

Table Of Contents

Notice of 79th Annual General Meeting	2
Meeting Agenda	3
Committee of Management	4
Management Team	5
Supervisory Team	6
Department Staff	8
Minutes from the 78th Annual General Meeting	9
Report of the Committee of Management	16
Independent Auditor's Report	24
Financial Statements	
- Statement of Financial Position	26
- Statement of Comprehensive Income	27
- Statement of Changes in Equity	28
- Statement of Cash Flows	29
Notes to the Financial Statements	30
Statements on Special Funds	
i) Loans Redemption Fund: Balance Sheet / Income & Expenditure	50
ii) Shares Enhancement Fund: Balance Sheet / Income & Expenditure	52
iii) Notes to Loans Redemption Fund	54
iv) Notes to Shares Enhancement Fund	55
v) Staff Loan Fund: Balance Sheet / Income & Expenditure	56

Notice of 79th Annual General Meeting

NOTICE is hereby given that the Seventy-Ninth Annual General Meeting of The Jamaica Civil Service Mutual Thrift Society Limited will be held on Thursday, September 19, 2019 commencing at 3:30 p.m. at 12 CALEDONIA AVENUE, Kingston 5 for the following purposes:

1. To confirm the Minutes of the Seventy-Eighth Annual General Meeting.
2. To consider the Reports of the Committee of Management, the Auditor and the Financial Statements for the year ended November 30, 2018.
3. To elect Chairman and 1st Vice Chairman.
4. To elect Members of the Committee of Management.
5. To appoint Auditor.
6. To transact any other business of an Ordinary General Meeting.

AND TAKE NOTICE that no person other than the Chairman, 1st Vice-Chairman and the retiring Members of the Committee of Management shall be eligible for election unless he shall be duly nominated to fill the vacancies and the nominations in writing signed by the proposer and seconder and stating that the consent of the person nominated has been obtained are sent to the registered office of the Society and received twenty-one (21) clear days before the date of the Annual General Meeting.

AND FURTHER TAKE NOTICE that the names of the retiring Officers of the Society and the retiring Members of the Committee of Management are:-

Chairman	Errol Miller
1st Vice-Chairman	Marva Pringle-Ximinnies
Committee Members	Georgia Mogg Gary Mowatt Icolyn Coulbourne

The above-mentioned Officers and Committee Members are eligible for election without nomination.

BY ORDER OF THE COMMITTEE OF MANAGEMENT

Hibbert Anderson
SECRETARY/MANAGER
August 12, 2019

Meeting Agenda

- Meeting Call to Order
- Prayers
Mr. Leslie Campbell, 2nd Vice Chairman
- Reading of Notice Convening the 79th AGM
Mr. Hibbert Anderson, Secretary Manager
- Introductions / Apologies / Remembering Members Who Have Passed On
Mrs. Marva Ximinnies, 1st Vice Chairman
- The Official Welcome
Mr. Errol Miller, Chairman
- Reading and Adoption of Minutes of 78th AGM
- The 2018 Report from the Committee of Management
Chairman Miller
- Auditor's Statement
Mrs. Yvonne Davis, Auditor
- Presentation of Financial Statements
- Declaration of Dividend
- Election of Officers and Members to the Committee of Management
- Appointment of Auditor
- Any Other Business
- Adjournment



Jamaica Civil Service Mutual Thrift Society Ltd

10 Caledonia Avenue, PO Box 106
Kingston 5, Jamaica WI
TEL: +1 (876) 926-5877 / 926-5634-5
FAX: +1 (876) 960-3326
EMAIL: info@jcsmts.com.jm

 /JamaicaCivilServiceMutualThriftSocietyLtd

Members of the Committee of Management

The Committee of Management, headed by a Chairman, elected biennially at the Annual General Meeting is charged with providing overall policy direction and guidance of the affairs of the Society. Those serving on the Committee of Management as at November 30, 2018 are:



Gary Mowatt
Member



Leslie Campbell
2nd Vice Chairman



Marva Ximinnies
1st Vice Chairman



Errol Miller
Chairman



Cebert Mitchell
Member



Beverly Clarke
Member



Georgia Mogg
Member



Lelieth Barrett-Hamilton
Member



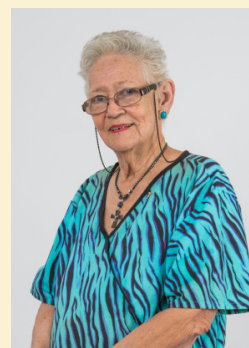
Gennetta Smikle
Member



Fred Manderson
Member



Icolyn Coulbourne
Member



Marguerite Clare
Member

The Management Team



Hibbert Anderson
Secretary Manager



Rhon-Kaniel Bramwell
Systems Administrator



Leslean Bramwell
Internal Auditor



Ewart Baker
Accountant



Sharon Lindo
Loans Manager



Trevene Morgage
Asst. Secretary/ Administration



Kenesha Smalling
Asst. Accountant

Supervisory Team



Tashana Walters
Member Services Supervisor



Michelle Hillman
Data Control Supervisor



Kenisha Shaw
Snr Loans Officer



Tameka Hunter
Administration Assistant



Elva Lawrence
Snr Secretary/Stenographer

Our Departments



Accounts: (l-r back) Dwayne Shea, Kemario Williams, Chadwick Ricketts, Wendell Dillon and front Kenesha Smalling and Ewart Baker (Accountant)



Administration: Kamuna Dunbar, Hibbert Anderson (Secretary/ Manager), Erica Dussard and Tameka Hunter. Missing: Trevene Morgage



Canteen: (l-r) Christine Dillonson, Rocquel Samuels and Tameka Hunter (Admin. Asst.)



Data: Khamisa Flynn, Michelle Hillman (Data Control Supervisor), Javane Lewis, and Crystal Nanco
Missing: Shana Thompson

Our Departments



Loans: (l-r) Venesha Reid, Sharon Lindo (Loans Manager), Stephanie Bernard, Kenisha Shaw and Patrice Robinson



Member Services: (l-r) JSade Solomon, Charmarie Campbell, Tashana Walters (Supervisor) and Jermaine Matheson. Missing: Ronaldo Grant



Bearer & Property Protection Service: (l-r) Leroy Richards and Michael Thomas



Information Technology: (l-r) Rhon-Kaniel Bramwell and Omari Wallace

Minutes from the 78th Annual General Meeting

The 78th Annual General Meeting of The Jamaica Civil Service Mutual Thrift Society Limited was held on Thursday, June 28, 2018 at The Girl Guides Association of Jamaica, 2 Waterloo Road, Kingston 10.

Having recognized a quorum, the Chairman, Mr. Errol Miller, called the meeting to order at 3:50p.m. At the Chairman's invitation, Mr. Leslie Campbell, 2nd Vice Chairman, led the meeting in prayers. Mr. Hibbert Anderson, Secretary/Manager then read the Notice convening the meeting.

Welcome / Introduction / Apologies / Obituaries

Mrs. Marva Ximinnies, 1st Vice Chairman accepted the invitation from the Chairman to do the Welcome, Introductions and Apologies and to remember those members who passed on during the year. She noted that patience, perseverance and practice were some of the things that got the Society to where it was and that we intended to continue building on the legacy of our Founders and to become stronger.

She extended welcome to everyone attending the meeting and introduced persons seated at the head table – Chairman, Mr.

Errol Miller, 2nd Vice Chairman, Mr. Leslie Campbell and Secretary/Manager, Mr. Hibbert Anderson. Other members of the Committee of Management were asked to stand and were introduced to the meeting.

Special welcome was extended to former Vice Chairman, Mrs. Una Samms, who was one of our longest serving members. It was announced that during 2018, she had celebrated her ninety-seventh birthday. This brought a rousing applause from the meeting.

Welcome was also extended to Mr. Wayne Jones, Chairman of the JCSA Limited, Mr. O'Neil Grant, President of the Jamaica Civil Service Association and other members of the Executive and General Council, representatives of JCSA Housing Company and the Society's External Auditor, Mrs. Yvonne Davis and her team. Special welcome was also extended to Mr. Johnathan Brown, President of the Jamaica Government Pensioners' Association, the team from the CRIF Credit Bureau and to all members of the Society who were

present in spite of the rain which fell earlier that afternoon.

Apologies for absence were tendered on behalf of Mr. Hugh Martin, former 2nd Vice Chairman, Mrs. Erma Morgan, former member of staff and Mrs. Marguerite Clare, Member of the Committee of Management.

Mrs. Pringle-Ximinnies, on behalf of the Committee of Management, extended condolences to the families and friends of members who passed on during the reporting year. The list which was not exhaustive was recorded on page 27 of the Report. The meeting observed a minute's silence in their memory.

Chairman's Opening Remarks

The Chairman thanked the Almighty for taking the Society through another year; one that had many challenges but also opportunities. In spite of the tough environment in 2017, he reported that the Society made some positive strides and was able to satisfy the critical needs of members which had always been the Society's primary focus. He expressed appreciation to the Officers and Members of the Committee of Management for

the many long hours of meetings and discussions to ensure that the Society continued to be relevant in its products and services.

He thanked the Secretary/Manager and staff for their dedication, loyalty and support during the year.

Miss Beverly Clarke who recently joined the Committee of Management was introduced to the meeting. The Chairman reported that the Society's former 2nd Vice Chairman, Mr. Hugh Martin resigned during the year due to ill health and consequently Miss Clarke served the remaining portion of the term of office of Mr. Martin and would be up for election that afternoon. He expressed the Society's appreciation for the long and dedicated service provided by Mr. Martin and wished him speedy recovery from his illness.

He joined in welcoming all present to the 79th Annual General Meeting and said that he looked forward to a productive evening.

Reading and Confirmation of Minutes

On a motion by Mrs. Sandra Foote-Wright, Ministry of Labour and Social Security, seconded by Miss Suzette Grant, Ministry of Local Government & Community Development, the Minutes of the 79th Annual General Meeting were taken as read.

Amendments of the Minutes

The following amendments were made to the Minutes:

- Page 10, column 3, the heading

Distribution of Gross Net Income should read Distribution of Net Income.

- Page 19, column 1, under Provision of Wi-Fi, the statement attributed to Mr Mitchell should instead read Mr Junior Dunn.

The Minutes were duly confirmed on a motion by Miss Rita Clarke, Senior Member and seconded by Mr. Junior Dunn, Senior Member.

Matters Arising

a. Non-Performing Loans

Mr. Anthony Johnson of Jamaica National Heritage Trust enquired about the status of the 109 persons listed under Non-Performing Loans, 76 of whom have outstanding loans amounting to \$21.6M. In response the Chairman reported that some of those would have been settled and that at the end of the last financial year the Non-Performing Loans numbered 120 with a value of \$28.3M.

b. Cuna Caribbean Insurance

Mr. Junior Dunn, Senior Member, enquired about Cuna Caribbean Insurance following the presentation they had given at the last Annual General Meeting. The Chairman explained that since the last Annual General Meeting, the Society had been in dialogue with Cuna Caribbean, however there seemed to be some internal bureaucratic roadblocks preventing us from engaging their services.

Report of the Committee of Management

On a motion by Mr. Oneil Grant, President of the Jamaica Civil Service Association and seconded by Miss Keisha James, South East Regional Health Authority, the Report of the Committee of Management was taken as read.

The Chairman apologized for certain errors in the Report and proposed the following amendments:

- Page 21, Column 2 - \$169.4M should read \$170.3M and 8.8% amended to 9.55%
- Column 3, \$13.7M to read \$14.7M, and 1.2% or \$5.5M to \$32.97M amended to 6.9% or \$2.7M to \$35.8M, \$2.8M to \$36.2M amended to \$4.9M to \$38.4M
- Page 23, Table 2, 2017 the figures should read as follows:

General	\$40,680,497
Establishment	\$4,727,388
Financial Cost	\$6,533,158
Total	\$145,791,941

Column 3, Distribution of Net Income after Taxation: \$32.9M should be \$35.8M and \$5.5M should be \$2.7M; \$3.1M should be \$3.9M and \$29.8JM should be \$31.9M; Proposed Dividend of \$20.8M should be \$22.9M

In giving an overview to the Report, the Chairman said that during the year under review the Society experienced increased competition from other players

in the loans market. This, he said, was due mainly to adjustments in Government's monetary and fiscal policies forcing financial institutions to make adjustments in their own investments policies.

