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ANNUAL REPORT 2021



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THE PRAYER OF *St. 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 error, the truth;
 Where there is doubt, the faith;
 Where there is despair, hope;
 Where there is darkness, light;
 And where there is sadness, joy.
 O Divine Master, Grant that I may not so much seek
 To be consoled, as to console;
 To be understood, as to understand;
 To be loved as to love. For it is in giving that we receive;
 It is in pardoning that we are pardoned;
 And it is in dying that we are born to eternal life.
 Amen.



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AGENDA

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6. Reading and Confirmation of the Minutes of the 58th Annual General Meeting
7. Matters Arising
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11. Resolutions
12. Other Business
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15. Adjournment






MINUTES

The 58th Annual General Meeting

W01 Carlean Sutherland, Secretary

NOTICE OF MEETING

Notice is hereby given of the 58th Annual General Meeting of the Jamaica Defence Force Co-operative Credit Union Limited to be held on Wednesday May 26, 2021 at the CMA Auditorium, Up Park Camp, Kingston 5.



Carlean Sutherland, BSc (Hons)
Warrant Officer Class 1
Secretary

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to find out more.

CALL TO ORDER

The meeting was called to order after the Secretary, W01 Carlean Sutherland ascertained that a quorum was present. The Annual General Meeting was held virtually with simultaneous live streaming on YouTube and Facebook and a group of registrants attended in person.

SPECIAL RESOLUTION

In order for the Annual General Meeting to become a hybrid meeting a Special Resolution was read to the meeting which was a proposed amendment to the credit union's rule and would enable the Credit Union to keep its AGM in a hybrid fashion which is virtually and physically. The motion for the resolution was moved by Major Heleda Thompson and seconded by Major Aceion Prescott.

“The credit union had demonstrated its competence and resilience as it has been serving its constituents over the years.”

At this point a vote was taken for the acceptance of the resolution. For the resolution to be accepted there had to be at least 75% of the members present online or physically present. There were one hundred and eight persons registered for the AGM. Ninety-two members were in favour of the resolution, sixteen persons abstained and there was no person voted against the resolution. The resolution was passed and at this point the meeting was properly convened. The AGM started 12:15p.m.

NOTICE OF THE MEETING

The Notice was read by the Secretary, W01 Carlean Sutherland.

PRAYER

Prayer was offered by Major Heleda Thompson following which the Prayer of Saint Francis of Assisi was recited by all.

OBITUARIES

One minute of silence was observed for members who have passed on during the year.

CHAIRMAN'S OPENING REMARKS

The Chairman on behalf of the Board of Directors, volunteers, management and staff of the Jamaica Defence Force Co-operative Credit Union welcomed visiting friends, members in the room as well as members watching virtually online. He invited members to fully participate in the discussion and interaction that will take place. He also welcomed and recognized the Chief of Defence Staff, Lieutenant General Rocky Meade, Guest Speaker Commodore Antonette Wemyss Gorman, Brig Radgh Mason, Commanding Officers who are online, Senior Officers. He specially welcomed Mr. Webb and Mr. Williams from the Office of the Registrar of Cooperative Society, Mrs. Katerina Grant-D'Aguilar from the Jamaica Credit Union League, the Auditor Mr. Sixto Coy, all other visiting friends and invited guests were thanked for their presence at the meeting. The President introduced the members of the Board of Directors to the members. Mr. Howard Powell Acting General Manager was also introduced.

SUSPENSION OF THE STANDING ORDERS

The President asked for a motion to be moved for the suspension of the Standing Orders to move some items forward that needed a quorum. The motion was moved by Mr. Everton Hay and seconded by Sergeant Shelroy Johnson.

INTRODUCTION AND PRESENTATION OF GUEST SPEAKER

The guest speaker, Commodore Antoinette Wemyss Gorman was introduced by W01 Dwight Smith. Commodore Antonette Wemyss Gorman acknowledged the management and staff of the Jamaica Defence Force Cooperative Credit Union. Members of the Board of Directors, representatives from the Jamaica Cooperative Credit Union League and representatives from the Cooperative of Friendly Societies and members. She thanked the credit union for asking her to address the meeting on the theme 'Resilient Together Marching Forward'. She said that resilient indicates an ability to stand together or recover quickly from difficult conditions such as bonding together and resilient has been described as positive circumstances while challenging or threatening circumstances.

She said that the credit union had demonstrated its competence and resilience as it has been serving its constituents over the

years. She mentioned that in the past decade the credit union has received eight awards as the Top Credit Union in the Large Category and has grown its net worth by 308%. This was done while increasing its membership from 7841 in 2010 to 10,700 in 2020. The success of the credit union while credited to its astute management team is buttressed by its engagement and service to its membership. She said this is a good measure of what resilience entails. A component of resilient enables one to focus on relevant task and goals and carry them out. She said this is particularly important in the constituent of this credit union given the critical nature of the role it plays in society. She said that what makes the credit union resilient is that in time of trial and crises membership of the credit union must be in a position to focus and achieve the task at hand. The ability to recover and do it together is very important. It is instructive to note the performance of the credit union despite impacts of various shocks in the economic and financial sector over the years. The credit union weathered those storms providing services to its members while continuing to emulate and grow.

She said that as they march forward she would like to take this opportunity to encourage the membership to seek and employ sound financial planning in order to achieve your goals. She urged the Board of Management to continue to elevate and deliver quality service and financial products to membership. She also encouraged the membership to explore the benefits of the credit union. She congratulated the JDF Credit Union on its achievements and wished the credit union continued success. A presentation was made to Commodore Antonette Wemyss Gorman by Mr. Kirlew Duncan.

ELECTION OF VOLUNTEERS

Mr. Michael Webb from the Department of Co-operative and Friendly Societies conducted the elections for volunteers. Counting of votes for the Board of Directors, the Supervisory Committee and the Credit Committee was however, concluded at the office of the Department of Cooperatives with results to be remitted at a later date.

RESUMPTION OF THE STANDING ORDERS

The motion for the resumption of the Agenda was moved by Major Heleda Thompson and seconded by Mr. Everton Hay.



MINUTES OF THE 58TH ANNUAL GENERAL MEETING

The Minutes of the 58th Annual General Meeting was taken as read on a motion moved by Lt Col Michael Anglin and seconded by Mrs. Donna Boland-Brown.

Confirmation of the Minutes

There were no corrections to the minutes. There being no corrections, a motion for the confirmation of the Minutes was moved by Lt Commander Prescott and seconded by W01 Dwight Smith.

Matters Arising From the Minutes

There were no matters arising from the Minutes of the 57th Annual General Meeting.



Board of Directors Report

The motion for the Board of Directors Report to be taken as read was moved by W01 Carlean Sutherland and seconded by Staff Sergeant Andrae Burnett. The President said that it is time again for the Board of Directors to account for the stewardship for the year. He said despite the result of the COVID-19 Pandemic the credit union had a dedicated team of volunteers, management and staff who had worked assiduously despite the demand of their substantive jobs. He stated that the Jamaican economy had great expectations with targets that seem achievable with efforts and determination but the COVID-19 Pandemic changed the entire operational landscape. Economically Jamaica suffered a 10.2 GDP decline after seven years of growth. He informed that tourism declined up to 53.5%. The transportation sector which included airlines and airports were closed thereby restricting exports and imports. Inflation was recorded at 5.1% and employment rose to 10%. Many people lost their jobs, their business and their livelihood. He said that the Military was not affected by job loss but some members experienced constraint and that affected the outcome of the credit union's business.

Relocation of the Credit Union

The credit union is expected to relocate to occupy the location of the Military Pay Office. This will require the construction of a new credit union building as that building is not suitable for

the credit union purpose. He stated that the building was slated to begin construction in the first quarter of 2020 but a number of hurdles was difficult to resolved and that placed a delay in the starting of the project but they are targeting a new starting date for July and that date is subject to a number of approvals.

Targets

He outlined what was the predicted target for the period under review and said that those targets were predicted primarily on the year being normal and were all taken in conjunction with the forecasted recruiting targets holding through but at the end of 2020 those predictions saw some different results that were not as successful as the previous predictions.

COVID-19

COVID-19 made a change in the way the credit union staff operated with a remote policy being implemented which required new policies and procedures. Approximately half of the credit union's business was done by the staff working at home. The Work from home methodology was new and it forced the credit union to take most of the business on line which required greater knowledge and use of technology. Some members preferred to do their business in office instead of on line and they had to be accommodated.

The Pandemic affected a number of meetings that would normally take place annually. The Board meetings have now adopted the flexibility of virtual attendance. The management did extremely well and was congratulated as there was no member of staff who contracted the virus from the office.

Annual Treat

The Annual treat was kept in mid September last year and this was modeled by an in-house one day treat.

New Customer Service Mantra

The new Customer Service Mantra is 'Members First' where everything the credit union does the members should be at the forefront.

Resignation of General Manager

Mrs. Patricia Tomlinson, former General Manager resigned. She was a long standing member having managed the credit union for fourteen years. Under her management the credit union was able to win the Renford Douglas trophy for Credit Union of the Year for five years. Thanks were expressed to Mrs. Tomlinson and well wish for her future endeavours. The President informed that plans are advanced in the contracting of a new General Manager and is hoping that by the 1st of July a new General Manager will be in place.

MINUTES

The 58th Annual General Meeting

Relocation of the
Credit Union



Targets



COVID-19



Annual Treat



New Customer
Service Mantra



Resignation of
General Manager



New Office at Burke
Barracks, Montego Bay



Bank of Jamaica



Independent Auditors
and Treasurer's Report



Treasurer's Report



New Office at Burke Barracks, Montego Bay

The President said that they expect to commence the building of a new office at Burke Barracks in Montego Bay, St. James in August but that is subject to no further delays in the construction that is taking place. They are also recruiting staff members from the area that would be working at that location to serve the members.

Bank of Jamaica

The Chairman said that the Ministry of Finance has indicated that they will be enacting the Bank of Jamaica regulations in this Financial Year. He stated that the BOJ's regulations will not have any impact on the membership and the Board will continue to provide service that the members deserve.

Conclusion

The Chairman thanked the members on behalf of the Board of Directors for allowing them to lead the organization. He said he remained committed to the members and the responsibility that has been given to the Board of Directors. The Board of Directors' Report was accepted on a motion moved by Mr. Hamroy Roberts and seconded by Mr. Odene Shirley. The motion was passed unanimously.

Independent Auditors and Treasurer's Report

The Independent Auditor's Report was read by Mr. Sixton Coy from HLB Mair Russell. It was contained on pages 24 to 29.

Treasurer's Report

The Treasurer, Mr. Everton Hay presented the Treasurer's Report which was found on pages 12 and 13. He stated that 2020 would suggest that the country's economic performance continue to be measured by the Economic Programme Oversight Committee (EPOC). By the close of the first quarter of 2020 there was the Pandemic and this affected Jamaica and the rest of the world. He gave highlights of Jamaica's economy for 2020 including that the inflation for the year was 5.1% and the Jamaican dollar closed at approximately \$150.00 to US\$1. Turning to the performance of the credit union he stated that despite the Jamaican economy for the year ended 31st December 2020 the credit union had another good year's performance. Fifty-five percent of the targets were achieved. He commended the management, staff and volunteers for their efforts. He said that they remained compliant with the regulatory guidance. They continue to offer the members a wide range of products and services at the most affordable rates in the Movement.

Financial Highlights

The Treasurer detailed the financial accomplishments of the credit union. He said that Asset base stood at \$2.97B, a total

of 14%, loan portfolio increased by 3%, saving grew by \$302M or 16%. Capital grew by \$50M or 8%, interest from loan a growth of 5% which was \$12.49M, investment income increased by 89%. On the other side the loan interest income saw a decline of 15%. With respect to the expense side personnel saw an increase, General Overhead a 9% increase, interest expense increased by 4% or \$2.412M, Affiliation & Representation decreased by 36%. Management saw an increase of 43%. There was a surplus of \$83.013M or 8%.

Matters Arising from the Treasurer's Report

There were no matters arising from the Treasurer's Report. The Report was accepted on a motion was moved by Mr. Desmond Pringle and seconded by Mr. Edward Pryce. The motion was unanimously carried.

Resolutions

The Treasurer moved a Resolution on behalf of the Board of Directors for the appropriation of the credit union's surplus as follows:

Resolution #1

The Proposal for the Appropriation of Surplus was presented by the Treasurer, Mr. Everton Hay as follows:

Net Surplus for the year	\$78,134,000
Other Reserve	<u>9,711,000</u>
Comprehensive Income for the Year	<u>68,423,000</u>
Dividend Permanent Shares	5,589,000
Statutory Reserve	16,602,600
Additional Statutory Reserve	10,000,000
Honoraria Payment	3,826,625
Treasure Chest Scholarship	1,500,000
Building Reserve	<u>13,000.00</u>
Total Distribution	<u>59,518,225</u>
Undistributed Surplus	<u>17,904,775</u>

Resolution #2

Rule # 143 – Power to Borrow

Proposal for the Fixing of Maximum Liability up to December 2021 at a rate of 16 times the capital. The acceptances of the two resolutions were unanimously accepted by the members.

Credit Committee Report

The Report was presented by Mrs. Shakeria Marshall-Fender, Member of the Credit Committee. Mrs. Marshall-Fender said that the year 2020 was a very challenging year. Different methods were ensured to guide the members to the most suitable, efficient and excellent service. She informed that the Credit Committee met at least once per week to review, analyze

and examine applications or other reports as required. During the year 2020 the committee reviewed 173 applications which amounted to \$222.9M compared to \$381.3M in 2019. The main contributors were Motor Vehicle Loans and Debt Consolidation Loans which had the highest dollar value of loans distributed during the period in review. Non-performing portfolio had a delinquency ratio of 3.85%, an increase of 2.72% over 2019.

The Jamaica Defence Force Co-operative Credit Union fosters financial stability among its members so the committee is focusing on cutting back credit risks and guiding members to improve their debt credit ratio. Mrs. Marshall-Fender extended appreciation to all members and acknowledged the support of the Board of Directors, Supervisory Committee, Management and staff of the credit union. She said that COVID-19 Pandemic has significantly impacted the credit union and its members but they will overcome the challenges by being 'Resilient Together Marching Forward'.

There were no questions arising from the presentation. The motion for the acceptance of the Report was moved by Sergeant Gawayne Brown and seconded by Mr. Everton Hay.

Supervisory Committee Report

The report was presented by the Chairman, Sgt. Gawayne Brown, which was found on page 90 of the booklet. He asked for a motion to take the report as being read. The motion was moved by Mr. Desmond Pringle and seconded by Miss Marsha Hall. Sgt. Brown informed that the Supervisory Committee consists of seven members who were duly elected by the members at the last AGM. He introduced the seven members to the AGM. Sgt. Brown stated that during the year the committee carried out its responsibilities by continuously having oversight over the operation on behalf of the Board of Directors. Despite Covid19 the committee still managed to execute over forty audits for example, conducted random cash counts, monitor property, plant and equipment, examined staff development, examine tax compliance. He said that the policies and procedures of the credit union were adhered to in all material respect. A total of twenty loans formed the basis of special investigations. The result of the special investigation is that they were satisfied that the related policies and procedures were adhered to in all material respect for the granting of such loans.

The Chairman on behalf of the Supervisory Committee expressed sincere gratitude to the members of the JDF Cooperative Credit Union for the opportunity to serve in this important capacity, to the Board of Directors for having supported and guided the Supervisory Committee through the period. He expressed gratitude to the Management and

staff for having facilitated them throughout the year especially the Internal Auditor who willingly provided assistance.

Questions or Comments from the Supervisory Committee Report

There being no questions arising from the presentation of the report therefore a motion was moved by W01 Dwight Smith and seconded by Mrs Donna Brown for the acceptance of the Report.

Any Other Business

There was no other business from the members. The Chairman reminded the members that the credit union belonged to them. They are not just members but owners of the institution. He encouraged them to utilize the services and products of the credit union and also to have dialogue with the credit union on how to better serve them with additional products and services that will prevent them from doing business with the competitors. He said that benefits from doing business with the credit union as owners will come back to the members.

Vote of Thanks

The Vote of Thanks was moved by Mr. Ravonne Thomas-Matthew.


