



PWD Co-operative  
Credit Union Limited

**Proud to be one of the Oldest Credit Union in Jamaica**

## VISION

To be an assertive innovator in the financial sector by creating a safe and sound financial environment for members.

## MISSION STATEMENT

PWD Co-operative Credit Union Limited seeks to increase the well being of its members and employees by promoting thrift and the provision of superior financial services in a friendly, efficient and personalised environment.

## CORE VALUES

- ✓ Financial Prudence Transparency
- ✓ Family Oriented and Friendly
- ✓ Commitment to Education
- ✓ Excellence Professionalism



**YEARS OF EXCELLENCE**

# VALUE PROPOSITION

We know and care about our members' financial well-being.

## BOND

Membership is open to present and past members of the Ministry of Transport and Mining, the Ministry of Economic Growth and Job Creation and their Agencies and Departments, employees of the Society, and relatives of the members and employees doing business with the PWD Co-Operative Credit Union



**JCEIA**  
Jamaica Co-operatives Insurance Agency Ltd.

**MEMBERS GROUP LIFE PLAN**

Underwritten by  
Sagcor Life Jamaica Ltd.  
Sagcor Life

Providing financial assistance to dependents in the case of death (except suicide)

The banner features the JCEIA logo on the left, a family of four (a man, a woman, and two children) smiling on the right, and a small icon of a hand holding a globe between them. The background is a mix of blue and white with a yellow border at the top and bottom.



**JCEIA**  
Jamaica Co-operatives Insurance Agency Ltd.

**MEMBERS GROUP PERSONAL ACCIDENT PLAN**

Underwritten by  
Sagcor Life Jamaica Ltd.  
Sagcor Life

Protect yourself and loved ones financially in the event that you suffer death, an accident, or disability.

The banner features the JCEIA logo on the left, a family of four (a man, a woman, and two children) smiling on the right, and a small icon of a hand holding a globe between them. The background is a mix of blue and white with a green border at the top and bottom.



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# P.W.D. Co-operative Credit Union Ltd

Affiliated with Jamaica Cooperative Credit Union Ltd.

147 Maxfield Avenue, P.O. Box 292, Kingston 10, Jamaica | Tel: (876) 926-5745, 960-4354  
Fax (876) 960-4355

## NOTICE OF ANNUAL GENERAL MEETING

Dear Valued Members,

Notice is hereby given that the 73<sup>rd</sup> Annual General Meeting of the PWD Co-operative Credit Union (1948) Limited will be held on Tuesday, November 30, 2021, commencing at 2 p.m. in hybrid format at the physical location of the Spanish Court Hotel and via livestream on Zoom to allow members to:

1. Transact the ordinary business of the society
2. Consider, and if thought fit, to approve a Resolution submitted by the Board of Directors in respect of amendments to the rules of PWD Co-operative Credit Union (1948) Limited for meetings of members of the society to be conducted by attendance at a physical location, or by virtual-only or by hybrid-meeting. A copy of the full resolution and the 2020 Annual Report will be available on our website at **www.pwdccu.com**.

Physical attendance at the meeting will be limited to Board of Directors, Volunteers, members of staff and Representatives from the Jamaica Co-operative Credit Union League and the Department of Co-operatives and Friendly Societies.

Members are invited to register at **<https://rebrand.ly/PWDAGM2021>** to attend the meeting online due to the COVID-19 pandemic and measures implemented under the Disaster Risk Management Act, and pursuant to amendments to the Co-operative Societies Regulations for our mutual health and safety. For more information on registration attendance, participation, and the voting process, you may visit our website at **www.pwdccu.com** or call our offices at (876) 960-4354 or 926-5745.

All COVID-19 protocols will be strictly observed at the physical location including temperature checks and sanitization. The link for the live stream will be shared with all registered members after the close of registration.

The first 120 members who register on time and remain in the meeting will receive \$5,000.

Registration will close on Wednesday, November 23, 2021, at 4 p.m.

Dated this 1<sup>st</sup> day of November 2021

**Ms. Karen Arscott**  
Secretary, Board of Directors

~ SAVE WISELY ~ SPEND WISELY ~ THE CREDIT UNION WAY





# AGENDA OF THE

## 73rd Annual General Meeting 2021

1. Ascertain that a quorum is present and  
**Call to Order**
2. Prayer of St. Francis of Assisi
3. Chairman's Opening Remarks
4. Apologies for Absence
5. Confirmation of the Minutes of the  
72nd Annual General Meeting
6. Matters Arising from the Minutes
7. Reports of:
  - a. The Board of Directors
  - b. The Credit Committee
  - c. The Supervisory Committee
  - d. The Treasurer (including the  
Audited Financial Statements)
8. Fixing the Maximum Limit of Borrowing
9. Report of the Nominations & Elections  
Committee
10. Any other Business
11. Adjournment



## 1. CALL TO ORDER

The President, Mr. Norris Gilbert, called the 72nd Annual General Meeting (AGM) to order at 4:31 p.m. having ascertained a quorum was present.

## 2. READING OF NOTICE OF THE 72ND ANNUAL GENERAL MEETING

The Secretary of the Board - Miss Cheryl Hawkins was invited by the Chairman to read the Notice of the Annual General Meeting.

## 3. PRAYER

Prayer was offered by Director Kaydian Gordon after which the Prayer of St. Francis of Assisi was repeated by all.

## 4. CHAIRMAN'S OPENING REMARKS

The Chairman extended a warm welcome to all present at the 72nd AGM and thanked everyone for attending. He stated that COVID-19 restrictions had limited the number of members who could be physically present at the Girls Guide Association. However, some members were viewing the meeting via the Zoom platform. Mr. Gilbert extended a warm welcome to the members in the virtual space.

He said that the AGM is normally seen as a premier event for many members and their families as this is where they would come to get information as well as meet and greet new members and others.