He pointed to debt consolidations as one area in which the Society had firm competition as it resulted in loans being liquidated ahead of their agreed life span. This, he said, had a negative impact on the Society's Interest Income. However, by exercising prudent fiscal management, the Society was able to achieve positive performance in a number of areas of its operations.

Overall Performance

The Chairman then looked at some of the highlights of the Financial Report:

- Gross Revenue increased by \$14.7M or 9.5% over the previous year from \$155.6M to \$170.4M. Loan Interest increased by \$14.3M or 9.3% moving from \$153.1M in 2016 to \$167.4M in 2017. Total Income increased by 9% from \$166.5M to \$181.6M.
- Loan Portfolio grew by 7.2% from \$942.2M in 2016 to a historic One Billion Dollars at the end of 2017. Consumer Durables and Education Loans increased by 12.4% and 6.4% to \$114.2M and \$86.8M respectively. Cash Loans recorded an increase of 8.9% moving by \$26.3M to \$321M. Consolidation Loans fell by 13.3% or \$9M to \$58.9M.

Number of Loans approved increased from 24,601 to 25,397.

The value of the Loans disbursed increased by 6% or \$43.9M, moving from \$688.5M in 2016 to \$732.4 in 2017.

- Members' Shareholdings increased by 12.6% or \$103.2M from \$822M in 2016 to \$925M in 2017.

- Profit before Tax fell by 6.9% or \$2.7M to \$35.8M compared with the \$38.4m in 2016. Profit after Tax grew by \$4.9M to \$13.4M and this was supported by a substantial change in the share value of the financial assets of \$6.4M compared to \$1.7M in 2016.

- Operating Expenses increased by 13.8% or \$17.7M, up from \$128.1M in 2016 to \$145.8M in 2017.

- Membership grew by 2.8% from 13,204 in 2016 to 13,574 in 2017.

Distribution of Surplus

The Chairman reported that given the performance, the Society realized a surplus of \$35.8M which was approximately \$2.7M below the previous year's surplus of \$38.4M. After provision of \$3.9M for taxation, the Net Surplus of \$31.9M was appropriated as follows:

- Proposed Dividend \$22.9M
- General Reserve \$4.0M
- Retained Income \$5.0M

In accordance with the Rules of the Society, the Committee of Management declared a Dividend of 2.5% payable on shares held at November 30, 2017 to Shareholders on the Register as at February 28, 2018.

Non-Performing Loans

It was noted that Non-Performing Loans stood at 2.6% of Total Loan Portfolio of approximately \$1B. At the end of the financial year, Non-Performing Loans amounted to \$24.7M.

Loans Redemption / Shares Enhancement Fund

The Loans Redemption Fund stood at \$207.4M while Shares Enhancement Fund stood at \$62.6M at November 30, 2017

Outreach

The Chairman highlighted the outreach programme activities undertaken by the Member Services Unit. These included visitation to several Ministries, Departments and Agencies. The services provided included promotion of the Society's products and services, recruitment of new members, offering same day loans and withdrawals from accounts as well as the provision of information to members regarding their accounts.

Corporate and Social Responsibility

Members were informed that the Society participated in the Sagicor Sigma Corporate Run in aid of the Jamaica Cancer Society and the Black River Hospital Pediatric Unit. The Society also continued to demonstrate its corporate social responsibility by contributing to several civic associations, educational and community projects. Mr. Owen Greaves of the Department of Correctional Services

received the customary support to participate in the Reggae Marathon where he placed 19th overall.

Staff Training

The Society continued to invest in the training and development of its staff through customized internal and external courses, seminars and workshops. The areas of training included IT Audit Techniques, Credit information and Public Speaking.

Scholarship

Eight (8) scholarships, nine (9) bursaries and three (3) grants for school assistance valued at \$700,000.00 were awarded to member's children attending secondary institutions during the year.

Meetings

The Chairman reported that during the year, fifty-one (51) regular meetings of the Committee of Management and sixty-nine (69) meetings of the various Sub-Committees were held.

There was no discussion on the Report of the Committee of Management, and therefore a motion for its adoption was moved by Mr. Wayne Jones and seconded by Mrs. Rita Clarke and carried.

Early Bird Prize

The Chairman invited Mrs. Marva Pringle-Ximinnies to conduct the drawing of the Early Bird Prize which was won by Miss Angela Kitchener, Senior Member.

Auditor's Report and the Financial Statement

On a motion by Mr. O'Neil Grant and seconded by Miss Yvonne Jackson, the Independent Auditor's Report and the Financial Statements were taken as read. The External Auditor, Mrs. Yvonne Davis was invited to join the head table.

There were no comments or questions on the Report and as a consequence the Chairman invited a motion for its adoption. On a motion by Mr. Junior Dunn and seconded by Miss Juliet DaCosta, the Auditor's Report and the Financial Statements were adopted.

Distribution of Net Income / Dividend/Payment

The Chairman reminded the meeting of the appropriation of Net Surplus of \$31.9M after provision for taxation contained at page 23 of the Report of the Committee of Management. Mr. Leslie Campbell moved the following Resolution:

"In accordance with Rule 12 (c) we have declared a dividend of 2.5% payable on shares held on November 30, 2017 to shareholders on the Register of Members at February 28, 2018. As is customary and in keeping with Rule 9, we recommend that dividend be paid to members with no loans or loans within shareholding and that members with loans in excess of shareholding elect to have dividend credited either to their shares or loan account."

The Resolution which was seconded by Mr. Cebert Mitchell was carried.

Election of Officers and Members

The Chairman invited Mr. O'Neil Grant to assume the role of Election Officer.

Mr. Grant requested members to observe that Mr. Leslie Campbell and Miss Beverly Clarke, Mrs. Lelieth Barrett-Hamilton and Mr. Fred Manderson were up for elections as 2nd Vice Chairman and Members respectively to the Committee of Management. In accordance with the Rules of the Thrift Society, he declared them duly elected.

Mr. Campbell, on behalf of the other elected members, expressed appreciation on being returned to office. The Chairman thanked Mr. Grant for his services as Election Officer.

Appointment of Auditor

The Chairman indicated that Mrs. Yvonne E. Davis, ACCA, FCA, having been appointed Auditor at the last Annual General Meeting and have intimated her willingness to continue as the Society's Auditor is eligible for re-election in accordance with Rule XX111.

On a motion by Mr. Junior Dunn and seconded by Miss Rita Clarke, both Senior Members, the meeting approved the appointment of Mrs. Yvonne Davis as the Society's Auditor for the ensuing financial year 2018/2019.

Any Other Business

a. Resolution

Mr. Wayne Jones took the opportunity to thank the leadership of the Thrift

Society for its stewardship over the past year. He indicated that from the reports tendered, it was clear that the year was not the easiest year for the Society; this being reflective of the general economic situation and the market in which we operate but he thought that to record a profit was always a good thing.

In referring to the Resolution, Mr. Jones pointed out that at the time it was tendered, we were not in the throes of the public discourse about the subject of corporate governance. He said that since then, not just the public sector, but the wider society had been gripped by a very animated discourse on the topic of corruption undergirded by the principle of corporate governance. He therefore thought that the Resolution was timely.

Mr Jones indicated that it was important that as a Member Society holding shares and operating in a somewhat turbulent environment of financial management, that we have stability throughout. That stability, he said, must not only be in the financial performance of the Society but must be undergirded by good leadership and corporate governance practices. He noted that as we grapple with the question of leadership, accountability and responsibility, we must put ourselves in a position where we can hold our stewards accountable. But to do so, members must give them the capacity, including tenure and clarity of tenure, to ensure that they feel comfortable to lead our society with the requisite success to which we must all ultimately be partakers.

He noted that the Chairman spoke earlier about the impact of competition on the performance of our Society, but he suggested that for the Society to continue to be successful, we had to take on greater exposure and be innovative in designing the products that our members need for them to stay ahead and become wealthy. Wealth creation at this time cannot be that we are borrowing to exist but also to invest and grow our own personal wealth. To that extent, we hold the Committee of Management collectively responsible for taking us to that point but for this they must be empowered.

When the structure of the leadership was examined, he observed, there were inconsistencies. He reminded members that in a sense the Thrift Society was captioned with the rest of the JCSA family in standardizing its leadership structure. He recalled that in 1990 when the Association had that broad base of Officer core where in all six elected Officers could have been removed from office at one go and, in fact five did, leaving one seasoned Officer and five brand new ones, the Association went through a period of crisis and to that extent had to adjust its structure to have overlap and reserves.

The two other co-operative entities, the JCSA Limited and the JCSA Housing Company Limited has since changed their structure to ensure that there is continuity and stability and we were now catching up. Hence this Resolution was to ensure that we were not only able to put people with the requisite competence in office but that we could, in fact, hold

them responsible and accountable because they would feel that they have a sense of stability in carrying out their functions. He committed the Annual General Meeting for favourable consideration of the Resolution.

Consequently, the following Resolution was moved by Mr. Jones and seconded by Mr. Winston Pinnock.

"Whereas Rule XVII(1) of the Rules of the Jamaica Civil Service Mutual Thrift Society provides that "The Officers of the Society shall be a Chairman, a 1st Vice Chairman and a 2nd Vice Chairman who shall each be holders of not less than 200 shares. They shall be elected from among the Members of the Committee of Management and shall have served in that capacity for not less than two terms. The Officers shall hold office for a period of two years, and shall retire on a rotating basis with the Chairman and 1st Vice Chairman retiring in the same year and the 2nd Vice Chairman retiring in the alternate year. They shall be eligible for re-election"; and

Whereas Rule XVII (1) determines that "The business of the Society shall be conducted by a Committee of Management consisting of Officers and not more than nine members, each of whom shall be holders of not less than ten shares. Three (3) of such members shall retire annually by rotation in order of seniority of appointment, but shall be eligible for re-election"; and

Whereas the term of office for officers is two (2) years while the

term of office for the nine (9) members by virtue of rotation is three (3) years; and

Whereas it would provide for greater stability in the management of the affairs of the Society, if all members of the Committee of Management hold office for the same period; whether they are Officers or Members;

Be it resolved that Rule XVII be amended to read as follows: "The Officers of the Society shall be a Chairman, a 1st Vice-Chairman and a 2nd Vice-Chairman who shall each be holders of not less than 200 shares.

They shall be elected from among the Members of the Committee of Management and shall have served in that capacity for not less than two terms. The Officers shall each hold office for three years, and shall retire on a rotation basis"; and

Be it also resolved that the office of 2nd Vice Chairman, which becomes vacant upon retirement of the incumbent at the 78th Annual General Meeting, the office holder or any other person duly elected, be eligible to serve for a period of three years; the office of 1st Vice Chairman, which becomes vacant upon retirement of the incumbent at the 79th Annual General Meeting, the office holder or any other person duly elected, be eligible to serve for a period of three years, and the office of Chairman, which becomes vacant upon the retirement of the incumbent at the 79th Annual General Meeting, the office holder or any other person duly elected, be

eligible to serve for a period of one year; and

Be it further resolved that the office of Chairman, which becomes vacant upon the retirement of the incumbent at the 80th Annual General Meeting, the office holder or any other person duly elected, be eligible to serve for a period of three years thereafter".

The Chairman indicated that the Resolution was now before the meeting and invited discussions on it. There being no discussions, he asked members to vote by a show of hands in order to satisfy the Rules of the Society. It was noted that of the ninety-eight (98) registered members, sixty-seven (67) voted in favour of the Resolution and consequently the resolution was carried.

b. New Products and Services

The Chairman informed the meeting that the Society was constantly seeking new innovations and ways to serve its members. He pointed to Mr. Jones' statement earlier in which he outlined that the Society needed to look at the products and services from time to time and ensure that they were in line with the needs of our Members.

The Chairman then announced the following products improvements and innovations that would become effective July 2, 2018:

The Chairman commented on the new repayment periods which allowed members to pay less monthly, over a longer period of time. He also spoke of the

standardization of the Society's loan products and outlined that the qualifying period of membership for the Education and Information Technology Loans would be reduced from 24 and 12 months respectively to two (2) months.

He reminded the meeting that in March 2018, the Society had increased the Emergency Loan limits from \$100,000.00 to \$150,000.00 and also softened a number of the conditions. He invited members to visit the office to obtain the other details and conditions which applied to these loans.

The Chairman then invited comments from the meeting.

