

The Jamaica Civil Service
Mutual Thrift Society Limited

The 82nd Annual General Meeting



20/22

ANNUAL REPORT

Nurturing Thrift
Through Care

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Notice of 82nd Annual General Meeting



NOTICE is hereby given that the 82nd Annual General Meeting of The Jamaica Civil Service Mutual Thrift Society Limited (The Thrift Society) will be held on Thursday, July 6, 2023, commencing at 3:30 p.m. at JACISERA PARK, 31 Molyneux Road, Kingston 10.

The Meeting is convened for the following purposes:

1. To confirm the Minutes of the 81st 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, 2022
3. To elect 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 and the retiring Members of the Committee of Management shall be eligible for election unless he /she 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 Thrift 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 Officer of the Society and the retiring Members of the Committee of Management are: - Chairman, Errol Miller, and Committee Members, Gennetta Smikle, Cebert Mitchell and Rowena Palmer

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

BY ORDER OF THE COMMITTEE OF MANAGEMENT

Hibbert Anderson
SECRETARY/MANAGER
May 21, 2023

Meeting Agenda

Meeting Called to Order

Mr. Errol Miller, Chairman, Jamaica Civil Service Mutual Thrift Society Ltd.

Invocation

Mr. Leslie Campbell, 2nd Vice Chair / Member of the Committee of Management

Reading of Notice Convening the 82nd Annual General Meeting

Mr. Hibbert Anderson, Secretary Manager, The Thrift Society

The Official Welcome

Mr. Errol Miller, Chairman, The Thrift Society

Introductions / Apologies / Honouring Members who have passed

Mrs. Marva Pringle-Ximinnies, 1st Vice Chairman

Report of the Committee of Management, 2022

Chairman, Errol Miller

Statement of the Independent Auditor

Mrs. Yvonne Davis, Auditor

Presentation and Discussion of Financial Report

Chairman, Errol Miller

Declaration of Dividend & Reading of Resolution

Mr Ceibert Mitchell, Member, Committee of Management

Election of Officers and Members

Appointment of Auditor

Chairman, Errol Miller

Any Other Business

Adjournment



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 are:



Errol Miller
Chairman



Marva Ximinnies
1st Vice Chair



Leslie Campbell
2nd Vice Chair



Beverly Clarke
Member



Cebert Mitchell
Member



Fred Manderson
Member



Gennetta Smikle
Member



Georgia Mogg
Member



Icolyn Coulbourne
Member



Kevin Clarke
Member



Lelieth Barrett-Hamilton
Member



Rowena Palmer
Member



Management Team



Hibbert Anderson
Secretary / Manager



Leslean Bramwell-Benjamin
Accountant



Rhon-Kaniel Bramwell
Systems Administrator



Kaydeen Dennis
Acting Internal Auditor



Kenesha Smalling
Assistant Accountant, Data Control



Sharon Lindo
Loans Manager



Crystal Haber
Data Control Supervisor



Howard Peart
Assistant Accountant, Investment
& Securities

Supervisory Team



Elva Lawrence
Senior Secretary / Stenographer



Kenishia Ellison
Senior Loans Officer



Michelle Hillman
Data Control Supervisor, Records



Tameka Hunter
HR Administrator



Patrice Robinson
Acting Member Service Supervisor

Our Departments



Accounts Department

(l-r back) Simone Dacres, Howard Peart, Chadwick Ricketts
(l-r front) Dwayne Shea, Leslean Bramwell-Benjamin, Janae Burrell



Administration Department

(l-r) Shana Thompson, Breanna Campbell, Hibbert Anderson, Kamuna Dunbar, Erica Dussard (Absent: Elva Lawrence, Tameka Hunter)



Janitorial & Protection Services

(l-r) Austin Brady, Marie Geddes-Whyte, Veron Jackson, Michael Thomas



Data Department

(l-r) Ore Small, Michelle Hillman, Crystal Haber, Raven McKenzie
Inset: Khamisa Flynn

Our Departments



Information Technology

(l-r) Rhon-Kaniel Bramwell and Omari Wallace



Member Services Department

(l-r) Sade Solomon, Samantha Taylor, Patrice Robinson, Donovan James, Shakiyah Samuels, Chamarie Campbell (Absent: Simone McGann-Lewis)



Loans Department

(l-r) Javane Lewis, Sharon Lindo, Kenishia Ellison, Jermaine Matheson
(Absent: Venesha Reid)



Canteen

(l-r) Christine Dillon and Roquel Samuels



The Minutes from the 81st Annual General Meeting

Call To Order / Prayers / Notice of Meeting

The 81st Annual General Meeting of the Jamaica Civil Service Mutual Thrift Society Limited was held on Thursday, October 13, 2022, commencing at 3:30 p.m. at Jacisera Park, 31 Molyneux Road, Kingston 10. Having recognized a quorum, the Chairman, Mr. Errol Miller, called the meeting to order at 3:35 p.m.

At the invitation of the Chairman, Mr. Leslie Campbell, 2nd Vice Chairman led the meeting in prayer. Mr. Hibbert Anderson, Secretary / Manager, read the Notice convening the meeting.



Welcome

The Chairman welcomed everyone to the 81st Annual General Meeting. He indicated that it was indeed an absolute honour to lead the Society in celebrating its 81st anniversary on National Heroes Day, October 17, 2022. He welcomed all members present both face to face and online. Special welcome was extended to Mr. O'Neil Grant, President and Mrs. Tifonie Powell-Williams, General Secretary respectively of the Jamaica Civil Service Association.

The Chairman also recognized Members of the Committee of Management; 1st Vice Chairman, Mrs. Marva Pringle-Ximinnies, 2nd Vice Chairman, Mr. Leslie Campbell and Members Miss Georgia Mogg, Mrs. Gennetta Smikle, Mr. Cebert Mitchell, Miss Beverley Clarke, Mrs. Lelieth Barret-Hamilton, Mr. Fred Manderson, Miss Icolyn Coulbourne, Miss Rowena Palmer and Mr. Kevin Clarke.

The Chairman also welcomed the Secretary/Manager and Members of Staff. He indicated that he was going to do the introduction with a difference. He invited all Members of Staff to introduce themselves to the meeting. The Chairman highlighted that each person played an important role in the organization. The meeting gave a round of applause to all Members of Staff.

The Chairman noted that he was looking forward to the discussions and suggestions and to a productive meeting as we seek to build on the legacy that the founding fathers bequeathed to us. He noted that the venue of the meeting was almost nostalgic as we were again meeting at Jacisera Park which was the home of our Annual General Meeting in the past years. He publicly commended the Jamaica Civil Service Association for the improvements.

Mrs. Pringle-Ximinnies, 1st Vice Chairman was invited to extend special welcome and apologies and to remember those who have passed on during the financial year. In engaging the audience, Mrs. Pringle-Ximinnies indicated that she would break with tradition "because blessing a fall and that is why we could be here because gratitude is a must". She expressed gratitude in an extremely special way to the power that force, that energy wherever we perceive it to be

coming from. She said that there were a few special persons who she would like to note their presence. She introduced Mr. Robert Chung, former Vice President of the Jamaica Civil Service Association and a colleague at the Ministry of Labour and Social Security. Special welcome was again extended to members of the Committee of Management, the President of the Jamaica Civil Service Association, Mr. O'Neil Grant and General Secretary, Mrs. Tifonie Powell-Williams the Management and Staff and special friends from the Bellevue Hospital. Special welcome was also extended to long standing and Senior Member, Miss Edith Stewart.



Obituary

Mrs. Pringle-Ximinnies, on behalf of the Committee of Management, asked members to stand for a minute's silence in observance of those who passed during the last year. She indicated that we lost a number of members whose names were listed on page 35 of the Report. She asked that the following names be included; Cecila Brown, Sonia Roache, Grace Gillroy Beckford, Feona Panton and Janet Gordon and apologized for the omission. She noted that the list was not exhaustive and that we were remembering all those members who were no longer with us. Mrs. Pringle-Ximinnies noted that on a more somber note, we would like to pay tribute to two of our stalwart former members who left us. She noted that Mrs. Una Samms served the Committee of Management for a longtime and that she died at the tender age of one hundred (100) years. She noted that we similarly lost Mrs. Marie Isaacs who also served on the Committee of Management and that she died at the tender age of ninety-six (96) years. May angels guide them and all other departed members to eternal rest and may their souls rest in peace.

Housekeeping

Mrs. Pringle-Ximinnies indicated that the microphones of members participating in the meeting virtually would be muted. She further advised that the microphones would be un-muted when the 'raise hand' feature was used. This would be supported by our technical team.

Apologies

The Chairman informed the meeting that the Officers of the Jamaica Civil Service Association were attending a Retreat and as such an apology for absence was tendered on their behalf. There was no other apology for absence.

Minutes of the 80th Annual General Meeting

The Chairman drew members' attention to the Minutes of the 80th Annual General Meeting contained at pages 10 to 17 of the Report. On a motion moved by Mr. Cebert Mitchell, Ministry of Finance & the Public Service and seconded by Mr. Kevin Clarke, Statistical Institute of Jamaica, the Minutes of the 80th Annual General Meeting were taken as read. There being no amendments, a motion for the adoption of the Minutes was moved by Mr. Junior Young and seconded by Mr. Horace Solomon, Senior Members.

Matters Arising From The Minutes

There was no matter arising from the Minutes.

Report of The Committee of Management - 2020 / 2021

The Chairman invited Members' attention to the Report of the Committee of Management for 2020/21. He noted that the meeting was taking place against the background of a world that is now slowly adjusting after two and a half years of devastation from the Covid-19 pandemic. He further noted that the Society was grateful, that notwithstanding the hardships, the dislocations and the setback, Jamaica was spared the worst and so did our organization. He observed that during the period under review, we had to make a number of business adjustments to remain viable, adjustments that ensured that the members and the Society were not unduly exposed. By making the necessary modifications, we were able to end the year, November 30, 2021, with continued prudence and success in our operations.

He highlighted some of the major areas of our financial performance in 2021 with some comparison with the year 2020 as under:

Description	2020 \$	2021 \$	Increase / Decrease
Total Assets	1.39B	2.17B	56%
Members Shareholdings	1.26B	1.35B	\$93B or 7%
Loan Portfolio	1.24B	1.41B	\$167M or 13.4%
Gross Revenue	212.3M	230.8M	\$18.5M or 8.7%
Total Operating Expenses	\$170.8M	\$193.9M	\$23.1M or 13.5%
Loans Disbursed	\$757.9M	\$962.3M	\$204.3M or 27%.
Net Surplus	\$53.9M	\$54.3M	

Total operating expenses, despite our best efforts at cost containment, moved from \$170.8M in 2020 to \$193.9M in 2021, an increase of \$23.1M and this would have been occasioned by several factors such as an increase in staff complement as well as improvement in salaries and other conditions of employment. Loans disbursed moved from \$757.9M in 2020 to \$962.3M in 2021, an increase of \$204.3M or 27%. The Net Surplus on our operations in 2021 was \$54.3M, a marginal increase over 2020 which was \$53.9M. The Committee of Management therefore declared a dividend of 2% paid on shares as at November 30, 2021.

The Chairman pointed out that the Society's membership growth was flat as in 2021 there was a slight increase of 3% moving the total membership from 14,828 to 15,278. Non-Performing Loans stood at \$25.8M or 1.8% of the Loan Portfolio of \$1.41B in 2021. It had been reduced from \$31.2M in 2020 which was 2.5% of our loan portfolio of \$1.24B.

During the course of 2021, the Society continued to demonstrate our commitment as good corporate citizens. Our Scholarship Programme to benefit the children of members with much needed high school education assistance valued four-and-a-half million dollars but another \$600,000 was directed to support various charities, civic associations, and community outreach initiatives.