The Chairman informed the members that at this AGM they would be discussing the positive achievements of the Credit Union during the year in review including the financial results over the last year. The Credit Union is looking forward to being prepared for the new regulations and new marketplace which will include the next business model for the Credit Union going forward.

## 5. WELCOME & APOLOGIES FOR ABSENCE

The Chairman welcomed the following persons:

Mrs. Katrina D'Aguilar – Jamaica Co-operative Credit Union League (JCCUL)

Mrs. Kleo Ann Errar – Jamaica Co-operative Credit Union League (JCCUL)

Miss Karen Lyttle – Department of Co-operatives and Friendly Societies (DCFS)

Mr. Carlton Bartley – Quality Network Co-operative Ltd (QNET)

Miss Yvonne Bernard – Verbatim Reporter

Mr. Dwight Thomas – Past President

Miss Sharon Nelson – Past President

Mr. Everal Barnett – Past Board Member  
Representatives from the Ministry of Health

**The Chairman officially introduced the members of the:**

### Board of Directors:

Mr. Norris Gilbert – President

Miss Karen Arscott – Vice President

Miss Cheryl Hawkins – Secretary

Mrs. Kaydian Gordon – Assistant Secretary

Mr. Damon Escoffery – Treasurer

Mr. Everton Walker – Assistant Treasurer

Miss Paula Brown – Director

Mr. Romoyne Watson – Director

Mr. Bernard Allen – Director

### Supervisory Committee

Mr. Melvin Young

Mrs. Althea Cole-Martin

Mr. Lenson Lee

Miss Angelina Brown

Mrs. Sonia Cole (Zoom)



## **Credit Committee**

Mr. Patrick Rose  
Mr. Wayne Walton  
Miss Janet Stewart  
Mr. Alric Blake  
Miss Kerriann Clarke

## **Apologies for Absence**

Miss Malvia McPherson  
Mrs. Josiene Brown Nelson  
Mrs. Elaine Thomas  
Mr. Paul Hyman  
Mrs. Stephanie Green  
Mr. Mario Gayle  
Mr. David Knight  
Mr. Alex Allen  
Mr. Milton Allen  
Mrs Jodian Carnegie  
Mr. Alwyn Carnegie  
Mr. Bernard Allen (Jr)  
Mrs. Stacy Allen-Bartlett  
Miss Sheryl Grant  
Miss Deborah Wright  
Mr. Joshua Simmonds

## **6. CONFIRMATION OF THE MINUTES OF THE 71ST ANNUAL GENERAL MEETING**

The Minutes of the 71st Annual General Meeting was presented by the Secretary, Miss Cheryl Hawkins. She asked for a motion for the Minutes to be taken as read.

The Minutes of the 71st Annual General Meeting was taken as read on a motion by Miss Julette Dacosta and seconded by Miss Samira Christian.

## **Corrections**

Miss Michelle Pryce said that at Appropriation of Net Undistributed Surplus under 'Discussion', the first paragraph it was quoted as her saying that she asked how much each committee member gets from the Honorarium. She said that was incorrect. What she asked was, how was the Honorarium calculated and distributed? The Secretary advised her that her amendment was noted.

The acceptance of the 71st Annual General Meeting was moved by Miss Angelina Brown and seconded by Miss Samira Christian.

At this juncture the Chairman advised members present that if they knew of members wishing to join the meeting by zoom that there is a meeting link displayed on the screen. Also, on display was the COVID-19 Protocols.

## **7. MATTERS ARISING FROM THE MINUTES**

There were no matters arising from the Minutes discussed.

## **8a. REPORT OF THE BOARD OF DIRECTORS**

The Board of Directors' Report was presented by the Chairman - Mr. Norris Gilbert. He informed the AGM that he would highlight some of the points from the Board of Directors Report. He said that the year 2019 was a year of consolidation and preparation for growth for PWD Co-operative Credit Union Limited (PWDCUL). He also said the Credit Union managed through the usual operational challenges, technological changes, increased cost, and reduction in its margins on investments. Preparing to manage risks and compliance was also a feature of the year's activities. He advised that some of the factors



that impacted the bottom line for the PWDCCU were our members reduced demand and appetite as well as qualifications for loans, as well as the input of software to enhance operational compliance which contributed significantly to the cash flow and the expenses of the Credit Union. This will, however, make the Credit Union compliant and efficient in the years to come. The Chairman informed the members that the Credit Union's surplus was approximately Fifty Thousand Dollars (\$50,000.00) for the year 2019. He stated that the continued support of the loyal members allowed the Credit Union to be in a solid position after 2019.

He said that through the many challenges and with the strong support of the management team, the staff and volunteers continued to display their commitment thus enabling the improvement of the lives of the Credit Union's members. The Credit Union was able to sustain growth in all areas of the operations and finances of the Credit Union except in membership and surplus. The success of the credit union was largely built on the continued business support of the members who stand behind the services that they have received.

### **Financial Performance**

Turning to the Credit Union's financial performance, the Chairman said in 2019 the Credit Union was in the third year of its strategic planning process and management focused on creating a stable environment for the members while they prepared for BOJ regulations and protecting the assets of the Credit Union. They were also able to satisfy the needs of the members by offering increased benefits in loans and savings products.

He mentioned that there were two areas in which the Credit Union showed a decline compared to the previous

years, namely membership and surplus. The decline in membership was due to some members being ineligible in meeting the required Permanent Shares. The list has now been adjusted. The decline in surplus was due to low borrowing rate as well as additional expenses incurred due to improved technology implemented by the Credit Union.