Miss Erica McFarlane of National Solid Waste Management Authority noted that the terms of the Motor Vehicle Loan and the other loans have been upgraded, however, she wanted to know the interest rates. The Secretary/Manager, based on a request from the Chairman, outlined that the interest rates were as follows on the reducing balance:

Cash Loan	14%
Education Loan	15%
Motor Vehicle Loan	11%
Committee Loan	17%
Information Technology	15%
Consolidation Loan	20%
Emergency Loan	22%

Miss McFarlane pointed out that the Chairman spoke about challenges with competition in the market place, however she was of the view

that the rates were too high in comparison to what members could get outside.

She said that this would push members to utilize whatever products they could get outside and advised that we review the interest rates in order that more members would come to the Society when seeking loans.

Mr. George Thorpe of the Department of Correctional Services commended the Committee of Management for its initiative in taking a bold step in granting up to Two Million Dollars for external and internal loans. He also commended the Committee as it related to interest rates as he believed that the rates were competitive compared to what was being offered in the market.

Miss Keisha Hunter, Department of Correctional Services explained that she was not of the view that the Society was trying to compete with the loan sharks. She also noted her concern regarding accessibility for members in the rural parishes as she believed that there were some challenges in this area.

The Chairman, in response, pointed out that the Society's Member Services Unit had been going across the island to the various Ministries, Departments and Agencies and had been providing instant service in some areas in addition to the on-line service.

He pointed out that until the Society was at the point where it could establish rural offices, we were trying to find other avenues of getting the

benefits to our members.

Ms. Keisha James, South East Regional Health Authority, expressed gratitude to the Society for its internal consolidation loan and warmly welcomed the initiative. She also compared the interest rates used by banks which she said were calculated using a different method and which costs the borrower more than the Society's reducing balance method. She mentioned the ease in loan accessibility from the Society. Ms. James further commended the Society's loans security system, one in which another member can become surety for your loan and that she said was a major difference with the Society.

Mr. Errol Crooks, Senior Member, advised that unlike the banks, members had to consider that there was a savings component at the Thrift for which they were paid a dividend and encouraged them to save with the Society as the money was safer.

The Chairman reminded members that their loans and shares were insured through the Loans Redemption the Shares Enhancement Funds respectively.

Engagement of Credit Bureau

Members were informed that during the course of the year, the Society had engaged the services of Credit Bureaus to bring more transparency, efficiency and a greater degree of balance to our credit process.

The Chairman advised that representatives from CRIF Credit Bureau were in attendance earlier

and said that they would be partnering with the Society in that respect.

He also took the opportunity to indicate to members that the Society had improved its information technology platform and our on-line facility in order to improve our service.

Closing Remarks

The Chairman thanked the members for their presence, participation, comments and concerns. He said that those had been noted, they would be further examined and where possible implemented in an effort to continually improve the products and services of the Society.

He took the opportunity, on behalf of the Committee of Management, to thank the Secretary/Manager and staff for their dedicated and committed service as they continued to interface with members, providing quality service.

He also expressed appreciation to the Society's External Auditor, the Officers and staff of the affiliated organization as well as to all our sponsors and other persons and organizations that assisted the Society during the year.

He wished all persons a safe journey home and then invited a motion for the adjournment.

Adjournment

The meeting was adjourned at 5:43 pm on a motion by Mr. Junior Dunn and seconded by Mr. Horace Salmon, Senior Member.



Members of the 2018 Committee of Management (seated l-r): Gennetta Smikle, Lelieth Barrett-Hamilton, Marva Ximinnies, Errol Miller (Chairman), Marguerite Clare, Icolyn Coulbourne and Georgia Mogg and **standing l-r:** Fred Manderson, Cebert Mitchell, Gary Mowatt and Beverly Clarke. Missing: Leslie Campbell

Report from the Committee of Management

On October 17, 2019, the Society celebrates its 80th year of service to members. As we approach this very significant milestone, we took the opportunity in October 2018 to launch the celebration of our 80th Anniversary with a menu of activities. But even as the Society celebrates its 80th year of existence, we pause to reflect on our operations for the financial year 2017/18.



Chart 1 - 5 Year Growth In Share Capital

During the year, we proudly celebrated the positive opportunities and achievements while we assess the threats and challenges and developed solutions to overcome them. We continued to improve our technological platform to increase efficiency, we improved customer service and adjusted our products and services; all with the objective of satisfying members' needs and growing their wealth.

The highly competitive nature of the financial sector did not abate during the period under review. In order to maintain a competitive edge, the Society had to implement certain strategic measures. One of those measures was the adjustment to our product and service offerings. We increased loan limits and repayment schedules for several

products, including Motor Vehicle and Consolidation Loans.

These mid-year adjustments allowed for greater borrowing power by members while simultaneously reducing repayments. They also impacted Total Loan and Interest Receivables positively.

Industry trends indicate that Debt Consolidations continue to impact Interest Income for several financial institutions. This was also evident in the Thrift Society during the reporting year as members choose to liquidate a significant number of loans ahead of their proposed maturity dates thereby influencing projected income.

The Society continued to improve its technological innovations, allowing members to utilize not only in-office services but also online facilities to do business with us. Our Member Services Unit was actively engaged in the field, marketing our products and services as well as catering to the needs of members.

In keeping with modern financial risk management and in an effort to contain Non-Performing Loans, the Society engaged the services of two (2) Credit Bureaus during the year.

To better serve our members and for the comfort of staff, we established an annex to our offices at the newly acquired premises at 12 Caledonia Avenue. Further development is slated to take place on these grounds in the very near future.

So in spite of the challenges, we can proudly report that we had a successful year of operations.

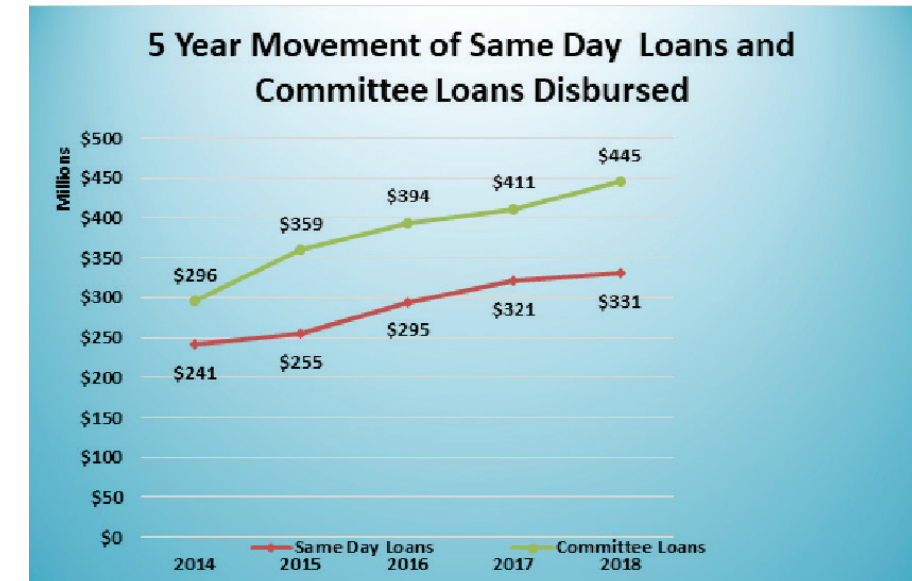


Chart 2 - 5 Year Movement of Same Day Loans & Committee Loans Disbursed

FINANCIAL PERFORMANCE

The Society's financial performance resulted in Total Assets of \$1,609.6M at the end of the financial year, compared with \$1,446.9M in 2017; an increase of approximately 11%.

A significant portion of this was the loans and interest due at the end of the financial year, which increased by 8% from \$1,010.4M in 2017 to \$1,084.2M at the end of 2018.

We experienced stronger performances in Balance Sheet items such as Members' Shareholdings which recorded growth of 9% moving from \$925.0 million in 2017 to \$1,010.2M in 2018. At November 30, 2018, the Society recorded Gross Revenue of \$192.0M, an increase from \$181.6M at the end of 2017.

On the other hand, Total Expenditure increased by 7% from \$145.8M to \$157.8.0M. The effect was a 1% reduction in Net Income.

SHARE CAPITAL

Growth of 9% or \$78.8M was recorded in Share Capital, moving from \$925M in 2017 to \$1,010.2M as at November 30, 2018. It is indeed a significant achievement, as for the first time in the Society's 80 year history Members Shareholdings surpassed the \$1 billion milestone.

The chart below demonstrates growth in Share Capital, over last five (5) years', 2014 to 2018.

INCOME

The adjustments made to several of the Society's Loan products had a positive impact on revenues as there was real demand for them. However, as the environment became more dynamic and competitive, the trend was reversed as members began refinancing their loans with the Society. This affected the growth of Interest Income.

There was an overall increase of \$8.1M or 4.8% in Loan Interest, moving from \$167.4M in 2017 to \$175.5M in 2018. Adjustments to

Processing Fees for loans resulted in a 26.8% or \$3.0M increase in its contribution to Income as at November 30, 2018 compared with the previous year. Processing Fees grew from \$11.2M in 2017 to \$14.2M in 2018.

The shift in the investment market from money market instruments to stocks and equities has impacted our short term investment portfolio. As a consequence, there was a 25% or \$0.8M reduction in income from Investments.

The Pie Chart below illustrates the sources of the Society's Gross Income as at November 30, 2018.

Table 2: OPERATING & ADMINISTRATIVE EXPENSES (\$)

	2018	2017
Staff Costs	93,709,488	85,748,017
Members Security	9,079,791	8,233,003
General	43,795,692	40,680,497
Establishment	4,534,036	4,727,388
Financial Cost	6,675,556	6,533,158
	157,794,563	145,791,941

LOANS TO MEMBERS

The Society's Loan Portfolio grew by approximately 7% or \$73.8M, from \$1,010.4M in 2017 to \$1,084.2M in 2018.

There was a decrease in demand for the more popular loan types, such as Consumer Durables and Home Improvements. Keen attention has been paid to the market and as a

consequence the Consolidation Loan product was made more easily accessible resulting in an 86% increase in demand from \$58.9M in 2017 to \$109.9M in 2018.

While members used other financial institutions to consolidate their Thrift Society loans, they also used the Society's internal Consolidation Loan product to liquidate their financial position.

Public Sector workers were particularly targeted by other financial institutions with large cash reserves, inducing them with what appeared to be more attractive offers. This allowed them to prematurely liquidate their loans with the Society.

In spite of this aggression by the competition, the Society's Interest Income increased by 4.8%.

While the number of loans approved decreased from 25,397 to 21,883 or 14%, the total value of loans disbursed recorded a 6% increase or \$43.3M from \$732.4M at November 30, 2017 to \$775.7M at November 30, 2018.

The five year analysis below indicates a rising trend between Same Day Loans [SDLs] and those approved by the Committee. While

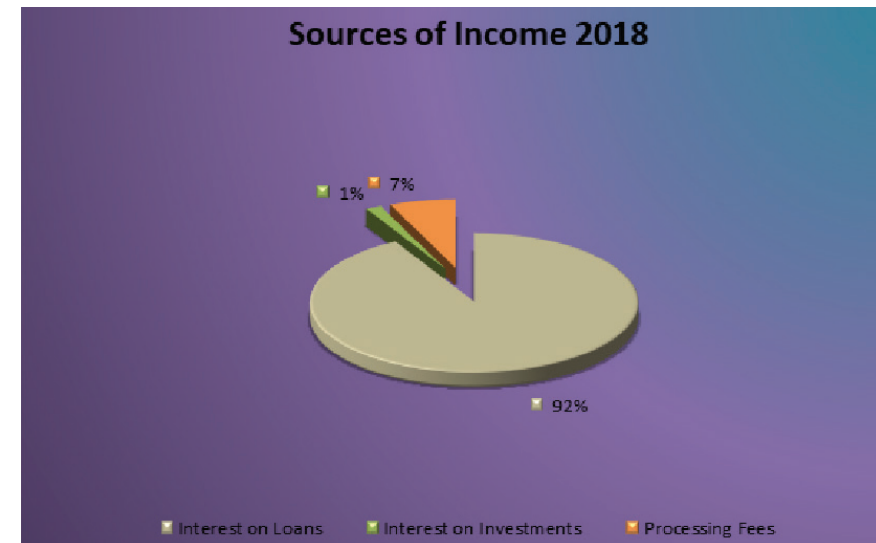


Chart 3 - Sources Of Income

the trend suggests a shift in demand for SDLs, efforts are being made to reverse the trend. With further improvements to the Society's loan products, we are poised to have a greater presence in a market.

