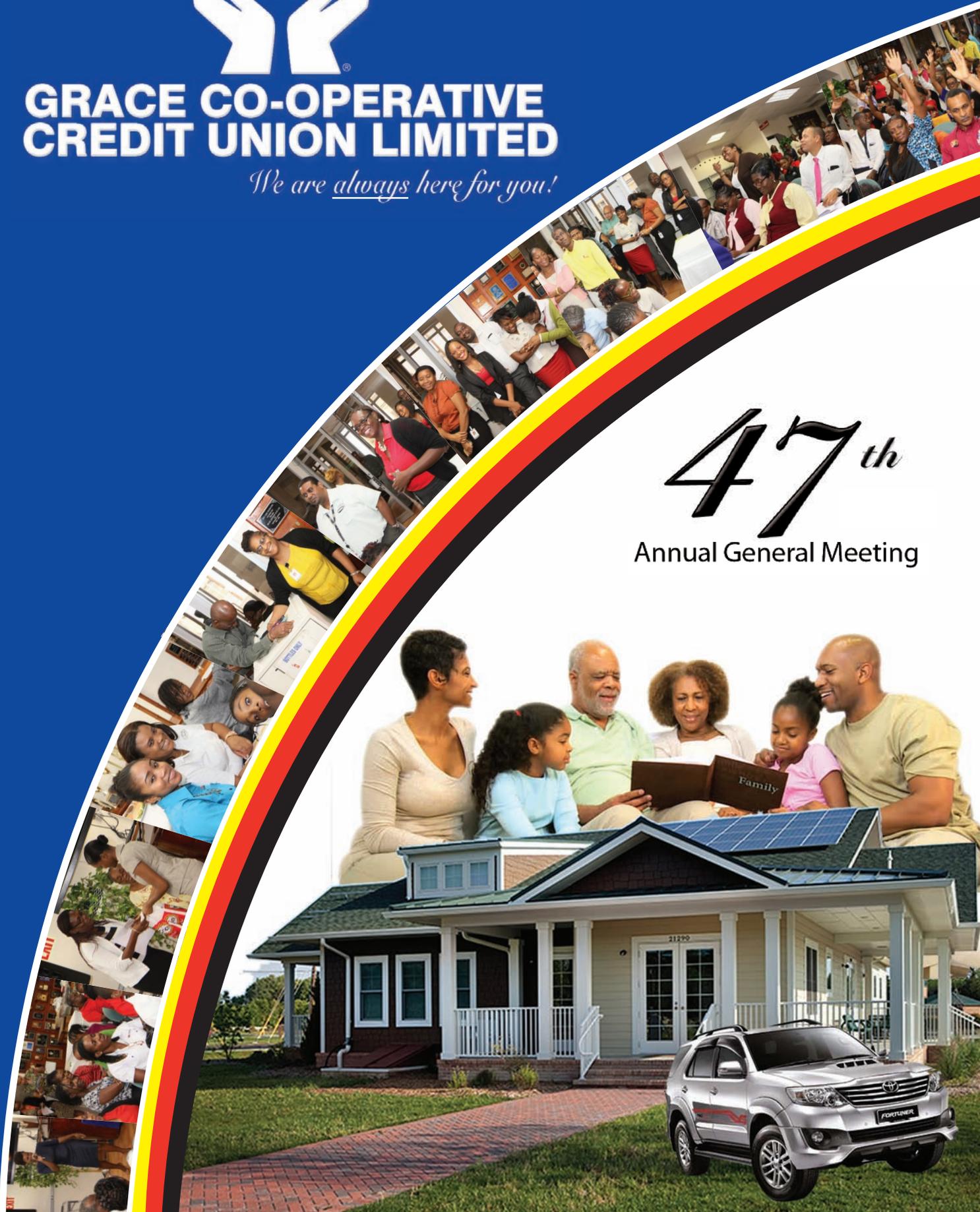




2015
ANNUAL REPORT

GRACE CO-OPERATIVE CREDIT UNION LIMITED

We are always here for you!



47th

Annual General Meeting

Grace Co-op Credit Union Ltd.



We are always here for you!

TECH LOAN

Need an upgrade?

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

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

We will also finance that brand new:

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

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

14% interest rate for 12 months

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

***** CONDITIONS APPLY *****



GCCU *Vision*

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

GCCU *Mission*

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

Contents

FIVE YEAR STATISTICS 3

AGENDA 5

MINUTES OF THE 46TH AGM 6

REPORT OF THE BOARD OF DIRECTORS 14

REPORT OF THE TREASURER 20

LETTER FROM THE REGISTRAR 25

FINANCIAL STATEMENTS 27

APPROPRIATION OF SURPLUS 58

GRACE CO-OP CREDIT UNION LIMITED STAFF 59

REPORT OF THE CREDIT COMMITTEE 62

REPORT OF THE SUPERVISORY COMMITTEE 67

REPORT OF THE NOMINATING COMMITTEE68

PROFILES OF THE NEW NOMINEES 69

46TH AGM ATTENDANCE REGISTER 71

CONTACT PERSONS LIST 72

Five Year Statistics for Period 2011 to 2015

	2015	2014	2013	2012	2011
PERMANENT SHARES	2,088,000.00	2,088,000.00	2,088,000.00	2,074,000.00	2,070,000.00
VOLUNTARY SHARES	322,601,777.00	310,220,233.00	297,847,326.00	284,705,508.00	271,230,902.00
% Increase over prior year	3.99%	4.15%	4.62%	4.97%	10.71%
INSTITUTIONAL CAPITAL	60,108,103.00	58,568,926.00	56,822,475.00	54,377,519.00	53,386,042.00
% Increase over prior year	2.63%	3.07%	4.50%	1.86%	0.19%
LOANS TO MEMBERS (Gross)	444,031,382.00	407,065,714.00	389,624,896.00	369,305,251.00	299,766,556.00
% Increase over prior year	9.08%	4.48%	5.50%	23.20%	26.46%
TOTAL ASSETS	566,485,794.00	531,968,539.00	511,343,859.00	493,431,988.00	457,704,292.00
% Increase over prior year	6.49%	4.03%	3.63%	7.81%	15.59%
CURRENT ASSETS ****	83,309,745.68	87,160,694.00	85,957,285.00	89,260,988.00	123,861,495.00
CURRENT LIABILITIES ****	498,573,471.00	465,934,589.00	443,778,714.00	431,273,252.00	400,187,444.00
INCOME AND SURPLUS					
INCOME	62,127,852.37	61,667,783.00	63,432,767.00	56,618,374.00	46,303,684.00
% Increase over prior year	0.75%	-2.78%	12.04%	22.28%	-9.21%
EXPENSES	55,966,479.38	55,099,107.00	53,143,591.00	51,711,274.00	45,905,804.00
SURPLUS	5,426,285.00	4,513,197.00	8,446,115.00	4,944,887.00	465,842.00
% (Decrease)/Increase over prior year	20.23%	-46.56%	70.81%	961.49%	-87.55%
UNDISTRIBUTED SURPLUS	4,348,777.00	4,083,581.00	7,373,527.00	4,373,774.00	410,482.00
RESERVES	55,044,152.00	53,430,975.00	51,672,224.00	49,279,568.00	48,227,091.00
DIVIDENDS PAID	0	0	0	0	0
RATIOS					
CURRENT ASSETS	0.17:1	0.19:1	0.19:1	0.21:1	0.31:1
SURPLUS TO INCOME	8.73%	7.32%	13.32%	8.73%	1.01%
EXPENSES TO INCOME	90.08%	89.35%	83.78%	91.33%	99.14%
INCOME TO TOTAL ASSETS	10.97%	11.59%	12.41%	11.47%	10.12%
SURPLUS TO TOTAL ASSETS	0.96%	0.85%	1.65%	1.00%	0.10%
UNDISTRIBUTED SURPLUS TO SHARE CAPITAL	0.77%	0.77%	1.44%	0.89%	0.09%
MEMBERSHIP	2698	2611	2712	2752	2725
BORROWERS	1287	1251	1273	1319	1234
BORROWERS TO MEMBERSHIP	47.70%	47.91%	46.94%	47.93%	45.28%

Notice
of
Annual General Meeting

Notice is hereby given that the

47TH ANNUAL GENERAL MEETING

of the

Grace Co-operative Credit Union Limited

will be held on

WEDNESDAY, JUNE 8, 2016

in the

LUNCH ROOM, GRACEKENNEDY LIMITED

at 73 HARBOUR STREET, KINGSTON.

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

Registration will begin
at 4:00PM

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

Agenda

1. Ascertainment of a quorum
2. National Anthem
3. Notice convening Annual General Meeting
4. Prayer
5. Welcome and apologies for absence
6. Confirmation of Minutes of the 46th Annual General Meeting
7. Reports of:
 - a) Board of Directors
 - b
 - i) Auditor & Treasurer
 - ii) Appropriation of Surplus
 - iii) Fixing of Maximum Liability for Loans and Deposits
 - c) Nomination of Auditors
 - d) Credit Committee
 - e) Supervisory Committee
8. Elections: See Report of Nominating Committee
 - a) Board of Directors
 - b) Credit Committee
 - c) Supervisory Committee
 - d) Delegates to the League's Annual General Meeting
9. Presentation
10. Tributes to Retiring Volunteers
11. Any other Business
12. Gate Prizes
13. Adjournment

Minutes of the 46th Annual General Meeting

Minutes of the 46th Annual General Meeting of Grace Co-operative Credit Union Limited held on Wednesday, July 8, 2015 in the Lunchroom, Gracekennedy Limited, 73 Harbour Street, Kingston

ASCERTAINMENT OF QUORUM, CALL TO ORDER

Having ascertained that a quorum was present, Chairman Jerry Hamilton called the meeting to order at 5:05 p.m.

NATIONAL ANTHEM

The audience joined in the singing of the National Anthem.

NOTICE CONVENING ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting was read by the Assistant Secretary, Simon Roberts.

PRAYER

Makeda Scott led the meeting in the Prayer of St. Francis of Assisi.

WELCOME & APOLOGIES FOR ABSENCE

All present were welcomed. Special welcome was extended:

- Retirees
- First time attendees
- Regular members
- Specially invited guests

- Ms. Tanesha Facey – Department of Co-op Friendly Societies
- Mrs. Patricia Tomlinson – Manager, JDF Credit Union
- Mrs. Phillipa Beckford – JCCUL
- Mrs. Kleo-Ann Errar – JCCUL
- Ms. Tanya Brown – JCCUL
- Mr. Oswald Parkes – Cuna Mutual Insurance Society
- Patrick Bryant – Conec
- Alexis Bryant – Conec
- Mr. & Mrs. Cyrene Gilbert – Gilbert Thompson & Co., (Auditors)

Apologies for absence were tendered on behalf of U. Philip Alexander, Stacey Smith, Karen Walker and Beverley Wright.

CONFIRMATION OF THE MINUTES OF THE 46th ANNUAL GENERAL MEETING AND MATTERS ARISING

The Minutes of the 46th Annual General Meeting held on April 30, 2014 were taken as read on a motion by Christopher Bond and seconded by Marsha Cope-Johnson.

Amendments to the Minutes were as follows:

Page 1

Welcome and Apologies: Charles Tang should be Charles Tam

'Tameica Facey' should be 'Tanesha Facey'

Minutes of the 46th Annual General Meeting (CONT'D.)

There being no other amendments, the Minutes were confirmed on a motion by Simon Roberts and seconded by Claudette Facey- Redwood.

REPORTS

A) **REPORT OF THE BOARD OF DIRECTORS**

The Report of the Board of Directors for the year 2014 having been circulated was taken as read. The highlights were as follows:

- One of the Credit Union's objectives at the start of the year was to increase deposits and loan portfolios in order to ensure continued growth. Despite the very competitive landscape within which we operate, the Credit Union secured net surplus of \$4.5M. That was 75% of the budgeted \$6.0M and 47% below the surplus earned in 2013.
- That result was influenced by the decision taken to increase the provision for loan losses to 1% of the loan portfolio in accordance with a recommendation from the Bank of Jamaica which negatively impacted the income by \$2m. That decision was also part of the preparation for the pending Bank of Jamaica's regulations of Credit Unions.
- The Credit Union continued to show increases in voluntary shares, deposits, net loans and total assets.
- Members' deposits increased by 7.2% over 2013. That was influenced primarily by members responding to the aggressive promotion of the Golden Harvest savings product throughout the year. The increase in deposits also positively impacted the liquidity position of the Credit Union.
- Balancing the disbursement of loans with the need to increase liquidity ratio remained a delicate exercise carried out by the management of the Credit Union in 2014. Consequently, loans to members ended the year at \$407.1 million, reflecting an increase of \$17.4 million or 4.5% over the corresponding period in 2013. The initiatives embarked on, resulted in the maintenance of the liquidity ratio at 18%, similar to that of December 2013. The PEARLS Liquidity Ratio target is 20% or greater.
- A comprehensive review of all interest rates and tenure for all loan types was undertaken and adjustments made where necessary to achieve the Credit Union and members' objectives.