The Chairman reported that the Society continued to manage the special funds. The Loans Redemption Fund and the Shares Enhancement Fund were established in 1971 and 1991 respectively to help the members and their beneficiaries to settle loan balances arising from deaths and/or permanent disabilities. During the 2021 financial year, claims satisfied by the Loan Redemption Fund and the Shares Enhancement Fund amounted to \$10.5M and \$6.2M respectfully. At the end of November 2021, the Loans Redemption Fund stood at \$321.5M while the Shares Enhancement Fund was \$92.9M.

The Chairman also reported on the strengthening of the capacity of our Human Resources through staff development and training by investing in our staff and supporting their participation in various internal and external courses, seminars



and workshops. The physical distancing under the Covid 19 pandemic conditions, he said, resulted in greater reliance on technology to ensure that the Thrift Society was able to continue its meetings. He reported that in 2021 there were fifty (50) meetings of the Committee of Management and sixty-four (64) Sub-Committee meetings, all held virtually. He directed members' attention to the summary of meetings in the Report.

The Chairman paused to extend special welcome to the seventy-five (75) members who joined the meeting virtually. The meeting applauded the decision to have virtual participation. The Chairman invited discussions on the Report.

Mr. O'Neil Grant, Ministry of Agriculture & Fisheries and President of JCSA,

commended the Committee of Management and the membership of the Society for the year's performance. He recognized that as a Society, we went through a very difficult period with the Covid 19 pandemic but he also recognized and commended the growth that took place in the organization throughout that difficult period. He noted that the Society had expanded its services to the membership, notwithstanding the difficult period, and suggested that the best time to look to the future was when there was a crisis. The Chairman thanked the President for his kind remarks and invited a motion for the adoption of the Report. It was moved by Mr. O'Neil Grant, Ministry of Agriculture & Fisheries and seconded by Mr. Caron Smith, Statistical Institute of Jamaica and carried.

Early Bird Prize

Mrs. Pringle-Ximinnies, in drawing the early bird prize, said that the winner knows herself as she was the first member at the venue and that it was also her birthday. Mrs. Jacqueline Brown-Kinghorn, the winner, was introduced to the members who sang happy birthday to her. Congratulations were also extended to her for winning the early bird prize.

Auditor's Report and Financial Statements -2020 / 2021

The Chairman invited Members to turn to the Report of the Auditor contained at pages 27 to 38 as well as the Financial Statements at pages 39 to 70 of the Report. He took the opportunity to welcome Mrs. Yvonne Davis, External Auditor and Miss Michelle Gordon, her Assistant, who both joined the meeting online. He invited Mr. Ewart Baker, Accountant, to join the head table.

On a motion moved by Mr. Cebert Mitchell, Senior Member and seconded by Mrs. Jacqueline Brown-Kinghorn, the Reports were taken as read.

The Chairman invited discussions on the Report.

Mr. Xavier Hutchinson, of Ministry of Finance, who joined the meeting online, questioned the increase in the Operating Expenses in 2021 over 2020 despite the cost containment. The Accountant, Mr. Ewart Baker, advised the meeting that two of the major contributors to the increase were costs for additional staff and salary adjustments. He further explained that there were consequential increases in statutory costs, health insurance, pensions and other staff welfare expenses including lunch

subsidies. These were unavoidable operational costs which impacted the service provided to members.

Mr. Hutchinson also noted that investment took a nose-dive and enquired if it was a deliberate policy, or if it just happened that there was a reduction in Investments. The Accountant explained the impact of Covid-19 and noted that some investments funds were channeled into granting loans to members.

There being no other questions on the Reports, the Chairman drew members' attention to pages 21 and 22 of the Report. He stated that the Committee of Management was proposing that the Net Surplus of \$44.4 M be appropriated as follows:

- Dividend \$26.8M
- General Reserve \$4.0M
- Retained Income \$13.6M

A Dividend of 2% was declared. The following Resolution was therefore moved by Mr. Cebert Michell, Ministry of Finance & the Public Service and seconded by Miss Janet Lewis of Post and Telecommunications.

Whereas after the provision of taxation of \$6.8M and a net profit of 444.4M and the proposal to pay dividend of \$26.8M in accordance with Rule XXII(c), the Committee of Management having declared a dividend of 2% payable on shares held as at November 30, 2021 to subscribed members on the Register of Members at February 28, 2022, it is hereby proposed that the recommendation for the payment of dividend of \$26.8M at the rate of 2% per annual be accepted by the general membership.

In keeping with Rule IX, Dividend would be paid to members with no loans or loans within share-holdings and members with loans in excess of shareholding would elect to have dividend credited either to their shares or loan accounts.

The motion was voted on and carried.

Election of Officers

Mr. O'Neil Grant, President of the Jamaica Civil Service Association was asked to conduct the elections. Mr. Grant informed members that it was an honour once again to officiate over the election of Officers of the Jamaica Civil Service Mutual Thrift Society at its 81st Annual General Meeting. He explained that the Notice received by Members indicated that the persons for election were:

- 1st Vice Chairman, Mrs. Marva Pringle-Ximinnies
- Committee Members Miss Georgia Mogg, Mr. Kevin Clarke and Miss Icolyn Coulbourne.

Mr. Grant advised that there were no other nominees for the positions declared and in accordance with the Rules of The Jamaica Civil Service Mutual Thrift Society Limited, all the members have been returned unopposed. He therefore declared that the election of Officers at the 81st Annual General Meeting were 1st Vice Chairman, Mrs. Marva Ximinnies and Committee Members Ms. Georgia Mogg, Mr. Kevin Clarke and Ms. Icolyn Coulbourne.

Mr. Grant, in craving the indulgence of the meeting, noted that he was requested to be elsewhere and having concluded his official business he expressed good wishes for the rest of the meeting. The Chairman thanked Mr. Grant for his assistance and wished him a safe journey. Miss Coulbourne expressed thanks to the meeting on behalf of herself and the other newly elected members, Mrs. Marva Pringle-Ximinnies, Miss Georgia Mogg and Mr. Kevin Clarke for the confidence bestowed in electing them for another term. She said that they were looking forward to serving in the usual professional and exceptional manner.

Appointment of Auditor

The Chairman indicated that the External Auditor had played a critical role in the Society's operation and thanked her for her services over the last year. He said she had indicated a willingness to serve and invited a motion for the appointment of the Auditor for the ensuing year.

On a motion by Mr. Junior Dunn, Senior Member and seconded Mrs. Rita Clarke- Thomas, Senior Member, the meeting appointed Mrs. Yvonne Davis as the Society's Auditor for the year 2021/22. Mrs. Davis expressed her gratitude for having been appointed External Auditor and said that she looked forward to working with the Society for another year.

Any Other Business

a. HOSTING OF THE 80TH ANNUAL GENERAL MEETING

Mr. Junior Dunn, Senior Member, asked what was the size of the room that the Society used to host the last meeting at the Jamaica Conference Centre, given that it was limited to twenty five (25) persons. The Chairman confirmed that it was a large room but Mr. Dunn was of the view that the Jamaica Conference Centre was unkind to the Society by providing the large room. Mr. Mitchell reminded the meeting that we were required to exercise physical distance as it was during the Covid-19 pandemic.

b. CHALLENGES IN CONTACTING THE SOCIETY.

Mr. Hutchinson mentioned that it had been almost impossible to contact the Society via telephone. He asked if something could be put in place to make it easier to contact the office. In response, the Chairman explained that the Society had been trying to deal with this situation over the years and that several systems had been put in place but the problem still seemed to persist. He made mention of other entities that have had to engage call centers and remarked that such a solution may be too expensive for the Society at this time.

The Chairman noted that the Society was using other platforms to communicate with our members. He invited the Secretary/Manager, Mr. Hibbert Anderson, to inform the meeting of some of the platforms that could be used to contact the Society.

The Secretary / Manager named the following platforms: -

- **Text Messages** could be sent to 876 815-1952
- **Tawk-To** - an App on the Society's Website where Members log in and speak to the Society's Member Service Team
- **Online Services** where members could log on to the online services to do a host of transactions including withdrawals, applying for loans and making enquiries and other services.

c. NEW BUILDING

Mr. Gary Mowatt, Senior Member, asked if there was a report on the Society's new building. In response, the Chairman indicated that the Society had not yet commenced construction. He noted that there were a number of preliminary steps and procedures such as obtaining the requisite approvals from the authorities, engaging various consultants and contractors and obtaining financing for the construction. He said that we were not at the construction stage but the matter was being actively pursued.



d. DELINQUENT LOANS

Mrs. Suzette Grant, Ministry of Local Government, raised concerns about the timeframe that sureties are advised that the borrower was delinquent. She proposed that the surety should be informed after two (2) months that the borrower was not paying the loan so that the Surety could assist the process. She further proposed that the Society review the matter and suggested that a text message could be sent, similar to the birthday message, indicating that the member was delinquent.

In response the Secretary/Manager apologized to members for the inconvenience they were experiencing and noted that the Society was examining the matter with a view to making improvements.

The Chairman empathized with the members' situation and assured the meeting that the Committee of Management had given instructions that after ninety (90) days the surety must be advised of the delinquency of the borrower.

Mr. Allan Carter of the Ministry of Health & Wellness said that his account was closed without his knowledge. But he noted that he gets good service and has referred his coworkers to use the WhatsApp number. The Secretary / Manager reassured Mr. Carter that his account was not closed but a limitation in accessing his account was placed on the account.

Miss Dionne Neufville Fraser, Southern Regional Health Authority, asked why the member had to be penalized when the remittances were late in coming from the Departments. The Chairman indicated that the Department, having deducted these funds from salary, had a responsibility to pay them over to the Society. Unfortunately, the Society does not have the power to take action against the MDA and as a consequence he suggested that the members place pressure on their MDAs to ensure that the funds were remitted on time.

Miss Jacqueline Ramsey of South East Regional Health Authority, said that she was affected by members who became delinquent. She stated that she reached out to someone for whom she stood surety to inform her of her delinquency and she was blocked by the member. She said further that persons were going to the "loan sharks" to borrow and she observed that those deductions were being prioritized over the Society's Loans.

She enquired if the Thrift Society could advise the Accounts Department in the various Ministries to give priority to the deductions from the Society. The Chairman in response, said that while he understood the difficulty, the Society cannot dictate what payment should be given priority.

Mr. Robert Chung, Senior Member, indicated that the Thrift Society was a part of the JCSA and he was of the view that the JCSA could make representation to the Ministry of Finance & Planning to put in place a policy regarding these issues.

The Chairman thanked Mr. Chung for his suggestion and advised that it would be passed to the JCSA. Mrs. Stacy-Ann Dias, Auditor General's Department, indicated that fortunately she had never faced such a situation but stated that the JCSA could only do something if the person remains with the Government. Members indicated that the issues were different but noted that the decision to sign for someone was a serious responsibility and therefore one must carefully consider this when one decides to do so.

e. SALARY DEDUCTIONS

Mrs. Karen Lewis-Atkinson, Forestry Department enquired when salary deductions were uploaded to the member's account as some problems were being experienced in that area. The Secretary / Manager indicated that once the Salary deductions were received, they were posted to the member's account within twenty-four (24) hours. He however outlined a major challenge that the Society was having with some Payroll Departments as too often the remittance was not accompanied by a list of members for whom the deductions were made.

f. INTEREST RATES

Miss Jacqueline Brown-Kinghorn posed questions on behalf of members online who had no access to a microphone. She enquired about the Society's interest rates on loans compared to the commercial bank. The Chairman noted that he was uncertain how the bank calculated their interest rates and whether there could be hidden costs, but he explained that the Society's interest rates were calculated on the reducing balance which meant that the more you pay on your loan, the less interest you pay as the principal was reduced.