Carlean Sutherland, BSc (Hons)
Warrant Officer Class 1
Secretary



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BOARD OF

Mr Everton Hay
Treasurer

Warrant Officer Class 1
Carlean Sutherland, Secretary

Mr Desmond Pringle
Director

Commander
Aceion Prescott, President



DIRECTORS


Lieutenant Colonel
Michael Anglin, 1st Vice President

Staff Sergeant
Shelroy Johnson, Asst. Treasurer

Mrs Donna Boland-Brown
Asst. Secretary

Missing:
Lieutenant Dionne Ellis
2nd Vice President





“
Notwithstanding the continued impact of the COVID-19 pandemic on the Economy and the Credit Unions, the Movement remained resilient during 2021.
”

Board of Directors' REPORT

Cdr Aceion Prescott, President

Introduction

Esteemed Co-operators, I am indeed honored to report on the JDFCCUL financial year 2021 on behalf of your Board of Directors. Your Board and committee members worked tirelessly throughout a trying year to improve your Credit Union so that it can better help you to enhance your financial well-being. Your volunteers remain committed to causing the organization to constantly improve its service to you despite the pressures being caused in the financial space by the COVID-19 pandemic, the Russia and Ukraine war, and other issues. We pray for peace between nations.

Your volunteers are mindful that you our members and your families would have been affected and even displaced due to the loss of income and marginal returns from small-scale enterprises. We express our condolences to those members

and their family members that have died over the period due especially to the pandemic and hope that God will continue to comfort you. The Credit Union stands by to serve your needs and remain your financial institution of choice into the future.

Economic Environment

The economic environment did not perform as anticipated. The pandemic was heavily cited as the major challenge impacting our domestic and economic performance. The annual inflation spiked to 10.9%, the Treasury Bill interest rate rose to 2.5% to manage inflation and unemployment increased to 7.3%. Some of the local sectors also saw major inflationary increases such as food and non-alcoholic beverages at 35.8%; Housing at 17.8% and Transportation at 11.2% (BOJ Annual Report 2021).

Credit Union Movement

Notwithstanding the continued impact of the COVID-19 pandemic on the Economy and the Credit Unions, the Movement remained resilient during 2021. Total assets grew by \$12.9 billion (9.4%) to \$150.1 billion, marginally higher than the growth of \$12.6 billion or 10.1% for 2020. Similar to 2020, asset growth was mainly reflected in Investments which increased by \$5.6 billion (18%) to \$35.5 billion, due to the redeployment of liquid

funds to short-term investments, in light of a reduction in loan demand. Net loans increased by \$4.4 billion (4.8%) to \$96.0 billion, marginally higher than the growth of \$3.3 billion in 2020, as opportunities to lend were constrained for most of 2021. Nonetheless, net loans remained the largest asset class held by Credit Unions, despite falling in proportion to total net assets to 64.0 % from 66.7% in 2020.

JDF Strategic Initiatives Highlights 2021

The following are the strategic highlights of our 5-year development plan. Despite the economic challenges, we managed to make remarkable progress. Below are the achievements:

No.	Initiatives	Achievements %
1	Member Engagement and Penetration	70
2	Technology and Process Re-Engineering	75
3	Human Resource Development	75
4	Governance and Leadership	80
5	Enterprise Risk Management	75

- a. **Member Engagement & Penetration.** We continued to educate our members on financial solutions for their well-being through various mediums. The exploration

and mobilization of the other members of the bond such as affiliates and family members was a major achievement. We will continue to engage and re-engage these segments to build the critical mass that is required to move the Credit Union to the next level. Other access points, call centers, and greater strategic alliances will roll out in 2022 as part of this initiative.

- b. **Technology and Process Re-Engineering.** We improved our mobile application to include IOS/Apple version. Online business increased by 85% as this was the main access service delivery point due to the pandemic. Several loans and savings applications were made available online. Also available online were cheque requisition, statements, inter-bank transfers, and digital signature pads. The Tech-Care Center was also launched to facilitate information sharing and technological updates.
- c. **Human Resource & Organizational Development.** Staff training in technical areas and customer service were administered. We incorporated hybrid work plans such as flexi-time, remote work and rotations. At no time, the service to our members was severely disrupted.

Towards the final quarter, we engaged a new General Manager, Mrs. Claudia Thompson-Roache who will lead the Credit Union in a new direction.

- d. **Governance and Leadership.** The Board and other committees continued to provide oversight. Most of our meetings were held virtually and are almost now the norm. We found more efficient ways to manage and make decisions virtually. This has somewhat reduced administration costs and improved efficiency. The Board's attendance record for the period is shown in the table below.

Board Attendance Record 2021

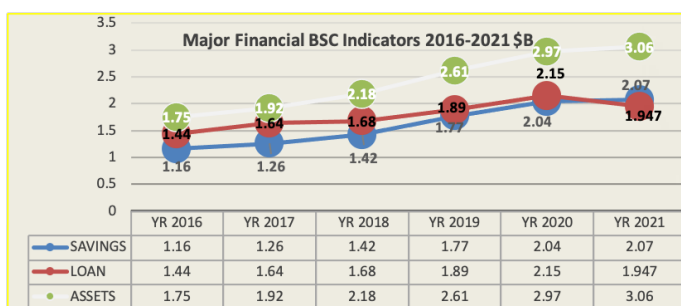
Board Members	Possible	Regular	Special	All Committee	Apology
Cdr A Prescott	28	11	13	1	3
Lt Col M Anglin	28	11	14	1	2
Maj H Thompson	12	3	5	1	3
Lt D Ellis	14	3	8	0	3
Maj K Gordon	6	2	0	0	4
Capt T Stewart	13	3	0	1	9
WO1 C Sutherland	28	12	15	1	0
Mr D Pringle	28	9	12	1	6
Mr E Hay	28	12	15	1	0

Board Members	Possible	Regular	Special	All Committee	Apology
SSgt Johnson, S	28	10	15	1	2
Mrs D Brown	28	12	15	1	0

e. **Enterprise Risk Management (ERM).** We continued to make strides in our ERM framework. The pandemic period was a true test of the efficacy of the ERM system. Business continuity strengthening and the preparations for the Bank of Jamaica Credit Union Act readiness were the major activities undertaken. The next steps will include the establishment of an ERM Committee to oversee the ERM activities as well as to manage the Bank of Jamaica Credit Unions Act preparations which are imminent. Other regulations affecting the credit union included the Common Reporting Standard (CRS) which requires all members to self-certify and the Data Protect Act 2020 (DPA) which seeks to safeguard the privacy and personal information of Jamaicans.

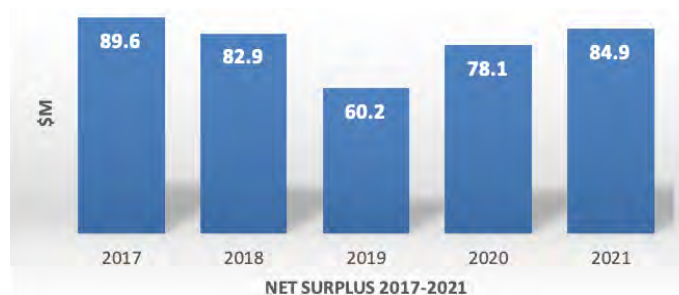
Balanced Scorecard – 5 Year Growth Trend – Savings, Loans, Assets

The targets for 2021 were again aspirational. Assets were set to increase to \$4.4B, loans to \$3.5B, and savings, to \$3.3B. The actual outcomes are listed in the table below. The full transformational plans to take these targets to those levels did not occur based on some of the uncertainties and the prevailing pandemic. Nonetheless, all key areas showed growth except for the loans. A major part of the reason for the decline in loans was the heavy loan consolidations from the commercial banks. We continue to be affected and will be implementing additional measures to safeguard the loan portfolio.



Income, Expenses And Surplus

We remained a profitable and viable institution. For the period, the surplus increased from \$78M in 2020 to \$84.9M or (7.6%) in 2021. Income and expenses were for the most part contained within budget. Investment income grew and played a major role in the shortfall of loan income due to the fall out of loans. Some of the implementations of the strategic initiatives were also delayed based on the need to monitor the pandemic and the market forces. See 4-year surplus trend 2018-2021.



Competitive Forces In The Marketplace

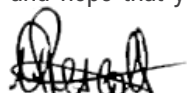
We cannot overlook the high level of the competitive forces and economic fluctuations negatively impacting the financial sector and particularly credit unions. The credit union's market shares in loans and savings have been declining due to the competitive forces from commercial banks with their high-value unsecured loans. This type of lending has changed the lending landscape drastically and made collateralized lending other than for mortgages almost redundant. This shift will need more robust discussions and will also require some immediate strategic solutions to remain relevant and viable. Already the BOJ Government said that the inflation rate is heading towards approximately 14% by year-end which will have huge implications on demand and supply of goods and services.

The Way Forward

Our strategic plans for 2022 are already in implementation mode. We have already signed off on two new temporary Sub-Branches for Cross- Roads and Montego Bay. They will be ready for you in May 2022. Plans are still underway for the erection of the new Head Office Building in the compound. Our work with the Affiliates and families will be a major driver to providing a better balance to the membership. We will be making special efforts to re-engage the underserved segments of the membership island-wide so there can be a higher level of financial inclusion and service utilization.

Conclusion And Commendations

Let me hasten to thank you, our valued members for your business and your cooperation throughout the pandemic period. Continue to support and build your Credit Union. To the committee members and staff, sincere commendations for your continued support and guidance. Sincere appreciation to our stakeholders including JDF, JCCUL, Co-op Department, JCIA, CUMAX, and Strategic Alliance Limited. We will continue to forge stronger together. I salute the Directors for their astute service, and we certainly look forward to the greater good of the members and the Credit Union. Congratulations to the new administration and hope that you will move the Credit Union to new heights.


Aceion Prescott

Commander, President



Jamaica Defence Force
Co-operative Credit Union Ltd

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“

The year 2021 was not without challenges and the credit union saw mixed results in its performance despite the government's easing some of the COVID-19 restrictions.

”

Treasurer's REPORT

Mr. Everton Hay, Treasurer

Overview of the Economy

In the year 2021 the country continued with the restrictions under the Disaster Risk Management Act (DRMA) caused by the COVID-19 pandemic.

This continues to wreak havoc on the economy; however, sectors such as services and good producing showed resilience and recorded growth especially in the fourth quarter of the year. The year ended with an inflation rate of 9.1% and the Jamaican Dollar holding at close to JA\$150 to US\$1. Crime continued to be a major challenge for the economy and the country, and the government suspended the use of States of Emergency (SOEs) and implemented additional Zones of Special Operations (ZOSOs).



Performance

The year 2021 was not without challenges and the credit union saw mixed results in its performance despite the government's easing some of the COVID-19 restrictions. We did not achieve most of our targets, however, our total assets grew marginally and our surplus also increased over the previous period. We experienced an unusual decline in our loan portfolio towards the end of the year, which was due primarily to loan consolidation from our competitors, especially the commercial banks.

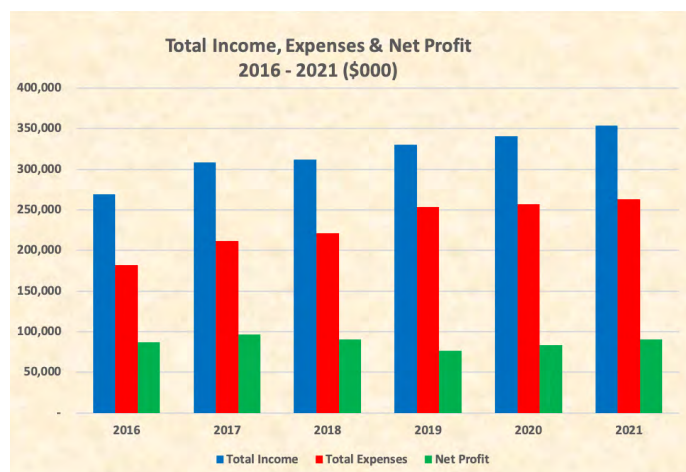
Our Credit Union stands resolute in the continuous engagement with you our valued members as we partner together to achieve our mission which is to enhance the financial well-being of our valued members.

Regulatory

We remained on track with our preparedness in light of the upcoming Special Credit Union Act that is to be passed by the Bank of Jamaica (BOJ), possibly by year-end. We continued to partner with the Credit Union League for updates and training.

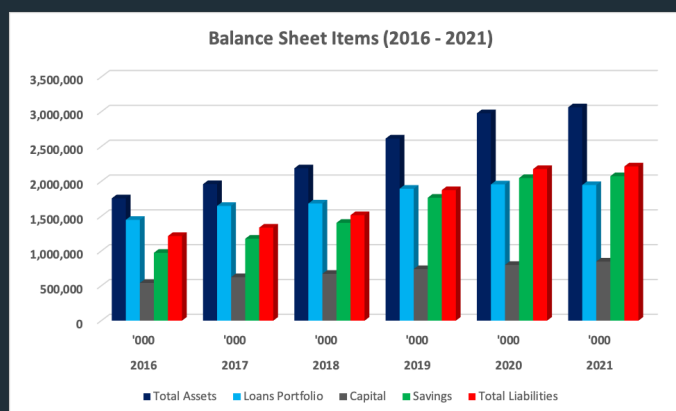
Financial Highlights

The results of our performance are highlighted below. The graph below displays a simplified version of the Income and Expenditure Statement and Net Profit for the years 2016 to December 31, 2021 respectively.



Year	2016	2017	2018	2019	2020	2021
	'000'	'000'	'000'	'000'	'000'	'000'
Total Income	268,825	308,449	312,258	330,216	340,239	353,421
Total Expenses	181,596	211,756	221,594	253,309	257,226	263,175
Net Profit	87,229	96,693	90,664	76,907	83,013	90,246
% Change:						

Year	2016	2017	2018	2019	2020	2021
Total Income	12.0%	14.7%	1.2%	5.8%	3.0%	3.9%
Total Expenses	16.1%	16.6%	4.6%	14.3%	1.5%	2.3%
Net Profit	4.5%	10.8%	-6.2%	-15.2%	7.9%	8.7%



Balance Sheet Items 2016 - 2021						
Year	2016	2017	2018	2019	2020	2021
	'000	'000	'000	'000	'000	'000
Total Assets	1,757,005	1,960,994	2,187,950	2,615,024	2,978,085	3,063,756
Loans Portfolio	1,447,151	1,648,252	1,683,065	1,894,957	1,957,194	1,947,580
Capital	540,849	625,346	673,242	740,172	800,595	849,380
Savings	974,800	1,176,679	1,404,991	1,765,700	2,048,720	2,074,610
Total Liabilities	1,216,156	1,335,648	1,514,708	1,874,852	2,177,490	2,214,376
% Change:						
Total Assets	10.59%	11.61%	11.57%	19.52%	13.88%	2.88%
Loans Portfolio	2.24%	13.90%	2.11%	12.59%	3.28%	-0.49%
Capital	16.82%	15.62%	7.66%	9.94%	8.16%	6.09%
Savings	23.56%	20.71%	19.40%	25.67%	16.03%	1.26%
Total Liabilities	8.02%	9.83%	13.41%	23.78%	16.14%	1.69%

The Way Forward

We previously indicated our intention to improve access to our services and to also reach our extended bond in order to achieve deeper penetration by establishing a permanent presence in the western region. We are indeed happy to state that the Board has approved and is currently in the process of establishing not only the branch in the western region, but also in the Cross Roads area on Eureka Road in the vicinity of First Heritage Credit Union.

This is intended to be a temporary facility depending on its viability as we construct our Head Office in Up Park Camp. We wish to encourage you all to exploit the opportunity of investing with the credit union, especially in the products that mature in five years or greater to benefit from tax exemption on the interest. Let me also make the point that it is these investments that will enable you to make deposits towards homeownership and other pursuits.

The JDF Co-operative Credit Union continues to lead the charge in the financial education of the younger members of the Force. In the year ahead, the credit union will seek to equip its

Co-operative Credit Union Ltd. | 15

members with the knowledge and skills necessary to manage money effectively.

Acknowledgement

Thanks to the team of Volunteers, Management and Staff which collectively and consistently takes responsibility for the success of our Credit Union. Without their insight, diligence and commitment, the Credit Union's strategic objectives and targets which despite the odds resulted in a commendable performance for the year ended December 31, 2021, could not have been realized.

On behalf of the Board, Volunteers, Management and Staff of the JDF Co-operative Credit Union, I hereby extend my sincerest gratitude to you our invaluable members, as your demonstration of confidence, loyalty and trust in this Credit Union have not waned.



Mr. Everton Hay
Ex-Warrant Officer Class 2
Treasurer

Treasurer's

REPORT

“

We are indeed happy to state that the Board has approved and is currently in the process of establishing not only the branch in the western region, but also in the Cross Roads area on Eureka Road.

”



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Credit Union

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**ACCESS AFFORDABLE
COMPREHENSIVE HEALTH PLAN
THROUGH YOUR CREDIT UNION**

DESIGNED SPECIFICALLY FOR INDIVIDUALS 18 - 49 YEARS OLD
(Eligibility 18-70 years old)

COVERING YOU FOR

COMPREHENSIVE HEALTHCARE
Covering Medical Expenses

LIFE COVERAGE
Up to \$1Mil

PERSONAL ACCIDENT
Accidental Death & Dismemberment \$1Mil
(Loss of income due to an accident \$25,000 /w up to 52 weeks)

Conditions Apply*

Insured by Guardian Life Limited.