Some of the benefits accruing to our members from that exercise included the following:

- a) Increased unsecured loan limits for members in all income tiers.
 - b) Motor vehicle loans made more attractive with increased levels of financing, lower interest rates and longer repayment periods.
 - c) Extension of the tenure on Rescue Loans from 36 months to 48 months.
 - d) Offered Pensioners' Unsecured Loans at a 1% lower interest rate for 48 months.
 - e) Kept service fees at minimal levels to ensure our competitiveness.
 - f) Continued waiver of fees for pensioners and members with physical disabilities.
- Continued focus was also placed on improving service delivery, improving turn-around time for loans and providing financial solutions to members.
 - During the year delinquency was contained within the targeted 1% of the loan portfolio. At December 2013 the Total Delinquent Loans/Total Loan Portfolio was 0.7%. The service of a Collection Agency was engaged to assist in tracking and recovering from delinquent members.

Minutes of the 46th Annual General Meeting (CONT'D.)

Membership

Credit Union staff and members were always on a constant drive to encourage new GK employees and their immediate family members to join the Movement. At the end of 2014, the Credit Union membership stood at 2,016, decreasing from 2,108 at the end of 2013.

The net attrition within the GK Group as well as within companies which had previous connections with GraceKennedy Limited not only negatively impacted our membership but also our savings and loan portfolios.

Growth in membership was also limited due to the closed nature of the Bond of the Credit Union. Consequently, approval will be sought from members to expand the bond to incorporate persons employed to entities with close working relationship with Grace Kennedy Limited.

The management and staff of the Credit Union continued to cherish the retirees among the membership and continually sought ways to ensure that their loyalty and support through the years were recognized.

Education Grants

Fourteen students, who were children of members of the Credit Union, benefitted from educational grants totaling \$350,000.

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.

Human Resources

The Credit Union ended the year with a staff complement of seven. Chantina Sepaul joined the team as Accounting Officer in August 2014 replacing Roneiph Lawrence.

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.

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.

Future Plans

The Credit Union will continue to strive for success and improve on present product offerings by remaining focused and committed to assisting valued members in meeting their personal financial goals.

Acknowledgements

The continued and committed contribution of the Directors to the oversight of the Credit Union was acknowledged.

Deep appreciation was extended to Andrew Levy, Cathrine Kennedy and Tamara Garel who resigned from the Board during the year after serving for five (5), four (4), and three (3) years respectively. They were replaced by Simon Roberts, U. Philip Alexander and Claudette Facey- Redwood for the remainder of the respective terms.

Minutes of the 46th Annual General Meeting (CONT'D.)

Appreciation was also extended to the following contributors:

- a) The Chairman and Directors of GraceKennedy Limited, its subsidiaries and associated companies.
- b) Members of the Credit, Supervisory, Recruitment, Education/Marketing and Nominating Committees.
- c) Directors and staff of the Jamaica Co-operative Credit Union League.
- d) The Department of Co-operatives and Friendly Societies
- e) CMFG Life Insurance Company
- f) Credit Union Fund Management Company
- g) Auditors, Gilbert Thompson & Co.
- h) Contact persons at various locations
- i) Credit Union Staff
- j) Valued members for your support throughout the year

B) (I) AUDITOR AND TREASURER'S REPORTS

Auditor's Report

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

On a motion by Simon Roberts and Stanley Beckford, the Auditor's Report was adopted.

Treasurer's Report

The Treasurer's Report was read by Eric Mardner.

The Credit Union received \$51.4M in interest on loans, \$6.5M in investment income, and \$3.8M on non-interest income which represented fee income and commission. This total income of \$61.7M represents a decrease of \$1.8M or 3% when compared with the previous year.

The assets were \$532M at the year ended 2014 up from \$511M in 2013. Loans grew from \$391M in 2013 to \$411M in 2014, an increase of \$19.5M or 5% over the previous year. Liquid assets increased from \$83.4M to \$84.7M.

Mr. Mardner extended appreciation to the management and staff of the Credit Union for their efforts and dedication during the year. The effort and support of Board members were acknowledged.

The Treasurer's Report was adopted on a motion by Simon Roberts and Samuel Shelton.

(II) APPROPRIATION OF SURPLUS

Surplus as at December 31, 2014 was \$4.5 million. After 20% Statutory Reserve and Donation Reserve, the amount Available for Distribution was \$3.6 million. However after deducting Additional Statutory Reserve of 10%; Dividend on Permanent Shares; Additional Interest, and Donations, the Undistributed Surplus was \$328,063.

Motion for the adoption of the Declaration of Surplus was proposed by Angella Lawrence and Aggrey Palma.

The Motion was carried.

Minutes of the 46th Annual General Meeting (CONT'D.)

(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 Christopher Bond and Samuel Shelton.

The Motion was carried.

C) NOMINATION OF AUDITORS

Motion for the appointment of the Auditors, Gilbert, Thompson & Company was proposed by Rhoda Williams-Moore and seconded by Sydoney Johnson.

The Motion was carried.

D) CREDIT COMMITTEE REPORT

The Report of the Credit Committee, having been previously circulated, and taken as read was adopted on a motion by Eric Mardner and seconded by Antoinette Poyser.

Highlights of the Report:

For the financial year 2014, the Credit Union was faced with major internal and external challenges. Within the external environment, interest rates remained relatively low for the better part of the year, however this served to heighten the competition significantly in the market and required GCCU to make changes to its rates and products in order to remain competitive. Despite these challenges, the Credit Union ended the year attaining 157% of the disbursement budget having disbursed 2,717 loans valued at \$242.38M. In spite of this however, 149 loans were recorded or 5% less than in 2013 when we disbursed 2,866 loans valued at approximately \$261M.

For the first six months of 2014 there was a decline in the value of loans disbursed in comparison to the first six months of 2013. However, the last six months of the year saw a reversal of this trend since there was a reduction in general loan interest rates which made the loan products more attractive to members and competitive in the market place.

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

Disbursements for Personal Needs topped the portfolio amounting to \$86.3m YTD compared to \$64.13m last year, a 34.6% increase.

Motor vehicle loans made up 18.36% of the portfolio (28.6% - 2013). Fifty-one motor vehicle loans valued at \$44.49M were disbursed in 2014 in comparison to 69 loans totaling approximately \$74.57M over the same period in the prior year.

Home Improvement & Repairs loans ranked third with YTD disbursements totaling \$23.65M in comparison to \$16.76M in 2013, a 41.12% increase.

The loan category with the most significant growth YTD was Medical Expenses. A total of \$5.48M was disbursed under this category, in comparison to \$3.94M for 2013, reflecting a whopping increase of 39.03%.

As the economic conditions become harsher and the competition sharpens, members will find it more difficult to make ends meet, the Credit Union must therefore continue to find more creative ways to secure its income while at the same time attracting more loans as well as investments from members.

It was evident that the Credit Union continued to proactively employ the following initiatives in an effort to secure new business and service existing members:

Minutes of the 46th Annual General Meeting (CONT'D.)

- Constant analysis of the competitive landscape and adapting product offering and interest rates accordingly
- Ongoing member education & recruitment programs
- Using email and Cyber village to showcase products
- Capturing information on system accurately that is, loan purpose. That was used to determine focus and future demands
- Being proactive in discussing financial options and solutions with members
- Creating and reviewing products to ensure relevance to members' needs and making changes to address those needs.

E) SUPERVISORY COMMITTEE REPORT

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

Highlights of the Report:

The Supervisory Committee's mandate is to ensure that the Management and Board undertake their respective functions in accordance with the policies and rules of the Credit Union and the Co-operative Societies Act. In keeping with that mandate, we discharged our responsibility to the general membership by ensuring that regular reviews of the Credit Union's operations were carried out and recommendations for improvements were implemented in a timely manner. The Committee submitted monthly reports to the Credit Union's Board of Directors outlining all outstanding audit recommendations and management action plan.

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

- Revenue Collection
- Delinquency
- Loans to Volunteers and Staff
- Disbursement Audit
- Follow up Review

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

The Supervisory Committee Report was adopted on a motion by Leighton Grant and seconded by Joan Cummings.

ADOPTION OF RESOLUTIONS

Christopher Bond guided the Meeting through the proposed Resolutions.

Motion for taking the Resolution as read:

Moved: Simon Roberts

Seconded: Rhoda Moore

1. To Amend Rule for Qualification of Members

WHEREAS:

Minutes of the 46th Annual General Meeting (CONT'D.)

1. Growth in membership in, and increasing the loans portfolio of the Grace Cooperative Credit Union ("the Credit Union") are necessary to ensure stability and viability, and the continued provision of competitive quality services to our members;

AND WHEREAS:

2. The current Rules of the Credit Union require that members who separate from GraceKennedy Limited or any of its subsidiaries or affiliated entities must relinquish membership in the Credit Union and settle all outstanding loans;

AND WHEREAS:

3. Feedback from members indicates that several persons are reluctant to apply for membership or to enter into long-term borrowing arrangements with the Credit Union for fear that their financial arrangements will be severely disrupted in the event that they separate from GraceKennedy Limited or one of its subsidiaries during the period of such borrowing arrangement;

AND WHEREAS:

4. There are certain registered companies external to the GraceKennedy Group or self-employed persons who have long-term (i.e. exceeding 1 year and/or providing for indefinite renewal) contractual arrangements and relationships with business units of GraceKennedy Limited and/or its subsidiaries for the provision of manpower and other critical services, and whose employees are often physically located at GraceKennedy offices to facilitate the provision of those contractual services and have expressed the desire to gain access to the services of the Credit Union.

BE IT RESOLVED THAT:

Article 11 Rule 4 which states:

Membership in the Credit Union shall be limited to individuals who have attained sixteen (16) years of age in the following categories:

- a) All employees of Grace Kennedy Limited, its subsidiaries, associates, managed companies and their immediate families.
- b) All employees of the Grace Co-operative Credit Union Limited and their immediate families
- c) All pensioners of the bond as stated in 'A' and 'B' and their immediate families.
- d) All ex-employees of the Bond as stated in 'A' and their immediate family whose names appear on the list of members as at June 10, 2009.

Immediate family comprises spouse, parents, parents-in-law, children and step-children.

Employees comprise permanent as well as temporary/fixed-termed employees who have completed a minimum of 12 months continuous service with GraceKennedy Limited, its subsidiaries, associates, or managed companies.

Members leaving the employment of GraceKennedy Limited, its subsidiaries, associated or managed companies after June 10, 2009 will not be allowed to retain their membership nor will their immediate family members.

BE AMENDED TO READ

Membership in the Credit Union shall be limited to individuals who have attained sixteen (16) years of age in the following categories:

Minutes of the 46th Annual General Meeting (CONT'D.)

- a) All employees of GraceKennedy Limited, its subsidiaries, associated and managed companies, and their immediate families;
- b) All employees of Grace Co-operative Credit Union Limited and their immediate families;
- c) All pensioners of GraceKennedy Limited, its subsidiaries, associates, managed companies, and their immediate families;
- d) All pensioners of Grace Co-operative Credit Union Limited and their immediate families;
- e) All former employees of GraceKennedy Limited or its subsidiaries ("the GraceKennedy Group") who separate from the GraceKennedy Group other than by reason of dismissal or other disciplinary action arising from theft, fraud or other dishonest conduct;
- f) Self-employed persons in the following categories:
 - i. Van Salesmen having contracts for services with GraceKennedy Limited and/or its subsidiaries; Truckers having current contracts for services with GraceKennedy Limited and/or its subsidiaries;
 - ii. Such other self-employed service providers to the GraceKennedy Group as the Board of the Credit Union may approve from time to time.
- g) Full-time employees who have been confirmed in permanent employment with the following registered companies that provide manpower and other services to business units within GraceKennedy Limited and/or its subsidiaries on a contractual basis provided that upon termination or expiry of the contractual arrangement between the listed entities and the GraceKennedy Group no new members to the Credit Union will be permitted from among the employees of these contracted entities;
 - i. tTech Limited;
 - ii. Logistical Distribution Services Limited;
 - iii. Such other registered entities that are contractual service providers to the GraceKennedy Group as the Board of the Credit Union may approve from time to time.

The Board of Directors of the Credit Union be and is hereby authorized to approve any company for addition to the list of entities at item (g) above which is at the time of the grant of such approval a party to a contract with GraceKennedy Limited or any of its subsidiaries for the provision of services to GraceKennedy Limited or any of its subsidiaries. "Immediate family" comprises spouse, parents, parents-in-law, children and step-children.

