# Our Vision Mission

# VISION

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

# **MISSION**

We are committed to assisting our members to meet their personal financial goals through the provision of superior Credit Union services delivered by great staff and volunteers, empowered with the right skills, necessary tools and shared vision.

We will offer personalized and friendly customer service, prudent financial advice and a safe and competitive opportunity for loans, savings and investments.



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

We are <u>always</u> here for you!

ANNUAL GENERAL MEETING 2014

# **FIVE YEAR STATISTICS**

PERMANENT SHARES	<b>2013</b> 2,088,000.00	<b>2012</b> 2,074,000.00	<b>2011</b> 2,070,000.00	<b>2010</b> 2,028,000.00	<b>2009</b> 2,025,000.00
VOLUNTARY SHARES	297,847,326.00	284,705,508.00	271,230,902.00	244,997,072	220,072,221
% Increase over prior year	4.62%	4.97%	10.71%	11.33%	12.71%
INSTITUTIONAL CAPITAL	56,822,475.00	54,377,519.00	53,386,042.00	53,285,146	52,527,957
% Increase over prior year	4.50%	1.86%	0.19%	1.44%	9.42%
LOANS TO MEMBERS (Gross)	389,624,896.00	369,305,251.00	299,766,556.00	237,049,523	226,391,896
% Increase over prior year	5.50%	23.20%	26.46%	4.71%	5.97%
TOTAL ASSETS	511,343,859.00	493,431,988.00	457,704,292.00	395,956,766	379,887,171
% Increase over prior year	3.63%	7.81%	15.59%	4.23%	7.10%
CURRENT ASSETS ****	85,957,285.00	89,260,988.00	123,861,495.00	127,026,780	124,716,139
CURRENT LIABILITIES ****	443,770,414.00	431,273,252.00	400,187,444.00	335,064,552.00	304,241,374
INCOME AND SURPLUS					
INCOME	63,432,767.00	56,618,374.00	46,303,684.00	51,001,061	56,284,353
% Increase over prior year	12.04%	22.28%	-9.21%	-9.39%	16.23%
EXPENSES	53,143,591.00	51,711,274.00	45,905,804.00	47,174,244	33,731,362
SURPLUS	8,446,115.00	4,944,887.00	465,842.00	3,742,945	22,557,630
% (Decrease)/Increase over prior year	70.81%	961.49%	-87.55%	-83.41%	18.71%
UNDISTRIBUTED SURPLUS	8,446,115.00	4,944,887.00	410,482.00	3,687,945	19,830,372
RESERVES	51,680,524.00	49,279,568.00	48,227,091.00	48,122,220	47,359,031
DIVIDENDS PAID	0	0	0	0	16,720,398

We are <u>always</u> here for you!



## FIVE YEAR STATISTICS Cont'd.

RATIOS	2013	2012	2011	2010	2009
CURRENT ASSETS	0.19:1	0.21:1	0.31:1	0.38:1	0.41:1
SURPLUS TO INCOME	13.32%	8.73%	1.01%	7.34%	39.24%
EXPENSES TO INCOME	83.78%	91.33%	99.14%	92.50%	60.76%
INCOME TO TOTAL ASSETS	12.41%	11.47%	10.12%	12.88%	13.65%
SURPLUS TO TOTAL ASSETS	1.65%	1.00%	0.10%	0.95%	5.36%
UNDISTRIBUTED SURPLUS TO SHARE CAPITAL	1.65%	1.00%	0.09%	0.93%	5.23%
MEMBERSHIP	2712	2752	2725	2,621	2,559
BORROWERS	1273	1319	1234	1,757	1,571
BORROWERS TO MEMBERSHIP	46.94%	47.93%	45.28%	67.04%	51.62%



# is hereby given that the 45<sup>TH</sup> ANNUAL GENERAL MEETING

of the Grace Co-operative Credit Union Limited will be held on WEDNESDAY, APRIL 30, 2014 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

**45<sup>th</sup> Annual General Meeting** 

We are <u>always</u> here for you!

# AGENDA

- 1. Ascertainment of a quorum
- 2. National Anthem
- 3. Notice convening Annual General Meeting
- 4. Prayer
- 5. Welcome and apologies for absence
- 6. Confirmation of Minutes of the 44<sup>TH</sup> 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, Marketing and Education Committee
- g) Delegates Report on JCCUL's AGM 2013

## 8. Election of Officers (See Report of Nominating Commitee)

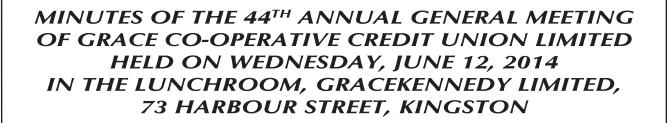
- a) Board of Directors
- b) Credit Committee
- c) Supervisory Committee
- d) Delegates to the League's Annual General Meeting

## 9. Presentation by JCCUL-JCUES

## 10. Tributes to Retiring Volunteers

- 11. Any other Business
- 12. Gate Prizes
- 13. Adjournment

ANNUAL GENERAL



# ASCERTAINMENT OF QUORUM, CALL TO ORDER

Having ascertained that a quorum was present, the Chairman, Jerry Hamilton, called the meeting to order at 4:42 p.m.

## NATIONAL ANTHEM

ANNUAL GENERAL MEETING 2014

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, Stacey Smith.

## PRAYER

Nesta Jackson led the meeting in the Prayer of St. Francis of Assisi.

# WELCOME & APOLOGIES FOR ABSENCE

All present were welcomed. Special welcome was extended to:

- Retirees
- New Members
- Alpha Boys' Band
- Peter Jacobs JDF Co-op

Vanessa Porter - Dept of Co-op Societies

Taneisha Facey - Dept of Co-op Societies

Vera Lindo - JCCUL

Omar Graham - JCCUL

Cyrene Gilbert - Gilbert Thompson & Co. (Auditors)

Apologies for absence were tendered on behalf of Cathrine Kennedy and Sophia Dennis

# CONFIRMATION OF THE MINUTES OF THE 43rd ANNUAL GENERAL MEETING AND MATTERS ARISING

The Minutes of the 43<sup>th</sup> Annual General Meeting held on June 20, 2012 were taken as read on a motion by Maria Lewis and seconded by Marsha Cope Johnson.

Amendment to the Minutes was as follows:

Page 11

Credit Committee: Maxlyn Noble's name was added as those elected to serve

There being no other amendments, the Minutes were confirmed on a motion by Andrew Levy and Erica Fagan.

# 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:

- As at December 31, 2012, membership stood at 2076 increasing from 2051 for the corresponding period in 2011.
- Members' deposits (including voluntary shares) as at December 31, 2012 increased by 14.06%, moving from \$110.2 million in 2011 to \$125.7 million in 2012. That increase reflected the confidence members continued to have in the Credit Union and their desire to take advantage of the competitive rates on savings.

Dramatic movements occurred in the Loan portfolio. 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 that could be indicative of the economic challenges faced by members during the year, the Credit Union deliberately ramped up the marketing of existing loan products and introduced new ones. That was necessary to compensate for the decline in investment income in the low interest rate environment within which we now operate.

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

- Interest rates on loans were constantly reviewed and reduced.
- 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
- Motor vehicle loan policy was under constant review in 2012 to ensure competitiveness.

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

#### > Staffing

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 continued to ensure the best fits for its positions and has been successful in that area to date.

#### > Attendance of Directors at Board Meetings

Twelve meetings were held during the period with the Board, joined once each quarter by members of the Credit and Supervisory Committees.

## TRAINING

The Credit Union remained committed to providing staff and volunteers with the relevant training and support. During the year staff members and volunteers attended and participated in the Proceeds of Crime Act (POCA) training sessions and Service Excellence workshops.

#### **Education Grants**

Fourteen (14) students, children of members benefitted from educational grants totaling \$270,000.00.

#### > 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.

In closing the Report, President Jerry Hamilton acknowledged the continued committed contribution of volunteers to the oversight of the Credit Union. Appreciation was also extended to Committee members Lorna Reynolds Minott and Maxlyn Noble for their contribution during their tenure after serving 3½ years and 1 year respectively.

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

On a motion by Albert Anderson 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 Helen Hayden and seconded by Leighton Grant, the Auditor's Report was adopted.

#### **Treasurer's Report**

The Treasurer's Report was read by Eric Mardner.

The Credit Union received \$46.6 million in interest on loans, \$6.5 million in investments income and \$3.6 million in non-interest income which represented fee income and commission. The total income of \$56.6 million represented an increase of \$10.3 million or 22% over the previous year. The increase was largely the result of the growth in the loan portfolio as members continued to make the Credit Union the finance house of their choice

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

In closing, the Treasurer extended appreciation to the Auditors for completing the Audit exercise in a timely manner.

The Treasurer's Report was adopted on a motion by Aden Whittaker and seconded by Beverley Wright.

#### (ii) Appropriation of Surplus

Surplus as at December 31, 2012 was \$4.9 million. After 20% Statutory Reserve and Donation Reserve, the amount Available for Distribution was \$4.3 million. However after deducting Additional Statutory Reserve, Dividend on Permanent Shares and Additional Interest, the Undistributed Surplus was \$280,942. The total distribution will therefore be 4.5% on savings for 2013. Total Distribution for 2012 was 3%.

Motion for the adoption of the declaration of surplus was proposed by Sandra Todd and Lorna Reynolds Minott.

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 Leighton Grant and seconded by Nadarni Headlam.

The Motion was carried.

#### c) Nomination of Auditors

Motion for the appointment of the Auditors, Gilbert Thompson & Company was proposed by Marsha Cope Johnson and seconded by Dale Beckford.

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:**

The total value of loans disbursed in 2012 was \$270 million, an increase of \$511,000 or a 0.19% increase over the same period in the prior year (2011). The number of loans disbursed totalled 2775, a 4% increase over the prior period.

Loans for motor vehicle purchase topped the loan demand at \$80.9 million compared to \$76.2 million in 2011. That was followed by loans for personal needs which amounted to \$57.8 million while the amount for 2011 was \$56.5 million. Educational expenses followed with a total of \$25.1 million disbursed for the year 2012 while the amount disbursed for 2011 was \$22.8 million. Initiatives which the Credit Union continued to employ to secure business include:

- a) Ongoing member education and recruitment programme
- b) Use of email and Cyber village 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 Stanley Beckford and seconded by Antoinette Poyser, the Report of Credit Committee was adopted.

