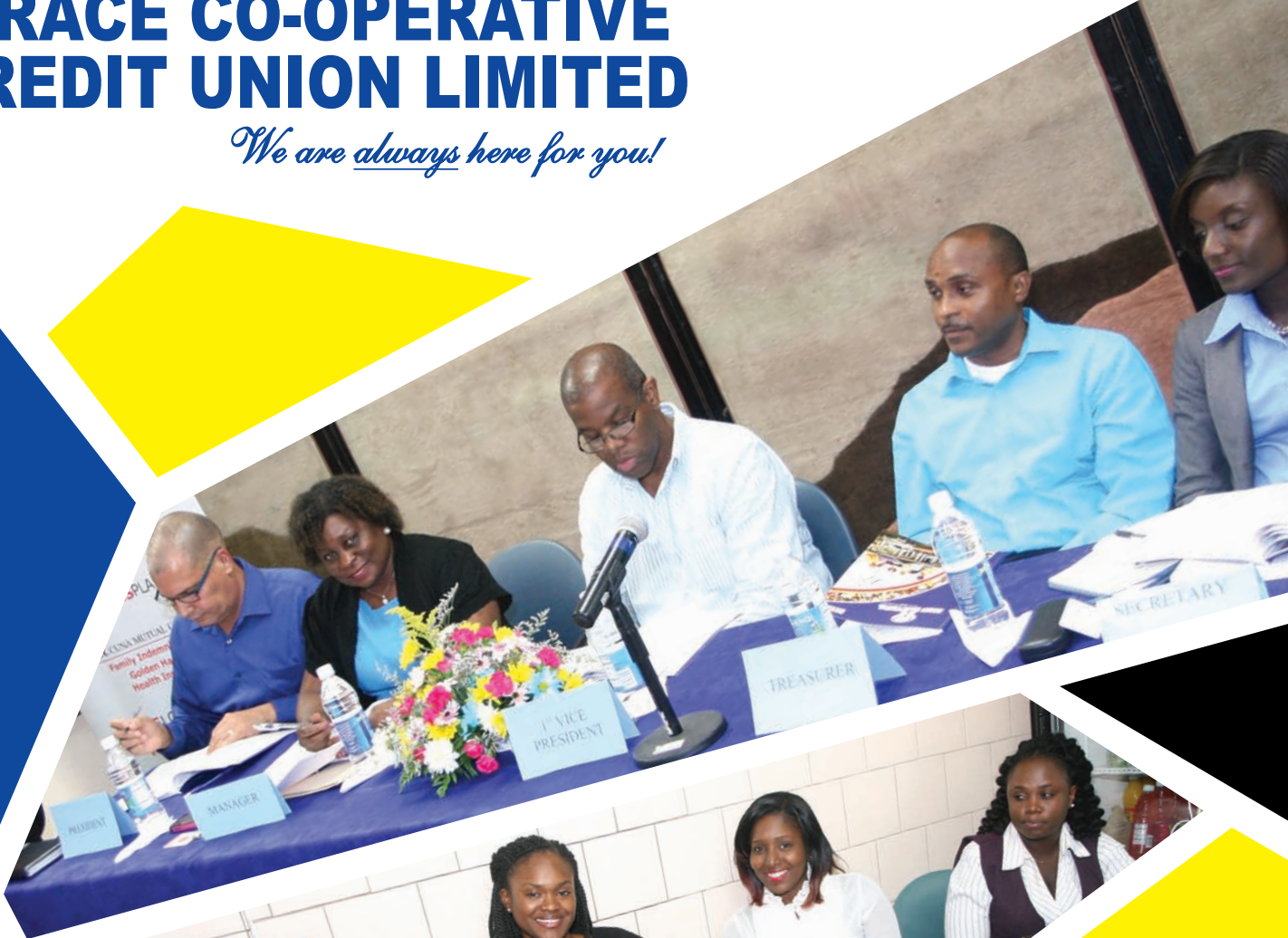




# GRACE CO-OPERATIVE CREDIT UNION LIMITED

*We are always here for you!*

**48<sup>th</sup>**  
ANNUAL GENERAL MEETING



**ANNUAL  
REPORT 2016**

# Grace Co-op Credit Union Ltd.



*We are always here for you!*

## TECH LOAN

### **Need an upgrade?**

Grace Co-op Credit Union will help you to finance that brand new:

- ◆ Smart TV, Smart Phone, Laptop, Tablet and Desk Top Computer

We will also finance that brand new:

- ◆ Refrigerator, Washing Machine, Water Heater, Water Tank and Air Conditioner Unit

**Call us Today!! Enquire about our Technology Loan!!**

14% interest rate for 12 months

Contact: Camille Cadogan at 932-3496 or Tanya Hinds-Walton at 932-3508

\*\*\*\*\* CONDITIONS APPLY \*\*\*\*\*





## GCCU VISION

To be the trusted Financial  
Partner of choice for GraceKennedy  
employees and other members.

## GCCU MISSION

We are committed to assisting our members  
to meet their personal financial goals  
through the provision of superior Credit  
Union services delivered by great staff  
and volunteers, empowered with the right  
skills, necessary tools and shared vision.  
We will offer personalized and friendly  
customer service, prudent financial advice  
and a safe and competitive opportunity  
for loans, savings and investments.



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## Five Year Statistics for Period 2012 to 2016

	2016	2015	2014	2013	2012
PERMANENT SHARES	2,088,000	2,088,000	2,088,000	2,088,000	2,074,000
VOLUNTARY SHARES	342,242,992	322,601,777	310,220,233	297,847,326	284,705,508
% Increase over prior year	6.09%	3.99%	4.15%	4.62%	104.97%
INSTITUTIONAL CAPITAL	61,768,070	60,108,103	58,568,926	56,822,475	54,377,519
% Increase over prior year	2.76%	2.63%	3.07%	4.50%	101.86%
LOANS TO MEMBERS (Gross)	468,498,496	444,031,382	407,065,714	389,624,896	369,305,251
% Increase over prior year	5.51%	9.08%	4.48%	5.50%	123.20%
TOTAL ASSETS	620,891,525	566,485,794	531,968,539	511,343,859	493,431,988
% Increase over prior year	9.60%	6.49%	4.03%	3.63%	107.81%
CURRENT ASSETS ****	111,881,088	83,309,746	87,160,694	85,957,285	89,260,988
CURRENT LIABILITIES *****	550,770,305	498,573,471	465,934,589	443,778,714	431,273,252
<b>INCOME AND SURPLUS</b>					
INCOME	66,059,512	62,127,852	61,667,783	63,432,767	56,618,374
% Increase over prior year	6.33%	0.75%	-2.78%	12.04%	122.28%
EXPENSES	60,265,339	55,966,479	55,099,107	53,143,591	51,711,274
SURPLUS	5,548,192	5,426,285	4,513,197	8,446,115	4,944,887
% (Decrease)/Increase over prior year	2.25%	20.23%	-46.56%	70.81%	1061.49%
UNDISTRIBUTED SURPLUS	4,891,707	4,348,777	4,083,581	7,373,527	4,373,774
RESERVES	56,710,119	55,044,152	53,430,975	51,672,224	49,279,568
DIVIDENDS PAID	0	0	0	0	0
<b>RATIOS</b>					
CURRENT ASSETS	0.20:1	0.17:1	0.19:1	0.19:1	0.21:1
SURPLUS TO INCOME	8.40%	8.73%	7.32%	13.32%	8.73%
EXPENSES TO INCOME	91.23%	90.08%	89.35%	83.78%	91.33%
INCOME TO TOTAL ASSETS	10.64%	10.97%	11.59%	12.41%	11.47%
SURPLUS TO TOTAL ASSETS	0.89%	0.96%	0.85%	1.65%	1.00%
UNDISTRIBUTED SURPLUS TO SHARE CAPITAL	0.79%	0.77%	0.77%	1.44%	0.89%
MEMBERSHIP	2756	2698	2611	2712	2752
BORROWERS	1312	1287	1251	1273	1319
BORROWERS TO MEMBERSHIP	47.61%	47.70%	47.91%	46.94%	47.93%



*Notice*  
*of*  
*Annual General Meeting*

Notice is hereby given that the

**48<sup>TH</sup> ANNUAL GENERAL MEETING**

*of the*

**Grace Co-operative Credit Union Limited**

*will be held on*

**THURSDAY, JUNE 8, 2017**

*in the*

**LUNCH ROOM, GRACEKENNEDY LIMITED**

at 73 HARBOUR STREET, KINGSTON.

***The meeting will commence at 4:30 p.m.***

*Registration will begin  
at 4:00PM*

Signed: **Mrs. Claudette Facey-Redwood,**  
*Secretary-Board of Directors*



## Agenda

1. Ascertainment of a quorum
2. National Anthem
3. Notice convening Annual General Meeting
4. Prayer
5. Welcome and apologies for absence
6. Confirmation of Minutes of the 47th Annual General Meeting
7. Reports of:
  - a) Board of Directors
  - b
    - i) Auditor & Treasurer
    - ii) Appropriation of Surplus
    - iii) Fixing of Maximum Liability for Loans and Deposits
  - c) Nomination of Auditors
  - d) Credit Committee
  - e) Supervisory Committee
8. Elections: See Report of Nominating Committee
  - a) Board of Directors
  - b) Credit Committee
  - c) Supervisory Committee
  - d) Delegates to the League's Annual General Meeting
9. Presentation by CUNA Mutual
10. Tribute to Retiring Volunteer
11. Any other Business
12. Gate Prizes
13. Adjournment



*MINUTES OF THE 47<sup>th</sup> ANNUAL GENERAL MEETING OF GRACE CO-OPERATIVE CREDIT UNION LIMITED HELD ON WEDNESDAY, JUNE 8, 2016 IN THE LUNCHROOM, GRACEKENNEDY LIMITED, 73 HARBOUR STREET, KINGSTON*

**ASCERTAINMENT OF QUORUM, CALL TO ORDER**

Having ascertained that a quorum was present, Chairman Jerry Hamilton called the meeting to order at 5:00 p.m.

**NATIONAL ANTHEM**

Mr. Stanley Beckford led the meeting with the singing of the National Anthem.

**NOTICE CONVENING ANNUAL GENERAL MEETING**

The Notice convening the Annual General Meeting was read by the Secretary, Mrs. Stacey Smith.

**PRAYER**

Ms. Camille Cadogan led the meeting in the Prayer of St. Francis of Assisi.

**WELCOME & APOLOGIES FOR ABSENCE**

All present were welcomed. Special welcome was extended to:

- Retirees
- First time attendees
- Regular members
- Specially invited guests
  
- Mr. Michael Webb – *Department of Co-op Friendly Societies*
- Mrs. Patricia Tomlinson – *Manager, JDF Cooperative Credit Union*
- Mrs. Sherie Nash- Seymour – *General Manager – Lascelles Cooperative Credit Union*
- Mrs. Krista Taylor – *Credit Info*
- Ms. Tahnee Taylor – *JDF Cooperative Credit Union*
- Mrs. Kleo-Ann Errar – *Jamaica Cooperative Credit Union League*
- Mrs. Tanya Brown-Granston – *Jamaica Cooperative Credit Union League*
- Mrs. Sandra Hucey – *Jamaica Cooperative Credit Union League*
- Mr. Zemmar Bennett – *Jamaica Cooperative Credit Union League*
- Mr. & Mrs. Cyrene Gilbert – *Gilbert Thompson & Co., (Auditors)*

Apologies for absence were tendered on behalf of U. Philip Alexander, E. Christopher Bond; Beverley Wright, Samuel Shelton, Brian Mitchell, Ms Joydene Jarrett of JPS & Partners Cooperative Credit Union and Mrs. Maureen Delevante of BJ Employees Cooperative Credit Union.

**CONFIRMATION OF THE MINUTES OF THE 46<sup>th</sup> ANNUAL GENERAL MEETING AND MATTERS ARISING**

Mr. Gilroy Graham carried the meeting through the confirmation of the Minutes of the 46<sup>th</sup> Annual General Meeting held on July 8, 2015. It was taken as read on a motion by Mr. Simon Roberts and seconded by Ms. Madgie Walters.

There being no corrections, the Minutes were accepted on a motion by Mrs. Claudette Facey-Redwood and seconded by Ms. Erica Hayden.





## REPORTS

### A) REPORT OF THE BOARD OF DIRECTORS

The Report of the Board of Directors for the year 2015 was read by the President, Mr. Jerry Hamilton. The highlights were as follows:

- The Credit Union experienced a moderately successful year, showing positive results in most areas. For example, net surplus of \$5.4M was 20% more than that achieved in 2014. That occurred in a continued challenging economic environment with lower returns on investments due to declining interest rates and aggressive competition from other financial institutions. Despite the challenges, the Credit Union also produced relatively higher percentage growth rates in savings and loans when compared to the aggregate performance of the Credit Union movement.

### **Membership**

Growing the membership was always one of the Credit Union's strategic objectives. Recognizing that the closed nature of the Bond limited the achievement of that objective, a Resolution to expand the Bond to include persons employed to entities with a close working relationship with GraceKennedy Limited was presented and passed at the 46th Annual General Meeting held on July 8, 2015. That Rule amendment saw employees from tTech Ltd and Logistical Distribution & Services Ltd becoming members of the Credit Union. The Credit Union staff and members also continued the drive to encourage new GraceKennedy employees and their immediate family members to be part of the Credit Union family.

As a consequence, membership showed a net increase of 43 new persons, ending the year at 2,059, moving from 2,016 at the end of the previous year.

Many of the members also welcomed the opportunity to retain their membership with the Credit Union if and when they leave the GraceKennedy Group, a feature made possible with the recently amended Bond.

### **Deposits**

At the end of December 2015, members' savings stood at \$152.8M, a 13.9% improvement over December 2014. The growth in savings was directly attributable to increased marketing and also the attractive interest rates offered on both Fixed Deposits and Golden Harvest savings products throughout the year.

### **Loans & Liquidity**

One of the greatest challenges encountered in 2015 was that of increasing loan disbursements while improving the liquidity ratio. The success of that balancing act was largely dependent on the members' appetite for saving and borrowing. The members were recognized for continuing to uphold the Credit Union philosophy of members helping others through continued saving with and borrowing from the Credit Union.

At December 31, 2015, the value of loans to members was \$448M, growing by approximately \$37M or 9% over the previous year. That growth in loan disbursement was a continuation of an upward trajectory, moving from 5.5% and 4.5% in 2013 and 2014 respectively. That also showed that the Credit Union continued to play an important role in assisting members to meet their financial needs.