"Employees" in relation to any entity within the GraceKennedy Group comprise permanent as well as temporary/fixed-term employees who have completed a minimum of twelve (12) months' continuous service with GraceKennedy Limited, its subsidiaries, associates, or managed companies.

Discussion on the Resolution

The meeting was advised that the Bond of the Credit Union changed in 2009 because over 50% of the members were no longer employees of the Group. The separation of employees who were no longer on the Group's payroll placed an additional burden on the resources of the Credit Union to collect outstanding funds.

The meeting was advised that by opening the Bond, the Board was aware that there would be a risk of increased delinquency due to more persons who were not on the company's payroll system, but believed this could be properly managed.

Question rose: If there was an increase of members, will the Credit Union be able to manage the needs of the members, especially the granting of loans?

Answer: The Credit union needed to increase its loan portfolio to remain viable, and would ensure adequate staff resources to meet members' needs.

Minutes of the 46th Annual General Meeting (CONT'D.)

Question rose: If one was a former employee, and closed their account, will the amendment make that individual eligible to re-join.

Answer: No, once a former employee closed their account, they would not be able to rejoin unless they again became employed to a company whose staff were eligible for membership under the bond.

After discussions, the following amendments were made to the Resolution:

(e) – ‘as of July 8, 2015’ was inserted after ‘GraceKennedy Group’

(g) (iii) – ‘existing’ inserted after ‘such other’;

‘as the Board of the Credit Union may approve from time to time’ deleted and ‘effective July 9, 2015’ inserted

The clause ‘The Board of Directors of the Credit Union be and is hereby authorized to’ was be deleted

Motion for the Adoption of Resolution:

Moved by: Sophia Dennis

Seconded by: Samuel Shelton

2. Resolution Regarding Notice of AGM via Print or Electronic Media

Motion for taking the Resolution as read:

Moved: Kerri-Ann Smith- Berrick

Seconded: Joan Cummings

Rationale

Since the drafting of the above rule, the membership of the Credit Union has grown significantly and now includes present and previous employees of the parent company, GraceKennedy Limited, and family members of all members. At present, the Credit Union rules do not make provision for the publication of Notice of Meetings via print or electronic media. Approval of this Resolution would enable the following:

- Reaching a wider audience
- Better use of technology
- More savings in keeping with going green

WHEREAS Article X1 Rule 58 reads:-

“At least seven (7) days before the date of any Annual or Special General Meeting, the Secretary shall post a notice of the Meeting in a conspicuous place in the office and cause written notice thereof to be handed to each member in person or mailed to each member at his address as the same appears on the record of the Credit Union.”

BE IT RESOLVED that Article XI Rule 58 is amended to read:-

“At least seven (7) days before the date of any annual or special general meeting, the Secretary shall post a notice of the meeting in a conspicuous place in every office of the Credit Union and cause appropriate notice of the meeting to appear in a major daily newspaper or electronic media or cause written notice to be mailed to each member at his address as the same appears on the Records of the Society.”

The meeting was informed that the adoption of that Resolution would give the Credit Union the ability to reach a wider audience using print and electronic media.

Motion for the Adoption of Resolution:

Moved by: Orrett Virgo

Seconded by: Jasmin Farmer

Minutes of the 46th Annual General Meeting (CONT'D.)

ELECTION OF OFFICERS

Ms. Tanesha Facey of the Department of Co-operatives and Friendly Societies handled the election of Officers.

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

The results were as follows:

Board of Directors

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

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 Samuel Shelton who have one year unexpired term.

Supervisory Committee

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

Delegates to the League

The meeting was advised that delegates to the League were selected by the Board and Management.

Acceptance:

Moved by: Everton Foster

Seconded by: Shauna Douglas

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

TRIBUTES TO RETIRING VOLUNTEERS

Presentations were made to retiring volunteers Cathrine Kennedy, Tamara Garel-Thompson, Sophia Dennis and Carlinton Clarke.

ANY OTHER BUSINESS

There were no other matters for discussion.

PRIZES

Various prizes were won by attendees who enjoyed the excitement generated by Suzette Pitter.

ADJOURNMENT

On a motion by Marsha Cope Johnson and seconded by Claudette Facey-Redwood, the meeting adjourned at 7:00 p.m.

Signed by: *Stacey-Ann Smith*
Stacey-Ann Smith
 Secretary

Report of The Board of Directors

For Year Ended 31st December 2015

OVERVIEW

Fellow members, for 2015 the Grace Cooperative Credit Union experienced a moderately successful year, showing positive results in most areas. For example, our net surplus of \$5.4M was 20% more than that achieved in 2014. This occurred in a continued challenging economic environment with lower returns on investments due to declining interest rates and aggressive competition from other financial institutions. Despite the challenges, the Credit Union also produced relatively higher percentage growth rates in savings and loans when compared to the aggregate performance of the Credit Union movement.

	YTD Growth Performance – December 2015	
	SAVINGS	LOANS
Grace Co-op Credit Union	13.9%	9.1%
Credit Union Movement	8.6%	6.9%

MEMBERSHIP

Growing our membership has always been one of our strategic objectives. Recognising that the closed nature of our bond limited the achievement of this objective, a resolution to expand the bond to include persons employed to entities with a close working relationship with GraceKennedy Ltd was presented and passed at our 46th Annual General Meeting held July 8, 2015. Resulting from this Rule amendment, we began welcoming new members from tTech Ltd and Logistical Distribution & Services Ltd. Our Credit Union staff and members also continued their drive to encourage new GraceKennedy employees and their immediate family members to be part of the Credit Union family.

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

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

GROWTH

Financial Performance Highlights

	2015 J\$000	2014 J\$000	Annual Growth/ (Decline)
Permanent Shares	2,088	2,088	
Voluntary Shares	322,602	310,220	4%
Saving Deposits	152,822	134,199	13.9%
Loans	444,031	407,066	9.1%
Assets	566,486	531,969	6.5%
Surplus	5,426	4,513	20.2%

DEPOSITS

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

Report of The Board of Directors (CONT'D.)

LOANS and LIQUIDITY

One of the greatest challenges encountered in 2015 was that of increasing our loan disbursements while improving the liquidity ratio. The success of this balancing act is largely dependent on our members' appetite for saving and borrowing. Therefore, let me acknowledge all of you who continue to uphold the Credit Union philosophy of members helping others through continued saving with and borrowing from the Credit Union. And as we all know, when our Credit Union makes a surplus, it is shared among the members in proportion to their voluntary shares.

At December 2015, the value of loans to members was \$444M, growing by approximately \$37M or 9% over the previous year. This growth in loan disbursement is a continuation of an upward trajectory, moving from 5.5% and 4.5% in 2013 and 2014 respectively. This also shows that the Credit Union continues to play an important role in assisting members to meet their financial needs. To further assist our members, interest rates and repayment periods on our loan products were reviewed and adjusted. Focus was also placed on improving service to members including improvement in turn-around time and the provision of financial advice.

Maintaining the liquidity ratio above the PEARLS target of 20% continues to be an area of focus. At December 2015, the ratio was 16% but has been moving up during the New Year.

DELINQUENCY

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

COOPERATIVE SOCIAL RESPONSIBILITY

Our Credit Union, like many others, prides itself in contributing to the education of our children year after year. Therefore, it was a pleasure this year to award fourteen children of members of our Credit Union with bursaries from a sum of \$350,000 budgeted for this initiative. Grants were given to 6 students at the GSAT level and 4 each from the secondary and tertiary levels.

ELECTION OF OFFICERS

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

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

Beverley Wright	–	<i>Chairperson</i>
Troy-Marie McDonald	–	<i>Secretary</i>
Kevin Webster		
Rhoda Williams-Moore		
Angela Lawrence		

Report of The Board of Directors (CONT'D.)

CREDIT COMMITTEE

Samuel Shelton – *Chairperson*
 Leighton Grant – *Secretary*
 Jean Grant
 Brian Mitchell
 Maria Lewis

ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

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

Directors	# Possible	# at which Present	# for which Excused
Jerry Hamilton	7	7	0
Gilroy Graham	7	7	0
E. Christopher Bond	7	5	2
Eric Mardner	7	7	0
Karen Walker	7	3	4
Stacey Smith	7	5	2
Simon Roberts	7	6	1
Claudette Facey-Redwood	5	3	2
U. Philip Alexander	4	4	0

HUMAN RESOURCES

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

TRAINING

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

COMPLIANCE

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

OBITUARIES

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

Report of The Board of Directors (CONT'D.)

FUTURE PLANS

Our Credit Union continues to remain optimistic about the future and pledges our commitment to provide quality service to assist you, our members, to meet your personal financial needs. As the Credit Union Movement prepares itself for the impending Bank of Jamaica Regulations, our Credit Union has formed a Committee which has been mandated to look at the requirements for licencing, assess the gaps that may exist and initiate measures to enhance our readiness.

ACKNOWLEDGEMENTS

Let me take this opportunity to acknowledge the commitment and support of my fellow Directors and other volunteers for providing oversight of our Credit Union.

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

- The Chairman and Directors of GraceKennedy Ltd, its subsidiaries and associated companies.
- Members of the Supervisory, Credit, Nominating, Recruitment and Education/Marketing Committees.
- Directors and staff of the Jamaica Co-operative Credit Union League.
- The Department of Co-operatives and Friendly Societies.
- CUNA Caribbean Insurance Jamaica Ltd.
- Credit Union Fund Management Company.
- Our Auditors, Gilbert Thompson & Co.
- Our contact persons and ambassadors at the various offices where our members are employed.
- Our hardworking Credit Union Manager and staff.
- Our valued members for their continued support.



Jerry Hamilton
President

BOARD OF DIRECTORS



Gilroy Graham
1st Vice President



Jerry Hamilton
President



E. Christopher Bond
2nd Vice President



Eric Mardner
Treasurer



Karen Walker
Assistant Treasurer



Stacey Smith
Secretary



Claudette Facey-Redwood
Assistant Secretary



Simon Roberts

MISSING FROM PICTURE:
U. Phillip Alexander

Report of The Treasurer

For Year Ended 31st December 2015

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

The assets were \$566M at the year ended 2015 up from \$532M in 2014, an increase of \$34.5M. Loans grew from \$411M in 2014 to \$449M in 2015, an increase of \$37.5M or 9% over the previous year. Liquid assets decreased from \$84.7M to \$81.0M.

STATEMENTS

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

	2015	2014
	\$	\$
a) Total Permanent Shares	2,088,000	2,088,000

We also own collectively as a society, the following:

i) Statutory Reserves to provide stability to the Credit Union	53,676,709	52,137,532
ii) Education Fund	214,793	214,793
iii) Capital Revaluation Reserve	6,431,394	6,431,394
iv) Bad Debt Reserve	4,486,327	3,915,367
v) Special Reserve	785,736	785,736
vi) Donation Reserve	180,000	120,000
vii) Unclaimed Share Reserve	169,914	169,914
viii) Share Transfer Reserve	17,000	3,000
ix) We have previous earnings that have not been returned to us as dividends. This amount is:	7,750	473,024
x) This year our net earnings is	4,341,028	3,610,558
The total we own in reserves, provision and earnings is	72,398,651	69,949,318

Report of The Treasurer (CONT'D.)

	2015	2014
	\$	\$
The grand total we have is	72,398,651	69,649,318
The money we have has been:		
a) Loaned to members	448,517,709	410,981,081
b) Used to purchase furniture and fixtures(net book value)	598,509	809,529
c) Invested in:-		
i) Shares in the Jamaica Cooperative Credit Union League	5,546,592	5,546,592
ii) Demand Deposit with Jamaica Cooperative Credit Union	60,240,590	61,625,756
iii) Mortgage Funds with Jamaica Cooperative Credit Union	16,473,353	15,828,477
iv) Jamaica Cooperative Credit Union - Cu Cash	12,015,699	16,916,520
d) Bank account, etc	8,697,863	6,118,347
e) But we owed Depositors and external creditor	(152,820,004)	(134,198,733)
f) Members' voluntary shares	(322,601,777)	(310,220,233)
g) Others	(4,269,883)	(3,458,018)
The grand total of the loans and investment we have made is	<u>72,398,651</u>	<u>69,949,318</u>
Our Income has been earned from:-		
a) Interest on loans to members	52,651,217	51,367,395
b) Interest on Investments	3,105,890	4,069,117
c) Interest on investment with J.C.C.U.L	2,065,857	2,442,112
d) Other sources	4,304,889	3,789,159
	<u>62,127,853</u>	<u>61,667,783</u>
The expenses for the year were:-		
Salaries and related expenses	24,645,736	24,726,304
Insurance – Loan Protection and Life Saving (L.P&L.S)	3,067,103	2,657,586
Facilities Fee	3,345,000	3,542,628
Interest Expense	15,017,379	13,713,821

Report of The Treasurer (CONT'D.)