The Motion was carried.

#### e) Supervisory Committee Report

The Report of the Supervisory Committee, having been previously circulated was taken as read on a motion by Stacey Smith and seconded by Christopher Bond.

## **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 2012 included:

- 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 reviews carried out by JCCUL, BOJ and GIAD.

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 seconded by Albert Anderson, the Report of the Supervisory Committee was adopted.

The Motion was carried.

## f) Recruitment and Education/Marketing

The Report of the Recruitment and Education/ Marketing Committee having been previously circulated was taken as read on a motion by Beverley Wright and seconded by Shernet Brown.

## **Highlights of the Report:**

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

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 2013
- entering a tertiary institution for the first time.

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



The Motion was carried.

#### g) Report on JCCUL's AGM 2012

The Report of the Delegates to JCCUL's 71st AGM having been previously circulated was taken as read on a motion by Christopher Bond and seconded by Cheridal Blackwood.

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

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

The weekend of activities include Plenary Sessions, Panel Discussions, Workshops and Awards Banquet.

Among the achievements of the League were:

- a) Upgrading of the electronic transaction switch.
- b) Establishment of the Centralized Strategic Services Company.
- c) Managed merger of two Credit Unions.
- d) Rebranding of the Movement and continuation of the lobbying efforts.

On a motion by Zola Stennett and seconded by Leighton Grant, the Report of the Delegates to JCCUL's 71st Annual General Meeting was adopted.

The Motion was carried.

## **ELECTION OF OFFICERS**

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

#### **Board of Directors**

Andrew Levy, E. Christopher Bond, Cathrine Kennedy, Eric Mardner and Stacey Smith were elected to the Board to serve for a 2-year term. They join Gilroy Graham, Jerry Hamilton, Karen Walker and Tamara Garel who all have a one (1) year unexpired term.

Acceptance: Moved by: Beverley Wright Seconded by: Mazie Miller

#### **Credit Committee**

There being no other nominations, Leighton Grant, Maria Lewis and Brian Mitchell were elected to serve for the next two years. They join Jean Grant and Marsha Cope Johnson who have one (1) year unexpired term.

#### Acceptance:

Moved by: Albert Anderson

Seconded by: Marcia Wilson

#### **Supervisory Committee**

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

#### Acceptance:

Moved by: Christopher Bond

Seconded by: Marsha Cope Johnson

#### **Delegates to the League**

Delegates: Treasurer and General Manager

Alternates: President and Secretary/ 2nd Vice President

#### Acceptance:

Moved by: Heather Wilson Seconded by: Beverley Wright

Ms Facey reminded the meeting that subsequent to the AGM, the Committees were to meet within 10

days to select a Chairman and Secretary; and the Board to select the President, Treasurer and Secretary and Assistants.

## TRIBUTES TO RETIRING VOLUNTEERS

Gilroy Graham and Christopher Bond made presentations to retiring volunteers Lorna Reynolds Minott and Maxlyn Noble. Beverley Wright accepted the gift item on behalf of Maxlyn Noble.

## **ANY OTHER BUSINESS**

It was noted that the Contact list needed to be updated.

# PRIZES

The following persons won various prizes:

Marcia Wilson	Heather Wilson
Carlos Hendricks	Mercella Hanchard
Kasey Pinnock	Erica Fagan
Joan Cummings	Antoinette Poyser
Vera Lindo (JCCUL)	Paul Harriott
Nicola Stephenson	Orville Levene
Carline Lawrence	Gracie-ann Grant

## **ADJOURNMENT**

On a motion by Heather Wilson and seconded by Gilroy Graham, the meeting adjourned at 6:35 p.m.

Mrs Stacey Smith - Secretary, Board of Directors



# **REPORT OF THE BOARD OF DIRECTORS FOR YEAR ENDED 31<sup>st</sup> DECEMBER 2013**

#### **OVERVIEW**

ANNUAL GENERAL MEETING 2014

As the curtains of 2012 came down it was clear to the Directors and management of the Credit Union that we had to do things differently in the New Year. One area of focus in 2013 was to grow our income and surplus. This was to be undertaken in an environment of lowered interest rates on investments and a heightened competitive landscape.

It was therefore a deliberate strategy of the Credit Union to boost income through our targeted loan offerings. As a consequence of this decision, the surplus jumped from \$4.9m to \$8.4m, a 71% increase. Within the challenging economic environment, the Credit Union achieved marginal growth in voluntary shares and assets.

## MEMBERSHIP

One of the Balanced Scorecard initiatives of the Credit Union is to grow its membership. As a consequence, Credit Union staff and members were on a constant drive to encourage new GK employees and their immediate family members to join the movement. At the end of 2013, the Credit Union membership stood at 2,108, increasing from 2,076 at the end of 2012. We continue to cherish the retirees among our membership and continually seek ways to ensure that we recognize and mantain their loyalty and support through the years.

## GROWTH

#### **Financial Performance Highlights**

## **DEPOSITS**

Members' deposits remained flat in 2013, almost mirroring the \$125m that ended 2012. This could be a result of our reducing the percentage savings requirement as a prerequisite for loans as well as some members withdrawing funds and switching to US\$ investments.

The attrition within the GK Group as well as within companies which had previous connections with GraceKennedy Ltd also negatively impacted our savings and loan portfolios .Since the last quarter of 2013, the Credit Union has embarked on a savings promotion with special emphasis on the opening of Golden Harvest Accounts.

## LOANS and LIQUIDITY

In 2013, the Credit Union had to balance the disbursement of loans with the need to increase its liquidity ratio. Consequently, net loans to members ended the year at \$389.6 million, reflecting an increase of \$20.3M million or 5.5% over the corresponding period in 2012. The initiatives embarked on, resulted in the improvement of the liquidity ratio by 7 percentage points, moving from 11% in August 2013 to 18% in December 2013. The PEARLS Liquidity Ratio target is 20% or greater.

Interest rates on loans were constantly reviewed and adjusted where necessary, to achieve the Credit Union's and members' objectives. Focus was also

> placed on improving services to members, improving turnaround time for loans and providing financial solutions to members.

# MEMBER SATISFACTION SURVEY 2013

Between August and October 2013, the Jamaica Co-operative

	2013 J'000	2012 J'000	Annual Growth/ (Decline)
<b>Permanent Shares</b>	2,074	2,074	
<b>Voluntary Shares</b>	297,847	284,706	4.6%
Deposits	125,207	125,752	0.4%
Net Loans	389,625	369,305	5.5%
Assets	511,344	493,432	3.6%
Net Surplus	8,446,115	4,944,887	70.8%

Credit Union League administered a satisfaction survey among 300 members of our Credit Union. From the survey, 94% of the members were satisfied with the service experience and the speed with which loans were processed. 100% were satisfied with the Credit Union staff's knowledge of product offerings and 92% of members agreed that the service improved over the previous year.

Members highlighted the following areas of improvement: shorter processing time, greater access to unsecured loans, more competitive interest rates, less restrictions/hassle, a more reader-friendly loan form, direct deposit to members' bank account and a general improvement in customer service.

It was also revealed that 52% of members sampled utilized the services of the Credit Union monthly and 48% conducted business on a "needs basis".

## **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	-	President
Gilroy Graham	-	1 <sup>st</sup> Vice president
Christopher Bond	-	2 <sup>nd</sup> Vice President
Eric Mardner	-	Treasurer
Karen Walker	-	Assistant Treasurer
Stacey Smith	-	Secretary
Tamara Garel	-	Assistant Secretary
Catherine Kennedy	-	Director
Andrew Levy	-	Director

# SUPERVISORY COMMITTEE

Beverley Wright	-	Chairperson
Sophia Gordon-Dennis	-	Secretary
Aden Whittaker		
Troy Marie McDonald		
Carlinton Clarke		

## **CREDIT COMMITTEE**

Marsha Cope-Johnson	-	Chairperson
Leighton Grant	-	Secretary
Jean Grant		
Maria Lewis		
Brian Mitchell		

#### ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

Nine 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	9	9	0
Gilroy Graham	9	8	1
Edward C. Bond	9	8	1
Eric Mardner	9	7	2
Karen Walker	9	7	2
Stacey Smith	9	8	1
Tamara Garel	9	2	7
Andrew Levy	9	4	3
Catherine Kennedy	9	5	4

We are <u>always</u> here for you!

# Grace Co-operative Credit Union Limited

# Board of



Jerry Hamilton President



Staccy Smith Secretary



Christopher Bond 2nd Vice President



Eric Mardner Treasurer

ANNUAL GENERAL MEETING 2014

We are always here for you!

# Grace Co-operative Credit Union Limited





Cathrine Kennedy



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



Karcn Walker Assistant Treasurer



Tamara Garcl Assitant Secretary Andrew Levy Director

We are always here for you!

**ANNUAL GENERAL MEETING 2014** 



## HUMAN RESOURCES

The Credit Union ended the year with a staff complement of seven. Tanya Hinds-Walton joined the team as Loans Officer in November 2013 replacing Nesta Jackson.

## TRAINING

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

## **EDUCATION GRANTS**

Once again our members were invited to apply for education grants for their children and this was enthusiastically received. Sixteen (16) students were selected and \$ 350,000.00 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 members passed on during the year:

#### Lloyd Mullings

Winston Roseway

#### Ferdinand McKenzie

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

## **FUTURE PLANS**

The Credit Union will continue to strive for success and to improve on our present product offerings by remaining focused and committed to assisting you, our valued members, in meeting your personal financial goals. The Credit Union also recognizes that providing quality service to our members is critical and is determined to continue to improve the service delivery to our present and future members as we pursue our goal to become your Credit Union and Financial Partner of choice.

## 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 Marsha Cope-Johnson and Aden Whittaker who are retiring from the Credit committee and the Supervisory Committee respectively, for their contribution during their tenure after serving for 3 3/4 and 4 3/4 years 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 31<sup>st</sup> DECEMBER 2013

**G**race Co-operative Credit Union Limited received \$53.5M in interest on loans, \$4.3M in investment income, and \$5.6M on non-interest income which represented fee income and commission. This total income of \$63.4M represents an increase of \$6.8M or 12% above the previous year.

