretary



Paul Bailey
Assistant Secretary



Kingsley Andrews
Member



Pitrona Rowe-Stern
Member



Dean Spence
Member



Faith-Marie McLeod
Member



Berresford South
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 of the following persons:

Mr. Berresford South	-	Director/Chairman
Mr. Clive Dunkley	-	Member
Mrs. Althia Scott-Jones	-	Member
Mrs. Karen Christie Riley	-	Staff Liaison Officer

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

BOARD OF DIRECTORS

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Mr. Astley Scott		Mr. Astley Scott
Mrs. Helen Wint		Mrs. Helen Wint



NOMINATING COMMITTEE REPORT

Mr. Dalton Campbell		Mr. Dalton Campbell
Mr. Cleveland Robinson	Retiring (End of Term)	Mr. Alexander Bourne
Mr. Christopher Campbell	End of Term	Mr. Christopher Campbell
Miss Althea Campbell		Miss Althea Campbell
Mr. Berresford South		Mr. Berresford South
Miss Hedena Thompson	End of Term	Mr. Christopher Tyme
Mrs. Paulette Stephenson -Taylor		Mrs. Paulette Stephenson -Taylor
Mrs. Lesline Thomas	End of Term	Mrs. Lesline Thomas
Mrs. Maxcine Headley		Mrs. Maxcine Headley

CREDIT COMMITTEE

PRESENTLY SERVING	RETIRING (Position Vacant)	NOMINATED
Ms. Althea Humber	End of Term	Ms. Althea Humber
Miss Elaine Brooks		Miss Elaine Brooks
Miss Lilieth Sutherland	Unable to continue serving	Ms. Christena Wright
Mrs. Saadia Lindsay-Johnson		Mrs. Saadia Lindsay-Johnson
Mr. Howard Salmon	End of Term	Mr. Jermaine Stewart
Mr. Churton Douglas	End of Term	Mr. Churton Douglas
Miss Michelle Cornwall	Unable to continue serving	Mrs. Itanya Johnson-Simpson

SUPERVISORY COMMITTEE

PRESENTLY SERVING	RETIRING	NOMINATED
Mrs. Ruthan Smile-Biggs	End of Term	Mrs. Ruthan Smile-Biggs
Mrs. Patreena Bailey-Green	End of Term	Mrs. Patreena Bailey-Green
Ms. Stacy-Ann Gunter	End of Term	Ms. Stacy-Ann Gunter
Mr. Paul Bailey	End of Term	Mr. Paul Bailey
Rev. Kingsley Andrews	End of Term	Rev. Kingsley Andrews
Ms. Pitrona Rowe-Stern	End of Term	Ms. Pitrona Rowe-Stern



Mr. Dean Spence	End of Term	Mr. Dean Spence
Miss Faith-Marie McLeod	End of Term	Miss Faith-Marie McLeod

APPENDIX

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

BOARD OF DIRECTORS

PRESENTLY SERVING	STATUS	TERM
Mr. Astley Scott	Continuing	1 Year
Mr. Alexander Bourne	New	2 Years
Mr. Berresford South	Continuing	1 Year
Ms. Althea Campbell	Continuing	1 Year
Mrs. Helen Wint	Continuing	1 Year
Mr. Dalton Campbell	Continuing	1 Year
Mrs. Paulette Stephenson -Taylor	Continuing	1 Year
Mrs. Lesline Thomas	Returning	2 Years
Mr. Christopher Campbell	Returning	2 Years
Mrs. Maxcine Headley	Continuing	1 Year
Mr. Christopher Tyme	New	2 Years

CREDIT COMMITTEE

PRESENTLY SERVING	STATUS	TERM
Miss Elaine Brooks	Continuing	1 Year
Ms. Althea Humber	Returning	2 Years
Mr. Churton Douglas	Returning	2 Years
Mrs. Saadia Lindsay-Johnson	Continuing	1 Year
Mr. Jermaine Stewart	New	2 Years
Mrs. Itanya Johnson-Simpson	New (completing term for Michelle Cornwall)	1 Year
Ms. Christena Wright	New (completing term for Lilieth Sutherland)	1 Year



SUPERVISORY COMMITTEE

NAMES	STATUS	TERM
Mrs. Patreena Bailey-Green	Returning	1 Year
Mr. Kingsley Andrews	Returning	1 Year
Mr. Dean Spence	Returning	1 Year
Mrs. Pitrona Rowe-Stern	Returning	1 Year
Miss Stacey- Ann Gunter	Returning	1 Year
Mr. Paul Bailey	Returning	1 Year
Mrs. Ruthann Smile-Biggs	Returning	1 Year
Ms. Faith-Marie McLeod	Returning	1 Year

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

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

.....
Mr. Berresford South

Chairman

PROFILE OF NOMINEES

CHRISTOPHER TYME

Mr. Christopher Tyme was born in the Parish of Manchester and has over 25 years of experience in the field of education. Over this period, he exhibited Management and Leadership skills.

