

2012
ANNUAL REPORT



GRACE CO-OPERATIVE
CREDIT UNION LIMITED



44th Annual General Meeting
Credit Union Of The Year 2002 - 2005, Category II



GRACE CO-OP CREDIT UNION LTD.

www.gracecreditunion.com

We are always here for you!

Did you know that your credit union
offers an insured goal oriented
savings plan to members?



Start a plan now to:

- Assist with your Christmas, or education expenses
- Pay for that beautiful wedding
- Assist with your House Deposit
- Assist with Vacation Expenses
- Assist with car purchase deposit etc

Helping you to achieve your goals is what the Golden Harvest Savings Plan is all about. Your goal amount will be insured at no cost to you, so should you pass before the goal is achieved, that goal amount will still be paid to your beneficiary(ies).

**Competitive
Interest
Rate!**

**FOR FURTHER INFORMATION
PLEASE CONTACT**

Roneiph Lawrence or Dahlia Hunter
at **932 3506-3507** or email us at
gracecreditunion@gkco.com.

Or visit our website at **www.gracecreditunion.com**

Conditions apply



VISION STATEMENT

To become the Credit Union and Financial Partner of choice for 95% of GraceKennedy employees by 2015.

MISSION STATEMENT

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.



Contents

VISION & MISSION STATEMENTS	1
FIVE YEAR STATISTICS.....	3 – 4
NOTICE AGM.....	4
AGENDA.....	5
MINUTES OF THE FORTY THIRD AGM.....	6 – 11
REPORT OF THE BOARD OF DIRECTORS	12 – 16
REPORT OF TREASURER	17 – 20
LETTER FROM THE REGISTRAR	21
REPORT OF THE AUDITOR.....	23 – 54
APPROPRIATION OF SURPLUS	55
GRACE CO-OP CREDIT UNION LTD. STAFF	57
REPORT OF THE RECRUITMENT & EDUCATION/MARKETING COMMITTEE FOR 2012	58 – 59
REPORT OF THE CREDIT COMMITTEE	60 – 62
REPORT OF THE SUPERVISORY COMMITTEE	63
DELEGATES REPORT ON THE 70TH ANNUAL GENERAL MEETING OF THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE LIMITED.....	64 – 66
REPORT OF THE NOMINATING COMMITTEE.....	67 – 68
THE NEW NOMINEES.....	68
CONTACT PERSONS LIST	70
TESTIMONIALS	71
THE LIGHTER SIDE OF BUSINESS	72



FIVE YEAR STATISTICS

	2012	2011	2010	2009	2008
PERMANENT SHARES	2,074,000.00	2,070,000.00	2,028,000.00	2,025,000.00	
VOLUNTARY SHARES	284,705,508.00	271,230,902.00	244,997,072.00	220,072,221	195,258,241
% Increase over prior year	4.97%	10.71%	11.33%	12.71%	11.25%
INSTITUTIONAL CAPITAL	54,377,519.00	53,386,042.00	53,285,146.00	52,527,957	48,007,463
% Increase over prior year	1.86%	0.19%	1.44%	9.42%	8.68%
LOANS TO MEMBERS (Gross)	369,305,251.00	299,766,556.00	237,049,523.00	226,391,896	213,641,828
% Increase over prior year	23.20%	26.46%	4.71%	5.97%	10.58%
TOTAL ASSETS	493,431,988.00	457,704,292.00	395,956,766.00	379,887,171	354,696,359
% Increase over prior year	7.81%	15.59%	4.23%	7.10%	14.00%
CURRENT ASSETS ****	89,260,988.00	123,861,495.00	127,026,780.00	124,716,139	115,053,420
CURRENT LIABILITIES ****	431,273,252.00	400,187,444.00	335,064,552.00	304,241,374	284,810,690
INCOME AND SURPLUS					
INCOME	56,618,374.00	46,303,684.00	51,001,061.00	56,284,353	48,427,013
% Increase over prior year	22.28%	-9.21%	-9.39%	16.23%	11.33%
EXPENSES	51,711,274.00	45,905,804.00	47,174,244.00	33,731,362	29,424,897
SURPLUS	4,944,887.00	465,482.00	3,742,945.00	22,557,630	19,002,116
% (Decrease)/Increase over prior year	962.32%	-87.56%	-83.41%	18.71%	8.57%
UNDISTRIBUTED SURPLUS	4,944,887.00	410,482.00	3,687,945.00	19,830,372	18,558,738
RESERVES	49,279,568.00	48,227,091.00	48,122,220.00	47,359,031	44,895,537
DIVIDENDS PAID	0	0	0	16,720,398	14,424,698



GRACE CO-OPERATIVE CREDIT UNION LIMITED

FIVE YEAR STATISTICS Cont'd.

RATIOS	2012	2011	2010	2009	2008
CURRENT ASSETS	0.38:1	0.38:1	0.38:1	0.41:1	1.14:1
SURPLUS TO INCOME	8.73%	1.01%	7.34%	40.08%	39.24%
EXPENSES TO INCOME	91.33%	99.14%	92.50%	59.93%	60.76%
INCOME TO TOTAL ASSETS	11.47%	10.12%	12.88%	14.82%	13.65%
SURPLUS TO TOTAL ASSETS	1.00%	0.10%	0.95%	5.94%	5.36%
UNDISTRIBUTED SURPLUS TO SHARE CAPITAL	1.00%	0.09%	0.93%	5.22%	5.23%
MEMBERSHIP	2752	2725	2621	2,559	2,662
BORROWERS	1319	1234	1757	1,571	1,374
BORROWERS TO MEMBERSHIP	47.93%	45.28%	67.04%	61.39%	51.62%

NOTICE

is hereby given that the

44TH ANNUAL GENERAL MEETING

of the

Grace Co-operative Credit Union Limited

will be held on

WEDNESDAY, JUNE 12, 2013

in the

LUNCHROOM, GRACEKENNEDY LIMITED

at 73 HARBOUR STREET, KINGSTON.

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

*Registration will begin
at 4:00 p.m.*

*Signed: Mrs. Stacey Smith
Secretary- Board of Directors*



AGENDA

- 1. Ascertainment of a quorum**
- 2. National Anthem (led by Felleshia Francis)**
- 3. Notice convening Annual General Meeting**
- 4. Prayer**
- 5. Welcome and apologies for absence**
- 6. Confirmation of Minutes of the 43rd 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
 - f) Recruitment and Marketing Committee
 - g) Report on JCCUL's AGM 2012
- 8. Election of Officers (See Nominating Report)**
 - a) Board of Directors
 - b) Credit Committee
 - c) Supervisory Committee
 - d) Delegates to the League's Annual General Meeting
- 9. Tributes to Retiring Volunteers**
- 10. Any other Business**
- 11. Gate Prizes**
- 12. Adjournment**



MINUTES OF THE 43RD ANNUAL GENERAL MEETING OF GRACE CO-OPERATIVE CREDIT UNION LIMITED HELD ON WEDNESDAY, JUNE 20, 2012 IN THE LUNCHROOM, GRACEKENNEDY LIMITED, 73 HARBOUR STREET, KINGSTON

ASCERTAINMENT OF QUORUM, CALL TO ORDER

Having ascertained that a quorum was present, the Chairman, Gilroy Graham, called the meeting to order at 4:45 p.m.

NATIONAL ANTHEM

Felleshia Francis led the singing of the National Anthem.

NOTICE CONVENING ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting was read by the Secretary, Karen Walker.

PRAYER

Prayer was offered by Shauna Isaacs.

WELCOME & APOLOGIES FOR ABSENCE

All present were welcomed. Special welcome was extended to:

Peter Jacobs	– COK Sodality
Antoinette Robinson	– Petroleum Co-op
Tanesha Facey	– Dept. of Co-op Societies
Adrian Thompson	– JCCUL
Cyrene Gilbert	– Gilbert Thompson & Co. (Auditors)
Mrs. Gilbert	– Gilbert Thompson & Co. (Auditors)

Apologies for absence were tendered on behalf of Cathrine Kennedy, Colin Atkinson, Carlene Holness and Tamara Garell.

CONFIRMATION OF THE MINUTES OF THE 42ND ANNUAL GENERAL MEETING AND MATTERS ARISING

The Minutes of the 42nd Annual General Meeting held on June 8, 2011 were taken as read on a motion by Karen Walker and seconded by Eric Mardner.

Amendments to the Minutes were as follows:

Page 4

- a) Janessen Facey changed to Tanesha Facey
- b) Catherine Kennedy changed to Cathrine Kennedy throughout the Minutes

There being no other amendments, the Minutes were confirmed on a motion by Albert Anderson and seconded by Janette Taylor.

REPORTS

a) Report of the Board of Directors

The Report of the Board of Directors for the year 2012, having been circulated was taken as read. The highlights were as follows:

- Amendments were made as follows:
Page 13 - under Attendance of Directors at Board Meetings:
“Eric Mardner attended a possible six out of six meetings while Sandra Barnett was excused for three instead of nine”.

Page 14 – Future Plans:

Fifth line, ‘identity’ changed to ‘identify’.



- As at December 31, 2011, membership stood at 2051 increasing from 2028 for the corresponding period in 2010.
- Members' deposits (including voluntary shares) as at December 31, 2011 increased by 64.69%, moving from \$66.9 million in 2010 to \$110.2 million in 2011. That increase reflected the confidence members continued to have in the Credit Union as a safe and competitively priced home for their savings.
- Loan portfolio was \$299.7 million reflecting an increase of \$62.7 million or 26.46% over the corresponding period last year.

During the year, loan policies were reviewed to ensure greater competitiveness. Additionally there were the introduction of new loan products along with increased marketing of existing products and services.

The following initiatives were also employed:

- Interest rates on loans were constantly reviewed and reduced.
- Unsecured loan limit was increased from 8% to 12%, which resulted in more funds being available to the members for borrowing.
- Members were able to access loans more quickly. They no longer had to wait for three (3) months before utilizing lump sums as was required previously.
- New members were no longer required to wait for three months to access loans outside of their shares and savings
- Motor vehicle loan policy was again amended in 2011 as follows:
 - a) there were special interest rate/ loan offerings under the Wheels Express scheme
 - b) the discontinuance of using the year of manufacture as year 1 to determine the age of the vehicle
 - c) adjustment to the level of financing available from the lower of cost or forced sale value to lower of cost or market value
- A new 14% appliance/technology loan facility was also introduced in 2011, repayable over 6 months with a maximum loan amount of \$100,000.00.
- The terms for Vacation, Rescue and Education loans were amended to reflect lower interest rates, longer repayment period and an increase in the amount available for borrowing.

In a bid to improve operational efficiency, the Credit Union introduced the electronic funds transfer (ACH) system. Members had the option for funds to be deposited directly to their bank account versus receiving a cheque payment.

➤ **Staffing**

The Credit Union ended the year with a staff complement of six. Shauna Isaacs who joined the team as Accounting Officer in January 2011 was later promoted to the position of Accountant due to the sudden passing of Susanna Dubidad Thomas. In continuing its thrust of ensuring that staff are encouraged to develop themselves for future opportunities Felleshia Francis was promoted to the position of Accounting Officer resulting in the position of Accounting Clerk being filled by Roneiph Lawrence who joined the team in September 2011.

➤ **Education Grants**

Fifteen (15) students, children of members benefitted from educational grants totaling \$270,000.

In closing the Report, President Gilroy Graham acknowledged the continued committed contribution of volunteers to the oversight of the Credit Union. Best wishes and appreciation were expended to former Director Joe Taffe, Director Sandra Barnett and Committee members Colin Atkinson and Marcia Dinnall Douglas.