Address: 94D Old Hope Road, Kgn. 6 | Tel: (876) 978-5508, (876) 619-1351 | For more information Email us: goldseries@cabjm.com or visit our Website: credituniongoldseries.com

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International Health, Life & Travel Insurance | Employee Benefits | Individual Life & Health Insurance | General Insurance | Credit Union related products

Proposal for the Appropriation of Surplus

Net Surplus for the Year	84,920,000
Other Reserve	-12,429,000
Total Comprehensive Income for the Year	72,491,000
Dividend Permanent Shares	5,590,000
Statutory Reserve	18,049,000
Additional Statutory Reserve	10,000,000
Honararia Payment	4,010,000
Treasure Chest Scholarship	1,500,000
IT Enhancement	5,000,000
Building Reserve	15,000,000
Total Distribution	59,149,000
Undistributed Surplus	13,342,000

RESOLUTION # 2

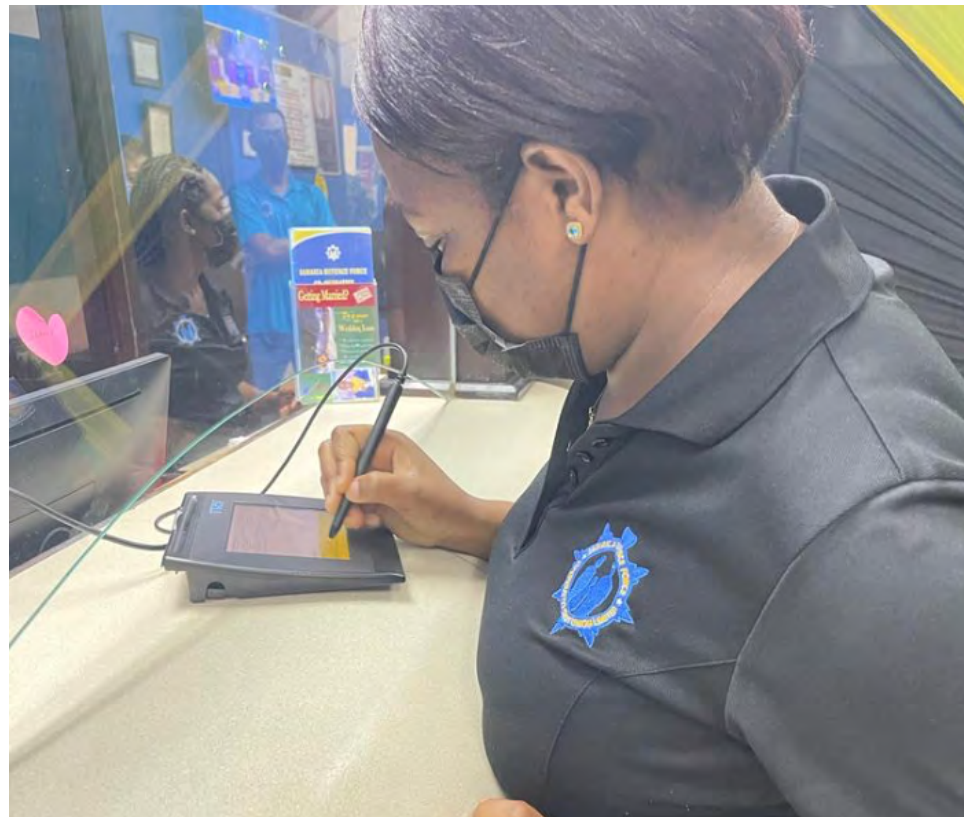
Rule # 71 – Power to Borrow

Proposal for the Fixing of Maximum Liability up to December 2022

The Board of Directors may incur a liability in voluntary shares, deposit and /or loans from any source on such terms of payment and /or security, provided that the total liability shall not exceed a ratio of sixteen (16) times the Society's Capital.



Year in REVIEW 2021







JAMAICA DEFENCE FORCE CO-OPERATIVE CREDIT UNION LTD.

FINANCIALS

AS AT DECEMBER 31ST 2021



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

CHARITIES AUTHORITY, JAMAICA

Ministry of Industry, Investment and Commerce

2 Musgrave Avenue, Kingston 10

Jamaica, W. I.

Tel: (876) 927-4912 | 927-6572 | 978-1946

E-mail: info@dcfs.gov.jm

Website: www.dcfs.gov.jm

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

S1

R297/499/05/22

May 5, 2022

The Secretary
JDF Co-operative Credit Union Limited
Up Park Camp
Kingston 5

Dear Sir/Madam,

I forward herewith the Financial Statements of your Society for the year ended December 31, 2021.

The Annual General Meeting (AGM) must be convened under **Regulation 19, 21 and 25 a-f** of the Co-operative Societies (Amendment) Regulations, 2021. At least seven (7) days' notice shall be given before the meeting is held.

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

Kindly advise the Department of the date of the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

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

HOPE GARDENS

Hope Gardens
Kingston 6
(876) 977-2508 / 927-1948

MANDEVILLE, MANCHESTER

23 Caledonia Road
(RADA Bldg.)
(876) 615-9083

MONTEGO BAY, ST. JAMES

10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913

Jamaica Defence Force Co-operative Credit Union Limited

Financial Statements

December 31, 2021

Independent auditor's report

To the Registrar of Co-operative Societies
Re: Jamaica Defence Force Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Defence Force Co-operative Credit Union Limited ("the Credit Union"), which comprise the statements of financial position as at December 31, 2021, statement of income and expenditure, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Credit Union as at December 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirement of the Co-operative Societies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Credit Union in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Jamaica Defence Force Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Key audit matters (cont'd)

Loans and allowances for credit losses on loans

As at December 31, 2021 loans after allowances for credit losses of \$74.9 Million amounted to \$2 Billion or 66% of the total assets of the Credit Union. We consider the measurement of expected credit losses a key audit matter as there is a number of significant judgement by management, including:

- Determining the criteria for a significant increase in credit risk, which impacts the staging of the asset and the related calculation, ie. one year or lifetime expected loss calculations.
- Determining the relevant inputs and techniques included in the expected credit loss model utilised in probability of default (PD), loss given default (LGD) and exposures at default (EAD) parameters.
- For loans and advances, a significant amount of historical data is built into the PD, LGD and EAD risk parameters.
- Use of multiple economic scenarios that are forward looking.
- Valuation of real estate property pledged as collateral for term loans: this is the most significant repayment source for credit-impaired assets.
- We evaluated the appropriateness of the Credit Union's staging and where applicable, determined whether the significant increase in credit risk and default definitions were appropriately applied.
- We obtained an understanding of management's ECL model including source data, evaluated the theoretical soundness and tested the mathematical integrity of the model. We tested reliability of source data used in the models on a sample basis by corroborating to historical data or external public information where available.
- We evaluated the appropriateness of management's judgement pertaining to forward looking information, the basis of the multiple economic scenarios used and the weighting applied to capture nonlinear losses.
- We tested the opening equity adjustments in relation to the adoption of the new standard's classification and measurement requirements.
- We performed the calculation of days past due, a key data input into the PD parameter, in the Credit Union's banking system on a sample basis.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Jamaica Defence Force Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Loans and allowances for credit losses on loans (cont'd)

- We tested the completeness and accuracy of the historical data used by agreeing details on default rates and recovery rates. The data used for these assessments were based on the Credit Union's internal default experience segmented by loan type. For a sample of credit exposures, we agreed the critical data fields, such as origination date, maturity date, default date, principal, collateral value and cash recoveries and exposure limits, used in developing default, recovery and utilisation rates to source documents.
- For a sample of stage 3 loans we obtained an understanding of the latest developments at the borrowers and the basis of measuring the impairment provisions and considered whether key judgements were appropriate given the borrower's circumstances. We re-performed management's impairment calculation including the expected future cash flows and valuation of collateral held, and determined reasonableness of the valuation of real estate collateral with the assistance of auditors' expert.
- Based on the procedures described above, no material exceptions were noted in our assessment of the Credit Union's implementation of IFRS 9, including its provisioning in accordance with its newly adopted expected credit loss model.

How our audit addressed the key audit matter

We assessed and tested the design and operating effectiveness of the controls over impairment data and calculations. These controls included those over identification of which loans and advances were impaired. We determined we could rely on these controls for the purposes of our audit.

The criteria we used to determine if there is objective evidence of impairment included:

- Default or delinquency in interest or principal payments;
- Concessions granted to a borrower that would not otherwise be considered due to the borrower's financial difficulty.

We tested the completeness of management's listing of potentially impaired loans by reperforming the process using management's impairment criterion. Based on the testing, no adjustments were considered necessary.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Jamaica Defence Force Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

How our audit addressed the key audit matter (cont'd)

We evaluated the performance of the loan portfolio subsequent to the end of the reporting period to identify significant adjusting subsequent events and did not identify any such events.

Other information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the *annual report*, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Co-operative Societies Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Credit Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Credit Union's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Jamaica Defence Force Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd) Auditor's Responsibilities for the Audit of the financial statements (cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Credit Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Independent auditor's report (cont'd)

To the Registrar of Co-operative Societies
Re: Jamaica Defence Force Co-operative Credit Union Limited
(A society registered under the Co-operative Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the financial statements (cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on additional matters as required by the Co-operative Societies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Co-operative Societies Act, in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Sixto Coy.

Kingston, Jamaica

May 3, 2022

A handwritten signature in black ink that reads 'HLB Mair Russell'. Below the signature, the words 'Chartered Accountants' are printed in a small, black, sans-serif font.

Jamaica Defence Force Co-operative Credit Union Limited

Statement of financial position

December 31, 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Non-current assets			
Earning			
Loans, after provision for loan losses	(4)	1,947,580	1,957,194
Financial investments	(5)	4,681	4,571
		1,952,261	1,961,765
Non-Earning			
Retirement benefit assets	(6)	-	7,593
Property, plant and equipment	(7)	17,369	19,794
		17,369	27,387
Total non-current assets		1,969,630	1,989,152
Current assets			
Earning			
Repurchase agreement	(8)	33,333	32,576
Financial investments	(5)	707,760	725,595
Loans, after provision for loan impairment	(4)	72,492	119,691
		813,585	877,862
Non-earning			
Bank and cash balances	(9)	253,817	96,583
Receivables and prepayments	(10)	26,724	14,488
		280,541	111,071
Total current assets		1,094,126	988,933
Total assets		3,063,756	2,978,085

Jamaica Defence Force Co-operative Credit Union Limited

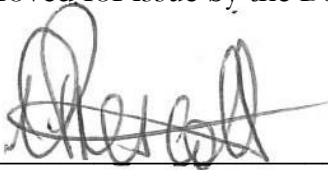
Statement of financial position (cont'd)

December 31, 2021

	Note	2021 \$'000	2020 \$'000
Capital and liabilities			
Capital			
Members' permanent share capital	(11)	31,820	28,283
Institutional capital	(12)	326,504	298,357
Non-institutional capital	(13)	169,030	190,058
Undistributed surplus		322,026	283,897
Total capital		849,380	800,595
Liabilities			
Non-current			
Interest bearing			
Retirement benefit liability	(6)	4,683	-
Members' voluntary shares	(14)	616,591	648,200
External credits	(15)	450	633
Savings deposit	(16)	696,781	553,673
Total non-current liabilities		1,318,505	1,202,506
Current			
Interest bearing			
Member's voluntary shares	(14)	133,987	118,817
External credit	(15)	200	217
Savings deposits	(16)	621,485	722,251
		755,672	841,285
Non-interest bearing			
Accounts payable and accruals	(17)	137,135	130,635
Deferred income	(18)	3,064	3,064
		140,199	133,699
Total current liabilities		895,871	974,984
Total liabilities		2,214,376	2,177,490
Total capital and liabilities		3,063,756	2,978,085

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

Approved for issue by the Board of Directors on May 3, 2022 and signed on its behalf by:


 _____) President
Cdr. Aceion Prescott


 _____) Treasurer
Ex-WO2 Everton Hay

Jamaica Defence Force Co-operative Credit Union Limited

Statement of income and expenditure

Year ended December 31, 2021

	Note	2021 \$'000	2020 \$'000
Interest income			
Members' loans		271,439	267,871
Investments		18,014	16,081
		289,453	283,952
Interest expense			
Interest on members' deposits		(39,381)	(46,840)
Interest on voluntary shares		(15,399)	(19,786)
		(54,780)	(66,626)
Net interest income		234,673	217,326
Net movement on loan impairment provision	(4c)	(24,270)	(28,916)
Net interest income after loan impairment provision		210,403	188,410
Non-interest income			
Fees and other income		63,968	56,287
		63,968	56,287
Net interest and other income		274,371	244,697
Less: Operating expenses	(19)	(184,125)	(161,684)
Surplus before honorarium and other payments		90,246	83,013
Less: Honorarium		(3,826)	(3,379)
Scholarship fund		(1,500)	(1,500)
Surplus for the year		84,920	78,134

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

Jamaica Defence Force Co-operative Credit Union Limited

Statement of other comprehensive income

Year ended December 31, 2021

		2021 \$'000	2020 \$'000
Surplus for the year (page 9)		84,920	78,134
Other comprehensive income:			
Actuarial loss on defined benefit plan	(6)	(12,429)	(9,711)
Total comprehensive income for the year		72,491	68,423

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

Jamaica Defence Force Co-operative Credit Union Limited

Statement of changes in equity

Year ended December 31, 2021

	Permanent Share Capital \$'000	Non- Institutional Capital \$'000	Institutional Capital \$'000	Undistributed Surplus \$'000	Total \$'000
Balance at December 31, 2020	28,283	190,058	298,357	283,897	800,595
Surplus for the year	-	-	-	84,920	84,920
Other comprehensive income					
Actuarial loss on defined benefit plan	-	(12,429)	-	-	(12,429)
Total comprehensive income for the year	-	(12,429)	-	84,920	72,491
Transaction with owners:					
20% statutory reserve	-	-	18,049	(18,049)	-
Retirement benefit asset reserve	-	152	-	(152)	-
Dividends credited to members	-	-	-	(5,590)	(5,590)
Share capital issued	3,537	-	-	-	3,537
Transfer to institutional capital	-	-	10,000	(10,000)	-
Transfer of capital expenditure	-	(9,559)	-	(13,000)	(22,559)
Entrance fees	-	-	98	-	98
Increase in market value of equities	-	808	-	-	808
Balance at December 31, 2021	3,537	(8,599)	28,147	(46,791)	(23,706)
	31,820	169,030	326,504	322,026	849,380

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

Jamaica Defence Force Co-operative Credit Union Limited

Statement of changes in equity

Year ended December 31, 2021

	Permanent Share Capital \$'000	Non- Institutional Capital \$'000	Institutional Capital \$'000	Undistributed Surplus \$'000	Total \$'000
Balance at December 31, 2019	25,115	171,706	271,582	271,769	740,172
Surplus for the year	-	-	-	78,134	78,134
Other comprehensive income					
Actuarial loss on defined benefit plan	-	(9,711)	-	-	(9,711)
Total comprehensive income for the year	-	(9,711)	-	78,134	68,423
Transaction with owners:					
20% statutory reserve	-	-	16,603	(16,603)	-
Retirement benefit asset reserve	-	652	-	(652)	-
Dividends credited to members	-	-	-	(4,413)	(4,413)
Share capital issued	3,168	(154)	-	-	3,014
Transfer to institutional capital	-	-	10,000	(10,000)	-
Transfer of capital expenditure	-	17,663	-	(25,000)	(7,337)
Entrance fees	-	-	172	-	172
Increase in market value of equities	-	564	-	-	564
Transfer to other reserve	-	9,338	-	(9,338)	-
	3,168	28,063	26,775	(66,006)	(8,000)
Balance at December 31, 2020	28,283	190,058	298,357	283,897	800,595

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

Jamaica Defence Force Co-operative Credit Union Limited

Statement of cash flows

Year ended December 31, 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities:			
Surplus for the year		84,920	78,134
Interest income		(289,453)	(283,952)
Interest expense		54,780	66,626
Depreciation	(7)	4,143	3,499
Employee benefit asset		(152)	(652)
Provision for loan losses	(4c)	(2,489)	17,904
		(148,251)	(118,441)
Interest received		289,453	283,952
Interest paid		(54,780)	(66,626)
Loans to members		59,302	(75,185)
Other assets		(12,236)	(144)
Deferred income		-	1,000
Accounts payables and accruals		6,500	30,201
Net cash provided by operating activities		139,988	173,198
Cash flows from investing activities:			
Purchase property, plant and equipment	(7)	(1,718)	(1,637)
Investments		17,775	(281,165)
Net cash provided by/(used) in investing activities		16,057	(282,802)
Cash flows from financing activities:			
External credit		(200)	(5,804)
Savings deposit		42,342	168,583
Members' shares		(16,439)	108,658
Share capital issued		3,537	3,014
Transfer of capital asset		(22,559)	(7,337)
Entrance fees		98	172
Dividends		(5,590)	(4,413)
Net cash provided by financing activities		1,189	262,873
Net increase in bank and cash balances		157,234	34,828
Bank and cash balances at beginning of year		96,583	61,755
Bank and cash balances at end of year	(9)	253,817	96,583

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

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the financial statements

December 31, 2021

1. General information and nature of operations

The Jamaica Defence Force Co-operative Credit Union Limited (“the Co-operative”) is incorporated under the laws of Jamaica and is registered under the Co-operative Societies Act. The Co-operative is domiciled in Jamaica and its registered office is located at Up Park Camp, Camp Road, Kingston, Jamaica.