The Chairman presented the financial position of the Credit Union. He said that total savings was at 4.6% which was \$331M and that was a \$14.7M improvement over 2018. Loans grew by \$291M in 2019 from \$288M in 2018. Loans granted in 2019 was \$77.9M. The percentage in loans for 2019 is 0.98%. There were 3,824 loans for 2019 which was 1.49% below 2018 which meant the method to encourage members to borrow was not working. Closer to the end of the year, the interest rate on loans was reduced as well as the requirement for the loans was adjusted. This resulted in an improvement in borrowing. Assets grew to \$420M in 2019 which was the highest it has ever been.

### **Scholarship**

The Credit Union continued to offer scholarships at the Secondary Level and grants at the Tertiary Level. \$125,000 was allotted for scholarship during the year under review. The scholarship on offer for 2019 was the Dudley M. Forrester Scholarship and this was awarded to Ms. Accalia Lee, a prospective student at the St. Andrew High School for Girls. The Stanley Williams Memorial Grant and the Gloria Wilson Memorial Grant were awarded to Teniesha Powell and Damoi Escoffery, respectively. Both were students at the University of the West Indies (UWI).

### **Summer Internship Programme**

In the Summer awardees of scholarships were



required to work one week at the Credit Union. This enabled the awardees to have knowledge of the working world and be informed about the Credit Union. This will also inject new members in the Credit Union as they prepare for their future.

## **Education and Member Relation**

The Family Fun Day for 2019 was held on Saturday, April 30 at Sea Gardens Beach Resort, Montego Bay, St. James. Over 250 members were in attendance in celebration of the Credit Union's 70th Anniversary.

The Members Appreciation Day was held on the Credit Union's ground. Over 150 members were in attendance. They participated in health checks and were advised on financial wealth matters.

The Credit Union continued to use e-mails, SMS messaging and social media platforms to contact members and potential members. Members can view the products and services offered by the credit union as well as download forms from the website. To reduce face to face contact, some services will soon be offered online via the website. The website address is PWDCCU.com.

## **Awards and Recognitions**

PWDCCU was voted Small Credit Union of the Year for 2018 (JCCUL) and Best Investor in the Credit Union Small Category awarded by the Credit Union Fund Management Company (CUFMC).

## **Delinquency**

The Chairman said that the delinquency rate was quite good based on the industry standard and based on the other players in the marketplace within the Credit Union Movement. He informed the AGM that the delinquency

rate was at 2% plus which was quite phenomenal, however the Credit Union would like to collect all the debts from delinquent members. One strategy that could be used was to publish the names of delinquent members at the back of the Annual Report. The total delinquency as at December 31, 2019 stood at \$4.4M.

## **JCCUL Annual General Meeting**

Six persons attended the JCCUL AGM and Convention in May 2019 at the Hilton Rose Hall Hotel and Spa in Montego Bay, St. James. The Theme for the AGM was 'Transforming Lives, One Person, One community at a time'. The representatives who attended were Mr. Norris Gilbert and Miss Karen Arscott – Delegates, Mr. Damon Escoffery and Miss Paula Brown – Alternate Delegates, Miss Angelina Brown and Miss Fern Graham – Observers. The Chairman said that the conference was a tremendous success. He informed the AGM that the next JCCUL AGM and Convention should have been held in May 2020 in Ocho Rios, St. Ann. However due to the pandemic and the COVID-19 restrictions, only the AGM was held in September 2020 in Kingston.

## **COVID-19 Pandemic; Impact On The Credit Union**

Although the COVID-19 impacted the operations of the Credit Union, the Credit Union was able to react positively to the pandemic. The Staff were able to complete their tasks in a safe environment as the Credit Union provided personal protective equipment and sanitization stations. The Credit Union was able to reach out to the members who were facing financial difficulties (due to job losses) by offering moratorium on loans where necessary. They were able to develop special loans to members and relatives who suffered directly from the COVID-19 pandemic. There was also a loan implemented if members or their relatives fall ill due to the pandemic and needed financial assistance to



cover medical expenses.

### **The Way Forward**

The Chairman said the PWDCCU remains a solid organization poised for further development into the future and to deal with the next generation.

A part of the JCCUL's initiative was for Credit Unions to invest in Transaction Monitoring Software, Electronic Banking Software as well as the Mastercard Debit Card (which will allow the Credit Unions to transact business online as well as overseas). He said that PWDCCU has already signed on and in a few months these products will be available to members so that they can do business on online as well as overseas shopping. The Mastercard Debit Card will replace the Credit Unions' current Access Cards.

### **Directors' Performance**

The Credit Union owes its seventy-two years of success to the solid commitment from its volunteers over the years. The Directors have given their time, expertise and resources to ensure that the credit Union's targets have been met and the Credit Union's performance remains optimal.

### **Condolences**

The Chairman offered condolences on behalf of the Board and Management of the PWDCCU to the families and friends who lost loved ones. He noted that four persons passed during the year namely:

- Mr. Salan Faulkner
- Mrs Hazel Knight
- Miss Yvonne West
- Miss Olga Saunders

The Chairman paid tribute to Miss Olga Saunders who worked at the Credit Union for 45 years. He said that she was sadly missed and that the office would not be the same without her. A moment of silence was observed for those who had passed on during the year.

The Chairman extended appreciation and gratitude to the members who continued to do business with the Credit Union throughout the year.

The Chairman informed the AGM that it was the first time in the past twenty years that the Credit Union had its AGM outside the compound of the Ministry of Transport and Mining or the National Work Agency. He said there was a challenge getting members to the venue at the Girls Guides Association, however the Ministry of Transport and Mining provided transportation for the members from the Ministry to the venue. He thanked the National Works Agency for continuing to work with the Credit Union.