GRACE CO-OPERATIVE CREDIT UNION LIMITED

The President also extended appreciation to the various companies, subsidiaries, volunteers, agencies, auditors and members for their support during the year.

On a motion by Antoinette Poyser and seconded by Jean Grant, the Report of the Board of Directors was adopted.

b) (i) Auditor and Treasurer's Reports

Auditor's Report

The Auditor's Report was read by Cyrene Gilbert.

On a motion by Karen Walker and seconded by Beverley Wright, the Auditor's Report was adopted.

Treasurer's Report

The Treasurer's Report was read by Eric Mardner.

The Credit Union received \$36.3 million in interest on loans, \$8.3 million in investment income and \$1.7 million in non-interest income which represented fee income and commission. The total income of \$46.3 million represented a decrease of \$4.7 million or 10% below the previous year. The continued reduction in the interest rate from the League during the year was the major contributing factor. That reflected the general decline in interest rates in the country.

Total assets were \$458 million at the year-end 2011, up from \$396 million in 2010. Loans grew from \$237 million in 2010 to \$300 million, an increase of \$63 million or 26% over the previous year. Liquid assets decreased from \$125.4 million to \$122 million. The return on the investment portfolio of 5.2% was below that of the prior year of 6.5%.

The Treasurer's Report was adopted on a motion by Sashona Henry and seconded by Lorna Reynolds Minott.

(ii) Appropriation of Surplus

An interest payment of 8% on voluntary shares was proposed.

Motion for the adoption of the declaration of surplus was proposed by Sabrina Watson and seconded by Leighton Grant.

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 Janette Taylor and seconded by Akilah Nangwaya.

The Motion was carried.

c) Nomination of Auditors

Motion for the appointment of the Auditors, Gilbert Thompson & Company was proposed by Eric Mardner and Marsha Cope-Johnson.

The Motion was carried.

d) Credit Committee Report

The Report of the Credit Committee, having been previously circulated was taken as read.

Highlights of the Report:

A total of 2,668 loans were disbursed which was 424 or 19% more than the previous year. The total value of those loans was \$268.9, \$47 million or 21% more than the amount in 2010. Loan demand peaked in the month of August with 299 loans disbursed during the month.

Loans for motor vehicle purchase topped the loan demand with disbursements valued at \$76.2 million compared to \$28.2 million in 2010. Loans for personal needs was next at \$56.5 million compared to \$56.9 million in 2010.

Initiatives employed by the Committee included:

- a) Ongoing member education and recruitment programme
- b) Use of email and Cybervillage to showcase products
- c) Capturing information on system accurately,



- d) Being proactive in discussing financial options and solutions with members
- e) Creating and reviewing products to ensure relevance to members' needs

On a motion by Maria Lewis and seconded by Lorna Reynolds Minott, the Report of Credit Committee was adopted.

e) Supervisory Committee Report

The Report of the Supervisory Committee, having been previously circulated was taken as read.

Highlights of the Report:

During the year, the Committee met to examine the affairs of the Credit Union, and performed audits and follow-up reviews on the audit findings reported by Jamaica Co-op Credit Union League and Bank of Jamaica.

Review work programme for the year 2011 included:

- Examination of internal controls surrounding the loan process
- Inspection of loan forms for completeness and compliance with loan policy
- Follow-up review on audit findings reported by JCCUL and BOJ

The Committee was satisfied that the Board of Directors, Officers and Staff members handled the affairs of the Credit Union properly, provided the Committee and the League with the information required and dealt promptly with the queries and the recommendations made by the Committee.

On a motion by Marsha Cope Johnson and Albert Anderson, the Report of the Supervisory Committee was adopted.

f) Recruitment and Education/Marketing

The Report of the Recruitment and Education/Marketing Committee having been previously circulated was taken as read.

Highlights of the Report:

The annual education grant offered by the Credit Union to children of members was again well subscribed and very competitive. The awards were based on the academic standards achieved, level of extracurricular activity and conduct. A total sum of \$270,000 was made available to assist with school fees, books and uniforms.

The grants are available for students who are:

- ❖ entering high school for the first time after having sat the GSAT examinations
- ❖ in high school and will be sitting the CSEC or GCE exams in the following year or
- ❖ entering a tertiary institution for the first time.

On a motion by Antoinette Poyser and seconded by Dionne Rhoden, the Report of the Recruitment & Education/Marketing Committee was adopted.

g) Report on JCCUL's AGM 2010

The Report of the Delegates to JCCUL's 70th AGM having been previously circulated was taken as read on a motion by Marsha Cope Johnson and seconded by Beverley Wright.

Highlights of the Report:

On a motion by Karen Walker and seconded by Tessia McDonald Beckford, the Report of the Delegates to JCCUL's 70th Annual General Meeting was adopted.

h) Adoption of Resolutions

The President guided the meeting through the proposed Resolutions.

Credit Committee – Article IX Rule 42 amended to read:

- i) The Credit Committee shall be elected at the Annual General Meeting of the Credit Union and shall consist of not less than five (5) and no more than nine (9) members, for a term of two (2) years, provided that the number of members comprising the Committee shall at all times be an uneven number all of whom shall be fit and proper members of the Credit Union.



GRACE CO-OPERATIVE CREDIT UNION LIMITED

- ii) Whenever the number of members increases, one half of such additional members shall be elected for two (2) years and one-half for one (1) year.
- iii) Thereafter the term of office for members shall be two years. Each member shall hold office until his successor is elected, and shall be eligible for re-election. Notwithstanding this however, no member of the Credit Committee shall be allowed to serve more than five (5) consecutive terms. Such member will however be re-eligible to serve once he/she sits out for a period between the Annual General Meetings or one (1) year whichever is earlier without serving on any electable Committee.

Acceptance of the Resolution:

Moved by: Christopher Bond

Seconded by: Leighton Grant

Supervisory Committee – Article X Rule 50 amended to read:

- i) The Supervisory Committee shall consist of not less than three members, none of whom shall be members of the Board of Directors or Credit Committee, or Loan Officer or employee and all of whom shall be members of the Credit Union.
- ii) Members of the Committee provided that they are fit and proper shall be elected for one year only at each Annual General Meeting. They shall hold office until their successors are elected unless they demit office earlier or have been expelled and shall be eligible for re-election. Notwithstanding this however, no member of the Supervisory Committee shall be allowed to serve more than five (5) consecutive terms. Such member will however be re-eligible to serve once he/she sits out for a period between the Annual General Meetings or one (1) year, whichever is earlier without serving on any electable Committee.

Acceptance of the Resolution

Moved by: Stacey Smith

Seconded by: Janette Taylor

Article VII Rule 34(1) amended to read:

The Board of Directors shall have the general direction and control of the affairs of the Credit Union and more particularly, shall act for the Credit Union and be responsible to it for the performance of the following duties:-

- 1) To supervise the collection of loans from members and having received a request for write-off for approval, after all reasonable efforts to recover have been exhausted, shall give authority to the General Manager or the person performing this function, to cause the write-off of bad debts on the books of the Society that
 - a) have been outstanding for 360 days and over,
 - b) notwithstanding that such loans, in any given year, should not exceed 1% of the loan portfolio of the Society as at the start of that year,
 - c) these debts to be transferred to a subsidiary ledger for active recovery follow-up and
 - d) that a listing of these loans, detailing the members' names and the amounts written off, be disclosed at the following Annual General Meeting.

Acceptance of the Resolution

Moved by: Marsha Cope-Johnson

Seconded by: Akilah Nangwaya

Article II Rule 6 (b) be amended to read:

"His application for membership has been approved by the manager or any other delegated officer appointed by the Board of Directors. All applications for membership must be ratified by the Board of Directors within 30 days of submission by the applicant."

Acceptance of the Resolution

Moved by: Beverley Wright

Seconded by: Karen Walker



ELECTION OF OFFICERS

Tanesha Facey of the Department of Friendly Co-op Societies conducted the elections. The results were as follows:

Board of Directors

Gilroy Graham
Jerry Hamilton
Karen Walker
Stacy Smith
Tamara Garel

They join Andrew Levy, Christopher Bond, Cathrine Kennedy and Eric Mardner.

Credit Committee

There being no other nominations, Jean Grant, Maria Lewis and Marsha Cope Johnson were elected to serve for the next two years. They join Leighton Grant.

Supervisory Committee

There being no other nominations Troy Marie McDonald, Lorna Reynolds Minott, Beverley Wright, Sophia Dennis and Aden Whittaker were elected to serve for one year.

TRIBUTES TO RETIRING VOLUNTEERS

Karen Walker and Christopher Bond read tributes to retiring volunteers Colin Atkinson and Marcia Dinnall Douglas.

ANY OTHER BUSINESS

- a) Presentation was done by Makeup Artist – Nicky Quallo.
- b) Contact list needed to be updated.

PRIZES

The following persons won various prizes:

Dominique Edwards Cousins
Odian Stewart
Troy Marie McDonald
Landell Harrison
Mercella Gordon
Antoinette Poyser
Joan Cummings
Andrew Coulton
Julian Marriott
Orville Levene
Marsha Cope Johnson
Natalie Hall
Veronica Wade
Lurline Cummings
Shauna Douglas
Helen Hayden
Stephen Lewis
Fitzroy Blake
Nadine Butler
Ronnie Henry

The meeting was advised that over 130 persons had registered for the AGM.

ADJOURNMENT

The meeting adjourned at 6:55 p.m.



REPORT OF THE BOARD OF DIRECTORS FOR YEAR ENDED 31ST DECEMBER 2012

OVERVIEW

Having introduced the Balanced Score Card in 2011 along with a review of our Strategic Plan, this made us even more focused on our operations and targets in 2012. The revamped Vision and Mission Statements guided our deliberations and decisions which resulted in another successful year of operations, with Total Income growing by 23% from \$35M in 2011 to \$42M. This was achieved despite the continued challenges in the local economy and the very competitive environment in which we operate. The leadership and support provided by the dedicated Directors, Management and Volunteers, combined with its committed staff, resulted in the Credit Union again achieving growth in the major financial areas of deposits, loans and assets.

MEMBERSHIP

A continued initiative of the Credit Union is to grow its membership. As a consequence, Credit Union staff and members were always on a constant drive to encourage new GK employees and their immediate family members to join the movement. At the end of 2012, the Credit Union membership stood at 2,076, increasing from 2,051 at the end of 2011. We also hold dearly the retirees among our membership and continually seek ways to ensure that we recognize their loyalty and support through the years.

GROWTH

Financial Performance Highlights

	2012 J'000	2011 J'000	Annual Growth/ (Decline)
Permanent Shares	2,070	2,070	
Voluntary Shares	284,706	271,231	4.97%
Deposits	125,752	110,252	14.06%
Loans	369,305	299,767	23.20%
Assets	493,432	457,704	7.81%

DEPOSITS

Members' deposits increased in 2012 by 14.06%, moving from \$110.2 million in 2011 to \$125.7 million, indicating our members continued confidence in the Credit Union and their desire to take advantage of the competitive rates on savings.

LOANS

It was within our loan portfolio that we saw one of the most dramatic movements in 2012. At the end of the year, loans to members stood at \$369.3 million, reflecting an increase of \$69.5 million or 23.20% over the corresponding period in 2011. Although this could be indicative of the economic challenges faced by our members during the year, the Credit Union deliberately ramped up the marketing of its existing loan products and introduced new ones. This was necessary to compensate for the decline in investment income in the low interest rate environment within which we now operate.