	2015	2014
	\$	\$
Stationery	402,965	704,015
Dues and fees to J.C.C.U.L	1,963,146	1,932,259
Advertising and promotion		20,478
AGM, Seminars and other meetings	694,997	1,420,850
Audit fees	580,000	540,000
Provision for bad debts	735,088	2,055,479
Provision for education and training	280,000	350,000
Depreciation and amortization	296,240	352,186
General expenses	5,673,914	5,138,980
TOTAL EXPENSES	<u>56,701,568</u>	<u>57,154,586</u>
This leaves us a surplus of:-	5,426,285	4,513,197
We are setting aside Statutory Reserves as required by the Act	(1,085,257)	(902,639)
	4,341,028	3,610,558
Together with the undistributed earnings from previous year	7,749	473,024
Undistributed earnings	<u>4,348,777</u>	<u>4,083,582</u>

CONCLUSION

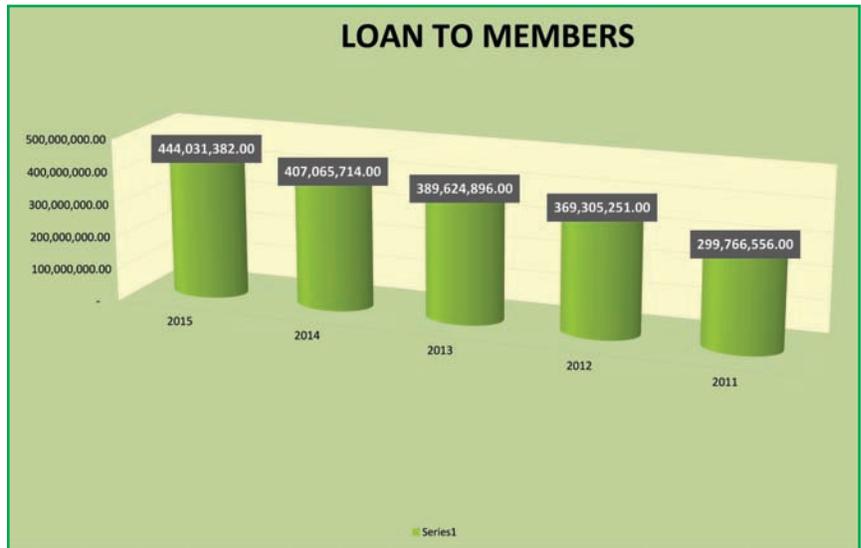
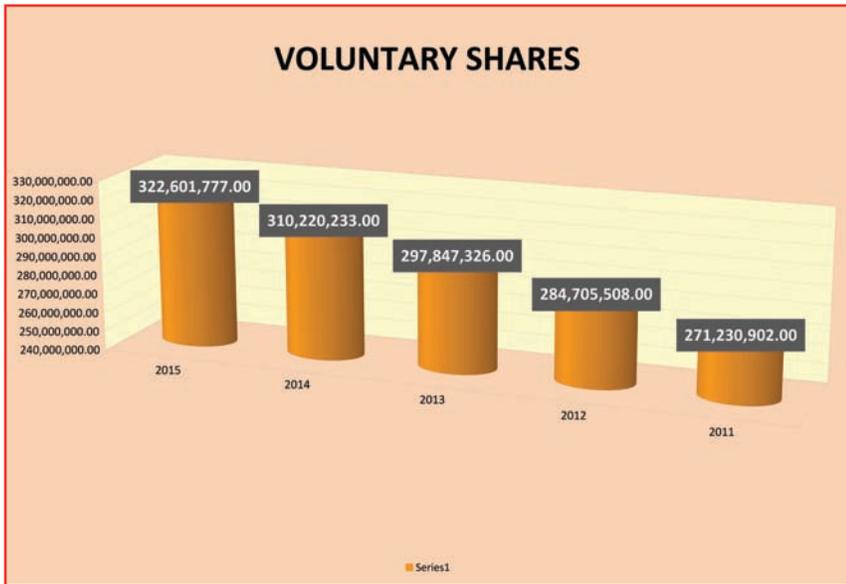
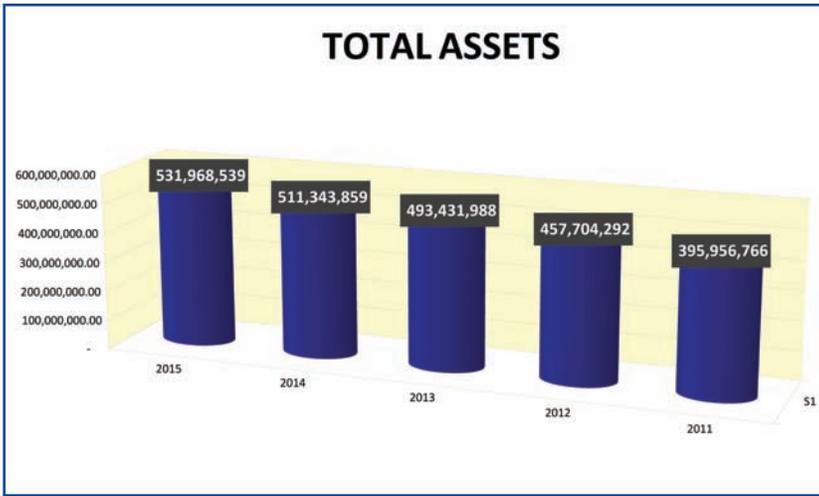
The Credit Union continues to be member focused, providing members with a wide range of loan and saving options. This is reflected in the growth in loans to members and member savings during the year. We believe that the growth experienced in these fundamental areas will fuel growth in earnings in the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

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

Respectively Submitted,
Eric Mardner
Treasurer

Report of The Treasurer (CONT'D.)



Respectively Submitted,
Eric Mardner
 Treasurer



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

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

2 MUSGRAVE AVENUE
KINGSTON 10

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

Fax: 927-5832

E-mail: dcfs@cwjamaica.com

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

S1
R376/-880/03/16

March 23, 2016

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, 2015.

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

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

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

Yours sincerely,

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

LGE/kd

INSURE YOUR CAR WITH US TODAY AND BE
AUTOMATICALLY ENTERED INTO OUR

GK INSURANCE

ULTIMATE EXPERIENCE PROMOTION



4 NIGHT STAY FOR 2 AT SANDALS WHITEHOUSE



5 DAY TRIP FOR A FAMILY OF 4 TO DISNEY WORLD INCLUDING STAY AT A DISNEY RESORT



4 NIGHT STAY FOR 2 AT THE HYATT ZIVA ROSE HALL



TRIP FOR 2 TO RIO DE JANEIRO, BRAZIL



TRIP FOR 2 TO ATLANTIS, BAHAMAS



CARIBBEAN CRUISE FOR 2

Entry Requirements:
Must purchase a new motor insurance policy or renew your existing motor policy between December 1, 2015 and June 30, 2016 via www.gkgonline.com, any of our 6 branches, your Broker or Agent

Rules *CONDITIONS APPLY

• Customers will do their transaction at each touch-point previously mentioned. Their information is automatically uploaded to our database of which the 3 draws will be done. • Each vehicle is considered one entry • Minimum age to enter is 18 years • Vehicle insurance will be accepted based on standard Underwriting practices of GK Insurance • The 3 Giveaways for the campaign will be drawn on March 4, 2016, May 6, 2016 and July 8, 2016 • The purchase of Riders and Increased Benefits does not constitute an entry. • Employees of GK Insurance, the GraceKennedy Group and their families are not eligible to enter. In the case of family members, we refer to parents, siblings and children. • Each winner selects 1 GK General Ultimate Experience (all 6 Experiences will be available for each drawing). The winner will be the insured or joint insureds of the policy for the vehicle selected. • The prize is not transferable • Premium must be paid in full at the time of collecting the prize. • Open to all individual types of motor insurance business. • Company-owned vehicles are excluded. • International prizes are for airplane travel and accommodation only • Local prizes are for accommodation only. • GK Insurance will cover all taxes and fees associated with air travel and hotel accommodation (local and international gifts) only. • GK Insurance is not responsible for the acquiring of necessary travel documents. Same is the full responsibility of the winner. • All entries are eligible for all three draws. • Cut off time for all entries to be received for each draw is 12am the day before.

Your prize must be redeemed by December 31, 2016. Authorized under section 58(3) of the Betting, Gaming & Lotteries Act.



1-888-429-5454 www.gkgeneral.com @GKGIC @GKGICja /GKGICJA

6 branches - New Kingston, Sovereign, Downtown, Portmore, Mandeville and Montego Bay



GRACE CO-OPERATIVE CREDIT UNION LIMITED
FINANCIAL STATEMENTS
31 DECEMBER, 2015

Contents

	Statement
Auditors' Report	
Statement of Financial Position	II-II.1
Statement of Comprehensive Income	III
Statement of Changes in Equity	IV-IV.1
Statement of Cash Flows	V
Notes to the Financial Statements.....	VI-VI.20
Operating Expenses	VI.21

We are always here for you!



GILBERT THOMPSON & CO.

Chartered Accountants

9 Sundown Crescent, Kingston 10

P.O. Box 538, Kingston 6, Jamaica W.I.

Tel: (876) 758-6760, 758-8345, Fax: (876) 758-3643

Email: info@gilberthompsonco.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, 2015 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.

Auditors Report cont'd.***Opinion***

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, 2015 and of the results of operations, changes in equity and cash flows of the credit union for the year then ended, and have been prepared in accordance with International Financial Reporting Standards and comply with the Co-operative Societies Act.

Gilbert Thompson & Company

GILBERT THOMPSON & COMPANY
CHARTERED ACCOUNTANTS

March 18, 2016

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

ASSETS	<u>NOTES</u>	<u>2015</u> \$	<u>2014</u> \$
EARNING ASSETS			
LOANS TO MEMBERS	5	444,031,382	407,065,714
Loans		448,517,709	410,981,081
Allowance for loan losses	5	(4,486,327)	(3,915,367)
LIQUID ASSETS	10	80,954,152	84,660,623
Cash and cash equivalent		8,697,863	6,118,347
Liquid reserve (JCCUL)		72,256,289	78,542,276
FINANCIAL INVESTMENTS			
Securities and equivalent	11	38,546,157	36,932,602
NON EARNING ASSETS			
OTHER ASSETS	12	2,355,593	2,500,071
Receivables		935,879	790,419
Interest receivable		1,419,714	1,709,652
FIXED ASSETS		598,509	809,529
Furniture, fixtures and equipment	8	598,509	809,529
TOTAL ASSETS		<u>566,485,794</u>	<u>531,968,539</u>

STATEMENT II.1

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	<u>NOTES</u>	<u>2015</u>	<u>2014</u>
		\$	\$
LIABILITIES			
INTEREST BEARING LIABILITIES		475,421,781	444,418,966
Members savings deposits	13	152,820,004	134,198,733
Voluntary shares		322,601,777	310,220,233
NON-INTEREST BEARING LIABILITIES	14	23,151,689	21,515,623
Accruals		5,928,867	5,728,365
Payables		16,737,085	15,634,018
Others		485,737	153,240
TOTAL LIABILITIES		498,573,471	465,934,589
CAPITAL			
MEMBERS SHARE CAPITAL		2,088,000	2,088,000
Permanent Shares	17	2,088,000	2,088,000
NON-INSTITUTIONAL CAPITAL			
Retained earnings and reserves	15	1,367,443	1,293,443
Undistributed surplus		4,348,777	4,083,581
INSTITUTIONAL CAPITAL			
Statutory and legal reserves	16	53,676,709	52,137,532
Capital revaluation reserves		6,431,394	6,431,394
TOTAL CAPITAL		67,912,323	66,033,950
TOTAL LIABILITIES AND CAPITAL		566,485,794	531,968,539

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

We are always here for you!