The Co-operative’s main activities are the promotion of thrift, the provision of loans to members, exclusively for provident and productive purposes, at a reasonable rate of interest and to receive the savings of its members either as payments on shares or as deposits.

The Co-operative is exempt from Income Tax under Section 59(i) of the Co-operative Societies Act and Section 12 of the Income Tax Act.

The Co-operative is a member of the Jamaica Co-operative Credit Union League (JCCUL).

2. Regulation

The Co-operative Societies Act requires, amongst other provisions, that at least twenty percent (20%) of the net surplus of the Credit Union be transferred to a reserve fund each year. Section 59 of the Act provides for the exemption from income tax and stamp duty for the Credit Union.

3. Summary of significant accounting policies

The Credit Union’s financial statements have been prepared on an accrual basis and under the historical cost convention except for the revaluation of properties and equity investments.

a Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Changes in accounting policies

New and revised standards that are effective during the current year

Certain new and amended standards and interpretations to existing standards have been published and became effective during the current financial year. The Bank has assessed the relevance of all such new standards, interpretations and amendments and determined that the following are relevant to the Credit Union.

Amendments to IAS 1 and IAS 8 on the definition of material. These amendments to IAS 1, ‘Presentation of financial statements’, and IAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 16 and IFRS 7- Interest rate benchmark reform. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

a Basis of preparation (cont'd)

Standards, amendments and interpretations issued but not yet effective and have not been early adopted by the Credit Union

At the date of approval of these financial statements, certain new standards amendments and interpretations to existing standards have been published but are not yet effective, and have not been early adopted by the Credit Union.

Management anticipates that all relevant pronouncements will be adopted in the Credit Union's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not early adopted or listed below are not expected to have a material impact on the Credit Union's financial statements.

Amendments to IAS 1, Presentation of financial statements', on classification of liabilities, (effective for annual periods beginning on or after January 1, 2022). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022). Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments' and the Illustrative examples accompanying IFRS 16, 'Leases'.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after January 1, 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

b Property, plant and equipment

(i) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses [see note 3(m)]. Cost includes expenditures that are directly attributable to the acquisition of the asset.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Co-operative and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

(iii) Depreciation

Depreciation is recognised on the straight-line basis at annual rates estimated to write-off the relevant assets over their expected useful lives. However, depreciation is prorated on a monthly basis during the year of purchase. The rates used are as follows:

Furniture and fixtures	- 10% per annum
Computers	- 20% per annum
Equipment	- 20% per annum
Containers	- 2.5% per annum
Leasehold improvements	- 5% per annum
Generator	- 10% per annum

The depreciation methods, useful lives and residual values, are reassessed at each reporting date.

c Fee income

Fee income from contracts with customers is measured based on the consideration specified in a contract with a customer. The Co-operative recognises revenue when it transfers control over a service to a customer. Fee income are recognised as the related services are performed.

A contract with a customer that results in a recognised financial instrument in the Co-operative's financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Co-operative first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

d Foreign currency translation:

Functional and presentation currency

The financial statements are prepared and presented in Jamaican dollars, which is the functional currency of the company.

Foreign currency translations and balances

- (i) Foreign currency balances at the date of the statement of financial position have been translated at rates of exchange ruling at that date;
- (ii) Transactions in foreign currency are converted at rates of exchange ruling at the dates of those transactions;
- (iii) Gains/losses arising from fluctuations in exchange rates are included in the Statement of comprehensive income.

e Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing instruments on an accrual basis, using the effective yield method, based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discounts or premiums on discounted instruments.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Credit Union estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses.

The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Where collection of interest income is considered doubtful, the related financial instruments are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the impairment loss.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

f Fees and other income

Fees and other income are recognised on an accruals basis. Loan origination fees are deferred and are recognised over the life of the loan, as an adjustment to the effective yield on the loans.

g Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred. Expenditure for warranties is recognised when the Credit Union incurs an obligation, which is typically when the related goods are sold.

h Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The Credit Union's financial assets comprise investments, cash and bank balances and receivables.

Financial liabilities

The Credit Union's financial liabilities comprise payables and due to related parties.

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Credit Union becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets expired or have been transferred and the Credit Union has transferred substantially all the risks and rewards of ownership.

(ii) Classification and measurement of financial assets

At initial recognition, the company measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial assets.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

h Financial instruments (cont'd)

(ii) Classification and measurement of financial assets (cont'd)

Subsequent measurement of debt instruments depends on the Credit Union's business model for managing the asset and the cash flow characteristics of the asset. There are the three measurement categories for debt instruments under IFRS 9:

- **Amortised cost** - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets using the effective interest rate method is included in other operating income together with foreign exchange gains and losses. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as a separate line item in the statement of profit or loss.
- **Fair value through other comprehensive income (FVOCI)** - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial is included in other operating income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Credit Union subsequently measures all equity investments at fair value. The Credit Union's management has elected to present fair value gains or losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Credit Union's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

- **Fair value through profit or loss (FVPL)** - Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

h Financial instruments (cont'd)

(iii) Impairment

The Credit Union assesses on a forward-looking basis the expected credit losses associated with its financial instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

In applying this forward-looking approach, a distinction is between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and
- financial instruments that have deteriorated significantly in credited quality since initial recognition and whose credit risk is not low ("Stage 2").

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For loan, trade and other receivables, the Credit Union applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Financial liabilities

The Credit Union's financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. At the balance sheet date, the following items were classified as financial liabilities: payables, borrowings, due to related parties and due to shareholders.

i Reverse repurchase agreements:

A reverse repurchase agreement ("reverse repo") is a short-term transaction whereby an entity buys securities and simultaneously agrees to resell them on a specified date and at a specified price. Reverse repos are accounted for as short-term collateralised lending and are measured at amortised cost.

The Credit Union enters into reverse repurchase agreements to resell substantially identical investments at a certain date in the future at a fixed price. The amounts paid are recognised as "securities purchased under resale agreements" and are collateralised by the underlying securities.

The difference between the purchase and resale considerations is recognised on the accrual basis over the period of the transaction, using the effective interest method, and is included in interest income.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

j Accounts receivable

Accounts receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on all outstanding amounts at year end. Bad debts are written off in the year in which they are identified.

k Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and at bank and deposits with original maturities of less than 90 days.

l Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

m Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

n Employee benefits

(i) Pension plan

The Credit Union participates in a multi-employer defined benefit pension plan. The pension plan is generally funded by payments from employees and by the participating Credit Unions, taking into account the recommendations of independent qualified actuaries.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets, together with adjustments for past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of comprehensive income.

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Credit Union before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Credit Union recognises termination benefits at the earlier of the following dates: (a) when the Credit Union can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

o Accounts payable

Accounts payable are initially recorded at fair value and subsequently stated at amortised cost using the effective interest method.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

p Provisions

Provisions are recognised when the Credit Union has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

q Members' voluntary shares

Members' voluntary shares represent withdrawable deposit holdings of the Credit Union's members to facilitate eligibility for loans and other benefits. Interest paid on these shares are determined at the discretion of the Credit Union and reported as interest expense in the statement of comprehensive income in the period in which they are approved.

r Members' permanent share capital

Members' permanent share capital represents shares paid up in cash and form part of the risk capital of the Credit Union. Members' permanent share capital may be redeemable subject to the sale, transfer or repurchase of such shares. Dividends on members' permanent share capital are recognised in members' voluntary shares in the period in which they are approved by the Credit Union's members.

s Institutional capital

Institutional capital includes the statutory reserve 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 to members.

t Non-institutional capital

Non-institutional capital includes various reserves established from time to time which, in the opinion of the directors, are necessary to support the operations of the Credit Union.

u Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between the proceeds, net of transaction costs, and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

3. Summary of significant accounting policies (cont'd)

v Leases

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. Receipts under operating leases are credited to the statement of comprehensive income on a straight-line basis over the period of the lease.

w Critical accounting estimates and judgements in accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Credit Union makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension and post-retirement benefits

The cost of these benefits and the net present value of the pension and the other post-retirement liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost (income) for pension and post-retirement benefits include the expected long-term rate of return on the relevant plan assets and discount rate. Any changes in these assumptions will impact the net periodic cost (income) recorded for pension and post-retirement benefits and may affect Planned funding of the pension plans.

The expected return on plan assets assumption is determined on a uniform basis, considering long term historical returns, asset allocation and future estimates of long-term investment returns. The actuaries determine the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-retirement benefit obligations. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on data supplied by the Jamaica Co-operative Credit Union League as well as on current market conditions.

x Comparative information

Certain previous year's figures have been restated to conform to current year's presentation.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

4. Loans, after provision for expected credit losses

(a) Movement in loans during the year

	2021 \$'000	2020 \$'000
Balance at the beginning of the year	2,154,312	2,079,127
Add: Disbursement during the year	1,297,238	1,210,794
	3,451,550	3,289,921
Less: Repayment	(1,356,540)	(1,135,609)
	2,095,010	2,154,312
Less: Expected credit losses	(74,938)	(77,427)
	2,020,072	2,076,885
Less: Current portion	(72,492)	(119,691)
Total	1,947,580	1,957,194

(b) Expected credit losses

	2021 \$'000	2020 \$'000
Provision for impairment at beginning of year	77,427	59,523
(Decrease)/increase amounts provided for during the year	(2,489)	17,904
Provision for impairment at end of year	74,938	77,427

(c) Net movement on loan loss provision during the year:

	2021 \$'000	2020 \$'000
(Decrease)/increase in loan loss provision	(2,489)	17,904
Loan written-off that were not previously provided for	26,759	11,012
Balance at end of year	24,270	28,916

(d) Delinquent loans

At December 31, 2021, there were one hundred and thirty-eight (138) (2020 – one hundred and eighty-two (182)) delinquent loans aged as disclosed below. At minimum, the total loan provision derived below is consistent with the loan loss provisioning rules of the League. The total provision for 2021 and 2020 was not in excess of the provision required under IFRS provisioning rules as indicated in Note 6(e) below.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

4. Loans, after provision for expected credit losses (cont'd)

These loans are summarised as follows:

2021						
Number of Months in Arrears	Total number of loans	Delinquent loans \$	Savings held against loans \$	Exposure \$	Rates %	PEARLS Provision Required \$
Less than 2	17	6,245	-	6,245	-	-
2 to 3	6	877	-	877	10	88
3 to 6	23	11,854	-	11,854	30	3,556
6 to 12	53	16,882	-	16,882	60	10,129
Over 365	39	50,414	-	50,414	100	50,414
Total	138	86,272	-	86,272	-	64,187

2020						
Number of Months in Arrears	Total number of loans	Delinquent loans \$	Savings held against loans \$	Exposure \$	Rates %	PEARLS Provision Required \$
Less than 2	11	8,487	-	8,487	-	-
2 to 3	7	3,376	-	3,376	10	338
3 to 6	21	9,120	-	9,120	30	2,736
6 to 12	58	25,788	-	25,788	60	15,473
Over 365	85	36,263	-	36,263	100	36,263
Total	182	83,034	-	83,034		54,810

(e) Loans, net of provision for probable losses are due from the reporting date as follows:

	2021 \$'000	2020 \$'000
Within 1 – 3 months	12,704	48,307
From 3 months to 1 year	59,788	71,384
From 1 year to 5 years	1,363,642	1,450,181
Over 5 years	583,938	507,013
Total	2,020,072	2,076,885

As the IFRS provision exceeded the provisioning requirements of JCCUL, no appropriation of undistributed surplus to the loan loss reserve was considered necessary.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

5. Financial investments

	2021 \$'000	2020 \$'000
Non-current, at fair value through other comprehensive income		
JCCUL – Shares unquoted	4,454	4,344
Shares – Quality Network Co-operative	227	227
	4,681	4,571
Current - Fair value through profit or loss		
VMBS Mortgage Fund	2,779	2,779
Barita Unit Trust	18,056	17,605
JMMB Fund	2,357	2,284
VMBS Wealth Management	200,000	200,000
Credit Union Fund Management Company	335,796	479,818
	558,988	702,486
Amortised cost		
JCCUL Cuet	9,737	9,635
Mortgage funds	13,815	13,474
Barita Investments	60,220	-
JMMB	15,000	-
Cumax	50,000	-
	148,772	23,109
Total current	707,760	725,595
Total	712,441	730,166

6. Retirement benefit (liability)/asset

The Co-operative participates in a defined benefit plan operated by the Jamaica Co-operative Credit Union League Limited. This plan that is jointly funded by payments from employees of at least 5% (with 5% optional additional contribution) and by the Co-operative at 5%-8% of the employee's taxable remuneration, taking into account the recommendations of independent qualified actuaries.

Asset recognised in the statement of financial position

	2021 \$'000	2020 \$'000
Present value of funded obligation	(111,784)	(88,872)
Fair value of plan assets	107,101	96,465
(Liability)/asset recognised in the statement of financial position	(4,683)	7,593

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

6. Retirement benefit (liability)/asset (cont'd)

The movement in the defined benefit asset during the year is as follows:

	2021 \$'000	2020 \$'000
Balance at beginning of year	7,593	16,652
Employer's contributions	4,042	4,028
Benefits paid	(3,889)	(3,376)
Re-measurement loss recognised in other comprehensive income	(12,429)	(9,711)
Balance at end of year	(4,683)	7,593

The movement in the defined benefit obligation over the year is as follows:

	2021 \$'000	2020 \$'000
Balance at beginning of year	(88,872)	(69,323)
Current service cost	(12,195)	(9,315)
Employees contribution	(2,817)	(2,886)
Benefits paid	659	1,303
	(103,225)	(80,221)
Re-measurements		
Gain from changes in demographic assumptions	(4,022)	960
Experience gains	(4,537)	(9,611)
	(8,559)	(8,651)
Balance at end of year	(111,784)	(88,872)

Changes in the fair value of plan assets

	2021 \$'000	2020 \$'000
Balance at beginning of year	96,465	85,975
Contributions paid	6,860	6,913
Interest income on plan assets	8,962	6,658
Administrative expense	(656)	(719)
Remeasurement loss	(3,871)	(1,059)
Benefits paid	(659)	(1,303)
Changes in the fair value of plan assets at end of year	107,101	96,465

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

6. Retirement benefit (liability)/asset (cont'd)

Plan assets are comprised as follows:

	2021 \$'000	2021 %	2020 \$'000	2020 %
J\$ Debentures	27,844	26.00	30,183	31.29
Repurchase Agreements	9,570	8.94	1,996	2.07
Investment properties	24,435	22.81	23,398	24.26
US\$ Debentures	14,116	13.18	15,249	15.81
Certificates of deposit	892	0.83	2,781	2.88
Quoted equities	24,773	23.13	19,633	20.35
Real estate investment trust fund	1,206	1.13	1,052	1.09
Unit Trust	5,700	5.32	4,071	4.22
Other	(1,435)	(1.34)	(1,898)	(1.97)
	107,101	100	96,465	100

The amounts recognised in the net surplus are as follows:

	2021 \$'000	2020 \$'000
Current service cost	4,226	4,056
Interest cost on obligation	7,969	5,259
Administrative expenses	656	719
Interest income (net)	(8,961)	(6,658)
Total, included in staff costs (Note 19)	3,890	3,376

Movements in the amounts recognised in other comprehensive income:

	2021 \$'000	2020 \$'000
Re-measurement (loss)/gain on obligation	8,558	(8,652)
Re-measurement (loss)/gain on plan assets	3,871	(1,059)
Liability/(asset) at end of year	12,429	(9,711)

The significant actuarial assumptions used were as follows:

	2021 %	2020 %
Discount rate	8	9
Future salary increases	5.5	6.5
Expected pension increase	3.75	4.5
Price inflation (CPI)	5	6

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

6. Retirement benefit (liability)/asset (cont'd)

Sensitivity analysis of key economic assumptions:

Any change in the defined benefit (liability) obligation from one percent (1%) change in each of the key economic assumptions will have the following impact:

Impact on Post-employment obligations					
		2021		2020	
	Change in assumption %	Increase in assumption \$'000	Decrease in assumption \$'000	Increase in assumption \$'000	Decrease in assumption \$'000
Discount rate	1	(22,887)	30,886	(18,253)	24,653
Future salary increases	1	13,590	(11,460)	10,844	(9,098)
Expected pension increase	1	14,418	(11,959)	11,622	(9,619)

This analysis assumes that all other variables remain constant.