The following were among the strategic actions taken to ensure the creditable performance of the Credit Union:

- Interest rates on loans were constantly reviewed and reduced, thus ensuring that the Credit Union rates remained very competitive.
- The Credit Union's unsecured loan limit was increased from 12% to 15%, which resulted in more funds being available to the members for borrowing.
- Individual unsecured loan limits and repayment terms were increased to enable members to attain their goals in an affordable manner.



- Our Motor Vehicle Loan Policy was under constant review in 2012 to ensure its competitiveness.

The electronic funds transfer system adopted in 2011 continued to improve our operational efficiency and member satisfaction in 2012. The positive feedback from our members has confirmed this.

ELECTION OF OFFICERS

At the statutory meeting held following the elections at the last 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>
Stacey Smith	-	<i>Secretary</i>
Tamara Garel	-	<i>Assistant Secretary</i>
Catherine Kennedy	-	<i>Director</i>
Andrew Levy	-	<i>Director</i>

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Twelve meetings were held with the Board, joined once each quarter by members of the Credit and Supervisory committees. The record of attendance for the Board members was as follows:

Directors	Max # possible	# at which present	# for which excused
Jerry Hamilton	12	11	1
Gilroy Graham	12	9	3
Christopher Bond	12	12	0
Eric Mardner	12	10	2
Karen Walker	12	9	3
Stacey Smith	6	4	2
Tamara Garel	12	4	8
Andrew Levy	12	5	7
Catherine Kennedy	12	9	3

TRAINING

The Credit Union remained committed to providing its staff and volunteers with the relevant training

SUPERVISORY COMMITTEE

Beverley Wright	-	<i>Chairperson</i>
Lorna Reynolds-Minott	-	<i>Secretary</i>
Aden Whittaker		
Troy Marie McDonald		
Sophia Gordon-Dennis		

CREDIT COMMITTEE

Marsha Cope-Johnson	-	<i>Chairperson</i>
Leighton Grant	-	<i>Secretary</i>
Jean Grant		
Maria Lewis		
Maxlyn Noble		

HUMAN RESOURCES

The Credit Union ended the year with a staff complement of seven. Camille Cadogan joined the team as Loans Officer in March 2012 replacing Tessia McDonald and with the departure of Shauna Isaacs; Felleshia Francis was promoted to the position of Accountant. The Credit Union continues to ensure the best fits for its positions and has been successful in this area to date.

and support; hence during the year, staff members and volunteers attended and participated in the Proceeds of Crime Act (POCA) training sessions and Service Excellence workshops.



GRACE CO-OPERATIVE CREDIT UNION LIMITED

Board of

Andrew Le



Jerry Hamilton
President



Gilroy Graham
1st Vice President



Cathrine Kennedy



Stacey Smith
Secretary





Directors

Eric Mardner
Treasurer

Tamara Garel
Assistant Secretary

Karen Walker
Assistant Treasurer

Christopher Bond
2nd Vice President

We are always here for you!

ANNUAL GENERAL MEETING 2013



GRACE CO-OPERATIVE CREDIT UNION LIMITED

EDUCATION GRANTS

Once again our members were invited to apply for education grants for their children and this was enthusiastically received. Fourteen (14) students were selected and \$270,000.00 was disbursed among them.

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

The following persons passed on during the year:

Lister Coy

Theodore Masters

Percival Wynter

Shane Walker

John Brown

Shanae Walker

Gloria Watson

Artifield Brown

We extend our condolences to the family members of the deceased.

FUTURE PLANS

As we start another difficult year, the Credit Union will continue to strive for success by remaining focused and committed to assisting you our members in meeting your personal financial goals. The team will continue to identify and provide quality products and services at competitive interest rates, delivered at a high service level.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I acknowledge the continued and committed contribution of fellow directors to the oversight of our Credit Union. The Board also wishes to extend our deep appreciation to Lorna Reynolds – Minott who is retiring from the Supervisory Committee and Maxlyn Noble from the Credit Committee for their contribution during their tenure after serving for 3 1/2 years and 1 year respectively. Appreciation is also extended to the following contributors:

- The Chairman and Directors of GraceKennedy Limited, its subsidiaries and associated companies.
- Members of the Credit, Supervisory, Recruitment, Education/Marketing and Nominating Committees.
- Directors and staff of the Jamaica Co-operative Credit Union League.
- The Department of Co-operatives and Friendly Societies
- CMFG Life Insurance Company
- Our Auditors, Gilbert Thompson & Co.
- Our contact persons at various locations
- Our Credit Union Staff and last but not least
- You, our valued members for your support throughout the year

Jerry Hamilton
President



REPORT OF THE TREASURER FOR YEAR ENDED 31ST DECEMBER 2012

During 2012, your credit union received \$46.6 million in interest on loans, \$6.5M in investment income, and in \$3.6M non-interest income which represented fee income and commission. This total income of \$56.6M represents an increase of \$10.3M or 22% over the previous year. The increase was largely the result of the growth in the loan portfolio as members continue to make GCCU the finance house of their choice.

The assets were \$493M at the yearend 2012 up from \$458M in 2011. Loans grew from \$300M in 2011 to \$369M in 2012, an increase of \$69M or 23% over the previous year. Liquid assets decreased from \$122M to \$87M. The return of investment portfolio of 5.2% was the same as last year, resulting in the need for greater dependence of the credit union to earn the majority of its income from loans.

STATEMENTS

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

	2012	2011
	\$	\$
a) Total Permanent Shares	2,074,000	2,070,000
We also own collectively as a society, the following:		
i) Statutory Reserves to provide stability to the Credit Union	47,946,125	46,954,648
ii) Education Fund	214,793	214,793
iii) Capital Revaluation Reserve	6,431,394	6,431,394
iv) Bad Debt Reserve	43,469	81,256
v) Special Reserve	785,736	785,736
vi) Unclaimed Share Reserve	169,914	169,914
vii) Share Transfer Reserve	103,000	102,000
viii) We have previous earnings that have not been returned to us as dividends. This amount is:	477,864	407,397
ix) This year our net earnings is	3,955,910	380,966
The total we own in reserves, provision and earnings is	62,202,205	57,598,104



GRACE CO-OPERATIVE CREDIT UNION LIMITED

	2012	2011
	\$	\$
The grand total we have is	62,202,205	57,598,104
The money we have has been:		
a) Loaned to members	369,348,720	299,847,812
b) Used to purchase furniture and fixtures(net book value)	926,968	1,502,776
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	64,591,042	82,576,069
iii) Mortgage Funds with Jamaica Cooperative Credit Union	14,613,471	14,039,870
iv) Jamaica Cooperative Credit Union - Cu Cash	17,782,361	13,374,791
d) Bank account, etc	4,526,643	25,886,116
e) But we owed Depositors and external creditor	(125,751,703)	(110,252,173)
f) Members' voluntary shares	(284,705,508)	(271,230,902)
g) Others	(4,676,381)	(3,692,847)
The grand total of the loans and investment we have made is	<u>62,202,205</u>	<u>57,598,104</u>
Our Income has been earned from:-		
a) Interest on loans to members	46,551,725	36,267,873
b) Interest on Investments	4,339,387	5,816,135
c) Interest on investment with J.C.C.U.L	2,166,979	2,512,811
d) Other sources	3,560,283	1,706,864
	<u>56,618,374</u>	<u>46,303,683</u>



The expenses for the year were:-

	2012	2011
	\$	\$
Salaries and related expenses	23,069,317	20,596,609
Insurance – Loan Protection and Life Saving (L.P&L.S)	1,878,828	1,718,130
Facilities Fee	3,542,628	3,542,628
Interest Expense	13,611,007	11,238,546
Stationery	540,189	483,968
Dues and fees to J.C.C.U.L	2,350,555	2,081,654
Advertising and promotion	459,555	137,108
AGM, Seminars and other meetings	1,957,892	1,806,296
Audit fees	470,000	445,000
Provision for bad debts	(37,787)	(67,603)
Impairment Loss	–	–
Provision for education and training	270,000	270,000
Depreciation and amortization	791,822	623,891
General expenses	<u>2,769,481</u>	<u>2,961,974</u>
TOTAL EXPENSES	<u>51,673,487</u>	<u>45,838,201</u>
This leaves us a surplus of:-	4,944,887	465,482
We are setting aside Statutory Reserves as required by the Act	(988,977)	(93,096)
Donation Reserves	<u>(60,000)</u>	
	3,895,910	372,386
Together with the undistributed earnings from previous year	<u>477,864</u>	<u>407,396</u>
	<u>4,373,774</u>	<u>779,782</u>

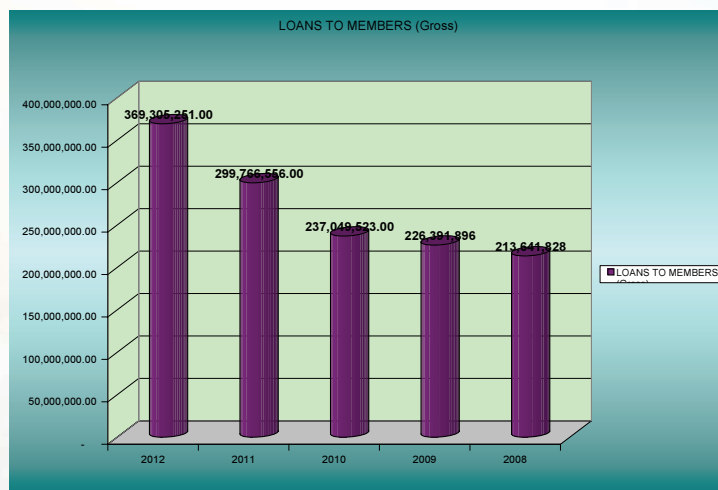
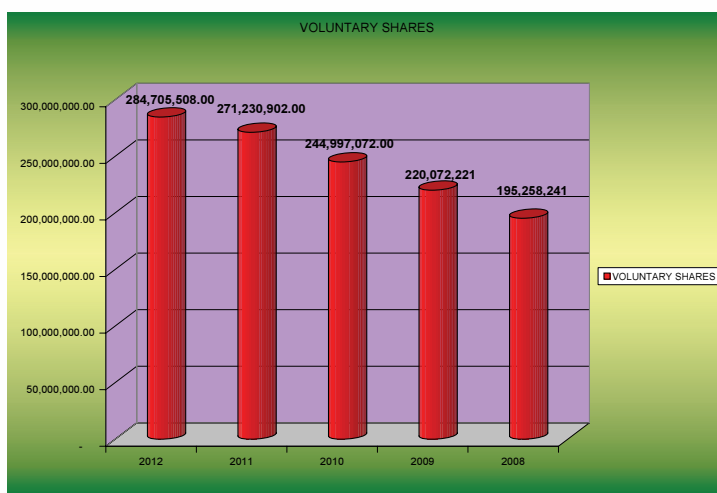
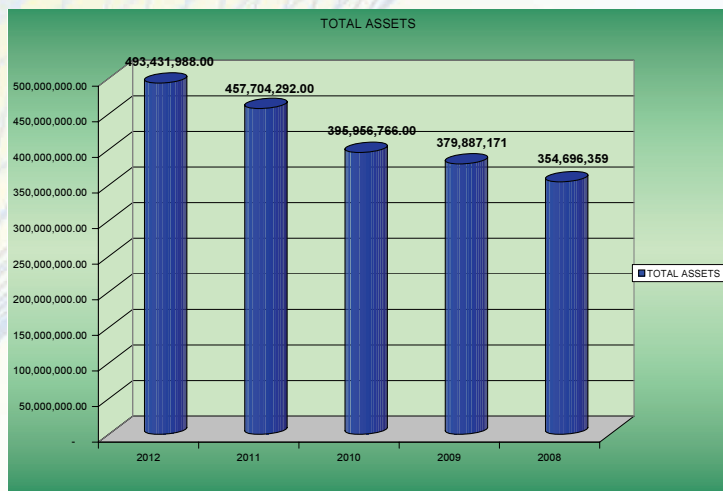
CONCLUSION

We will continue to be affected in one way or another by the challenges resulting from the economic downturn but, through it all, our Credit Union will remain financially strong and responsive to the needs of our members.