To further assist members, interest rates and repayment periods on loan products were reviewed and adjusted. Focus was also placed on improving service to members including improvement in turn-around time and the provision of financial advice.

Maintaining the liquidity ratio above the PEARLS target of 20% continued to be an area of focus. At December 31, 2015, the ratio was 16% but had been moving up during the new year.

### **Delinquency**

The rate of delinquency on loans continued to trend below the targeted 1% of the total loan portfolio, ending the year at 0.34% compared to 0.7% at the end of December 2014.



### **Co-operative Social Responsibility**

Fourteen children of members of the Credit Union were awarded with bursaries totaling \$350,000. Grants were given to 6 students at the GSAT level and 4 each from the secondary and tertiary levels.

### **Attendance of Directors at Board Meetings**

Seven (7) meetings were held with the Board, joined once each quarter by members of the Supervisory and Credit Committees.

### **Human Resources**

In 2015, the Credit Union experienced some major staff changes but the new and remaining staff quickly bonded and diligently worked together to serve our members which contributed to an overall successful year for the Credit Union. During the year we welcomed Ms. Makeda Scott as the new Accountant, replacing Ms. Fellechia Francis. Ms. Camille Cadogan was promoted to Senior Loans Officer in September following the departure of Mrs. Saneth Morgan-White. Mr. Lorne Phillips and Ms. Alicia Williams also joined the team as Loans Officer and Accounting Officer respectively during the last quarter of the year. Ms. Chantina Sepaul also left the team at the end of her contract in November and was replaced by Ms. Monique McLean.

### **Training**

Training remains an integral focus of the Credit Union. Therefore during the year, staff and volunteers participated in Proceeds of Crime Act (POCA) and Excellence in Customer Service training sessions.

### **Compliance**

For the period under review, the financial statements were prepared in accordance with the International Financial Reporting Standards and complied with the Co-operative Societies Act. The Credit Union also satisfied all the reporting requirements of the Jamaica Co-operative Credit Union League and the Bank of Jamaica.

### **Obituaries**

During the year, members – Mr. Vivian Barrett and Ms. Jenefer Clarke passed. We extend our condolences to the family members of the deceased.

### **Future Plans**

The Credit Union continues to remain optimistic about the future and pledged its commitment to provide quality service to assist members to meet personal financial needs. As the Credit Union Movement prepares itself for the impending Bank of Jamaica Regulations, Grace Co-op Credit Union has formed a Committee which is mandated to look at the requirements for licensing, assess the gaps that may exist and initiate measures to enhance the Credit Union's readiness.

### **Acknowledgements**

The commitment and support of the Directors and other volunteers for providing oversight of our Credit Union were acknowledged.

Appreciation was also extended to the following persons and institutions who have contributed to the success of our Credit Union:

- The Chairman and Directors of GraceKennedy Ltd, its subsidiaries and associated companies.
- Members of the Supervisory, Credit, Nominating, Recruitment and Education/Marketing Committees.
- Directors and staff of the Jamaica Co-operative Credit Union League.
- The Department of Co-operatives and Friendly Societies.
- CUNA Caribbean Insurance Jamaica Ltd.
- Credit Union Fund Management Company.



- Our Auditors, Gilbert Thompson & Co.
- Our contact persons and ambassadors at the various offices where our members are employed.
- Our hardworking Credit Union Manager and staff.
- Our valued members for their continued support.

## **B) (I) AUDITOR AND TREASURER'S REPORTS**

### **Auditor's Report**

The Auditor's Report was read by Mr. Cyrene Gilbert.

On a motion by Ms. Marcia Wilson and seconded by Mrs. Rhoda Williams Moore, the Auditor's Report was adopted.

### **Treasurer's Report**

The Treasurer's Report was read by Mr. Eric Mardner.

The Credit Union received \$52.7M in interest on loans, \$5.2M in investment income, and \$4.3M in non-interest income which represented fee income and commission. This total income of \$62.1M represented an increase of \$460,000 or 1% when compared with the previous year.

The assets were \$566M at the year ended 2015, up from \$532M in 2014. Loans grew from \$411M in 2014 to \$448M in 2015, an increase of \$37.5M or 9% over the previous year. Liquid assets decreased from \$84.7M to \$81.0M.

In concluding, the Treasurer said that the Credit Union continued to be member focused, providing members with a wide range of loan and saving options. That was reflected in the growth in loans to members and member savings during the year. It was believed that the growth experienced in those areas would fuel growth in earnings.

### **Question:**

Why is there a difference between the Total Expenses stated on page 3 and the total in the Treasurer's report on page 23?

### **Answer:**

The statistic report showed Expenses of \$55,966,479 while the Treasurer's report has \$56,701,568 a difference of \$735,089. This difference relates to Provision for bad debts/Loan losses. Bad debt/Loan loss provision is usually not included for this statistic.

The Treasurer's Report was adopted on a motion by Mrs. Karen Walker and seconded by Mr. Simon Roberts.

## **(II) APPROPRIATION OF SURPLUS**

Surplus as at December 31, 2015 was \$5.4 million. After a 20% Statutory Reserve and Donation Reserve, the amount Available for Distribution was \$4.3 million. However after deducting additional Statutory Reserve of 10%; Dividend on Permanent Shares; Additional Interest, and Donations, the Undistributed Surplus was \$524,636. Interest of 4.18% was to be paid on voluntary shares.

Motion for the adoption of the Declaration of Surplus was proposed by Mrs. Rhoda Williams-Moore and seconded by Mrs. Camile Mundell-Barrett.

The Motion was carried.

## **(III) FIXING OF MAXIMUM LIABILITY FOR LOANS AND DEPOSITS**

Motion for the maximum liability of the Credit Union to be capped at 12 times the Credit Union's Capital was proposed by Mr. Simon Roberts and Ms. Madgie Walters.

The Motion was carried.



### C) NOMINATION OF AUDITORS

Motion for the appointment of the Auditors, Gilbert, Thompson & Company was proposed by Ms. Cheridal Blackwood and seconded by Mrs. Sydoney Johnson

The Motion was carried.

### D) CREDIT COMMITTEE REPORT

The Report of the Credit Committee was read by the General Manager, Ms. Hope Mowatt.

#### Highlights of the Report:

For the financial year 2015, the Credit Union was faced with major internal and external challenges. Within the external environment, interest rates remained relatively low for the better part of the year, however this served to heighten the competition significantly in the market and required GCCU to make changes to its rates and products in order to remain competitive. Despite these challenges, the Credit Union ended the year attaining 106% of the disbursement budget having disbursed 2,722 loans valued at \$262.5M. That represented an increase of 5 loans or approximately 0.2% more than that disbursed over the same period in the previous year which was 2,717 loans.

The total value of loans disbursed YTD was \$262.5M, while for the same period last year the value of loans disbursed was approximately \$242.3M. This reflects an increase of approximately \$20.2M or 8.33% more than the amount disbursed in 2014.

For the first six months of 2015 there was a monthly general increase in the value of loans approved in comparison to the first six months of 2014. However, since July and up to November 2015 a reversal of this trend was seen, since there was increased competitive activity from other financial institutions. In December 2015 there was a sharp increase in disbursements due to increased visibility through increased communication. This made the loan offerings more attractive to members and competitive in the market place. That was to be viewed in light of sharp competition from FGB and other commercial banks.

Personal Needs, Motor Vehicle Purchase, Home Improvement and Repairs, Education Expenses, Motor Vehicle Repairs and Maintenance loans continued to be the top loan categories.

Disbursements for Personal Needs topped the portfolio amounting to \$104.4M YTD compared to \$86.3M in the previous year, a 21% increase. That category represents 30.8% of the total loans disbursed.

Motor vehicle loans made up 25% of the current portfolio (18.36% - 2014). Sixty-two motor vehicle loans valued at \$65.7m were disbursed during the year in comparison to 51 loans totaling approximately \$44.49m over the same period last year.

Education Expenses loans ranked third with YTD disbursements totaling \$ 20.3m in comparison to \$20.2m last year, a 0.5% increase over last year.

Medical expenses was the Loan Category with the most significant growth YTD. A total of \$5.48M was disbursed under this category, in comparison to \$3.94M for 2013, reflecting an increase of 39.03%.

#### General

While loans for personal needs, motor vehicle purchase, and educational needs were top priorities for the credit union members, Consolidation of Debt was second priority as it represented 4.1% of the total disbursements (2014 – 5%), showing a decline of 13% YTD.

As the economic conditions become harsher and members find it more difficult to make ends meet, the Credit Union must continue to find more creative ways to secure its income while at the same time, attract more loans as well as investment from members, in light of sharp competition from other related entities. Keen eyes and strong internal controls will be essential.

It is evident, however, that the Credit Union continues to employ the following initiatives in an effort to secure business:

- Use of email and the Intranet - Cyber village to showcase available products
- Being proactive in discussing financial options and solutions with members



- Creating and reviewing products to ensure relevance to members' needs and making changes to address those needs.

Mr. Lloyd Lawrence moved for the adoption of the Report as read. That was seconded by Mrs. June Satchell- Logan.

## **E) SUPERVISORY COMMITTEE REPORT**

The Report of the Supervisory Committee was read by Ms. Angela Lawrence.

### **Highlights of the Report:**

The Supervisory Committee's mandate is to ensure that the Management and Board undertake their respective functions in accordance with the policies and rules of the Credit Union and the Co-operative Societies Act.

In keeping with that mandate, the Committee discharged its responsibility to the general membership by ensuring that regular reviews of the Credit Union's operations were carried out and recommendations for improvements were implemented in a timely manner. The Committee submitted monthly reports to the Credit Union's Board of Directors outlining all outstanding audit recommendations and the implementation status of management's action plan.

During the period under review, the Jamaica Co-operative Credit Union League was contracted to review the Credit Union's operations and make recommendations for improvement in the following areas:

- Investments and Liquidity Management Audit
- Cash Management Audit
- Dormant & Deceased Member' accounts Audit
- Loan Database Audit

Additionally, GK Group Internal Audit department performed a review of the Credit Union's Collateral Management process and provided recommendations for improvement.

The Committee was satisfied that the Credit Union had established practices and procedures sufficient to safeguard members' assets. There was a general adherence to established policies, procedures and internal controls. Related laws and regulations that govern the Credit Union's operations were properly administered.

The Supervisory Committee Report was adopted on a motion by Mrs. Lorna Reynolds Minott and seconded by Mr. Simon Roberts.

## **ELECTION OF OFFICERS**

Mr. Michael Webb of the Department of Co-operatives and Friendly Societies handled the election of Officers.

The meeting was reminded of the rules of the voting process.

The results were as follows:

### **Board of Directors**

Mr. Gilroy Graham, Mr. Jerry Hamilton, Mrs. Karen Walker, and Mrs. Claudette Facey-Redwood were elected to the Board to serve for a two-year term; while Mr. Stanley Beckford would serve a one-year term. They join Mr. Simon Roberts, Mr. E. Christopher Bond, Mr. Eric Mardner and Mrs. Stacey Smith.

### **Credit Committee**

There being no other nominations, Mrs. Jean Grant and Mr. Samuel Shelton were elected to serve for the next two years; while Mr. Damian Lovelace and Mrs. Hortense Gregory Nelson were elected to serve for one year. They join Ms. Maria Lewis who has one year unexpired term.



### **Supervisory Committee**

There being no other nominations, Ms. Troy Marie McDonald, Ms. Angela Lawrence, Ms. Rochelle Powell, Mrs. Rhoda Williams-Moore and Mr. Kevin Webster were elected to serve for one year.

Mrs. June Satchell-Logan moved to allow the Board to select the delegates to the League and other Societies. This was seconded by Ms. Tishan Riley.

Mr. Webb reminded elected Board and Committee members that they should meet within 10 days of the Annual General Meeting and select Officers, Chairman and Secretary. Names and contact information of those Officers should be communicated to the League, Bank of Jamaica, and the Department of Cooperatives and Friendly Societies.

### **TRIBUTES TO RETIRING VOLUNTEERS**

Presentations were made to retiring volunteers U. Philip Alexander Leighton Grant, Beverley Wright and Brian Mitchell.

The General Manager of the Credit Union, Ms. Hope Mowatt introduced the team at the Credit Union.

They were:

- |                         |                        |
|-------------------------|------------------------|
| Ms. Makeda Scott        | – Accountant           |
| Ms. Camille Cadogan     | – Senior Loans Officer |
| Mrs. Tanya Hinds-Walton | – Loans Officer        |
| Mr. Lorne Phillips      | – Loans Officer        |
| Ms. Alicia Williams     | – Accounting Officer   |
| Ms. Monique McLean      | – Accounting Clerk     |

An expression of appreciation for their hard work and commitment to encouraging team spirit and providing excellent service to the members of the Credit Union was extended to them.

### **ANY OTHER BUSINESS**

There were no other matters for discussion.

### **PRIZES**

Various prizes were won by attendees who enjoyed the excitement generated by emcee Ms. Suzette Pitter. Of note, Mr. Patrick Lyn was awarded the prize for the longest standing member at the meeting.

### **ADJOURNMENT**

On a motion by Mrs. Marsha Cope-Johnson and seconded by Ms. Joan Cummings, the meeting adjourned at 6:44 p.m.



## REPORT OF THE BOARD OF DIRECTORS FOR YEAR ENDED 31<sup>ST</sup> DECEMBER 2016

### OVERVIEW

Fellow members, today I am pleased to present this report on the performance of the Grace Cooperative Credit Union for the year 2016. Our Credit Union continued to achieve positive results and showed growth over the prior year in most areas. This occurred in an aggressively competitive market environment where financial institutions jostled for business in the personal loan arena.

Although our Credit Union could not match loan rates in some cases, we remained steadfast and continued to place increased emphasis on our service delivery. We also maintained relatively low or no fees in catering to the financial needs of our members. Correspondingly the scenario of low interest rates on our investments remained relatively intact during the year. Despite these challenges as well as increased operating expenses, our Credit Union made a surplus of \$5.5M compared to a budget of \$5.2M.