Impact on defined benefit obligation of a one year increase in life expectancy:

	2021 \$'000	2020 \$'000
Life expectancy	3,100	2,390

The liability duration for each category of Member as at the current and prior period measurement dates is shown below:

Category of Participant	Liability duration (years)	
	2021 \$'000	2020 \$'000
Active Members	26.6	26.6
Deferred Pensioners	17.8	18.6
Retirees	10.0	-
All Participants	24.9	25.2

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

7. Property, plant and equipment

The carrying amounts for property and equipment for the years included in these financial statements as at December 31, 2021 can be analysed as follows:

	Motor Vehicles \$'000	Furniture & Fixtures \$'000	Computer \$'000	Equipment \$'000	Containers \$'000	Leasehold improvement \$'000	Generator \$'000	Total \$'000
Gross carrying amount								
Balance at December 31, 2020	8,675	5,125	7,203	8,747	8,652	8,938	2,506	49,846
Additions	-	162	862	694	-	-	-	1,718
Balance at December 31, 2021	8,675	5,287	8,065	9,441	8,652	8,938	2,506	51,564
Depreciation								
Balance at December 31, 2020	(924)	(3,561)	(4,207)	(7,460)	(7,293)	(4,921)	(1,686)	(30,052)
Charge for the year	(651)	(213)	(911)	(1,077)	(626)	(418)	(247)	(4,143)
Balance at December 31, 2021	(1,575)	(3,774)	(5,118)	(8,537)	(7,919)	(5,339)	(1,933)	(34,195)
Carrying amount at December 31, 2021	7,100	1,513	2,947	904	733	3,599	573	17,369

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

7. Property, plant and equipment (cont'd)

	Motor Vehicles \$'000	Furniture & Fixtures \$'000	Computer \$'000	Equipment \$'000	Containers \$'000	Leasehold improvement \$'000	Generator \$'000	Total \$'000
Gross carrying amount								
Balance at December 31, 2019	8,675	4,939	6,000	8,499	8,652	8,938	2,506	48,209
Additions	-	186	1,203	248	-	-	-	1,637
Balance at December 31, 2020	8,675	5,125	7,203	8,747	8,652	8,938	2,506	49,846
Depreciation								
Balance at December 31, 2019	(273)	(3,386)	(3,830)	(6,636)	(6,486)	(4,503)	(1,439)	(26,553)
Charge for the year	(651)	(175)	(377)	(824)	(807)	(418)	(247)	(3,499)
Balance at December 31, 2020	(924)	(3,561)	(4,207)	(7,460)	(7,293)	(4,921)	(1,686)	(30,052)
Carrying amount at December 31, 2020	7,751	1,564	2,996	1,287	1,359	4,017	820	19,794

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

8. Repurchase agreement

	2021 \$'000	2020 \$'000
Jamaica Money Market Brokers Limited	33,333	32,576
Total	33,333	32,576

The fair value of securities held under resale agreements is assumed to approximate their carrying value due to their short-term nature.

9. Bank and cash balances

	2021 \$'000	2020 \$'000
Cash in hand	4,101	5,833
Bank account balance	249,716	90,750
Total	253,817	96,583

10. Receivables and prepayments

	2021 \$'000	2020 \$'000
Withholding tax recoverable	2,799	3,867
Interest receivable	497	278
Other receivable	21,209	8,403
Prepaid expenses	2,219	1,940
Total	26,724	14,488

11. Members' permanent share capital

Permanent shares are shares issued at no par value, paid up in cash and invested as risk capital which forms a permanent part of the capital of the Co-operative, and are issued with rights and restriction based on the rules of the Co-operative. Permanent shares may be redeemable subject to transfer, sale or re-purchase; but the Board of Directors reserves the right at any time to require a member to give notice not exceeding six months, provided that the member is not liable to the Co-operative as a borrower, endorser, co-maker or guarantor without the approval of the Board of Directors.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

12. Institutional capital

	2021 \$'000	2020 \$'000
Statutory reserve	291,544	263,495
Capital reserve	34,078	34,078
	325,622	297,573
Entrance fees	882	784
Total	326,504	298,357

Institutional capital forms a part of the permanent capital of the Co-operative and is not available for distribution.

Statutory reserve

The statutory reserve is maintained in accordance with the provisions of the Co-operative Societies Act, which requires that a minimum of 20% of net surplus be carried to a reserve fund. Upon application by a Registered Co-operative, the Registrar may allow the required percentage to be reduced, but not below 10%. The transfer is calculated on profits, net of loan loss reserve.

Capital reserve

Capital reserve is increased from time to time by amounts appropriated from undistributed surplus, which, in the opinion of the directors, are necessary to support the operations of the Co-operative and thereby protect the interest of the members. The amount transferred is determined at the Annual General Meeting.

13. Non-Institutional capital

	2021 \$'000	2020 \$'000
Other reserve	41,953	41,953
Building reserve	38,104	47,663
General reserve	2,726	2,726
Employee benefit reserve	(4,683)	7,594
Unsecured loans reserve	85,000	85,000
Investment reserve	5,930	5,122
Total	169,030	190,058

Building reserve

This reserve represents an amount set aside for the construction of a building. The amount transferred is determined by the members at the Annual General Meeting and are treated as distributions from the Co-operative's surplus for the year.

General reserve

General reserve is established from time to time by amounts appropriated from undistributed surplus, which in the opinion of the directors, are necessary to support the operations of the Co-operative and thereby protect the interest of the members. The amount transferred is determined at the Annual General Meeting.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

13. Non-Institutional capital (cont'd)

Employee benefit reserve

The employee benefit reserve represents pension surplus arising on the IAS 19 actuarial valuation of the pension plan in which the Co-operative participates. Annual changes in the value of the plan are shown in other comprehensive income, then transferred to this reserve.

Unsecured loans reserve

The reserve represents an amount set aside to support unsecured loans granted to members. The amount transferred to or from the surplus is determined at the Annual General Meeting.

Investment reserve

Annual changes in the fair value of certain available-for-sale investments are shown in the other comprehensive income then transferred to this reserve.

14. Members' voluntary shares

	2021 \$'000	2020 \$'000
Balance at the beginning of the year	767,017	658,359
Add: New deposits	1,564,517	1,310,833
	2,331,534	1,969,192
Less: Withdrawals and transfers	(1,580,956)	(1,202,175)
	750,578	767,017
Less: Current portion	(133,987)	(118,817)
Total	616,591	648,200

Voluntary shares have no par value and are not a part of risk capital. The following rights and restrictions are attached to members' voluntary shares:

- (i) Monies paid into voluntary shares may be withdrawn in whole or in part on any day when the Co-operative is open for business, but the Board of Directors shall reserve the right at any time to require a member to give notice not exceeding six (6) months; provided, however, that no member may withdraw any shareholdings below the amount of his liability to the Co-operative as a borrower or co-maker.
- (ii) Voluntary shares shall be treated as liabilities of the Co-operative.
- (iii) Subject to the profitability of the Co-operative, the Board of Directors may recommend the declaration and payment of dividends on voluntary shares in amounts and at times as it may determine.
- (iv) The Co-operative shall have a lien on all voluntary shares and deposits of a member for and to the extent of, any sum due to the Co-operative from the said member or any loan endorsed by him.
- (v) Voluntary shares shall be required to utilise the products and services of the Co-operative as

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

15. External credits

	2021 \$'000	2020 \$'000
Development Bank of Jamaica – Energy loan	650	850
Less: Current portion	(200)	(217)
Total	450	633

This represents loans from The Development Bank of Jamaica. These loans bear interest at 6.5% and are repayable up to 96 months after disbursement.

16. Savings deposits

	2021 \$'000	2020 \$'000
Term deposits	225,210	219,794
SHYDA deposits	571,465	567,550
Regular deposits	246,112	270,378
Partner plan	88,082	48,494
SWYS Plus	94,483	104,002
Christmas special	3,233	3,408
Golden Harvest	89,681	62,298
	1,318,266	1,275,924
Less: Current portion	(621,485)	(722,251)
Total	696,781	553,673

17. Accounts payables and accruals

	2021 \$'000	2020 \$'000
IT enhancements	7,079	7,892
Withholding tax	313	238
Audit fees	2,884	1,848
Other payables	62,306	60,826
Accruals	40,999	38,608
Deceased members deposits	5,480	5,480
Standing order	7,180	5,545
Online ATM payable	10,317	8,561
Scholarship fund	577	1,637
Total	137,135	130,635

18. Deferred income

Deferred income includes an amount received from the Stabilisation Fund maintained by JCCUL to assist Credit Unions with the cost in respect of implementation of IFRS 9 and Transaction Monitoring Software.

	2021 \$'000	2020 \$'000
Balance at beginning of the year	3,064	2,064
Amount received from JCCUL during the year	-	1,000
Balance at end of year	3,064	3,064

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

18. Deferred income (cont'd)

The amount held as deferred income is earmarked to be used for IFRS 9 related expenses since 2020, which will be subsequently transferred to profit or loss to offset any costs incurred. Additional amounts held in deferred income relate to amounts received to support the implementation of a Transaction Monitoring Software.

19. Operating expenses

	2021 \$'000	2020 \$'000
Staff costs		
Salaries, allowances and contributions	104,260	93,452
Statutory deductions	9,550	7,870
Staff training	804	2,896
Pension cost	4,712	4,085
	119,326	108,303
General overheads		
Administrative	9,052	2,951
Audit fees	2,535	2,415
Depreciation	4,143	3,499
Electricity	3,468	4,078
Insurance premiums	4,174	4,892
Office expense	1,441	4,064
Professional and accounting fees	2,450	2,788
Printing, stationery and postage	1,960	1,871
Repairs and maintenance	7,671	4,811
Travel and subsistence	1,223	900
Telephone, cable, postage and telegram	3,034	2,694
Finance cost	503	600
Total administrative expenses	41,654	35,563
Representation and affiliation		
League fees and other fees	5,835	5,127
Board and committee meetings	8,070	4,815
Annual general meeting	3,042	2,662
Stabilisation dues	1,536	1,766
Total representation and affiliation expenses	18,483	14,370
Marketing and promotion		
Advertising and promotion	4,566	2,748
Donations	11	700
Total marketing and promotion expenses	4,577	3,448
Other operating expense		
Foreign exchange gain	85	-
Total other operating expense	85	-
Total operating expenses	184,125	161,684

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

20. Staff and volunteers' loans and deposits

Loans to members include loans granted to members of staff, the Board of Directors and members of supervisory and credit committees as follows:

2021			
	Number	Loans \$'000	Shares and deposits \$'000
Staff	22	84,556	38,090
Volunteers	19	36,098	20,728
2020			
	Number	Loans \$'000	Shares and deposits \$'000
Staff	23	90,765	30,046
Volunteers	22	46,031	28,270

Loans to staff are granted at concessionary rates of interest. For other loans, no special conditions were attached and the conditions of repayment have been complied with.

21. Related party transactions and balances

(a) Identity of related parties:

The Co-operative has a related party relationship with its directors and key management personnel and the pension scheme. Related party balances are disclosed in note 20.

(b) Key management compensation

	2021 \$'000	2020 \$'000
Salaries and other short-term employee benefits	29,429	24,286
Total	29,429	24,286

22. Insurance

The Co-operative maintained life, savings and loan protection insurance coverage during the year. Premiums of \$2,926,400 (2020 - \$3,265,500), which includes fidelity insurance coverage, were paid during the year.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

23. Comparison of ledger balances

2021			
	Members deposits \$'000	Loans, gross \$'000	Members' savings voluntary shares \$'000
General ledger	1,318,266	2,095,010	750,578
Members' ledger	1,318,266	2,095,010	750,578
Differences as at December 31, 2021	-	-	-
2020			
	Members deposits \$'000	Loans, gross \$'000	Members' savings voluntary shares \$'000
General ledger	1,275,924	2,154,312	767,017
Members' ledger	1,275,924	2,154,312	767,017
Differences as at December 31, 2020	-	-	-

24. Risk management policies

The Credit Union's activities expose it to a variety of financial risks in respect of its financial instruments. The main types of risks are market risk, credit risk and liquidity risk. The Credit Union risk management is coordinated at its head office in close cooperation with the board of directors and focuses on actively securing the Credit Union's short to medium-term cash flows by minimising the exposure to volatile financial markets. Long-term financial investments are managed to generate lasting returns.

The Board of Directors has overall responsibility for the establishment and oversight of the Co-operative's risk management framework. The Co-operative's risk management policies are established to identify and analyse the risks faced by the Co-operative, 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 Co-operative's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Co-operative.

a Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk arises mainly from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Risk and Compliance Officer who monitors price movements of financial assets on the local market. Market risk exposures are measured using sensitivity analysis. There has been no change to the Credit Union's exposure to

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

a Market risk (cont'd)

i Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The co-operative is not significantly exposed to foreign currency risk as it does not have significant balances that are denominated in currencies other than the Jamaican dollar.

ii Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates, and arises mainly from investments, loans and deposits.

Floating rate instruments expose the Credit Union to cash flow interest risk, whereas fixed interest rate instruments expose the Credit Union to fair value interest risk.

The Credit Union's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. The Asset and Liability Management Committee sets limits on the level of mismatch of interest rate repricing that may be undertaken, which is monitored daily by the management team and treasury personnel.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

The following tables summarise the Credit Union's exposure to interest rate risk. It includes the Credit Union's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

2021

	Average Interest Rate %	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial assets							
Earning assets							
Reverse repurchase agreements	1.9	33,333	-	-	-	-	33,333
Financial investments	5.7	707,760	-	4,681	-	-	712,441
Loans, net of impairment provision	1.2	12,704	59,787	1,357,414	590,167	-	2,020,072
Non-earning assets		-	-	-	-	280,541	280,541
Total financial assets		753,797	59,787	1,362,095	590,167	280,541	3,046,387
Interest bearing liabilities							
Members' deposits	4.45	346,760	274,725	696,781	-	-	1,318,266
Members' voluntary shares	2.5	15,198	118,789	616,591	-	-	750,578
External credit	8.5	17	183	450	-	-	650
Non-interest-bearing liabilities		-	-	-	-	140,199	140,199
Total financial liabilities		361,975	393,697	1,313,822	-	140,199	2,209,693
Total interest rate Sensitivity Gap		391,822	(333,910)	48,273	590,167	140,342	836,694
Cumulative Gap		391,822	57,912	106,185	696,352	836,694	

Jamaica Defence Force Co-operative Credit Union Limited

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Year ended December 31, 2021

24. Risk management policies (cont'd)

a Market risk (cont'd)

ii Interest rate risk (cont'd)

		2020					
	Average Interest Rate %	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	Non-Interest Bearing \$'000	Total \$'000
Financial assets							
Earning assets							
Reverse repurchase agreements	1.9	32,576	-	-	-	-	32,576
Financial investments	5.7	725,595	-	4,571	-	-	730,166
Loans, net of impairment provision	1.2	48,307	71,384	1,450,181	507,013	-	2,076,885
Non-earning assets		-	-	-	-	111,071	111,071
Total financial assets		806,478	71,384	1,454,752	507,013	111,071	2,950,698
Interest bearing liabilities							
Members' deposits	4.45	370,275	351,976	553,673	-	-	1,275,924
Members' voluntary shares	2.5	26,512	92,305	648,200	-	-	767,017
External credit	8.5	17	200	633	-	-	850
Non-interest-bearing liabilities		-	-	-	-	133,699	133,699
Total financial liabilities		396,804	444,481	1,202,506	-	133,699	2,177,490
Total interest rate Sensitivity Gap		409,674	(373,097)	252,246	507,013	(22,628)	773,208
Cumulative Gap		409,674	36,577	288,823	795,836	773,208	

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

a Market risk (cont'd)

Interest rate sensitivity

The Credit Union's interest-bearing financial instruments are at fixed rate therefore a change in interest rate at the reporting date would not affect income.