The support and cooperation from the Board of Directors, Volunteers, Management and Staff has assisted me in the performance of my duties and is greatly appreciated.



GRACE CO-OPERATIVE CREDIT UNION LIMITED



Respectively Submitted,
Eric Mardner
Treasurer



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

(An Agency of the Ministry of Industry, Investment & Commerce)

WITH A VIEW TO SUBSEQUENT REFERENCE
TO THE COMMISSIONER GENERAL OF
LANDS AND SURVEYS, THE
SECRETARY AND THE FOLLOWING
RELEVANT

2 MUSGRAVE AVENUE
KINGSTON 10

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

For full details of the Regulations, please refer to the Regulations.

S1

R376/702-/03/13

March 25, 2013

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, 2012.

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

**EXPERT
ADVICE**

**HIGH
YIELDS**

**SOLID
EARNINGS**

**PEACE
OF MIND**



FIRST GLOBAL FINANCIAL SERVICES
PRESENTS

the M.A.P.

ON THEIR GREAT ADVENTURE TOWARD SUCCESS, THEY
DISCOVERED THE IDEAL M.A.P TO GET THEM THERE.

MANAGED ASSET PORTFOLIO

PRODUCED BY FIRST GLOBAL FINANCIAL SERVICES

KINGSTON-876.926.1275 | MANDEVILLE-876.625.2824 | MONTEGO BAY-876.684.9612/14
TOLL-FREE:1.888.246.8378 | EMAIL:FGFS@GKCO.COM | WEBSITE:WWW.FGFS.COM

MANAGED ASSET PORTFOLIO
NOW SHOWING

RATED

FOR THOSE WHO WANT MORE

FG

 **FIRST
GLOBAL**
FINANCIAL SERVICES LTD.

Your Investment Place from  **GraceKennedy**

* Conditions apply.



FINANCIAL STATEMENTS

as at December 31, 2012



CONTENTS

Auditors' Report	25-26
Statement of Financial Position	27-28
Statement of Comprehensive Income	29
Statement of Changes in Equity	30-31
Statement of Cash Flows	32
Notes to the Financial Statements	33-54
Appropriation of Surplus	55



GILBERT THOMPSON & CO.

Chartered Accountants

9 Sundown Crescent, Kingston 10
P.O. Box 538 Kingston 6, Jamaica W.I.
Tel: (876) 758-6760, 758-5910, Fax: (876) 758-3643
Email: gilberthompson@cwjamaica.com

STATEMENT I

REPORT OF THE AUDITORS TO THE REGISTRAR OF THE CO-OPERATIVE SOCIETIES RE: GRACE CO-OPERATIVE CREDIT UNION LIMITED

We have audited the accompanying Statement of Financial Position of Grace Co-operative Credit Union Limited at December 31, 2012 and the related Statement of Comprehensive Income, Cash Flows and changes to Shareholders' Equity for the year then ended and the summary of significant accounting principles and the explanatory notes set on statement VI – VI.21.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Reporting Standards and the requirements of the Co-operative Societies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An Audit involves performing procedures to obtain audit evidence about amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements whether due to fraud or error. In making those risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

cont'd.statement I.1



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT I.1

Auditor's Report cont'd.

Opinion

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, give a true and fair view of the financial position of the Credit Union at December 31, 2012 and of the results of operations, changes in equity and cash flows of the credit union for the year then ended, and have been prepared in accordance with International Financial Reporting Standards and comply with the Co-operative Societies Act.

Gilbert Thompson & Company

GILBERT THOMPSON & COMPANY
CHARTERED ACCOUNTANTS

March 11, 2013



STATEMENT II

GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

ASSETS	<u>NOTES</u>	<u>2012</u> \$	<u>2011</u> \$
EARNING ASSETS			
LOANS TO MEMBERS	5	369,305,251	299,766,556
Loans		369,348,720	299,847,812
Allowance for loan losses	5	(43,469)	(81,256)
LIQUID ASSETS	10	86,900,046	121,836,976
Cash and cash equivalent		4,526,643	25,886,116
Liquid reserve (JCCUL)		82,373,403	95,950,860
FINANCIAL INVESTMENTS			
Securities and equivalent	11	33,938,781	32,573,464
NON EARNING ASSETS			
OTHER ASSETS	12	2,360,942	2,024,519
Receivables		556,908	542,805
Interest receivable		1,804,034	1,481,714
INTANGIBLE ASSET			
Software	8a	367,587	700,703
FIXED ASSETS		559,381	802,073
Furniture, fixtures and equipment	8	559,381	802,073
TOTAL ASSETS		<u>493,431,988</u>	<u>457,704,292</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT II.1

GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	<u>NOTES</u>	<u>2012</u> ₤	<u>2011</u> ₤
LIABILITIES			
INTEREST BEARING LIABILITIES		410,457,211	381,483,074
Members savings deposits	13	125,751,703	110,252,173
Voluntary shares		284,705,508	271,230,902
NON-INTEREST BEARING LIABILITIES	14	20,816,041	18,704,369
Accruals		6,050,151	4,635,393
Payables		14,664,950	13,907,637
Others		100,940	161,340
TOTAL LIABILITIES		431,273,252	400,187,444
CAPITAL			
MEMBERS SHARE CAPITAL		2,074,000	2,070,000
Permanent Shares	17	2,074,000	2,070,000
NON-INSTITUTIONAL CAPITAL			
Retained earnings and reserves	15	1,333,443	1,272,443
Undistributed surplus		4,373,774	788,363
INSTITUTIONAL CAPITAL			
Statutory and legal reserves	16	47,946,125	46,954,648
Capital revaluation reserves		6,431,394	6,431,394
TOTAL CAPITAL		62,158,736	57,516,848
TOTAL LIABILITIES AND CAPITAL		493,431,988	457,704,292

For and on behalf of the Directors


DIRECTOR


DIRECTOR

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



STATEMENT III

GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 31 DECEMBER 2012

	<u>NOTES</u>	<u>2012</u> \$	<u>2011</u> \$
INTEREST INCOME		53,058,091	44,596,820
Loans and advances to members		46,551,725	36,267,873
Liquid assets		4,339,387	5,816,135
Investments		1,682,797	1,964,449
Interest JCCUL - CuCash		484,182	548,362
INTEREST EXPENSE		13,611,007	11,238,546
Savings deposit		13,172,085	10,776,929
Other financial cost		438,922	461,617
NET INTEREST INCOME		39,447,084	33,358,274
Recoverable/(Increase) of loan losses		37,787	67,603
NET INTEREST INCOME AFTER PROVISION		39,484,871	33,425,876
NON-INTEREST INCOME			
Miscellaneous income	6	3,560,283	1,706,864
NET INTEREST AND OTHER INCOME		43,045,154	35,132,741
OPERATING EXPENSES	24	38,100,267	34,667,258
SURPLUS FOR THE YEAR		4,944,887	465,483
HONORARIA		0	55,000
SURPLUS		4,944,887	410,483

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



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT IV

GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2012

	Members Permanent Share Capital	Institutional Capital	Non- Institutional Capital (Undistributed Net Surplus)	TOTAL
Balance at 1 January 2011	2,028,000	53,285,146	5,579,068	60,892,214
Net surplus		-	410,482	410,482
Unclaimed share reserve				
Transfer to statutory reserve		93,096	(93,096)	-
Appropriations -				
Transfer to retained earnings reserve				
Dividends		-	(3,879,648)	(3,879,648)
Honorarium		-		-
Entrance fee		7,800	-	7,800
Share Transfer Account			44,000	44,000
Contributions	42,000	-		42,000
Withdrawals and transfers of shares		-	-	-
Balance at 31 December 2011	2,070,000	53,386,042	2,060,806	57,516,848
Net surplus			4,944,887	4,944,887
Transfer to statutory reserve		988,977	(988,977)	-
Appropriations -				
Dividend - Permanent Shares			(310,500)	(310,500)
Donation				0
Entrance fee		2,500		2,500
Share Transfer Account			1,000	1,000
Contributions	4,000			4,000
Balance at 31 December 2012	2,074,000	54,377,519	5,707,216	62,158,735



STATEMENT IV.1

GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2012

	<u>INSTITUTIONAL CAPITAL</u>		
	<u>Statutory Reserve</u>	<u>Capital Reserves</u>	<u>TOTAL</u>
Balance at 1 January 2011	46,853,752	6,431,394	53,285,146
20% statutory reserve	93,096	-	93,096
Entrance fees	7,800	-	7,800
Balance at 31 December 2011	46,954,648	6,431,394	53,386,042
20% statutory reserve	988,977	-	988,977
Entrance fees	2,500	-	2,500
Balance at 31 December 2012	<u>47,946,125</u>	<u>6,431,394</u>	<u>54,377,519</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT V

GRACE CO-OPERATIVE CREDIT UNION LIMITED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2012

	<u>2012</u>	<u>2011</u>
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	4,944,887	410,482
Adjustment to reconcile surplus to		
Net cash provided by operating activities:		
Depreciation	417,711	325,857
Amortization	374,111	298,034
	<u>5,736,709</u>	<u>1,034,373</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Fixed assets	(216,014)	(1,061,842)
Investments	(1,365,316)	(1,757,826)
Loans to members - Net	(69,538,695)	(62,717,034)
Other receivables	(336,423)	(370,124)
	<u>(71,456,448)</u>	<u>(65,906,826)</u>
Net cash used in investing activities		
Cash flows from financing activities:		
Share capital - Voluntary	13,474,606	26,233,830
Share capital - Permanent	4,000	42,000
Entrance fees	2,500	7,800
Savings account (members)	15,499,530	43,308,647
Accruals	1,414,759	(94,436)
Payables	757,314	(4,419,585)
Other payables	(60,400)	79,850
Dividends	(310,500)	(3,879,648)
Reserve	(4,406,569)	9,046,829
	<u>26,375,239</u>	<u>70,325,287</u>
Net cash provided by financing activities		
Increase in liquid assets	(39,344,499)	5,452,834
Liquid asset at beginning of the year	108,462,184	103,009,350
	<u>69,117,685</u>	<u>108,462,184</u>
Liquid asset at end of year		

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



STATEMENT VI

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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.



STATEMENT VI.1

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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 losses 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.



STATEMENT VI.2

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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.



STATEMENT VI.3

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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.



STATEMENT VI.4

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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.



A.G.M. 2012



ANNUAL GENERAL MEETING 2013

We are always here for you!

PICTORIAL



We are always here for you!

ANNUAL GENERAL MEETING 2013



STATEMENT VI.5

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-

(b) Credit risk (cont'd)

(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>2012</u>	<u>2011</u>
	\$	\$
Loans to members, net	369,305,251	299,766,556
Liquid assets - earning	86,900,046	121,836,376
Financial investments	33,938,781	32,573,464
Non-earning assets - other	2,360,942	2,024,519
	<u><u>492,505,020</u></u>	<u><u>456,200,915</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 it 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.