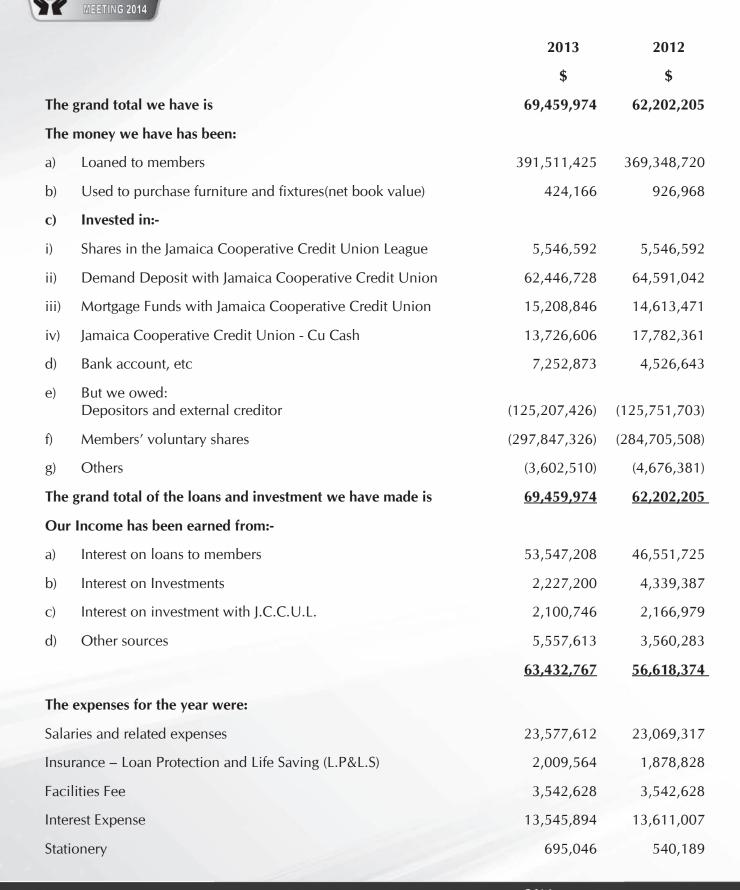
The assets were \$511M at the year ended 2013 up from \$493M in 2012. Loans grew from \$369M in 2012 to \$391M in 2013, an increase of \$22M or 6% over the previous year. Liquid assets decreased from \$87M to \$83M. The return on the investment portfolio for 2013 was 5.5%, a slight increase from 5.2% for 2012.

## **STATEMENTS**

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

	2013	2012
	\$	\$
a) Total Permanent Shares	2,088,000	2,074,000
We also own collectively as a society, the following:		
i) Statutory Reserves to provide stability to the Credit Union	50,391,081	47,946,125
ii) Education Fund	214,793	214,793
iii) Capital Revaluation Reserve	6,431,394	6,431,394
iv) Bad Debt Reserve	1,886,529	43,469
v) Special Reserve	785,736	785,736
vi) Donation Reserve		60,000
vii) Unclaimed Share Reserve	169,914	169,914
viii) Share Transfer Reserve	59,000	103,000
ix) We have previous earnings that have not been returned to us as dividends. This amount is:	616,635	477,864
x) This year our net earnings is	6,756,892	3,955,910
The total we own in reserves, provision and earnings is	69,459,974	62,202,205

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



**45<sup>th</sup> Annual General Meeting** 

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ANNUAL GENERAL

	2013	2012
	\$	\$
Dues and fees to J.C.C.U.L.	2,410,601	2,350,555
Advertising and promotion	259,500	459,555
AGM, Seminars and other meetings	1,962,141	1,957,892
Audit fees	711,719	470,000
Provision for bad debts	1,843,060	(37,787)
Impairment Loss	-	-
Provision for education and training	350,000	270,000
Depreciation and amortization	702,829	791,822
General expenses	<u>3,376,058</u>	<u>2,796,481</u>
TOTAL EXPENSES	<u>54,986,652</u>	<u>51,673,487</u>
This leaves us a surplus of:-	8,446,115	4,944,887
We are setting aside Statutory Reserves as required by the Act	(1,689,223)	(988,977)
Additional Transfer to Statutory Reserves		
Donation Reserves	0	(60,000)
	6,756,892	3,895,910
Together with the undistributed earnings from previous year	<u>616,635</u>	477,864
	<u>7,373,527</u>	<u>4,373,774</u>

# CONCLUSION

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

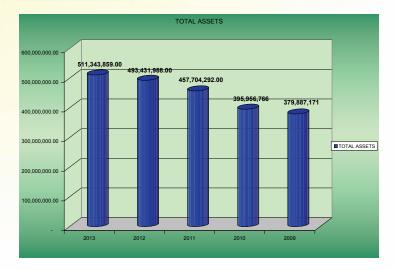
I wish to extend thanks to the hard working management and staff of the Credit Union for their efforts and dedication during the year. I would also like to acknowledge the effort and support of my colleagues on the Board and committees.

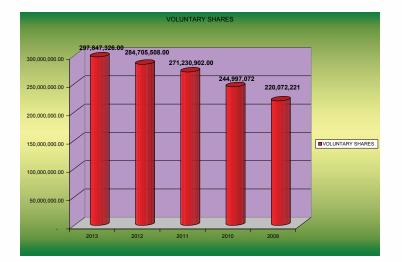
Finally, thanks to each member of the Credit Union for making Grace Co-op, the Credit Union of their choice.

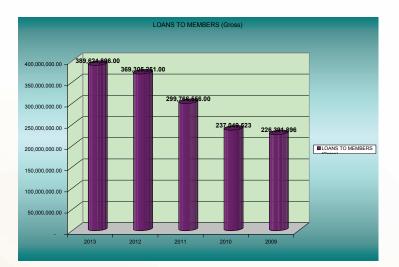
Eric Mardner- Treasurer

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Respectively Submitted, Eric Mardner Treasurer

**ANNUAL GENERAL MEETING 2014** 





# DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

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

ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE PERMANENT SECRETARY AND THE FOLLOWING <u>REFERENCE</u> QUOTED:- 2 MUSGRAVE AVENUE KINGSTON 10

TEL: 927-4912/927-6572 or 978-1946 Fax: 927-5832 E-mail: dcfs@cwjamaica.com

S1 R376/-639/03/14

March 25, 2014

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, 2013.

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 truly,

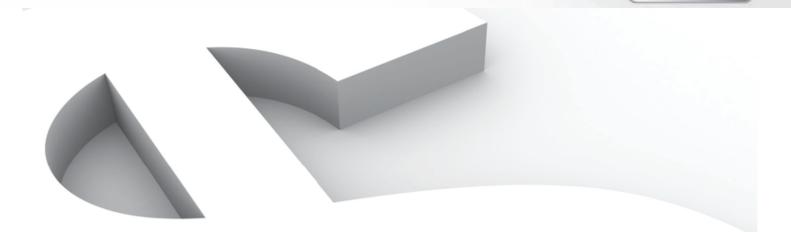
Lavern Gibson-Eccleston (Mrs.) FOR REGISTRAR OF CO-OPERATIVE SOCIETIES AND FRIENDLY SOCIETIES

Enc.

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





# FINANCIAL STATEMENTS as at December 31, 2013

We are <u>always</u> here for you!

45<sup>th</sup> Annual General Meeting

ANNUAL GENERAL MEETING 2014



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# 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, 2013 and the related statement of comprehensive income, statement of changes in equity and cash flows 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.

Mortimer A. Thompson, F.C.A., Daphne L. Gilbert, M.Sc. C.A., Cyrene T. Gilbert, F.C.A.

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



STATEMENT I.1

#### Auditors Report cont'd.

#### Opinion

ANNUAL GENERAL MEETING 2014

In our opinion, proper accounting records have been kept and the financial statements, which are in agreement therewith, gives a true and fair view of the financial position of the Credit Union at December 31, 2013 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.

+ hundren: Co

GILBERT THOMPSON & COMPANY CHARTERED ACCOUNTANTS

March 11, 2014

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STATEMENT II

ANNUAL GENERAL MEETING 2014

# GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

ASSETS	<u>NOTES</u>	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
		Ť	Ŧ
EARNING ASSETS			
LOANS TO MEMBERS	5	389,624,896	369,305,251
Loans		391,511,425	369,348,720
Allowance for loan losses	5	(1,886,529)	(43,469)
LIQUID ASSET	10	83,426,207	86,900,046
Cash and cash equivalent		7,252,823	4,526,643
Liquid reserve (JCCUL)		76,173,384	82,373,403
FINANCIAL INVESTMENTS			
Securities and equivalent	11	35,337,511	33,938,781
NON EARNING ASSETS			
OTHER ASSETS	12	2,531,078	2,360,942
Receivables		602,577	556,908
Interest receivable		1,928,502	1,804,034
INTANGIBLE ASSET			
Software	8a	-	367,587
FIXED ASSET		424,166	559,381
Furniture, fixtures and equipment	8	424,166	559,381
TOTAL ASSETS		511,343,859	493,431,988

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#### STATEMENT II.1

## GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	<b>NOTES</b>	<u>2013</u>	<u>2012</u>
		<u>\$</u>	<u>\$</u>
LIABILITIES			
INTEREST BEARING LIABILITIES		423,054,752	410,457,211
Members savings deposits	13	125,207,426	125,751,703
Voluntary shares		297,847,326	284,705,508
NON-INTEREST BEARING LIABILITIES	14	20,715,662	20,816,041
Accruals		5,606,425	6,050,151
Payables		15,022,297	14,664,950
Others		86,940	100,940
TOTAL LIABILITIES		443,770,414	431,273,252
CAPITAL			
MEMBERS SHARE CAPITAL		2,088,000	2,074,000
Permanent Shares	17	2,088,000	2,074,000
NON-INSTITUTIONAL CAPITAL			
Retained earnings and reserves	15	1,289,443	1,333,443
Undistributed surplus		7,373,527	4,373,774
INSTITUTIONAL CAPITAL			
Statutory and legal reserves	16	50,391,081	47,946,125
Capital revaluation reserves		6,431,394	6,431,394
TOTAL CAPITAL		67,573,445	62,158,736
TOTAL LIABILITIES AND CAPITAL		511,343,859	493,431,988
For and on behalf of the Directors			