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 31 DECEMBER 2015

	<u>NOTES</u>	<u>2015</u>	<u>2014</u>
		\$	\$
INTEREST INCOME		57,822,964	57,878,624
Loans and advances to members		52,651,217	51,367,395
Liquid assets		3,105,890	4,069,117
Investments		1,587,740	1,912,572
Interest JCCUL - CuCash		478,117	529,540
		<hr/>	<hr/>
INTEREST EXPENSE		15,017,379	13,713,821
Savings deposit		14,574,076	13,337,911
Other financial cost		443,302	375,910
		<hr/>	<hr/>
NET INTEREST INCOME		42,805,585	44,164,803
Recoverable/(Increase) of loan losses		735,088	2,055,479
NET INTEREST INCOME AFTER PROVISION		42,070,497	42,109,324
		<hr/>	<hr/>
NON-INTEREST INCOME			
Miscellaneous income	6	4,304,889	3,789,159
NET INTEREST AND OTHER INCOME		46,375,386	45,898,483
		<hr/>	<hr/>
OPERATING EXPENSES	24	40,949,101	41,385,286
SURPLUS FOR THE YEAR		5,426,285	4,513,197
		<hr/>	<hr/>
SURPLUS		5,426,285	4,513,197
		<hr/>	<hr/>

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

STATEMENT IV

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

	Members Permanent Share Capital	Institutional Capital	Non- Institutional Capital (Undistributed Net Surplus)	TOTAL
Balance at 1 January 2014	2,088,000	56,814,175	8,662,970	67,565,145
Net surplus			4,513,197	4,513,197
Transfer to statutory reserve		902,639	(902,639)	-
Additional transfer to statutory reserve		844,612	(844,612)	-
Appropriations -				
Dividend - Permanent Shares			(777,600)	(777,600)
Interest - Voluntary Shares			(5,158,292)	(5,158,292)
Donation			(60,000)	(60,000)
Entrance fee		7,500		7,500
Share Transfer Account			(56,000)	(56,000)
Balance at 31 December 2014	2,088,000	58,568,926	5,377,024	66,033,950
Net surplus			5,426,285	5,426,285
Transfer to statutory reserve		1,085,257	(1,085,257)	-
Additional transfer to statutory reserve		451,320	(451,320)	-
Appropriations -				
Dividend - Permanent Shares			(835,200)	(835,200)
Interest - Voluntary Shares			(2,701,312)	(2,701,312)
Entrance fee		2,600		2,600
Share Transfer Account			(14,000)	(14,000)
Balance at 31 December 2015	2,088,000	60,108,103	5,716,220	67,912,323

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

	INSTITUTIONAL CAPITAL		
	Statutory Reserve	Capital Reserves	TOTAL
Balance at 1 January 2014	50,382,781	6,431,394	56,814,175
20% statutory reserve	902,639	-	902,639
Additional transfer to statutory reserve	844,612		844,612
Entrance fees	7,500	-	7,500
Balance at 31 December 2014	52,137,532	6,431,394	58,568,926
20% statutory reserve	1,085,257		1,085,257
Additional transfer to statutory reserve	451,320		451,320
Entrance fees	2,600	-	2,600
Donation			
Balance at 31 December 2015	53,676,709	6,431,394	60,108,103

STATEMENT V

CASH FLOW STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2015

	<u>2015</u>	<u>2014</u>
	<u>\$</u>	<u>\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	5,426,285	4,513,197
Adjustment to reconcile surplus to		
Net cash provided by operating activities:		
Depreciation	296,240	352,186
Depreciation adjustment		(190,161)
	<u>5,722,525</u>	<u>4,675,222</u>
Net cash provided by operating activities	<u>5,722,525</u>	<u>4,675,222</u>
Cash flows from investing activities:		
Fixed assets	(85,220)	(547,388)
Investments	(1,613,555)	(1,595,091)
Loans to members - Net	(36,965,668)	(17,440,818)
Other receivables	144,476	31,008
	<u>(38,519,967)</u>	<u>(19,552,289)</u>
Net cash used in investing activities	<u>(38,519,967)</u>	<u>(19,552,289)</u>
Cash flows from financing activities:		
Share capital - Voluntary	12,381,544	12,372,907
Entrance fees	2,600	7,500
Savings account (members)	18,621,271	8,991,307
Accruals	200,502	121,940
Payables	1,103,067	611,721
Other payables	332,499	58,000
Dividends	(835,200)	(777,600)
Interest on voluntary shares	(2,701,312)	(5,158,292)
Reserve	(14,000)	(116,000)
	<u>29,090,971</u>	<u>16,111,483</u>
Net cash provided by financing activities	<u>29,090,971</u>	<u>16,111,483</u>
Increase in liquid assets	(3,706,471)	1,234,416
Liquid asset at beginning of the year	84,660,623	83,426,207
	<u>80,954,152</u>	<u>84,660,623</u>
Liquid asset at end of year	<u>80,954,152</u>	<u>84,660,623</u>

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

We are always here for you!

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2015****1. IDENTIFICATION AND ACTIVITIES:**

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

The main activities of the society are:

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

2. REGULATION:

The Co-operative Societies Act requires, amongst other provision, that at least 20% of the net profit of the credit union be transferred annually to a reserve fund. The Co-operative is exempt from Income Tax under Section 59 (1) of the Co-operative Societies Act and Section 12 of the Income Tax Act.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**a) Basis of preparation -**

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

b) Use of estimates -

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

c) Financial instruments -

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTD:

d) Foreign currencies -

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

e) Revenue recognition -

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

f) Fixed assets and depreciation -

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

The rates of depreciation are as follows:-

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

g) Loans -

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

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

h) Provision For loan losses -

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D:

i) Investments -

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

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

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

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

j) Institutional capital -

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

k) Pension plan costs -

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT:-

(a) Introduction and overview

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

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

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

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

(b) Credit Risk :-

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

(i) Loans to members and guarantees:-

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

Collateral:-

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-

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

Impaired loans:-

Impaired loans are loans for which the Society determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan.

Past due but not impaired loans:-

These are loans where contractual interest or principal payments are past due but the Society believes the impairment is not appropriate on the basis of the level of security available or the stage of collections of amounts owed to the Society.

Loans with renegotiated terms:-

Loans with renegotiated terms are loans that have been restructured due to deterioration in the member's financial position and where the Society has made concession that it would not otherwise consider. Once the loan is restructured, it remains in this category, for the remaining life of the loan, independent of satisfactory performance after restructuring.

Allowances for impairment:-

The Society established an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss allowance component that relates to individual significant exposures, and a collective loan loss allowance established on a group basis in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy:-

The Society writes off a loan (and any related allowances for impairment losses) when the Society determines that the loans are uncollectible. This determination is usually made after considering information such as changes in the borrower's financial position, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

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>2015</u>	<u>2014</u>
	\$	\$
Loans to members, net	444,031,382	407,065,714
Liquid assets - earning	80,954,152	84,660,623
Financial investments	38,546,157	36,932,602
Non-earning assets - other	2,355,593	2,500,071
	<u><u>565,887,285</u></u>	<u><u>531,159,010</u></u>

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

(c) **Liquidity risk:-**

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

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 **44:1.0 (2014 .50:1.0)**

The Credit Union is also required to hold a liquidity reserve requirement of 10% of specified liabilities. A minimum of 8% is to be held with the League while a maximum of 2% can be held with approved financial institutions. The Credit Union was in compliance with the liquidity reserve requirement of 14.0% at the end of the year 2015, (2014 : 17.0%)

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.

	2015					
	<u>Within 1</u>	<u>1 to 3</u>	<u>3 to 12</u>	<u>1 - 5</u>	<u>Over 5</u>	<u>Carrying</u>
	<u>Month</u>	<u>Months</u>	<u>Months</u>	<u>Years</u>	<u>Years</u>	<u>Amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Savings deposit	11,461,500	80,994,602	35,148,601	25,215,301		152,820,004
Voluntary shares	-	-	-	-	322,601,777	322,601,777
Accounts payables	4,065,437	3,505,166	8,160,971	7,420,116	-	23,151,689
	<u>15,526,937</u>	<u>84,499,768</u>	<u>43,309,571</u>	<u>32,635,417</u>	<u>322,601,777</u>	<u>498,573,470</u>

	2014					
	<u>Within 1</u>	<u>1 to 3</u>	<u>3 to 12</u>	<u>1 - 5</u>	<u>Over 5</u>	<u>Carrying</u>
	<u>Month</u>	<u>Months</u>	<u>Months</u>	<u>Years</u>	<u>Years</u>	<u>Amount</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Savings deposit	10,064,905	71,125,328	30,865,709	22,142,791		134,198,733
Voluntary shares	-	-	-	-	310,220,233	310,220,233
Accounts payables	3,778,144	3,257,465	7,584,257	6,895,757	-	21,515,623
	<u>13,843,049</u>	<u>74,382,793</u>	<u>38,449,966</u>	<u>29,038,548</u>	<u>310,220,233</u>	<u>465,934,589</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-

(c) Liquidity risk (cont'd)

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

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

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

(d) Market risk:-

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

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

(i) Currency risk:-

Currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Society is not exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican dollar.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

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:

	2015			
	<u>Within</u>	<u>3 to 12</u>	<u>Over</u>	<u>Carrying</u>
	<u>3 months</u>	<u>months</u>	<u>12 months</u>	<u>amount</u>
	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>
ASSETS				
Loans	37,742,667	62,164,394	344,124,321	444,031,382
Liquid assets	48,572,491	12,143,123	20,238,538	80,954,152
Financial investments	-	11,563,847	26,982,310	38,546,157
	86,315,159	85,871,364	391,345,169	563,531,692
LIABILITIES				
Savings deposits	91,692,002	35,148,601	25,979,401	152,820,004
	91,692,002	35,148,601	25,979,401	152,820,004
Total interest rate gap	(5,376,844)	50,722,763	365,365,769	410,711,688
Cumulative gap	(5,376,844)	45,345,919	410,711,688	-

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

	2014			
	<u>Within</u>	<u>3 to 12</u>	<u>Over</u>	<u>Carrying</u>
	<u>3 months</u>	<u>months</u>	<u>12 months</u>	<u>amount</u>
	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>	<u>\$' 000</u>
ASSETS				
Loans	34,600,586	56,989,200	315,475,928	407,065,714
Liquid assets	50,796,374	12,699,093	21,165,156	84,660,623
Financial investments	-	11,079,781	25,852,821	36,932,602
	85,396,960	80,768,074	362,493,905	528,658,939
LIABILITIES				
Savings deposits	80,519,240	30,865,708	22,813,785	134,198,733
	80,519,240	30,865,708	22,813,785	134,198,733
Total interest rate gap	4,877,720	49,902,366	339,680,120	394,460,206
Cumulative gap	4,877,720	54,780,086	394,460,206	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

4. FINANCIAL INSTRUMENTS RISK MANAGEMENT CONTD:-

Sensitivity analysis:-

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

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

		<u>Effect on Surplus</u>	<u>Effect on Equity</u>
December 31, 2015	105	271,735	0
	-105	(271,735)	0
		<u>0</u>	<u>0</u>
December 31, 2014	102.5	200,069	0
	-102.5	(200,069)	0
		<u>0</u>	<u>0</u>

(e) Capital management:-

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

The Society is required by the League to maintain its institutional capital at a minimum of 8% its total assets. At the statement of financial position date, this ratio was 10%, (2014 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

5. LOANS TO MEMBERS:-

	<u>2015</u>	<u>2014</u>
	\$	\$
Balance at start of year	407,065,714	389,624,896
Loans granted	263,793,942	210,667,818
Less repayments	(262,550,629)	(221,922,472)
Less allowances for loan loss	(4,486,327)	(3,915,367)
	<u>403,822,700</u>	<u>374,454,875</u>
Staff and related parties	40,208,682	32,610,839
	<u>444,031,382</u>	<u>407,065,714</u>

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

	<u>2015</u>	<u>2014</u>
	\$	\$
Purpose:		
Personal	251,979,505	194,320,258
Motor vehicles	139,345,799	142,961,762
Residential	32,695,960	29,776,346
Debt refinancing	20,010,118	36,652,212
Business	-	3,355,135
	<u>444,031,382</u>	<u>407,065,714</u>

The credit quality of loans is summarized as follows:

	<u>2015</u>	<u>2014</u>
	\$	\$
Neither past due nor impaired	446,982,488	410,413,128
Past due but not impaired	-	-
2 to 3 months	684,969	101,927
3 to 6 months	670,998	270,653
6 to 12 months	175,670	77,661
Over 12 months	3,584	117,712
Less provision for loan losses.	(4,486,327)	(3,915,367)
	<u>444,031,382</u>	<u>407,065,714</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

5. LOANS TO MEMBERS CONTD:-

Delinquent loans:

The following is a summary of delinquent loans at December 31, 2015

<u>Period overdue</u>	<u>Numbers in arrears</u>	<u>Loans in arrears</u>	<u>Rate (%)</u>	<u>Loan loss provision required</u>
1 to 2 months	5	239,823	0	0
2 to 3 months	4	445,146	10	44,515
3 to 6 months	7	670,998	30	201,299
6 to 12 months	5	175,670	60	105,402
Over 12 months	2	3,585	0	3,585
General provision				4,131,526
	<u>23</u>	<u>1,535,222</u>		<u>4,486,327</u>

The fair value of collateral held as security against individual loans are \$20,309 .00 (2014 \$2,229,391.00)
There were no renegotiated loans for the years 2015 and 2014.