Prizes were awarded to some members who joined the meeting virtually.

Closing Remarks

The Chairman observed that the meeting was coming to a close. He said that he listened to the suggestions and the comments and noted that they would be discussed by the Committee of Management and implemented

where possible as the intention was to ensure that the welfare of members was always paramount.

He further noted that the Society would ensure that the services that we provide and the products that we offer were always at the highest level and reminded members that the Society understood and treated their concerns far superior to the loan sharks.

He assured the meeting that the Society was always tweaking its products and services to ensure that members were better served.

He therefore thanked all members, not only those joining physically at Jacisera Park, but also those who had joined online for their attendance and participation in another AGM.

He especially thanked the planning team, the Marketing and Communications Sub-Committee and the Information Technology Sub-Committee and the members of staff for their efforts in staging a successful meeting .

He expressed appreciation to the External Auditors for the service provided over the years, the Stenotype Writers who recorded the discussions and the technical team. Special thanks were extended to the President of the Jamaica Civil Service Association who assisted with the election process. He noted that the Society was looking forward to another successful year God's willing and wished everyone safe journey home. He invited a motion for the termination of the meeting.

Termination

On a motion by Mr. Junior Dunn, Senior Member and seconded by Mr. Horace Salmon, Senior Member, the meeting terminated at 5:45 p.m.



Nurturing Through Care

As an organization the Thrift Society has not only shown care for Members, but through its outreach and community programme has demonstrated care for the welfare of others. Every year we do this by supporting several worthy causes. This year we salute.





The 2022 Report of the Committee of Management

During 2022, it was all hands on deck as the Society continued to adjust to the new normal after the Covid-19 Pandemic. The Society was forced to apply different business strategies and set long-term goals to improve performance. Consequently, we have begun to embark on the development of a three-to-five-year Strategic Plan and to re-define our Mission and Vision. Six strategic goals were developed, namely, to: **Maintain Profitability; Improve Customer Service; Expand Membership and Product Diversification; Upgrade Technology and Process Flow; Expand Staff Training and Team Building and Improve Physical Capacity.**

Together, these strategic aims will contribute to our mission “To provide exceptional financial services for our growing membership through improved customer service in a technology driven environment”. As we build on our achievements and seek to improve performance, we rely on our team members to work together to reach our common vision of “Increasing thrift, wealth, and financial stability among our members”.

Core Value Statement and Mandate

At the Society, we are committed to the highest standards of ethics and integrity in ensuring your financial security. In discharging our responsibilities, we do so with customer service excellence and wise financial management. Our interactions with all segments of society reflect confidence in the high standards we profess in effectively and efficiently carrying out our prudent Savings and Loan responsibilities. The mandate of the Society is therefore: To promote thrift and provide loans to members at competitive interest rates, and to be the leading Savings and Loans institution for Public Servants and Government Pensioners.

Macroeconomic Outlook

According to the Bank of Jamaica (BOJ) 2022 Annual Report, “The domestic economy is estimated to have grown in 2022 with quarterly GDP returning to pre-pandemic levels in the December 2022 quarter”. BOJ reported that Jamaica’s economy grew by an estimated 4.5% - 5.5% during 2022, faster than the growth of 4.4% recorded during 2021. Jamaica’s Gross Domestic Product (GDP) began to expand, reflecting continued recovery in different sectors. This rising economic activity boosted labour market conditions resulting in the unemployment rate falling below pre-pandemic levels. One of the major indicators was the inflation rate, which totaled 10.34% for 2021/2022.

Amidst all this, negotiations were ongoing between Government and public sector workers, which we watched in anticipation that increased income for members would result in increased business to the Society. This means that with improved revenue to the Society we would be empowered to offer new and improved product offerings.

Highlights of 2022 Financial Results

During the period under review, and in response to the highly competitive and improving macroeconomic environment, we enhanced some of our loan products and offered members a historic Loan Sale during the months of June to September 2022. Maximum loan limits were increased, interest rates were slashed, and the duration of loans extended.

Major policy restrictions in spending were applied during the reporting year, resulting in overall expenditure increasing by only 7.66%.

Total Assets increased from \$2.17B in 2021 to \$2.51B in 2022, an increase of \$343M. Share Capital grew from \$1.353B in 2021 to \$1.388B in 2022; an increase of 2.5%. Gross Revenues also grew to \$284.2M for 2022, an increase of 13.6% over the \$248.2M recorded at the end of 2021.

Loan Portfolio grew by 19.64% from \$1.41B in 2021 to \$1.68B in 2022; an increase of \$0.277B.

Total Expenditure increased marginally by 8.07% from \$193.9M in 2021 to \$209.6M in 2022.

At the end of November 30, 2022, the Society's Surplus before taxes increased by 37.38%, when compared with the similar period in the previous financial year, moving from \$54.29M in 2021 to \$74.58M in 2022. This has been the largest increase in surplus over the past 20 years and can be seen as an encouraging sign as the support and loyalty of members grow stronger.

Total Assets

Total Assets increased from \$2.17B in 2021 to \$2.51B in 2022, an increase of \$343M – a commendable performance despite the challenging macroeconomic and highly competitive environment. A significant portion of this improved performance is attributable to the Loan Principal and Interest Income which increased by \$276M from \$1.41B in 2021 to \$1.68B at the end of 2022. Gross Revenues grew to \$262.1 million for 2022, an increase of 13.60% or \$31.38 million on the \$230.7 million at the end of 2021.

Balance Sheet & Income Statement

For successive years, the Thrift Society experienced stronger and improved performances in its Balance Sheet and Income Statement. At the end of the period under review, our Share Capital grew from \$1.35B in 2021 to \$1.38B in 2022; an increase of 2.5%.

Loans and Interest owed by members recorded growth of \$276M or 19.6% moving from \$1.41B in 2021 to \$1.68B in 2022. At the same time, we are able to manage expenditure expectations under very tight circumstances which saw increase in Total Expenditure by 8.07% from \$193.9M to \$209.6M in 2022. The containment of expenditure

speaks for itself, as tighter policies were applied during the year. The overall effect was \$74.58M in Net Income before taxation [\$54.28M – 2021].

Changes in Key Areas

The net growth reflected in the three key areas of the Balance Sheet namely Total Assets, Loans and Interest Receivable, and Share Capital were all positive and is a testament of the Thrift Society's resilience and the fact that our organization continues to demonstrate the requisite confidence and Member loyalty vital for its continued and successful operation. The movement in these indices over the last 5 years (2018-2022) is shown in the accompanying graphs and charts.

Revenues

The Society recorded improved performance in its revenue growth in 2022, due primarily to the results of the Loan Sale offered to members during the months of June 2022 to September 2022.

The overall effects on Interest Income and other revenues was a \$32.12M or 13.98% increase, resulting in a movement from \$229.66M in 2021 to \$261.78M in 2022. The Society also recorded an increase of 37.38% or \$20.29M in its surplus before taxes in 2022, from \$54.28M to \$74.58M.

Administrative Expenses

Total Operating and Administrative Expenses increased over the previous financial year by 8.07% or \$15.7M up from \$193.9M in 2021 to \$209.6M in 2022. The minimal increase was directly attributed to a tightening of general spending, at a time when many uncertainties were occurring within the market. At the beginning of the financial year, loan demand was low when compared to the previous financial year. Market conditions forced members to access loans that were more attractive.

While the loan sale significantly increased loan demand, another uncertainty existed, which was the public sector ongoing wage negotiations. The Society watched intently the outcome of the negotiations. The most suitable and effective response was to tighten expenditure, in the event interest income did not perform as well as projected, while reviewing the loan policy to determine the enhancements to be made.

The growth of our operations and the demands of managing the business in the post Covid-19 pandemic

environment required both extraordinary human and technical resources to maintain service quality.

Loans and Advances

While the number of loans approved increased from 16,051 to 16,987 or by 5.83%, the total value of loans disbursed recorded a significant increase of 21.95% or \$211.38M from \$962.2M in 2021 to \$1.174B in 2022. This had an impact on our Interest Income which recorded a 13.98% increase.

Committee Loans outperformed other types of loans approved with 26.67% increase over the previous year, compared with 14.52% increase in Same Day Loans. It was evident that the loan sale impacted Debt Consolidation, Motor Vehicle and Regular Committee Loans recording their highest percentage growth with a combined increase of 33.93%, moving from \$463.0M in 2021 to \$620.1M in 2022.

This positive loan performance was made possible through careful review of the loan policy. The Society made important shifts in its policy in response to the changing market conditions, and ultimately the needs of members.

Table 1 details the 2021 and 2022 comparison of the number and main categories of loans disbursed:

Non-Performing Loans

The challenges posed by the Covid-19 pandemic contributed adversely to an increase in our Non-performing Loans as the Society made several special approvals to members who were affected, the results of which some members' accounts eventually becoming delinquent. In addition, our new computer system has now incorporated into the Non-Performing Loans report, a number of accounts where no contributions were being made and which were previously not captured as delinquent.

These loans, with payments outstanding for three consecutive months or more, stood at \$80.2M or 4.75% of the Total Loan Portfolio of \$1.68B in 2022. This is significantly up from 1.8% in 2021 or \$25.8M against a Total Loan Portfolio of \$1.41B. In spite of this increase, the Society's delinquency rate is still below industry standards. Details of the number of such loans and the total amounts outstanding at November 30, 2022 are contained in the Table 2 below:

Table 2: **Loans and Advances**

	No. of Cases and Amounts for 2022		No. of Cases and Amounts for 2021	
Accountant General's Department	57	\$16.48	37	\$ 7.50
Loans Redemption Fund	-	\$ 0.00	17	\$2.60
Surety Accounts	173	\$63.75	50	\$15.70
Total Outstanding	230	\$80.23	104	\$25.80

Of the two hundred and thirty (230) Non-Performing Loans amounting to \$80.23M, fifty-seven (57) amounting to \$16.48M resulted from retirements from the Public Service, while one hundred and seventy-three (173) were due to resignations, terminations or other separation from the public service. It is to be noted that past due loan accounts consequent on the death of members were removed from the Report as provision is made for their liquidation from the Society's Loans Redemption Fund upon the production of suitable proof of death documentation by their beneficiary/estate. Past due Loan accounts arising from members retiring are expected to be settled from pension gratuities payable by the Accountant General's Department and other private pensions schemes.

Net Income After Taxation

The Society realized a surplus on its operations for 2022 of \$74.58M compared to \$54.28M in 2021. We recommend that after provision of \$11.98M for taxation, the Net Profit of \$62.60M be appropriated as follows: -

- Proposed Dividend \$25.95M
 - General Reserve \$ 4.00M
 - Retained Income \$32.65M
- \$62.60M

Table 1: **Loans and Advances**

	2022		2021	
	Qty	Value	Qty	Value
Same Day Loans				
Cash Loans	5552	185.4M	5011	149.5M
Emergency Loans	6571	159.2M	7090	159.0M
80TH Anniversary Loan	1805	92.6M	1164	80.9M
Insurance Premium Loans	15	1.5M	21	1.8M
60TH Anniversary Loan	175	9.1M	-	-
	14118	448.8M	13286	391.2M
Committee Loans				
Consumer Durables	752	97.8M	752	97.7M
Education	577	90.7M	577	90.7M
Home Improvement & Land Acquisition	399	89.3M	399	89.3M
Consolidation of Debt	350	168.5M	350	168.5M
Motor Vehicle Repairs & Insurance	172	65.8M	172	65.8M
Medical, Dental & Funeral Expenses	76	7.4M	76	7.4M
Computer & Technological Devices	343	41.6M	343	41.6M
Travel & Vacation	13	2.1M	13	2.1M
Business Venture	17	3.9M	17	3.9M
Utilities	66	3.1M	66	3.1M
Other Committee Loans	21	2.7M	21	2.7M
	2869	725.6M	2786	572.8M
	16987	1,173.6M	16051	962.3M

Another Dividend Payout

We have declared a dividend of 2% payable on Shares held at November 30, 2022 to Shareholders on the Register of Members at February 28, 2023.