DIRECTOR

DIRECTOR

45<sup>th</sup> Annual General Meeting

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ANNUAL GENERAL MEETING 2014

#### STATEMENT III

## GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDING 31 DECEMBER 2013

	<u>NOTES</u>	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
INTEREST INCOME		57,875,154	53,058,091
Loans and advances to members		53,547,208	46,551,725
Liquid assets		2,227,200	4,339,387
Investments		1,670,549	1,682,797
Interest JCCUL - CuCash		430,197	484,182
INTEREST EXPENSE		13,545,894	13,611,007
Savings deposit		13,108,225	13,172,085
Other financial cost		437,670	438,922
NET INTEREST INCOME		44,329,259	39,447,084
(Increase)/Recoverable of loan losses		(1,843,060)	37,787
NET INTEREST INCOME AFTER PROVISION		42,486,199	39,484,871
NON-INTEREST INCOME			
Miscellaneous income	6	5,557,613	3,560,283
NET INTEREST AND OTHER INCOME		48,043,812	43,045,154
OPERATING EXPENSES	24	39,597,697	38,100,267
SURPLUS FOR THE YEAR		8,446,115	4,944,887

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

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



#### STATEMENT IV

## GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2013

			Non- Institutional	
			Capital	
	Members Permanent	Institutional	(Undistributed	
	Share Capital	Capital	Net Surplus)	TOTAL
Balance at 1 January 2012	2,070,000	53,386,042	2,060,806	57,516,848
Net surplus			4,944,887	4,944,887
Unclaimed share reserve				
Transfer to statutory reserve		988,977	(988,977)	-
Appropriations -				
Dividends - Permanent Shares			(310,500)	(310,500)
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
Net surplus			8,446,115	8,446,115
Transfer to statutory reserve		1,689,223	(1,689,223)	-
Additional transfer to statutory reserve		741,733	(741,733)	
Appropriations -				
Dividend - Permanent Shares			(414,600)	(414,600)
Interest - Voluntary Shares			(2,688,805)	(2,688,805)
Entrance fee		5,700		5,700
Share Transfer Account			44,000	44,000
Contributions	14,000			14,000
Balance at 31 December 2013	2,088,000	56,814,175	8,662,970	67,565,145

45<sup>th</sup> Annual General Meeting

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#### STATEMENT IV.1

ANNUAL GENERAL MEETING 2014

## GRACE CO-OPERATIVE CREDIT UNION LIMITED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 DECEMBER 2013

		INSTITUTIONAL CAPITAL		
	Statutory Reserve	Capital Reserves	TOTAL	
Balance at 1January 2012	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	47,946,125	6,431,394	54,377,519	
20% statutory reserve Additional transfer to statutory reserve	1,689,223 741,733		1,689,223 741,733	
Entrance fees	14,000	-	14,000	
Balance at 31 December 2013	50,391,081	6,431,394	56,822,475	

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STATEMENT V

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED CASH FLOW STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES	-	_
Surplus for the year	8,446,115	4,944,887
Adjustment to reconcile surplus to		
Net cash provided by operating activities:		
Depreciation	335,240	417,711
Amortization	367,587	374,111
Net cash provided by operating activities	9,148,942	5,736,709
Cash flows from investing activities:		
Fixed assets	(200,025)	(216,014)
Investments	(1,398,730)	(1,365,316)
Loans to members - Net	(20,319,645)	(69,538,695)
Other receivables	(170,137)	(336,423)
Net cash used in investing activities	(22,088,537)	(71,456,448)
Cash flows from financing activities:		
Share capital - Voluntary	13,141,819	13,474,606
Share capital - Permanent	14,000	4,000
Entrance fees	5,700	2,500
Savings account (members)	(544,277)	15,499,530
Accruals	(443,726)	1,414,759
Payables	365,647	757,314
Other payables	(14,000)	(60,400)
Dividends	(414,600)	(310,500)
Interest on voluntary shares	(2,688,805)	-
Reserve	4,099,755	(4,406,569)
Net cash provided by financing activities	13,521,512	26,375,240
Increase in liquid assets	581,918	(39,344,499)
Liquid asset at beginning of the year	69,117,685	108,462,184
Liquid asset at end of year	69,699,603	69,117,685

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

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#### STATEMENT VI

ANNUAL GENERAL

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 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 2013

#### 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 statement of financial position date. Gair 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.

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ANNUAL GENERAL MEETING 2014

#### **STATEMENT VI.2**

#### <u>GRACE CO-OPERATIVE CREDIT UNION LIMITED</u> <u>NOTES TO THE FINANCIAL STATEMENTS</u> <u>31 DECEMBER 2013</u>

#### 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.

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



STATEMENT VI.3

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 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.

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#### STATEMENT VI.4

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 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.







#### STATEMENT VI.5

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 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>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Loans to members, net	389,624,896	369,305,251
Liquid assets - earning	83,426,207	86,900,046
Financial investments	35,337,511	33,938,781
Non-earning assets - other	2,531,078	2,360,942
	510,919,693	492,505,020

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

#### (c) Liquidity risk:-

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

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**STATEMENT VI.6** 

ANNUAL GENERAL

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

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

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

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

The Society is subject to a liquidity limit imposed by the League and compliance is regularly monitored. The key measure used by the Society for managing liquidity risk is the ratio of liquid assets minus short-term payables to total savings. For this purpose, liquid assets include cash bank balances and all liquid investments with maturity date of twelve months or less. The liquid asset ratio at the end of the year was .<u>49:1.0 (2012.65:1.0)</u>

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 23.0% at the end of the year 2012, (2012 : 25.0%).

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.

			2013			
	Within 1	<u>1 to 3</u>	<u>3 to 12</u>	<u>1 - 5</u>	<u>Over 5</u>	Carrying
	<u>Month</u>	<u>Months</u>	<u>Months</u>	Years	<u>Years</u>	<u>Amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Savings deposit	9,390,557	66,359,936	28,797,708	20,659,225	-	125,207,426
Voluntary shares	-	-	-	-	297,847,326	297,847,326
Accounts payables	3,637,670	3,136,351	7,302,271	6,639,370	-	20,715,662
	13,028,227	69,496,287	36,099,979	27,298,595	297,847,326	443,770,414
			2012			
	<u>Within 1</u> <u>Month</u>	<u>1 to 3</u> Months	<u>3 to 12</u> Months	<u>1 - 5</u> <u>Years</u>	<u>Over 5</u> <u>Years</u>	<u>Carrying</u> Amount
	<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
	13,086,675	69,799,952	36,260,547	27,420,572	284,705,508	431,273,252

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



STATEMENT VI.7

#### <u>GRACE CO-OPERATIVE CREDIT UNION LIMITED</u> <u>NOTES TO THE FINANCIAL STATEMENTS</u> <u>31 DECEMBER 2013</u>

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

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

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

Voluntary shares have no contractual maturity. The amounts included in the analysis are based on management's estimate of expected cash flows on these instruments as determined by retention history. These may vary significantly from actual cash flows, which are generally expected to maintain a stable or increasing balance.

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

#### (d) Market risk:-

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. These arise mainly from changes in interest rates. Foreign currency rates and equity prices and will affect the Society's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable para-meters, 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.

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STATEMENT VI.8

ANNUAL GENERAL

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

#### 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:

	2013			
	<u>Within</u> <u>3 months</u>	<u>3 to 12</u> months	<u>Over</u> 12 months	<u>Carrying</u> <u>amount</u>
	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>
ASSETS				
Loans	33,118,116	54,547,485	301,959,294	389,624,896
Liquid assets	50,055,724	12,513,931	20,856,552	83,426,207
Financial investments	-	10,601,253	24,736,258	35,337,511
	83,173,840	77,662,670	347,552,104	508,388,614
LIABILITIES				
Savings deposits	75,124,456	28,797,708	21,285,262	125,207,426
	75,124,456	28,797,708	21,285,262	125,207,426
Total interest rate gap	8,049,385	48,864,962	326,266,841	383,181,188
Cumulative gap	8,049,385	56,914,347	383,181,188	-
			-	

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

	2012			
	<u>Within</u> <u>3 months</u>	<u>3 to 12</u> months	<u>Over</u> 12 months	<u>Carrying</u> <u>amount</u>
	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</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	45,996,484	310,315,939	364,392,375
Cumulative gap	8,079,952	54,076,436	364,392,375	-

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STATEMENT VI.9

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

#### 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.

		Effect on Surplus	Effect on Equity
December 31, 2013	103	224,992	0
	-103	(224,992)	0
		0	0
December 31, 2012	103	123,622	0
	-103	(123,622)	0
		0	0

#### (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%, (2012 11%) 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.

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#### STATEMENT VI.10

ANNUAL GENERAL

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 5. LOANS TO MEMBERS:-

	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
Balance at start of year	369,305,251	299,766,556
Loans granted	219,193,912	256,569,422
Less repayments	(236,014,747)	(200,480,710)
Less allowances for loan loss	(1,886,529)	(43,469)
	350,597,887	355,811,799
Staff and related parties	39,027,008	13,493,452
	389,624,896	369,305,251

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

	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
Purpose:		
Personal	179,187,789	164,123,288
Motor vehicles	138,599,616	123,993,665
Residential	28,432,897	35,384,552
Debt refinancing	38,507,120	43,682,795
Business	4,435,499	1,646,280
Construction and real estate	461,974	474,672
	389,624,896	369,305,251

The credit quality of loans is summarized as follows:

	<u>2013</u> \$	<u>2012</u> <u>\$</u>
Neither past due nor impaired	389,756,315	369,099,909
Past due but not impaired		-
2 to 3 months	708,773	74,798
3 to 6 months	1,025,064	43,674
6 to 12 months	21,272	130,339
Over 12 months	-	-
Individually impaired	-	-
Collectively impaired	-	-
Less provision for loan losses.	(1,886,529)	(43,469)
	389,624,896	369,305,251

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STATEMENT VI.11

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

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

Delinquent loans:

The following is a summary of delinquent loans at December 31, 2013

<u>Period</u> overdue	<u>Numbers</u> in arrears	<u>Loans in</u> arrears	<u>Rate (%)</u>	<u>Loan loss</u> provision <u>required</u>
1 to 2 months	3	46,305	0	0
2 to 3 months	4	662,468	10	66,247
3 to 6 months	8	1,025,064	30	307,519
6 to 12 months	1	21,272	60	12,763
Over 12 months	0	0	0	0
General provision				1,500,000
	16	1,755,109		1,886,529

The fair value of collateral held as security against individual loans are \$861,057 (2012 \$32,621) There were no re-negotiated loans for the years 2013 and 2012.