Allowances for loan losses

	<u>2015</u>	<u>2014</u>
	<u>\$</u>	<u>\$</u>
Balance brought forward	3,915,367	1,886,529
Increase(Decrease) in provision for current year	570,960	2,028,838
Balance brought forward	<u>4,486,327</u>	<u>3,915,367</u>

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

	<u>2015</u>	<u>2014</u>
	<u>\$</u>	<u>\$</u>
Specific provision	354,801	255,697
General provision	4,131,526	3,659,670
	<u>4,486,327</u>	<u>3,915,367</u>

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

6. NON-INTEREST INCOME:

	<u>2015</u>	<u>2014</u>
	\$	\$
Commission	777,500	696,673
Miscellaneous	3,527,389	3,092,486
	<u>4,304,889</u>	<u>3,789,159</u>

7. NET SURPLUS:

	<u>2015</u>	<u>2014</u>
	\$	\$
Net surplus is shown after charging:-		
Auditors' remuneration	580,000	540,000
Depreciation (note 8)	296,240	352,186
Repairs and maintenance	65,550	-
Staff costs (note 9)	<u>24,645,736</u>	<u>24,726,304</u>

STATEMENT VI.13

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

8. FIXED ASSETS:	Furniture & Equipment	Computer	Total
	\$	\$	\$
At Cost -			
Balances at December 2013	364,504	1,349,202	1,713,706
Additions	-	547,388	547,388
Balances at December 2014	364,504	1,896,590	2,261,094
Additions	85,220	-	85,220
Balances at December 2015	449,724	1,896,590	2,346,314
Depreciation -			
Balances at December 2013	65,526	1,224,014	1,289,540
Adjustments	-	(190,160)	(190,160)
Charge for the year	47,741	304,444	352,185
Balances at December 2014	113,267	1,338,298	1,451,565
Adjustments			
Charge for the year	43,227	253,013	296,240
Balances at December 2015	156,494	1,591,311	1,747,805
Balances at December 2015	293,230	305,279	598,509
Balances at December 2014	251,237	558,292	809,529
8a. INTANGIBLE ASSET:			
	Software	Total	
	\$	\$	
At Cost -			
Balances at December 2013	2,104,297	2,104,297	
Addition	40,995	40,995	
At 31 December 2014	2,145,292	2,145,292	
At 31 December 2015	2,145,292	2,145,292	
Amortisation -			
Balances at December 2013	2,145,292	2,145,292	
Charge for the year	0	0	
Balances at December 2014	2,145,292	2,145,292	
Charge for the year	0	0	
Balances at December 2015	2,145,292	2,145,292	
Net Book Value -			
At 31 December 2015	0	0	
At 31 December 2014	0	0	

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

9. STAFF COSTS:

	<u>2015</u>	<u>2014</u>
	\$	\$
Salaries , wages and statutory contributions	20,040,943	18,797,686
Other staff costs	4,604,793	5,928,618
	<u>24,645,736</u>	<u>24,726,304</u>
The average number of persons employed during the year.	7	7

10. LIQUID ASSETS:

	<u>2015</u>	<u>2014</u>
	\$	\$
Jamaica Co-operative Credit Union League Limited		
Fixed deposits	60,240,590	61,625,756
CuCash	12,015,699	16,916,520
Cash at bank and in hand	8,697,863	6,118,347
	<u>80,954,152</u>	<u>84,660,623</u>

NOTES TO THE FINANCIAL STATEMENTS31 DECEMBER 2015

11. FINANCIAL INVESTMENTS:

	1 to 5 Years	Over 5 Years	Carrying Value	Carrying Value
			<u>2015</u>	<u>2014</u>
	\$	\$	\$	\$
JCCUL -				
CuPremium	15,442,169	-	15,442,169	14,499,306
CUETS settlement fund	-	813,720	813,720	787,904
JCCUL shares	4,546,592	1,000,000	5,546,592	5,546,592
Mortgage funds	16,473,353	-	16,473,353	15,828,477
Qnet		270,323	270,323	270,323
	36,462,114	2,084,043	38,546,157	36,932,602

Weighted average effective interest rates are:

Jamaica Co-operative Credit Union League Limited	3.3%	4.0%
--	------	------

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

12. ACCOUNTS RECEIVABLE:

	<u>2015</u>	<u>2014</u>
	\$	\$
Prepayment	746,972	601,512
Interest receivable - league	33,425	43,087
Interest receivable - members	1,386,289	1,666,537
Withholding Tax	188,907	188,907
	<u>2,355,593</u>	<u>2,500,043</u>

13. MEMBERS' SAVINGS DEPOSITS:

	<u>2015</u>	<u>2014</u>
	\$	\$
Balance at beginning of year	134,198,733	125,207,426
Add: Deposits and transfers	1,213,761,078	1,196,242,364
	<u>1,347,959,811</u>	<u>1,321,449,790</u>
Less: Withdrawals and transfers	1,195,139,807	1,187,251,057
	<u>152,820,004</u>	<u>134,198,733</u>

STATEMENT VI.17

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

14. ACCOUNTS PAYABLE:

	<u>2015</u>	<u>2014</u>
	\$	\$
Accruals	5,928,867	5,728,365
Payables	16,737,085	15,634,018
Other	485,737	153,240
	<u>23,151,689</u>	<u>21,515,623</u>

15. NON - INSTITUTIONAL CAPITAL:

	<u>2015</u>	<u>2014</u>
	\$	\$
Special reserve	785,736	785,736
Education reserve	214,793	214,793
Donation reserve	180,000	120,000
Share transfer account	17,000	3,000
Unclaimed share reserve	169,914	169,914
	<u>1,367,443</u>	<u>1,293,443</u>

16. INSTITUTIONAL CAPITAL:

	<u>2015</u>	<u>2014</u>
	\$	\$
Statutory and legal reserves	<u>53,676,709</u>	<u>52,137,532</u>
Capital revaluation reserves	<u>6,431,394</u>	<u>6,431,394</u>

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

18. FAIR VALUES OF FINANCIAL INSTRUMENTS CONT'D:

	<u>2015</u>	<u>2015</u>	<u>2014</u>	<u>2014</u>
	\$	\$	\$	\$
	Carrying	Fair	Carrying	Fair
	Value	Value	Value	Value
	\$	\$	\$	\$
ASSETS				
Earning assets				
Loans	444,031,382	444,031,382	407,065,714	407,065,714
Liquid assets	80,954,152	80,954,152	84,660,623	84,660,623
Financial investments	38,546,157	38,546,157	36,932,602	36,932,602
Non-earning assets				
Other assets	2,355,593	2,355,593	2,500,071	2,500,071
Liabilities				
Interest bearing liabilities				
Members savings' deposits	152,820,004	152,820,004	134,198,733	134,198,733
Voluntary Shares	322,601,777	322,601,777	310,220,233	310,220,233
Non-interest bearing liabilities				
Accounts payable	23,151,689	23,151,689	21,515,623	21,515,623

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

19. RELATED PARTY TRANSACTIONS AND BALANCES:

At December 2015, nine (9) members of the credit union Board of Directors and ten (10) Committee Members and Connected Parties had shares and savings of \$29,310,209 (2014 \$15,830,578) and loans excluding interest totalling \$28,833,233 (2014 \$25,699,509)

Loans excluding interest due from members of staff totalled \$11,375,300 (2014 \$6,911,330). During the year no Director or Committee Members received any loan which necessitated waiver of the loan policy. At December 2015, 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	SHARES	DEPOSITS	LOANS
	\$	\$	\$	\$
Balance as per general ledger	322,601,777	2,088,000	152,820,004	444,031,382
Balance as per members' ledger	322,601,777	2,088,000	152,820,004	444,031,382
Difference	0		0	0

21. LIFE SAVINGS AND LOAN PROTECTION INSURANCE:

During the year, the credit union had life savings and loan protection with Cuna Mutual Insurance Company Limited. The total premium for the year was \$1,501,497 (2014 - \$1,308,527).

22. BONDING INSURANCE:

Bonding insurance was in force for the year under review.

23. TRANSFERS AND APPROPRIATION:

	<u>2015</u>	<u>2014</u>
	\$	\$
Less: Statutory appropriation	(1,085,257)	(902,639)
Dividends on shares and deposits	(835,200)	(5,158,292)
	<u>(1,920,457)</u>	<u>(6,060,931)</u>

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2015****24. OPERATING EXPENSES:**

	<u>2015</u>	<u>2014</u>
	\$	\$
PERSONNEL EXPENSES	24,645,736	24,726,304
Employee salaries and statutory contribution	20,040,943	18,797,686
Employee costs	4,567,293	5,525,218
Education and training	37,500	403,400
ADMINISTRATIVE EXPENSES	13,365,222	12,891,303
Facilities fee	3,345,000	3,542,628
Depreciation and amortization	296,240	352,186
Audit and accounting	580,000	540,000
Repairs and maintenance (office)	65,550	-
Telecommunications	181,413	79,660
Printing, Stationery and supplies	402,965	704,015
Insurance premiums	3,067,103	2,657,586
Professional and consulting fees	949,872	1,040,000
Other administrative expenses	2,493,432	1,836,451
Unrecoverable gct	1,983,647	2,138,777
MARKETING & PROMOTION	280,000	370,478
Publicity and promotion	-	20,478
Education grant	280,000	350,000
REPRESENTATION & AFFILIATION	2,658,143	3,397,201
League and other dues (JCCUL)	1,963,146	1,932,259
Seminars and meetings	286,747	212,600
Annual general meetings	408,250	1,208,250
Miscellaneous	-	44,092
TOTAL OPERATING EXPENSES	<u>40,949,101</u>	<u>41,385,286</u>

Appropriation of Surplus

Recommendation

	2015	
	\$	\$
Surplus December 31, 2015		5,426,285
Less: Statutory Reserve 20% of Surplus		<u>(1,085,257)</u>
		4,341,028
Add:		
Add: Undistributed Surplus 1st January 2015	328,063	
Additional projected for distribution 2014	3,244,199	
Actual distribution 2014	<u>(3,564,513)</u>	
	<u>(320,314)</u>	<u>7,749</u>
Available for Distribution		4,348,777
Less:		
Additional 10% Statutory Reserves	542,629	
Dividend on Permanent Shares @ 40% # of shares 2,088,000	835,200	
Additional Interest to be distributed (4.18%)	2,386,312	
Donations	<u>60,000</u>	
		<u>(3,824,141)</u>
Undistributed Surplus Carried Forward		<u>524,636</u>

FIXING OF MAXIMUM LIABILITY

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

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

For and on behalf of the Board of Directors:

Eric Mardner

Treasurer

STAFF



Hope Mowatt
General Manager



Makeda Scott
Accountant



Alicia Williams
Accounting Officer



Monique McLean
Accounting Clerk



Camille Cadogan
Senior Loan Officer



Lorne Phillips
Loan Officer



Tanya Walton-Hinds
Loan Officer

AGM 2015 PICTORIAL





Report of The Credit Committee

For Year Ended 31st December 2015

CREDIT COMMITTEE



Brian Mitchell



Jean Grant

MISSING FROM PICTURE: Maria Lewis



Samuel Shelton

Chairperson



Leighton Grant

Secretary

For the Financial Year 2015, the Grace Cooperative Credit Union was again faced with major internal and external challenges. Within the external environment, interest rates remained relatively low for the better part of the year, however this served to heighten the competition significantly in the market and required GCCU to make changes to its rates and products in order to remain competitive. Despite these challenges, the Credit Union ended the year attaining 106% of the disbursement budget as shown below:

Financial Year	Actual (\$)	Budget (\$)	% Achieved
Dec-15	262,575,539.50	247,480,000.00	106%
Dec-14	242,384,074.24	154,600,000.00	157%
Dec-13	260,798,810.44	137,040,000.00	190%
Dec-12	270,000,000.00	202,680,000.00	133%

The increased cost of living on the other hand resulted in an increase in demand for personal loans as employees and members of the credit union struggled to cope. The credit union was happy to be able to assist its members in addressing their needs through its various loan offerings.