Mr. Tyme holds a Master's in Education (Distinction) (Temple University (USA), Bachelor in Education (UTECH), and a Diploma in Teaching (Mico Teachers' College).

He is currently the Principal of Mile Gully High School. His dedication to volunteerism has seen him served in many areas such as Chairman, Quality Education Circle (QEC) 45, Trustee – George and Jasmine Jirby Foundation and member of the Credit Committee, Manchester Co-operative Credit Union (1977) Limited.

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

ALEXANDER BOURNE

Mr. Alexander Bourne has been a member of Manchester Co-operative Credit Union (1977) Limited for over 23 years and has previously served on the Board of Directors.

Mr. Bourne is currently pursuing a Doctoral Degree in Leadership (Temple University – USA). He holds a Master's in Education (Saint Mary's University of Minnesota – USA), Bachelor of Art in Accounting and Financial Management

(University of Sunderland – UK), and a Diploma in Teacher Education (Bethlehem Teachers' College).

He received several awards including the Governor General Achievement Award for significant achievement and Leadership and the Prime Minister's Medal of Appreciation for service to Education, among others.

Mr. Bourne currently holds the position of Principal at Knox College. His professional experience includes Teacher/Administrator, Lecturer, Author/Content Developer, Curriculum Development and Syllabus Reviewer. He is very passionate about volunteerism and as such he serves as Chairman of the Board at Quality Network (QNET), Director and Board Secretary at the Jamaica Co-operative Credit Union League.

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

JERMAINE STEWART

Mr. Jermaine Stewart is an educator and currently serves as a Vice Principal at the Christiana Moravian Primary and Infant School. He is also the Assistant Returning Officer for constituency of Manchester Central.

Mr. Stewart holds a Diploma in Primary Education (Catholic College of Mandeville), a Bachelor in Primary Education (Catholic College



of Mandeville) and attended the National College for Educational Leadership (UWI) where he pursued several courses.

He currently volunteers as a Board member of the Struan Early Childhood School.

Mr. Jermaine Stewart has been nominated to serve on the Credit Committee.

CHRISTENA WRIGHT

Miss Christena Wright has been a member of Manchester Co-operative Credit Union (1977) Limited since 2015 and is a Human Resource Officer by profession.

Miss Wright is a graduate of the University of the Commonwealth Caribbean with a Bachelor of Science in Human Resource Management, Diploma in Teaching Language and Literature (Shortwood Teachers College) and Certificate in Administration Management (Management Institute for National Development, M.I.N.D.).

She has been nominated to serve on the Credit Committee.

ITANYA JOHNSON-SIMPSON

Mrs. Itanya Johnson-Simpson has been a member of Manchester Co-operative Credit Union (1977) Limited for over 26 years and was born in Manchester.

Mrs. Johnson-Simpson has been an educator for over 22 years and currently serves as a Mathematics Specialist with the Ministry of Education.

She holds a Master's in Education, Teaching and Learning (St. Mary's University Minnesota, USA), Bachelor in Arts – Mathematics and Computer Education (Knox Community College) and a Teachers' Diploma – Business Education (Church Teacher's College)

She has been nominated to serve on the Credit Committee.

PICTORIAL REVIEW

47TH ANNUAL GENERAL MEETING



The 47th AGM was held in hybrid format at the Church Teachers' College on Thursday, July 13, 2023.

The 1st, 2nd and 3rd place winners of the Register, Join, Stay & Win giveaways were awarded their prizes.

OUTREACH ACTIVITIES

Labour Day Project



The 2023 Labour Day project focused on the repainting of Pedestrian crossings in the vicinity of Park Crescent, Mandeville

Men Who Cook



In celebration of its 72nd Anniversary, the Credit Union launched a 72-hours Loan Sale at the Men Who Cook event through its Dream Wheels Auto Loan package.