#### Allowances for loan losses

	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
Balance brought forward	43,469	81,256
Loans written - off	-	-
Increase(Decrease) in provision for current year	343,060	
Recovery of bad debt		37,787
General provision	1,500,000	
Balance brought forward	1,886,529	43,469

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

	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
Specific provision	386,529	43,469
General provision	1,500,000	-
	1,886,529	43,469

#### STATEMENT VI.12

ANNUAL GENERAL

#### <u>GRACE CO-OPERATIVE CREDIT UNION LIMITED</u> <u>NOTES TO THE FINANCIAL STATEMENTS</u> <u>31 DECEMBER 2013</u>

#### 6. NON-INTEREST INCOME:

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Commission	697,924	676,547
Miscellaneous	4,859,689	2,883,736
	5,557,613	3,560,283

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The amount for miscellaneous includes \$1,500,000.00 written back provision.

#### 7. NET SURPLUS:

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Net surplus is shown after charging:-		
Auditors' remuneration	500,000	470,000
Depreciation (note 8)	702,829	791,822
Repairs and maintenance	177,133	167,400
Staff costs (note 9)	<u>23,577,612</u>	<u>23,069,317</u>

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#### STATEMENT VI.13

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

#### 8. FIXED ASSETS:

	Equipment	Computer	Total
	<u>\$</u>	<u>\$</u>	<u>\$</u>
At Cost -			
Balances at December 2011	168,722	2,752,778	2,921,500
Disposals	(52,633)	(1,530,205)	(1,582,838)
Additions	48,390	126,629	175,019
Balances at December 2012	164,479	1,349,202	1,513,681
Additions	200,025	-	200,025
Balances at December 2013	364,504	1,349,202	1,713,706
Depreciation -			
Balances at December 2011	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
Balances at December 2012	36,120	918,180	954,300
Charge for the year	29,406	305,834	335,240
Balances at December 2013	65,526	1,224,014	1,289,540
Balances at December 2013	298,978	125,188	424,166
Balances at December 2012	99,643	431,022	802,073

#### 8a. INTANGIBLE ASSET:

	Software	Total
	\$	<u>\$</u>
At Cost -		
Balances at December 2011	2,104,297	2,104,297
Addition	40,995	40,995
At 31 December 2012	2,145,292	2,145,292
At 31 December 2013	2,145,292	2,145,292
Amortisation -		
Balances at December 2011	1,403,594	1,403,594
Charge for the year	374,111	374,111
Balances at December 2012	1,777,705	1,777,705
Charge for the year	367,587	367,587
Balances at December 2013	2,145,292	2,145,292
Net Book Value -		
At 31 December 2013	0	0
At 31 December 2012	367,587	367,587

45<sup>th</sup> Annual General Meeting

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#### STATEMENT VI.14

ANNUAL GENERAL

#### <u>GRACE CO-OPERATIVE CREDIT UNION LIMITED</u> <u>NOTES TO THE FINANCIAL STATEMENTS</u> <u>31 DECEMBER 2013</u>

#### 9. STAFF COSTS:

10.

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Salaries, wages and statutory contributions	18,421,755	17,467,582
Other staff costs	5,155,857	5,601,736
	23,577,612	23,069,317
The average number of persons employed during the year.	6	6
LIQUID ASSETS:		
	<u>2013</u>	<u>2012</u>
	<u>\$</u>	\$
	—	_
Jamaica Co-operative Credit Union League Limited		
Fixed deposits	62,446,728	64,591,042
CuCash	13,726,606	17,782,361
Cash at bank and in hand	7,252,873	4,526,643
	83,426,207	86,900,046

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#### STATEMENT VI.15

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

#### 11. FINANCIAL INVESTMENTS:

	1 to 5	Over 5	Carrying	Carrying
	Years	Years	Value	Value
			<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
JCCUL -				
CuPremium	13,553,900	-	13,553,900	12,776,251
CUETS settlement fund	-	757,850	757,850	732,144
JCCUL shares	4,546,592	1,000,000	5,546,592	5,546,592
Mortgage funds	15,208,846	-	15,208,846	14,613,471
Qnet		270,323	270,323	270,323
	33,309,338	2,028,173	35,337,511	33,938,781

Weighted average effective interest rates are:

Jamaica Co-operative Credit Union League Limited	4.0%	6.5%
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The rules of the Jamaica Co-operative Credit Union League Limited (the league) stipulate that the credit union must invest in various investment instruments of the League as follows:-

- 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

ANNUAL GENERAL

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 12. ACCOUNTS RECEIVABLE:

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Prepayment	418,541	368,001
Interest receivable - league	122,817	190,209
Interest receivable - members	1,800,813	1,613,825
Withholding Tax	188,907	188,907
	2,531,078	2,360,942

#### 13. MEMBERS' SAVINGS DEPOSITS:

<u>2013</u>	<u>2012</u>	
$\overline{\mathbf{v}}$	<u>\$</u>	
125,751,703	110,252,173	
1,249,678,954	1,334,860,023	
1,375,430,657	1,445,112,196	
1,250,223,231	1,319,360,493	
125,207,426	125,751,703	
	<b>§</b> 125,751,703 1,249,678,954 1,375,430,657 1,250,223,231	

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#### **STATEMENT VI.17**

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 14. ACCOUNTS PAYABLE:

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
Accruals	5,606,424	6,050,151
Payables	9,267,606	8,865,472
Unclaimed shares and dividends	1,649,149	1,649,149
Company guarantee	2,905,441	3,070,813
Beneficiaries of deceased members	35,667	35,667
Standing order	1,164,435	1,043,849
Other	86,940	100,940
	20,715,662	20,816,041

#### 15. NON - INSTITUTIONAL CAPITAL:

	<u>2013</u> <u>\$</u>	
Special reserve	785,736	785,736
Education reserve	214,793	214,793
Donation reserve	60,000	60,000
Share transfer account	59,000	103,000
Unclaimed share reserve	169,914	169,914
	1,289,443	1,333,443

#### 16. INSTITUTIONAL CAPITAL:

	<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
Statutory and legal reserves	50,391,081	47,946,125
Capital revaluation reserves	6,431,394	6,431,394

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

ANNUAL GENERAL MEETING 2014

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

#### 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.

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



#### STATEMENT VI.19

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS <u>31 DECEMBER 2013</u>

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

		<u>2013</u>		<u>2012</u>
	Carrying Value	Fair Value	Carrying Value	Fair Value
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
ASSETS				
Earning assets				
Loans	389,624,896	389,624,896	369,305,251	369,305,251
Liquid assets	83,426,207	83,426,207	86,900,046	86,900,046
Financial investments	35,337,511	35,337,511	33,938,781	33,938,781
Non-earning assets				
Other assets	2,531,078	2,531,078	2,360,942	2,360,942
Liabilities				
Interest bearing liabilities				
Members savings' deposits	125,207,426	125,207,426	125,751,703	125,751,703
Voluntary Shares	297,847,326	297,847,326	284,705,508	284,705,508
Non-interest bearing liabilities				
Accounts payable	20,715,662	20,715,662	20,816,041	20,816,041

45<sup>th</sup> Annual General Meeting

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#### STATEMENT VI.20

ANNUAL GENERAL

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2013

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

At December 2013, nine (9) members of the credit union Board of Directors and ten (10) Committee Members and Connected Parties had shares and savings of \$23,650,352 (2012 \$22,582,829) and loans excluding interest totalling \$31,122,487 (2012 \$28,007,640)

Loans excluding interest due from members of staff totalled \$7,904,522 (2012 \$6,780,120). During the year no Director or Committee Members received any loan which necessitated waiver of the loan policy. At December 2013, 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	PERMANENT		
	SHARES <u>\$</u>	SHARES <u>\$</u>	DEPOSITS <u>\$</u>	LOANS <u>\$</u>
Balance as per general ledger	297,847,326	2,088,000	125,207,426	389,624,896
Balance as per members' ledger	297,847,326	2,088,000	125,207,426	389,624,896
Difference	0	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 \$929,153 (2012 - \$867,304).

#### 22. BONDING INSURANCE:

Bonding insurance was in force for the year under review.

#### 23. TRANSFERS AND APPROPRIATION:

		<u>2013</u> <u>\$</u>	<u>2012</u> <u>\$</u>
Less:	Statutory appropriation	(1,689,223)	(988,977)
	Dividends on shares and deposits	(414,600)	(310,500)
		(2,103,823)	(1,299,477)

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#### STATEMENT VI.21

#### GRACE CO-OPERATIVE CREDIT UNION LIMITED OPERATING EXPENSES <u>31 DECEMBER 2013</u>

#### 24. OPERATING EXPENSES:

	<u>2013</u>	<u>2012</u>
	<u>\$</u>	<u>\$</u>
PERSONNEL EXPENSES	23,577,612	23,069,317
Employee salaries and statutory contribution	18,421,755	17,467,582
Employee costs	4,777,057	4,676,551
Education and training	378,800	923,583
Staff travel and related expenses	-	1,602
ADMINISTRATIVE EXPENSES	10,747,332	9,848,740
Facilities fee	3,542,628	3,542,628
Depreciation and amortization	702,829	791,822
Audit and accounting	711,719	470,000
Repairs and maintenance (office)	177,133	167,400
Telecommunications	8,360	38,268
Printing, Stationery and supplies	695,046	540,189
Insurance premiums	2,009,564	1,878,828
Professional and consulting fees	211,719	45,188
Other administrative expenses	768,828	374,533
Unrecoverable gct	1,919,506	1,999,886
MARKETING & PROMOTION	609,500	729,555
Publicity and promotion	259,500	459,555
Education grant	350,000	270,000
<b>REPRESENTATION &amp; AFFILIATION</b>	4,663,253	4,452,654
League and other dues (JCCUL)	2,410,601	2,350,555
Seminars and meetings	271,807	229,370
Annual general meetings	1,690,334	1,728,522
Miscellaneous	290,511	144,207
TOTAL OPERATING EXPENSES	39,597,697	38,100,267

45<sup>th</sup> Annual General Meeting

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ANNUAL GENERAL MEETING 2014

#### **APPROPRIATION OF SURPLUS**

Decommondation

Recommendation	201	3
Surplus December 31, 2013	\$	<b>\$</b> 8,446,115
Less: Statutory Reserve 20% of Surplus	1,689,223	
		(1,689,223)
Surplus		6,756,892
Add: Undistributed Surplus 1st January 2013 Additional projected for distribution 2012 Actual distribution 2012	3,439,099 (3,103,406)	280,942
		335,693
Available for Distribution		7,373,527
Less:		
Additional 10% Statutory Reserves	844,612	
<i>Dividend on Permanent Shares @ 40% # of shares 2,088,000</i>	835,200	
Additional Interest to be distributed (5.5%)	5,406,966	
Donations	60,000	
		7,146,778
Undistributed Surplus Carried Forward		226,749

#### 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 +)!, \*, "\*! #% \*! % \*! % \*! % \*! (, (\*) !) #) ('\* +, '% \*!\$) !\*!% % &% \* (\*!% (() # General Meeting by resolution have fixed the maximum liability that the Board of Directors may incur.