The total value of loans disbursed during the financial year under review was \$775.6M, up from \$732.4M. The number and main categories of loan disbursed is outlined in Table 1.

OPERATING AND ADMINISTRATIVE EXPENSES

Total Operating and Administrative Expenses increased over the previous financial year by 8% or \$12.0M up from \$145.8M in 2017 to \$157.8M in 2018. Despite the Society's continued efforts to apply cost cutting measures, there was an increase in administrative expenses.

The growth of our operations necessitated an increase in human resources to maintain service quality. Concomitantly, an increase in staff not only results in increased salaries but also other related expenditure.

The Pie Chart below shows the major Operating and Administrative Expenses for the financial year ended November 2018 while Table 2 shows a comparison of those expenses for the financial years ended November 2018 and 2017 respectively.

	No. of Cases and Amounts for 2018		No. of Cases and Amount for 2017		Remarks
		\$M		\$M	
Accountant General's Department	128	\$34.8	75	\$23.6	Awaiting Pension Gratuity Settlement
Loans Redemption Fund	17	\$2.2	15	\$1.7	Awaiting Proof of Death for Settlement
Surety Accounts	84	\$16.2	30	\$3.0	Action for recovery Being pursued
Total Outstanding	229	\$53.1	109	\$28.3	

Table 3 - Non Performing Loans

DISTRIBUTION OF NET INCOME AFTER TAXATION

The Society realized a surplus of \$34.3M as at November 30, 2018. This represents a decrease of approximately \$1.5M over the previous year's surplus of \$35.8M.

We recommend that after provision of \$2.0M for taxation, the Net Profit of \$32.2M be appropriated as follows:

Proposed Dividend	\$22.7M
General Reserve	\$ 4.0M
Retained Income	\$ 5.5M
	\$32.2M

DIVIDEND

In accordance with Rule XXII (c) we have declared a dividend of 2.5% payable on shares held at November 30, 2018 to Shareholders on the Register of Members at February 28, 2019. As is customary, and in keeping with Rule IX, we recommend that Dividend be paid to Members with no loans or loans within shareholdings and that Members with loans in excess of

shareholding elect to have dividend credited either to their shares or loan accounts.

	2018		2017	
	Qty	Value(\$M)	Qty	Value(\$M)
Same Day Loans				
Cash Loans	7,051	146.1	8,472	143.7
Emergency Loans	11,750	184.7	13,460	177.3
	18,801	330.8	21,932	321.0
Committee Loans				
Consumer Durables	971	100.6	1200	114.2
Education	735	89.3	760	86.8
Home Improvement	394	63.6	435	63.6
Consolidation of Debt	327	110	311	59
Motor Vehicle Repairs & Insur.	222	38.7	289	46.4
Medical, Dental & Funeral Exp.	109	12.6	142	11.7
Computer Acquisition	131	13.1	108	10.2
Travel & Vacation	79	8.8	69	7.3
Business Venture	27	3.2	24	3.0
Utilities	30	1.6	43	1.8
Other Committee Loans	57	3.3	84	7.2
	3,082	444.9	3,465	411.3
	21,883	775.7	25,397	732.4

Table 1: Same Day Loans & Committee Loans Disbursed, 2017 & 2018

	2018	2017	2016	2015	2014
Opening Membership	13,574	13,204	12,396	11,700	10,936
New Members	449	413	1,059	946	981
Resigned Members	(188)	(43)	(251)	(250)	(217)
Closing Membership	13,835	13,574	13,204	12,396	11,700

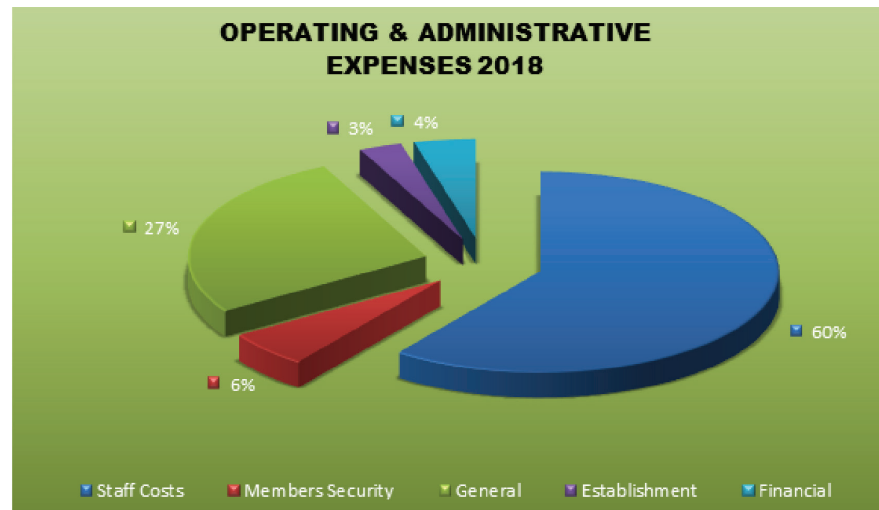


Chart 4 - Operating & Administrative Expenses for 2017

NON-PERFORMING LOANS

A Non-Performing Loan is one on which the agreed monthly payment has not been received for a period of three consecutive months or more.

The Society's Non-Performing Loans stands at 4.9% of Total Loan Portfolio. At the end of the financial year, Non-Performing Loans amounted to \$53.1M from a Loan Portfolio of \$1,084.2M. The number of such cases and the total amounts outstanding at November 30, 2018 are as outlined in Table 3.

Of the two hundred and twenty-nine (229) Non-Performing Loans amounting to \$53.1M, one hundred

and forty-five (145) amounting to \$37.0M resulted from retirements from the Public Service and death of members. The increase in 2018 may be attributable to a larger number of persons retiring including those in the Special Early Retirement Programme (SERP).

These loans will be satisfied from pension gratuities payable by the Accountant General's Department and settlements from the Loans Redemption Fund.

MEMBERSHIP

Membership of the Society as at November 30, 2018 stood at 13,835, an increase of 1.9% over comparative

figures of 13,574 at the end of the previous year. Membership in the Society for the past five (5) years is shown in the table above.

LOANS REDEMPTION FUND/ SHARES ENHANCEMENT FUND

The objectives of these Funds are as outlined:

- a. The Loans Redemption Fund was established in 1971 to provide a fund from which any loan balance owing by a member at the time of death or permanent disability would be settled, thereby relieving his / her beneficiary of any liability. The Fund is built up by a surcharge of 0.2% on the monthly loan balance of members.
- b. The Shares Enhancement Fund was created in 1991 to provide for payment to a beneficiary based on the shareholding of a member who dies or to the member who may suffer permanent disability. The monthly contribution to this Fund is 0.08% of members' shareholding and is paid entirely by the Society.

During the year, claims against the Loans Redemption Fund were

satisfied to the extent of \$4.5 million while claims against the Shares Enhancement Fund amounted to \$3.4 million. The value of these Funds at November 30, 2018 is shown below:

Loans Redemption Fund \$232.9M

Shares Enhancement Fund \$70.6M

Further details on these Funds are shown in the Financial Statements.

MARKETING & COMMUNICATIONS OUTREACH PROGRAMMES

As part of its service to members and potential members, the Society participates in various Outreach Programmes during the year.

In May 2018, the Society participated in the Jamaica Civil Service Association's Business Session and Election of Officers. Members and potential members were sensitized about the Society's products and services.

The Member Service Unit visited Thirty-eight (38) Ministries, Departments and Agencies (MDAs)

during the financial year to promote the products and services of the Society and to recruit new members.

While on these visits, the Unit utilizes the Society's technological capabilities to instantaneously provide members with information on their accounts as well as to offer other facilities such as Same Day Loans facilities and withdrawals.

Members have expressed satisfaction with these services and very often use the opportunity to provide valuable feedback on our service delivery which are reviewed and acted on.

CORPORATE RESPONSIBILITY

We continued to demonstrate our commitment to our corporate social responsibility through contributions to civic associations, and education and community projects.

In February 2018, the Society participated in the Sagicor Sigma Corporate Run in aid of the Bethlehem Home for Abandoned Children, the Spanish Town Hospital Special Care Unit and the Mandeville

Hospital Neonatal Intensive Care Unit.

We continued our sponsorship of Mr. Owen Greaves, Correctional Officer, who participates in the annual Reggae Marathon and who continues to promote the Thrift Society.

We are pleased to report that Mr. Greaves was placed 19th overall in the 2018 edition of the Reggae Marathon. Below is a list of some of the organizations that have benefitted from our generosity during the year:

- Department of Correctional Services
- Lay Magistrates Association of Jamaica
- Boulevard United Church
- The Optimist Club of Kingston
- Jamaica Government Pensioners' Association
- Jamaica Cancer Society
- Missionaries of the Poor

Names	Regular	Excused	Remarks
Mr. Errol Miller (Chairman)	51	-	-
Mrs. Marva Pringle-Ximinnie (1 st Vice-Chairman)	49	2	Granted Leave
Mr. Hugh Martin (2 nd Vice-Chairman)	7	13	Resg May 2018
Mr. Leslie Campbell (2 nd Vice-Chairman)	51	-	App. May 2018
Mr. Gary Mowatt	50	1	Granted Leave
Mr. Fred Manderson	51	-	-
Miss Georgia Mogg	50	1	Granted Leave
Mrs. Marguerite Clare	36	14	Granted Leave
Mrs. Lelieth Barrett-Hamilton	49	2	Granted Leave
Mrs. Gennetta Smikle	49	2	Granted Leave
Miss Icolyn Coulbourne	51	-	-
Mr. Ceibert Mitchell	50	1	Granted Leave
Miss Beverley Clarke	28	1	Granted Leave

- Mustard Seed Communities
- The Kingston & St. Andrew Municipal Corporation
- The Salvation Army
- St. Stephens United Church
- Free Hill Primary & Infant School
- Friends of the Mona Rehabilitation Centre
- Best Care Foundation

STAFF TRAINING

The Society believes that its human resources are one of its most valuable assets. To that end, we continue to invest in the training and development of our staff through customized internal and external courses, seminars and workshops. In-house training has been a continuous process as we seek to provide a multi-skilled team to ensure that you, our members consistently receive quality service. A senior manager attended the Jamaica Employers’ Federation Convention in June 2018, where he was exposed to leadership training and benefitted from discussions on topics such as “Conflict Management in the Workplace” and “Leveraging Digital Technologies for Business Success”. Members of staff were also given in-house training in office etiquette, deportment, as well as good customer service.

SCHOLARSHIPS

The Society normally awards scholarships to children of members attending secondary institutions who are in their second year. These scholarships may be provided up

to fifth form. Their continuation each year is dependent on the academic performance, conduct and participation in extra-curricular activities of the awardees. Nine (9) scholarships, and one (1) grant for school assistance valued at \$490,000.00 were awarded in 2018.

ATTENDANCE AT MEETINGS

There were fifty one (51) regular meetings of the Committee of Management as well as sixty (60) Sub-Committee Meetings during the period December 1, 2017 to November 30, 2018. Sub-Committee meetings held during the period comprised the following:

APPOINTMENT OF AUDITOR

Mrs. Yvonne E. Davis, ACCA, FCA, having been appointed as Auditor to the Society at the last Annual General Meeting and having intimated her willingness to continue as the Society’s Auditor, is eligible for re-election in accordance with Rule XXIII.

OBITUARY

The Committee of Management extends sincere condolences to the families and friends of the under-mentioned members who passed on during the financial year. The list as indicated below is not exhaustive and we regret any omission

ACKNOWLEDGMENTS

The Committee of Management expresses its appreciation to all who made the year under review a successful one. Thanks to you, our valued members for your continued

confidence and goodwill in the Society and to our staff for your loyalty, dedication and commitment. The achievements and successes achieved would not have been possible without your support.

We also express appreciation to our Auditor, the Jamaica Civil Service Association, JCSA Limited, JCS Housing Company and all other persons and organizations that assisted us to realize another successful year.



The
2018
Financial Statements

Yvonne E. Davis ACCA; FCCA

INDEPENDENT AUDITOR'S REPORT
To the Members of
THE JAMAICA CIVIL SERVICE THRIFT SOCIETY LIMITED
(A Society registered under the Industrial and Provident Societies Act)

Independent Auditor's Report

Opinion

I have audited the financial statements of The Jamaica Civil Service Mutual Thrift Society Limited (The Society) as set out in this Report, and which comprise the Statement of Financial Position as at November 30, 2018, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In my opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Society as at November 30, 2018, and of its Financial Performance and Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Industrial and Provident Societies Act.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

I am independent of the Society in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and I have fulfilled my other ethical responsibilities in accordance with the IESBA

Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 Industrial and Provident 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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 Society'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 Society's ability to continue as a going concern. If I conclude that a material uncertainty exists I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Society 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.