In keeping with the Rule IX, the Committee of Management recommends that available 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.

Corporate Responsibility & Outreach

The Thrift Society continued to demonstrate our commitment to corporate social responsibility through a scholarship programme by assisting children with critically needed supplies towards their education and involvement and support including financial contributions to various civic associations and community outreach projects.

In education, twelve (12) scholarships with a value of \$600,000.00 were awarded in 2022. This being a particu-

larly challenging year, the needs remained just as strong as are the various projects and causes. Overall, a total of \$150,000 was channeled to our various special assistance programmes. Beneficiaries included:

NAMES	SCHOOL
Naomi Pellington	St. Andrew High School
Kami-Lee Hines	Burmar High School
Ashley Heywood	Excelsior High School
Deboneil Brissett	Immaculate Conception High School
Ronique Pennie	St. George's College
Jamila Haynes	Immaculate Conception High School
Samania Williams	St. Andrew Technical High School

Tyreece Pellington	Calabar High School
Aymani Allen	St. Georges College
Johnathan Grizzle	Herbert Morrison Technical High School
Nikolai Moncrieffe	Ardenne High School
Josiah-Joel Di Carlo	St. George's College
Shaniece McCalla	University of the West Indies

Membership

Membership growth was for the second consecutive year unexpectedly flat in 2022. Total Membership now stands at 15,599, a slight increase of 2% over last year. Understandably, due to the residual effects of the Covid-19 pandemic we continued to suppress our expected levels of marketing and promotional engagements necessary to drive membership growth. The Table below shows the movement in Membership over the last five (5) years:

	2022	2021	2020	2019	2018
Opening Membership	15,278	14,828	14,089	13,835	13,574
New Members	570	609	917	639	449
Resigned Members	(249)	(159)	(178)	(385)	(188)
Closing Membership	15,599	15,278	14,828	14,089	13,835

Status of Special Funds

The two special funds - the Loans Redemption Fund and the Shares Enhancement Fund managed by the Thrift Society continue to serve Members well. The Funds established in 1971 and 1991 respectively provide assistance to Members and their beneficiaries in settling loan balances arising from the death or permanent disability.

During the 2022 financial year, claims satisfied against the Loans Redemption Fund amounted to \$10.5 million while claims against the Shares Enhancement Fund were \$6.2 million. The value of the Funds as at November 30, 2022 stood at \$367.8 million for the Loans Redemption Fund

and \$105.9 million for the Shares Enhancement Fund.

Staff Development and Training

Staff development and training are vital to the functioning of the organisation and remained a priority. The Society believes in its human resources and continues to invest in them with both internal and external courses, seminars and workshops.

Corporate Governance

Every effort has been made to maintain our Committee and Sub Committee meetings and the exercise of the necessary corporate governance arrangements. It is not easy as some meetings were mainly remote and virtual. During the year, face-to-face meetings were introduced on a partial basis.

Six members of the Committee would report physically for the meeting, while the other six would join the meeting virtually. This was done to gradually bring back members of the Committee to full face to face meetings. 51 meetings of the Committee of Management and 57 Sub-Committee Meetings were held online as follows:

TYPE	NUMBER OF MEETINGS HELD
Committee of Management	51

Sub Committees:

Marketing / Communications	12
Finance	14
Human Resources	11
Real Estate	4
Pensions Trustees	2
Information Technology	4
Scholarship	1
Other	9

The Table below shows the attendance / participation of Members at the 51 meetings of the Committee of Management convened during the year:

Member	Meetings Attended	Excused	Remarks
Mr. Errol Miller (Chairman)	51	-	-

Mrs. Marva Pringle Ximinnies (1st Vice-Chairman)	51	-	-
Mr. Leslie Campbell (2nd Vice-Chairman)	45	6	Granted Leave
Mr. Fred Manderson	51	-	-
Miss Georgia Mogg	51	-	-
Mrs. Lelieth Barrett- Hamilton	46	5	Granted Leave
Mrs. Gennetta Smikle	51	-	-
Miss Icolyn Coulbourne	51	-	-
Mr. Cebert Mitchell	51	-	-
Miss Beverley Clarke	51	-	-
Mr. Kevin Clarke	51	-	-
Miss Rowena Palmer	47	4	Granted Leave

Society and to our staff who, even when confronted with their own challenges, remained steadfast, loyal, dedicated and fully committed. Our survival, achievements and successes would not have been possible without you.

We also express appreciation to Mrs. Yvonne E. Davis, ACCA, FCA, who has been Auditor to the Society for a number of years, our affiliate organizations - the Jamaica Civil Service Association, JCSA Limited, JCS Housing Company - and all other persons and organizations that assisted in continuing the project on which we have embarked for the past 84 years and to which we remain fully committed.



Errol L. Miller
Chairman

Condolences

We pause once again to remember those members who transitioned during the period under review and to extend sincere condolences to their families and friends. The list on page 28 may not be complete and any omission is regretted.

Acknowledgement and Thanks

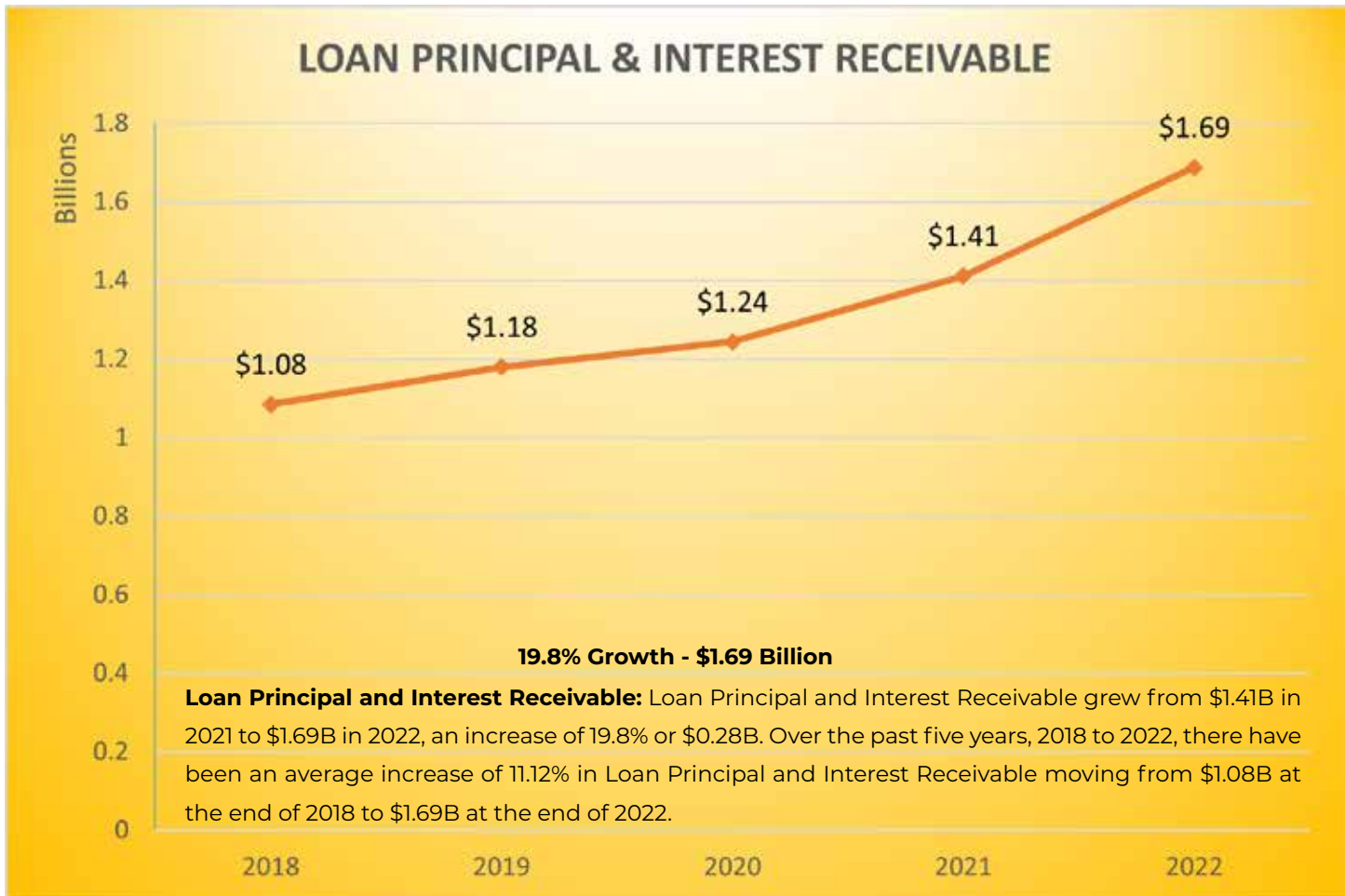
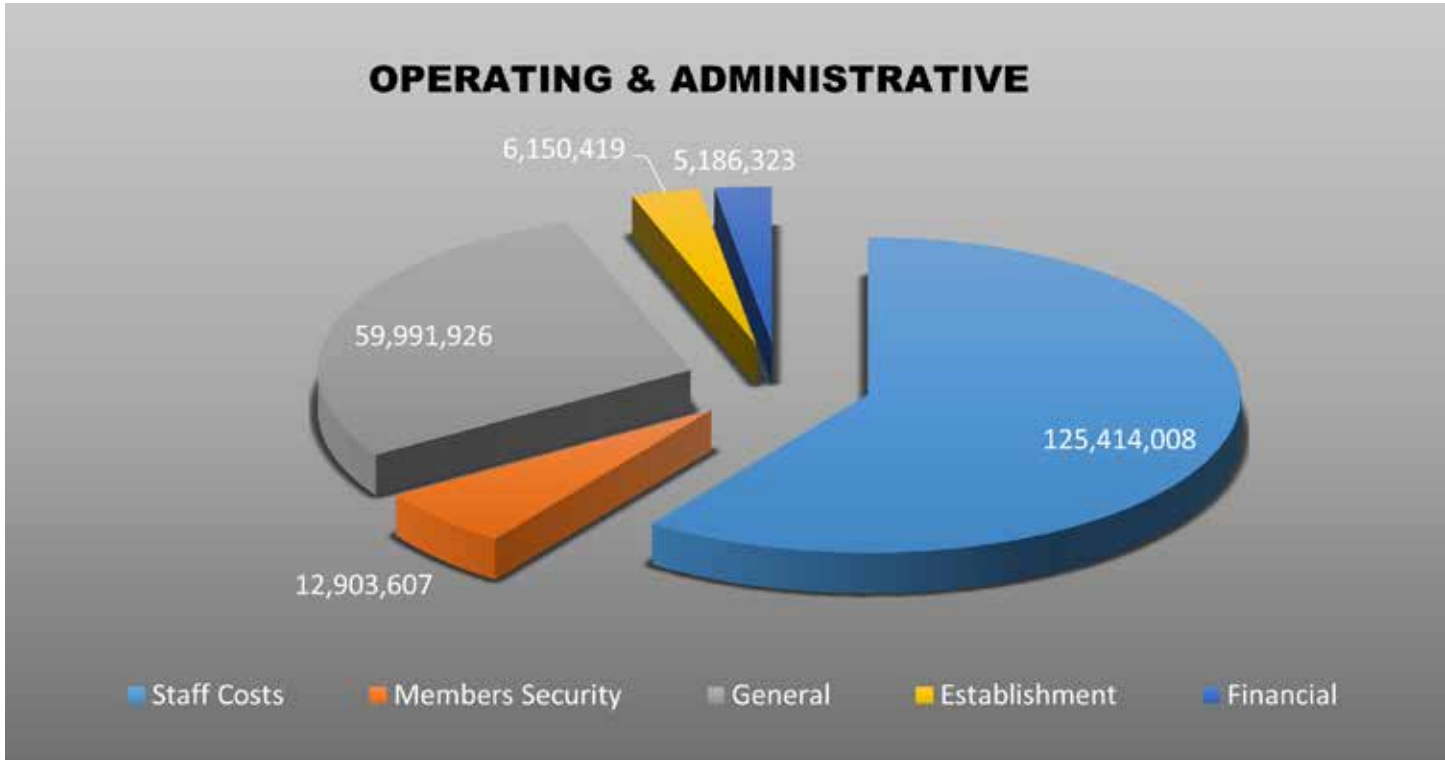
By any measure, 2022 was a tough year for business not only for the Jamaican society but also for Members of the Thrift Society. The fact that we survived is a clear test of our resolve and tenacity.