For and on behalf of the Board of Directors Eric Mardner Treasurer



# **GRACE FOOD PROCESSORS**

(a Division of GK Foods and Services Limited)



## Home of EXCELLENT QUALITY PRODUCTS

Another GraceKennedy Factory



# Staff



- Hope Mowatt
   General Manager
- TANYA WALTON-HINDS Loan Officer
- **RONEIPH LAWRENCE** Accounting Officer
- DAHLIA HUNTER Accounting Clerk

- Felleshia Francis Accountant
- CAMILLE CADOGAN
   Loan Officer
- SANETH WHITE MORGAN
   Senior Loan Officer

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### REPORT OF THE RECRUITMENT & EDUCATION/MARKETING COMMITTEE FOR YEAR ENDED 31<sup>st</sup> DECEMBER 2013

UP ur Annual Education Grant Presentation was held on Wednesday September 11, 2013. As is the custom, the invitation was opened to credit union members to submit applications for their children in three categories namely:

- GSAT
- Secondary
- Tertiary

Thirty-three applications were received and assessed based on the students' academic performance, extracurricular activity, conduct, attitude, punctuality and attendance.

Fourteen students were awarded grants as follows:

#### AWARDEES PARENT **COMPANY** (GSAT) Natalia Nicholson Renville Nicholson Grace Foods Mekada Dickenson Andrea Dickenson Dairy Industry **Tyrese Morris GK** Foods Audrey Morrison Anecia Bell Darrian Bell IIIC Nayiko Beavers **Nicole Beavers GK** Foods Central **Daniel Baimbridge** Heather Wilson Self- employed (SECONDARY) Melissa Palma Aggrey Palma **GFS GK** Foods Central Sapphire McLaughlin **Jacqueline** Greaves Jevaughn Hyatt Joan Johnson Francis **Gateway Shipping** Brittane Reid Herdeline Coy-Reid **Carib Star Shipping** (TERTIARY) Danique Hayden Jennifer Williams Auditor-General's Dept **Ronald Salmon KCT** Services **Raque Salmon Danielle Spence** Audrey Morrison **GK** Foods CMA - CGM JA. Ltd. Crystal Creary Charmaine Nicholson-Creary

**45<sup>th</sup> Annual General Meeting** 

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	# OF AWARDS	% AGE	INDIVIDUAL AWARD	Total Value
GSAT	6	37%	\$16,000.00	\$ 96,000.00
SECONDARY	4	23%	\$23,500.00	\$ 94,000. <mark>00</mark>
TERTIARY	4	40%	\$40,000.00	\$160,000.00
	14	100%		\$350,000.00

Mr Jerry Hamilton, President of the Board of Directors of the Credit Union, addressed the awardees. He applauded their performance to date and encouraged them to continue their quest for excellence. He reminded them to be mindful of their parents' contribution to their continuing success and to consciously define their personal standards and goals and not be negatively influenced by others. They were also encouraged to remain a part of the Credit Union movement as they progressed through the various stages of life.

Miss Danique Hayden, a first year medical student, ably moved the vote of thanks on behalf of her fellow awardees.

We encourage all students to continue to focus on their academic goals while participating in activities which will foster the necessary qualities to ensure their success in life.



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45<sup>th</sup> Annual General Meeting

ANNUAL GENERAL MEETING 2014

### **REPORT OF THE CREDIT COMMITTEE FOR YEAR ENDED 31<sup>ST</sup> DECEMBER 2014**



ANNUAL GENERAL MEETING 2014

Marsha Cope-Johnson Chairperson



**Maria Lewis** 



Jean Grant



Leighton Grant Secretary



**Brian Mitchell** 

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Yes....another year has passed, thanks be to God!

In 2013 efforts were made by the Credit Union to curtail the disbursements of loans, and focus was placed on encouraging deposits/savings. As a result, the loan portfolio reported an overall decrease in dollar value disbursements when compared to 2012.

While the number of loans disbursed increased from 2775 to 2886, the total value of loans disbursed for the year under review amounted to \$261 mil, a decrease of \$9 mil or 3% when compared to the same period in the prior year (\$270 mil - 2012). The following loans were the main contributors to the overall decrease:

PURPOSE	JANUARY - DECEMBER 2013	JANUARY - DECEMBER 2012	%AGE CHANGE	\$ CHANGE
Consolidation of debts	14,167,917.61	20,572,677.52	-31.13%	(6,404,759.91)
M/Vehicle-Purchase	74,568,469.48	80,953,971.27	-7.89%	(6,385,501.79)
Home Acquisition	4,899,904.53	7,509,985.93	-34.75%	(2,610,081.40)
Home Imp & Repairs	16,761,665.16	18,926,743.32	-11.44%	(2,165,078.16)
Refinancing of Loans	9,963,359.14	12,059,505.84	-17.38%	(2,096,146.70)
Medical Expenses	3,943,197.13	5,904,463.55	-33.22%	(1,961,266.42)
Special Vacation Loan (Summer)	1,406,000.00	2,760,350.00	-49.06%	(1,354,350.00)
Pay Day Loan	789,700.00	1,441,400.00	-45.21%	(651,700.00)
Furniture & Appliance	3,118,115.08	3,626,938.45	-14.03%	(508,823.37)
Funeral	1,295,599.00	1,791,759.75	-27.69%	(496,160.75)
Line of Credit Facility-Draw Downs	6,082,094.38	6,560,617.46	-7.29%	(478,523.08)
Technology Loan	90,000.00	456,200.00	-80.27%	(366,200.00)
Easter Loans	786,100.00	1,113,900.00	-29.43%	(327,800.00)
Special Back to School	2,615,000.00	2,784,000.00	-6.07%	(169,000.00)
Vacation & Travel	4,494,675.00	4,641,854.06	-3.17%	(147,179.06)
Christmas Loan	683,000.00	739,000.00	-7.58%	(56,000.00)
Agriculture	332,000.00	386,300.00	-14.06%	(54,300.00)

Despite the overall decrease in the loans disbursed in 2013 compared to 2012, the following loans remained the top 5 loans demanded in both years. Loans for motor vehicle purchase topped the loan demand at \$74.6mil

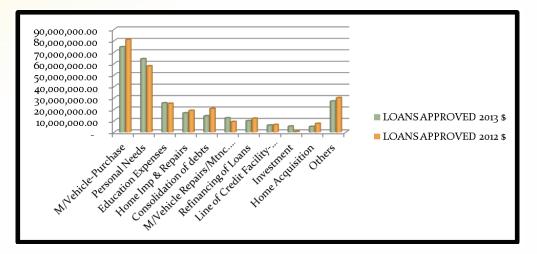
PURPOSE	\$ JANUARY - DECEMBER 2013	%AGE OF PORTFOLIO	RANK 2013	\$ JANUARY - DECEMBER 2012	%AGE OF PORTFOLIO	RANK 2012
M/Vehicle-Purchase	74,568,469.48	28.59%	1ST	80,953,971.27	30.04%	1ST
Personal Needs	64,125,619.49	24.59%	2ND	57,873,022.04	21.47%	2ND
Education Expenses	25.521.201.45	9.79%	3RD	25,096,314.70	9.31%	3RD
Home Imp & Repairs	16.761.665.16	6.43%	4TH	18.926.743.32	7.02%	5TH
Consolidation of debts	14,167,917.61	5.43%	5TH	20,572,677.52	7.63%	4TH

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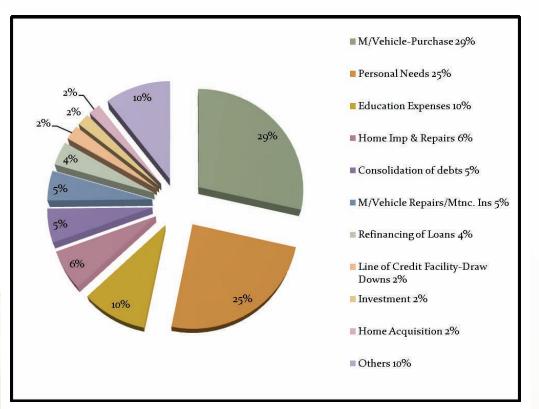


compared to the amount last year of \$80.9mil, a 7.89% decrease. This is followed by loans for personal needs which amounted to \$64.1mil in 2013; while the mount for 2012 was \$57.9mil, a 10.8% increase and loans for educational expenses followed, with a total of \$25.5 mil disbursed for the year 2013 while the amount disbursed for 2012 was \$25.1mil, a 1.69% increase.

Overall loan performances during 2013 vs 2012:



Overall loan portfolio percentage as at December 31, 2013





PURPOSE	TOTAL NO. OF LOANS 2013	JANUARY - DECEMBER 2013	TOTAL NO. OF LOANS 2012	JANUARY - DECEMBER 2012	%age change \$ - YTD
Investment	10	5,163,678.14	11	717,511.60	619.66%
Marriage	10	1,740,625.00	2	383,300.00	354.12%
Transportation & Haulage	9	437,379.26	4	272,950.00	60.24%
Utilities	139	4,315,739.86	115	2,973,241.05	45.15%
M/Vehicle Repairs/Mtnc. Ins	167	12,422,270.73	161	9,168,061.95	35.50%
Professional Fees	7	1,048,500.00	9	789,526.91	32.80%
Personal Needs	1438	64,125,619.49	1237	57,873,022.04	10.80%

Notable loan increases during the year were:

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.