### GROWTH

	<b>2016 J\$000</b>	<b>2015 J\$000</b>	<b>Annual Growth</b>
<b>Permanent Shares</b>	<b>2,088</b>	<b>2,088</b>	
<b>Voluntary Shares</b>	<b>342,243</b>	<b>322,602</b>	<b>6%</b>
<b>Saving Deposits</b>	<b>184,730</b>	<b>152,822</b>	<b>20.9%</b>
<b>Net Loans</b>	<b>468,498</b>	<b>444,031</b>	<b>5.5%</b>
<b>Assets</b>	<b>620,892</b>	<b>566,486</b>	<b>9.6%</b>
<b>Surplus</b>	<b>5,548</b>	<b>5,426</b>	<b>2.2%</b>

### DEPOSITS

At the end of December 2016, members' savings stood at \$184.7M, a 20.9% improvement over December 2015. This growth in savings was strongly influenced by the Credit Union's marketing push to increase savings by members. Consequently, many members took advantage of the attractive interest rates offered on both the Fixed Deposits and Golden Harvest savings products.

### LOANS and LIQUIDITY

Increasing our loan disbursements continued to be one of the greatest challenges encountered in 2016. This is directly related to the increased competitive environment within which we operate and especially with regards to motor vehicle loans. At the end of the year, the value of net loans to members was \$468M, growing by approximately \$24M or 5.5% over the previous year.

The Credit Union continues to cherish every opportunity it gets to assist members to meet their financial needs. This interaction and relationship was further strengthened by periodic review of interest rates and repayment periods on our loan products and adjusting them when necessary. Focus was also placed on service enhancement, including improvement in turn-around time and the provision of financial advice to members.

Maintaining the liquidity ratio above the PEARLS target of 20% continued to be an area of focus. At December 2016, the ratio was 19%, moving from 16% at the end of 2015.



## MEMBERSHIP

Our membership grew by 103 members, ending the year at 2162, moving from 2,059 at the end of 2016.

## DELINQUENCY

The rate of delinquency on loans continued to trend below the targeted 1% of the total loan portfolio, set by our Credit Union and ended the year at 0.52%.

## COOPERATIVE SOCIAL RESPONSIBILITY

Our Credit Union continued with its tradition of providing grants to children of members of our Credit Union with bursaries from a sum of \$350,000 budgeted for this initiative. Grants were given to 7 students at the GSAT level, 4 from the secondary and 2 from the tertiary level.

## ELECTION OF OFFICERS

At the statutory meeting held following the elections at last year's Annual General Meeting, the following officers were elected:

### Board of Directors

Jerry Hamilton	–	<i>President</i>
Gilroy Graham	–	<i>1st Vice President</i>
Christopher Bond	–	<i>2nd Vice President</i>
Eric Mardner	–	<i>Treasurer</i>
Karen Walker	–	<i>Assistant Treasurer</i>
Claudette Facey-Redwood	–	<i>Secretary</i>
Stanley Beckford	–	<i>Assistant Secretary</i>
Simon Roberts	–	<i>Director</i>
Philip Alexander	–	<i>Director</i>

However, Malindo Wallace replaced Philip Alexander who resigned during the year.

### Supervisory Committee

Angela Lawrence	–	<i>Chairperson</i>
Kevin Webster		
Rhoda Williams-Moore	–	<i>Secretary</i>
Ayen Crooks		

Misses Troy-Marie McDonald and Rochelle Powell resigned during the year with Ms Crooks replacing Ms Powell.

### Credit Committee

Samuel Shelton	–	<i>Chairperson</i>
Damian Lovelace	–	<i>Secretary</i>
Hortense Gregory-Nelson		
Maria Lewis		
Jean Grant		





## ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Seven (7) meetings were held with the Board, joined once each quarter by members of the Supervisory and Credit Committees. The record of attendance for Board members was as follows:

### Directors Attendance Record 2016

Directors	# Possible	# at which present	# for which excused
<b>Jerry Hamilton</b>	<b>7</b>	<b>7</b>	<b>0</b>
<b>Gilroy Graham</b>	<b>7</b>	<b>6</b>	<b>1</b>
<b>Edward C. Bond</b>	<b>7</b>	<b>7</b>	<b>0</b>
<b>Eric Mardner</b>	<b>7</b>	<b>7</b>	<b>0</b>
<b>Karen Walker</b>	<b>7</b>	<b>5</b>	<b>2</b>
<b>Malindo Wallace</b>	<b>3</b>	<b>1</b>	<b>2</b>
<b>Claudette Facey- Redwood</b>	<b>7</b>	<b>4</b>	<b>3</b>
<b>Simon Roberts</b>	<b>7</b>	<b>6</b>	<b>1</b>
<b>Stanley Beckford</b>	<b>3</b>	<b>2</b>	<b>1</b>

## HUMAN RESOURCES AND TRAINING

In 2016, the Credit Union maintained its full staff complement who worked diligently to serve you, our members. In order to ensure a service-oriented culture, training remained an integral focus of our Credit Union. During the year, staff participated in several CPD Online training courses. These include: Excellence in Customer Service, Teller training and Proceeds of Crime Act (POCA). Our Senior Loan Officer, Ms. Camile Cadogan, also participated in the Grace Kennedy Supervisory Development Programme.

## COMPLIANCE

For the period under review, the financial statements were prepared in accordance with the International Financial Reporting Standards and complied with the Co-operative Societies Act. The Credit Union also satisfied all the reporting requirements of the Jamaica Co-operative Credit Union League and the Bank of Jamaica.

## OBITUARIES

We would also like to pay tribute to the following members who passed on during the year:

- **Ruby Green,**
- **Hyacinth Garrison-Garwood,**
- **Albert Bartley,**
- **Leroy Ennis,**
- **Desrine Johnson,**
- **Donovan Borrows,**
- **Constantine Phipps.**

We extend our condolences to their family members.



## FUTURE PLANS

As the Credit Union Movement prepares itself for the impending Bank of Jamaica regulation, the GCCU Board has been looking at the requirements for licencing and initiating measures to enhance our readiness.

Based on the implied regulatory and compliance costs or challenges that may arise, our Credit Union is working with our League on options that we could take going forward. Regardless of the outcome, our Credit Union continues to remain optimistic about the future and pledges our commitment to provide quality service to assist you, our members, to meet your personal financial needs.

## ACKNOWLEDGEMENTS

As I close, let me take this opportunity to acknowledge the commitment and support of my fellow Directors and other volunteers for providing oversight of our Credit Union. Special thanks to Mr. U. Philip Alexander and Mrs. Stacey Smith who demitted office during the year.

Appreciation must also be extended to the following persons and institutions who have contributed to our success:

- *The Chairman and Directors of GraceKennedy Ltd, its subsidiaries and associated companies.*
- *Members of the various committees.*
- *Directors and staff of the Jamaica Co-operative Credit Union League.*
- *The Department of Co-operatives and Friendly Societies.*
- *CMFG Life Insurance Company.*
- *Credit Union Fund Management Company.*
- *Our Auditors, Gilbert Thompson & Co.*
- *Our contact persons and ambassadors at the various offices where our members are employed.*
- *Our hardworking Credit Union Manager and staff.*
- *And to you, our valued members for your continued support.*

**Jerry Hamilton**  
*President*



**BOARD  
OF  
DIRECTORS**



**Gilroy Graham**  
*1<sup>st</sup> Vice President*



**Jerry Hamilton**  
*President*



**E. Christopher Bond**  
*2<sup>nd</sup> Vice President*



**Eric Mardner**  
*Treasurer*



**Karen Walker**  
*Assistant Treasurer*



**Claudette Facey-Redwood**  
*Secretary*



**Stanley Beckford**  
*Assistant Secretary*



**Simon Roberts**



**Malindo Wallace**



REPORT OF THE TREASURER  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2016

Grace Co-op Credit Union received \$56.3M in interest on loans, \$5.2M in investment income, and \$4.6M non-interest income which represented fee income and commission. This total income of \$66.1M represents an increase of \$3.9M or 6% when compared with the previous year.

The assets were \$621M at the year ended 2016 up from \$566M in 2015, an increase of \$54.4M. Loans grew from \$449M in 2015 to \$473M in 2016, an increase of \$24.7M or 6% over the previous year. Liquid assets increased to \$109.9M in 2016 from \$81.0M in 2015.

**STATEMENTS**

The following is a summary of the detailed information contained in the audited financial statements. We, the members, altogether have:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
a) Total Permanent Shares	2,088,000	2,088,000
<b>We also own collectively as a society, the following:</b>		
i) Statutory Reserves to provide stability to the Credit Union	55,336,676	53,676,709
ii) Education Fund	214,793	214,793
iii) Capital Revaluation Reserve	6,431,394	6,431,394
iv) Bad Debt Reserve	4,732,335	4,486,327
v) Special Reserve	785,736	785,736
vi) Donation Reserve	120,000	180,000
vii) Unclaimed Share Reserve	169,914	169,914
viii) Share Transfer Reserve	83,000	17,000
ix) We have previous earnings that have not been returned to us as dividends. This amount is:	453,154	7,750
x) This year our net earnings is	4,438,553	4,341,028
<b>The total we own in reserves, provision and earnings is</b>	<b>74,853,555</b>	<b>72,398,651</b>



	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>The grand total we have is</b>	<b>74,853,555</b>	<b>72,398,651</b>
<b>The money we have has been:</b>		
a) Loaned to members	473,230,831	448,517,709
b) Used to purchase furniture and fixtures(net book value)	375,913	598,509
c) Invested in:-		
i) Shares in the Jamaica Cooperative Credit Union League	5,546,592	5,546,592
ii) Demand Deposit with Jamaica Cooperative Credit Union	80,700,245	60,240,590
iii) Mortgage Funds with Jamaica Cooperative Credit Union	17,146,375	16,473,353
iv) Jamaica Cooperative Credit Union - Cu Cash	22,204,966	12,015,699
d) Bank account, etc	6,996,393	8,697,863
e) But we owed Depositors and external creditor	(184,729,839)	(152,820,004)
f) Members' voluntary shares	(342,242,992)	(322,601,777)
g) Others	(4,374,929)	(4,269,883)
<b>The grand total of the loans and investment we have made is</b>	<b><u>74,853,555</u></b>	<b><u>72,398,651</u></b>
<b>Our Income has been earned from:-</b>		
a) Interest on loans to members	56,294,498	52,651,217
b) Interest on Investments	3,317,447	3,105,890
c) Interest on investment with J.C.C.U.L	1,893,900	2,065,857
d) Other sources	4,553,667	4,304,889
	<b><u>66,059,512</u></b>	<b><u>62,127,853</u></b>
<b>The expenses for the year were:-</b>		
Salaries and related expenses	27,201,285	24,645,736
Insurance – Loan Protection and Life Saving (L.P&L.S)	3,053,384	3,067,103
Facilities Fee	5,092,930	3,345,000
Interest Expense	13,812,562	15,017,379
Stationery	1,030,052	402,965



	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Dues and fees to J.C.C.U.L	2,301,397	1,963,146
Advertising and promotion		
AGM, Seminars and other meetings	1,194,163	694,997
Audit fees	650,000	580,000
Provision for bad debts	245,981	735,088
Education Grant	350,004	280,000
Depreciation and amortization	222,596	296,240
General expenses	5,356,966	5,673,914
<b>TOTAL EXPENSES</b>	<b><u>60,511,320</u></b>	<b><u>56,701,568</u></b>
This leaves us a surplus of:-	5,548,192	5,426,284
We are setting aside Statutory Reserves as required by the Act	(1,109,638)	4,438,553
	(1,085,257)	4,341,027
Together with the undistributed earnings from previous year	453,154	7,750
<b>Undistributed earnings</b>	<b><u>4,891,707</u></b>	<b><u>4,348,777</u></b>

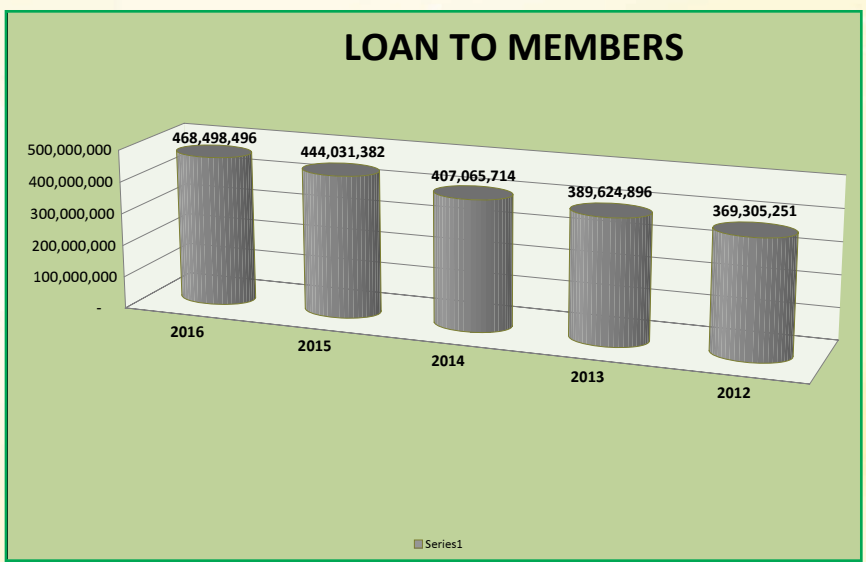
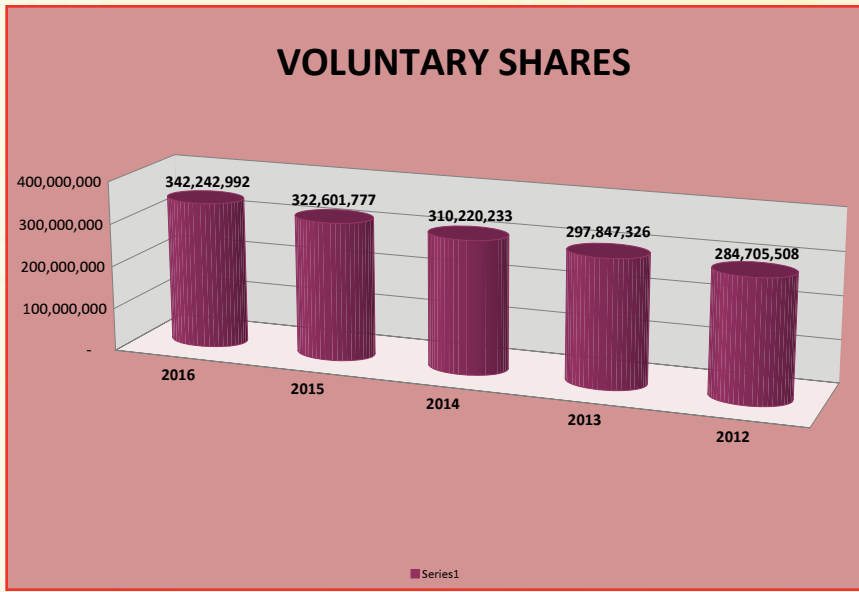
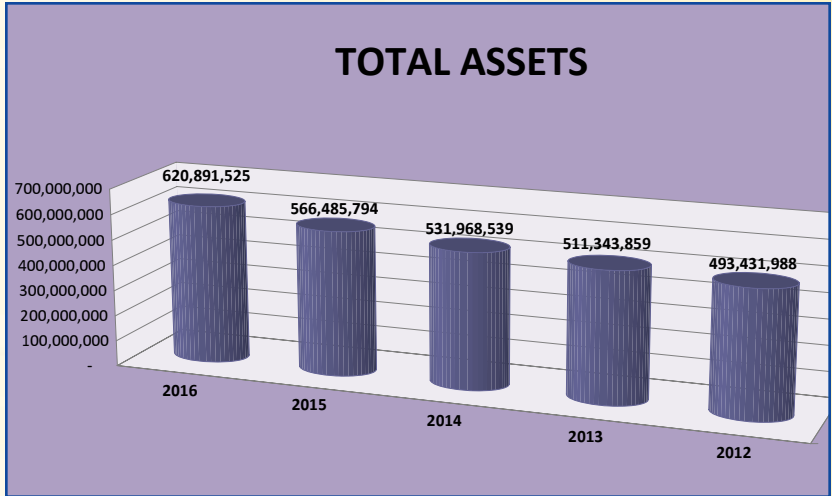
## CONCLUSION

The Credit Union continues to be member focused, providing members with a wide range of loan and saving options. This is reflected in the growth in loans to members and member savings during the year. We believe that the growth experienced in these fundamental areas will fuel growth in earnings in the future.