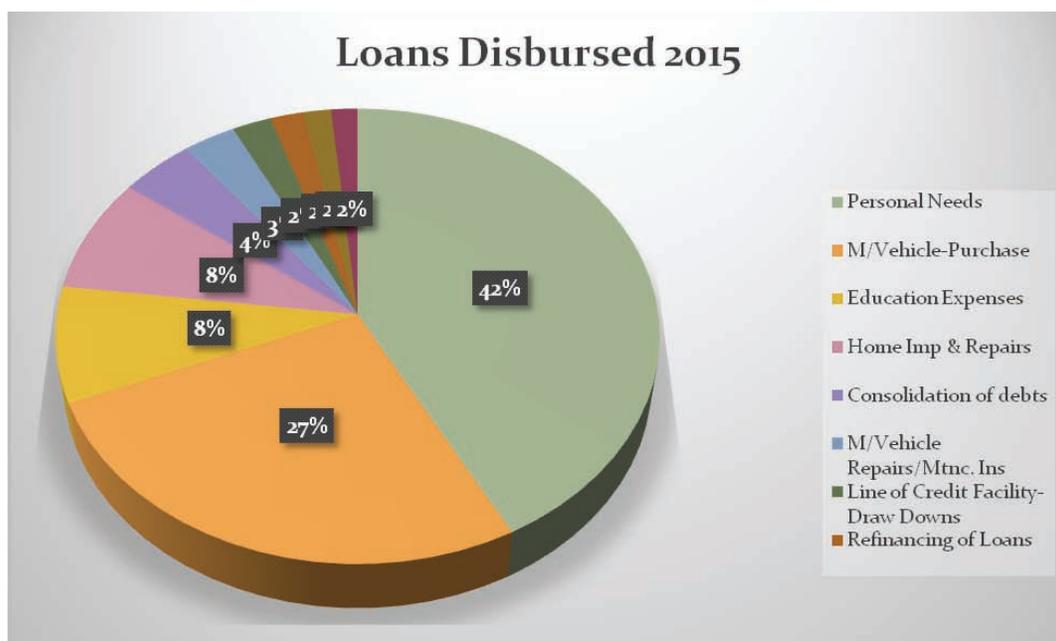
LOANS DISBURSEMENT 2015

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

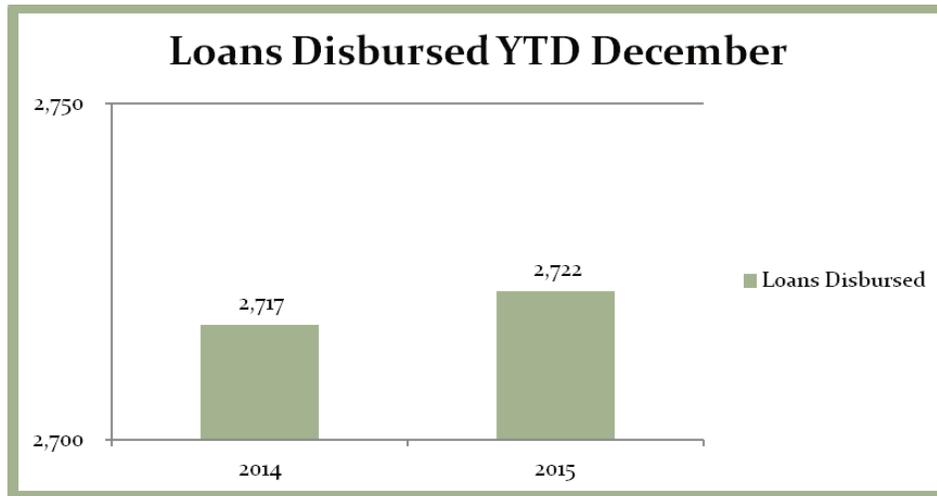
Disbursements - January to December 2015	
Personal Needs	104,440,616.40
M/Vehicle-Purchase	65,728,278.66
Education Expenses***	20,316,844.53
Home Imp & Repairs	20,149,645.31
Consolidation of debts	10,720,554.70

M/Vehicle Repairs/Maintenance/ Ins	7,640,382.09
Line of Credit Facility-Draw Downs	5,671,922.11
Refinancing of Loans	4,808,706.87
Vacation & Travel	4,060,475.00
Home Acquisition	3,828,312.97
Medical Expenses	2,990,058.13
Special Back to School	2,543,400.00
Utilities	2,096,525.00
Furniture & Appliance	1,979,000.00
Christmas Loan	1,602,400.00
Funeral	800,000.00
Agriculture	730,000.00
Special Vacation Loan (Summer)	552,000.00
Easter Loans	486,000.00
Technology Loan	460,742.73
Pay Day Loan	334,600.00
Marriage	312,500.00
Transportation & Haulage	125,200.00
Investment	116,375.00
Professional Fees	81,000.00
Grand Totals	262,575,539.50

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

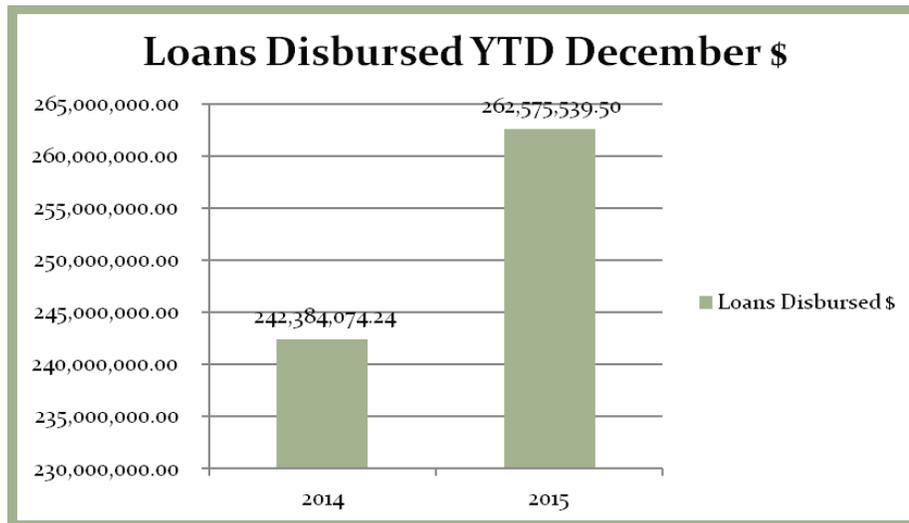


A total of 2,722 loans were disbursed year to date ending December 2015. This represents an increase of 5 loans or approximately 0.2% more than that disbursed over the same period in the previous year which was 2,717 loans.



LOAN DISBURSEMENTS – YTD (\$):

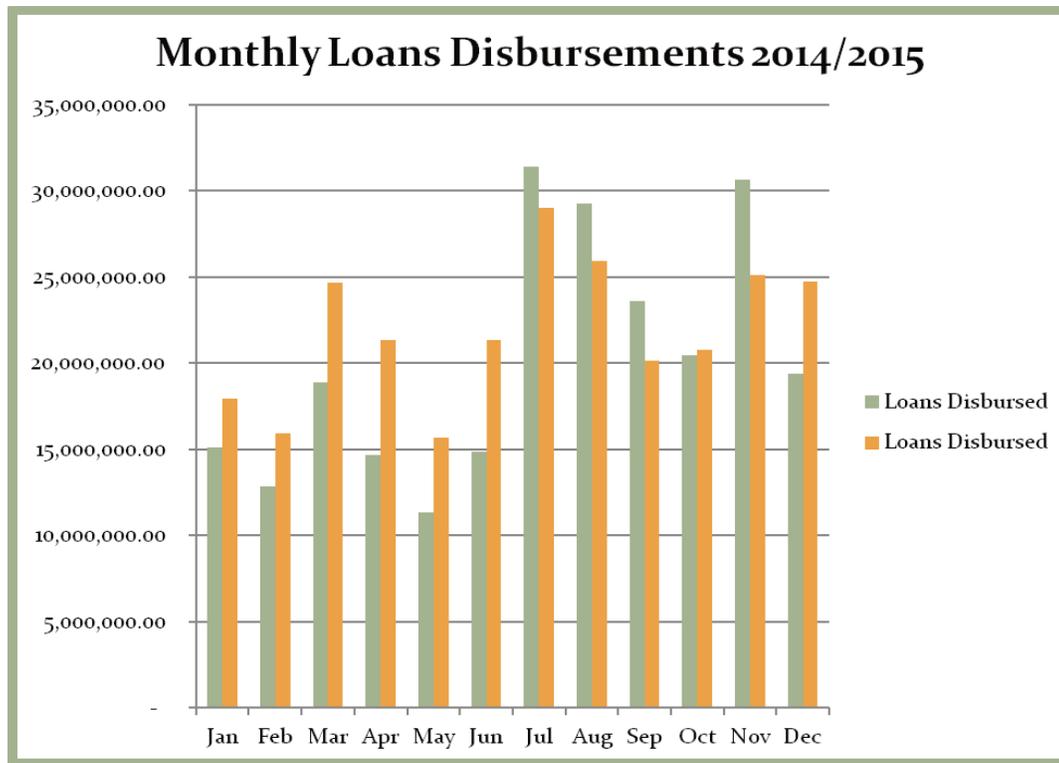
The total value of loans disbursed YTD amounted to \$262.575M, while for the same period last year the value of loans disbursed was approximately \$242.38M. This reflects an increase of approximately \$20.2m or 8.33% more than the amount disbursed in 2014.



LOAN DISBURSEMENTS (month by month):

For the first six months of 2015 there was a monthly general increase in the value of loans approved by the Credit Union in comparison to the first six months of 2014. However, since July and up to November 2015 a reversal of this trend has been seen, since we are now experiencing increased competitive activity from other financial institutions. However, we experienced a sharp increase in December 2015 due to increased visibility through communication which made our Loan Portfolio more attractive to members and competitive in the market place. This is to be viewed in light of sharp competition from FGB and other commercial banks.

This general trend is shown in the diagram on next page:



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

PORTFOLIO CATEGORIES

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

The Credit Committee Report for December 2015 shows that loans for Personal Needs topped the portfolio with disbursements valued at \$104.4m YTD compared to \$86.3m last year, a 21% increase. This category represents 39.8% of the total loans disbursed.

Motor vehicle loans makes up 25% of the current portfolio (18.36% - 2014). 62 MV loans valued at \$65.7m have been disbursed this year in comparison to 51 loans totaling approximately \$44.49m over the same period last year.

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

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

GENERAL

While loans for personal needs, motor vehicle purchase, and educational needs are top priorities for the credit union members, Consolidation of Debt at this time is a very strong second priority as it currently represents 4.1% of the total disbursements (2014 – 5%), showing a decline of 13% YTD.

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

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

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

ACKNOWLEDGEMENT

We wish to thank the Board of Directors, the Management and Staff of the Credit Union and Committee members for their co-operation and assistance during the Financial Year 2015.

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

The Serving Members of the Committee are:

Samuel Shelton	–	<i>Chairman</i>
Leighton Grant	–	<i>Secretary</i>
Maria Lewis	–	<i>Member</i>
Jean Grant	–	<i>Member</i>
Brian Mitchell	–	<i>Member</i>

Report of The Supervisory Committee For Year Ended 31st December 2015

SUPERVISORY COMMITTEE



Rhoda Williams-Moore

MISSING FROM PICTURE

Beverley Wright – Chairperson
Troy-Marie McDonald – Secretary
Kevin Webster
Angella Lawrence

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

Members of the Supervisory Committee were:-

- Miss Beverley Wright – Chairperson
- Miss Troy-Marie McDonald - Secretary
- Miss Angela Lawrence
- Mrs. Rhoda Williams-Moore
- Mr. Kevin Webster

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

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

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

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

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

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

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

Beverley Wright – Chairperson

Report of the Nominating Committee to the 47th Annual General Meeting

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

Mrs. Karen Walker	:	<i>Chairperson</i>
Ms. Karlene Burgess	:	<i>Secretary</i>
Ms. Hope Mowatt	:	<i>General Manager</i>

The status of the volunteers was as follows:

BOARD OF DIRECTORS

Not Retiring

	Unexpired Term
Mr. Simon Roberts	1 year
Mr. E. Christopher Bond	1 year
Mr. Eric Mardner	1 year
Mrs. Stacey Smith	1 year

Retiring

	Recommended	Unexpired Term
Mr. Gilroy Graham	Gilroy Graham	2 years
Jerry Hamilton	Jerry Hamilton	2 years
Mrs. Karen Walker	Karen Walker	2 years
Mrs. Claudette Redwood-Facey	Claudette Redwood –Facey	2 years
Mr. Uriah Philip Alexander	Stanley Beckford	1 year

CREDIT COMMITTEE

Retiring

	Recommended	Term
Samuel Shelton	Samuel Shelton	2 years
Mrs. Jean Grant	Jean Grant	2 years
Mr. Leighton Grant	Damian Lovelace	1 year
Mr. Brian Mitchell	Hortense Gregory- Nelson	1 year

Not Retiring

	Unexpired Term	
Ms. Maria Lewis	Maria Lewis	1 year

SUPERVISORY COMMITTEE

Retiring

	Recommended	Term
Ms. Troy-Marie McDonald	Troy Marie McDonald	1 year
Ms. Angela Lawrence	Angela Lawrence	1 year
Ms. Beverley Wright	Rochelle Powell	1 year
Mrs. Rhoda Williams-Moore	Rhoda Williams – Moore	1 year
Mr. Kevin Webster	Kevin Webster	1 year

Delegates to the League and other societies

To be determined by the Board and Manager

Karlene Burgess (Ms.)
Secretary

Profiles of the New Nominees

Mr. Stanley Beckford



Mr Beckford is currently the Chief Risk Officer for GK Foods Division.