The Credit Union variable rate instruments as at the reporting date are insignificant and therefore would not have a significant impact on the fair value of the instrument.

b Credit risk

The Credit Union takes on exposure to credit risk, which is the risk that its members or counterparties will cause a financial loss for the Credit Union by failing to discharge their contractual obligations. Credit risk is the most important risk for the Credit Union's business. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in lending and investment activities. There is also credit risk in financial instruments not included in the statement of financial position, such as loan commitments. The Credit Union structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty, related counterparties and industry segments.

Credit review process

The Credit Union has a credit quality review process involving regular analysis of the ability of borrowers to meet interest and capital repayment obligations.

(i) Loans

The Credit Union assesses the probability of default of borrowers. Exposure to credit risk is managed in part by obtaining collateral and personal guarantees. The credit quality review process allows the Credit Union to assess the potential loss as a result of the risk to which it is exposed and take corrective action.

(ii) Investments

The Credit Union limits its exposure to credit risk by investing mainly in liquid securities with counterparties that have high credit quality, and in Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the member and the size of the loan. Guidelines are implemented regarding the acceptability of different types of collateral.

The main types of collateral obtained are as follows:

- Mortgages over real estate
- Security contracts on motor vehicles
- Hypothecated financial instruments such as certificates of deposits with regulated financial institutions
- Liens on members' deposits maintained with the Credit Union

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

b Credit risk (cont'd)

Management monitors the market value of collateral, during its review of the adequacy of the provision for credit losses.

Loans to members and expected credit loss

The Credit Union applies the “three stage” model under IFRS 9 in measuring the expected credit losses on loans, and makes estimations about likelihood of defaults occurring, associated loans ratios, changes in market conditions, and expected future cash flows. This is measured using the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) for loans.

- Probability of Default – This represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months (12 months PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- Exposure at Default – This represents the expected balance at default, taking into account the repayment of principal and interest from the statement of financial position date to the default event together with any expected drawdowns of committed facilities.
- Loss Given Default – The LGD represents the expected losses on the EAD given the event of default, taking into account the mitigating effect of collateral value at the time it is expected to be realised and also the time value of money.

The “three stage” model is used to categorise financial assets according to credit quality as follows:

- Stage 1 – financial assets that are not credit impaired on initial recognition or are deemed to have low credit risk. These assets generally abide by the contractual credit terms. The ECL is measured using a 12 month PD, which represents the probability that the financial asset will default within the next 12 months.
- Stage 2 – financial assets with a significant increase in credit risk (SICR) since initial recognition, but are not credit impaired. The ECL is measured using a lifetime PD.
- Stage 3 – credit impaired financial assets. The ECL is measured using a lifetime PD.

Financial assets can be transferred between the different categories depending on their relative increase in credit risk since initial recognition. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment.

In measuring the expected credit losses, the loan to member have been assessed on a case by case basis as they possess different credit risk characteristics. They have been grouped based on the loan type (motor vehicle, real estate, cash secured and unsecured), past due days and also according to the geographical location of customers.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

b Credit risk (cont'd)

The expected loss rates are based on the payment profile for customers over the past three years before December 31, 2021 and January 1, respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forwarding looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Bank has identified interest rate, exchange rate gross domestic product (GDP) and unemployment rates of Jamaica to be the most relevant factors and according adjusts historical loss rates for expected changes in these factors.

On the above basis the expected credit loss for loan members receivables as at December 31, 2021 and January 1, 2021 was determined as follows:

The credit quality of loans is as follows:

Loan stage	December 31, 2021		
	Total loan balance \$	Expected credit loss \$	Expected credit loss rate %
Stage 1	1,938,412	26,506	1.3
Stage 2	96,144	2,850	3
Stage 3	60,454	45,582	75
Total	2,095,010	74,938	

Loan stage	December 31, 2020		
	Total loan balance \$	Expected credit loss \$	Expected credit loss rate %
Stage 1	1,996,740	27,119	1.3
Stage 2	95,722	2,940	3
Stage 3	61,850	47,368	76
Total	2,154,312	77,427	

Impairment

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 30 days, or there are any known difficulties in the cash flows of counterparties, or there are infringements of the original terms of the contract.

The Credit Union addresses impairment assessment individually. An impairment allowance is provided for each individual loan that is impaired with no consideration of materiality. At minimum, an impairment assessment is conducted annually.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

b Credit risk (cont'd)

Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at the statement of financial position date on a case-by-case basis, and are applied to all accounts with a past due date of more than 30 days. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The loan loss provisioning rules described above focus more on credit-quality mapping of the respective delinquency periods to corresponding pre-determined percentages. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the statement of financial position date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements may differ from the amount determined from the League's loan loss provisioning rules that are used for internal operational management and the Credit Union's internal provisioning method.

The table below shows loans to members and the associated IFRS impairment provision:

	2021	
	Loans \$'000	Impairment provision \$'000
Loans to members	2,095,010	74,938

	2020	
	Loans \$'000	Impairment provision \$'000
Loans to members	2,154,312	77,427

Maximum exposure to credit risk

Maximum exposure to credit risk before collateral held or other credit enhancements

For items on the statement of financial position, the exposures are based on net carrying amounts as reported in the statement of financial position.

The following table explains the changes in the loan loss provision between the beginning and the end of the financial year.

(i) Expected credit losses on loans	2021 \$'000	2020 \$'000
Provision for impairment at beginning of year	77,427	59,523
(Decrease)/increase in amounts provided for during the year	(2,489)	17,904

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

b Credit risk (cont'd)

(ii) Renegotiated loans

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans. As at December 2021, there were no renegotiated loans.

(iii) Loans

The following table summarises the Credit Union's credit exposure for loans at their carrying amounts, as categorised by the industry sectors:

	2021 \$'000	2020 \$'000
Cash secured	88,814	107,842
Motor vehicle	673,329	635,597
Real estate	179,439	201,711
Unsecured	1,153,428	1,209,162
	2,095,010	2,154,312
Loss allowance	(74,938)	(77,427)
Total	2,020,072	2,076,885

c Liquidity risk

Liquidity risk is the risk that the Credit Union will encounter difficulty in raising funds to meet its commitments associated with financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay members and fulfil commitments to lend.

Liquidity risk management process

The Credit Union's liquidity risk management processes are monitored by the Treasury Committee includes:

- (i) monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash outflows and the availability of cash to meet these outflows;
- (ii) maintaining a balanced portfolio between financial investments and liquid assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) optimising cash returns on investments;
- (iv) maintaining committed lines of credit; and
- (v) monitoring statement of financial position liquidity ratios against internal and regulatory requirements.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

c Liquidity risk (cont'd)

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Credit Union. It is unusual for financial institutions to ever be completely matched since business transacted is often on uncertain terms and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the Credit Union and its exposure to changes in interest rates and exchange rates.

The Co-operative is subject to a liquidity limit imposed by the League and compliance is regularly monitored. The key measure used by the Co-operative for managing liquidity risk is the ratio of liquid assets, minus short-term liabilities, to total savings deposits. For this purpose, liquid assets include cash and bank balances, deposits held with JCCUL and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the year was 13.75% (2020 - 8%).

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

c Liquidity risk (cont'd)

Financial liabilities and assets held for managing liquidity risk.

The tables below present the cash flows receivable and payable of the Credit Union for financial liabilities and assets held for managing liquidity risk by remaining contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows (principal and interest cash flows).

	2021					
	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	No Specific Maturity \$'000	Total \$'000
Financial assets						
Earning assets						
Reverse repurchase agreements	33,333	-	-	-	-	33,333
Financial investments	707,760	-	4,681	-	-	712,441
Loans, net of impairment provision	12,704	59,787	1,357,414	590,167	-	2,020,072
Non-earning assets	-	-	-	-	280,541	280,541
Total financial assets	753,797	59,787	1,362,095	590,167	280,541	3,046,387
Interest bearing liabilities						
Members' deposits	346,760	274,725	696,781	-	-	1,318,266
Members' voluntary shares	15,198	118,789	616,591	-	-	750,578
External credit	17	183	450	-	-	650
Non-interest-bearing liabilities	-	-	-	-	140,199	140,199
Total financial liabilities	361,975	393,697	1,313,822	-	140,199	2,209,693

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

c Liquidity risk (cont'd)

2020

	Within Three Months \$'000	Three to Twelve Months \$'000	One to Five Years \$'000	Over Five Years \$'000	No Specific Maturity \$'000	Total \$'000
Financial assets						
Earning assets						
Reverse repurchase agreements	32,576	-	-	-	-	32,576
Financial investments	725,595	-	4,571	-	-	730,166
Loans, net of impairment provision	48,307	71,384	1,450,181	507,013	-	2,076,885
Non-earning assets	-	-	-	-	111,071	111,071
Total financial assets	806,478	71,384	1,454,752	507,013	111,071	2,950,698
Interest bearing liabilities						
Members' deposits	370,275	351,976	553,673	-	-	1,275,924
Members' voluntary shares	26,512	92,305	648,200	-	-	767,017
External credit	17	200	633	-	-	850
Non-interest-bearing liabilities	-	-	-	-	133,699	133,699
Total financial liabilities	396,804	444,481	1,202,506	-	133,699	2,177,490

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash and bank balances, investment securities and loans. In the normal course of business, a proportion of members' loans contractually repayable within one year will be extended. The Credit Union is also able to meet unexpected net cash outflows by selling securities and accessing overdraft facilities from its main financing institutions.

The members' voluntary shares are contractually on call except in cases where these balances are held as security for loan facilities.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

24. Risk management policies (cont'd)

Off-statement of financial position items

d Operational risk

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the Credit Union's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements.

The Credit Union's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to the Board and management. This responsibility is supported by overall Credit Union standards for the management of operational risk in the following areas:

- (i) requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- (ii) requirements for the appropriate segregation of duties, including the independent authorisation of transactions
- (iii) requirements for the reconciliation and monitoring of transactions
- (iv) compliance with regulatory and other legal requirements
- (v) documentation of controls and procedures
- (vi) requirements for the reporting of operational losses and proposed remedial action
- (vii) development of contingency plans
- (viii) training and professional development
- (ix) ethical and business standards
- (x) risk mitigation, including insurance where this is effective

Compliance with Credit Union policies is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Supervisory Committee, senior management and the Board of Directors.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

25. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

Market price is used to determine fair value where an active market exists, as it is the best evidence of the fair value of a financial instrument. However, market prices are not available for a number of financial assets and liabilities held and issued by the Credit Union. Therefore, for financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the statement of financial position date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates.

The following methods and assumptions have been used in determining or estimating the fair value of the Credit Union's financial instruments:

- (i) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amounts. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- (ii) The fair value of members' deposits is assumed to be the amount payable on demand at the statement of financial position date.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (iv) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans, the fair value is assumed to be equal to their carrying value, as gains and losses offset each other. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.
- (v) Financial investments classified as available-for-sale are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques. Unquoted equities classified as available-for-sale are measured at historical cost less impairment, as their fair values cannot be reliably determined.
- (vi) Financial investments classified as held-to-maturity are measured at amortised cost with a carrying value of \$741,093 (2020 - \$758,171) for which the fair value has been estimated at \$741,093 (2020 - \$758,171).

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

25. Fair value estimation (cont'd)

- (vii) The estimated fair values of the off statement of financial position financial instruments is assumed to approximate the amount committed at year end.
- (viii) The carrying value of borrowings approximates fair value as the borrowings are carried at amortised cost reflecting its contractual obligations, and the interest rates are reflective of current rates for similar transactions.

Financial instruments that are measured in the statement of financial position at fair value are grouped based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are grouped in Level 1;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The following table presents the Credit Union's financial assets that are measured at fair value:

December 31, 2021

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available for-sale financial assets				
Unquoted equities	4,681	-	-	4,681
Fixed and other deposits	-	741,093	-	741,093
Total	4,681	741,093	-	745,774

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

25. Fair value estimation (cont'd)

December 31, 2020

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Available for-sale financial assets				
Unquoted equities	4,571	-	-	4,571
Fixed and other deposits	-	758,171	-	758,171
Total	4,571	758,171	-	762,742

There has been no transfer between levels 1 and 2 in the reporting period.

26. Contingencies

There are legal proceedings against the Co-operative of which the outcome is not yet known. No provision has therefore been made in these financial statements.

27. Capital management, policies and procedures

The Credit Union's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

- (i) to maintain the members' confidence in the safety and viability of the Credit Union
- (ii) to safeguard the Credit Union's ability to continue as a going concern so that it can continue to provide returns and benefits for its members;
- (iii) to continuously meet statutory and any other regulatory requirements as required by the Registrar of Co-operative and Friendly Societies, the Bank of Jamaica and the Jamaica Co-operative Credit Union League Limited.
- (iv) to maintain a strong capital base to support planned expansion and the development of new lines of business.

Capital adequacy and the use of regulatory capital are monitored by the Credit Union's management according to the guidelines in its Capital Adequacy Management Policy. The computation is reported to the Board of Directors each month and the Credit Union's capital adequacy ratio currently exceeds the benchmarks set by the regulatory authorities.

The League currently requires member credit unions to maintain a minimum level of the institutional capital at 8% of total assets. The proposed Bank of Jamaica regulations require the League to ensure that member credit unions:

- (i) Hold a minimum level of the regulatory capital of 6% of total assets; and
- (ii) Maintain a ratio of total regulatory capital to risk-weighted assets at or above 10%.

Jamaica Defence Force Co-operative Credit Union Limited

Notes to the Financial Statements

Year ended December 31, 2021

27. Capital management, policies and procedures (cont'd)

There was no change during the financial year in relation to how the Credit Union manages its capital.

All League and Bank of Jamaica regulatory capital requirements were met during the years ended December 31, 2021 and 2020.

There was no change to the Credit Union's approach to capital management during the year.

The Credit Union complied with all externally imposed capital requirements to which they were subjected.

28. COVID-19 Effect

On March 11, 2020 the World Health Organization (WHO) declared a new Coronavirus disease (COVID-19) pandemic. As a result, global economies began to experience significant volatility. Governments have taken extensive measures to contain the spread of the virus including imposing travel restrictions, quarantines, social distancing, and closures of non-essential services. These measures have caused significant operational disruption for many businesses and global economies and stock markets have also experienced great volatility.

Management has instituted procedures and policies to minimise losses and safeguard the health of its staff. However, the COVID-19 pandemic remains uncertain and as such management continues to assess and adjust its policies accordingly.