I wish to extend thanks to the hard working management and staff of the Credit Union for their efforts and dedication during the year. I would also like to acknowledge the effort and support of my colleagues on the Board.

Finally, thanks to each member of the credit union for making Grace Co-operative, the credit union of their choice.

Respectively Submitted,  
**Eric Mardner**  
*Treasurer*



Respectively Submitted,  
**Eric Mardner**  
 Treasurer



**DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES**

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

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

2 MUSGRAVE AVENUE  
KINGSTON 10

TEL: 927-4912/927-6572  
or 978-1946  
Fax: 927-5832

E-mail: [dcfs@cwjamaica.com](mailto:dcfs@cwjamaica.com)

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March 30, 2017

The Secretary  
Grace Co-operative Credit Union Limited  
73 Harbour Street,  
**KINGSTON**

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2016.

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

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

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

Yours sincerely,

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

*LGE/kd*

c. The Secretary  
Jamaica Co-operative Credit Union League





**GRACE CO-OPERATIVE  
CREDIT UNION LIMITED**

**Financial Statements**

**&**

**Notes to the Financial Statements**



**FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2016**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

<b>ASSETS</b>	<b><u>NOTES</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
		<b>\$</b>	<b>\$</b>
<b>EARNING ASSETS</b>			
<b>LOANS TO MEMBERS</b>	5	<b>468,498,496</b>	<b>444,031,382</b>
Loans		473,230,831	448,517,709
Allowance for loan losses	5	(4,732,335)	(4,486,327)
<b>LIQUID ASSETS</b>	9	<b>109,901,604</b>	<b>80,954,152</b>
Cash and cash equivalent		6,996,393	8,697,863
Liquid reserve (JCCUL)		102,905,211	72,256,289
<b>FINANCIAL INVESTMENTS</b>			
Securities and equivalent	10	40,136,028	38,546,157
<b>NON EARNING ASSETS</b>			
<b>OTHER ASSETS</b>	11	<b>1,979,484</b>	<b>2,355,593</b>
Receivables		795,394	935,879
Interest receivable		1,184,090	1,419,714
<b>FIXED ASSETS</b>		<b>375,913</b>	<b>598,509</b>
Furniture, fixtures and equipment	12	375,913	598,509
<b>TOTAL ASSETS</b>		<b><u>620,891,525</u></b>	<b><u>566,485,793</u></b>



**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	<b><u>NOTES</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
		<b><u>\$</u></b>	<b><u>\$</u></b>
<b>LIABILITIES</b>			
<b>INTEREST BEARING LIABILITIES</b>		<b>526,972,831</b>	<b>475,421,781</b>
Members savings deposits	13	184,729,839	152,820,004
Voluntary shares		342,242,992	322,601,777
<b>NON-INTEREST BEARING LIABILITIES</b>	<b>14</b>	<b>23,797,474</b>	<b>23,151,689</b>
Accruals		9,303,133	5,928,867
Payables		13,808,240	16,737,085
Others		686,101	485,737
<b>TOTAL LIABILITIES</b>		<b>550,770,305</b>	<b>498,573,470</b>
<b>CAPITAL</b>			
<b>MEMBERS SHARE CAPITAL</b>		<b>2,088,000</b>	<b>2,088,000</b>
Permanent Shares	15	2,088,000	2,088,000
<b>NON-INSTITUTIONAL CAPITAL</b>			
Retained earnings and reserves	16	1,373,443	1,367,443
Undistributed surplus		4,891,707	4,348,777
<b>INSTITUTIONAL CAPITAL</b>			
Statutory and legal reserves	17	55,336,676	53,676,709
Capital revaluation reserves		6,431,394	6,431,394
<b>TOTAL CAPITAL</b>		<b><u>70,121,220</u></b>	<b><u>67,912,323</u></b>
<b>TOTAL LIABILITIES AND CAPITAL</b>		<b><u><u>620,891,525</u></u></b>	<b><u><u>566,485,793</u></u></b>

For and on behalf of the Directors

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

The notes on statements VI form an integral part of the financial statements.



**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDING 31 DECEMBER 2016**

	<u>NOTES</u>	<u>2016</u>	<u>2015</u>
		\$	\$
<b>INTEREST INCOME</b>		<b>61,505,845</b>	<b>57,822,964</b>
Loans and advances to members		56,294,498	52,651,217
Liquid assets		3,317,447	3,105,890
Investments		1,572,038	1,587,740
Interest JCCUL - CuCash		<u>321,862</u>	<u>478,117</u>
<b>INTEREST EXPENSE</b>		<b>13,812,562</b>	<b>15,017,378</b>
Savings deposit		13,320,827	14,574,076
Other financial cost		<u>491,735</u>	<u>443,302</u>
<b>NET INTEREST INCOME</b>		<b>47,693,283</b>	<b>42,805,586</b>
Recoverable/(Increase) of loan losses		245,981	735,088
<b>NET INTEREST INCOME AFTER PROVISION</b>		<u>47,447,302</u>	<u>42,070,498</u>
<b>NON-INTEREST INCOME</b>			
Miscellaneous income	6	<b>4,553,667</b>	<b>4,304,889</b>
<b>NET INTEREST AND OTHER INCOME</b>		<b>52,000,969</b>	<b>46,375,387</b>
<b>OPERATING EXPENSES</b>	24	<u>46,452,777</u>	<u>40,949,103</u>
<b>SURPLUS FOR THE YEAR</b>		<u><b>5,548,192</b></u>	<u><b>5,426,284</b></u>

The notes on statements VI form an integral part of the financial statements.



## STATEMENT IV

**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2016**

	<b>Members Permanent Share Capital</b>	<b>Institutional Capital</b>	<b>Non- Institutional Capital (Undistributed Net Surplus)</b>	<b>TOTAL</b>
<b>Balance at 1 January 2015</b>	2,088,000	58,568,926	5,377,024	66,033,950
Net Surplus			5,426,285	5,426,285
Transfer to statutory reserve		1,085,257	(1,085,257)	-
Additional transfer to statutory reserve		451,320	(451,320)	-
Appropriations -				
Dividend - Permanent Shares			(835,200)	(835,200)
Interest - Voluntary Shares			(2,701,312)	(2,701,312)
Entrance fee		2,600		2,600
Share Transfer Account			(14,000)	(14,000)
<b>Balance at 31 December 2015</b>	<b>2,088,000</b>	<b>60,108,103</b>	<b>5,716,220</b>	<b>67,912,323</b>
Net surplus			5,548,192	5,548,192
Transfer to statutory reserve		1,109,638	(1,109,638)	-
Additional transfer to statutory reserve		542,629	(542,629)	-
Appropriations -				
Dividend - Permanent Shares			(835,200)	(835,200)
Interest - Voluntary Shares			(2,385,795)	(2,385,795)
Donation			(60,000)	(60,000)
Entrance fee		7,700		7,700
Share Transfer Account			(66,000)	(66,000)
<b>Balance at 31 December 2016</b>	<b>2,088,000</b>	<b>61,768,070</b>	<b>6,265,150</b>	<b>70,121,220</b>



**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2016**

	<b>INSTITUTIONAL CAPITAL</b>		
	<b>Statutory Reserve</b>	<b>Capital Reserves</b>	<b>TOTAL</b>
<b>Balance at 1 January 2015</b>	52,137,532	6,431,394	58,568,926
20% statutory reserve	1,085,257	-	1,085,257
Additional transfer to statutory reserve	451,320		451,320
Entrance fees	2,600	-	2,600
<b>Balance at 31 December 2015</b>	53,676,709	6,431,394	60,108,103
20% statutory reserve	1,109,638		1,109,638
Additional transfer to statutory reserve	542,629		542,629
Entrance fees	7,700	-	7,700
<b>Balance at 31 December 2016</b>	55,336,676	6,431,394	61,768,070



## STATEMENT V

**CASH FLOW STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus for the year	5,548,192	5,426,285
Adjustment to reconcile surplus to		
Net cash provided by operating activities:		
Depreciation	<u>222,596</u>	<u>296,240</u>
 Net cash provided by operating activities	 <b><u>5,770,788</u></b>	 <b><u>5,722,525</u></b>
 <b>Cash flows from investing activities:</b>		
Fixed assets		(85,220)
Investments	(1,589,871)	(1,613,555)
Loans to members - Net	(24,467,114)	(36,965,668)
Other receivables	<u>376,109</u>	<u>144,476</u>
 Net cash used in investing activities	 <b><u>(25,680,876)</u></b>	 <b><u>(38,519,967)</u></b>
 <b>Cash flows from financing activities:</b>		
Share capital - Voluntary	19,641,215	12,381,544
Entrance fees	7,700	2,600
Savings account (members)	31,909,835	18,621,271
Accruals	3,374,266	200,502
Payables	(2,928,845)	1,103,067
Other payables	200,364	332,499
Dividends	(835,200)	(835,200)
Interest on voluntary shares	(2,385,795)	(2,701,312)
Reserve	(66,000)	(14,000)
Donation	<u>(60,000)</u>	<u>-</u>
 Net cash provided by financing activities	 <b><u>48,857,540</u></b>	 <b><u>29,090,971</u></b>
 Increase in liquid assets	 28,947,452	 (3,706,471)
Liquid asset at beginning of the year	<u>80,954,152</u>	<u>84,660,623</u>
 Liquid asset at end of year	 <b><u>109,901,604</u></b>	 <b><u>80,954,152</u></b>

The notes on statements VI form an integral part of the financial statements.





**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**1. IDENTIFICATION AND ACTIVITIES:**

Grace Co-operative Credit Union Limited is a co-operative society registered under the Co-operative Societies Act and resident in Jamaica. Membership is limited to employees and their immediate family of GraceKennedy Limited, its subsidiaries, associates and managed companies, all ex-employees of the bond as stated who are in good standing with the Credit Union, all pensioners of the bond as stated and their immediate family.

The main activities of the society are:

- a) To promote thrift among its members by affording them an opportunity to accumulate their savings.
- b) To create for them a source of credit for provident or productive purposes at a reasonable rate of interest.

**2. REGULATION:**

The Co-operative Societies Act requires, amongst other provision, that at least 20% of the net profit of the credit union be transferred annually to a reserve fund. 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.

The liability of individual members is limited by shares. Individual membership liability may not exceed 20% of total share capital.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**a) Basis of preparation -**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the provision of the Co-operative Societies Act and have been prepared under the historical cost convention.

**b) Use of estimates -**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

**c) Financial instruments -**

Financial instruments carried on the balance sheet include loans, liquid assets, financial investments, cash and bank balances, interest and other receivables, members' deposit and interest and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The fair value of the credit union's financial instruments are discussed in Note 18.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD:**

**d) Foreign currencies -**

Transactions during the year are converted at appropriate rate of exchange ruling at transaction dates. Assets and liabilities are translated at appropriate rate of exchange ruling at balance sheet date. Gains and arising from fluctuations in exchange are included in the statement of income and expenditure.

**e) Revenue recognition -**

Interest income earned from investments, interest expense and fee are recorded on the accrual basis. Income earned from loan is recognised in the statements of income and expenditure on an accrual basis.

**f) Fixed assets and depreciation -**

Fixed assets are depreciated on the straight line method at rates designed to write off their cost over their estimated useful lives. However, depreciation is prorated on a monthly basis during the year of purchase. Fixed assets are reviewed periodically for impairment. Where the carrying amount of an asset is greater than the estimated recoverable amount it is written down immediately to its recoverable amount.

The rates of depreciation are as follows:-

Furniture and Fixtures	10%
Automated Teller Machine	10%
Data Processing Equipment	33 1/3%

**g) Loans -**

Loans are stated net of any unearned income and of any allowance for delinquent loans. All loans are recognised when cash is advanced to members.

A loan is classified as delinquent when, in management's opinion, there has been a deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. If a payment on a loan is contractually sixty (60) days in arrears, the loan will be classified as delinquent, if not already classified as such.

**h) Provision For loan losses -**

The credit union maintains an allowance for loan losses, which in management's opinion, is adequate to absorb all credit related losses in its portfolio. The allowance consists of specific and general provisions for doubtful debts.

Specific provisions are established as a result of a review of the carrying value of loan in arrears and are derived based on the Jamaica Co-operative Credit Union League Limited provisioning policy of making a full provision for loans in arrears for over one (1) year. General provisions of 10% - 60% are established in respect of loans in arrears for two (2) to twelve (12) months.



**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D:**

**i) Investments -**

Management determines the classification of investment at times of purchase into held to maturity and available for sale.