Prior to becoming CRO, he has held several leadership roles within GraceKennedy. These include being Business Development Manager with GK Foods Division and Commercial Manager, Assistant General Manager and General Manager of World Brands Division.

He holds a BSC and an MBA in International Business. He has also completed a number of short courses including:

- Purchasing Management - Robert Lamarre & Associates (1998)
- Negotiating Strategies & Tactics for Creating & Changing Value – Mona School of Business (June 2004)
- Leading The Innovation process – Growth Facilitators (2006)
- Customer Relationship Marketing - Knowledge Works Group (2007)
- Strategic Financial Management – Fitz Ritson & Associates (2008)
- Managing Diversity in A Global Company – GraceKennedy Limited (2009)
- Creating Winners In The Workplace – Milestone Development (2009)
- Fundamentals of Risk Management – CariCRIS & JSE (2013)
- Enterprise Wide Risk Management – RIMS (2013)

He also has over 20 years' professional experience within GraceKennedy Limited and has additional interests including:

Mentor (Jampro)

Board Chairman,

TFACC Board of Visitors

Adjunct Lecturer (Operations Management, Marketing) and also has with a strong interest in global affairs.

Ms. Rochelle Powell



Ms Powell has extensive experience in internal auditing, financial accounting, assurance, financial advisory, fraud, and business continuity planning services assisting clients in the Manufacturing, Distribution, Agriculture, Gaming, Retail, Shipping, and Financial Services industries.

She is currently a Business Auditor with GraceKennedy Limited, prior to this, she was an Associate/ Senior Associate and Consultant with PwC Financial Advisory Services. Her educational profile includes a BSC in Management Studies/Accounting from the University of the West Indies, Certified Public Accountant from New Hampshire Board of accountancy USA and expects to complete studies as a Certified Internal Auditor in 2016. She also holds a BSC in Management Studies/ Accounting from the University of the West Indies. She has also

completed a number of short courses namely ACL training – Facilitator (December 2014), Auditors as Consultants Training organized by IIA Jamaica (November 2014), ICPA Business Valuation Training web seminars, Annual IFRS Updates, International Standards on Auditing (ISA), PwC Independence and Risk Management training, Financial Industry E-learn (Retail Banking, Investment Banking, General and Life Insurance), Sarbanes-Oxley Act among others.

Continued on next page

She has also received the following awards:

- PwC Award for Excellent Team Work – Capital and Credit Merchant Bank
- PwC Award for Excellent Team Work – Electoral Office of Jamaica
- PwC Award for Academic Achievement – Successful completion of CPA exam

Mr Damian Lovelace



Mr Lovelace has over nine years experience with Grace Foods and Services and is currently the Senior Credit And Reconciliation Officer , having previously worked as a Credit Officer with this Department.

Prior to this he had seven years work experience in the Financial Services Industry having worked with First Caribbean International Bank Jamaica Limited and First Global Financial Services Limited.

His educational profile includes a BSC in Business Administration and Management Science from the University of Technology and a Certificate in Supervisory Management from the GraceKennedy Limited Supervisory Development Programme.

His hobbies include painting, solving puzzles and listening to music. He also enjoys cricket, football, swimming and golf.

Mrs Hortense Gregory- Nelson



Mrs Gregory-Nelson is currently the Finance and Administration Manager with tTech Limited having worked with that company since 2010. Prior to this, she held senior accounting positions across several industries including Bible Society of the West Indies, Mothers Enterprises Ltd, Ernst & Young Chartered Accountants (now BDO).

Her educational profile includes membership in the Association of Accounting Technicians, the Association of Chartered Certified Accountants and is a Certified Financial Planner. She is also certified in Project Management and Fraud and Forensic Accounting.

Her extra secular interests include reading, gardening and soft furnishings.

46th Annual General Meeting July 8, 2015

Attendance Register

NAMES	NAMES	NAMES
1 Aggrey Palma	49 Gillian Richards	97 Michelle Peters-Mullings
2 AndreneClarke-Brown	50 Gilroy Graham	98 Monique Morgan
3 Andrew Messdao	51 Gracian Grant	99 Nadarni Headlam
4 Antionette Poyser	52 Helen Hayden	100 Nadine Butler
5 Arlene Davis	53 Hope Mowatt	101 Nadya Bryce-Reynolds
6 Ayen Crooks	54 Horace Wright	102 Natalee Tullonge
7 Ayesha Cooke	55 Ian Carlyle	103 Natalie Hall
8 Ayesha Lawrence	56 Ingrid Medwinter	104 Natalie Patterson
9 Befekadu Russell	57 Ishia Higgins	105 Nicole Beavers
10 Broderick Bowes	58 Jacqueline McKenzie	106 Nicole Bennett
11 Camille Cadogan	59 Jacqueline Thompson	107 Orrett Virgo
12 Carlos Hendricks	60 Janet McLaren	108 Orville Levene
13 Carol Jamieson	61 Janet East	109 Otesha Shaw
14 Charline Patterson	62 Janette Taylor	110 Peta-Gaye McNuff
15 Charmaine Creary	63 Jasmin Farmer	111 Orlean Mears
16 Cheridal Blackwood	64 Jean Grant	112 Rayon Williams
17 Christine Davidson	65 Jerry Hamilton	113 Rene' Wynter
18 Christine Francis	66 Joan Cummings	114 Rhoda Moore
19 Christine Thomas	67 Joyceline Brown	115 Richard Green
20 Claudette Facey-Redwood	68 Judith McGowan	116 Rickie Davis
21 Claudette Taylor	69 Julian Marriott-Green	117 Ronnie Henry
22 Cleon Edwards	70 Kadeanne Rennie	118 Sachel Rodney
23 Colin Gordon	71 Karen Chin Quee Akin	119 Samuel Shelton
24 Collena Doctor	72 Karen Lowther- Martin	120 Sandra Todd
25 Corey Cunningham	73 Karlene Burgess	121 Saneth Morgan
26 Corine Notice-Parks	74 Kaydene DeSilva	122 Santena hayles
27 Dale Beckford	75 Kerri-Ann Smith Berrick	123 Shane Billings
28 Damian Lovelace	76 Kevin Webster	124 Sharon Wellington
29 David Dean	77 Kimberlee Redway	125 Shauna Douglas
30 Deighton Christian	78 Kimberley Williams	126 Shauna Isaacs
31 Delton McKenzie	79 Kurtland Sinclair	127 Shawn Thompson-Powell
32 Dennis Needham	80 Lance Bailey	128 Shernet Brown
33 Donna Miller-McKoy	81 Landell Harrison	129 Simon Roberts
34 Doreen McKenzie	82 Lehonie Francis	130 Simone Ramsay-Knight
35 Doreen Rowe	83 Leighton Grant	131 Sonia Morrison
36 Dorothy Turner	84 Leroy Little	132 Sophia Dennis
37 Dorrette Gordon	85 Lorna Reynolds-Minott	133 Stacey Harrison
38 Dwight Fraser	86 Makeda Scott	134 Stacey_ann Whynes
39 E. Christopher Bond	87 Marcia Wilson	135 Stanley Beckford
40 Elmore Dyer	88 Maria Lewis	136 Sydney Johnson
41 Eric Mardner	89 Marlene Wiggins	137 Tameica Lewis
42 Erica Hayden	90 Marlene Wilson	138 Tanya Hinds- Walton
43 Estella Brown	91 Marlon Ferguson	139 Terri-Ann Fraser
44 Everton Foster	92 Marsha Cope-Johnson	140 Tyshaun Lindo
45 Fitzroy Blake	93 Marsha Lindsay	141 Veronica Wade
46 Florette Henry	94 Martina Bryce	142 Vynter Lothian
47 Garfield McKenzie	95 Michael Harrison	
48 Gary Murphy	96 Michelle Mason	

Contact Persons List

COMPANY	NAME
AGRO-GRACE LIMITED	MS. HYACINTH BROWN
HARDWARE & LUMBER LIMITED	MS. ROXON LONG
ALLIED INSURANCE BROKERS LIMITED	MS. TIFFANY STEVENS
CARIB STAR SHIPPING LIMITED	MS. DELORITA DEAN
CMA CGM (JA) LIMITED	MS. MAXINE HUTCHINSON
DAIRY INDUSTRIES (JA) LIMITED	MS. CAMILLE SHAND-SMITH
FIRST GLOBAL BANK	MS. CAVEL SMITH
GFP CANNING	MS. HYACINTH JACKSON
GFP MEAT	MS. GILLIAN ROBINSON
GRACE FOODS CENTRAL/GRACE FOODS INT'L	MS. ORLEAN MEARS
GATEWAY SHIPPING INT'L LIMITED	MR. WAYNE CLARKE
GRACEKENNEDY REMITANCE SERVICES	MRS. LORRAINE BLAIR-BAKER
HI-LO FOOD STORES LIMITED	MS. NERISSA WALLACE
GK GENERAL INSURANCE COMPANY LTD.	MRS. RASHELLE MATTIS-CLARKE
KINGSTON WHARVES LIMITED	MR. KAREN MORGAN
KCT SERVICED LIMITED	MRS. ANDREA LOTHIAN
NATIONAL PROCESSORS LIMITED	MR. DENISE RAMSAY
WORLD BRANDS LIMITED	MS RENEE COLE
CORPORATE AFFAIRS	MS. DIONNE RHODEN
CORPORATE FINANCE & ACCOUNTS	MRS. SHAUNA ISAACS
CORPORATE HR DEPARTMENT	MRS. JEAN GRANT
CUSTOMER SERVICE / CREDIT DEPARTMENT	MRS. COVENETTE BROWN
FACILITIES MANAGEMENT	MRS SHAWN THOMPSON-POWELL
GRACE FOODS AND SERVICES	MRS. JENNIFER RICKETTS
GRACE & STAFF	MS. TAMEICA LEWIS
GROUP SECRETARIAT	MRS. LAVERN LLEWELLYN
INTERNAL AUDIT	MRS. BEVERLEY WRIGHT
PEREZ Y CIA (JA) LIMITED	MS. KEISHA BISNOTT
T-TECH LIMITED	MRS. HORTENSE GREGORY-NELSON
LOGISTICAL DISTRIBUTION & SERVICES LTD.	MS. RACQUEL FYFFE

PRODUCTS AND SERVICES OFFERED BY

GRACE CO- OP CREDIT LIMITED



The Golden Harvest
Savings Plan

It is goal oriented and
insured!



VOLUNTARY SHARES
FIXED DEPOSITS
PARTNER PLAN
SAVINGS
DEPOSIT ACCOUNTS

LET'S TALK RATES & RETURNS!!!



- The Family Indemnity Plan (FIP) is a death insurance benefit offered to member and their families with premiums as low as \$422.40 per plan and maximum coverage up to \$650,000.00 per person.
- Health insurance offered by Sagicor for family members with premiums starting at \$4,689.00 monthly.
- Seasonal loan options are designed to satisfy all of our members and covers **BACK TO SCHOOL/VACATION/ SUMMER/ EASTER & CHRISTMAS** expenses among others.
- Our multi-purpose **RESCUE LOAN** is collateral free and user-friendly with affordable monthly repayments.

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

“ WE ARE ALWAYS HERE FOR YOU !!”

KILL MANY BIRDS WITH ONE STONE!

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

Apply Now!



We're "the point of reference"

New & Improved



Friends want the best for friends

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



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

Crazy Creamy

Now **Thicker & Creamier** with less calories and sugar.



...Be Good To Your Body!

*Made in Jamaica
Delivered Fresh*

Notes

*Prayer Of
Saint Francis Of Assisi*

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

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

SO DIFFERENT SO GOOD TOGETHER



INTRODUCING
PINEAPPLE
COCONUT!

NEW
JAZZY LOOK,
SAME RHYTHM
INSIDE!

Grace
Tropical Rhythms

 /gracetropicalrhythms

 @tropicalrhythms



GRACE

FOOD PROCESSORS

(A Division of GK Foods & Services Limited)

Home of Excellent **Quality** Products

Deliciously Made
RIGHT HERE **AT HOME**



A member of the  **GraceKennedy**
GROUP