But there is too a measure of the blessing of the Almighty and for which all of us are eternally grateful, for it could have been far worse.

The Committee of Management expresses its appreciation to all who made the year - notwithstanding the challenges faced, another year of meaningful progress and measured success. We thank you, our valued Members for your continued confidence in the Thrift

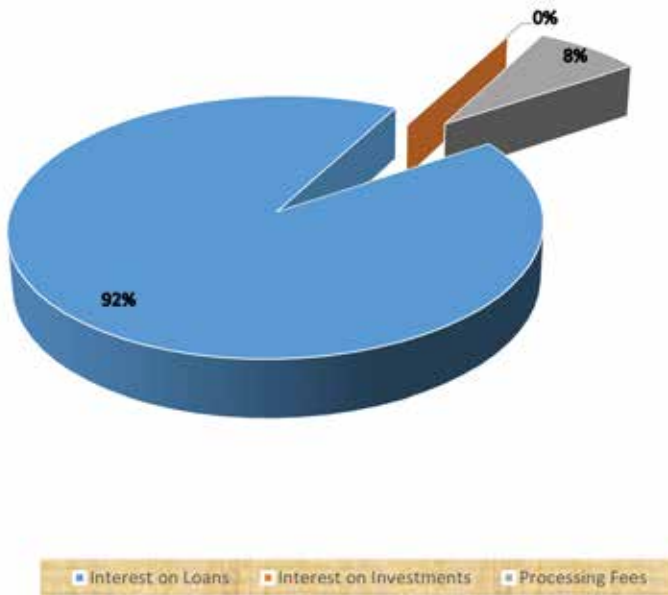
Financial Performance at A Glance

A breakdown of the major components of our Operating and Administrative Expenses for the financial year is reflected in the chart below:



Financial Performance at A Glance

Sources of Income 2022

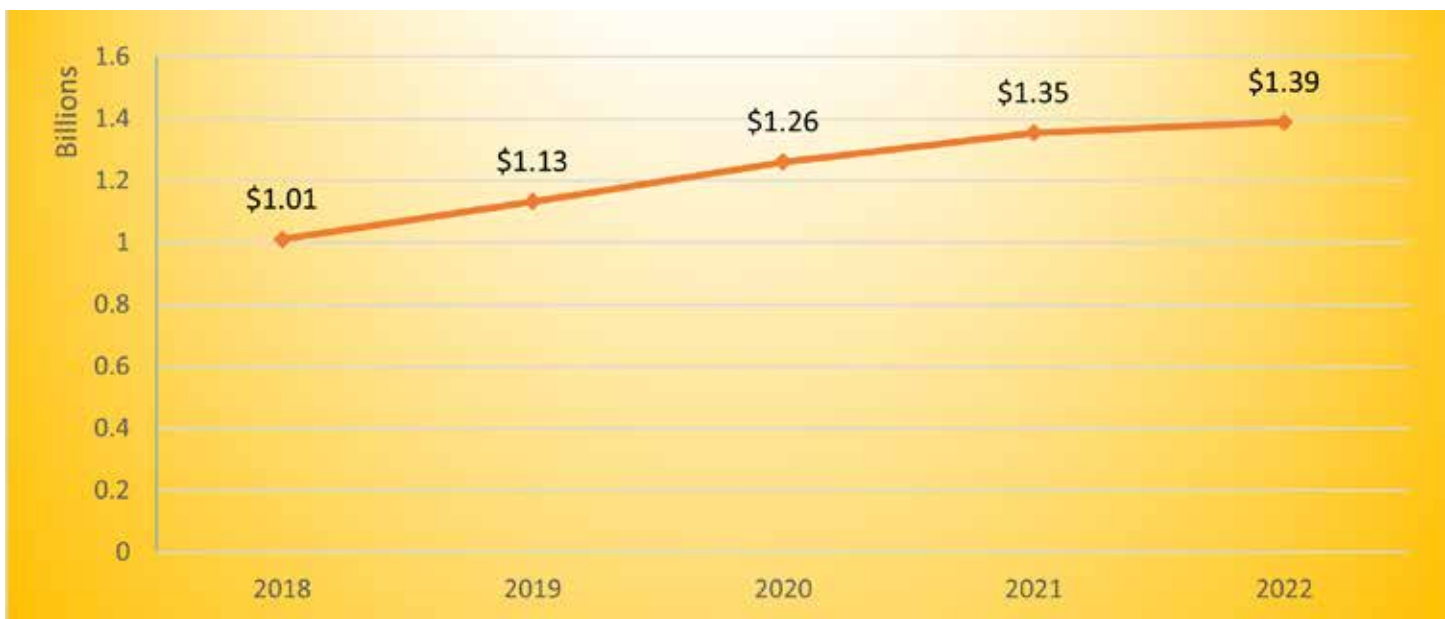


Total Assets: There was a 15.67% or \$0.34B on growth in Total Assets which moved from \$2.17B in 2021 to \$2.51B in 2022. Over the past five years, 2018 to 2022, there have been an average increase of 11.25% in total assets moving from \$1.61B at the end of 2018 to \$2.51B at the end of 2022.

**Total Assets \$2.5 Billion.
15.6% Growth**



Share Capital: Growth of 2.5% to \$1.39 Billion



Share Capital: Growth of 2.57% or \$0.3B was recorded with Share Capital moving from \$1.35B in 2021 to \$1.38B in 2022. Over the past five years, 2018 to 2022, there have been an average increase of 7.49% in Share Capital moving from \$1.01B at the end of 2018 to \$1.38B at the end of 2022.



Photo Highlights





Honouring Our Members Who Passed On...

Each administrative year, the Thrift Society at its AGM, honours the memory of Members who have passed on. We express sincere condolences to their families and friends. On the list this year are:

Selvin Master

Senior Member

Eric McLean

Senior Member

Rohan Morrison

Supreme Court

Marlene Ellis

Accountant General's Department

Donna Burton-Henry

Ministry of Transport and Works

Christine Pollock

Senior Member

Sonia Roache

Court Administration Division

Christoper Johnson

Ministry of Education

Winsome Rodney

Senior Member

Taussent Lawrence

Water Resources Authority

Hazel Smith-Wray

Senior Member

Daniel Morrison

Department of Correctional Services

Stenesha Waugh

South East Regional Health Authority

Hartnel Eccleston

Senior Member

Aon Wint

National Land Agency

Taniesha Roberts

Department of Correctional Services

Seymour Blake

Senior Member

O'Neil Martin

Jamaica Customs Agency

Angella Hernandez

Department of Correctional Services

Annette Seymour

Ministry of Health And Wellness

O'Neil Hamilton

Governor General and Staff



2022 Annual Report

FINANCIAL

STATEMENTS

As at November 30, 2022

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)

Report on the Audit of the Financial Statements

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, 2022, 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, 2022, 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.

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)

Report on the Financial Statements (continued)

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.

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)

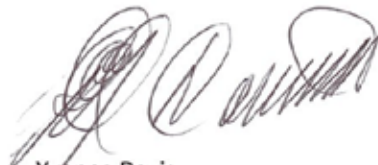
Report on the Financial Statements (continued)

- 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.



Yvonne Davis
CHARTERED ACCOUNTANT

YVONNE E. DAVIS ACCA; FCA.
Chartered Accountant


13 North Avenue
Kingston 5
May 15, 2023


Statement of Financial Position
As at November 30, 2022

	Note	2022 \$	2021 \$
ASSETS			
Earning assets			
Financial Assets at Fair value through OCI:			
Investments	6	42,998,287	33,359,440
Financial Assets at amortised cost:			
Loans and interest owed by members	7	1,687,263,763	1,410,749,432
Cash and bank balances	8	660,292	6,011,328
		<u>1,730,922,342</u>	<u>1,450,120,200</u>
Non-earning assets			
Deferred taxation	9	578,288	458,269
Intangible asset		4,320,710	4,320,710
Property, plant and equipment	10	229,545,919	225,271,106
Income tax		26,216,657	15,789,138
Financial Assets at amortised cost:			
Other assets	11	21,610,118	39,140,824
Cash and bank balances	8	37,133,539	16,834,737
		<u>319,405,231</u>	<u>301,814,784</u>
TOTAL ASSETS		<u>2,050,327,573</u>	<u>1,751,934,984</u>
Administered funds	12	<u>464,221,550</u>	<u>418,770,889</u>
TOTAL CONSOLIDATED ASSETS		<u><u>2,514,549,123</u></u>	<u><u>2,170,705,873</u></u>
LIABILITIES AND EQUITY:			
Liabilities			
Proposed dividends		19,464,857	20,084,992
Trade and other payables	13	129,549,884	70,247,299
With-holding tax		33,464,819	27,567,220
		<u>182,479,560</u>	<u>117,899,511</u>
Long term advances	14	<u>263,839,405</u>	<u>124,270,033</u>
		<u>263,839,405</u>	<u>124,270,033</u>
Equity			
Share capital	15	1,388,662,161	1,353,854,983
General reserves	16	60,000,000	56,000,000
Fair value reserves	17	25,999,430	27,631,344
Capital reserves	18	551,195	551,195
Asset reserves	19	62,753	62,753
Retained earnings		128,733,069	71,665,165
		<u>1,604,008,608</u>	<u>1,509,765,440</u>
TOTAL LIABILITIES AND EQUITY		<u>2,050,327,573</u>	<u>1,751,934,984</u>
Administered funds	12	<u>464,221,550</u>	<u>418,770,889</u>
TOTAL CONSOLIDATED LIABILITIES AND EQUITY		<u><u>2,514,549,123</u></u>	<u><u>2,170,705,873</u></u>

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

The financial statements on page 33-56 were approved and authorized for issue by the Committee of Management on April 19, 2023 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, 2022

	<u>Note</u>	<u>2022</u> <u>\$</u>	<u>2021</u> <u>\$</u>
Interest income			
Loans to members		261,786,961	229,663,240
Cash resources and investment securities		361,416	1,104,532
		<u>262,148,377</u>	<u>230,767,772</u>
Non-interest income			
Processing fees and other income	20	<u>22,082,353</u>	<u>17,504,754</u>
Total income		<u>284,230,730</u>	<u>248,272,526</u>
Operating expenses			
Staff costs	21	(125,414,008)	(116,571,839)
Other operating expenses	22	<u>(84,232,275)</u>	<u>(77,411,526)</u>
Total expenses		<u>(209,646,283)</u>	<u>(193,983,365)</u>
Surplus for the year before taxation		74,584,447	54,289,161
Income tax expense	23	<u>(11,980,561)</u>	<u>(6,809,384)</u>
Surplus for the year after taxation		62,603,885	47,479,776
Other comprehensive income for the year			
Items that may be reclassified to surplus or deficit:			
Net change in fair value of financial assets at FVTOCI		<u>(1,631,914)</u>	<u>(3,022,147)</u>
Total Surplus and Other Comprehensive Income for the Year		<u>60,971,971</u>	<u>44,457,629</u>