Loans and advances which are provided directly to borrowers are classified as originating debts. These are initially recorded at cost which is the cash given to originate the debt including any transaction cost and are subsequently measured at amortized cost. Investments purchased on the secondary market which are intended to be held for an indefinite period of time and may be sold in response to liquidity needs or changes in interest rate are classified as available for sale. These investments are initially recognized at cost but are subsequently re-measured at fair value. Unrealised gains and losses arising from changes in fair values of securities classified as available for sale are recognized in equity. When securities are disposed of or impaired, the related accumulated fair value adjustments are included in the statements of revenue and expenses as gains and losses from investment securities.

A financial asset is considered impaired if its carrying amount exceeds its recoverable amount. The amount of the impairment loss of assets carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the original effective rate. The recoverable amount of a financial asset is the present value of expected future cash flows discounted at the current market interest rate for a similar financial asset.

All purchases and sales on investment securities are recognized at settlement date.

**j) Institutional capital -**

Institutional capital includes the statutory reserves fund as well as various other reserves established from time to time which, in the opinion of the Directors, are necessary to support the operations of the credit union and, thereby, protect the interest of the members. These reserves are not available for distribution.

**k) Pension plan costs -**

The credit union participates in a defined benefit scheme operated by Gracekennedy Limited. The pension scheme is generally funded by payments from employees of 5% or 10% and by Gracekennedy Limited of 0.5% of employee's taxable remuneration, taking into account the recommendations of independent qualified actuaries.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT:-**

**(a) Introduction and overview**

The Society has exposure to the following risks from its use of financial instruments

- (i) Credit risks
- (ii) Liquidity risks
- (iii) Market risks

The Board of Directors has overall responsibility for the establishment and oversight of the Society's risk management framework. The Society's risk management policies are established to identify and analyze the risks faced by the Society, 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 Society's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Society. All committees report regularly to the Board on their activities.

The Supervisory Committee is responsible for monitoring compliance with the Society's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Society.

**(b) Credit Risk :-**

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Society's loans to members, deposits with other institutions and investment securities.

**(i) Loans to members and guarantees:-**

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

**Collateral:-**

The Society holds collateral against loans to members in the form of mortgage interest over property, lien over motor vehicles, other registered securities over assets, hypothecation of shares held in the Society and guarantees. Estimates of fair value are based on value of collateral assessed at the time of borrowing and are generally not updated except when a loan is individually assessed as impaired.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-**

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

**Impaired loans:-**

Impaired loans are loans for which the Society 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 Society believes the impairment is not appropriate on the basis of the level of security available or the stage of collections of amounts owed to the Society.

**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 Society has made concession that it would not otherwise consider. Once the loan is restructured, it remains in this category, for the remaining life of the loan, independent of satisfactory performance after restructuring.

**Allowances for impairment:-**

The Society 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 allowance component that relates to individual significant exposures, and a collective loan loss allowance established on a group basis in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

**Write-off policy:-**

The Society writes off a loan (and any related allowances for impairment losses) when the Society determines 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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-**

**(ii) Deposits and investments securities**

The Society limits its exposure to credit risks by investing only in liquid assets and only with counterparties that have a high credit quality, Therefore, management does not expect counterparty to fail to meet its obligations.

The Credit Union has documented investment and deposit policies in place, which guide it in managing its deposit and investment risks.

**(iii) Exposure to credit risk:-**

The carrying amount of financial assets represents the maximum exposure to credit exposure (before collateral held) which at the balance sheet date was:

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Loans to members, net	468,498,496	444,031,382
Liquid assets - earning	109,901,604	80,954,152
Financial investments	40,136,028	38,546,157
Non-earning assets - other	1,979,484	2,355,593
	<u><u>620,515,612</u></u>	<u><u>565,887,284</u></u>

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

**( c ) Liquidity risk:-**

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations from its financial liabilities. The Society's approach to managing liquidity is to ensure, as far as possible that I will always have sufficient liquidity to meet its liabilities when due under both normal or stressed conditions. Prudent liquidity risk management which the Society uses includes maintaining sufficient cash and marketable securities, monitoring future cash flows and liquidity on a daily basis and maintaining an adequate amount of committed facilities.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-**

**( c ) Liquidity risk (cont'd)**

The Society manages this risk by keeping a substantial portion of its financial assets in liquid form in accordance with regulatory guidelines.

The Society is subject to a liquidity limit imposed by the League and compliance is regularly monitored. The key measure used by the Society for managing liquidity risk is the ratio of liquid assets minus short-term payables to total savings. For this purpose, liquid assets include cash bank balances and all liquid investments with maturity date of twelve months or less. The liquid asset ratio at the end of the year was **.46:1.0 ( 2015 .44:1.0)**

The Credit Union is also required to hold a liquidity reserve requirement of 10% of specified liabilities. A minimum of 8% is to be held with the League while a maximum of 2% can be held with approved financial institutions. The Credit Union was in compliance with the liquidity reserve requirement of 18.0% at the end of the year 2016, ( 2015 : 17%)

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

The following table represents the undiscounted contractual maturities of financial liabilities, including interest payments on the basis of their earliest possible contractual maturity.

	2016					<b><u>Carrying Amount</u></b>
	<b><u>Within 1</u></b>	<b><u>1 to 3</u></b>	<b><u>3 to 12</u></b>	<b><u>1 - 5</u></b>	<b><u>Over 5</u></b>	
	<b><u>Month</u></b>	<b><u>Months</u></b>	<b><u>Months</u></b>	<b><u>Years</u></b>	<b><u>Years</u></b>	
	\$	\$	\$	\$	\$	\$
Savings deposit	13,854,738	97,906,815	42,487,863	30,480,423		184,729,839
Voluntary shares	-	-	-	-	342,242,992	342,242,992
Accounts payables	4,178,837	3,602,938	8,388,610	7,627,091	-	23,797,474
	<b><u>18,033,574</u></b>	<b><u>101,509,752</u></b>	<b><u>50,876,473</u></b>	<b><u>38,107,514</u></b>	<b><u>342,242,992</u></b>	<b><u>550,770,305</u></b>

	2015					<b><u>Carrying Amount</u></b>
	<b><u>Within 1</u></b>	<b><u>1 to 3</u></b>	<b><u>3 to 12</u></b>	<b><u>1 - 5</u></b>	<b><u>Over 5</u></b>	
	<b><u>Month</u></b>	<b><u>Months</u></b>	<b><u>Months</u></b>	<b><u>Years</u></b>	<b><u>Years</u></b>	
	\$	\$	\$	\$	\$	\$
Savings deposit	11,461,500	80,994,602	35,148,601	25,215,301		152,820,004
Voluntary shares	-	-	-	-	322,601,777	322,601,777
Accounts payables	3,778,144	3,257,465	7,584,257	6,895,757	-	23,151,689
	<b><u>15,239,644</u></b>	<b><u>84,252,067</u></b>	<b><u>42,732,858</u></b>	<b><u>32,111,058</u></b>	<b><u>322,601,777</u></b>	<b><u>498,573,470</u></b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-**

**( c ) Liquidity risk ( cont'd)**

Members share capital are divided into permanent and voluntary. Voluntary shares maybe withdrawn at anytime and this is classified in the account as a liability. Permanent shares however cannot be withdrawn.

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.

The Credit Union is in the process of documenting the assets and liabilities policy that guides the management of its liquidity risks.

**( d ) 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 Society's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Market risk exposures are measured using sensitivity analysis.

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

**(i) Currency risk:-**

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 Society is not 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.





**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-**

**(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 because of 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 by holding primarily fixed rate financial instruments.

A summary of the Society's interest rate gap position is as follows:

	2016			
	<u>Within</u>	<u>3 to 12</u>	<u>Over</u>	<u>Carrying</u>
	<u>3 months</u>	<u>months</u>	<u>12 months</u>	<u>amount</u>
	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>
<b>ASSETS</b>				
Loans	39,822,372	65,589,789	363,086,334	468,498,496
Liquid assets	65,940,962	16,485,241	27,475,401	109,901,604
Financial investments	-	12,040,808	28,095,220	40,136,028
	<b>105,763,335</b>	<b>94,115,838</b>	<b>418,656,955</b>	<b>618,536,128</b>
<b>LIABILITIES</b>				
Savings deposits	110,837,903	42,487,863	31,404,073	184,729,839
	<b>110,837,903</b>	<b>42,487,863</b>	<b>31,404,073</b>	<b>184,729,839</b>
Total interest rate gap	<b>(5,074,569)</b>	<b>51,627,975</b>	<b>387,252,882</b>	<b>433,806,289</b>
Cumulative gap	<b>(5,074,569)</b>	<b>46,553,407</b>	<b>433,806,289</b>	<b>-</b>

A summary of the Society's interest rate gap position is as follows:

	2015			
	<u>Within</u>	<u>3 to 12</u>	<u>Over</u>	<u>Carrying</u>
	<u>3 months</u>	<u>months</u>	<u>12 months</u>	<u>amount</u>
	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>
<b>ASSETS</b>				
Loans	37,742,667	62,164,394	344,124,321	444,031,382
Liquid assets	48,572,491	12,143,123	20,238,538	80,954,152
Financial investments	-	11,563,847	26,982,310	38,546,157
	<b>86,315,158</b>	<b>85,871,364</b>	<b>391,345,169</b>	<b>563,531,691</b>
<b>LIABILITIES</b>				
Savings deposits	91,692,002	35,148,601	25,979,401	152,820,004
	<b>91,692,002</b>	<b>35,148,601</b>	<b>25,979,401</b>	<b>152,820,004</b>
Total interest rate gap	<b>(5,376,844)</b>	<b>50,722,763</b>	<b>365,365,768</b>	<b>410,711,687</b>
Cumulative gap	<b>(5,376,844)</b>	<b>45,345,919</b>	<b>410,711,687</b>	<b>-</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-**

**Sensitivity analysis:-**

The following table indicates the sensitivity to a reasonable change of basis 103 points in interest rate with all other variables held constant, on the society's profit and loss and equity.

The Society's interest rate risk arises from financial investment, deposits with the League and borrowings/external credit. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on net income based on variable rate financial assets and variable rate external credit.

		<u>Effect on Surplus</u>	<u>Effect on Equity</u>
December 31, 2016	<b>101</b>	55,481	0
	<b>-101</b>	(55,481)	0
		<u><b>0</b></u>	<u><b>0</b></u>
December 31, 2015	<b>105.0</b>	271,735	0
	<b>-105.0</b>	(271,735)	0
		<u><b>0</b></u>	<u><b>0</b></u>

**( e ) Capital management:-**

The Society's objectives when managing capital are to safeguard the society's ability to continue as a going concern, so that it can continue to provide returns to its members and benefits for other stakeholders and to maintain a strong capital base to support the development of its business. The society defines its capital base as its members share capital, institutional capital, and eligible reserves. Its dividend payout is made taking into account the maintenance of an adequate capital base.

The Society is required by the League to maintain its institutional capital at a minimum of 8% its total assets. At the statement of financial position date, this ratio was 10%, (2015 10% which is in compliance with the requirements.

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

The Credit Union is in the process of documenting the capital management policy that guides the management of the capital requirements.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**5. LOANS TO MEMBERS:-**

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Balance at start of year	444,031,382	407,065,714
Loans granted	240,188,495	263,793,942
Less repayments	(252,652,013)	(262,550,629)
Less allowances for loan loss	(4,732,335)	(4,486,327)
	<u><b>426,835,529</b></u>	<u><b>403,822,700</b></u>
Staff and related parties	41,662,967	40,208,682
	<u><b>468,498,496</b></u>	<u><b>444,031,382</b></u>

The maximum exposure to credit risk for loans to members at statement of financial position date by type of customers was:

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
<b>Purpose:</b>		
Personal	254,317,107	251,979,505
Motor vehicles	157,022,247	139,345,799
Residential	31,602,725	32,695,960
Debt refinancing	25,556,417	20,010,118
	<u><b>468,498,496</b></u>	<u><b>444,031,382</b></u>

The credit quality of loans is summarized as follows:

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Neither past due nor impaired	471,449,602	446,982,488
Past due but not impaired		
2 to 3 months	684,969	684,969
3 to 6 months	670,998	670,998
6 to 12 months	175,670	175,670
Over 12 months	3,584	3,584
Less provision for loan losses.	(4,732,335)	(4,486,327)
	<u><b>468,252,488</b></u>	<u><b>444,031,382</b></u>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**5. LOANS TO MEMBERS CONTD:-**

Delinquent loans:

The following is a summary of delinquent loans at December 31, 2016

<u>Period overdue</u>	<u>Numbers in arrears</u>	<u>Loans in arrears</u>	<u>Rate (%)</u>	<u>Loan loss provision required</u>
1 to 2 months	5	575,453	0	0
2 to 3 months	4	229,817	10	22,982
3 to 6 months	7	346,261	30	103,878
6 to 12 months	5	600,955	60	360,573
Over 12 months	2	722,268	100	722,268
General provision				3,522,634
	<u>23</u>	<u>2,474,754</u>		<u>4,732,335</u>

The fair value of collateral held as security against individual loans are \$1,358,304 .00 (2015 \$20,309.00)  
There were no renegotiated loans for the years 2016 and 2015.