Thanks, were extended to the Senior Managers of the National Works Agency who attended the AGM. Gratitude and thanks were also extended to individuals and institutions such as the Jamaica Co-operative Credit Union League (JCCUL), CUNA Caribbean, Quality Network Co-operative Ltd (QNET), Credit Union Fund Management Company (CUFMC), Jamaica Co-operative Insurance Agency (JCIA), the Department of Co-operative and Friendly Societies (DCFS), the Auditors - Smith and Associates, the Bank of Nova Scotia Jamaica Limited, Sagicor Bank and all other entities who have worked with the Credit Union during the year. The Chairman said that the greatest appreciation goes to the staff. He thanked the Credit and Supervisory Committees for



giving yeoman service to the Credit Union so it could remain the institution of choice for the members. The President then asked if there were any questions or comments.

Mr. Warren Wilson queried how was the money spent during the year. He said that he saw millions of dollars and yet the surplus was only Fifty Thousand Dollars (\$50,000.00). He asked the Chairman for an explanation. The Chairman referred Mr. Wilson to pages 44, 54 and 55 of the report which gave a breakdown of the income and expenditure. He said that the Credit Union had to purchase a new software that dealt with the International Financial Standard (IFRS9). He further explained some of the other expenditure that the Credit Union had to deal with, and which impacted the credit union's profit. This was not so much the expenses but the decrease in income which was \$51M in 2019 compared to \$54M in 2018. He further stated that the members borrowed less in 2019 compared to 2018 thus decreasing the income received.

Miss Michelle Pryce asked about the Investment Portfolio. The Chairman replied that this consisted of investments in the Credit Union Fund Management Company (CUFMC) and deferred shares in CW&J Co-operative Credit Union Ltd.

Ms. Pryce also said that she was concerned about the distribution of the Annual Report to the membership being done at the AGM. The members need to get them prior to the meeting so that they can be perused so that the members may be informed what the committees and management were doing and come prepared with questions. On the matter of the books being delivered late or at the AGM, the Chairman said that they could have had the books earlier however, they had taken some steps to delay the delivery of the books so that

there would be less errors. He apologized for the delay and promised not to have the delay repeated. Joining the conversation Mr. Romoyne Watson stated that the books could be posted on the website before the meeting.

The Board of Directors' Report was adopted on a motion moved by Mr. Warren Wilson and seconded by Miss Juliette Dacosta.

## **8b. REPORT OF THE CREDIT COMMITTEE**

Mr. Patrick Rose, Chairman of the Credit Committee presented the report. He introduced the members of the committee: Mr. Wayne Walton, Mr. Patrick Rose, Miss Janet Stewart, Mr. Alric Blake, and Miss Kerriann Clarke.

Explaining the graph that was presented Mr. Rose said that the graph showed the number of loans and the value per year. He said that for 2019 the value of loans was significantly less than the previous year (2018) although there were not much less loans for 2019. He informed the AGM that the top three loans were Personal Expenses \$65M, Consolidation of Debts \$30.6M and Emergency Loans \$19.6M.

Mr. Rose gave the demographics for the borrowing trend. Women tended to borrow more than men. The age range for borrowing was between the ages of 41 to 60. The 51 to 60 age group depicted the highest number and value of loans. He stated that younger members are borrowing larger loans and he hoped that this trend will continue.

The Chairman asked for a motion to be moved and seconded for the acceptance of the Credit



Committee Report. Mr. Lenson Lee moved the motion, and it was seconded by Mr. Dwight Thomas.

### **8c. REPORT OF THE SUPERVISORY COMMITTEE**

The Supervisory Committee Report was presented by Mr. Melvin Young on behalf of Mrs. Sonia Cole, Chairperson of the Committee who watched the meeting on zoom. He said that the report could be found on pages 32 to 33 of the Annual Report. He introduced the members of the Supervisory Committee: Mrs. Sonia Cole – Chairperson, Miss Angelina Brown, Mrs. Althea Cole-Martin, Mr. Lenson Lee, Mr. Melvin Young.

He stated that the responsibilities of the Supervisory Committee were to oversee the operations of the Credit Union and provide objective reviews. He informed the meeting of some of the areas that were audited.

Mr. Young said that having analyzed the performance in the areas that the Committee examined, he was reasonably satisfied that the controls implemented by management to safeguard the assets of the Credit Union were satisfactory. He stated that there was adherence to the established policies, procedures, standards and compliance with the BOJ guidelines. He further stated that most of the observations brought to the attention of Management were satisfactorily addressed.

Mr. Young said that the Committee participated in an in-house training on Anti-money Laundering and Anti-financing of Terrorism.

Mr. Young expressed gratitude to the Board of Directors, staff and other volunteers for their co-operation during the year. He thanked the members for the confidence displayed by electing the Committee to serve.

The motion for the acceptance of the report was moved by Miss Michelle Pryce and seconded by Miss Michelle Muir.

### **8d. TREASURER'S REPORT**

The Treasurer's Report was presented by the Treasurer – Mr. Damon Escoffery. The report could be found on pages 38 and 39 of the Annual Report. He noted one correction, 'Graph 4' should be removed from the report. He asked for a motion to be moved and seconded that the report be taken as read. The motion was moved by Miss Angelina Brown and seconded by Mr. Lenson Lee.

Mr. Escoffery reiterated the response by the President to Mr. Wilson's earlier question as to why there was such a low figure for the surplus for 2019.

With no other question being asked Mr. Escoffery asked for a motion to accept the Treasurer's Report. Mr. Warren Wilson moved for the acceptance of the report, and it was seconded by Miss Michelle Muir.

### **9. APPROPRIATION OF NET UNDISTRIBUTED SURPLUS**

Mr. Damon Escoffery – Treasurer, presented the Appropriation of the Net Undistributed Surplus found on page 39 of the Annual Report. It was proposed by the Treasurer and seconded by Mr.



Lenson Lee. All were in favor.

## 10. FIXING OF THE MAXIMUM LIMIT OF BORROWING

Mr. Escoffery said that the Maximum Limit of Borrowing was not printed in the book. He explained that the Limit of Borrowing was normally sixteen times the share capital. In further explaining the Chairman told the members that sixteen times the share capital would allow the Credit Union to accept more deposits during the year without having to call a Special General Meeting during the year to approve an increase.