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

Statement of Changes in Equity
Year Ended November 30, 2022

	Share Capital	General Reserves	Fair Value Reserves	Capital Reserves	Asset Reserves	Retained Earnings	Total
	₤	₤	₤	₤	₤	₤	₤
Balance as at November 30, 2020	1,260,190,820	52,000,000	30,653,491	551,195	62,753	54,965,378	1,398,423,637
Comprehensive income							
Net surplus for the year	-	-	-	-	-	47,479,776	47,479,776
Other comprehensive income							
Revaluation of available-for-sale investments	-	-	(3,022,147)	-	-	-	(3,022,147)
Total comprehensive income	-	-	(3,022,147)	-	-	47,479,776	44,457,629
Transactions with members							
Dividends 2021 (proposed)	-	-	-	-	-	(26,779,989)	(26,779,989)
Net issues and withdrawals	93,664,163	-	-	-	-	-	93,664,163
Total transactions with members	93,664,163	-	-	-	-	(26,779,989)	66,884,174
Transfer to general reserves	-	4,000,000	-	-	-	(4,000,000)	-
Balance as at November 30, 2021	1,353,854,983	56,000,000	27,631,344	551,195	62,753	71,665,165	1,509,765,440
Comprehensive income							
Net surplus for the year	-	-	-	-	-	62,603,885	62,603,885
Other comprehensive income							
Revaluation of available-for-sale investments	-	-	(1,631,914)	-	-	-	(1,631,914)
Total comprehensive income	-	-	(1,631,914)	-	-	62,603,885	60,971,971
Transactions with members							
Dividends 2021 (paid)	-	-	-	-	-	24,417,161	24,417,161
Dividends 2022 (proposed)	-	-	-	-	-	(25,953,142)	(25,953,142)
Net issues and withdrawals	34,807,178	-	-	-	-	-	34,807,178
Total transactions with members	34,807,178	-	-	-	-	(1,535,981)	33,271,197
Transfer to general reserves	-	4,000,000	-	-	-	(4,000,000)	-
Balance as at November 30, 2022	1,388,662,161	60,000,000	25,999,430	551,195	62,753	128,733,069	1,604,008,608

Statement of Cash Flows
Year Ended November 30, 2022

	Note	<u>2022</u> ₹	<u>2021</u> ₹
Surplus for the year before taxation			
Net surplus		62,603,885	47,479,776
Adjustments to reconcile net surplus to net cash provided by operating activities:			
Income tax expense		11,980,561	6,809,384
Depreciation		<u>3,417,201</u>	<u>2,613,545</u>
Operating cash flows before movements in working capital		78,001,647	56,902,705
(Increase)/decrease in current assets/liabilities			
Other assets		17,530,706	(17,059,345)
Trade and other payables		59,302,585	33,129,140
With-holding tax payable		<u>5,897,599</u>	<u>6,081,851</u>
		160,732,537	79,054,351
Income tax		<u>(42,005,795)</u>	<u>(36,447,860)</u>
Net cash provided by operating activities		<u>118,726,742</u>	<u>42,606,491</u>
Cash flows from investing activities			
Dividends		15,689,665	(37,771,405)
Loans and interest owed by members		(276,514,331)	(167,456,662)
Investments		(9,638,847)	73,859,503
Acquisition of property, plant and equipment		<u>(7,692,014)</u>	<u>(147,629,841)</u>
Net cash used in investing activities		<u>(278,155,527)</u>	<u>(278,998,405)</u>
Cash flows from financing activities			
Long term advances		139,569,373	122,473,374
Long term loan		-	(21,107,509)
Members' shares issues and withdrawals (net)		<u>34,807,178</u>	<u>93,664,163</u>
Net cash provided by financing activities		<u>174,376,551</u>	<u>195,030,028</u>
Increase/(decrease) in cash and cash equivalents		14,947,766	(41,361,886)
Net cash and cash equivalents at beginning of year		<u>22,846,065</u>	<u>64,207,951</u>
Net cash and cash equivalents at end of year	8	<u><u>37,793,831</u></u>	<u><u>22,846,065</u></u>
Comprised of:			
Cash and bank balances (earning assets)		660,292	6,011,328
Cash and bank balances (non-earning assets)		<u>37,133,539</u>	<u>16,834,737</u>
		<u><u>37,793,831</u></u>	<u><u>22,846,065</u></u>

The accompanying notes form an integral part of 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, invest 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.

The statements have been prepared on the historical cost basis, except for those financial instruments that have been valued at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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. The society adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue*. The impact on balances and disclosures, where necessary, is detailed in Note 3.

New, revised and amended standards and interpretations that are 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 amendments and will adopt in future periods those which are considered relevant to its operations. IFRS 16 will replace IAS 17 *Leases*. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. The standard provides reliefs for assets of low value and short-term leases of less than 12 months and is applicable for accounting periods beginning on or after January 1, 2019. Management is assessing the impact this standard may have on the financial statements.

Functional currency

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

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

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

(i) Recognition, Classification and subsequent measurement

Financial Assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment, FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Society changes its business model for managing financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial asset measured at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following criteria and is not designated as at FVTPL:

- (a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost include loans to members, corporate bonds, cash and cash equivalents and other 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.

Cash & cash equivalents

Cash and cash equivalents comprise cash on hand, bank current and savings accounts, and bank deposits free of encumbrances and having maturity dates of three months or less from the respective dates of deposit.

Financial assets at fair value through OCI (FVOCI)

A financial asset is measured at fair value through OCI if it meets the following criteria:

- (a) They are held under a business model whose objective is to "hold and collect" the associated cash flows and sell and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Management has elected to designate equities and unit trusts as measured at FVOCI.

Any gains or losses on these financial assets are recognized in OCI and recycled to the profit or loss upon derecognition of the asset

Financial assets – Business model assessment:

The society makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because the best reflects the business is managed and information is provided to management. The information considered includes:

- (i) the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- (ii) how the performance of the portfolio is evaluated and reported to the society's management;
- (iii) the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risk are managed;
- (iv) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- (v) the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales and for this purpose, consistent with the Society continuing recognition of the assets.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Financial Instruments

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs). As well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Society considers the contractual terms of the instrument.

Non-derivative financial liabilities are classified as other financial liabilities.

Derecognition of financial assets

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, either by death or full repayment.

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 at amortised cost 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 other accounts payable and are 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Plant and equipment

Plant and equipment comprising office furniture and equipment including computers held for administrative purposes and motor vehicle are recorded at historical or deemed cost, less accumulated depreciation and impairment losses.

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

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

Impairment of financial assets

IFRS 9 introduces an expected credit loss impairment model for all financial assets not measured at FVTPL. The application of an ECL model represents a significant change from the incurred loss model under IAS 39. ECL allowances represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable supportable information about past events, current conditions and forecasts of future economic condition. Forward looking information (FLI) is incorporated into the estimation of ECL allowances which involves significant judgement. In contrast, the incurred loss model incorporated a single best estimate, the time value of money and information about past and current conditions.

The calculation of ECL allowances is based on the estimated cash shortfalls discounted at the effective interest rate. A cash shortfall is the difference between the contractual cash flows and the amount the cash flows the society expects to receive. The key inputs in the measurement of ECL allowances are:

- (a) The probability of default (PD) is an estimate of the likelihood of default over a given time horizon
- (b) The loss given default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time
- (c) The exposure at default (EAD) is an estimate of the exposure at a future default date

ECL stage development

The model has three stages:

Stage 1

Upon initial recognition a loss allowance is recognised and maintained equal to 12 months of ECL. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months). The society includes low risk financial assets in stage 1. For debt securities, the society considers it to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. Loans to members are considered low risk up to 30 days past due.

Stage 2

If credit risk increases significantly subsequent to initial recognition the loss allowance is increased to cover full lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Impairment

Impairment of financial assets

When determining whether the credit risk of a financial asset has increased since initial recognition and when estimating ECLs, the society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the society's historical experience and information credit assessment and including forward-looking information. The society assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Stage 3

When a financial asset is considered to be credit impaired the loss allowance continues to reflect the lifetime ECL and interest revenue is calculated on the carrying amount of the asset, net of the loss allowance, rather than on the gross carrying amount.

At each reporting date, the society assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observation data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Society on terms that the Society would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The society considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the society in full, without recourse by the society actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the society is exposed to credit risk.

Presentation of allowance for ECL

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and is recognised in profit or loss in the statement of comprehensive income.

For debt securities at FVOCI, the loss allowance is recognised in OCI.

Write offs

The gross carrying amount of a financial asset is written off when the society has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. For loans to members, the society individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Based on the avenues available to the company to recover impaired loans, write offs are minimal.

Impairment of non-financial assets

Non-financial assets are subject to impairment review at least annually and tested when events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, the asset is written down accordingly. The recoverable amount is the higher of value in use and fair value less costs to sell.

Impairment changes are recognised in profit or loss in the statement of comprehensive 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 profit or loss in the period in which they arise.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition

The society generates revenue primarily from interest on loans to members. Revenue is recognised when the service is provided and utilised by the customer. Control is established when the customer has utilised the service.

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 Society'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 Society 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 Society 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.

4. 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.

4. 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.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Society's accounting policies, 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.

6. INVESTMENTS AT FAIR VALUE THROUGH OCI

	<u>2022</u>	<u>2021</u>
	\$	\$
(a) Quoted Equity:		
NCB Jamaica Ltd.	2,165,990	3,060,920
BNS Jamaica Ltd.	9,526,199	10,263,183
	<u>11,692,189</u>	<u>13,324,103</u>
(b) Investment Funds		
Sigma Income Fund	3,704,037	3,588,752
Mayberry Investments	10,686,227	-
VM Wealth Management Income Fund US\$15,783 (2021: US\$12,597)	2,427,864	1,958,615
	<u>16,818,128</u>	<u>5,547,367</u>
(c) Unquoted Equity:		
JCSA Limited	14,487,970	14,487,970
	<u>42,998,287</u>	<u>33,359,440</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 financial assets at FVOCI is impaired.

Notes to the Financial Statements (Cont'd)
Year Ended November 30, 2022

7. LOANS AND INTEREST OWED BY MEMBERS

	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Loans	1,760,264,048	1,468,803,290
Interest receivable	22,602,043	24,667,455
	<u>1,782,866,091</u>	<u>1,493,470,745</u>
Allowance for expected credit losses	(350,424)	(350,424)
	<u>1,782,515,667</u>	<u>1,493,120,321</u>
Less: Amounts over-recovered	(95,251,904)	(82,370,889)
	<u>1,687,263,763</u>	<u>1,410,749,432</u>
Maturity:		
Due within 1 year	227,326,129	206,621,102
Due after 1 year	1,459,937,634	1,204,128,330
	<u>1,687,263,763</u>	<u>1,410,749,432</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 10 % of the total balance of loans to members.