**Allowances for loan losses**

	<u>2016</u> <u>\$</u>	<u>2015</u> <u>\$</u>
Balance brought forward	4,486,327	3,915,367
Loans written - off	-	-
Increase(Decrease) in provision for current year	246,008	570,960
Recovery of bad debt		
<b>Balance brought forward</b>	<b><u>4,732,335</u></b>	<b><u>4,486,327</u></b>

Provision made in accordance with JCCUL provisioning requirements is as follows:

	<u>2016</u> <u>\$</u>	<u>2015</u> <u>\$</u>
Specific provision	1,209,701	354,801
General provision	3,522,634	4,131,526
	<b><u>4,732,335</u></b>	<b><u>4,486,327</u></b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

<b>6. NON-INTEREST INCOME:</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>\$</b>	<b>\$</b>
Commission	850,292	777,500
Miscellaneous	<u>3,703,375</u>	<u>3,527,389</u>
	<u>4,553,667</u>	<u>4,304,889</u>
<b>7. NET SURPLUS:</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>\$</b>	<b>\$</b>
Net surplus is shown after charging:-		
Auditors' remuneration	650,000	580,000
Depreciation (note 8)	222,596	296,240
Repairs and maintenance	65,113	65,550
Staff costs (note 9)	<u>27,201,285</u>	<u>24,645,736</u>
<b>8. STAFF COSTS:</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>\$</b>	<b>\$</b>
Salaries , wages and statutory contributions	21,673,182	20,040,943
Other staff costs	<u>5,528,103</u>	<u>4,604,793</u>
	<u>27,201,285</u>	<u>24,645,736</u>
The average number of persons employed during the year.	7	7
<b>9. LIQUID ASSETS:</b>		
	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>\$</b>	<b>\$</b>
Jamaica Co-operative Credit Union League Limited		
Fixed deposits	80,700,245	60,240,590
CuCash	22,204,966	12,015,698
Cash at bank and in hand	<u>6,996,393</u>	<u>8,697,864</u>
	<u>109,901,604</u>	<u>80,954,152</u>

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2016****10. FINANCIAL INVESTMENTS:**

	<b>1 to 5</b>	<b>Over 5</b>	<b>Carrying</b>	<b>Carrying</b>
	<b>Years</b>	<b>Years</b>	<b>Value</b>	<b>Value</b>
			<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
JCCUL -				
CuPremium	16,341,185	-	16,341,185	15,442,169
CUETS settlement fund	-	831,553	831,553	813,720
JCCUL shares	4,546,592	1,000,000	5,546,592	5,546,592
Mortgage funds	17,146,375	-	17,146,375	16,473,353
Qnet		270,323	270,323	270,323
	<b>38,034,152</b>	<b>2,101,876</b>	<b>40,136,028</b>	<b>38,546,157</b>

Weighted average effective interest rates are:

Jamaica Co-operative Credit Union League Limited	4.5%	4.0%
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The rules of the Jamaica Co-operative Credit Union League Limited (the league) stipulate that the credit union must invest in various investment instruments of the League as follows:-

- (i) Ordinary shares - A minimum of 10,000 shares of a par value of \$1.00 should be held. The equivalent of amounts held in the statutory reserve must either be used to purchase league share or placed in league term deposits (Stated below).
- (ii) Term deposit - This account should include 1% line of credit monthly repayment, the required 20% statutory reserve and 25% of the members deposit balances.
- (iii) Mortgage fund - 5% of the net increase in the members' share accounts should be deposited there each month. This has been discontinued due to decision of the credit union league.

**11. ACCOUNTS RECEIVABLE:**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Prepayment	606,487	746,972
Interest receivable - league	72,824	33,425
Interest receivable - members	1,111,266	1,386,289
Withholding Tax	188,907	188,907
	<b>1,979,484</b>	<b>2,355,593</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**12. FIXED ASSETS:**

	<b>Furniture &amp; Equipment</b>	<b>Computer</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At Cost -</b>			
Balances at December 2014	364,504	1,896,590	2,261,094
Additions	85,220	0	85,220
Balances at December 2015	449,724	1,896,590	2,346,314
Additions	0	0	0
Balances at December 2016	449,724	1,896,590	2,346,314
<b>Depreciation -</b>			
Balances at December 2014	113,267	1,338,298	1,451,565
Charge for the year	43,227	253,013	296,240
Balances at December 2015	156,494	1,591,311	1,747,805
Charge for the year	40,133	182,463	222,596
Balances at December 2016	196,627	1,773,774	1,970,401
Balances at December 2016	253,097	122,816	375,913
Balances at December 2015	293,230	305,279	598,509

**12a. INTANGIBLE ASSET:**

	<b>Software</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>At Cost -</b>		
Balances at December 2014	2,104,297	2,104,297
Addition	40,995	40,995
At 31 December 2015	2,145,292	2,145,292
Addition	0	0
At 31 December 2016	2,145,292	2,145,292
<b>Amortisation -</b>		
Balances at December 2014	2,145,292	2,145,292
Charge for the year	0	0
Balances at December 2015	2,145,292	2,145,292
Charge for the year	0	0
Balances at December 2016	2,145,292	2,145,292
<b>Net Book Value -</b>		
At 31 December 2016	0	0
At 31 December 2015	0	0



**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. MEMBERS' SAVINGS DEPOSITS:**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Balance at beginning of year	152,820,004	134,198,733
Add: Deposits and transfers	<u>1,796,060,183</u>	<u>1,213,761,078</u>
	1,948,880,187	1,347,959,811
Less: Withdrawals and transfers	<u>1,764,150,348</u>	<u>1,195,139,807</u>
Balance at end of year	<u><u>184,729,839</u></u>	<u><u>152,820,004</u></u>

**14. ACCOUNTS PAYABLE:**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Accruals	9,303,133	5,928,867
Payables	13,808,240	16,737,085
Other	<u>686,101</u>	<u>485,737</u>
	<u><u>23,797,474</u></u>	<u><u>23,151,689</u></u>

**15. SHARE CAPITAL:**

Shares in the cooperative entitle each member to one vote in the conduct of the affairs of the co-operative at general meetings. Shares are classified into permanent and voluntary shares .

Voluntary shares may be transferred to another member or anyone eligible for membership with the consent of the Board of Directors. Voluntary shares may be withdrawn in whole or in part by a member, however, the Board of Directors reserves the right at any time to require a member to give notice not exceeding six months, provided that no member may withdraw any shareholdings below the amount of his liability to the co-operative without the approval of the Board of Directors.

**16. NON - INSTITUTIONAL CAPITAL:**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Special reserve	785,736	785,736
Education reserve	214,793	214,793
Donation reserve	120,000	180,000
Share transfer account	83,000	17,000
Unclaimed share reserve	<u>169,914</u>	<u>169,914</u>
	<u><u>1,373,443</u></u>	<u><u>1,367,443</u></u>





**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**17. INSTITUTIONAL CAPITAL:**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>\$</u></b>	<b><u>\$</u></b>
Statutory and legal reserves	<u>55,336,676</u>	<u>53,676,709</u>
Capital revaluation reserves	<u>6,431,394</u>	<u>6,431,394</u>

Under the Co-operative Societies Act at least 20% of net surplus must be transferred to a statutory reserve. Members entrance fees are also credited to the statutory reserve.

**18. FAIR VALUES OF FINANCIAL INSTRUMENTS:**

Fair value amounts represents estimates of the consideration that would currently be 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. 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. In addition, the calculation of estimated fair value is based on market conditions at a special point in time and may not be reflective of future fair values.

The following tables set out the fair values of financial instruments of the credit union using the valuation methods and assumptions described below. The fair value disclosed do not reflect the value of assets and liabilities that are not considered financial instruments, such as Equipment and Furniture and Fixtures.

Fair values were estimated as follows:

The fair values of liquid assets, cash and bank balances, interest and other receivables and interest and other payables are assumed to approximate their carrying values, due to their short-term nature.

Their fair value of investments is assumed to be equal to the estimated market value of investments provided in the following tables. These values are based on quoted market prices, when available; when not available other valuation techniques are used.

Loans are carried at amortised cost, which is deemed to approximate the fair value.

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.



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**18. FAIR VALUES OF FINANCIAL INSTRUMENTS CONT'D:**

	<u>2016</u>		<u>2015</u>	
	\$		\$	
	<u>Carrying</u>	<u>Fair</u>	<u>Carrying</u>	
	<u>Value</u>	<u>Value</u>	<u>Value</u>	
	\$	\$	\$	
<b>ASSETS</b>				
<b>Earning assets</b>				
Loans	468,498,496	468,498,496	444,031,382	444,031,382
Liquid assets	109,901,604	109,901,604	80,954,152	80,954,152
Financial investments	40,136,028	40,136,028	38,546,157	38,546,157
<b>Non-earning assets</b>				
Other assets	1,979,484	1,979,484	2,355,593	2,355,593
<b>Liabilities</b>				
<b>Interest bearing liabilities</b>				
Members savings' deposits	184,729,839	184,729,839	152,820,004	152,820,004
Voluntary Shares	342,242,992	342,242,992	322,601,777	322,601,777
<b>Non-interest bearing liabilities</b>				
Accounts payable	23,797,474	23,797,474	23,151,689	23,151,689



**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2016**

**19. RELATED PARTY TRANSACTIONS AND BALANCES:**

At December 2016, nine (9) members of the credit union Board of Directors and nine (9) Committee Members and Connected Parties had shares and savings of \$28,764,204 (2015 \$29,310,209) and loans excluding interest totalling \$32,315,929 (2015 \$28,833,233)

Loans excluding interest due from members of staff totalled \$9,347,038 (2015 \$11,375,300). During the year no Director or Committee Members received any loan which necessitated waiver of the loan policy.

At December 2016, all loans owing by Directors, Committee Members and Staff were being repaid in accordance with their loan agreement.

Directors are appointed on a voluntary basis and are not remunerated.

**20. COMPARISON OF LEDGER BALANCES:**

	VOLUNTARY SHARES \$	PERMANENT SHARES \$	DEPOSITS \$	LOANS \$
Balance as per general ledger	342,242,992	2,088,000	184,729,839	468,498,496
Balance as per members' ledger	342,242,992	2,088,000	184,729,839	468,498,496
Difference	<u>0</u>		<u>0</u>	<u>0</u>

**21. LIFE SAVINGS AND LOAN PROTECTION INSURANCE:**

During the year, the credit union had life savings and loan protection with Cuna Mutual Insurance Company Limited. The total premium for the year was \$1,366,459 (2015 - \$1,501,497).

**22. BONDING INSURANCE:**

Bonding insurance was in force for the year under review.

**23. TRANSFERS AND APPROPRIATION:**

	<u>2016</u> \$	<u>2015</u> \$
Less: Statutory appropriation	(1,109,638)	(1,085,257)
Dividends on shares and deposits	(835,200)	(835,200)
	<u>(1,944,838)</u>	<u>(1,920,457)</u>



**OPERATING EXPENSES**  
**31 DECEMBER 2016**

**24. OPERATING EXPENSES:**

	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b>\$</b>	<b>\$</b>
<b>PERSONNEL EXPENSES</b>	<b>27,201,285</b>	<b>24,645,736</b>
Employee salaries and statutory contribution	21,673,182	20,040,943
Employee costs	4,941,440	4,567,293
Education and training	586,663	37,500
<b>ADMINISTRATIVE EXPENSES</b>	<b>15,130,380</b>	<b>13,365,224</b>
Facilities fee	5,092,930	3,345,000
Depreciation and amortization	222,596	296,240
Audit and accounting	650,000	580,000
Repairs and maintenance ( office)	65,113	65,550
Telecommunications	184,833	181,413
Printing, Stationery and supplies	1,030,052	402,965
Insurance premiums	3,053,384	3,067,103
Professional and consulting fees	717,283	949,872
Other administrative expenses	1,791,813	2,493,434
Unrecoverable gct	2,322,376	1,983,647
<b>MARKETING &amp; PROMOTION</b>	<b>365,004</b>	<b>280,000</b>
Publicity and promotion	15,000	-
Education grant	350,004	280,000
<b>REPRESENTATION &amp; AFFILIATION</b>	<b>3,756,108</b>	<b>2,658,143</b>
League and other dues (JCCUL)	2,301,397	1,963,146
Seminars and meetings	167,500	286,747
Annual general meetings	1,026,663	408,250
Miscellaneous	260,548	-
<b>TOTAL OPERATING EXPENSES</b>	<b><u>46,452,777</u></b>	<b><u>40,949,103</u></b>



## APPROPRIATION OF SURPLUS

### RECOMMENDATION

	2016	
	\$	\$
Surplus December 31, 2016		5,548,192
Less: Statutory Reserve 20% of Surplus	1,109,638	
		<u>(1,109,638)</u>
Surplus		4,438,554
Add:		
Add: Undistributed Surplus 1st January 2016		524,636
Additional projected for distribution 2015	3,281,512	
Actual distribution 2015	<u>(3,352,996)</u>	
		<u>(71,484)</u>
		<u>453,152</u>
<b>Available for Distribution</b>		<b>4,891,706</b>
<b>Less:</b>		
Additional 20% Statutory Reserves	1,109,638	
Dividend on Permanent Shares @ 30% # of shares 2,088,000	626,400	
Additional Interest to be distributed	2,932,618	
Donations	<u>60,000</u>	
		<u>4,728,656</u>
<b>Undistributed Surplus Carried Forward</b>		<b><u>163,049</u></b>

### FIXING OF MAXIMUM LIABILITY

**BE IT RESOLVED THAT** Article XVI Rule 72 be amended to read:

The Board of Directors may incur a liability in Voluntary Shares, deposits and/or loans from any source on such terms of payment and/or security as they think fit; provided that the total liability shall not exceed a ratio of twelve (12) times the Credit Union's Capital and provided that the members in the Annual General Meeting by resolution have fixed the maximum liability that the Board of Directors may incur.

For and on behalf of the Board of Directors:

**Eric Mardner**  
Treasurer



# AGM 2016 PICTORIAL





# AGM 2016 PICTORIAL





# STAFF



**Hope Mowatt**  
*General Manager*



**Makeda Scott**  
*Accountant*



**Alicia Williams**  
*Accounting Officer*



**Monique McLean**  
*Accounting Clerk*



**Camille Cadogan**  
*Senior Loan Officer*



**Lorne Phillips**  
*Loan Officer*





## REPORT OF THE CREDIT COMMITTEE FOR THE PERIOD ENDING: DECEMBER 2016

### CREDIT COMMITTEE



**Samuel Shelton**  
Chairperson



**Damian Lovelace**  
Secretary



**Jean Grant**



**Hortense Gregory-Nelson**

MISSING FROM PICTURE: - **Maria Lewis**

For the Financial Year 2016, the Grace Cooperative Credit Union was again faced with major internal and external challenges. Within the external environment, interest rates remained relatively low for the better part of the year, however this served to heighten the competition significantly in the market and required GCCU to make changes to its rates and products in order to remain competitive. Despite these challenges, the Credit Union ended the year attaining 95% of the disbursement budget as shown below:

Financial Year	Actual (\$)	Budget (\$)	% Achieved
FY 2016	252,705,902.36	266,350,000.00	95%
FY 2015	262,575,539.50	247,480,000.00	106%
FY 2014	242,384,074.24	154,600,000.00	157%
FY 2013	260,798,810.44	137,040,000.00	190%
FY 2012	270,000,000.00	202,680,000.00	133%

The increased cost of living on the other hand resulted in an increase in demand for personal loans as employees and members of the credit union struggled to cope. The credit union was happy to be able to assist its members in addressing their needs through its various loan offerings. Accordingly, the Total Loan Portfolio of the Credit Union ended at \$468,498,522 out of a budget of \$462,296,544 or 1.3% above the budget. This represents a growth in the Loan Portfolio of \$24,467,289 or 5.5% over FY 2015 where we ended with \$444,031,233.