The credit union continues to employ the following initiatives in an effort secure business.

- 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



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

### REPORT OF THE SUPERVISORY COMMITTEE FOR YEAR ENDED 31<sup>st</sup> DECEMBER 2013



ANNUAL GENERAL MEETING 2014



Mrs. Sophia Dennis (Secretary)



Mr. Aden Whittaker



Mr. Carlinton Clarke

Miss Troy-Marie McDonald

The Supervisory Committee, in conducting its role, met six times in 2013 to examine the affairs of the Credit Union, reviewed and discussed the audit reports issued by Jamaica Co-operative Credit Union League (JCCUL) and Group Internal Audit (GIAD) during the year.

In keeping with its mandate, the Committee performed impromptu inspections, received monthly updates from the General Manager regarding the status of the recommendations for improvements and submitted monthly reports to the Credit Union's Board of Directors. The review work programme included the following:

- Impromptu inspections of the into the affairs and cash management systems
- Examination of the internal controls surrounding the loan process
- Conduct environmental scans to identify existing and emerging risks which may threaten the Credit



Miss Beverley Wright ( Chair)

- Union's operations, and
- Inspection of loan application forms for completeness and compliance with the loan policy

The Jamaica Co-operative Credit Union League was contracted to review the areas outlined below:

- Loan and Deposit Database Audit
- General Compliance Audit Additionally, Group Internal Audit performed an Operational Risk Review of the Credit Union's operations.

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 cooperation 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. The Supervisory Committee

- □ Miss Beverley Wright (Chair)
- Mrs. Sophia Dennis( Secretary)
- Miss Troy-Marie McDonald
- Mr. Aden Whittaker
- Mr. Carlinton Clarke

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### DELEGATES REPORT ON THE 2013 CONVENTION & 72nd ANNUAL GENERAL MEETING OF THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE LTD.

Held May 16-19, 2013

### **HIGHLIGHTS**

<sup>(1)</sup> he Jamaica Co-operative Credit Union League's 72<sup>nd</sup> Annual General Meeting was held from May 16-19 2013 at the Ritz Carlton Hotel at Rose Hall in Montego Bay. It was held under the theme: "Renewed. Repositioned. Reshaping the Movement for the Future." This conference was the first AGM following the transformation of JCCUL into a consolidated entity and it generated much interest. Approximately one hundred and fifty (150) delegates and observers attended the meeting.

The weekend activities were as follows:

#### Thursday, May 16:

- The opening of the Trade Show which continued until Saturday evening.
- Professional Development Session with Dr. N'Sombi Jaja entitled "Motivating the Inner You"
- Annual General Meeting Centralized Strategic Services Company
- A reception hosted by the Centralized Strategic Services Company

#### FRIDAY, May 17:

- Annual General Meeting Credit Union Fund Management Company
- Second Workshop with Dr. N'Sombi Jaja entitled "Delivery of Exceptional Customer Experience".
- Workshop with Motivational Speaker Alvin Day entitled "Persuasion Power The Art of Retail Selling".
- Awards dinner

Professor Trevor Munroe, the guest speaker, congratulated the Credit Union Movement for its continued growth throughout challenging economic times.

A number of credit unions received awards as under:

Four credit unions were declared winners in the Jamaica Co-operative Credit Union League's (JCCUL's) annual Credit Union of the Year Awards Competition.

Four credit unions won in the categories of Mega Credit Union, Large Credit Union, Medium-sized and Small Credit Union.

Before a large gathering of delegates and observers, the OJ Thorbourne Trophy for Mega Credit Union of the Year presentation was made to JTA Co-operative Credit Union, the third year in a row, while Manchester Co-operative Credit Union was declared the runner-up in the category.



In the Large Credit Union Category, NCB Employees Credit Union again captured the Renford Douglas Trophy ahead of Palisadoes Credit Union that emerged the runner-up.

The Paul Thompson Trophy for Medium-sized Credit Union of the Year was presented to Postal Co-operative Credit Union, a consistent winner, with JDF Credit Union taking home the runner-up award.

The final award, the John Peter Sullivan Award for Small Credit Unions went to Church of the First Born Co-operative Credit Union and PWD Cooperative Credit Union was declared the runner-up.

Six sectional prizes were awarded to credit unions that out-performed their peers in various aspects of their financial operations. The award for the credit union with the Most Improved Net Capital/Total Assets ratio went to JDF Credit Union. Lascelles & Partners Co-operative Credit Union won for achieving the Highest Asset Growth and D&G Employees Credit Union took the award for the Highest Solvency.

The three other credit unions that also won awards were: First Regional Credit Union for the Highest Return on Assets, Manchester Credit Union for the Highest Net Loan Growth and also for being the Most Outstanding Parish Credit Union.

#### Saturday, May 18:

– JCCUL Annual General Meeting

The Annual General Meeting was chaired by President Johnathan Brown who did a multi-media presentation summarising the Board report. All aspects of JCCUL's operations were presented and examined.

As part of the presentation, the meeting was also updated on the League's transformation project and its new business model.

#### **RULE AMENDMENTS**

Governance was also another important element of the transformation process and a proposal for a new governance structure for the League was presented to delegates at the Annual General Meeting. After a lengthy discussion the meeting asked for a review of the proposal to include representation from the four peer groups, based on asset sizes. A special general meeting was suggested for a decision to be made on this matter. A number of amendments were made to the existing rules in the wake of the transformation of the League: They include:

Rule 13 - amended to give JCCUL the ability to not just accept deposits if it wishes to do so but if it does not then it may direct credit unions where to deposit their liquidity reserves.

Rule 15 - amended to change the repository of credit unions' liquidity reserves from JCCUL to the CUFMC or its successors.

Rule 16 - amended to allow JCCUL to guarantee and syndicate loans if necessary.

A new Rule 29 - introduced to have credit unions in general meeting give approval for the establishment or acquisition of subsidiaries. It is also intended that to be able to take advantage of opportunities that may arise, that a special general meeting may be called with 14 days' notice under this rule.

Rule 32 - amended to provide for a five member Nominating Committee and for expanded powers of the Committee.

Rule 36 - amended to provide for a reduction in the size of the Board to between 11 and 15 persons, and to provide for new ways of determining the composition of the Board.

Rule 40 - amended to allow the retention of a Director's seat by a vote of the Board if he is no longer a duly elected delegate or alternate

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delegate. Rule 40 is also being amended to remove the examination code rating as a way for a Director to vacate his seat on the Board as examinations are no longer done in that manner. Rule 40 is further amended to provide for the revocation/recall of a Director by his credit union.

New Sub-Rule 43 (2) - introduced to allow board and committee meetings to be held by remote communication or by electronic means.

New Rule 51 - proposed to provide for the mechanisms for oversight of subsidiaries by the Board.

Rules 53, 56 and 61 - amended to provide for the appointment of Directors to subsidiaries.

Rule 63 - amended to provide for a reduction in the size of the Executive Committee as a consequence of a reduction in the size of the Board. Rules 64-68 - deleted as there is no longer a requirement for the League to have a Central Finance Facility Committee or loan officers.

Rule 69 - amended to allow an expansion of the role of the Supervisory Committee to cover the entire Group.

Rule 73 - amended to change the reference to the General Manager to the Group Chief Executive Officer.

Rule 74 - amended to enable the League to examine credit union's operational performance.

Several condolence and congratulatory resolutions were passed on behalf of credit unions. Those demitting office from the League's Board of Directors at the meeting were: Rev. Dr. Paul Gardner and Mr. Patrick Haywood. Mr. Lewin Baxter of Supervisory Committee also demited office.

The League's Board of Directors and Executive for 2013-2014 were elected:

Mr. Derrick Tulloch
Mr. Johnathan Brown
•
Ms. Carol Anglin
Mr. Winston Fletcher
Mr. Ian McNaughton
Ms. Fay Davis
Mr. Rodcliffe Robertson
Dr. Dorothy Raymond
Mr. Jerry Hamilton
Mr. Clide Nesbeth
Mr. Courtney White
Mr. Wilburn Pottinger
Mr. Lambert Johnson
Mrs. Yvonne Ridguard Harris
Mr. Talbert Golding
ACP Wray Palmer
Captain Clifton Lumsden
Mr. Barrington Whyte
Ms. Natalie Sparkes
Rev. Dr. Glenroy Lalor

- President
- Immediate Past President
  1st Vice President
  2nd Vice President
- Treasurer
- Asst. Treasurer
- Secretary
- Asst. Secretary
- Director
- Director
- Director
- Director
- DirectorDirector
- Director

#### Sunday, May 19: Ecumenical Service

The Ecumenical service took the form of a Praise & Worship and breakfast. It was very well attended and was conducted by the Chaplin of the Police Force stationed in Western Jamaica, along with police personnel.