Loan Stages

	<u>2022</u>			<u>2021</u>		
	<u>\$</u>			<u>\$</u>		
	<u>Loan balance</u>	<u>ECL allowance</u>	<u>Loans, net</u>	<u>Loan balance</u>	<u>ECL allowance</u>	<u>Loans, net</u>
Stage 1	1,555,591,618	14,000,325	1,541,591,293	1,269,674,026	9,427,066	1,260,246,960
Stage 2	39,399,754	2,639,784	36,759,970	46,124,722	3,100,947	43,023,775
Stage 3	92,272,391	6,920,429	85,351,962	94,950,684	7,121,248	87,829,436
Total	<u>1,687,263,763</u>	<u>23,560,538</u>	<u>1,663,703,225</u>	<u>1,410,749,432</u>	<u>19,649,261</u>	<u>1,391,100,171</u>

Allowance for expected credit losses

Loans to members include balances with a carrying amount of \$258,874,631 (2021: \$163,446,433) which are past due at the reporting date for which the Society has not provided as the expected credit loss is negligible. The Society has not made any provision for impairment based on the arrangements in place for the recovery of any impaired loan.

Ageing of past due but not impaired

	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
30 - 90 days	172,679,277	132,460,644
91 - 180 days	17,492,688	6,012,452
180 - 270 days	6,509,238	6,945,210
271 - 364 days	7,111,441	5,894,585
365 days and over	55,081,987	12,133,542
	<u>258,874,631</u>	<u>163,446,433</u>

Movement for the allowance for impairment

Balance at beginning / end of period	<u>(350,424)</u>	<u>(350,424)</u>
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Notes to the Financial Statements (Cont'd)
Year Ended November 30, 2022

8. CASH AND BANK BALANCES

	<u>2022</u>	<u>2021</u>
	\$	\$
Earning assets	660,292	6,011,328
Non-earning assets	37,133,539	16,834,737
	<u>37,793,831</u>	<u>22,846,065</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 and in statement of cash flows	<u>37,793,831</u>	<u>22,846,065</u>
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9. DEFERRED TAXATION

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

	<u>2022</u>	<u>2021</u>
	\$	\$
Deferred tax liabilities	220,603	200,494
Deferred tax assets	(798,891)	(658,763)
	<u>(578,288)</u>	<u>(458,269)</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:

	\$	\$
Balance at December 1, 2020	(415,628)	538,426
Credited to income for year	(42,641)	(954,054)
Balance at November 30, 2021	(458,269)	(415,628)
Credited to income for year	(120,019)	(42,641)
Balance at November 30, 2022	<u>(578,288)</u>	<u>(458,269)</u>

The balance comprises temporary differences attributable to the following:

	<u>2022</u>	<u>2021</u>
	\$	\$
Deferred tax assets	<u>(578,288)</u>	<u>(458,269)</u>

Notes to the Financial Statements (Cont'd)
Year Ended November 30, 2022

10 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following

	Land and Building	Leasehold Improvement	Container Office	Furniture & Fixtures	Computer Equipment	Office & Other Equipment	Motor vehicles	Total
At cost	\$	\$	\$	\$	\$	\$	\$	\$
December 1, 2020	67,100,613	1,357,572	4,711,377	4,348,086	12,999,522	11,401,349	2,232,418	104,150,937
Additions	144,130,071	-	-	273,050	2,335,667	491,053	-	147,229,841
December 1, 2021	211,230,684	1,357,572	4,711,377	4,621,136	15,335,189	11,892,402	2,232,418	251,380,778
Additions	3,596,963	-	-	257,000	257,489	3,580,563	-	7,692,014
November 30, 2022	214,827,647	1,357,572	4,711,377	4,878,136	15,592,678	15,472,965	2,232,418	259,072,792
Depreciation								
December 1, 2020	-	180,267	353,352	3,205,802	10,767,833	7,112,498	1,876,375	23,496,127
Charge for the year	-	33,939	117,784	287,139	1,182,188	903,485	89,010	2,613,545
December 1, 2021	-	214,206	471,136	3,492,941	11,950,021	8,015,983	1,965,385	26,109,672
Charge for the year	-	33,939	117,784	290,228	1,620,227	1,266,013	89,010	3,417,201
November 30, 2022	-	248,145	588,920	3,783,169	13,570,248	9,281,996	2,054,395	29,526,873
Net Book Values								
November 30, 2022	214,827,647	1,109,427	4,122,457	1,094,967	2,022,430	6,190,969	178,023	229,545,919
November 30, 2021	211,230,684	1,143,366	4,240,241	1,128,195	3,385,168	3,876,419	267,033	225,271,106
November 30, 2020	67,100,613	1,177,305	4,358,025	1,142,284	2,231,689	4,288,851	356,043	80,654,810

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%

11. OTHER ASSETS

This comprise:	<u>2021</u>	<u>2020</u>
	\$	\$
Receivables and prepayments	<u>21,610,118</u>	<u>39,140,824</u>

Notes to the Financial Statements (Cont'd)
Year Ended November 30, 2022

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 established 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 2022	Total 2021
	\$	\$	\$	\$	\$
Cash and Bank	3,992,337	2,472,610	(474)	6,464,473	9,675,131
Loans Receivable	324,646,100	96,032,720	28,222,851	448,901,671	208,935,040
Government Securities	56,045,607	-	-	56,045,607	195,855,033
Income Fund	9,526,199	15,772,518	-	25,298,717	50,915,930
With-holding Tax	15,064,129	5,797,774	-	20,861,903	18,881,283
Accounts Payable	(49,349,774)	(18,655,129)	(24,958,455)	(92,963,358)	(65,491,528)
	359,924,598	101,420,493	3,263,922	464,609,013	418,770,889

Funds

	Loans Redemption Fund	Shares Enhancement Fund	Staff Loan Fund	Total 2022	Total 2021
	\$	\$	\$	\$	\$
Balance as at December 1	321,526,721	92,955,913	2,770,392	417,253,026	376,192,260
Net income/(loss) for the year	38,397,877	8,464,580	106,067	46,968,524	42,578,629
Balance as at November 30	359,924,598	101,420,493	2,876,459	464,221,550	418,770,889

Notes to the Financial Statements (Cont'd)

Year Ended November 30, 2022

13. TRADE AND OTHER PAYABLES		
	<u>2022</u>	<u>2021</u>
	\$	\$
Long Term Advances (Current Portion)	43,239,425	19,265,891
Unclaimed shares	764,132	764,132
Other	85,546,327	50,217,276
	<u>129,549,884</u>	<u>70,247,299</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>2022</u>	<u>2021</u>
	\$	\$
Loans Redemption Fund	250,630,848	98,245,971
Shares Enhancement Fund	56,447,982	45,289,953
Less: Current Portion	<u>(43,239,425)</u>	<u>(19,265,891)</u>
	<u>263,839,405</u>	<u>124,270,033</u>

These represent funds advanced to the Thrift from the Loans Redemption and Shares Enhancement Funds. They are repayable over twenty (20) years and will attract interest rates between 6% and 8% per annum commencing with financial year 2021.

15. SHARE CAPITAL		
	<u>2022</u>	<u>2021</u>
	\$	\$
The movement in share capital is as follows:		
Balance at December 1	1,353,854,983	1,260,190,820
Net Issue and Withdrawal	34,807,178	93,664,163
Balance at November 30	<u>1,388,662,161</u>	<u>1,353,854,983</u>

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

17. FAIR VALUE RESERVES		
This represents unrealised gain or loss on the revaluation of available-for-sale investments.		
	<u>2022</u>	<u>2021</u>
	\$	\$
	<u>(25,999,430)</u>	<u>(27,631,344)</u>

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

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

20. PROCESSING FEES AND OTHER INCOME		
	<u>2022</u>	<u>2021</u>
	\$	\$
This consist of the following:		
Processing fees and service charges	17,040,503	13,012,776
Other Income	5,041,850	4,491,978
	<u>22,082,353</u>	<u>17,504,754</u>

Notes to the Financial Statements (Cont'd)
Year Ended November 30, 2022

21. STAFF COSTS		
	<u>2022</u>	<u>2021</u>
	\$	\$
Staff costs incurred during the year in respect of employees were		
Salaries, wages and allowances	90,407,083	85,417,172
Statutory costs	9,865,186	8,964,896
Staff welfare	<u>25,141,739</u>	<u>22,189,771</u>
	<u>125,414,008</u>	<u>116,571,839</u>

22. OTHER EXPENSES		
	<u>2022</u>	<u>2021</u>
	\$	\$
General meeting	2,289,950	2,627,002
Advertising and publicity	6,474,883	6,615,847
Bond and office insurance	631,109	795,559
Data processing	4,695,588	4,000,771
Committee expenses	21,829,364	21,983,847
Donations	445,024	331,500
Motor vehicle expenses	845,643	644,386
Office supplies	810,288	858,811
Professional fees	1,988,500	1,947,367
Postage and stationery	1,730,843	1,395,950
Repairs and maintenance	5,368,371	3,339,753
Training of staff	325,375	761,845
Telephone	1,892,340	1,671,864
Water charges	289,109	689,057
Scholarship	825,000	550,000
Customer appreciation/Anniversary celebrations	450,604	992,103
Audit fees	2,200,000	2,200,000
Electricity	4,601,310	3,472,289
Retirement benefits	428,047	244,044
Rental	1,260,000	1,155,000
Janitorial and security services	2,939,841	2,728,896
Bank charges	695,110	478,570
Other loan charges	4,491,213	2,807,184
Credit Bureau	323,485	329,814
Shareholder's insurance	12,903,607	12,151,770
Bad debts	80,470	24,752
Depreciation	<u>3,417,201</u>	<u>2,613,545</u>
	<u>84,232,275</u>	<u>77,411,526</u>

23. TAXATION		
Taxation is based on the profits for the year as adjusted for tax purposes and is made up as follows:		
	<u>2022</u>	<u>2021</u>
	\$	\$
i) Current		
Income Tax at 25%	12,100,580	6,852,025
ii) Deferred / future		
Deferred expense tax credit	<u>(120,019)</u>	<u>(42,641)</u>
	<u>11,980,561</u>	<u>6,809,384</u>

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

24. PROPOSED DIVIDEND		
In accordance with Rule 22(c) of the Thrift, a dividend of 2% payable on shares held at November 30, 2022 was declared. The dividend would be paid to shareholders on the register of members as at November 30, 2022.		

25. 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 \$6,822,407 (2021 - \$6,621,624).

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 \$1,778,015 (2021 - \$1,677,901).

26. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions and balances with related parties are as follows:	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
(a) Loans		
Loans outstanding from members of the Committee of Management	9,738,773	7,378,553
(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>17,775,000</u>	<u>19,560,500</u>

27. FINANCIAL INSTRUMENTS RISKS

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 investments which represent the Society's maximum exposure to credit risk in relation to financial assets.

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 expected credit losses, estimated by the Society's management based on prior experience, their assessment of the current environment and expectations of the future.

The Society's risk is managed primarily by monthly reviews of the financial status of each member/obligator. Exposure to risk is also managed in part by obtaining personal guarantees (co-making), and the setting up of various funds to mitigate the effects of foreseeable risks.

Maximum exposure of financial assets to credit risk before collateral held or other credit enhancements are as disclosed on the statement of financial position as at reporting date.