### LOANS DISBURSEMENT 2016

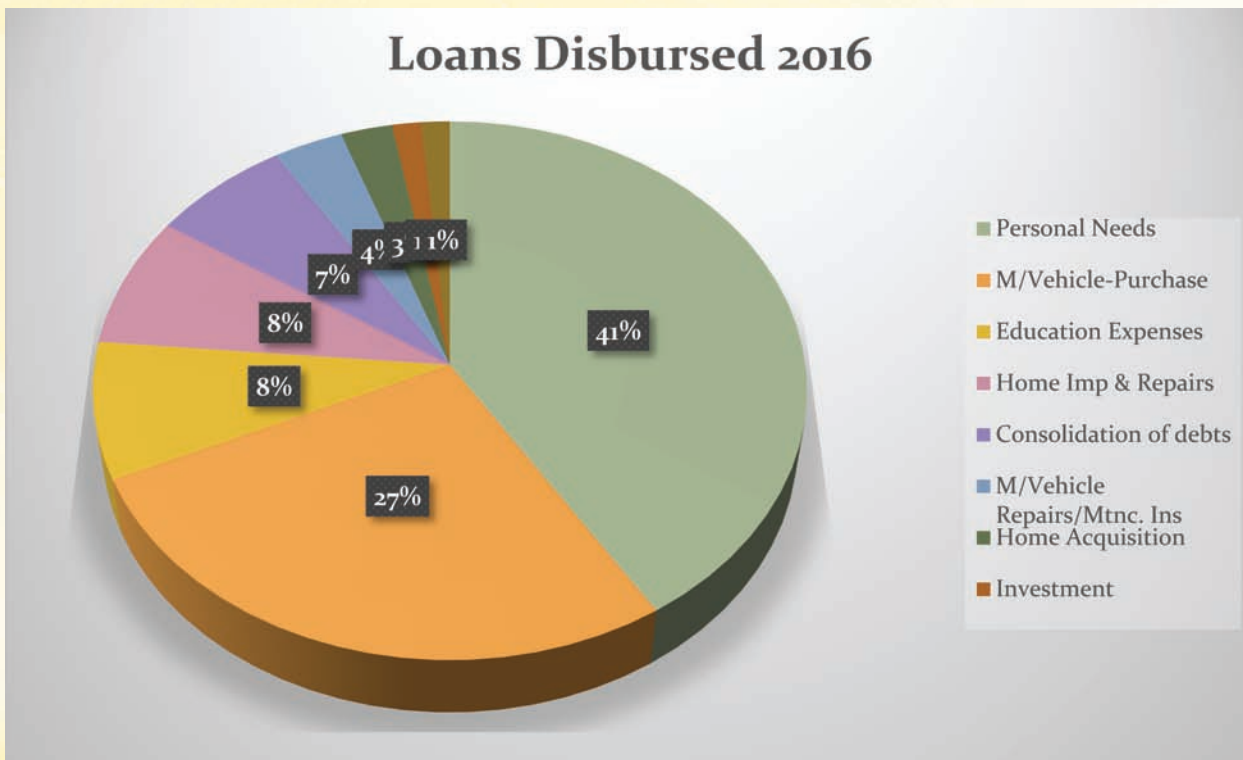
The table below reflects the loans disbursed for the financial year 2015:

PURPOSE	CURRENT MONTH AMOUNT \$
Personal Needs	95,765,683.07
M/Vehicle-Purchase	63,404,607.00
Education Expenses	19,087,273.29



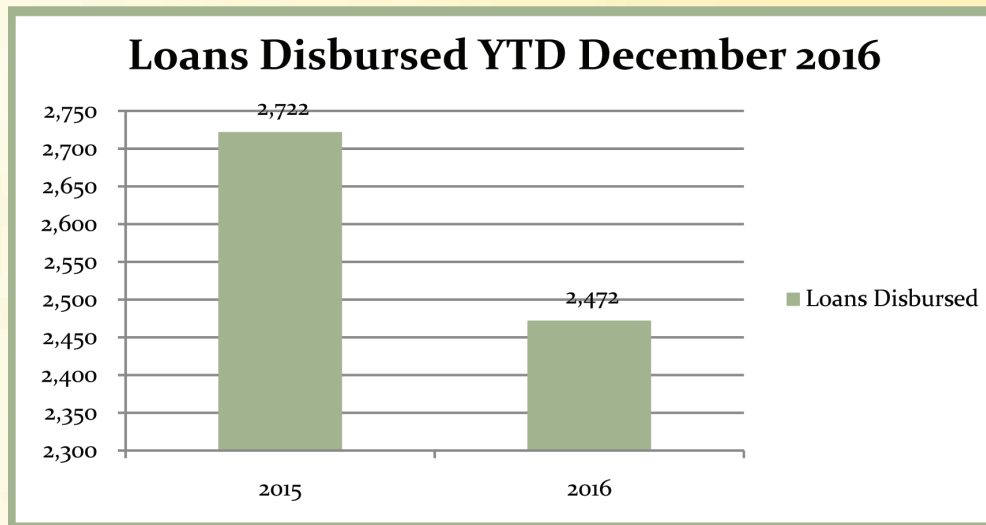
Home Imp & Repairs	18,335,833.72
Consolidation of debts	16,048,266.68
M/Vehicle Repairs/Mtnc. Ins	8,101,180.57
Home Acquisition	5,963,140.75
Investment	3,335,782.50
Furniture & Appliance	3,322,800.00
Vacation & Travel	3,282,877.50
Refinancing of Loans	3,178,243.83
Utilities	3,160,708.00
Line of Credit Facility-Draw Downs	2,661,323.29
Medical Expenses	1,526,981.20
Funeral	1,254,764.00
Special Back to School	1,072,000.00
Christmas Loan	944,957.11
Agriculture	560,000.00
Pay Day Loan	528,372.85
Special Vacation Loan (Summer)	485,107.00
Easter Loans	428,000.00
Marriage	200,000.00
Technology Loan	50,000.00
Transportation & Haulage	8,000.00
<b>TOTAL</b>	<b>252,705,902.36</b>

Internally, GCCU benefitted as a result of the various loan promotions that were undertaken during the year; of note were the unsecured Rescue Loan and the Wheels Express loans for motor vehicle purchase. This is reflected in the graph below:



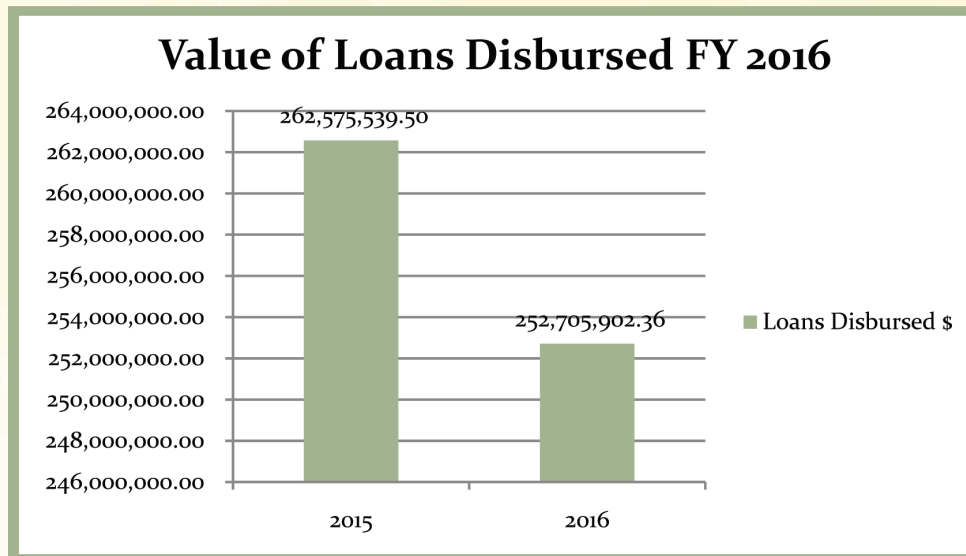


A total of 2,472 loans were disbursed year to date ending December 2016. This represents a decrease of 250 loans or approximately 10.00% less than that disbursed over the same period in the previous year, which was 2,722 loans. This is shown in the Bar Chart below:



**LOAN DISBURSEMENTS – YTD (\$):**

The total value of loans disbursed for the financial year 2016 amounted to \$252.71M, while for the same period last year the value of loans disbursed was approximately \$262.58M. This reflects a decrease of approximately \$9.87M or 3.76% less than the amount disbursed in 2015. The bar chart below reflects this decrease:

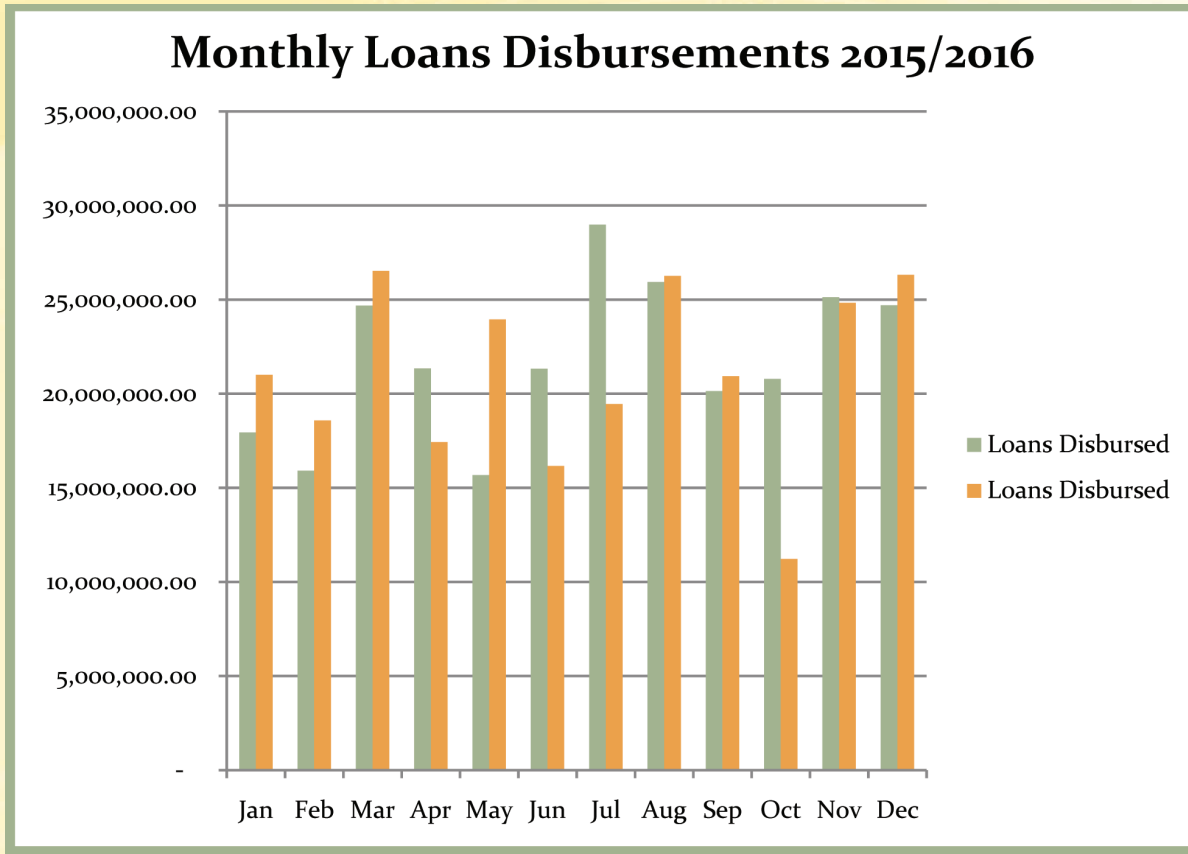


**LOAN DISBURSEMENTS (month by month):**

For the first six months of 2016 there was a monthly general increase in the value of loans approved by the Credit Union in comparison to the first six months of 2015. However, since July and up to October 2016 a reversal of this trend was seen, we experienced increased competitive activity from other financial institutions. However, we experienced a sharp increase in December 2016 due to increased visibility through communication which made our Portfolio of Loans more attractive to members and competitive in the market place. This is to be viewed in light of sharp competition from FGB and other commercial banks.



This general trend is shown in the diagram below:



This shows that the stimulation package to ensure that the interest income of the Credit Union remains stable and supports future growth, had the desired effect.

### PORTFOLIO CATEGORIES

Personal Needs, Motor Vehicle Purchase, Education Expenses, Home Improvement and Repairs, and Motor Vehicle Repairs & Maintenance loans continue to be the top performers in the loan portfolio of the credit union.

As at December 31, 2016, loans for Personal Needs topped the portfolio with disbursements valued at \$95.8M YTD compared to \$104.4M last year, a 8.2% decrease. This category still represents 37.9% of the total loans disbursed.

Motor vehicle loans made up 25.1% of the year end portfolio (25.03% - 2015). 45 motor vehicle loans valued at \$63.4M were disbursed in 2016 in comparison to 62 loans totaling approximately \$65.7M over the same period in 2015.

Education Expenses loans ranked third with YTD disbursements totaling \$ 19.1M in comparison to \$20.3M last year, a 5.9% decrease over last year.

The Loan Category with the most significant growth YTD was Investment Loans. A total of \$3.33M was disbursed under this category, in comparison to \$116K for 2015, reflecting a whopping increase of 2,766.41%.

### GENERAL

While loans for personal needs, motor vehicle purchase, and educational needs are top priorities for our credit union members, Consolidation of Debt at this time is a very strong second priority as it currently represents 6.35% (\$16.05M) of the total disbursements (2015 – 4.08%), showing an increase of 49.70% YTD.



As the economic conditions become harsher and members find it more difficult to make ends meet, the credit union must continue to find more creative ways to secure its income while at the same time, attract more loans as well as investments from members, in light of sharp competition from other related entities. Keen eyes and strong internal controls remain essential.

It is evident, however, that the credit union continues to employ the following initiatives in an effort to secure business.

- Use of email and the Intranet - Cyber village to showcase available products
- Being proactive in discussing financial options and solutions with members
- Creating and reviewing products to ensure relevance to members' needs and making changes to address those needs.