The Treasurer proposed the maximum limit of borrowing and the motion was seconded by Mr. Dwight Thomas.

Mr. Escoffery asked for a motion that the Auditor present an abbreviated version of the Auditor's Report. The motion was moved by Mr. Christopher Seaton and seconded by Mr. Lenson Lee.

### Audited Report

The Audited Report was presented through Zoom by Mr. Noel Smith, Auditor - Smith & Associates. The Auditor read the abbreviated version of the report. The Audited Report was accepted on a motion by Mr. Everal Barnett and seconded by Miss Michelle Pryce.

## 11. REPORT OF THE NOMINATING COMMITTEE

Chairman of the Nominating Committee Mr. Norris Gilbert read the report located on pages 92 - 94 of the report. He pointed out that there is a correction, Miss Fern Graham – staff member, replaced Mr. Damon Escoffery because the Rule states that there cannot be more than one Director on the Nominating Committee.

Mr. Devon Wright moved a motion, seconded by Miss Julette Dacosta that the Nomination Report be accepted.

## 12. ELECTIONS

Miss Karen Lyttle, representative from the Department of Co-operatives and Friendly Societies was invited to assist in the election process. Miss Lyttle explained the rules of the Credit Union on elections and then proceeded to conduct the elections starting with the recommendations of the Nominating Committee for the Board of Directors. The Board of Directors returned en bloc as there were no nominations from the floor.

Election of officers to serve on the Credit Committee and Supervisory Committee. The members of both the Credit and Supervisory Committees were unopposed as there were no nominations from the floor.

The motion for the acceptance of Mr. Norris Gilbert and Miss Cheryl Hawkins as delegates to the Jamaica Co-operative Credit Union League's Annual General Meeting was moved by Mr. Warren Wilson and seconded by Miss Michelle Muir.

## 13. ANY OTHER BUSINESS

Miss Michelle Pryce enquired if the regulation would change or were there any plans in place to allow for those joining by zoom or any other meeting platform to be counted as part of the quorum. The Chairman replied that the current rules, laws and regulations allow for attendance in person at the venue of the meeting to be counted as part of the quorum. Miss Pryce further asked how soon would there be an amendment and if it would affect next year's



meeting. The Chairman replied that the amendment should be in place by next year.

Miss Pryce also asked if the Nominating Committee allowed members to nominate persons to be on committees. She said that from her recollection she had not seen any correspondence informing members that they can nominate anyone to be on the committees. The Chairman said that they usually mail the correspondence to members, call the employees and send messages asking if they are willing to serve on various committees. He said they also Co-opt volunteers who serve on sub-committees such as the Human Resource Committee. He said that communication is not as good as it should be. Miss Pryce said that she thinks the vacancies should be broadcast at the meetings and virtually so that more members will be serving because there is a lot of overlapping and if it is passed to the members that we are looking volunteers to serve, she is of the opinion, there would be new persons to serve. She told the Chairman that he needs to reach out to young members more. The Chairman said that he had reached out several times to several persons including the younger members but the commitment to serve is sometimes not there.

Mr. Warren Wilson asked if the Credit Union has developed a plan to assist members who are in financial constraint during the pandemic. The Chairman replied that the Credit Union has reached out and has developed a loan for people who will need it.

The Chairman said that he had given his closing remarks during his report. He thanked the members for attending the meeting. He thanked the Board of Directors for the sterling work that they have done

each year. He thanked the staff for putting all in place so that the AGM could be held. The team of technicians were thanked for doing a sterling job and making the sound near perfect. He also thanked Miss Lyttle for conducting the elections, the people responsible for the display board, electronics for the zoom conferencing. He thanked the members for attending the meeting and hope to see them next year.

#### **14. ADJOURNMENT**

The 2020 AGM was adjourned 7:15 pm on a motion by Miss Ina Robinson and seconded by Miss Julette Dacosta.





# BOARD OF DIRECTORS

**NORRIS GILBERT**  
**PRESIDENT**

**CHERYL HAWKINS**  
**VICE PRESIDENT**

**PAULA BROWN**  
**ASSISTANT SECRETARY**

**KAREN ARSCOTT**  
**SECRETARY**

**DAMON ESCOFFERY**  
**TREASURER**

**EVERTON WALKER**  
**ASSISTANT TREASURER**

**BERNARD ALLEN**  
**DIRECTOR**

**KAYDIAN GORDON**  
**DIRECTOR**

**ROMOYNE**  
**WATSON**  
**DIRECTOR**





In 2020, the Jamaican economy, like most across the world, faced serious challenges due to the impact of the COVID-19 pandemic. On March 10, 2020, Jamaica recorded its first COVID-19 case and the spread of the virus had a debilitating effect on the economy. The measures taken to combat the spread of the virus had implications on; unemployment, supply chain, technology, spiritual, education, and foreign exchange to name a few. The actions lead to a fall in economic activity, by as much as 18.4% during the year. These measures created setbacks

and some success for PWD Co-operative Credit Union Ltd (PWDCUL). Our members' increased demand, appetite, and qualification for loans positively impacted the financial performance of the entity. Members also saved more with the Credit Union and therefore business increased despite the pandemic.

The organization managed through the usual operational challenges, new demands, psychological stressors, technological changes, increased costs and reduced margins on investments. Preparing to manage the risks of the Credit Union and compliance with regulators were also features of the year's activity. At the end of the year, the Credit Union had some successes albeit made a loss of \$1,062,641

## Financial Performance

In 2020 PWDCUL's strategic plan for management was to focus on keeping the Credit Union in a stable environment and satisfy our members' short to medium-term needs while applying new technologies to enhance existing ones. These measures were taken while protecting the assets of the Credit Union. We were still able to satisfy the needs of the members with the offering of increased benefits in loans and savings products.