I 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 I identify during my audit.

Report on additional matters as required by the Industrial and Provident Societies Act

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes

of my audit. In my opinion, proper accounting records have been maintained, so far as appears from my examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Industrial and Provident Societies Act, in the manner required.

13 North Avenue
Kingston 5

August 12 2019



Yvonne Davis
CHARTERED ACCOUNTANT

Statement of Financial Position

As At November 30, 2018

	Note	2018 \$	2017 \$
ASSETS			
Earning assets			
Investments classified as available-for-sale	5	37,105,350	16,349,174
Investments classified as loans and receivables	6	53,338,531	45,137,865
Loans and interest owed by members	7	1,084,247,512	1,010,351,900
Cash and bank balances	8	5,846,654	6,219,706
		<u>1,180,538,047</u>	<u>1,078,058,645</u>
Non-earning assets			
Deferred tax asset	9	159,719	246,472
Property, plant and equipment	10	75,633,329	69,481,522
Other assets	11	7,906,954	5,643,114
Cash and bank balances	8	38,410,372	20,033,100
		<u>122,110,374</u>	<u>95,404,208</u>
TOTAL ASSETS		1,302,648,421	1,173,462,853
Assets of administered funds	12	306,912,022	273,528,944
TOTAL CONSOLIDATED ASSETS		<u>1,609,560,443</u>	<u>1,446,991,797</u>
LIABILITIES AND EQUITY:			
Liabilities			
Current Liabilities			
Proposed dividends		16,986,977	15,600,940
Trade and other payables	13	39,923,549	36,315,538
With-holding tax		18,372,640	12,246,417
Income tax		6,678,203	3,202,335
		<u>81,961,369</u>	<u>67,365,230</u>
Long-term liabilities			
Long term advances	14	83,926,930	66,845,882
Long term loan	15	23,209,639	23,320,823
		<u>107,136,569</u>	<u>90,166,705</u>
Equity and Reserves			
Share capital	16	1,010,225,399	925,045,318
General reserves	17	44,000,000	40,000,000
Fair value reserves	18	19,501,713	16,168,444
Capital reserves	19	551,195	551,195
Asset reserves	20	62,753	62,753
Retained earnings		39,209,423	34,103,208
		<u>1,113,550,483</u>	<u>1,015,930,918</u>
TOTAL LIABILITIES AND EQUITY		1,302,648,421	1,173,462,853
Administered funds	12	306,912,022	273,528,944
TOTAL CONSOLIDATED LIABILITIES AND EQUITY		<u>1,609,560,443</u>	<u>1,446,991,797</u>

The accompanying notes form an integral part of the Financial Statements.

The financial statements on pages 2 to 25 were approved and authorised for issue by the Committee of Management on August 12 2019 and are signed on its behalf by:


 Errol L. Miller
 Chairman


 Marva Pringle-Ximinnies
 1st Vice Chairman

Statement of Comprehensive Income

Year Ended November 30, 2018

	Note	2018 \$	2017 \$
Interest income			
Loans to members		175,560,829	167,402,613
Cash resources and investment securities		2,202,691	2,957,747
		<u>177,763,520</u>	<u>170,360,360</u>
Non-interest income			
Processing fees and other income	21	14,290,612	11,202,442
Total income		<u>192,054,132</u>	<u>181,562,802</u>
Operating expenses			
Staff costs	22	(93,709,488)	(85,617,895)
Other operating expenses	23	(64,085,075)	(60,174,046)
Total expenses		<u>(157,794,563)</u>	<u>(145,791,941)</u>
Surplus for the year before taxation		34,259,569	35,770,861
Income tax expense	24	(2,012,997)	(3,771,466)
Surplus for the year after taxation		32,246,571	31,999,395
Other comprehensive income for the year			
Items that may be reclassified to surplus or deficit:			
Net change in fair value of available-for-sale financial assets		3,333,269	6,384,061
Total Comprehensive Income for the Year		<u>35,579,840</u>	<u>38,383,456</u>

The accompanying notes form an integral part of the Financial Statements.

Statement of Changes in Equity

As At November 30, 2018

	Share Capital	General Reserves	Fair Value Reserves	Capital Reserves	Asset Reserves	Retained Earnings	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at November 30, 2016	821,866,383	36,000,000	9,784,383	551,195	62,753.00	28,474,500	896,739,214
Comprehensive income	-	-	-	-	-	31,999,394	31,999,394
Net surplus for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-
Revaluation of available-for-sale investments	-	-	6,384,061	-	-	-	6,384,061
Total comprehensive income	-	-	6,384,061	-	-	31,999,394	38,383,455
Transactions with members	-	-	-	-	-	(1,569,433)	(1,569,433)
Under-provision of dividends 2016	-	-	-	-	-	(20,801,253)	(20,801,253)
Dividends 2017 (proposed)	-	-	-	-	-	-	-
Net issues and withdrawals	103,178,935	-	-	-	-	-	103,178,935
Total transactions with members	103,178,935	-	-	-	-	(22,370,686)	80,808,249
Transfer to general reserves	-	4,000,000	-	-	-	(4,000,000)	-
Balance as at November 30, 2016	925,045,318	40,000,000	16,168,444	551,195	62,753	34,103,208	1,015,930,918
Comprehensive income	-	-	-	-	-	32,246,571	32,246,571
Net surplus for the year	-	-	-	-	-	-	-
Other comprehensive income	-	-	3,333,269	-	-	-	3,333,269
Revaluation of available-for-sale investments	-	-	3,333,269	-	-	-	3,333,269
Total comprehensive income	-	-	3,333,269	-	-	32,246,571	35,579,840
Transactions with members	-	-	-	-	-	(491,053)	(491,053)
Under-provision of dividends 2017	-	-	-	-	-	(22,649,303)	(22,649,303)
Dividends 2018 (proposed)	-	-	-	-	-	-	-
Net issues and withdrawals	85,180,081	-	-	-	-	-	85,180,081
Total transactions with members	85,180,081	-	-	-	-	(23,140,356)	62,039,725
Transfer to general reserves	-	4,000,000	-	-	-	(4,000,000)	-
Balance as at November 30, 2018	1,010,225,399	44,000,000	19,501,713	551,195	62,753	39,209,423	1,113,550,483

Statement of Cash Flows

Year Ended November 30, 2018

	Note	2018 \$	2017 \$
Total comprehensive income for the year:		35,579,840	38,383,456
Adjustments to reconcile total comprehensive income to net cash provided by operating activities:			
Gain on available for sale investments		(3,333,269)	(6,384,061)
Income Tax Expense		2,012,997	3,771,466
Depreciation		2,261,981	1,903,297
Operating cash flows before movements in working capital		36,521,549	37,674,158
(Increase)/decrease in current assets/liabilities			
Other assets		(2,263,840)	787,455
Trade and other payables		3,608,011	(9,607,686)
With-holding tax payable		6,126,223	1,993,637
		43,991,943	30,847,564
Income tax		3,475,868	(2,827,237)
Net cash provided by operating activities		47,467,811	28,020,327
Cash flows from investing activities			
Dividends paid		(23,680,563)	(19,542,990)
Loans and interest owed by members		(73,895,612)	(68,133,794)
Investments classified as loans and receivables		(8,200,666)	(2,342,709)
Acquisition of fixed assets		(8,413,788)	(5,321,438)
Net cash used in investing activities		(114,190,629)	(95,340,931)
Cash flows from financing activities			
Long term advances		17,081,048	(35,458,012)
Long term loan		(111,184)	(617,626)
Members' shares issues and withdrawals (net)		85,180,081	103,178,935
Net cash provided by financing activities		102,149,945	67,103,297
Increase in cash and cash equivalents		35,427,127	(217,307)
Net cash and cash equivalents at beginning of year		26,252,806	26,470,113
Net cash and cash equivalents at end of year	8	61,679,933	26,252,806
Comprised of:			
Cash and bank balances (earning assets)		5,846,654	6,219,706
Cash and bank balances (non-earning assets)		38,410,372	20,033,100
		44,257,026	26,252,806

The accompanying notes form an integral part of the Financial Statements

Notes to the Financial Statements

1. IDENTIFICATION

The Jamaica Civil Service Mutual Thrift Society Limited (the "Society") is incorporated under the Industrial and Provident Societies Act of Jamaica.

The principal activity of the Society is to receive savings from members in the form of shares, invests such amounts as considered appropriate and make loans to its members at reasonable rates of interest, and otherwise to assist members as may be necessary and expedient.

The Society's registered office is located at 10 Caledonia Avenue, Kingston 5.

Membership of the Society is limited to members of the Jamaica Civil Service Association who are:-

- (a) (i) Employees of the public service on a permanent basis;
- (ii) Employees of Executive Agencies and other Parastatal Bodies (statutory bodies and Government companies) who are permanently employed and whose application shall be approved at the discretion of the Committee of Management;
- (b) Pensioners of the public service and executive agencies;
- (c) Other societies registered under the Industrial and Provident Societies Act whose membership is limited to members of the Jamaica Civil Service Association, such member of the Society being deemed a person for the purpose of this rule and other rules of the Society in so far as the same may apply.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and the relevant requirements of the Industrial and Provident Societies Act.

These financial statements are expressed in Jamaican dollars which is the functional currency.

New, revised and amended standards and interpretations effective during the year

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Management of the Society has reviewed all such standards, interpretations and amendments and has adopted, where appropriate, those standards which are considered relevant. However, those adopted do not have any significant impact on the presentation, or disclosures in the financial statements or the reported financial performance or position.

New, revised and amended standards and interpretations in issue but not yet effective

At the date of authorization of these financial statements, certain new, revised and amended standards, interpretations and amendments were in issue but not effective for the financial period being reported on. The Society has assessed the relevance of all such new standards, interpretations, and the following are considered to be relevant to its operations and will be adopted in future periods.

IFRS 9

IFRS 9 Financial Instruments, replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting the requirements are generally applied prospectively, with some limited exceptions. The company does not expect this standard to have a significant impact on the financial statements when it becomes effective.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented unless otherwise stated.

(a) Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All financial assets are recognised and unrecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Financial assets are classified into the following specified categories: 'loans and receivables', and available-for-sale' (AFS) financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Income is recognised on an effective interest method for debt instruments other than those assets classified as fair value through profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. Summary of Significant Accounting Policies (Cont'd)

Receivables

Receivables are stated at their nominal value as reduced by appropriate allowance for estimated irrecoverable amounts. These irrecoverable amounts are recognized in the statement of comprehensive income. Receivables is classified as "loans and receivables."

Loans

Loans are recognized when cash is advanced to members. They are initially recorded at cost, which is the cash given to originate the loan, including any transaction costs, and subsequently measured at amortized cost using the effective interest rate method. Interest is recognised by applying the effective interest rate. Loans are reviewed monthly for evidence of impairment.

A provision for impairment is established if there is objective evidence that a loan is impaired. A loan is considered impaired when management determines that it is probable that all amounts due according to the original contractual terms will not be collected. When a loan has been identified as impaired, the carrying amount of the loan is reduced by recording specific provisions for credit losses to its estimated recoverable amount, which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan. When a loan has been identified as being impaired, management immediately exercise its options under the contractual terms. These options include but are not limited to, the right of off-set against shares, recovery from guarantors or recover from the Loans Redemption Fund.

A loan is classified as non-performing when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. Loan repayments outstanding for over 30 days are considered past due.

Loans are classified as "loans and receivables."

Investments

Investments are recognized and de-recognized on a trade date basis and are classified as available-for-sale securities and loans and receivables. Available-for-sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates, or market prices. They are initially recognized at fair value, which includes transaction costs, and subsequently re-measured at fair value based on quoted bid prices. Where fair values cannot be reliably determined, available-for-sale securities are carried at cost less provision for impairment. Gains and losses arising from changes in fair value of available-for-sale securities are recognized in members' equity until the security is disposed of, or is determined to be impaired. When the securities are disposed of or is determined to be impaired, the cumulative gains or losses previously included in members' equity are transferred to the statement of comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost.

Cash & cash equivalents

Cash and cash equivalents are highly liquid, easily convertible amounts without any significant changes in value, which mature within three months of placement.