“Soup and Soap” New Vision Children’s Home

The team from MCCU visited the New Vision Children’s Home on October 17, 2023 where the residents benefited from our annual Soup and Soap outreach activity.



CREDIT UNION WEEK 2023

Scenes from Credit Union Week which was celebrated from October 15 – 20, 2023.

Church Service



Porus Pop-up Shop



Christiana Branch Member Appreciation Day



Mandeville Branch Member Appreciation Day and International Credit Union Day



PICTORIAL REVIEW

SENIORS' LYME



AWARDING YOUTH EXCELLENCE



Recipients of the 2023 Sydney Carter Bursaries



Recipients of the 2023 PEP Bursaries



2023 Essay Competition Winner



2023 Poster Competition Winner



TOWN HALL MEETING



The Town Hall Meeting was held under theme “Managing Your Finances With MCCU”. This was the first face-to face meeting coming out of the pandemic and it was revitalizing as we engaged the physical audience

MasterCard Roadshow

MCCU partnered with the Jamaica Co-operative Credit Union League to host two (2) MasterCard Roadshows in Manchester.



Staff Dinner 2023



On December 13, 2023, the Staff members celebrated another year of growth and togetherness as we closed out the year 2023.

Volunteer Dinner 2023



On December 12, 2023, our volunteers were engaged in an evening of laughter and appreciation for their dedicated hard work throughout the year.

Members' Treat 2023

Our members were treated to refreshment, calendars and tokens during the yuletide season.





LIST OF STAFF MEMBERS

ADMINISTRATION DEPARTMENT

- | | | | |
|-----|----------------------------|---|-------------------------------|
| 1. | Mrs. Kerrene Grant Brown | - | General Manager |
| 2. | Ms. Carol Bowen | - | Executive Secretary |
| 3. | Ms. Neisha Smikle | - | HR & Facilities Manager |
| 4. | Mrs. Caroline Meikle | - | HR Officer |
| 5. | Ms. Natalie Bailey | - | Internal Auditor |
| 6. | Miss Jeniffer Haslam | - | Audit Officer |
| 7. | Mr. David Samuels | - | Risk & Compliance Analyst |
| 8. | Miss Renee Taylor | - | Office Assistant |
| 9. | Miss Roxanne Hall | - | Office Attendant |
| 10. | Mrs. Nicole Robinson-Gayle | - | Office Attendant |
| 11. | Mr. William Allen | - | Messenger |
| 12. | Mr. Damion Simpson | - | Maintenance Technician |
| 13. | Mrs. Juliet Saunders | - | Office Attendant - Mandeville |
| 14. | Miss Sharia Levy | - | Office Assistant - Mandeville |
| 15. | Maxine Griffiths-Beckford | - | Office Assistant - Christiana |

ACCOUNTS DEPARTMENT

- | | | | |
|-----|------------------------------|---|---------------------------|
| 16. | Mr. Andrew Sinclair | - | Finance Manager |
| 17. | Mr. Oliver Harrison | - | Accountant |
| 18. | Mrs. Shelly Daley-Broomfield | - | Accounting Officer |
| 19. | Miss Kimeisha Robinson | - | Senior Accounting Officer |
| 20. | Mr. Ryan Lowe | - | Accounting Officer |
| 21. | Mr. Davion Williamson | - | Accounting Officer |
| 22. | Mr. Jevano Jones | - | HEART Trainee |

DELINQUENCY DEPARTMENT

- | | | | |
|-----|---------------------------|---|---------------------------|
| 23. | Miss Marsha McLean | - | Credit Control Supervisor |
| 24. | Mr. Mark Brown | - | Credit Control Officer |
| 25. | Mrs. Claudia Pitter-Lewis | - | Credit Control Officer |



LIST OF STAFF MEMBERS

- | | | | |
|-----|----------------------|---|------------------------|
| 26. | Mrs. Gail Taylor | - | Credit Control Officer |
| 27. | Mr. Bonito Daley | - | Credit Control Officer |
| 28. | Miss Shanakay Dudley | - | HEART Trainee |

IT DEPARTMENT

- | | | | |
|-----|-------------------------|---|--------------------------------|
| 29. | Mr. Omar Greene | - | Information Technology Manager |
| 30. | Mrs. Jacqueline Kennedy | - | Systems Administrator |
| 31. | Mr. Dwayne Tucker | - | IT Support Officer |