## ACKNOWLEDGEMENT

We wish to thank the Board of Directors, the Management and Staff of the Credit Union and Committee members for their co-operation and assistance during the Financial Year 2016.

The Credit Committee acknowledges the assistance of the Board of Directors , the Management and staff as we exercised oversight responsibility for all loans approved at the Credit Union. We worked assiduously to review, discuss and approve loans as well as randomly select and review loan accounts from the total portfolio to ratify loans that did not require our approval before disbursement. Our thanks to you our Members, and fellow volunteers for your support during the year and we look forward to the coming year.

The Serving Members of the Committee are:

<b>Samuel Shelton</b>	–	<i>Chairman</i>
<b>Damian Lovelace</b>	–	<i>Secretary</i>
<b>Hortense Gregory-Nelson</b>	–	<i>Member</i>
<b>Maria Lewis</b>	–	<i>Member</i>
<b>Jean Grant</b>	–	<i>Member</i>



REPORT OF THE SUPERVISORY COMMITTEE  
FOR YEAR ENDED 31<sup>ST</sup> DECEMBER 2016

**SUPERVISORY COMMITTEE**



**Rhoda Williams-Moore**  
*Secretary*

MISSING FROM PICTURE

**Angella Lawrence** – *Chairperson*  
**Miss Ayen Crooks**  
**Mr. Kevin Webster**

The Supervisory Committee's mandate is to ensure that the Management and Board undertake their respective functions in accordance with the policies and rules of the Credit Union and the Co-operative Societies Act.

Members of the Supervisory Committee were:-

- Miss Angela Lawrence – *Chairperson*
- Mrs. Rhoda Williams-Moore – *Secretary*
- Miss Ayen Crooks
- Mr. Kevin Webster

In keeping with the Committee's mandate, we discharged our responsibility to the general membership by examining the affairs of the Credit Union and ensuring that regular reviews of the Credit Union's operations were carried out and recommendations for improvements implemented in a timely manner. Our Committee submitted monthly reports to the Credit Union's Board of Directors outlining all the outstanding audit recommendations and the implementation status of management's action plan.

During the period under review, recommendations made by the Jamaica Co-operative Credit Union League Ltd and GK Group Internal Audit in prior year audits, were monitored and implemented.

In addition, GK Group Internal Audit department performed an IT audit on the Credit Union's Emortelle software and provided recommendations for improvement.

We are satisfied that the Credit Union has established practices and procedures sufficient to safeguard the members' assets. There was a general adherence to established policies, procedures and internal controls. Also, related laws and regulations that govern the Credit Union's operations were properly administered.

We wish to sincerely thank the Board of Directors, Management, Credit Committee and the members of staff of the Credit Union for their support during the year in enabling us to carry out our task.

I would also like to thank the members of this Committee for their commitment and dedication and to thank the membership for the privilege of serving during the year.

**Angela Lawrence**  
*Chairperson*



## REPORT OF THE NOMINATING COMMITTEE TO THE 48<sup>TH</sup> ANNUAL GENERAL MEETING

In accordance with Article 11 Rule #63 (i) the Board of Directors of Grace Co-operative Credit Union Limited appointed a Nominating Committee which comprised the following persons:

<b>Mr. Jerry Hamilton</b>	:	<i>Chairperson</i>
<b>Ms. Karlene Burgess</b>	:	<i>Secretary</i>
<b>Ms. Hope Mowatt</b>	:	<i>General Manager</i>

The status of the volunteers was as follows:

### BOARD OF DIRECTORS

#### Not Retiring

Mrs. Claudette Redwood-Facey  
Mr. Gilroy Graham  
Jerry Hamilton  
Mrs. Karen Walker

#### Unexpired Term

1 year  
1 year  
1 year  
1 year

#### Retiring

Mr. Simon Roberts  
Mr. E. Christopher Bond  
Mr. Eric Mardner  
Ms. Malindo Wallace  
Mr. Stanley Beckford

#### Recommended

Simon Roberts  
E. Christopher Bond  
Eric Mardner  
Malindo Wallace  
Stanley Beckford

#### Unexpired Term

2 years  
2 years  
2 years  
2 years  
2 years

### CREDIT COMMITTEE

#### Retiring

Mr. Damian Lovelace  
Ms. Maria Lewis  
Mrs. Hortense Gregory- Nelson

#### Recommended

Damian Lovelace  
Maria Lewis  
Hortense Gregory-Nelson

#### Term

2 years  
2 years  
2 years

#### Not Retiring

Samuel Shelton  
Mrs. Jean Grant

#### Unexpired Term

1 year  
1 year

### SUPERVISORY COMMITTEE

#### Retiring

Ms Angela Lawrence  
Mrs. Rhoda Williams-Moore  
Mr. Kevin Webster  
Ms. Ayen Crooks  
Ms. Troy-Marie McDonald

#### Recommended

Angela Lawrence  
Rhoda Williams-Moore  
Kevin Webster  
Ayen Crooks  
Ms. Arieta Henry

#### Term

1 year  
1 year  
1 year  
1 year  
1 year

### Delegates to the League and other societies

To be determined by the Board and Manager

### Karlene Burgess (Ms.)

*Secretary*



## Profile of The New Nominee

### Ms. Arieta Henry



Ms Henry is an experienced Audit and Accounting professional with over eight years' experience in internal audit and accounting, working in diverse industries including Banking, Investments, Insurance, Stockbrokerage, Remittance, Manufacturing, Distribution, and Retail.

She is currently a Senior Business Auditor with GraceKennedy Ltd since November 2013. Prior to this, she was the Staff Accountant, then the Senior Accountant/Auditor with PricewaterhouseCoopers.

She holds a BSC in Management Studies (Accounting) Honours from the University of the West Indies. She is also a Certified Chartered Accountant (ACCA), a Certified Internal Auditor (CIA) as well as a Certified Anti-Money Laundering Specialist (CAMS)

Among the courses she has completed for professional development are :

- Certificate of Completion in People Management and Communication Skills- Jamaica Employer's Federation (April 2012)
- Certificate of completion - Auditors as Consultants – organized by IIA Jamaica (November 2014)
- Assessor of the GK's Quality Audit Internal Program (QAIP) – (2014 -present)
- Training Facilitator – Planning, Documentation and Working Paper training for GraceKennedy Group Internal Audit department (2013 & 2015)
- Certificate of completion on How to Audit Bank – June 01 – June 04, 2015 – Miami, Florida
- Audit Evidence & Professional Judgments Training organized by Institute of Internal Auditors (IIA), Jamaica – December 2015
- Annual IFRS Updates, International Standards on Auditing (ISA) and AML/regulatory training – on-going
- Candidate - GraceKennedy Diamond Leadership Programme – October 2016 – Present
- Training Facilitator - Data Analytics and its usefulness in Internal Audit – November 2016

Ms Henry is a member of the Association of Certified Chartered Accounts (UK) , the Institute of Internal Auditors (IIA) Jamaica Chapter and the Association of Certified Money Laundering Specialist – International.





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JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE

*President's 75<sup>th</sup> Anniversary Message*

Fellow Co-operators:

I greet you with a firm commitment to play my part as President in continuing the pursuits of the Credit Union Movement, confident in the knowledge that over the past 75 years we have created and maintained a co-operative financial institution of which we are all very proud.



The Jamaica Co-operative Credit Union League, the national association of Credit Unions, was the off-shoot of three Credit Unions, and has since grown to become, like the great oak, protecting other trees in the forest in a storm. The celebration of this milestone is significant. Symbolically, it tells the story of the longevity of the Credit Union Movement, which is an enviable feat!

The League owes its existence to two sets of people, the founders and the keepers. The founders are the pioneers, who though challenged in many ways, refused to give up and worked tirelessly to spread credit unionism throughout Jamaica. Among them was the Patriarch of Credit Unionism in Jamaica, Father John Peter Sullivan and the Sodality Group of Young men from St. Georges College, who guided by him, gave life to the Movement. We salute them in this the 75th anniversary of the League.

The volunteers are the keepers of the League and the Movement. Their role in developing and instituting policies has resulted in the growth and development of the Movement. Without this level of governance, the Movement could not have accomplished its mandate and earned the trust and confidence that over one million members have placed in credit unions. We thank God for the wisdom that he has bestowed on these volunteers, and the volunteers for their distinguished services to the Movement over these years.



Among the keepers are you the members, who for generations have pooled your resources to help each other, characterizing the co-operative principles of Credit Unions. The commitment that you have demonstrated in your Credit Union is exemplified by your support of the institutions at which you have saved your resources, borrowed, and made future plans for yourself and your families. Your faithfulness in using the services provided by the Movement to improve the quality of your lives is commendable.

Undoubtedly, we are at that point where we must consider the future of the Movement for the next 75 years and beyond. What will it be? No one can accurately predict the future, based on current trends however we think the Movement as a Jamaican institution, is here to stay. Like a living organism, it will undergo some degree of metamorphosis. In the final analysis, we expect it to emerge as a beautiful butterfly, to be admired by all and cherished by members. It requires patience and perseverance, but as with the cocoon, it cannot be rushed, with time the results will be there for all to see.

Let us therefore with vision and purpose, dedicate ourselves to the future development of the Movement, as we embark on the journey of another 75 years. We owe it to our children, and to their children, to bequeath unto them the legacy of a Movement that is more developed and sustainable than that which was bequeathed unto us by our pioneers, more than 75 years ago. Let us endeavor to leave them with a Movement from which they too can benefit financially and socially.

Thank you all for your support and dedication to the ideals of credit unionism, as co-operatively we work to make Credit Unions great co-operative financial institutions, taking their rightful place in the financial services sector and in the lives of our members. God bless you all.

Winston C. Fletcher  
President



## 47<sup>th</sup> Annual General Meeting June 8, 2016 Attendance Register

**NAMES**

1. Rochelle Palmer
2. Landell Harrison
3. Micheal Harrison
4. Ishia Higgins
5. Patrick Lyn
6. Terrian Fraser
7. Dennis Needham
8. Sashona Henry
9. Lance Bailey
10. Donald Umraugh
11. Yanique Clarke
12. Nadarni Headlam
13. June Satchell-Logan
14. Beryl Barnes
15. Ayesha Cooke
16. Maria Lewis
17. Clover Nelson
18. Angella Powell-Gayle
19. David Dean
20. Martina Bryce
21. Kanhai Mowatt
22. Collena Doctor
23. Crystal-Gayle Williams
24. Marsha Lindsay
25. Ian Carlyle
26. Ermin Lim-Sang
27. Jacqueline Greaves
28. Lori-Ann Joiles
29. Nerrissa Wallace
30. Richard Riley
31. Shereen Codner
32. Veronica Williams
33. Angella Grandison-Reid
34. Judith McGowan
35. Shirley Brooks
36. Melissa Edwards-Mitchell
37. Malindo Wallace
38. Duane Morgan
39. Kevin Webster
40. Lesa Richards-Bartley
41. Cleon Edwards
42. Janette Taylor
43. Clare Wilson
44. Stanley Beckford
45. Martha Catnott
46. Yvonne West
47. Sharon Wellington
48. Cheridal Blackwood
49. Befekadu Russell
50. Michelle Mason

**NAMES**

51. Jean Grant
52. Anthony Lawrence
53. Colvenette Brown
54. Kimberley Williams
55. Ayen Crooks
56. Tamaica Lewis
57. Curtis Sweeney
58. Christine Francis
59. Loreen Grace
60. Kamara Moodie
61. Kerian Nepaul-Haughton
62. Lehonie Francis
63. Carlos Hendicks
64. Dianne Lee-Scott
65. Dorothy Turner
66. Matthew Allen
67. Paul Meghie
68. Nadya Bryce-Reynolds
69. Garfield Mckenzie
70. Orville Levene
71. Estella Brown
72. Vynter Lothian
73. Marlene Wilson
74. Nicholas Bramwell
75. Helen Hayden
76. Errol Michell
77. Shauna Douglas
78. Monique Morgan
79. Rene Wynter
80. Shawn Thompson-Powell
81. Erica Hayden
82. Nadine Butler
83. Marcia Wilson
84. David Clarke
85. Veronica Wade
86. Damian Lovelace
87. Christine Thomas
88. Dionne Rhoden
89. Vinnette Williams
90. Aden Whittaker
91. Simon Roberts
92. Yulanda Ramsay
93. Madgie Walters
94. Stacey Smith
95. Michelle Peter-Mullings
96. Nakia Graham
97. Hope Mowatt
98. Makeda Scott
99. Monique McLean

**NAMES**

100. Alicia Williams
101. Eric Mardner
102. Rochelle Powell
103. Jerry Hamilton
104. Angella Lawrence
105. Aggrey Palmer
106. Christine Morris
107. Tanya Hinds-Walton
108. Larry Wilson
109. Camille Cadogan
110. Lorne Phillips
111. Keisha Forrest-Meek
112. Joan Cummings
113. Gilroy Graham
114. Denise Ramsay
115. Clover Hanna
116. Besitah Walcott-Level
117. Sachel Rodney
118. Kaydene DeSilva
119. Myra Brooks
120. Dale Beckford
121. Anicee Gray-Brown
122. Lorence Mills
123. Lurline Cummings
124. Randy Anderson
125. Lorna Reynolds-Minott
126. Arlene Davis
127. Shernet Brown
128. Elmore Dwyer
129. Tishan Riley
130. Claudette Facey-Redwood
131. Naomi Holness
132. Orlean Mears
133. Karlene Burgess
134. Camile Mundell Barrett
135. Nicola Stephenson
136. Marsha Cope-Johnson
137. Hortense Gregory-Nelson
138. Wenley Bramwell
139. Orane Watson
140. Rhoda Williams-Moore
141. Karen Walker
142. Akilah Nangwaya
143. Marlon Ferguson
144. Mizan Mitchell
145. Charmaine Crearey
146. Sebert Thompson
147. Jasmin Farmer
148. Corine Notice-Parkes

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 MRS. BEVERLEY WRIGHT  
 MS KEISHA BISNOTT  
 MRS HORTENSE GREGORY-NELSON  
 MS RACQUEL FYFFE



# Prayer of Saint Francis Of Assisi

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

O Divine Master, grant that I may not  
So much seek to be consoled as to console;  
To be understood as to understand;  
To be loved as to love.

For it is in giving that we receive;  
It is in pardoning that we are pardoned;  
And it is in dying that we are born to eternal life.



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