Cash and cash equivalents comprise cash on hand, bank current and savings accounts, and bank deposits free of encumbrances. They are classified as "loans and receivables."

Securities purchased under resale agreements

Securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised lending transactions. The difference between the purchase and resale price is treated as interest income and is accrued over the life of the resale agreements using the effective yield method. These amounts are classified as "loans and receivables."

3. Summary of Significant Accounting Policies (Cont'd)

Derecognition of financial assets

The Society derecognises a financial asset when the contractual rights to the financial asset expire or all the risks and rewards of ownership are transferred so that control is no longer retained.

Financial liabilities and equity instruments issued by the Society

These are classified as debt or equity.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Society are recorded at the proceeds received, net of direct issue costs. It is the Society's policy to recognize members' contributions as equity.

Financial liabilities

Financial liabilities carried in the statement of financial position are trade payables and long term obligations and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Society derecognises financial liability when, and only when, the Society's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss for the period.

Borrowings

These comprise loans from the Shares Enhancement Fund and Loans Redemption Fund. These are recorded using proceeds received.

3. Summary of Significant Accounting Policies (cont'd)

(b) Plant and equipment

Plant and equipment measured at cost, less accumulated depreciation and impairment losses.

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure flow to the Society.

Depreciation is charged so as to write off the cost of assets over the estimated useful lives to their residual value using the straight-line method.

The estimated useful lives of plant and equipment are as follows:

The gain or loss arising on disposal or retirement of an item of furniture and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in income. Repairs and renewals are charged to income when the expenditure is incurred.

At the end of each reporting period the Society reviews the carrying amounts of these assets to determine whether there is any indication that the assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(c) Impairment of tangible assets

At the end of each reporting period, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Where the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the impairment loss is recognized in the income statement of comprehensive income as an expense.

Where an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that increased carrying amount does not exceed the carrying amount of the asset before the impairment loss was recognized in the prior year. A reversal of impairment loss is recognized in the statement of comprehensive as an income.

(d) Foreign currency translation

The financial statements are presented in Jamaican dollars, the currency of the primary economic environment in which the Society operates (its functional currency).

In preparing the financial statements of the Society, transactions in currencies other than the Society's functional currency, are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date. Non-monetary items carried at fair values that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

3. Summary of Significant Accounting Policies (cont'd)

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business.

Interest income

Interest income is recognized in the statement of comprehensive income for all interest bearing instruments when earned. Interest income includes interest on members' loans, interest on fixed investments and interest on savings.

Dividend revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Society and the amount of revenue can be measured reliably).

Processing fees and commission income

Processing fees and commission income is generally recognised on an accruals basis when the service has been provided. This consists of loan processing fees and fees charged in connection with Administered Funds.

(f) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred taxes are recognised as expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly to equity.

3. Summary of Significant Accounting Policies (cont'd)

(g) Employee benefits

Pension scheme costs

The Society operates a defined contribution pension scheme (Note 21) of which the assets are held in a separate trustee administered fund. Contributions to the scheme are fixed and are made on the basis of pre-established agreed amounts between the Society and employees. Contributions are charged to the statement of comprehensive income.

Other employee benefits

Employee entitlement to annual leave and other benefits are recognized when they accrue to the employee. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the balance sheet date. The Society also maintains a group life policy for staff members. Payment of premiums are based on the contractual arrangements of the policy and are recognized in the statement of income and expenses due.

(h) Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions and balances are recognized and disclosed for key management personnel, that is those persons having authority and responsibility for planning, directing and controlling the activities of the entity, including directors, officers and close members of the families of these individuals.

(i) Provisions

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured at the directors' and management's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

(j) Share Capital:

This is recorded as proceeds received from members to facilitate:

- membership with the society
- loan borrowing and other benefits

In accordance with the rules of the Industrial and Provident Societies Act, the Society classifies these amounts as capital.

3. Summary of Significant Accounting Policies (cont'd)

(k) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Society as a lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. The Society is party to an operating lease arrangement with JCSA Limited for office space.

(l) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Society's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

The directors and management believe there were no judgments that had a significant effect on the amounts recognised in the financial statements or could cause material adjustments to the carrying amounts of assets and liabilities.

Key sources of estimation uncertainty

Management has not made any key assumptions concerning the future or other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

5. INVESTMENTS CLASSIFIED AS AVAILABLE-FOR-SALE

	<u>2018</u>	<u>2017</u>
(a) Available-for-sale securities include the following classes of financial assets:	<u>\$</u>	<u>\$</u>
<u>Quoted Equity:</u>		
NCB Jamaica Ltd.	4,052,866	2,338,232
BNS Jamaica Ltd.	15,629,517	14,010,882
	<u>19,682,383</u>	<u>16,349,114</u>
(b) Investment Funds	17,422,907	-
(c) Available-for-sale securities at cost.		
<u>Unquoted Equity:</u>		
JCSA Limited	60.00	60.00
	<u>37,105,350</u>	<u>16,349,174</u>

Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair values is provided in Note 28. None of the available-for-sale financial assets is impaired. All available-for-sale financial assets are denominated in Jamaica dollars.

6. INVESTMENTS CLASSIFIED AS LOANS AND RECEIVABLES

	<u>2018</u>	<u>2017</u>
	\$	\$
Loans and receivables - at amortised cost		
Corporate Bonds	15,079,355	8,495,773
Jamaica Bonds	29,848,735	29,177,452
Repurchase Agreements	8,410,441	7,464,640
	<u>53,338,531</u>	<u>45,137,865</u>

(a) The Society entered into reverse repurchase agreements collateralised by Government of Jamaica securities. These agreements may result in credit exposure in the event that the counter party to the transaction is unable to fulfill its contractual obligations.

(b) The capital outlay on these bonds are expected to remain at par and interest earned are carried in the statement of comprehensive income.

(c) The fair value of loans and receivables are not significantly different from their amounts.

7. LOANS AND INTEREST OWED BY MEMBERS

	<u>2018</u>	<u>2017</u>
	\$	\$
Loans	1,084,197,366	1,012,359,960
Interest receivable	13,503,134	10,527,788
	1,097,700,500	1,022,887,748
Allowance for impairment	(350,424)	(350,424)
	1,097,350,076	1,022,537,324
Less: Amounts over-recovered	(13,102,564)	(12,185,424)
	<u>1,084,247,512</u>	<u>1,010,351,900</u>
Maturity:		
Due within 1 year	166,624,835	122,751,975
Due after 1 year	917,622,677	887,599,925
	<u>1,084,247,512</u>	<u>1,010,351,900</u>

Over-recoveries represent surplus funds paid in by members, the amounts are repayable on demand.

Before approving a loan to a member the Society uses a credit scoring system to assess the potential member's credit quality and defines limits by members. The credit scoring system used incorporates objective criteria of credit analyses that can be quantified and uses several (weighted) variables. There is a set minimum score that must be achieved from key sections, and an overall benchmark score to assess members' eligibility. The loans to members that are neither past due nor impaired have the best credit scoring. There is no member whose balance represents more than% of the total balance of loans to members.

Allowance for impairment determined under the requirements of IFRS

Loans to members include balances with a carrying amount of \$9,234,401 (2017: \$7,125,874) which are past due at the reporting date for which the Society has not provided as there has not been a significant change in the members' credit quality and the amounts are still considered recoverable. The Society has not made any provision for impairment based on the arrangements in place for the recovery of any impaired loan.

Aging of past due but not impaired

	<u>2018</u>	<u>2017</u>
	\$	\$
30 - 90 days	1,254,959	914,035
91 - 180 days	1,440,130	1,800,230
180 - 270 days	1,688,213	396,086
271 - 364 days	1,125,195	852,148
365 days and over	3,725,904	3,163,375
	<u>9,234,401</u>	<u>7,125,874</u>

Movement for the allowance for impairment

Balance at beginning / end of period	<u>(350,424)</u>	<u>(350,424)</u>
--------------------------------------	------------------	------------------

8. CASH AND BANK BALANCES

	<u>2018</u>	<u>2017</u>
	\$	\$
Earning assets	5,846,654	6,219,706
Non-earning assets	38,410,372	20,033,100
	<u>44,257,026</u>	<u>26,252,806</u>

Reconciliation to cash flows:

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Balance as above	44,257,026	26,252,806
Balance per statement of cash flows	<u>44,257,026</u>	<u>26,252,806</u>

9. DEFERRED TAXATION

The following is an analysis of the deferred tax balances as at November 30:

	<u>2018</u>	<u>2017</u>
	\$	\$
Deferred tax liabilities	411,401	335,016
Deferred tax assets	(571,120)	(581,488)
	<u>(159,719)</u>	<u>(246,472)</u>

Deferred taxes are calculated on all temporary differences under the liability method using a tax rate of 25%. The movement on the deferred tax account is as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Balance at December 1, 2016	(433,197)	(611,376)
Credited to income for year	186,725	178,179
Balance at November 30, 2017	(246,472)	(433,197)
Credited to income for year	86,753	186,725
Balance at November 30, 2018	<u>(159,719)</u>	<u>(246,472)</u>

The balance comprises temporary differences attributable to the following:

	<u>2018</u>	<u>2017</u>
	\$	\$
Deferred tax assets	<u>(159,719)</u>	<u>(246,472)</u>

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following

	Land	Leasehold Improvement	Container Office	Furniture & Fixtures	Computer Equipment	Office & Other Equipment	Motor vehicles	Total
At cost	\$	\$	\$	\$	\$	\$	\$	\$
December 1, 2016	57,815,050	1,357,572	-	2,702,762	9,424,248	8,024,655	1,787,366	81,111,653
Additions	2,066,977	-	-	1,112,903	330,549	1,811,009	-	5,321,438
December 1, 2017	59,882,027	1,357,572	-	3,815,665	9,754,797	9,835,664	1,787,366	86,433,091
Additions	1,866,657	-	4,711,377	383,740	872,595	579,419	-	8,413,788
November 30, 2018	61,748,684	1,357,572	4,711,377	4,199,405	10,627,392	10,415,083	1,787,366	94,846,879
Depreciation								
December 1, 2016	-	44,511	-	2,385,558	7,912,468	3,633,316	1,072,419	15,048,272
Charge for the year	-	33,939	-	128,031	524,779	859,075	357,473	1,903,297
December 1, 2017	-	78,450	-	2,513,589	8,437,247	4,492,391	1,429,892	16,951,569
Charge for the year	-	33,939	117,784	187,413	699,298	866,074	357,473	2,261,981
November 30, 2018	-	112,389	117,784	2,701,002	9,136,545	5,358,465	1,787,365	19,213,550

Net Book Values

November 30, 2018	61,748,684	1,245,183	4,593,593	1,498,403	1,490,847	5,056,618	1	75,633,329
November 30, 2017	59,882,027	1,279,122	-	1,302,076	1,317,550	5,343,273	357,474	69,481,522
November 30, 2016	57,815,050	1,313,061	-	317,204	1,511,780	4,391,339	714,947	66,063,381

The following rates are used in the calculation of depreciation:

Leasehold Improvement	2 1/2%
Furniture and Fixtures	10%
Computer Equipment	20%
Office and Other Equipment	10%
Motor Vehicle	20%

OTHER ASSETS

	2017	2016
	\$	\$
This comprise:		
Receivables and prepayments	7,906,954	5,643,114

12 ADMINISTERED FUNDS

Administered funds represent funds managed by the Society which is not intermingled with its own cash resources. These Comprise:

(a) Loans Redemption Fund

The loans redemption fund was establish in 1971 to provide a fund from which any loan balance owing by a member at time of death or permanent disability would be settled.

(b) Shares Enhancement Fund

The shares enhancement fund was created in 1991 to provide for payment to a beneficiary of twice the judgements holding of a member in the event of death or permanent disability. The monthly contribution of this fund is eighty cents in the \$1,000 of shareholding and is paid entirely by the Society.

(c) Staff Loan Fund

This represents funds held to facilitate small staff loans. The amount was initially established with funds from the Thrift.