MARKETING DEPARTMENT

- | | | | |
|-----|-----------------------|---|--------------------------|
| 32. | Mr. Michael Gottshalk | - | Marketing Manager |
| 33. | Ms. Kimblee Elliott | - | Marketing Officer |
| 34. | Mr. Kimani Eaton | - | Marketing Representative |

MANDEVILLE BRANCH

- | | | | |
|-----|-----------------------------|---|--------------------------------------|
| 35. | Miss Shevaun Hart | - | Branch Manager |
| 36. | Miss Debbie Barrett | - | Utility Officer |
| 37. | Mrs. Asheika Ebanks-Newell | - | Member Service Officer |
| 38. | Miss Nadine Ricketts | - | Credit Officer |
| 39. | Mr. Richard Barrett | - | Credit Supervisor |
| 40. | Miss Jannese Francis | - | Credit Officer |
| 41. | Mr. Rajeve Stewart | - | Credit Officer |
| 42. | Miss Avagaye Wilson | - | Business Development Officer |
| 43. | Mrs. Ruth Anderson-Burnett | - | Securities Officer |
| 44. | Mr. Andre Campbell | - | Securities Clerk |
| 45. | Mr. Shamar Mullings | - | Junior Credit Officer |
| 46. | Ms. Veda Smith | - | Junior Credit Officer |
| 47. | Ms. Danielle McClymont | - | Senior Member Service Representative |
| 48. | Miss Jenice Green | - | Member Service Representative |
| 49. | Mrs. Shannon Thompson-Green | - | Member Service Representative |
| 50. | Miss Tamara Webb | - | Member Service Representative |
| 51. | Miss Shadia Johnson | - | Member Service Representative |
| 52. | Ms. Lexianne Hynes | - | Member Service Representative |



LIST OF STAFF MEMBERS

- | | | | |
|-----|------------------------|---|--------------------------------------|
| 53. | Mr. Elijah Davis | - | Member Service Representative |
| 54. | Mr. Jerdaine Griffiths | - | Member Service Representative |
| 55. | Mr. Delroy Miller | - | Member Service Representative |
| 56. | Mr. Kirkton Richards | - | Driver/Member Service Representative |
| 57. | Ms. Shanicia Wilson | - | Records Clerk |
| 58. | Ms. Maureen Peterkin | - | General Clerk |
| 59. | Mr. Prince Dunkley | - | General Clerk |
| 60. | Miss Keon Forrester | - | HEART Trainee |

CHRISTIANA BRANCH

- | | | | |
|-----|-------------------------------|---|--------------------------------------|
| 1. | Mrs. Wendy Hamm-McLean | - | Branch Manager |
| 2. | Mrs. Gennevie Minzie-Allen | - | Credit Officer |
| 3. | Mr. Floyd McConnell | - | Member Service Officer |
| 4. | Miss Samantha Johnson | - | Credit Officer |
| 5. | Mrs. Terry Ann Birthwright | - | Credit Officer |
| 6. | Miss Alesha Rowe | - | Junior Credit Officer |
| 7. | Mrs. Lavene Gyles-Marshall | - | Business Development Officer |
| 8. | Mrs. Terry-Ann Powell-Johnson | - | Business Development Officer |
| 9. | Mrs. Karen Christie-Riley | - | Administrative Assistant |
| 10. | Miss Jholein Marshall | - | Senior Member Service Representative |
| 11. | Miss Natalee Simpson -Blake | - | Member Service Representative |
| 12. | Mr. Craig Williams | - | Member Service Representative |
| 13. | Mrs. Natalee Williams-Smith | - | Member Service Representative |
| 14. | Mrs. Selena Anson | - | Member Service Representative |
| 15. | Mr. Romario Frater | - | Member Service Representative |
| 16. | Miss Rianna Cobrey | - | Member Service Representative |
| 17. | Mrs. Jasette Wright | - | Office Attendant |
| 18. | Mr. Trevor Johnson | - | Messenger |

PART TIME EMPLOYEES

- | | | | |
|----|-----------------|---|----------------------------|
| 1. | Mr. Bevin Samms | - | Casual Worker - Mandeville |
|----|-----------------|---|----------------------------|