27. FINANCIAL INSTRUMENTS RISKS (cont'd)

Financial risk management policies and objectives

(a) Credit risk (cont'd)

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>2022</u>	<u>2021</u>
	\$	\$
Committee	662,792,663	558,600,298
Cash	227,326,129	206,621,102
Emergency	173,714,750	177,191,341
Consolidation	355,478,866	258,274,254
Education	113,069,880	102,134,456
Information Technology	32,819,809	30,728,648
Surety	1,771,155	3,005,574
Motor Vehicle	134,727,234	85,090,457
80th Anniversary	54,408,006	46,262,449
Insurance Premium	850,841	894,711
60th Independence	3,304,715	-
	<u>1,760,264,048</u>	<u>1,468,803,290</u>
Accrued Interest	22,602,043	24,667,455
	<u>1,782,866,091</u>	<u>1,493,470,745</u>
Less: Allowance for expected credit losses	(350,424)	(350,424)
Less: Over-recoveries	(95,251,904)	(82,370,889)
	<u><u>1,687,263,763</u></u>	<u><u>1,410,749,432</u></u>

Investments

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

	<u>2022</u>	<u>2021</u>
	\$	\$
Quoted equities	11,692,189	13,324,103
Investment funds	16,818,128	5,547,367
	<u><u>28,510,317</u></u>	<u><u>18,871,470</u></u>

27. FINANCIAL INSTRUMENTS RISKS (cont'd)

Financial risk management policies and objectives

(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.

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:

	2022		2021	
	US\$	J\$	US\$	J\$
Investments	15,783	2,427,899	12,597	1,948,748

Over the twelve month period ended November 30, 2022 there was a 1% revaluation in the exchange rate against its United States counterpart. The revaluation since the date of the statement of financial position is approximately 0.8%.

The strengthening or weakening of the Jamaican dollar by 1% would have increased/reduced income and reserves by \$24,279 (2021 - \$116,925). The analysis assumes that all other variables, in particular, interest rates, remain constant.

Price Risk

The society holds equity investments listed on the Jamaica Stock Exchange and unit trusts with broker/dealers. The primary goal of the society's investment in equities is to maximise the return on the portfolio. These equities are not held for strategic alliances with or control over these entities.

The Society faces equity risk because of fluctuations in the price of equity and unit trusts in its investment portfolio. These fluctuations may arise because of general market conditions (systemic risk) or due to company specific factors (non-systemic risk). This risk is minimised by the implementation and monitoring of sound financial management strategies, in accordance with the Committee of Management's guidelines.

Price risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity and unit price risk at the reporting date.

If quoted equity and unit trust prices had been 15% (2021: 15%) higher/lower, fair value and other reserves for the year ended November 30, 2022 would increase/decrease by \$4,276,548 (2021: \$2,830,720) as a result of the changes in fair values.

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 risk has very little impact on the Society as its interest bearing assets and liabilities are at fixed interest rates.

27. 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.

The following table details the undiscounted cash flows based on the earliest date the Society is required to pay:

	Carrying amount	Contractual cash flow	2022		
			Due within 1 year	Due within 2-5 years	Due after 5 years
Long-term advances	263,839,405	43,239,425	43,239,425	-	-
Accounts payable	129,549,884	64,774,942	64,774,942	-	-
Proposed dividends	19,464,857	20,084,992	20,084,992	-	-
	412,854,146	128,099,359	128,099,359	-	-

	Carrying amount	Contractual cash flow	2021		
			Due within 1 year	Due within 2-5 years	Due after 5 years
Long-term advances	124,270,033	3,140,449	3,140,449	-	-
Long-term loan	-	25,133,296	2,513,330	10,053,318	12,566,648
Accounts payable	70,247,299	35,178,917	35,178,917	-	-
Proposed dividends	20,084,992	21,202,236	21,202,236	-	-
	214,602,324	84,654,898	62,034,932	10,053,318	12,566,648

(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.

28. FINANCIAL INSTRUMENTS Cont'd

Fair values of financial assets and financial activities (cont'd)

- (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).

	2022		
	Level 1 \$	Level 2 \$	Level 3 \$
Investments at FVOCI			
Quoted equity	11,692,189	-	-
Investment Funds	16,818,128	-	-
Un-Quoted equity	14,487,970	-	-
	<u>42,998,287</u>	<u>-</u>	<u>-</u>
	2021		
	Level 1 \$	Level 2 \$	Level 3 \$
Investments at FVOCI			
Quoted equity	13,324,103	-	-
Investment Funds	5,547,367	-	-
Un-Quoted equity	14,487,970	-	-
	<u>33,359,440</u>	<u>-</u>	<u>-</u>

There were no transfers between Level 1, Level 2 and Level 3 in the period.

28. FINANCIAL INSTRUMENTS (cont'd)

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'.

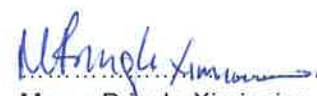
29. COMPARATIVES

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

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED
(AN INDUSTRIAL AND PROVIDENT SOCIETY)
SHARES ENHANCEMENT FUND
BALANCE SHEET
AS AT NOVEMBER 30, 2022

	Note	2022 \$	2021 \$
Assets			
Cash and cash equivalents	1	2,472,610	6,805,823
Investment Funds	2	15,772,518	40,653,903
Accounts Receivable	3	96,032,720	58,736,024
Withholding Tax		5,797,774	5,611,938
		120,075,622	111,807,688
Liabilities			
Accounts Payable	4	18,655,129	18,851,775
		101,420,493	92,955,913
Representing			
Revaluation Reserve		33,584	33,584
Shares Enhancement Fund		101,386,909	92,922,329
		101,420,493	92,955,913


 Erról L. Miller
 Chairman


 Marva Pringle-Ximinnies
 1st Vice Chairman

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED
(AN INDUSTRIAL AND PROVIDENT SOCIETY)
SHARES ENHANCEMENT FUND
INCOME AND EXPENDITURE
YEAR ENDED NOVEMBER 30, 2022

	2022 \$	2021 \$
INCOME		
Contributions	12,903,605	12,151,770
Interest on Investment	1,365,964	2,989,219
Gain on Investment	-	-
	<u>14,269,569</u>	<u>15,140,989</u>
	4,860,864	
Expenditure		
Bank Charges	10,640	405
Administrative Charges	1,290,361	1,215,744
Settlement Claims	4,503,988	6,248,420
	<u>5,804,989</u>	<u>7,464,569</u>
Net Income	8,464,580	7,676,420
Accumulated Fund: 01.12.21	<u>92,922,329</u>	<u>85,245,909</u>
Accumulated Fund: 30.11.22	<u>101,386,909</u>	<u>92,922,329</u>

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED
(AN INDUSTRIAL AND PROVIDENT SOCIETY)
LOANS REDEMPTION FUND
BALANCE SHEET
AS AT NOVEMBER 30, 2022

	Note	2022 \$	2021 \$
Assets			
Cash and Cash Equivalents	1	3,992,337	1,787,300
Government Securities	2	56,045,607	195,855,033
Scotia DBG:			
Premium Fixed Income Fund		9,257,155	9,973,325
Caribbean Income Fund		269,044	288,702
Loans Receivable	3	324,646,100	120,424,851
Withholding Tax		15,064,129	13,269,345
		<u>409,274,372</u>	<u>341,598,556</u>
Liabilities			
Accounts Payable	4	49,349,774	20,071,835
		<u>359,924,598</u>	<u>321,526,721</u>
Representing			
Revaluation Reserve		44,476	44,476
Loans Redemption Fund		359,880,122	321,482,245
		<u>359,924,598</u>	<u>321,526,721</u>


 Errol L. Miller
 Chairman


 Marva Pringle-Ximinnies
 1st Vice Chairman

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED
(AN INDUSTRIAL AND PROVIDENT SOCIETY)
LOANS REDEMPTION FUND
INCOME AND EXPENDITURE
YEAR ENDED NOVEMBER 30, 2022

	2022	2021
	\$	\$
INCOME		
Contributions	40,101,970	28,719,483
Interest Earned	10,114,275	19,978,497
	<u>50,216,245</u>	<u>48,697,980</u>
Expenditure		
Bank Charges	81,389	14,904
Administrative Charges	3,842,183	3,239,962
Settlement Claims	7,894,796	10,513,776
	<u>11,818,368</u>	<u>13,768,642</u>
Net Income	38,397,877	34,929,338
Accumulated Fund: 01.12.21	321,482,245	286,552,907
Accumulated Fund: 30.11.22	<u>359,880,122</u>	<u>321,482,245</u>

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED
(AN INDUSTRIAL AND PROVIDENT SOCIETY)
LOANS REDEMPTION FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

1. CASH AND CASH EQUIVALENTS	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Cash at Bank	<u>3,992,337</u>	<u>1,787,300</u>
2. GOVERNMENT SECURITIES	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
This comprise:		
GOJ Bonds/Stocks	<u>56,045,607</u>	<u>195,855,033</u>
	<u>56,045,607</u>	<u>195,855,033</u>
3. LOANS RECEIVABLE	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Jamaica Civil Service Mutual Thrift Society Limited	285,645,053	80,174,014
Staff Loan Fund	30,345,918	32,971,918
Shares Enhancement Fund	8,655,129	7,278,919
Other Receivables	-	-
	<u>324,646,100</u>	<u>120,424,851</u>
4. ACCOUNTS PAYABLE	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Jamaica Civil Service Mutual Thrift Society Limited	9,666,081	9,666,081
Staff Loan Fund	-	722,061
Shares Enhancement Fund	<u>39,683,693</u>	<u>9,683,693</u>
	<u>49,349,774</u>	<u>20,071,835</u>

(AN INDUSTRIAL AND PROVIDENT SOCIETY)
SHARES ENHANCEMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED NOVEMBER 30, 2022

1. CASH AND CASH EQUIVALENTS	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Cash at Bank	<u>2,472,610</u>	<u>6,805,823</u>
2. INVESTMENT FUNDS	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
This comprise:		
Barita Capital Growth Fund	5,346,434	30,653,903
Mayberry	10,000,000	10,000,000
Equity - Jamaica Broilers Group	426,084	-
	<u>15,772,518</u>	<u>40,653,903</u>
3. ACCOUNTS RECEIVABLE	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Jamaica Civil Service Mutual Thrift Society Limited	56,348,877	53,728,462
Loans Redemption Fund	39,683,843	5,007,562
	<u>96,032,720</u>	<u>58,736,024</u>
4. ACCOUNTS PAYABLE	<u>2022</u>	<u>2021</u>
	<u>\$</u>	<u>\$</u>
Jamaica Civil Service Mutual Thrift Society Limited	10,000,000	17,464,164
Loans Redemption Fund	8,655,129	1,387,611
	<u>18,655,129</u>	<u>18,851,775</u>

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED

STAFF LOAN FUND

BALANCE SHEET

AS AT NOVEMBER 30, 2022

	2022 \$	2021 \$
Current Assets		
Staff Loans	28,222,851	30,047,765
Bank Balance	(474)	1,082,008
	<u>28,222,377</u>	<u>31,129,773</u>
Current Liabilities		
Loans Redemption Fund	24,958,455	27,971,918
Representing		
Retained Income	3,263,922	3,157,855
	<u>28,222,377</u>	<u>31,129,773</u>

THE JAMAICA CIVIL SERVICE MUTUAL THRIFT SOCIETY LIMITED

(AN INDUSTRIAL AND PROVIDENT SOCIETY)

STAFF LOAN FUND

DETAILED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED NOVEMBER 30, 2022

	2022 \$	2021 \$
Gross Income		
Interest on Loans	914,932	682,126
	<u>914,932</u>	<u>682,126</u>
Expenditure		
Bank Charges	11,687	3,443
Interest on Loans	797,178	788,567
	<u>808,865</u>	<u>792,010</u>

INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED NOVEMBER 30, 2022

	2022 \$	2021 \$
Gross Income	914,932	682,126
Gross Expenditure	<u>808,865</u>	<u>792,010</u>
Net Income/(Expenditure)	106,067	(109,884)
Retained Income 1.12.21	3,157,855	3,267,739
Retained Income 30.11.22	<u><u>3,263,922</u></u>	<u><u>3,157,855</u></u>



**Jamaica Civil Service
Mutual Thrift Society Ltd**

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