STATEMENT VI.6

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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 .65:1.0 (2011 1:1.0).

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 25.0% at the end of the year 2012, (2011 : 30.0%)

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.

	<u>Within 1</u>	<u>1 to 3</u>	<u>2012</u> <u>3 to 12</u>	<u>1 - 5</u>	<u>Over 5</u>	<u>Carrying</u>
	<u>Month</u>	<u>Months</u>	<u>Months</u>	<u>Years</u>	<u>Years</u>	<u>Amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Savings deposit	9,431,378	66,648,403	28,922,892	20,749,031		125,751,703
Voluntary shares	-	-	-	-	284,705,508	284,705,508
Accounts payables	3,655,297	3,151,549	7,337,655	6,671,541	-	20,816,041
	<u>13,086,675</u>	<u>69,799,951</u>	<u>36,260,546</u>	<u>27,420,572</u>	<u>284,705,508</u>	<u>431,273,252</u>

	<u>Within 1</u>	<u>1 to 3</u>	<u>2011</u> <u>3 to 12</u>	<u>1 - 5</u>	<u>Over 5</u>	<u>Carrying</u>
	<u>Month</u>	<u>Months</u>	<u>Months</u>	<u>Years</u>	<u>Years</u>	<u>Amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Savings deposit	8,268,913	58,433,652	25,358,000	18,191,609		110,252,173
Voluntary shares	-	-	-	-	271,230,902	271,230,902
Accounts payables	3,284,487	2,831,842	6,593,290	5,994,750	-	18,704,369
	<u>11,553,400</u>	<u>61,265,494</u>	<u>31,951,290</u>	<u>24,186,359</u>	<u>271,230,902</u>	<u>400,187,444</u>



STATEMENT VI.7

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-

(c) Liquidity risk (cont'd)

Members share capital are divided into permanent and voluntary. Voluntary shares may be 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.



STATEMENT VI.8

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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:

	2012			
	<u>Within</u> <u>3 months</u> <u>\$' 000</u>	<u>3 to 12</u> <u>months</u> <u>\$' 000</u>	<u>Over</u> <u>12 months</u> <u>\$' 000</u>	<u>Carrying</u> <u>amount</u> <u>\$' 000</u>
ASSETS				
Loans	31,390,946	51,702,735	286,211,569	369,305,251
Liquid assets	52,140,028	13,035,007	21,725,012	86,900,046
Financial investments	-	10,181,634	23,757,147	33,938,781
	83,530,974	74,919,376	331,693,728	490,144,078
LIABILITIES				
Savings deposits	75,451,022	28,922,892	21,377,789	125,751,703
	75,451,022	28,922,892	21,377,789	125,751,703
Total interest rate gap	8,079,952	45,996,485	310,315,938	364,392,375
Cumulative gap	8,079,952	54,076,437	364,392,375	-

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

	2011			
	<u>Within</u> <u>3 months</u> <u>\$' 000</u>	<u>3 to 12</u> <u>months</u> <u>\$' 000</u>	<u>Over</u> <u>12 months</u> <u>\$' 000</u>	<u>Carrying</u> <u>amount</u> <u>\$' 000</u>
ASSETS				
Loans	25,480,157	41,967,318	232,319,081	299,766,556
Liquid assets	73,101,826	18,275,456	30,459,094	121,836,376
Financial investments	-	9,772,039	22,801,425	32,573,464
	98,581,983	70,014,813	285,579,600	454,176,396
LIABILITIES				
Savings deposits	66,151,304	25,358,000	18,742,869	110,252,173
	66,151,304	25,358,000	18,742,869	110,252,173
Total interest rate gap	32,430,679	44,656,814	266,836,730	343,924,223
Cumulative gap	32,430,679	77,087,493	343,924,223	-



STATEMENT VI.9

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

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, 2012	103	123,622	0
	-103	(123,622)	0
		<u>0</u>	<u>0</u>
December 31, 2011	100	149,883	0
	-100	(149,883)	0
		<u>0</u>	<u>0</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 balance sheet date, this ratio was 11%, (2011 11.7%) 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.



STATEMENT VI.10

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

5. LOANS TO MEMBERS:-

	<u>2012</u>	<u>2011</u>
	\$	\$
Balance at start of year	299,766,556	237,049,523
Loans granted	256,569,422	258,750,953
Less repayments	(200,480,710)	(206,334,356)
Less allowances for loan loss	(43,469)	(81,256)
	<u>355,811,799</u>	<u>289,384,864</u>
Staff and related parties	13,493,452	10,381,692
	<u>369,305,251</u>	<u>299,766,556</u>

The maximum exposure to credit risk for loans to members at balance sheet date by type of customers was:

	<u>2012</u>	<u>2011</u>
	\$	\$
Purpose:		
Personal	164,123,288	137,634,352
Motor vehicles	123,993,665	70,445,141
Residential	35,384,552	50,960,315
Debt refinancing	43,682,795	35,971,987
Business	1,646,280	599,533
Construction and real estate	474,672	4,155,229
	<u>369,305,251</u>	<u>299,766,556</u>

The credit quality of loans is summarized as follows:

	<u>2012</u>	<u>2011</u>
	\$	\$
Neither past due nor impaired	369,099,909	298,783,247
Past due but not impaired	-	-
2 to 3 months	74,798	1,026,384
3 to 6 months	43,674	38,181
6 to 12 months	130,339	-
Over 12 months	-	-
Individually impaired	-	-
Collectively impaired	-	-
Less provision for loan losses.	(43,469)	(81,256)
	<u>369,305,251</u>	<u>299,766,556</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT VI.11

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

5. LOANS TO MEMBERS CONTD:-

Delinquent loans:

The following is a summary of delinquent loans at December 31, 2012

<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	2	74,798	0	0
2 to 3 months	1	43,674	10	4,367
3 to 6 months	3	130,339	30	39,102
6 to 12 months	0	0	0	0
Over 12 months	0	0	0	0
	6	248,811		43,469

The fair value of collateral held as security against individual loans are \$ 32,621 (2011 \$1,973,617)

There were no renegotiated loans for the years 2012 and 2011.

Allowances for loan losses

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Balance brought forward	81,256	148,858
Loans written - off	-	-
Increase(Decrease) in provision for current year		
Recovery of bad debt	37,787	67,602
Balance brought forward	43,469	81,256

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

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Specific provision	43,469	81,256
General provision	-	-
	43,469	81,256



STATEMENT VI.12

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

6. NON-INTEREST INCOME:

	<u>2012</u>	<u>2011</u>
	\$	\$
Commission	676,547	613,704
Miscellaneous	2,883,736	1,093,160
	<u>3,560,283</u>	<u>1,706,864</u>

7. NET SURPLUS:

	<u>2012</u>	<u>2011</u>
	\$	\$
Net surplus is shown after charging:-		
Auditors' remuneration	470,000	445,000
Depreciation (note 8)	791,822	623,891
Repairs and maintenance	167,400	11,312
Staff costs (note 9)	<u>23,069,317</u>	<u>20,596,609</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT VI.13

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

8. FIXED ASSETS:

	Equipment	Computer	Total
	\$	\$	\$
At Cost -			
At 1 January 2012	168,722	2,752,778	2,921,500
Disposals	(52,633)	(1,530,205)	(1,582,838)
Addition	48,390	126,629	175,019
At 31 December 2012	164,479	1,349,202	1,513,681
Depreciation -			
At January 2012	69,079	2,050,348	2,119,427
Disposals	(52,633)	(1,530,205)	(1,582,838)
Charge for the year	19,674	398,037	417,711
At 31 December 2012	36,120	918,180	954,300
Net Book Value -			
At 31 December 2012	128,359	431,022	559,381
At 31 December 2011	99,643	702,430	802,073

8a. INTANGIBLE ASSET:

	Software	Total
	\$	\$
At Cost -		
At 1 January 2012	2,104,297	2,104,297
Addition	40,995	40,995
At 31 December 2012	2,145,292	2,145,292
Amortisation -		
At January 2012	1,403,594	1,403,594
Charge for the year	374,111	374,111
At 31 December 2012	1,777,705	1,777,705
Net Book Value -		
At 31 December 2012	367,587	367,587
At 31 December 2011	700,703	700,703



STATEMENT VI.14

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

9. STAFF COSTS:

	<u>2012</u>	<u>2011</u>
	\$	\$
Salaries , wages and statutory contributions	17,467,582	15,490,053
Other staff costs	5,601,736	5,106,556
	<u>23,069,317</u>	<u>20,596,609</u>
The average number of persons employed during the year.	6	6

10. LIQUID ASSETS:

	<u>2012</u>	<u>2011</u>
	\$	\$
Jamaica Co-operative Credit Union League Limited		
Fixed deposits	64,591,042	82,576,069
CuCash	17,782,361	13,374,791
Cash at bank and in hand	4,526,643	25,886,116
	<u>86,900,046</u>	<u>121,836,976</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT VI.15

GRACE CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

11. FINANCIAL INVESTMENTS:

	1 to 5 Years	Over 5 Years	Carrying Value	Carrying Value
			2012	2011
	\$	\$	\$	\$
JCCUL -				
CuPremium	12,776,251	-	12,776,251	12,012,093
CUETS settlement fund	-	732,144	732,144	704,586
JCCUL shares	4,546,592	1,000,000	5,546,592	5,546,592
Mortgage funds	14,613,471	-	14,613,471	14,039,870
Qnet		270,323	270,323	270,323
	31,936,314	2,002,467	33,938,781	32,573,464

Weighted average effective interest rates are:

Jamaica Co-operative Credit Union League Limited	5.4%	6.5%
--	------	------

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.



STATEMENT VI.16

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

12. ACCOUNTS RECEIVABLE:

	<u>2012</u>	<u>2011</u>
	\$	\$
Prepayment	368,001	353,898
Interest receivable - league	190,209	161,905
Interest receivable - members	1,613,825	1,319,809
Withholding Tax	188,907	188,907
	<u>2,360,942</u>	<u>2,024,519</u>

13. MEMBERS' SAVINGS DEPOSITS:

	<u>2012</u>	<u>2011</u>
	\$	\$
Balance at beginning of year	110,252,173	66,943,526
Add: Deposits and transfers	<u>1,334,860,023</u>	<u>67,178,893</u>
	1,445,112,196	134,122,419
Less: Withdrawals and transfers	<u>1,319,360,493</u>	<u>23,870,246</u>
Balance at end of year	<u>125,751,703</u>	<u>110,252,173</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT VI.17

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

14. ACCOUNTS PAYABLE:

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Accruals	6,050,151	4,635,393
Payables	8,865,472	7,805,060
Unclaimed shares and dividends	1,649,149	1,083,584
Company guarantee	3,070,813	3,937,997
Beneficiaries of deceased members	35,667	35,667
Standing order	1,043,849	1,045,328
Other	100,940	161,340
	<u>20,816,041</u>	<u>18,704,369</u>

15. NON - INSTITUTIONAL CAPITAL:

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Special reserve	785,736	785,736
Education reserve	214,793	214,793
Donation reserve	60,000	0
Share transfer account	103,000	102,000
Unclaimed share reserve	169,914	169,914
	<u>1,333,443</u>	<u>1,272,443</u>

16. INSTITUTIONAL CAPITAL:

	<u>2012</u>	<u>2011</u>
	<u>\$</u>	<u>\$</u>
Statutory and legal reserves	<u>47,946,125</u>	<u>46,954,648</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.