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In accordance with Article11 Rule #63 (i) the Board of Directors of Grace Co-operative Credit Union Limited appointed a Nominating Committee which comprised the following persons:

Mrs. Stacey Smith	:	Chairperson
Ms. Karlene Burgess	:	Secretary
Ms. Hope Mowatt	:	General Manager

ANNUAL GENERAL MEETING 2014

The status of the volunteers was as follows:

Board of Directors		
Retiring	Recommended	Term
Mr. Gilroy Graham	Gilroy Graham	2 years
Jerry Hamilton	Jerry Hamilton	2 years
Mrs. Karen Walker	Karen Walker	2 years
Ms. Tamara Garel	Tamara Garel	2 years
Not Retiring	Unexpired Term	
Mr. Andrew Levy	1 year	
Mr. E. Christopher Bond	1 year	
Ms. Cathrine Kennedy	1 year	
Mr. Eric Mardner	1 year	
Mrs. Stacey Smith	1 year	
Credit Committee		
Retiring	Recommended	Term
<b>Retiring</b> Mrs. Jean Grant	<b>Recommended</b> Jean Grant	<b>Term</b> 2 years
0		-
Mrs. Jean Grant	Jean Grant	2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson	Jean Grant Samuel Shelton	2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson Not Retiring	Jean Grant Samuel Shelton <b>Unexpired Term</b>	2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson <b>Not Retiring</b> Mr. Leighton Grant	Jean Grant Samuel Shelton <b>Unexpired Term</b> 1 year	2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson <b>Not Retiring</b> Mr. Leighton Grant Ms. Maria Lewis	Jean Grant Samuel Shelton <b>Unexpired Term</b> 1 year 1 year	2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson <b>Not Retiring</b> Mr. Leighton Grant Ms. Maria Lewis Mr. Brian Mitchell	Jean Grant Samuel Shelton <b>Unexpired Term</b> 1 year 1 year	2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson Not Retiring Mr. Leighton Grant Ms. Maria Lewis Mr. Brian Mitchell Supervisory Committee	Jean Grant Samuel Shelton <b>Unexpired Term</b> 1 year 1 year 1 year	2 years 2 years
Mrs. Jean Grant Mrs. Marsha Cope-Johnson Not Retiring Mr. Leighton Grant Ms. Maria Lewis Mr. Brian Mitchell Supervisory Committee Retiring	Jean Grant Samuel Shelton Unexpired Term 1 year 1 year 1 year Recommended	2 years 2 years <b>Term</b>
Mrs. Jean Grant Mrs. Marsha Cope-Johnson Not Retiring Mr. Leighton Grant Ms. Maria Lewis Mr. Brian Mitchell Supervisory Committee Retiring Ms. Troy-Marie McDonald	Jean Grant Samuel Shelton Unexpired Term 1 year 1 year 1 year 1 year Mecommended Ms. Troy Marie McDonald	2 years 2 years <b>Term</b> 1 year

**45<sup>th</sup> Annual General Meeting** 

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Mrs. Sophia Dennis Mr. Aden Whittaker Mrs. Sophia Dennis Kevin Webster 1 year 1 year

Delegates to the League and other societiesDelegatesAlternatesTreasurerPresidentGeneral ManagerSecretary/ 2nd Vice President

Karlene Burgess (Ms) Secretary

### THE NEW NOMINEES



**Mr. Shelton** has been the Senior Risk and Compliance Officer for Grace Food & Services since January 2013. He was previously employed to the Capital & Credit Financial Group for the period 2007 – 2012 where he occupied posts as Internal Auditor, IT Infrastructure Integrity Manager & BCP Coordinator and IT Banking Support & Projects Manager. Prior to this, he worked with Digicel Jamaica Ltd as Fraud and Revenue Assurance Executive and with Jamaica Savings & Loan Building Society as Internal Audit Manager.

He has significant experience working with software development and maintenance, protecting the information assets of organizations and ensuring that processed information maintained representational faithfulness, accuracy and validity. He also has experience in the development and maintenance of Business Continuity Plans for a financial group of companies.

Mr Shelton is a Fellow of the ACCA and a member of the ICAJ. He has completed studies with the Student's Accountancy Training Consortium and also holds a Certificate in Business Continuity Planning and Disaster Recovery and also a Certified Ethical Hacker.



**Mr Webster** has been employed to GraceKennedy Ltd since 2003 and is currently Assistant Manager- Applications & Support for GK Foods Supply Chain Unit. He previously worked with Dairy Industries Ltd in the Information Technology Department where he provided hardware and technical support while managing and ensuring the security of the company's data.

He is now charged with providing hardware and technical support to maintain the division's main ERP software and other mission critical applications as also to ensure application security. Some of his achievements to date include being a key player in the technical implementation of SAP release 4.7 and its subsequent upgrade and also being technical lead for SAP Human Resources Management Information System (HRMIS). He holds a Diploma in Business Administration and also certification in SAP Basis and Security with the SAP Academy and Information Technology Infrastructure Library.

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#### NAMES

ANNUAL GENERAL MEETING 2014

1	Landell Harrison
2	Fitzroy Blake
3	Erice Fagan
4	Martha Catnott
5	Sandra Todd
6	Shauna Isaacs
7	Everton Sealy
8	Carlos Hendricks
9	Micheal Boothe
10	Cheridal Blackwood
11	Antionette Poyser
12	David Bernard
13	Stanley Beckford
14	Aden Whittaker
15	Dennis Needham
16	Albert Anderson
17	Brodrick Bowes
18	Jean Grant
19	Donna Mckenzie
20	Delton McKenzie
21	Maria Lewis
22	Carllel Colquhoun
23	Amia Brown
24	Andrew Levy
25	Mazie Miller
26	Christopher Bond
27	Michelle Mason
28	Zola Stennett
29	Marlene Wilson
30	Ingrid Medwinter
31	Shauna Douglas
32	Terrian Fraser
33	Colin Gordon
34	Garfiled Mckenzie
35	Shereen Codner
36	Helen Hayden
37	Marsha Cope-Johnson
38	Saneth Morgan
39	Paul McKenzie

40	Carline Lawrence
41	Ayen Crooks
42	Christine Thomas
43	Marsha Lindsay
44	Julian Marriot
45	Lance Bailey
46	Tameica Lewis
47	Lori-Ann Joiles
48	Nadarni Headlam
49	Shernet Brown
50	Roxanne Brown
51	Leighton Grant
53	Colvenette Brown
54	Dorothy Turner
55	Eric Mardner
56	Gracian Grant
57	Joyceline Brown
58	Claire Hannah
59	Bestiah Walcott-Level
60	Janet East
61	Lesa Richards-Bartley
62	Nicola Stephenson
63	Beverly Campbell
64	Brian Mitchell
65	Joan Rhoden
66	Charmaine Creary
67	Jamine Farmer
68	Alphanso Sterling
69	Marie Simmonds
70	Cleon Edwards
71	Veronica Wade
72	Nadya Bryce-Reynolds
73	Lorna Reynolds-Minott
74	Sharon Wellington
75	Arlene Davis
76	Stacey Smith
77	Beverly Wright
78	Kellye Barwise
=0	

Marcia Wilson

- 80 Gilroy Graham
- 81 Marlon Ferguson
- 82 Aggrey Palma
- 83 Jerry Hamilton
- 84 Janette Taylor
- 85 Maxlyn Noble
- 86 Vynter Lothian
- 87 Kerian Nepaul
- 88 Anicee Gray-Brown
- 89 Rene Wynter
- 90 Sydoney Johnson
- 91 Monique Faulkner
- 92 Sonia Morrison
- 93 Natalie Hall
- 94 Marlene Wiggins
- 95 Carlene Holness
- 96 Christine Francis
- 97 Orville Levene
- 98 Joan Cummings
- 99 Waynette Brown-Campbell
- 100 Roneiph Lawrence
- 101 Estella Brown
- 102 Karen Walker
- 103 Monique Morgan
- 104 Shawn Thompson-Powell
- 105 Leroy Little
- 106 Paul Meghie
- 107 Dahlia Hunter
- 108 Kedeshia Hendricks
- 109 Lurline Cummings
- 110 Karlene Burgess
- 111 Felleshia Francis
- 112 Camille Cadogan
- 113 Heather Wilson
- 114 Everton Foster
- 115 Danielle Longman
- 116 Erica Hayden
- 117 Nesta Jackson

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### 44th ANNUAL GENERAL MEETING JUNE 12, 2013 ATTENDANCE REGISTER

Andrew Coulton

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- 119 Dominique Edwards
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- 128 David Dean
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- Stephen Lewis 135 136 **Enid Courtney Claude Espeut** 137 Kimberley Williams 138 139 Tessia Mcdonald-Beckford 140 Carlington Clarke **Delroy Francis** 141 142 Sashona Henry Ayesha Cooke 143 145 Kevin Donaldson Kerry-Ann Castro 146 Morrete Wright 148 149
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- 150 Merle Henry 151
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**45**<sup>TH</sup> ANNUAL GENERAL MEETING



### CONTACT PERSONS LIST

#### COMPANY

AGRO-GRACE LIMITED 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 FOODS INTERNATIO** GATEWAY SHIPPING INT'L **GRACEKENNEDY REMITANCE SERVICES** HI-LO FOOD STORES LTD JA INT'L INSURANCE CO LTD KINGSTON WHARVES LIMITED NATIONAL PROCESSORS LTD HARDWARE & LUMBER **GRACE FOODS/WORLD BRANDS** CORPORATE AFFAIRS **CORPORATE FINANCE & ACCOUNTS** CORPORATE H R DEPT **CUSTOMER SERVICE / CREDIT** FACILITIES MANAGEMENT **GK FOODS BUSINESS SYSTEMS DEPT GK FOOD/ SALES/MERCHANDISE GRACE & STAFF COMMUNITY DEV GROUP SECRETARIAT** INTERNAL AUDIT

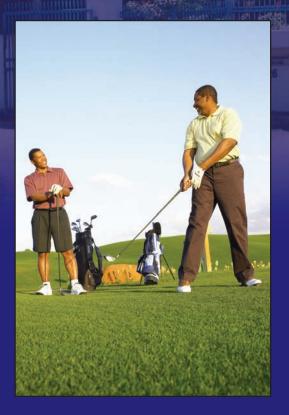
#### NAME

MS. ROXON LONG MS. TISHAN RILEY MR. COLIN MCHAYLE MS. DELORITA DEAN MS. DOREEN ROWE MS. CAMILLE SHAND MS. CAVEL SMITH MS. CAVEL SMITH MS LORNA MALCOLM MRS. CHRISTINE DAVIDSON MS. MORETTE WRIGHT MR. WAYNE CLARKE **MRS.JUDITH DILLION** MS. LISA BELNAVIS-EDWARDS MRS. TRACIE-ANN VIRGO MR. LUDLOW MCBEAN MR. DENISE RAMSAY MS. ROXON LONG MS ORLEAN MEARS MS. DIONNE RHODEN MRS. SHAUNA ISAACS MRS. IEAN GRANT MRS. COVENETTE BROWN MRS SHAWN THOMPSON-POWELL MRS. MORETTE WRIGHT MRS MORETTE WRIGHT MS TAMEICA LEWIS MRS. LAVERN LLEWELLYN MRS. BEVERLEY WRIGHT

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Notes



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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.

**45<sup>th</sup> Annual General Meeting** 

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