Some of our overall financial results are depicted below:

**TABLE 1**

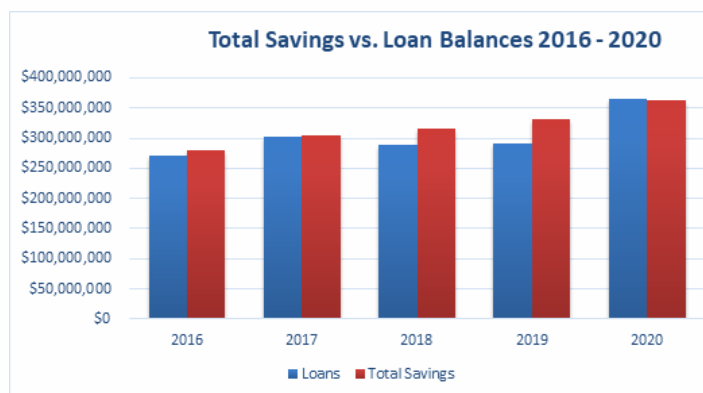
Year	2016	2017	2018	2019	2020
<b>Membership</b>	1,776	1,774	1,940	1,814	1,862
<b>Voluntary Shares</b>	\$218,946,215	\$231,503,000	\$240,740,369	\$247,378,061	\$267,267,000
<b>Deposits</b>	\$60,477,245	\$72,736,000	\$75,608,303	\$83,724,380	\$96,033,000
<b>Total Savings</b>	\$279,423,460	\$304,239,000	\$316,348,672	\$331,102,441	\$363,300,000
<b>Loans</b>	\$271,929,792	\$302,287,000	\$288,592,833	\$291,412,746	\$365,149,000
<b>Assets</b>	\$361,598,972	\$392,071,000	\$403,337,533	\$420,616,456	\$476,352,000
<b>Surplus/(Deficit)</b>	\$7,471,037	\$6,353,312	\$1,785,594	\$50,625	(\$1,062,641)

**TABLE 2**

Year	2016	2017	2018	2019	2020
<b>Membership</b>	1.08%	-0.11%	9.36%	-6.49%	2.65%
<b>Voluntary Shares</b>	3.48%	5.74%	3.99%	2.76%	8.04%
<b>Deposits</b>	18.12%	20.27%	3.95%	10.73%	14.70%
<b>Total Savings</b>	6.33%	8.88%	3.98%	4.66%	9.72%
<b>Loans</b>	3.87%	11.16%	-4.53%	0.98%	25.30%
<b>Assets</b>	0.13%	8.43%	2.87%	4.28%	13.25%
<b>Surplus/Deficit</b>	355.38%	-14.96%	-71.90%	-97.16%	-2199%

The growth figures in 2020 showed positive changes in all the areas in table 2 except for surplus. The surplus showed a decline of over 1000% on the 2019 figure. This decline was largely due to additional operational expenses incurred to satisfy the delivery of service to members and the inadequate revenue growth to match these expenses. The Loan/Asset ratio improved, however the cash flow position further declined during the year.

## Growth in Total Savings vs Loans



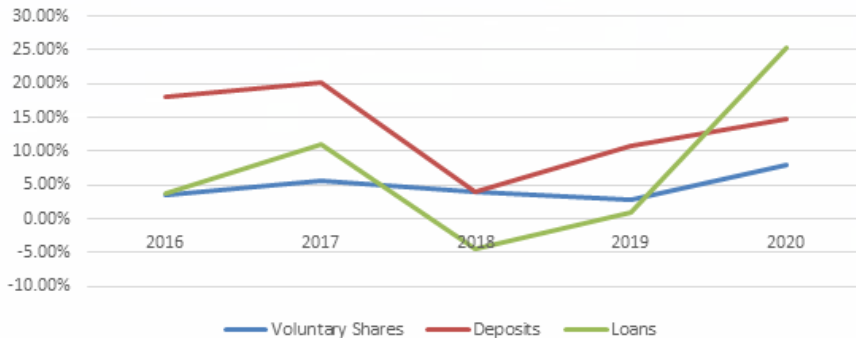
PWDCCUL's total savings grew by 9.72% to \$363.3 million in 2020. This is an improvement of \$32.2 million over the savings in 2019. This therefore closed the gap between total loans and total savings and has therefore increased the liquidity challenges. The savings growth was consistent with the Jamaican credit union industry growth which was 9.94%

Our loan balance increased to \$365.15 million in 2020 from \$291.41 million in 2019. This increase was the

largest ever increase (\$73.7 million) in the history of the Credit Union. The loan increase in 2020 was just over 25%. This improvement was far above Jamaica's credit union industry average growth of 3.58% for the year. The large growth in the year was due to the high take-up of loans in the first half of the year as a direct result of reduction in some loan rates revision of some loan during the period. The Credit Union was able to satisfy the demand for 3,516 loans during the year 2020 which was just 8% lower than the number granted in 2019. The value of the new loans granted for the year was \$241.67 million, this was \$71.01 million more than what was granted in the previous year.