STATEMENT VI.18

GRACE CO-OPERATIVE CREDIT UNION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2012

17. 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.

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.



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT VI.19

GRACE CO-OPERATIVE CREDIT UNION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2012

18. FAIR VALUES OF FINANCIAL INSTRUMENTS CONT'D:

	<u>2012</u>		<u>2011</u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	Carrying Value	Fair Value	Carrying Value	Fair Value
	\$	\$	\$	\$
ASSETS				
Earning assets				
Loans	369,305,251	369,305,251	299,766,556	299,766,556
Liquid assets	86,900,046	86,900,046	121,836,376	121,836,376
Financial investments	33,938,781	33,938,781	32,573,464	32,573,464
Non-earning assets				
Other assets	2,360,942	2,360,942	2,024,519	2,024,519
Liabilities				
Interest bearing liabilities				
Members savings' deposits	125,751,703	125,751,703	110,252,173	110,252,173
Voluntary Shares	284,705,508	284,705,508	271,230,902	271,230,902
Non-interest bearing liabilities				
Accounts payable	20,816,041	20,816,041	18,704,369	18,704,369



STATEMENT VI.20

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

19. RELATED PARTY TRANSACTIONS AND BALANCES:

At December 2012, nine (9) members of the credit union Board of Directors and ten (10) Committee Members and Connected Parties had shares and savings of \$22,582,829 (2011 \$10,642,222) and loans excluding interest totalling \$28,007,640 (2011 \$26,294,450)

Loans excluding interest due from members of staff totalled \$6,780,120 (2011 \$4,294,075.00). During the year no Director or Committee Member received any loan which necessitated waiver of the loan policy. At December 2012, 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	284,705,508	2,074,000	125,751,703	369,305,251
Balance as per members' ledger	284,705,508	2,074,000	125,751,703	369,305,251
Difference	0		0	0

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 \$867,304 (2011 - \$983,166).

22. BONDING INSURANCE:

Bonding insurance was in force for the year under review.

23. TRANSFERS AND APPROPRIATION:

	2012 \$	2011 \$
Less: Statutory appropriation	(988,977)	(93,096)
Dividends on shares and deposits	(310,500)	(3,879,648)
	<u>(1,299,477)</u>	<u>(3,972,744)</u>



GRACE CO-OPERATIVE CREDIT UNION LIMITED

STATEMENT VI.21

GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2012

24. OPERATING EXPENSES:

	<u>2012</u>	<u>2011</u>
	\$	\$
PERSONNEL EXPENSES	23,069,317	20,596,609
Employee salaries and statutory contribution	17,467,582	15,490,053
Employee costs	4,676,551	4,445,576
Education and training	923,583	657,384
Staff travel and related expenses	1,602	3,596
 ADMINISTRATIVE EXPENSES	 9,848,740	 9,350,700
Facilities fee	3,542,628	3,542,628
Depreciation and amortization	791,822	623,891
Audit and accounting	470,000	445,000
Repairs and maintenance (office)	167,400	11,312
Telecommunications	38,268	17,299
Printing, Stationery and supplies	540,189	483,968
Insurance premiums	1,878,828	1,718,130
Professional and consulting fees	45,188	190,000
Other administrative expenses	374,533	389,597
Unrecoverable gct	1,999,886	1,928,875
 MARKETING & PROMOTION	 729,555	 407,108
Publicity and promotion	459,555	137,108
Education grant	270,000	270,000
 REPRESENTATION & AFFILIATION	 4,452,654	 4,312,841
League and other dues (JCCUL)	2,350,555	2,081,654
Seminars and meetings	229,370	259,465
Annual general meetings	1,728,522	1,546,831
Miscellaneous	144,207	424,891
 TOTAL OPERATING EXPENSES	 <u>38,100,267</u>	 <u>34,667,258</u>



APPROPRIATION OF SURPLUS

Recommendation

		2012	
		\$	\$
Surplus December 31, 2012			4,944,887
Less:			
20% Statutory Reserve of	988,977		
Donation Reserve	<u>60,000</u>		<u>(1,048,977)</u>
Surplus			3,895,910
Add: Undistributed Surplus 1st January 2012			<u>477,864</u>
Available for Distribution			4,373,774

Less:

Additional 15% Statutory Reserve	741,733		
Dividend on Permanent Shares @ 20%	414,800		
Additional Interest to be distributed	<u>2,936,299</u>		
			<u>(4,092,832)</u>
Undistributed Surplus Carried Forward			<u>280,942</u>

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: Treasurer

Eric Mardner
Treasurer

GRACE FOOD PROCESSORS

(a Division of GK Foods and Services Limited)



Home of EXCELLENT QUALITY PRODUCTS

Another **GraceKennedy** Factory



Staff



- **HOPE MOWATT**
General Manager

- **RONEIPH LAWRENCE**
Accounting Officer

- **FELLESIA FRANCIS**
Accountant

- **DAHLIA HUNTER**
Accounting Clerk

- **CAMILLE CADOGAN**
Loan Officer

- **NESTA JACKSON**
Loan Officer;

- **SANETH WHITE MORGAN**
Senior Loan Officer



REPORT OF THE RECRUITMENT & EDUCATION/MARKETING COMMITTEE FOR YEAR ENDED 31ST DECEMBER 2012

In our effort to give back to our members for their continuous support, the Annual Education Grant was again extended by the Credit Union to provide financial assistance to the children of members. The awardees were selected based on their academic performance, level of extracurricular activity and behavioral conduct. This assessment is based on their school reports. The Credit Union made available \$270,000.00 to assist parents with school fees, uniforms, books and other school supplies.

The grants are available for students who are

- *Entering high school for the first time in 2012 after having sat the GSAT examinations*
- *In high school and would be sitting the GCE 'O' and 'A' Level exams, CXC or CAPE in 2013*
- *Attending a tertiary educational institution accredited with the University Council of Jamaica at the start of the 2012-2013 academic year*

Of the 19 applications received, we were able to award 14 students at an Award Ceremony held on Thursday September 06, 2012.

The awardees were::

AWARDEES (GSAT)

PARENT

COMPANY

Khalid Bernard

Wendy Ansine

First Global Bank

Alejandro McDonald

Ainsley McDonald

Gateway Shipping

Gabrielle Christian

Deighton Christian

Grace Kennedy Ltd.

Ashley Poyser

Antoinette Poyser

GK Foods Central

Davina Gordon

Samantha Berth-Gordon

GKMS

Tahje' Tulloch

Andrea Tulloch

Fidelity Motors

Taffie-Ann Haughton

Eloeen Haughton

GKRS

Kefele Williams

Clayton Williams

National Processors

Jonathan White

Anthony White

Allied Insurance Brokers



(SECONDARY)

Brittane Reid	Herdeline Coy-Reid	Carib Star Shipping
Candice Turner	Eurica Bartley	JLIC
Danielle Phillips	Nadine Thompson	Ministry of Agriculture & Fisheries

(TERTIARY)

Clayton Clarke	Peaches Gardener-Clarke	GFS
Jodi-Kaye Wiggins	Marlene Wiggins	Gateway Shipping

An inspiring presentation was made to the awardees by the President of the Credit Union, Mr. Jerry Hamilton. He congratulated all and encouraged them to continue to do well, to not only make the Credit Union proud but to make their parents proud as well. He reminded them that it is through hard work and dedication that they would reach their full potential and be able to excel in whatever field they chose. He also encouraged the parents to continue to work with them to achieve excellence.

The vote of thanks was moved by Alejandro McDonald of George Headley Primary.

The evening ended with the parents and students being encouraged to get to know and support each other going forward.

The Committee comprised:

Lurline Cummings – Member

Hope Mowatt – General Manager

Beverley Wright – Supervisory Committee

We extend thanks to the Board of Directors and other volunteers for their continued guidance and support.

Hope Mowatt (Miss)
Chairperson





REPORT OF THE CREDIT COMMITTEE FOR YEAR ENDED 31ST DECEMBER 2012



COMMITTEE MEMBERS:

- ◎ **Marsha Cope-Johnson** – *Chairperson*
- ◎ **Leighton Grant** – *Secretary*
- ◎ **Maxlyn Noble**
- ◎ **Maria Lewis**
- ◎ **Jean Grant**



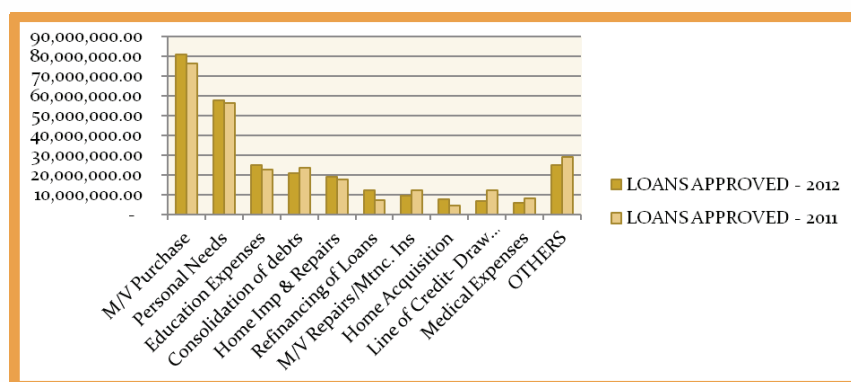
Despite the very challenging environment within which the credit union operates, its performance in 2012 remained favourable.

Total loans disbursed for the year under review amounted to \$270mil an increase of \$511 thousand or a 0.19% increase over the same period in the prior year (2011). The number of loans disbursed totaled 107, a 4% increase over the prior period.

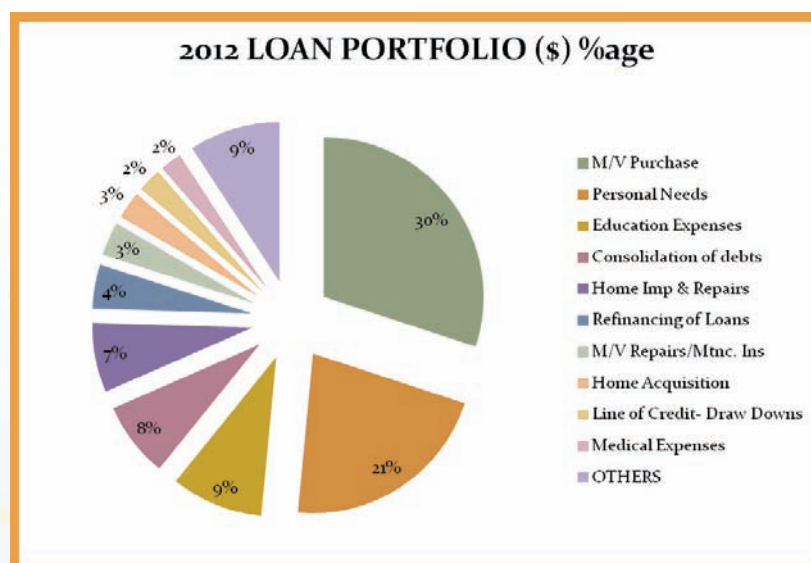
Loans for motor vehicle purchase topped the loan demand at \$80.9mil compared to the amount last year of \$76.2mil. This is followed by loans for personal needs which amounted to \$57.8mil in 2012 while the amount for 2011 was \$56.5mil. Educational expenses loans followed, with a total of \$25.1 mil disbursed for the year 2012 while the amount disbursed for 2011 was \$22.8mil.