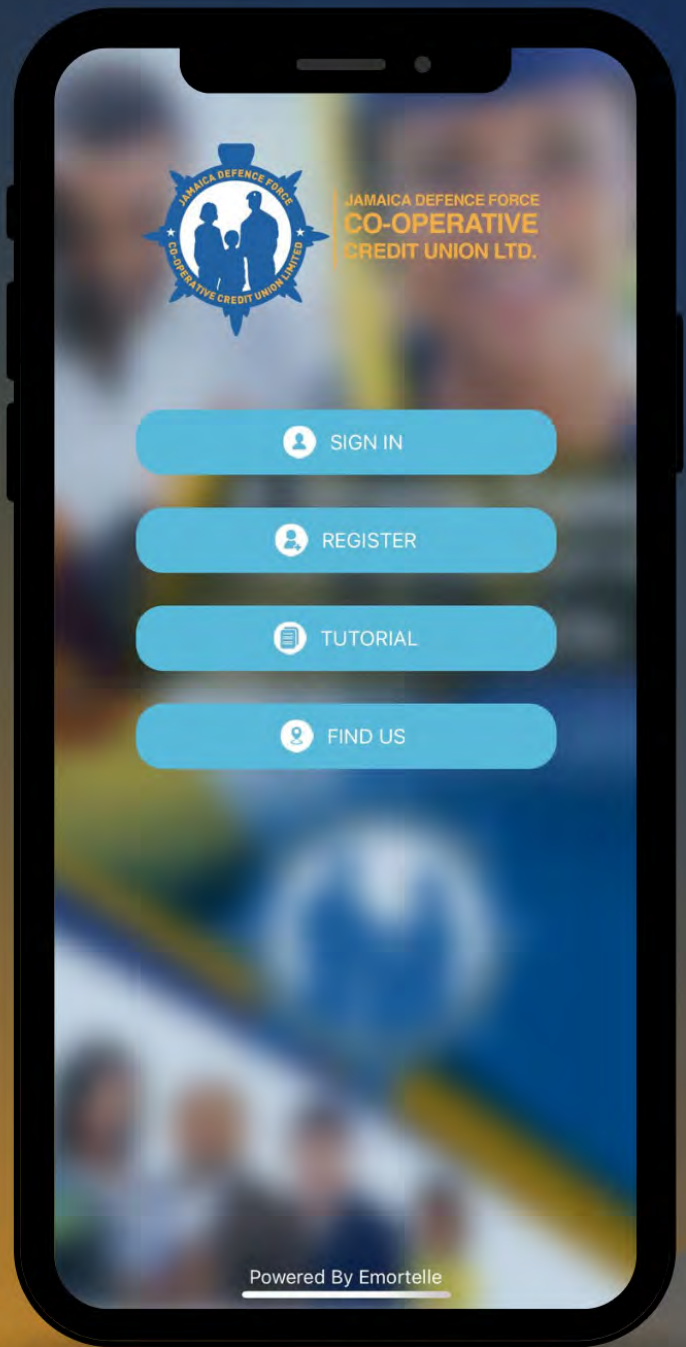


CYBER SECURITY TIPS

- 1** When setting up your online accounts **choose a strong password**. A strong password should always include upper and lowercase letters, numbers. Do not set the option that allows your Smartphone, tablet or laptop to remember any password.
- 2** **Be careful when using a password on a mobile device**. Set your devices to automatically lock after a selected period of time to ensure no one can access your Smartphone, tablet or laptop. The JDFCU's online platforms have built in time-out sessions.
- 3** **Do not give your account information over the phone** or Internet if you do not know who is asking for it. Call the Credit Union directly at telephone numbers 876-926-3870, 876-906-9118 or 876-906-3286 or visit the Credit Union to speak with someone in person. JDFCU will never email or text you asking for personal or account information. Assume any unsolicited phone call or text request is fraudulent.
- 4** **Change your passwords frequently**. JDF CU recommends changing your passwords every 60 days.
- 5** When requesting assistance online by sending an email; Be sure **not to include account information**.
- 6** **Be aware of the location of your mobile devices** (Smartphone, tablets) at all times. Only log on to legitimate websites (https) when you have a secure, safe and trusted Internet connection.
- 7** Be sure **not to enable auto-save features** on your mobile device to store your online or mobile banking account information (account number, passwords, secret answers).
- 8** **Do not save debit card, or other account information on your computer**, phone or tablet. Instead, keep a list that is stored in a safe, secure place away from your computer.
- 9** **Use unique passwords for all online accounts**. Never share your password, account number, PIN or answers to security questions.
- 10** **Contact JDF CU immediately** if you think your online identity has been compromised. The sooner you alert proper authorities about suspicious activity, the sooner it can be resolved.
- 11** **Keep a clean machine** - Be sure that all internet-connected devices - including Laptops, Tablets, PCs, or Smartphone are free from malware and infections by running only the most current versions of software and apps.
- 12** Be sure to **disable Bluetooth** when not required.

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MANAGEMENT

Mrs. Claudia Thompson-Roache
General Manager

Mrs. Tahnee Pierce
Talent & Administration Manager

Mr. Howard Powell
Finance Manager

Ms. Allison Pessoa
Risk & Compliance Officer



TEAM

Mr. Alvin Reid

Business Development, Communications
and Technology Manager

Ms. Marsha McGowan

Member Services Manager

Mr. Leighton Wisdom

Credit Risk Manager

Mrs. Karlene Pitter-Cooper

Internal Auditor



TALENT AND ADMINISTRATION DEPT.

Yvette Robertson
Office Attendant

Tahnee Pierce
Talent and Administration
Manager

Frances Collie
Talent and Administration
Officer

Claudia Thompson-Roache
General Manager



BUSINESS DEVELOPMENT, COMMUNICATIONS AND TECHNOLOGY DEPT.

Nike Henry
Business Development
Officer

Rochelle Fearon
Business Development
Officer

Rondre Getfield
Data Entry Clerk

Ravonne Thomas-Matthews
Information, Communications
& Technology Officer

Daniel Cousley
Business Development
Officer (Western)

Kirlew Duncan
Business Development
Officer



Alvin Reid
Business Development, Communications
& Technology Manager

FINANCE DEPT.

Howard Powell
Finance Manager

Georgia Cornwall
Accounting Officer

Devon Fray
Accounting Officer



MEMBER SERVICES DEPT.

Marsha Segree-Boothe
Member Service Supervisor

Hugh James
Teller

Sebrena Smith-Richards
Teller

Allesha Beckford
Member Service Officer

Romario Johnston
Member Service Officer

Tabina Layton
Teller

Ms. Marsha McGowan
Member Services Manager

Marsha Morris-Barthley
Teller

Charlene Smith-Channer
Member Service Officer



Melissa Brown-Morgan
Member Service Officer

Marsha Fullerton
Receptionist

Shanadeen Smith
Member Service Officer

Missing: **Teana Tapper**
Teller

CREDIT RISK DEPT.

AUDIT, RISK AND COMPLIANCE

Shakeria Williams
Credit Risk Officer

Leighton Wisdom
Credit Risk Manager

Clarine Bogle
Collateral & Delinquency
Officer

Karlene Pitter-Cooper
Internal Auditor

Allison Pessoa
Risk & Compliance Officer





JAMAICA DEFENCE FORCE
CO-OPERATIVE
CREDIT UNION LTD.



FAMILY INDEMNITY PLAN

Insurance with your
family in mind

Enroll up to 5 eligible
family members

Maximum coverage of
\$1,000,000.00

No medical required

Select from seven
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*Jointly offered with CUNA Caribbean Insurance Jamaica Ltd

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JDFC Co-operative Credit Union Ltd



“

We will continue to assist and guide as many members as possible in their financial wellbeing whilst standing by the JDF Credit Union's culture of facilitating and giving back to its' members. ”

CREDIT COMMITTEE REPORT

YEAR ENDED DECEMBER 31, 2021

Capt Calvin Dryden, Chairman

During the year ending 2021 the Credit Committee focused on meeting the needs of the members' despite experiencing continued local and global uncertainty. The COVID-19 pandemic created a major challenge for the sitting of the committee. The continued use of technology allowed the committee to virtually conduct reviews and approval of loan applications. Over the period under review the committee met fifty-four (54) times and working in conjunction with the Credit Risk Manager and Loan Officers, a total of one hundred and thirty-eight (138) loan applications were reviewed.

The Credit Committee is tasked with the responsibility of overseeing and evaluating loan applications, ensuring that regardless of the loan type each applicant is afforded individual and equitable consideration. The standard qualification require members to demonstrate job stability, good credit history with all creditors and have sufficient funds to repay their obligations. I want to encourage members to use the JDF Credit Union as

their institution of choice for financial undertakings. This is due to the reality that loans approved would have been denied by other institutions. We are able to offer this service because there is an understanding of our population such as character of an individual that other entities would not be privy.

A review of the loan portfolio showed a decline in Unsecured, Home Improvement, Debt Consolidation and Educational Expense for the year 2021. Motor Vehicle and Personal Requisite reflected marginal growth for two consecutive years (2020 – 2021).

The table below gives a comparative view of funds disbursed regarding loan applications approved by the Credit Committee in 2020 and 2021.

	2020	2021	Increase / (Decrease) \$M	(Decrease) %	Increase %
Unsecured	3,275,645.00	650,000.00	(2,625,645.00)	80.16	
Home Improvement	4,161,474.55	3,236,305.50	(925,169.05)	22.23	
Motor Vehicle	94,326,530.10	97,031,243.70	2,704,713.60		2.87
Debt Consolidation	81,765,984.23	43,609,647.47	(38,156,336.76)	46.67	
Educational Expense	4,637,975.10	-	(4,637,975.10)	-	
Personal Requisite	34,768,181.09	39,106,639.87	4,338,458.78		12.48
	222,935,790.07	183,633,836.54	(39,301,953.53)		



There was an overall decrease in the number and value of loans reviewed by the Credit Committee. Loan applications approved by the committee declined from \$222.9M to \$183.6 million a decrease of \$39.3M. This represents a major decline within the two last years. However, the credit union has been implementing changes as the competition and global challenges increases. The decline within the economy resulted in non-performing loan portfolios and a delinquency ratio of 4.92% for the year 2021, an increase of the 2020 ratio of 3.85%.

The members of the Credit Committee for the year under review are as follows:

Capt Calvin Dryden	Chairman
Shakeria Marshall Fender	Secretary
Mr. Lukel Miller	Member
WO2 Michael Rowe	Member
SSgt William Gilzene	Member
Ms. Michelle McKenzie	Member
Mrs. Michelle Goulbourne	Member

The committee extends sincerest gratitude to our valued members for investing confidence and funds in the credit union. The Management and Staff of the Credit Union for their invaluable support and performance throughout the period. The committee also acknowledges the support of our Board of Directors

and Supervisory Committee. It would be remiss of me to not acknowledge the members of the Credit Committee for serving during this challenging period, for the personal sacrifice and dedication and oftentimes running the risk of being reprimanded for absence from their substantive jobs. Thanks Team! As we strive to increase the profitability of the credit union. We will continue to assist and guide as many members as possible in their financial wellbeing whilst standing by the JDF Credit Union's culture of facilitating and giving back to its' members.

Calvin Dryden
Captain
Chairman, Credit Committee





NOMINATING COMMITTEE REPORT

REPORT OF THE NOMINATING COMMITTEE
TO THE 59th ANNUAL GENERAL MEETING
OF JAMAICA DEFENCE FORCE
CO-OPERATIVE CREDIT UNION LTD.

May 2022

In accordance with the provisions of Article XII, Rule 118, the Board of Directors of the Jamaica Defence Force Co-operative Credit Union Limited appointed a Nominating Committee, which comprised the following persons:

Commander Aceion Prescott	Chairman
Miss Allison Pessoa	Secretary
Miss Michelle McKenzie	Credit Committee

The Committee reports as follows:

Directors and committee members retiring at this Annual General Meeting and the Nominees proposed are as follows:

BOARD OF DIRECTORS

Resigned

Captain Tameka Stewart
Lieutenant Dionne Ellis

Retiring

Lieutenant Colonel Michael Anglin
Warrant Officer Class 1 Carlean Sutherland
Mr. Desmond Pringle (Ex. Staff Sergeant)

Not Retiring

Commander Aceion Prescott
Mrs. Donna Brown
Staff Sergeant Shelroy Johnson
Mr. Everton Hay

Unexpired Term (Yrs)

1
1
2
2

Recommended

Colonel Rohan Johnson
Colonel Murphy Pryce
Lieutenant Colonel Michael Anglin
Lieutenant Colonel Maxwell Gordon
Warrant Officer Class 1 Carlean Sutherland
Sergeant Gawayne Brown
Mr. Desmond Pringle (Ex-Staff Sergeant)

Term (Yrs)

From the seven (7) persons recommended, five (5) will be elected by the membership to fill the vacancies. It is to be noted that there will be no nomination from the AGM floor, in keeping with the existing directive from the Registrar.

CREDIT COMMITTEE

Retiring

Mr. Lukel Miller
Mrs. Michelle Goulbourne
Mrs. Shakeria Marshall-Fender

Not Retiring

	Unexpired Term (Yrs)
Captain Calvin Dryden	2
Staff Sergeant Michael Rowe	1
Staff Sergeant William Gilzene	1
Miss Michelle McKenzie	2

Recommended

	Term (Yrs)
Mrs. Michelle Goulbourne	3
Mrs. Shakeria Marshall-Fender	3
Miss Sarney Hayes	3

Since only three (3) persons have been recommended, there will be no election as the three will be automatically selected to fill the three (3) vacancies. It is to be noted that there will be no nomination from the AGM floor, in keeping with the existing directive from the Registrar.

SUPERVISORY COMMITTEE

Retiring

Warrant Officer Class 1 Dwight Smith
Staff Sergeant Ricardo Russell
Sergeant Gawayne Brown
Mr. O'neil Shirley
Sergeant Andrae Burnett
Warrant Officer Class 2 Sherlon Campbell
Mr. Andrew Clauchar

Recommended

	Term - (Year)
Lieutenant Colonel Maxwell Gordon	1
Warrant Officer Class 1 Dwight Smith	1
Warrant Officer Class 2 Sherlon Campbell	1
Warrant Officer Class 2 Shawn Malcolm	1
Staff Sergeant Ricardo Russell	1
Sergeant Andrae Burnett	1
Corporal Georgia Seaton	1
Mr. Desmond Pringle	1

From the eight (8) persons recommended, seven (7) will be elected by the membership to fill the vacancies. It is to be noted that there will be no nomination from the AGM floor, in keeping with the existing directive from the Registrar.

DELEGATES

The Nominating Committee recommends that the Board be authorized to appoint the Delegates and Alternate Delegates to represent the Credit Union at the various meetings as appropriate.

PROFILE OF NOMINEES

Board Of Directors

Colonel Rohan Johnson has been a member of the JDF Credit Union since 1996. He is an Attorney-at-Law and is trained in mediation and human resource management; he also has a wealth of knowledge and experiences in areas such as Risk, Compliance and Operation Management. Col Johnson is the holder of a Bachelor of Science Degree double major in International Relations and Psychology, a Master of Science Degree in National Security and Strategic Studies from the University of the West Indies, Mona and a Bachelor of Law from the University of London. He has been called to the Bar as an Attorney-at-law. He is also appointed as a Justice of the Peace.

Col Johnson has been decorated with the Medals of Honour for Meritorious Service, General Service with Clasp, and the United Nations Medal for Service in Military Operations and Queen's Diamond Jubilee Medal.

Colonel Murphy Pryce has been a member of the JDF Credit Union since 1997. He has wealth of knowledge and experiences in areas to include Auditing, Training and Train the Trainer, and Strategy. He was appointed as a Justice of the Peace and volunteered as a Director of the Lay Magistrate Association of Jamaica and is presently the Director of the Justice of the Peace Association Jamaica – Kingston Chapter since 2021 to present and the Chairman of the Intake 76 Foundation from 2021 to present. Col Pryce holds Bachelor of Science Degree in Human Resource Management and four Masters Degrees to include National Security and Strategic Studies and Occupational Environmental Health and Safety. He is also the holder of a number of certificates and training from the Vocational Training Development Institute. He is a certified Project Management Professional (PMP) since 2016.

Col Pryce has been decorated with the Medals of Honour for Meritorious Service and General Service.

Lieutenant Colonel Michael Anglin has been a member of the JDF Credit Union since March 1995. He currently serves as the 1st Vice President on the Credit Union's Board and also chairs other Sub-Committees. He has been a volunteer since 1998 and has served on the Credit Committee, as President on the Credit Union's Board, and also sits on the Board of the Jamaica Co-operative Credit Union League (JCCUL). Lt Col Anglin holds a Bachelor of Science Degree in Human Resource Management, a Diploma in Supervisory Management (MIND), a Certificate of Merit in Paralegal Training and a Certificate in Public Administration.

Lt Col Anglin has been decorated with the Medals of Honour for Meritorious Service, Long Service and Good Conduct, and General Service, as well as the First Bar to the Medals of Honour for Meritorious Service, and Long Service and Good Conduct.

Lieutenant Colonel Maxwell Gordon has been a member of the JDF Credit Union since 2003. He had served as a volunteer of the JDF Credit Union in the capacity of the assistant Treasurer of the Board of Director and chaired on Sub-Committees. Lt Col Gordon has a wealth of knowledge and experiences in areas such as Risk Management, Production Management and Strategic Leadership. He holds a Diploma in Law, a Bachelor of Law with Honours from the University of London and a Masters in National Security and Strategic Studies from the University of the West Indies, Mona. Lt Col Gordon has been decorated with the Medals of Honour for Meritorious Service, General Service with Clasp and Long Service and Good Conduct.

Warrant Officer Class 1 Carlean Sutherland has been a member of the JDF Credit Union for over twenty-two (22) years. She currently serves as the Secretary on the Credit Union's Board and has served on the Supervisory Committee for several years. She has been an Administrator/Welfare Officer since August 1990 and previously worked as a Student Social Worker at Jamaica College, National Housing Trust Jamaica and Kingston and St Andrew Family Court.

WO1 Sutherland has a Bachelor of Science Degree in Social Work (Second Class Honours) from the University of West Indies and has taken part in numerous other volunteer activities.

Sergeant Gawayne Brown has been a member of the JDF Credit Union since 2013 and has served as Chairman of the Credit Union's Supervisory Committee. Sergeant Brown has

experience in areas such as Accounting and Inventory Management. He has training in Team Organization and Project Management, Mentorship, Documentation, Customer Service, Data manipulation (MS Excel) and Troubleshooting. He holds Diplomas in Office Technology and P.C. Engineering. He also obtained international certification in accounting, from studies he pursued with the UK-based Association of Accounting Technicians (AAT) and is now a Level 4 Certified Accounting Technician. Additionally, Sergeant BROWN is currently pursuing further studies with the Association of Chartered Certified Accounts (ACCA).

Ex-Staff Sergeant Desmond Pringle joined the JDF Credit Union family in November 1997 and is an active member. He currently serves as a Director on the Credit Union's Board and also on other Sub-Committees to include the Information Technology and Security. He is an experienced Intelligence Analyst and Administrative Office Supervisor with over 10 years of experience.