Assets of Administered Funds

	Loans Redemption Fund	Shares Enhancement Fund	Staff Loan Fund	Total 2018	Total 2017
	\$	\$	\$	\$	\$
Cash and Bank	21,600,608	9,678,389	769,818	32,048,815	67,795,031
Loans Receivable	84,115,938	38,192,544	7,393,092	129,701,574	107,253,879
Interest	-	-	-	-	-
Government Income Fund	112,217,303	17,873,110	-	130,090,413	80,957,698
With-holding Tax Accounts	9,666,299	5,033,232	-	14,699,531	14,388,565
	(9,690,838)	(157,503)	-	(9,848,341)	(11,314,944)
	232,921,258	70,619,772	8,162,910	311,703,940	273,528,944

Funds

	Loans Redemption Fund	Shares Enhancement Fund	Staff Loan Fund	Total 2018	Total 2017
	\$	\$	\$	\$	\$
Balance as at December 1	207,428,607	62,618,478	3,481,859	273,528,944	246,325,655
Net income/(loss) for the year	25,492,651	8,001,294	(110,867)	33,383,078	27,203,289
Balance as at November 30	232,921,258	70,619,772	3,370,992	306,912,022	273,528,944

13. TRADE AND OTHER PAYABLES

	<u>2018</u>	<u>2017</u>
	\$	\$
Loans Redemption Fund (Current Portion)	20,727,033	16,080,702
Long Term Loan (Current Portion)	719,359	617,975
Unclaimed shares	756,895	752,016
Other	17,720,262	18,864,845
	<u>39,923,549</u>	<u>36,315,538</u>

Due to the short term nature of trade and other payables, the carrying amounts of these balances will approximate their fair value.

14. LONG TERM ADVANCES

	<u>2018</u>	<u>2017</u>
	\$	\$
Loans Redemption Fund	71,390,414	63,522,806
Less: Current Portion	(20,727,033)	(16,080,702)
Shares Enhancement Fund	33,263,549	19,403,778
	<u>83,926,930</u>	<u>66,845,882</u>

These represent funds advanced to the Thrift from the Loans Redemption Fund. These advances are repayable over five (5) years and will attract interest at 6% per annum commencing with financial year 2016.

15. LONG TERM LOAN

	<u>2018</u>	<u>2017</u>
	\$	\$
Victoria Mutual Building Society Limited	23,928,998	23,938,798
Less: Current Portion	(719,359)	(617,975)
	<u>23,209,639</u>	<u>23,320,823</u>

This represents loan received in 2016 to acquire property located at 12 Caledonia Avenue. This loan is repayable over fifteen (15) years at the rate of 14% per annum.

16. SHARE CAPITAL

	<u>2018</u>	<u>2017</u>
	\$	\$
The movement in share capital is as follows:		
Balance at December 1	925,045,318	821,866,383
Net Issue and Withdrawal	85,180,081	103,178,935
Balance at November 30	<u>1,010,225,399</u>	<u>925,045,318</u>

17. GENERAL RESERVES

This represents appropriation of a portion of profits as approved at the Annual General Meeting by the members.

18. FAIR VALUE RESERVES

This represents unrealised surplus or deficit on the revaluation of available-for-sale investments.

	<u>2018</u>	<u>2017</u>
	\$	\$
	<u>(19,501,713)</u>	<u>(16,168,444)</u>

19. CAPITAL RESERVES

This represents capitalisation of profit on sale of assets in 2002 and 2004 and discount on the acquisition of asset.

20. ASSET RESERVES

This represents reserve created as a result of a gift (a sealing machine) which is capitalized on the books of the Thrift.

21. PROCESSING FEES AND OTHER INCOME

	<u>2018</u>	<u>2017</u>
	\$	\$
This consist of the following:		
Processing fees and service charges	10,593,949	8,846,940
Other Income	3,696,663	2,355,502
	<u>14,290,612</u>	<u>11,202,442</u>

22. STAFF COSTS

	<u>2018</u>	<u>2017</u>
	\$	\$
Staff costs incurred during the year in respect of employees were:		
Salaries, wages and allowances	70,711,765	64,018,168
Statutory costs	6,978,961	6,216,007
Staff Welfare	16,018,762	15,383,720
	<u>93,709,488</u>	<u>85,617,895</u>

23. OTHER EXPENSES

	<u>2018</u>	<u>2017</u>
	\$	\$
General meeting	2,155,101	1,440,215
Advertising and publicity	4,077,997	1,924,404
Bond and office insurance	159,179	187,623
Data processing	3,750,009	5,118,435
Company fees	206,000	229,864
Committee expenses	16,235,634	14,665,285
Donations	462,629	494,740
Motor vehicle expenses	814,894	707,840
Office supplies	2,086,117	1,219,453
Postage and stationery	737,271	1,165,031
Repairs and maintenance	2,269,048	2,909,786
Training of staff	691,615	299,200
Telephone	1,048,028	1,188,812
Water charges	323,404	293,954
Scholarship	490,000	700,000
Customer appreciation/Anniversary celebrations	698,342	664,342
Audit fees	1,750,000	1,500,000
Gratuity	-	1,900,000
Electricity	2,950,632	3,173,434
Honorarium	-	60,000
Retirement benefits	280,061	222,617
Rental	1,260,000	1,260,000
Janitorial and security services	1,565,538	1,476,028
Bank charges	541,604	715,244
Other loan charges	6,133,952	5,817,914
Credit Bureau	85,780	-
Shareholder's insurance	9,079,791	8,233,003
Bad debts	44,120	703,525
GCT Irrecoverable	2,077,935	-
Depreciation	2,110,394	1,903,297
	<u>64,085,075</u>	<u>60,174,046</u>

24. TAXATION

Taxation is based on the profits for the year as adjusted for tax purposes and is made up as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
i) Current		
Income Tax at 25%	1,926,244	3,584,741
ii) Deferred / future		
Deferred income tax credit	86,753	186,725
	<u>2,012,997</u>	<u>3,771,466</u>

Income tax is calculated at 25% of the taxable profit for the year.

25. PROPOSED DIVIDEND

In accordance with Rule 22(c) of the Thrift, a dividend of 2.50% payable on shares held at November 30, 2018 was declared. The dividend would be paid to shareholders on the register of members as at November 30, 2018.

26. PENSION SCHEME

The permanent employees of the Society are members of the Contributory Pension Scheme. The present administrator of the Scheme is Sagicor Life Jamaica Limited. Pension benefits are based on contributions plus accumulated interest; accordingly, the Society's liability is restricted to its contributions.

On retirement, the member will be entitled to the pension purchased under the scheme. Provision is made for certain options such as a lump sum payment and a reduced pension. The Society's Contribution for the year amounted to \$5,456,363 (2017 - \$5,102,320).

The Society also fully maintains a Group Life policy for Staff Members. This Policy provides a Death and Dismemberment Benefit. The cost to the Society for the year amounted to \$1,335,016 (2017 - \$1,088,683).

27. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions and balances with related parties are as follows:	<u>2018</u>	<u>2017</u>
	\$	\$
(a) Loans		
Loans outstanding from members of the Committee of Management	6,403,280	3,011,260
(b) Compensation of key management personnel		
Travelling and allowances paid to members of the Committee of Management and Senior Staff during the year -		
Travelling and allowances	<u>14,080,000</u>	<u>12,151,000</u>

28. FINANCIAL INSTRUMENTS**Categories of financial instruments**

The following table sets out the financial instruments as at the end of the reporting period:

Financial assets	<u>2018</u>	<u>2017</u>
	\$	\$
Loans and receivables at amortised cost	<u>53,338,531</u>	<u>45,137,865</u>
Cash Resources	44,257,026	26,252,806
Loans to members (net of allowance for impairment)	<u>1,084,247,512</u>	<u>1,010,351,900</u>
	<u>1,128,504,538</u>	<u>1,036,604,706</u>
Available for sale financial assets at market value	37,105,290	16,349,114
Available for sale financial asset at cost	60	60
	<u>1,218,948,419</u>	<u>1,098,091,745</u>
Financial liabilities (at amortised cost)		
Trade and other payables	<u>39,923,549</u>	<u>36,315,538</u>

28. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management policies and objectives**

By its nature the Society's activities are principally related to the use of financial instruments. The Society accepts shares from members and makes loans available to them for varying periods at competitive rates. The Society also seeks to supplement its revenue base by investing a portion of members' funds in financial instruments where it takes advantage of competitive market interest rates in repos and capital appreciation in equity, and maintain sufficient liquidity to meet all its claims that might fall due.

(a) Credit risk

Credit risk is the risk that borrowers or other counterparties will cause a financial loss for the Society by failing to discharge their contractual obligations, and that any collateral provided does not cover claims. This risk arises principally from the Society's lending activities. The risk on these loans is not considered significant based on the options for recovery, which are available to the Society.

The Society's principal financial assets are its members' loans receivable, cash, and cash equivalents, and available for sale investments which represent the Society's maximum exposure to credit risk in relation to financial assets.

Loans

The Society's credit risk is primarily attributable to its members' loans receivable. The amounts presented in the statement of financial position are net of allowances for doubtful debts, estimated by the Society's management based on prior experience and their assessment of the current environment.

The Society's risk is managed primarily by monthly reviews of the financial status of each member/obligator.

Loans are secured by various means to reduce exposure to credit risk, such as, members own Shares, obtaining personal guarantees from other members (co-making) and physical collateral when it is practical to do, various funds are setup to mitigate the effects of foreseeable risks. In addition, a liens is placed on members' pension at the Accountant General's Office.

Cash and Cash Equivalent

Cash and cash equivalents are placed with reputable institutions who are regulated by the Financial Services Commission or the Bank of Jamaica. This reduces the occurrence of loss.

Debt Securities

Debt securities are invested in Government of Jamaica Bonds which are considered low risk due to its nature

Repurchase Agreements

These are collateralised lending secured by Government Securities and placed with highly regulated entities that are subject to stringent reporting requirements.

Equity Instruments

Equity portfolio contains a combination of equity to reduce the impact of depreciation in value. The portfolio is reviewed monthly to track performance and implement any necessary changes

Maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	<u>2018</u>	<u>2017</u>
	\$	\$
Loans and interest owed by members (net)	1,084,247,512	1,010,351,900
Investments classified as loans and receivables	53,338,531	45,137,865
Investments classified as available-for-sale	37,105,350	16,349,174
Cash and bank balances	<u>44,257,026</u>	<u>26,252,806</u>
	<u>1,218,948,419</u>	<u>1,098,091,745</u>

28. FINANCIAL INSTRUMENTS (cont'd)**Financial risk management policies and objectives***Concentration of risk*

The following table summarises the Society's credit exposure for loans at their carrying amounts, as categorised by class of loans:

	<u>2018</u> \$	<u>2017</u> \$
Committee	544,952,414	555,008,450
Cash	166,873,754	152,176,380
Emergency	126,100,461	121,542,140
Consolidation	129,345,339	77,759,551
Education	77,681,607	72,433,070
Information Technology	10,540,047	9,306,478
Surety	4,947,365	4,819,030
Motor Vehicle	23,756,379	19,290,127
Computer	-	24,734
	<u>1,084,197,366</u>	<u>1,012,359,960</u>
Accrued Interest	13,503,134	10,527,788
	<u>1,097,700,500</u>	<u>1,022,887,748</u>
Less: Provision for bad debts	(350,424)	(350,424)
Less: Over-recoveries	(13,102,564)	(12,185,424)
	<u>1,084,247,512</u>	<u>1,010,351,900</u>

Investments

The following summarises the Society's credit exposure for investments:

	<u>2018</u> \$	<u>2017</u> \$
Corporate Bonds	15,079,355	8,495,773
Quoted investments	37,105,350	16,349,114
Repurchase agreements	8,410,441	7,464,640
Government of Jamaica bonds	29,848,735	29,177,452
	<u>90,443,881</u>	<u>61,486,979</u>

(b) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters while optimising return on investments.

28. FINANCIAL INSTRUMENTS (cont'd)**(b) Market risk: (cont'd)***Currency risk*

Currency or foreign exchange 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 and arises mainly from the Society's investment portfolio.

The Society's exposure to foreign currency risk at the date of the statement of financial position was as follows:

Net Assets

	<u>2018</u>		<u>2017</u>	
	US\$	J\$	US\$	J\$
Net Assets	164,364	21,004,076	106,049	13,370,606

Over the twelve month period ended November 30, 2018 there was a 1.45% revaluation in the exchange rate against its United States counterpart. The devaluation since the date of the statement of financial position is approximately 1.45%.

Sensitivity Analysis

A reasonably possible weakening/strengthening of the Jamaican dollar against the United States dollar at November 30, 2018 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates remain constant.