The top ten (10) loans from the portfolio categories are: Motor Vehicle Purchase, Personal Needs, Education Expenses, Consolidation of Debts, Home Improvement and Repairs, Refinancing of Loans, Motor Vehicle Maintenance, Home Acquisition, Line of Credit – Draw Down and Medical Expenses.

Overall loan performances during 2012:



Overall loan portfolio percentage as at December 31, 2012:





GRACE CO-OPERATIVE CREDIT UNION LIMITED

Notable increases during the year were:

PURPOSE	2012 APPROVED AMOUNT	2011 APPROVED AMOUNT	%age change 2012
Funeral	1,791,759.75	916,060.02	95.59%
Refinancing of Loans	12,059,505.84	6,963,120.31	73.19%
Home Acquisition	7,509,985.93	4,436,617.92	69.27%
Furniture & Appliance	3,626,938.45	2,866,466.55	26.53%
Utilities	2,973,241.05	2,399,029.50	23.94%
Education Expenses	25,096,314.70	22,765,052.05	10.24%

As the economic conditions become harsher and members find it more difficult to make ends meet, the credit union will need to come up with more creative ways to assist its members in achieving their financial goals, while at the same time secure its income and attract more loans and investment from members to sustain the business.

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

Notable decreases during the year were:

PURPOSE	2012 APPROVED AMOUNT	2011 APPROVED AMOUNT	%age change 2012
Consolidation of debts	20,572,677.52	23,442,250.22	-12.24%
Professional Fees	789,526.91	917,933.77	-13.99%
Special Back to School	2,784,000.00	3,601,774.00	-22.70%
M/Vehicle Repairs/Mtnc. Ins	9,168,061.95	12,111,960.57	-24.31%
Medical Expenses	5,904,463.55	7,925,741.61	-25.50%
Special Vacation Loan (Summer)	2,760,350.00	4,284,752.25	-35.58%
Line of Credit Facility-Draw Downs	6,560,617.46	12,136,819.86	-45.94%
Easter Loans	1,113,900.00	2,207,450.00	-49.54%
Christmas Loan	739,000.00	1,831,100.00	-59.64%
Investment	717,511.60	3,243,497.06	-77.88%

- Ongoing member education & recruitment program
- Use of email and Cyber village to showcase products
- Capturing information on system accurately i.e. loan purpose
- Being proactive in discussing financial options and solutions with members
- Creating and reviewing products to ensure relevance to members' needs

Marsha Cope-Johnson
Chairperson



REPORT OF THE SUPERVISORY COMMITTEE FOR YEAR ENDED 31ST DECEMBER 2012



During the year, our Committee met to examine the affairs of the Credit Union and performed a follow-up review on audit findings reported by the Jamaica Co-operative Credit Union League (JCCUL), Bank of Jamaica (BOJ) and Group Internal Audit (GIAD) during the year 2010 to 2012.

Members of the Supervisory Committee are:-

- Miss Beverley Wright (Chairperson)
- Mrs. Lorna Reynolds-Minott (Secretary)
- Mrs. Sophia Dennis
- Miss Troy-Marie McDonald
- Mr. Aden Whittaker

Our review work program for the year 2012 included the following:

- IT Operations Review
- Monthly tracking of the audit recommendations implementation status
- Examination of the internal controls surrounding the loan process

- Conduct environmental scan to identify existing and emerging risks which may threaten the Credit Union operations
- Inspection of loan forms for completeness and compliance with loan policy, and
- Follow up review on audit recommendation reported by management as implemented from the following reviews:

- ☐ JCCUL – Compliance Review
- ☐ BOJ – On-Site Examination
- ☐ JCCUL – Loan Review
- ☐ GIAD – IT Operations Review

We are satisfied that the Board of Directors, Officers and Staff members handled the affairs of the Credit Union properly, provided us with the information we required and dealt promptly with the queries and the recommendations made by the Committee.

We wish to sincerely thank the Manager and the members of staff of the Credit Union for their co-operation during the year in enabling us to carry out our task.

I would also like to express my thanks to the members of this Committee for the work done and to thank the membership, on behalf of the Committee, for the privilege of serving during the year.

Beverley Wright
Chairperson



DELEGATES' REPORT ON THE 71ST ANNUAL GENERAL MEETING OF THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE LTD.

The League's Convention and Annual General Meeting took place at the Ritz Carlton Hotel from May 24-27, 2012. The theme: "Shared Efficiencies through Transformation and Innovation"

PLENARY SESSION

The conference started with the opening of the trade show which ran simultaneously with two workshops:

- 'Your Diet, Your Health' presented by Dr. Heather Little-Whyte.
- 'How to make Credit Unions member-centric' presented by Mr. Alex Stirling, CEO of Gresham Consulting.

The strategic conference was the highlight of the Convention. Mr. Lincoln Bailey, an Energy Economist, opened the conference. He was the League's guest, invited to speak on the topical issue of alternative energy sources.

There were three panel discussions:

Well known broadcast Journalist, Mr. Cliff Hughes moderated the first session. The panelists debating the issue of alternative energy sources were the Honorable Phillip Paulwell, Minister of Science, Technology, Energy and Mining; Mr. Christopher Levy, President & CEO, Jamaica Broilers Group; Mr. Anthony Haynes, CEO, Caribbean Cement Company Limited; and Mr. David Barrett, Energy Consultant, Private Sector Organization of Jamaica.

The second session spoke to whether there are investment and growth opportunities within the

Caribbean Region which Jamaica cannot readily access, due to inherent weaknesses within our current socio-political and economic systems. Broadcaster Mrs. Marlene Stephenson Dalley moderated this session and the panelists included former Minister of Industry, Investments and Commerce, Dr. Christopher Tufton; Dr. David McBean, Chairman, Supreme Ventures Foundation; Mrs. Yvonne Ridguard Harris, President of the Caribbean Confederation of Credit Unions, who brought the Caribbean perspective and Mr. Andre Goindoo, CEO, CUNA Mutual Financial Group.

The final session moderated again by Mr. Cliff Hughes looked at the contribution of the Jamaican Diaspora to the development and transformation of the Jamaican economy. The panelists included Mr. Richard Powell, Chairman, The RMP Group; Mr. David Mullings, member of the Jamaican Diaspora Advisory Board, USA; Mr. Andrew Pairman, CEO, Anbell Agencies; and Mrs. Viralee Lattitudiere, former Commissioner, TAJ who made an insightful contribution to the debate.

AWARDS BANQUET

Mega Credit Union of the Year

- o JTA Co-operative Credit Union

Large Credit Union of the Year Award

- o NCB Employees Co-operative Credit Union

Medium Credit Union of the Year

- o JDF Co-operative Credit Union

Small Credit Union of the Year

- o BJ Staff Co-operative Credit Union



GRACE CO-OPERATIVE CREDIT UNION LIMITED

Sectional Awards

Manchester Co-operative Credit Union took home the trophy for being the Most Outstanding Parish Credit Union. St. Catherine Co-operative Credit Union received the award for the highest loan growth and First Regional Co-operative Credit Union won the award for the most improved solvency in 2011.

AGM REPORTS

Board Report

The President Johnathan Brown in his summary of the Board report highlighted the achievements of JCCUL during the year. Among the achievements were:

- Upgrading of the electronic transaction switch.
- Establishment of the Centralized Strategic Services Company.
- The managed merger of two credit unions.
- Rebranding of the Movement and continuation of the lobbying efforts.

League's Performance 2011

- The League recorded a decline of 7.3% in assets for 2011. This was the first decline in assets experienced by the League in over two decades. At year-end assets stood at \$9.9B compared to \$10.7B recorded in the previous year.
- Net institutional capital to assets ratio improved to 11.34% in 2011 from 9.26% in 2010.
- A surplus of \$144.53M and total comprehensive income of \$172.80M were recorded for the year 2011, which includes the surplus and unrealized gains on financial assets available for sale of \$28.3M.

Treasurer's Report

Mr. Ian McNaughton, Board Treasurer gave the

report of JCCUL's stewardship which the meeting discussed.

As a follow up to the Treasurer's report the meeting recommended the establishment of 70th anniversary scholarships valued at \$70,000 each from the League's surplus. The forty-two (42) scholarships will be awarded to tertiary level students, via each credit union.

The maximum liability remained at \$12 billion.

Distribution of Surplus

The League's surplus was distributed as indicated below:

	\$ Million
Cash dividend on permanent shares (10%)	6.75
Cash interest on voluntary shares (5%)	6.13
Honoraria	2.74
Emergency Fund	2.00
CODEFCO	2.00
Gifts, Charities	1.00
Milestone events	4.00
Institutional capital	52.08
70th Anniversary Bursaries	2.94
Total	79.64

RESOLUTIONS

Congratulatory

- Portland and St. Elizabeth Co-operative Credit Unions both celebrating their 40th anniversaries.
- Dr. Desreen Marquis, Manager of NAJ Co-operative Credit Union, on her achievement of



GRACE CO-OPERATIVE CREDIT UNION LIMITED

the Doctor of Management in Organizational Leadership from the University of Phoenix and also being admitted as a member of the International Honor Society in Business Administration- Lambda Sigma Chapter and awarded the Delta Mu Delta Honor Award.

- Mrs. Aloun N'Dombet Assamba (former Manager of COK Sodality Credit Union, for being appointed Jamaica's High Commissioner to London.

Condolences

- Mr. Kurt Sheldon Tomlinson, son of the manager of Trelawny Co-operative Credit Union
- Audley Stubb, past volunteer on the Supervisory Committee of Trelawny Co-operative Credit Union
- Mrs. Enid Gonsalves- founder of Hanover Co-operative Credit Union
- Mrs. Vilma Armond –Founding member of JPS & Partners Co-operative Credit Union

GENERAL PROPOSALS

- The Delegates unanimously agreed to the League's support of the Caribbean Confederation of Credit Unions (CCCU) to host WOCCU's 2016 conference in Jamaica.

Rule changes

Rule 69 (1) was amended to have term limits of those serving on the supervisory committee

JCCUL BOARD OF DIRECTORS (2012-2013)

Johnathan Brown	– President
Derrick Tulloch	– 1 st Vice President
Carol Anglin	– 2 nd Vice President
Ian Mcnaughton	– Treasurer
Fay Davis	– Treasurer
Rodcliffe Robertson	– Secretary
Dorothy Raymond	– Assistant Secretary
Winston Fletcher	– Director
Talbert Golding	– Director
Patrick Haywood	– Director
Paul Gardener	– Director
Wilburn Pottinger	– Director
Clifton Lumsden	– Director
Wray Palmer	– Director
Jerry Hamilton	– Director
Clide Nesbeth	– Director
Courtney White	– Director
Yvonne Ridguard	– Director
Barrington Whyte	– Director
Lambert Johnson	– Director



REPORT OF THE NOMINATING COMMITTEE TO THE 44TH 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:

Mrs. Karen Walker : *Chairperson*
Mrs. Naomi Holness : *Secretary*
Ms. Hope Mowatt : *General Manager*

The status of the volunteers was as follows:

BOARD OF DIRECTORS

Retiring

Mr. Andrew Levy
Mr. E. Christopher Bond
Ms. Cathrine Kennedy
Mr. Eric Mardner
Mrs. Stacey Smith

Recommended

Mr. Andrew Levy
Mr. E. Christopher Bond
Ms. Cathrine Kennedy
Mr. Eric Mardner
Mrs. Stacey Smith

Term

2 years
2 years
2 years
2 years
2 years

Not Retiring

Mr. Gilroy Graham
Mr. Jerry Hamilton
Mrs. Karen Walker
Ms. Tamara Garel

Unexpired Term

1 year
1 year
1 year
1 year

CREDIT COMMITTEE

Retiring

Mr. Leighton Grant
Ms. Maria Lewis
Mrs. Maxlyn Noble

Recommended

Mr. Leighton Grant
Ms. Maria Lewis
Mr. Brian Mitchell

Term

2 years
2 years
2 years

Not Retiring

Mrs. Jean Grant
Mrs. Marsha Cope-Johnson

Unexpired Term

2 years
2 years



GRACE CO-OPERATIVE CREDIT UNION LIMITED

SUPERVISORY COMMITTEE

Retiring

Ms. Troy-Marie McDonald
Mrs. Lorna Reynolds- Minott
Ms. Beverley Wright
Mrs. Sophia Dennis
Mr. Aden Whittaker

Recommended

Ms. Troy Marie McDonald
Mr. Carlinton Clarke
Miss Beverley Wright
Mrs. Sophia Dennis
Mr. Aden Whittaker

Term

1 year
1 year
1 year
1 year
1 year

DELEGATES TO THE LEAGUE AND OTHER SOCIETIES

Delegates

Treasurer
General Manager

Alternates

President
Secretary/ 2nd Vice President

Naomi Holness (Mrs.)