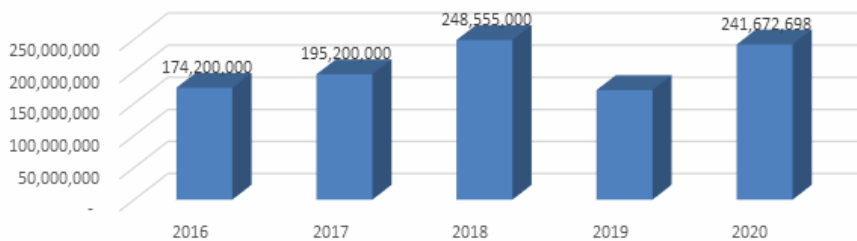


Growth in Shares, Deposits and Loans



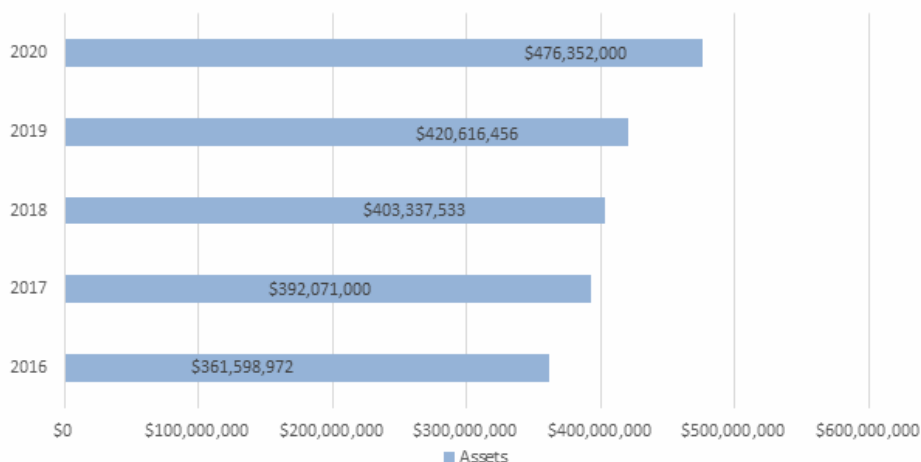
The loans had a much higher rate of increase in 2020 (25.3%) over the 2019 growth (0.98%). The deposit growth in 2020 increased by 14.7% over the previous year where there was actual increase of 10.73%.

Loans Granted Annually



The Loans granted in 2020 were \$71.01 million above that granted in 2019 and is the second highest granted since 2016. The loans granted of \$241.6 million was a 41.67% increase over the those granted in the previous year. This shows that members borrowed larger amounts during 2020 as the number of loans (3,516) was lower than 2019 (3,824) while the value of the loans borrowed was higher.

Growth in Assets 2016 - 2020



PWDCUL's assets grew to \$476.3 million in 2020, which is an increase of 13.25% over the previous year. This is depicted in the graph above. The large growth is mainly due to the high loan growth with members as 77% of the assets are in members loans. The asset growth was greater than the Jamaican credit union industry average growth which was 9.58%.





The graph above shows the surplus/deficit of the Credit Union over the past five years. The Credit Union had a deficit of \$1.062 million for the year 2020. This was a decline from \$50,625 Surplus made in 2019. The decline was due largely to additional expenses suffered by the organization during the year. The additional provisions for loan losses as well as increased depreciation on software also contributed to the expenses that caused the negative surplus.

## Scholarship and Youth Development

Despite the challenging year, the PWDCCU team remained resilient in providing financial support to our members and their children's education for the 2020 academic year through our Tertiary Grant and Secondary Scholarships. The Credit Union offered two prestigious scholarships, the Minnette Jones Memorial and the RG Chambers Memorial to its members' children entering first form to fifth form of high school. Additionally, the Stanley Williams Memorial grant was given to one member entering tertiary institution. A total of \$150,000.00 was provided under the scholarships and grant programme during the year.

The two (2) scholarships awarded were:

### SCHOLARSHIP

- |                            |              |                               |
|----------------------------|--------------|-------------------------------|
| 1. Minnette Jones Memorial | Kayla Lyons  | Wolmers High School for Girls |
| 2. RG Chambers Memorial    | Ashar Miller | Ardenne High School           |

### GRANT

- |                                    |                 |
|------------------------------------|-----------------|
| 1. Stanley Williams Memorial Grant | Ms. Peron Henry |
|------------------------------------|-----------------|



## Scholarship Awarded since 2018

	Name of Scholarship	Name of Student	Name of Member /Parent	Period of Scholarship	School
1	Donald E. Miller	Emelia McCausland	Ms Shaunette Brown	September 2018 to July 2022	Campion College
2	TOB Goldson Memorial	Janae Forbes	Ms. Tiffany Forbes	September 2017 to July 2022	Immaculate Conception High
3	Gilbert O Rose Memorial	Kimberly Watson	Mr. Karl Watson	September 2017 to July 2022	Ardenne High School
4	Monica Bolton Memorial	Abigail Cato	Ms Natalie Waldron	September 2018 to July 2023	Immaculate Conception
5	Dudley M. Forrester Memorial	Accalia Lee	Mr. Ansel Lee	September 2019 to July 2024	St. Andrew High School for Girls
6	Minette Jones Memorial	Kayla Lyons	Mr. Kingsley Lyons	September 2020 to July 2025	Wolmers High School for Girls
7	RG Chambers Memorial	Ashar Miller	Ms. Miscaih Miller	September 2020 to July 2025	Ardenne High School

## TERTIARY GRANT AWARDEES SINCE 2011

YEAR	STANLEY WILLIAMS MEMORIAL GRANT	GLORIA WILSON MEMORIAL GRANT
2011	Miss Andrea A Belnavis	Miss Petra-Kene Williams
2012	Miss Yola Ingleton	Miss Kimberley Cole
2014	Mr. Anthony Cole	Mr. Kevin Roy Johnson
2015	Mr. Darian SM Francis	Mrs. Amoy Williams McKenzie
2016	Mrs. Josiene Brown Nelson	Miss Tajera Douglas
2017	Mr. Rusean Lewis	Miss Stanesha Brown
2019	Ms. Teniesha Powell	Miss Damoi Escoffery
2020	Ms. Peron Henry	-

# REPORT OF THE BOARD OF DIRECTORS TO THE 73RD ANNUAL GENERAL MEETING

## Learning and Development

People are our greatest asset as we strive to become a premier credit union. To improve the Credit Union's capacity and performance the staff and volunteers attended and were exposed to a variety of training workshops and professional developmental activities throughout the year. The training initiatives undertaken by the Credit Union exposed the staff and volunteers collectively to 140 man-days of training. The training included programmes such as Sales Management, Customer Services, Anti-Money Laundering (AML), Delinquency Management, Teller Training and Risk Management

The Credit Union, in 2020 reinstated the use of CPD Online training programme developed by the Jamaica Cooperative Credit Union League (JCCUL). This facilitated online training as face-to-face training was minimized. Volunteers and staff have attended several training courses put on by the League though the year.