	<u>2018</u>		<u>2017</u>	
	Profit or loss/Equity		Profit or loss/Equity	
	2%	10% weakening	2% strengthening	10% weakening
	strengthening			
	<u>420,114</u>	<u>(2,100,408)</u>	<u>266,183</u>	<u>(1,329,748)</u>

Price risk

The Society is exposed to price risk in relation to quoted equities that are traded on the Jamaica Stock Exchange and investment funds totalling J\$37,105,290 (2017:\$16,349,114).

Sensitivity Analysis

A reasonably possible positive/negative movement in quoted prices at November 30, 2018 would have affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates remain constant.

	<u>2018</u>		<u>2017</u>	
	Profit or loss/Equity		Profit or loss/Equity	
	5% decrease	10% increase	5% decrease	10% increase
	<u>(1,855,265)</u>	<u>3,710,529</u>	<u>(817,456)</u>	<u>1,634,912</u>

Interest rate risk

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

Floating interest rate instruments expose the Society to cash flow interest rate risk, whereas fixed interest rate instruments expose the Society to fair value interest rate risk. Due to the fact that interest rates on the Society's Short-term deposits are fixed up to maturity, the impact on the Society's operations resulting from fluctuations in interest on investments would be insignificant.

The Society's interest rate policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments as determined by the Committee of Management. The policy also requires it to manage the maturities of interest-bearing financial assets and liabilities.

Interest rate Profile

	<u>2018</u> \$	<u>2017</u> \$
Fixed Rate Assets		
Investments	90,443,881	61,487,039
Members Loans	1,084,247,512	1,010,351,900
Fixed Rate Liabilities		
Long-term loans	(23,209,639)	23,320,823
Long-term advances	<u>(83,926,930)</u>	<u>66,845,882</u>

28. FINANCIAL INSTRUMENTS Cont'd**Financial risk management policies and objectives****(c) Liquidity risk**

Liquidity refers to the ability to meet financial obligations and to fund the growth of assets. Liquidity risk is the risk of not being able to obtain funds at a reasonable price within a time period to meet obligations as they come due. Liquidity management includes estimating and satisfying the liquidity requirements of the Society in the most cost effective way. The Society's policy is to hold a high proportion of liquid assets to cover withdrawals at unexpected levels of demand.

(d) Fair values of financial assets and financial activities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for some of the financial assets and liabilities of the Society, the fair values of those assets and liabilities have been presented in these financial statements using various estimation techniques based on market conditions existing at end of the reporting period. Generally, judgments is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the Society would realise in a current market exchange.

The values derived using these techniques are significantly affected by underlying assumptions concerning both the amounts and timing of future cash flows and the discount rates used. The following methods and assumptions have been used:

- (i) The carrying values of cash and cash equivalents, securities purchased under agreements to resell, other assets, and other liabilities maturing within twelve months are assumed to approximate the fair values because of the short-term maturity of these instruments.
- (ii) The fair values of available-for-sale and fair value through profit or loss investment securities are carried at fair values. The fair values of quoted shares are determined based on published quotation of the bid prices existing at the end of the reporting period. The fair values of available-for-sale debt securities are determined in accordance with generally accepted pricing models using prices from observable's current market transactions.
- (iii) The fair values of loans to members are estimated based on the expected future cash flows discounted at market interest rates for similar loans at year end. The carrying values of loans to members approximate the fair values of these loans, since the interest rate charged on these loans are equivalent to the interest rates of similar loans at year end.
- (iv) The fair values of the Society's holding of unquoted shares has not been determined as there is no active market for these shares.

Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 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;

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); 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).

28. FINANCIAL INSTRUMENTS (cont'd)

	2018		
	Level 1 \$	Level 2 \$	Level 3 \$
Available-for-sale securities			
Quoted equity	37,105,290	-	-
	<u>37,105,290</u>	<u>-</u>	<u>-</u>
	2017		
	Level 1 \$	Level 2 \$	Level 3 \$
Available-for-sale securities			
Quoted equity	16,349,114	-	-
	<u>16,349,114</u>	<u>-</u>	<u>-</u>

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. 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 held by the society is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are 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.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

All gains and losses included in other comprehensive income relate to available-for-sale debt securities held at the end of the reporting period and are reported as changes of 'Fair Value Reserve'.


29. COMPARATIVES

Certain balances in the prior year financial statements were reclassified to accord with current year's presentation.

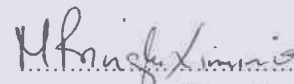
Loans Redemption Fund - Balance Sheet

As At November 30, 2018

	Note	2018 \$	2017 \$
Assets			
Cash and Cash Equivalents	1	21,600,608	51,085,945
Government Securities	2	112,217,303	69,349,641
Scotia DBG:			
Premium Fixed Income Fund		7,060,483	6,015,281
Caribbean Income Fund		7,951,465	7,970,575
Loans Receivable	3	84,115,938	73,127,233
Interest Receivable		-	53,054
Withholding Tax		9,666,299	9,160,416
		<u>242,612,096</u>	<u>216,762,145</u>
Liabilities			
Accounts Payable	4	9,690,838	10,066,097
		<u>232,921,258</u>	<u>206,696,048</u>
Representing			
Revaluation Reserve		44,476	44,476
Loans Redemption Fund		<u>232,876,782</u>	<u>207,384,131</u>
		<u>232,921,258</u>	<u>207,428,607</u>



Errol L. Miller
Chairman



Marva Pringle-Ximinnies
1st Vice Chairman

Loans Redemption Fund - Income & Expenditure


Year Ended November 30, 2018

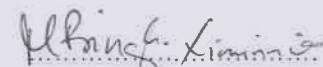
	2018 \$	2017 \$
INCOME		
Contributions	27,328,094	23,960,012
Interest on Investments	5,197,679	2,098,093
	<u>32,525,772</u>	<u>26,058,105</u>
Expenditure		
Bank Charges	27,700	26,626
Administrative Charges	2,525,076	2,427,778
Settlement Claims	4,480,346	2,497,678
	<u>7,033,121</u>	<u>4,952,082</u>
Net Income	25,492,651	21,106,023
Accumulated Fund: 01.12.17	207,384,131	186,278,108
Accumulated Fund: 30.11.18	<u>232,876,782</u>	<u>207,384,131</u>

Shares Enhancement Fund - Balance Sheet

As At November 30, 2018

	Note	2018 \$	2017 \$
Assets			
Cash and cash equivalents	1	9,678,389	16,549,127
Government Securities	2	17,873,111	11,608,057
Accounts Receivable	3	38,192,544	30,654,746
Withholding Tax		5,033,232	4,308,348
		<u>70,777,275</u>	<u>63,120,278</u>
Liabilities			
Accounts Payable	4	157,502	1,069,134
		<u>70,619,772</u>	<u>62,051,144</u>
Representing			
Revaluation Reserve		33,584	33,584
Shares Enhancement Fund		70,586,188	62,584,894
		<u>70,619,772</u>	<u>62,618,478</u>


 Errol L. Miller
 Chairman


 Marva Pringle-Ximinnies
 1st Vice Chairman

Shares Enhancement Fund - Income & Expenditure

Year Ended November 30, 2018

	2018 \$	2017 \$
INCOME		
Contributions	9,439,894	8,851,653
Interest on Investment	2,978,063	192,202
	<u>12,417,957</u>	<u>9,043,855</u>
Expenditure		
Honorarium	-	40,000
Bank Charges	4,155	-
Administrative Charges	987,496	887,412
Settlement Claims	3,425,011	2,098,144
	<u>4,416,662</u>	<u>3,025,556</u>
Net Income	8,001,294	6,018,299
Accumulated Fund: 01.12.17	62,584,894	56,566,595
Accumulated Fund: 30.11.18	<u>70,586,188</u>	<u>62,584,894</u>

Notes To Loans Redemption Fund

As At November 30, 2018

1. CASH AND CASH EQUIVALENTS		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Cash at Bank	21,600,608	51,085,945
2. GOVERNMENT SECURITIES		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
This comprise:		
GOJ Repos	19,052,277	10,000,000
GOJ Stocks	93,165,026	59,349,641
	<u>112,217,303</u>	<u>69,349,641</u>
3. LOANS RECEIVABLE		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Jamaica Civil Service Mutual Thrift Society Limited	71,390,415	63,522,806
Staff Loan Fund	4,766,918	150,000
JCSA Limited	5,882,941	9,454,427
Other Receivables	2,075,665	-
	<u>84,115,938</u>	<u>73,127,233</u>
4. ACCOUNTS PAYABLE		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Administrative expenses	454,734	-
Shares Enhancement Fund	9,236,103	10,066,097
	<u>9,690,838</u>	<u>10,066,097</u>

Notes To Share Enhancement Fund


Year Ended November 30, 2018


1. CASH AND CASH EQUIVALENTS		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Cash at Bank	9,678,389	16,549,127
2. GOVERNMENT SECURITIES		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
This comprise:		
GOJ Stocks	17,873,111	11,608,057
3. ACCOUNTS RECEIVABLE		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Jamaica Civil Service Mutual Thrift Society Limited	33,157,689	19,403,778
Insurance Premium Receivable	798,752	1,184,871
Loans Redemption Fund	4,236,103	10,066,097
Other	-	-
	<u>38,192,544</u>	<u>30,654,746</u>
4. ACCOUNTS PAYABLE		
	<u>2018</u>	<u>2017</u>
	<u>\$</u>	<u>\$</u>
Administrative expenses	157,502	-
Claims Settlement payable	-	1,069,134
	<u>157,502</u>	<u>1,069,134</u>

Staff Loan Fund - Balance Sheet

Year Ended November 30, 2018

	2018 \$	2017 \$
Current Assets		
Staff Loans	7,393,092	3,471,900
Bank Balance	769,818	159,960
	<u>8,162,909</u>	<u>3,631,859</u>
Current Liabilities		
Loans Redemption Fund	4,791,918	150,000
Representing		
Retained Income	<u>3,370,991</u>	<u>3,481,859</u>


Errol L. Miller
Chairman


Marva Pringle-Ximminies
1st. Vice Chairman

Staff Loan Fund - Detailed Income & Expenditure Account

As At November 30, 2018

	2018 \$	2017 \$
Gross Income		
Interest on Loans	195,630	110,022
	<u>195,630</u>	<u>110,022</u>
Expenditure		
Bank Charges	6,521	12,278
Interest on Loans	299,977	18,777
	<u>306,498</u>	<u>31,055</u>

INCOME AND EXPENDITURE ACCOUNT YEAR ENDED NOVEMBER 30, 2018

	2018 \$	2017 \$
Gross Income	195,630	110,022
Gross Expenditure	<u>306,498</u>	<u>31,055</u>
Net (Expenses)/Income	(110,869)	78,967
Retained Income 1.12.17	3,481,859	3,402,892
Retained Income 30.11.18	<u>3,370,991</u>	<u>3,481,859</u>

NOTES & AUTOGRAPHS

PICTORIAL FLASHBACK



Remembering Those Who Passed On

We extend condolences and heartfelt sympathies to the families and friends of Members who have passed on during the last reporting period. Mat their souls rest in peace.

Adams, Micheal - Senior Member
Alberga, Elfreda - Senior Member
Allen-Brissett, Marva - South East Regional Health Authority
Anderson, Chrichencia - Post & Telecommunications Dept.
Asphall, Gladstone - Senior Member
Atterbury, Melissa - Ministry of Education
Bailey , Julley- Rural Agricultural Development Authority
Brown, Merrick- Department of Correctional Services
Bryan , Devon - Senior Member
Campbell, Clarence - Senior Member
Campbell, Corinna - South East Regional Health Authority
Coley, Kevin - Tax Administration Jamaica
Cornwall, Maureen - Southern Regional Health Authority
Daley, Berchel - Senior Member
Ferguson, Veronica - Court Management Services
Freeman, Dorothy - Senior Member
Jackson, Alvin - Department of Correctional Services
Johnson, Dereck - Department of Correctional Services
Knight, Gary - Department of Correctional Services
Matthews , Ransford - Senior Member
McNeil, Paula - Jamaica Customs
Mighty, Rayon - Southern Regional Health Authority
Miller, Michael - Rural Agricultural Development Authority
Mkhize, Victor - Ministry of Finance
Nolan, Beatrice - Senior Member
Peters, Adrain - Senior Member
Searchwell, Roderick - Department of Correctional Services
Steele, Andrea - Forestry Department
Swearing, Orville - Senior Member
Thompson, Magdalene - Ministry of Energy
Thompson, Alecia - KSA Parish Library
Wright, Byron - Senior Member