Secretary

THE NEW NOMINEES



Carlinton Clarke

Mr. Clarke has been a Business Auditor with GraceKennedy Ltd. since December 2011. He has worked as team lead auditor with companies within GraceKennedy such as First Global Bank, First Global Financial Services and GraceKennedy Corporate. His previous work experience includes being team lead auditor with Ernst & Young, Jamaica and also being on the Audit staff at KPMG, Jamaica. He holds a BSC First Class Honors degree in Accounting from the University of the West Indies and is also a Certified Public Accountant.

He is currently completing a program to qualify for the Certified Internal Auditor designation. Carlinton has been the recipient of several awards while at UWI and is currently the President of the Association of Aspiring Accountants and enjoys playing football and basketball.



Brian Mitchell

Mr. Mitchell has been an Accountant with GK Foods Central Finance since 2007 and is currently the Senior Accountant (Distribution). He holds a Bachelor in Business Administration degree from the University of Technology, a Master of Science in Accounting from University of the West Indies as well as the designation of Chartered Accountant. He previously worked with T Geddes Grant Ltd and World Brands Services.



USA/CANADA 1-877-544-2669

1-888-GET-JIIC
(1-888-438-5442)

Time to
Upgrade
...Your Insurance

WWW.JIICONLINE.COM · INFO@JIICONLINE.COM
Fax: 968-1920

facebook **JIIC Fans**

twitter **@GoJIIC**

BlackBerry **22BEF5DB**

SPECIAL
GRACEKENNEDY
STAFF
BENEFITS

20% Discount off Your Premium
10% Discount for Immediate Family members
(spouse, parents & children)



JIIC

Your insurance place from **GraceKennedy**

VARIETY OF PAYMENT OPTIONS:

Interest Free Payment Plan (3 months)
Salary Deduction
Cash or Cheque
Debit or Credit Cards
Telemidas
Telescotia

ONLINE PAYMENTS VIA:

BILLEXPRESS ONLINE **BNS**
www.billexpressonline.com www.online.scotiabank.com
NCB **First Global Bank**
www.jncb.com www.firstglobal-bank.com



HEADOFFICE
19-21 Knutsford Blvd.
Monday - Friday
7:30a.m - 5:00p.m

LIGUANEA
Shop# 62 Sovereign Ctr.
Monday - Friday
10:00am - 6:00p.m
Saturday
10:00a.m - 2:00p.m

DOWNTOWN
2 Duke Street, Kingston 2
Monday - Friday
8:00am - 4:30p.m

PORTMORE
Shop# 16 Portmore
Town Ctr.
Monday - Friday
10:00am - 6:00p.m
Saturday
10:00a.m - 2:00p.m

OCHO RIOS
29 Main Street
Shop 26 Ocean Village
Shopping Ctr.
Monday - Friday
9:00am - 5:00p.m

MANDEVILLE:
Shop#29, Midway Mall
Monday - Friday
8:00am - 5:00p.m

MONTEGO BAY
Unit 1, Fairview Shopping Ctr.,
Bogue
Monday - Friday
8:00am - 5:00p.m



CONTACT PERSONS LIST

COMPANY

ALLIED INSURANCE BROKERS LIMITED
APM TERMINAL (JA) LIMITED
CARIB STAR SHIPPING
CMA CGM (JAMAICA) LIMITED (INTERNSHIP)
DAIRY INDUSTRIES (JA) LIMITED
FIRST GLOBAL BANK
FIRST GLOBAL FINANCIAL SERVICES
GFP CANNING
GFP MEAT
GRACE EXPORT TRADING
GATEWAY SHIPPING INT'L
GRACE KENNEDY INVESTMENTS
GRACEKENNEDY REMITTANCE SERVICES
HARBOUR COLD STORAGE
HARDWARE & LUMBER
HI-LO FOOD STORES LTD
JA INT'L INSURANCE CO LTD
KINGSTON WHARVES LIMITED
NATIONAL PROCESSORS LTD
WORLD BRANDS LTD
CORPORATE AFFAIRS
CORPORATE FINANCE & ACCOUNTS
CORPORATE H R DEPT
CUSTOMER SERVICE / CREDIT
FACILITIES MANAGEMENT
GK FOODS BUSINESS SYSTEMS DEPT
GK FOODS H R DEPT

GRACE & STAFF COMMUNITY DEV
GROUP SECRETARIAT
INTERNAL AUDIT
SALES/MERCHANDISE

NAME

MS. MARCIA DWYER
MR. COLIN MCHAYLE
MS. DELORITA DEAN
MS. DOREEN ROWE
MS. CAMILLE SHAND
MS. CAVEL SMITH
MS. CAVEL SMITH
MS. COLLEEN BENCROFT
MRS. CHRISTINE DAVIDSON
MRS PATRICIA MEGHOO-OBERLI
MS. HOPE ATKINSON
MS. COLEEN HENRY
MRS. CHARMAINE HYMAN-BROWN
MS. TRECIA FRAY
MS. HYACINTH BROWN
MS NICKEISHA VERMONT
MRS TRACIE-ANN VIRGO
MS. ANIKA ANDERSON
MS. DENISE RAMSAY
MRS. LORRAINE BLAIR-BAKER
MS. DIONNE RHODEN
MRS. JACQUELINE TOYLOY
MS. KARLENE BURGESS
MRS. COVENETTE BROWN
MRS SHAWN THOMPSON-POWELL
MRS. PETA-GAY DUNN-COORE
MRS WAYNETTE CAMPBELL/
MS. ORLEAN MEARS
MS TAMEICA LEWIS
MRS. LAVERN LLEWELLYN
MRS CAMELLE RICKETTS- MOORE
MS ANDREAN MANNING

We're "the point of reference"



Friends want the best for friends

Click: www.youraib.com • Call: 926-6784



**ALLIED
INSURANCE
BROKERS**

A member of the **GraceKennedy** GROUP

26 Belmont Road
Kingston 5 | Jamaica
Unit 1 | Fairview Shopping Centre
Bogue | Montego Bay | Jamaica
Tel: 926-6784 Fax: 929-9391
1-888-YOUR AIB (968-7242)
youraib@gkco.com

Testimonials

I have been a member of the Grace Co-operative Credit Union Limited for many years. I cannot recall ever having a bad experience with any team member, and can vouch for their strong sense of good customer service. Additionally, I would encourage those persons who are not yet members to do so, as there are many ways in which you can be assisted to achieve your financial goals.

Jackie Toyloy

FIP: Delivers Just in Time

I lost my Mom recently and was shocked by the high cost of the funeral expenses. Fortunately for me, I had the Family Indemnity Plan with my credit union, Grace Cooperative. The funds were deposited to my account within 3 working days after submitting my claim. It took a large burden off my shoulder.

Life is uncertain, so prepare. Act now and sign up for your Family Indemnity Plan (FIP). FIP did it for my family, someday it could do it for yours. It's a wise investment.

You may even end up with a 'little extra' or even a windfall.

Lurline Cummings

During the past two years, Grace Cooperative Credit Union has helped me to achieve two of my goals. The first was that of attending my graduation from the University of Wales' MBA programme, held in Wales, United Kingdom. This was a great milestone for me.

This year, 2013, my Credit Union helped me to achieve yet another major goal, that of owning a car.

I am so impressed with their efficient service. The knowledgeable, responsive staff will move mountains to help you realize your dreams. Under the guidance of their competent manager, Hope Mowatt, they make the impossible, possible.

Thanks to Grace Cooperative Credit Union for helping me realize my dreams.

To those of you who are not yet members of our Credit Union, I ask....what are you waiting for? The time to attain your goals is now! The Credit Union can help you. Join today, don't delay.

Joni-Gaye Cawley



GRACE CO-OPERATIVE CREDIT UNION LIMITED

The Lighter Side of Business



This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. A small, solid gray square is positioned near the bottom right edge of the paper. The background behind the paper features faint, abstract patterns of light gray lines and dots, suggesting a digital or textured surface.



*Prayer of
St. Francis of Assisi.*

Lord, make an instrument of thy peace,
Where there is hatred let me sow love,
Where there is injury, Pardon,
Where there is doubt, Faith,
Where there is despair, Hope,
Where there is darkness, Light, and
Where there is sadness, Joy.

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.

PRODUCTS AND SERVICES OFFERED BY

GRACE CO- OP CREDIT LIMITED



The Golden Harvest
Savings Plan

It's goal oriented and
insured!

Come talk to us!!!



VOLUNTARY SHARES
FIXED DEPOSITS
PARTNER PLAN SAVINGS
DEPOSIT ACCOUNTS

LET'S TALK RATES & RETURNS !!!



- The Family Indemnity Plan (FIP) is a death insurance benefit offered to member and their families with premiums as low as \$422.40 per plan and coverage up to \$400,000.00 per person.
- Health insurance offered by Sagicor for family members with premiums starting at \$4689.00 monthly.
- Seasonal loan options are designed to satisfy all of our members and covers **BACK TO SCHOOL/VACATION/ SUMMER/ EASTER & CHRISTMAS** expenses among others.
- Our multi-purpose **RESCUE LOAN** is collateral free and user-friendly with affordable monthly repayments.

GRACE CO-OP – The credit union where dreams do come true

" WE ARE ALWAYS HERE FOR YOU !!"

KILL MANY BIRDS WITH ONE STONE!

Get all your Loans in one
place at seriously reduced rates
with no payments down.

Apply Now!



My family depends on me.
I depend on Grace.

The image shows a woman with short dark hair, wearing a light yellow polo shirt, smiling and holding a large green tote bag. The bag is overflowing with various Grace brand food items, including cans of Corned Beef, Jack Mackerel, Chicken Vienna Sausages, Mackerel in tomato sauce, and Baked Beans, as well as bottles of Tomato Ketchup and Coconut Milk, and a box of COCK Soup Mix. A large red circular logo is prominently displayed on the front of the bag, featuring the Grace brand name in a white oval with a crown above it, and the slogan 'because you care' in white and yellow script below it. The background is a solid red color.

Designed & Printed by Xpress Litho Limited



facebook.com/gracefoods
@gracefoods