STAFF PICTURES

Management Team



Kerrene Grant Brown
General Manager



Andrew Sinclair
Finance Manager



Shevaun Hart
Branch Manager-Mandeville



Wendy Hamm-McLean
Branch Manager- Christiana



Michael Gottshalk
Marketing Manager



Omar Greene
IT Manager



Neisha Smikle
HR and Facilities Manager



STAFF PICTURES

MANAGEMENT TEAM



Seated (from left): Shevaun Hart, Kerrene Grant Brown and Neisha Smikle

Standing (from left): Andrew Sinclair, Wendy Hamm-McLean, Omar Greene and Michael Gottshalk

SUPERVISORS



Marsha McLean
Credit Control Supervisor



Richard Barrett
Credit Supervisor



Natalie Bailey
Internal Auditor



Asheika Ebanks-Newell
Member Service Officer
Mandeville



Floyd McConnell
Member Service Officer
Christiana

STAFF PICTURES

CORPORATE OFFICE

Marketing Department



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

Human Resources (HR) Department



From left: Caroline Meikle and Neisha Smikle.

Administration Department- Head Office



Seated (from left): Natalie Bailey, Kerrene Grant Brown and Neisha Smikle.

Standing (from left): William Allen, Bevin Samms, Carol Bowen, Caroline Meikle, Damion Simpson, Roxanne Hall, Renee Taylor, Juliet Saunders, Sharia Levy, Jeniffer Haslam and David Samuels.

Corporate Office



Seated (from left): Kimeisha Robinson, Natalie Bailey, Kerrene Grant Brown, Neisha Smikle and Shelly Daley-Broomfield.

Standing (from left): Omar Greene, Gail Taylor, William Allen, Carol Bowen, Damion Simpson, Renee Taylor, Sharia Levy, Shanakay Dudley, Kimblee Elliott and Michael Gottshalk.

Standing back row (from left): Bonito Daley, Oliver Harrison, Ryan Lowe, Jevano Jones, Andrew Sinclair, Dwanye Tucker, Davion Williamson, David Samuels and Kimani Eaton.

Missing from photo: Roxanne Hall, Jeniffer Haslam, Caroline Meikle, Claudia Pitter-Lewis, Juliet Saunders, Bevin Samms and Jacqueline Kennedy.

Accounts Department



Standing (from left): Ryan Lowe, Oliver Harrison, Shelly Daley-Broomfield, Andrew Sinclair, Kimeisha Robinson, Jevano Jones and Davion Williamson.

Credit Control Unit



Standing (from left): Mark Brown, Claudia Pitter-Lewis, Bonito Daley, Shanakay Dudley, Marsha McLean, Gail Taylor and Andrew Sinclair.

IT Department



Standing from left: Dwanye Tucker, Jacqueline Kennedy and Omar Greene.

MANDEVILLE BRANCH



Seated (from left): Shannon Thompson-Green, Debbie Barrett, Shanicia Wilson, Shevaun Hart, Veda Smith, Danielle McClymont and Lexianne Hynes.

Standing (from left): Delroy Miller, Nadine Ricketts, Tamara Webb, Janice Green, Avagaye Wilson, Shadia Johnson, Keon Forrester, Ruth Anderson-Burnett, Jannese Francis and Shamar Mullings.

Standing back row (from left): Asheika Ebanks-Newell, Rajeve Stewart, Richard Barrett, Elijah Davis, Prince Dunkley, Andre Campbell, Kirton Richards and Jerdaine Griffiths.

STAFF PICTURES

Member Services Department - Mandeville



Seated (from left): Keon Forrester, Janice Green, Shevaun Hart, Danielle McClymont and Lexianne Hynes.

Standing (from left): Prince Dunkley, Tamara Webb, Kirton Richards, Asheika Ebanks-Newell, Shadia Johnson, Elijah Davis, Delroy Miller, Shannon Thompson-Green and Jerdaine Griffiths.

Credit Department- Mandeville



Seated (from left): Shanicia Wilson, Shevaun Hart and Veda Smith.

Standing (from left): Rajeve Stewart, Nadine Ricketts, Richard Barrett, Debbie Barrett, Avagaye Wilson, Jannese Francis, Andre Campbell, Ruth Anderson-Burnett and Shamar Mullings.

CHRISTIANA BRANCH

Administration Department- Christiana



Standing (from left): Jasette Wright, Trevor Johnson, Nicole Robinson-Gayle and Neisha Smikle.