Ex-Staff Sergeant Pringle holds a Bachelor of Science Degree in Information and Communication Technology, as well as a Diploma in Information and Communication Technology from the Vocational Training Development Institute.

CREDIT COMMITTEE

Mrs. Michelle Goulbourne has been a member of the JDF Credit Union since February 1991 and has been serving as a member of the Credit Committee since 2019.

Mrs. Goulbourne has completed certificates in computing and supervisory management from the University School of Continuing Studies and she has pursued studies in Government Accounting at the Management Institute for National Development (MIND) and has an Assoc. Degree in Business Administration.

Mrs. Shakera Marshall-Fender has been a member of the JDF Credit Union since December 2006 and has been serving as a member of the Credit Committee since 2015. She has been working with the Ministry of National Security JDF (JDF-PRO, Pay and Record Office, Office of the Governor General) for over 17 years and is presently the Acting Director of Management Accounts at the JDF-PRO.

Mrs. Marshall-Fender has experience in areas such as Preparing and Analyzing Financial Statement, Payroll, Audit, Final Accounts and Payments. She holds an Associate of Science Degree in Accounting and a Diploma in Accounting, as well

as a certificate in Supervisory Management, and the final year in completing BSc in Business Administration at the University College of the Caribbean.

Miss Sarney Haynes had joined the JDF Credit Union in 2010. She has been working with the Ministry of National Security JDF (JDF-PRO) as a Payment Officer. She has wealth of experiences in Finance, Management, Customer Service and Time Management and is currently pursuing a BSc in Business Administration at the Portmore Community College. Miss Sarney Haynes volunteers in a number of organizations and clubs.

SUPERVISORY COMMITTEE

Lieutenant Colonel Maxwell Gordon has been a member of the JDF Credit Union since 2003. He had served as a volunteer of the JDF Credit Union in the capacity of the assistant Treasurer of the Board of Director and chaired on Sub-Committees. Lt Col Gordon has a wealth of knowledge and experiences in areas such as Risk Management, Production Management and Strategic Leadership. He holds a Diploma in Law, a Bachelor of Law with Honours from the University of London and a Masters in National Security and Strategic Studies from the University of the West Indies, Mona. Lt Col Gordon has been decorated with the Medals of Honour for Meritorious Service, General Service with Clasp and Long Service and Good Conduct.

Warrant Officer Class 1 Dwight Smith has been a member of the JDF Credit Union since 1993 and currently serves as the Chairman of the Credit Union's Supervisory Committee. W01 Smith is a graduate of the University of Technology, where he pursued his studies in Procurement and Contract Management. He also attended the Management Institute for National Development where he attained a certificate in Supervisory Management and a diploma in Government Accounting.

Warrant Officer Class 2 Sherlon Campbell has been a member of the JDF Credit Union since 2002 and currently serves as a member on the Credit Union's Supervisory Committee. W02 Campbell has experience in Auditing, Budgeting, Mentorship, Documentation, Customer Service and training in Team Organization and Project Management. He also has a Certificates in Fraud Detection and Management and Leadership.

Warrant Officer Class 2 Shawn Malcolm has been a member of the JDF Credit Union since September 2003. He holds a BSc in Business Administration with Major in Finance. W02 Malcolm is currently employed at Headquarters of the JDF

Finance Department as the Head of Department and over fifteen (15) years of service as a Logistic Officer.

Staff Sergeant Ricardo Russell joined the JDF Credit Union in September 2001. He currently serves as a member on the Credit Union's Supervisory Committee and other sub-committees. Staff Sergeant Russell has a Bachelor of Arts Degree in General Management and Human Resource Management.

Sergeant Andrae Burnett has been a member of the JDF Credit Union since 2009. He has been a member of the Supervisory Committee for the last two years. Sergeant Burnett has a wealth of experience and training in Government Accounting, General Duties Clerk and Microsoft Office and also holds a Bachelor of Science Degree in Banking and Finance (minor in Economics) with Honours.

Ex-Staff Sergeant Desmond Pringle joined the JDF Credit Union family in November 1997 and is an active member. He currently serves as a Director on the Credit Union's Board and also on other Sub-Committees to include the Information Technology and Security. He is an experienced Intelligence Analyst and Administrative Office Supervisor with over 10 years of experience.

Ex-Staff Sergeant Pringle holds a Bachelor of Science Degree in Information and Communication Technology, as well as a Diploma in Information and Communication Technology from the Vocational Training Development Institute.

Corporal Georgia Seaton has been a member of the JDF Credit Union since 2006. She has been working as an Accounting Clerk for 11 years and is currently assigned to the JDF HAD (IG Dept). She has experience in Auditing, Leadership training and certification in Supervisory Management and is currently pursuing a Bachelor of Science Degree in Social Work and the University of the West Indies. Cpl Seaton volunteers as a National Instructor at the Jamaica Life Saving Society.




Aceion Prescott

Commander
Chairman, Nomination Committee

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NEWSLETTER

VOLUME 1 | EDITION 1 | APRIL 10, 2022



JAMAICA DEFENCE FORCE

CO-OPERATIVE CREDIT UNION LTD

FINANCIAL INCLUSION

...Creating Wealth!



MEMBERSHIP DRIVE

We want you to join our family
Learn how to sign up easily
PG 3

What's inside?

- ✓ Greetings from the President
- ✓ Greetings from the General Manager
- ✓ JDFCU Serving You Better
- ✓ Membership Drive
- ✓ Our New Locations
- ✓ Up Coming Events & Promotions

UNSECURED LOAN BONANZA

DON'T JUST
**WANT IT...
GET IT!**
TAKE ADVANTAGE OF OUR

**LOAN
SALE!**

JOIN THE
FAMILY!
BECOME A
**MEMBER
TODAY!**



Greetings From the President

We are pleased to roll out our first issue of our Financial Inclusion Newsletter 2022. This year we are sharing our strategic initiatives with you as our key owners and partners of the business. We continue to operate in a fiercely competitive financial space, and it is only through co-operation among co-operatives we can survive. Our strategic focus this year is on Financial Inclusion, education, recruitment, and penetration.

We welcome our new General Manager, Mrs. Claudia Thompson-Roache who will implement the strategic initiatives designed to serve you better. We appreciate your loyalty and trust that there will be revival and prosperity among us as we seek to include everyone.



President - Board of Directors
Lt Cmdr. Aceion Prescott

Greetings From the General Manager

This is the year of Financial Inclusion through partnerships. The focus will be on the entire family to take advantage of our wide range of services. Our Membership Campaign and our Loans Drive are specially designed to strengthen the family. We have listened to you through our many membership surveys and have implemented several initiatives to serve you better, for example, our online platforms, call centre and sub-branches. We are reaching out to our dormant and underserved members to reactivate your interest in this wonderful family as we forge ahead building sustainable wealth.

General Manager
Mrs. Claudia Thompson-Roache

Your JDFCU Serves You Better

- ACCESS YOUR ACCOUNT ONLINE
- CONTACT OUR CALL CENTRE REPS
- APPLY FOR PRODUCTS TAILORED-SPECIFICALLY TO YOUR NEEDS



STRATEGIC OBJECTIVES

- Increase Membership by 33%
- Increase Loans by 38%
- Increase Savings by 30%
- Increase Assets by 33%



WHO CAN JOIN?

- Serving Members
- Civilians
- Family Members
- Children
- Affiliates



OUR COMMITMENT

- Faster Turnaround Time
- Flexible Loan Limits
- Flexible Equity Requirements



HASSLE FREE LOANS

- Quick Cash Loan (\$350K)
- Signature 24 Loan (\$500K)
- Easi Loan (\$1M)



VALUE ADDED

- Access your account online
- Contact our Call Centre Reps
- Apply for products tailored specifically to YOUR needs

COMING SOON

- ANNUAL GENERAL MEETING (MAY 18, 2022)
- CROSS-ROADS SUB BRANCH
- MONTEGO BAY SUB BRANCH
- CALL CENTRE
- MEMBERSHIP DRIVE
- LOANS SALES
- MORTGAGE LOANS
- SMALL BUSINESS LOANS
- ONLINE LOAN APPOINTMENT
- AUTOMATED QUICK CASH PROCESS
- MOBILE LOANS PROFESSIONALS



SUPERVISORY COMMITTEE REPORT

YEAR ENDED DECEMBER 31, 2021

W01 Dwight Smith, Chairman

The Supervisory Committee consisting of seven (7) volunteers were elected to serve at the last Annual General Meeting (AGM). We conscientiously discharged our responsibilities by providing continuous and independent oversight of the Credit Union's policies, control and procedures on behalf of the Board of Directors.

At the last AGM, the following persons were elected to serve as your Supervisory Committee:

W01 Dwight Smith	Chairman
SSgt Ricardo Russell	Secretary
W02 Sherlon Campbell	Member
Mr. Andrew Clauchar	Member
Sgt Gawayne Brown	Member
Sgt Andrae Burnett	Member
Mr. Oniel Shirley	Member

On 3 June 2021, the Committee appointed W01 Dwight Smith as Chairman and SSgt Ricardo Russell as Secretary.

AUDIT AND INVESTIGATIVE ACTIVITIES

Audit Review Conducted

Throughout the year the country was faced with one (1) of the biggest Pandemics which altered the committee's ability to carry on with its mandate. With the implementation of the COVID-19 protocols and the social distancing requirements, impacted the operations of the Supervisory Committee in a significant way. However, we quickly adopt and revised our audit strategy and was therefore able to successfully complete over thirty five (35) audits.

With reference to the above audits, the Policies and Procedures were adhered to in all material respect; and where necessary, the recommendations of the Supervisory Committee were accepted by the Board and implemented accordingly.

Investigations

Over five (5) special Investigations were conducted over the period by the Committee. The investigations were necessary based on the identified business risks and given the sensitive nature of these activities, they were treated as a matter of priority.



General Review

Loans - A total of ten (10) loans were the subject of a special investigation, during which a substantial amount of audit procedures were used in order to gather sufficient and appropriate audit evidence. At the end of these audits we were satisfied, in all material respect, that the issuing of these loans were in accordance with set procedures and where necessary the appropriate safeguards were implemented to avert any breach of established policies and procedures within the Credit Union.

Conclusion

On behalf of the entire Supervisory Committee, I would like to express our sincere gratitude to you the members for having granted us the opportunity to serve in this pivotal capacity. We also would like to thank the Board of Directors and all Members of Staff, with specific emphasis on the Internal Auditor, for facilitating and supporting the work of the Committee over the year.

Dwight Smith
Warrant Officer Class 1
Chairman, Supervisory Committee

“
The Policies and Procedures were adhered to in all material respect; and where necessary, the recommendations of the Supervisory Committee were accepted by the Board
”



PARLIAMENTARY RULES

Order of Business

An agenda shall be prepared by the Chairman and Secretary, and all items therefore shall take precedence over all other business. Any member desirous of introducing business for the consideration of the meeting may do so after the business on the agenda has been completed, or may give notice of motion to be discussed at a further meeting.

Suspension of Standing Order

In the event of any matter of urgency, however, the Chairman may accept a suspension of the Standing Order. The member moving such a suspension must clearly state the nature and urgency of his business, the numbers of the Standing Order affected and the length of time he desires such suspension shall take place except by majority vote of the members present.

Minutes

No motion or discussion shall be allowed on the minutes except in regards to their accuracy. After the confirmation of the minutes, they shall be signed by the Chairman, and the members shall then be at liberty to ask questions in regards to the matters arising out of them. Such questions shall be allowed for the purpose of information only, and no debate on the

policy outlined in the minutes shall take place. All speakers are to make use of the microphone when addressing the meeting in order that it be recorded and make permanent record in the meeting proceedings, a point of order, or explanation, except the mover of the original motion. But on an amendment being moved, any member even though he has spoken on an original motion, may speak again on the amendment. No member for more than five minutes at a time. Members wishing to raise point of order or explanation must first obtain the permission of the Chairman and must raise immediately the alleged breach has occurred. Any accredited member shall have the right to speak and vote on all issues coming before the meeting. Persons other than accredited members, so certified, may speak with the permission of the Chair but shall not vote on any issue.

Speeches

No member shall be allowed to speak more than once upon any motion before the meeting, unless one member may formally second any motion or amendment and reserve his speech until later in the debate. No person shall interrupt another who is speaking except on a point of order, a parliamentary inquiry, or a point of information. If it should come to pass that speaker is called to order while speaking, the Speaker should take his seat until the question of order is determined.

Chairman's Ruling

The ruling of the chairman on any question under the Standing Order, or on points of order or explanation, shall be final, unless challenged by not less than four members, and two-thirds of the members present vote to the contrary.

Interruption

If any member interrupts another while addressing the meeting, or uses abusive or profane language or causes disturbance at any of the meetings, and refuses to obey the Chairman when called to order, he shall be named by the Chairman. He shall thereupon be expelled from the room and shall not be allowed to enter again until apology satisfactory to the meeting is given. A question shall not be subject to debate until it has been duly moved and seconded and is stated from the chair.

Motions And Amendments

The first proposition on any particular subject shall be known as the original motion, and all succeeding propositions on the subject shall be called amendments. Every motion or amendment must be moved and seconded by members actually present at the meeting before they can be discussed and whenever possible, shall set forth in writing. It is permissible for a member to make his speech first and conclude with a motion. When an amendment shall be discussed until the first amendment is disposed of (Notice of any further amendment must be given before the first amendment is put to vote.

Substantive Motions

If an amendment be carried, it displaces the original motion and itself becomes the substantive motion, whereupon any further amendment relating to any portion of the substantive motion may be moved, provided it is consistent with the business and has not been covered by an amendment or motion which has been previously rejected. After the vote on each succeeding amendment has been taken, the surviving proposition shall be put to the vote as a main question, and is carried shall become a resolution of the meeting.

Right of Reply

The move of the original motion shall, if not amendment be moved, have the right of reply at the close of the debate upon such motion. When an amendment is moved it shall be entitled to speak thereon in accordance with standing order #8 and at the close of the debate on such amendment shall reply to the discussion, but shall introduce no new matter. The question shall then be put to the vote immediately, and under no circumstances shall any further discussion be allowed once the question has been put from the chair. The mover of amendment shall not be entitled to reply.

Withdrawals or Additions

No motion or amendment which has been accepted by the Chair shall be withdrawn without the majority vote of the meeting. Neither shall any addendum or rider be added to a motion, which has been accepted by the Chair without majority vote. Should any member dissent, the addendum must be proposed and seconded, and treated as an ordinary amendment.

Closing Debate

The motion for the previous question, next business, or the Closure, may be moved and seconded only by members who have not previously spoken at any time during the debate. No speeches shall be allowed on such motion. In the event of the closure being carried, the mover of the original motion shall have the right of reply in accordance with standing order No. 6 before the question is put. Should any one of the motion mentioned in this standing order be defeated, thirty minutes shall elapse before it can be accepted again by the Chairman, unless he is of the opinion that the circumstance have materially altered in the meantime.

Adjournment

Any member who has not already spoken during the debate may move the adjournment of the question under discussion or of the meeting, but must confine his remarks to the question and must not discuss any other matter. The mover of the motion upon which the adjournment has been moved, shall be allowed the right to reply on the question of the adjournment, but such reply shall not prejudice his right of reply on his own motion.

In the event of such motion being lost, it shall not be moved again, except in accordance with Standing Order No. 18. Any member may demand a division of the question before the House, when the sense of it would permit. A motion to lay on the table shall be put without debate.

A motion for reconsideration shall not be entertained unless at the same or following session by a member who voted on the prevailing side, and shall require a majority vote. Any two members shall have the right to demand (by majority vote) that the room shall be cleared of all but accredited delegates to transact business of a nature that precludes premature publicity. Whispering, loud talking, or other disturbances calculated to disturb anyone while speaking will not be tolerated.



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OBITUARIES

The Board of Directors, Manangement and Staff of the JDF Credit Union acknowledges those deceased members who left us over the last year.

201382	WILLIAMS, PETER
201597	DAVIS, NAVRONE
211128	CAMERON, MOREEN
211454	WILSON, LORNA
211752	LAKE, ALFRED
217890	BRUFF, DAVID
222865	HOLMES, GUSTAVOUS
223011	HINDS, ROYELL
227963	MCFARLANE, ONEIL
230607	PERRY, ROMARIO
450936	CLAYTON, LEXTON
230901	SINCLAIR, D, LEIGHTON
301378	BOURNE, A, LEANDRO
229299	PINNOCK, KENARD
434431	DURRANT, A, PRINCE AKEEM



May their souls rest in peace

NOTES

[illegible]



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