Christiana Branch



Seated (from left): Jholein Marshall, Gennevieve Minzie-Allen, Wendy Hamm-McLean, Samantha Johnson and Natalee Williams-Smith.

Standing (from left): Karen Christie-Riley, Craig Williams, Terry-Ann Powell-Johnson, Maxine Griffiths-Beckford, Rianna Cobrey, Natalee Simpson-Blake, Alesha Rowe, Romario Frater, Selena Anson and Floyd McConnell and Terry-Ann Birthwright.

Member Services Department- Christiana



Standing from left (front row): Wendy Hamm-McLean, Natalee Williams-Smith, Rianna Cobrey, Natalee Simpson-Blake and Romario Frater.

Standing from left (back row): Craig Williams, Jholein Marshall, Floyd McConnell and Selena Anson.

Credit Department- Christiana



Standing (from left): Wendy Hamm-McLean, Maxine Griffiths-Beckford, Terry-Ann Powell-Johnson, Gennevieve Minzie-Allen, Alesha Rowe, Samantha Johnson and Terry-Ann Birthwright.

Condolences



Abraham McKenzie
Albert Ellis
Aldith Morgan
Allan Peart
Alvin Banton
Andrea Marie Brown
Angella Haynes
Assante McKenzie
Aston Smalling
Aston Wright
Aubrey Morgan
Auburn Dixon
Auston Mitchell
Basil Reid
Beverly Jones
Blossom Rhoden
Bridgette Kelly-Bailey
Bryan Dunkley
Cassetta Hayden

Cavon Johnson
Charles Robinson
Christopher Brown
Claris Nation
Crosley Wallace
Cynthia Davy
Cynthia Peake
Dahlia Jello-Vassell
Daisy Clarke-Segree
Daphne Salmon
Daphney Mayne-Williams
Delores Walker Thompson
Derrick Knight
Else Jenkins
Eric Spence
Erline Morris
Errol Griffiths
Evadney Brown
Evadney Weathers
Evan Johnson
Everett Spencer
Evon Robinson
Garth Watt
Glennett Walker
Grace Aitcheson
Gwendolyn Drummond
Heather Bradford
Howard King Joel Lallo
Hubert Foster
Hubert McLaughlin
Hyacinth Gibson
Ian Henry
Icilda Francis
Inez Watson
Ingrid Harriott
Ivy Burke
Jennifer Hudson
Joan Smith

Joel Lallo
Kempton Johnson
Kerriann Bailey
Kurt Douglas
Lansford Brown
Lascelles Foster
Laxie Messam
Lennox Powell
Lenworh Wilson
Leroy Barrett
Lloyd Sharpe
Lorna Anderson-Thomas
Marvia Goulbourne
Maxwell Hinds
Melita Gordon
Merlina Banton
Meryl Johnson-Graham
Mitzy Smith
Neal Stephenson
Nogah Harrison
Norma King
Pearlina Bernard-Reid
Reginald Blake
Rose Hanson
Segree Stanely
Selvyn Murray
Shanelle Colquhoun
Sharon Compass
Sharon Williams
Sydney Collins
Tamica Jones
Trecia Thompson
Valecee Brown
Vendolyn Powell-Logan
Veron McCook
Wesley Gayle
Willie Forbes
Winston Dennis





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 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."
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 motives 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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Tenable at:

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The University of the West Indies
The Northern Caribbean University



The following conditions apply:

- The Applicant or their parent/guardian must be an active member of the Manchester Co-operative Credit Union (1977) Limited. The applicant must not be older than twenty five (25) years of age.
- The Applicant must have been accepted to or presently attending one of the above-mentioned institutions, pursuing any discipline in a full-time capacity.
- All Applications must be submitted with: a cover letter, breakdown of fees or statement of account, the most recent progress report or CSEC/CAPE results and an acceptance letter for students just entering the institution.
- The Scholarship will be for a maximum of three (3) years, inclusive of the final year.

**CLOSING DATE
FOR APPLICATIONS:
JUNE 28, 2024**

Applications should be addressed to:

The General Manager
Manchester Co-operative Credit Union (1977) Limited
2 Main Street, P.O. Box 533
Mandeville, Manchester

NATIONAL ANTHEM

ETERNAL FATHER

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

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

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SCAN ME





Manchester Co-operative Credit Union (1977) Ltd.

48th Annual General Meeting

2023 **ANNUAL REPORT**



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Fax: (876) 962-0205

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