## Education and Member Relations

Through the use of emails, SMS text messages and other social media platforms, we continue to make

efforts to ensure that our members are always informed on the various loans and benefits that are available at the Credit Union and the overall industry. Our new look website is also active and provided useful information to users on the products and services and frequent notices.

## Awards and Recognition

PWDCCUL was voted Runner-Up Small 'Credit Union of the Year' 2020 at the JCCUL Annual General Meeting. This award shows that even in the competitive space among credit unions PWD is highly recognized through its positive and sound governance practices over the years.

## Directors Performance

The Board of Directors continued to work diligently to ensure that the Credit Union achieved its strategic objectives and goals. The attendance of physical meetings was hampered by the restrictions imposed by the Government of Jamaica due to the increased COVID 19 cases. The Directors however utilized the online modality to have its meetings.

The table below displays the name and positions of Board of Directors and their attendance at Board meetings:

**Board Meeting Attendance for 2020**

NO.	Names	Positions	Possible Meetings	Meetings Attended
1.	Mr. Norris Gilbert	President	12	12
2.	Miss Karen Arscott	Vice President	12	10
3.	Mr. Damon Escoffery	Treasurer	12	12
4.	Mr. Everton Walker	Assistant Treasurer	12	9
5.	Miss Cheryl Hawkins	Secretary	12	12
6.	Miss Paula Brown	Assistant Secretary	12	11
7.	Mrs. Kaydian Gordon	Director	12	10
8.	Mr. Bernard Allen	Director	12	11
9.	Mrs. Annette Hemmings	Director	5	3
10.	Mr. Romoyne Watson	Director	6	5





### The Way Forward

The Credit Union remains resilient and solid and poised for further development even in a more regulated environment. The software purchased, as well as further development of existing technologies will aid in the preparation of PWC for the next generation of membership. The investment in Transaction Monitoring Software, Electronic Banking Software, Mastercard Debit Card, direct selling to existing members, will lead the Credit Union into the future with the next generation.

We have also improved the physical process flows in the office that includes relocation of key members in

office to serve the members more efficiently. The physical changes also include some aesthetics improvement to the back-office areas to allow the staff more comfort.

In order to attract new membership for the achievement of growth targets for sustainability, the Board is proposing a rule change to allow for the widening of the bond. The bond will now include all employees of a Ministry, Department or Agency in Jamaica.

### Farewell

Obituaries 2020		
Names	Month Passed Away	Organisation
Leonard Cooper	January	Retired
Assad Nelson	March	Retired
Donald Smith	March	Retired
Albert Clarke	May	Retired
Paul Walton	August	NWA
Carol Cooke-Orr	September	NWA
Noel James	September	Retired
Delores Forbes	October	Retired
Paul Richards	November	Retired
Grace Phillips	November	Retired
Leroy Williams	November	Retired

The Board, Committees and Staff offer our condolences to the families and friends of our departed members.

### Appreciation

The Board of Directors wishes to convey sincere gratitude to the members who continued to conduct their business with the credit union throughout the year. We would also like to thank the management of our main sponsors, the Ministry of Transport and Mining and the National Works Agency for their continued support. Our gratitude is also extended to the many individuals and institutions such as; Jamaica Co-operative Credit Union League (JCCUL), CUNA Caribbean, Quality Network Co-operative Ltd (QNET), Credit Union Fund Management Company (CUFMC), Jamaica Co-operative Insurance Agency (JCIA), the Department of Co-operative and Friendly Societies (DCFS), the Auditors - Smith and Associates, the Bank of Nova Scotia Jamaica Limited, Sagicor Bank and all other entities who

# REPORT OF THE BOARD OF DIRECTORS TO THE 73RD ANNUAL GENERAL MEETING



have worked with the Credit Union during the year. Our greatest appreciation goes out to the Staff, the Credit and Supervisory Committees who have given yeoman service to the credit union so that it remains the institution of choice for our members.

*N Gilbert*  
Norris Gilbert  
President

## **PWD CREDIT UNION LIMITED**

- **SAVE WISELY**
- **SPEND WISELY**
- **THE CREDIT UNION WAY**

**PLEASE KEEP SAFE WHILE USING YOUR PWD ACCESS  
PLUS DEBIT CARD.**



# START A PARTNER PLAN TODAY!!!

Periods of Weeks	Rewards	Condition
16	2% of amount saved	No more than 1 late payments
24	2.5% of amount saved	No more than 2 late payments
36	4% of amount saved	No more than 3 late payments
48	4.5% of amount saved	No more than 4 late payments

## Requirements:

- A. Must be a member and have a minimum share Balance of \$1000.00.
- B. Minimum is \$500.00 per week and can be weekly, fortnightly or monthly.
- C. Members can have several plans running concurrently.
- D. If the Member does not wish to claim the return on the plan at the end of the fixed period, the amount/s can be transferred to the deposit or share accounts at the members request in writing.
- E. Two (2) days notice must be given in writing if a member wishes to close the account before the end of the fixed plan.





# CREDIT UNION STAFF

**FERN GRAHAM**  
GENERAL MANAGER

**KEVIN  
WEDDERBURN**  
ACCOUNTANT

**ELVEDA  
MORRIS**

**GRACE  
MCKENZIE**

**PETA-GAYE  
CARGILL-STEWART**

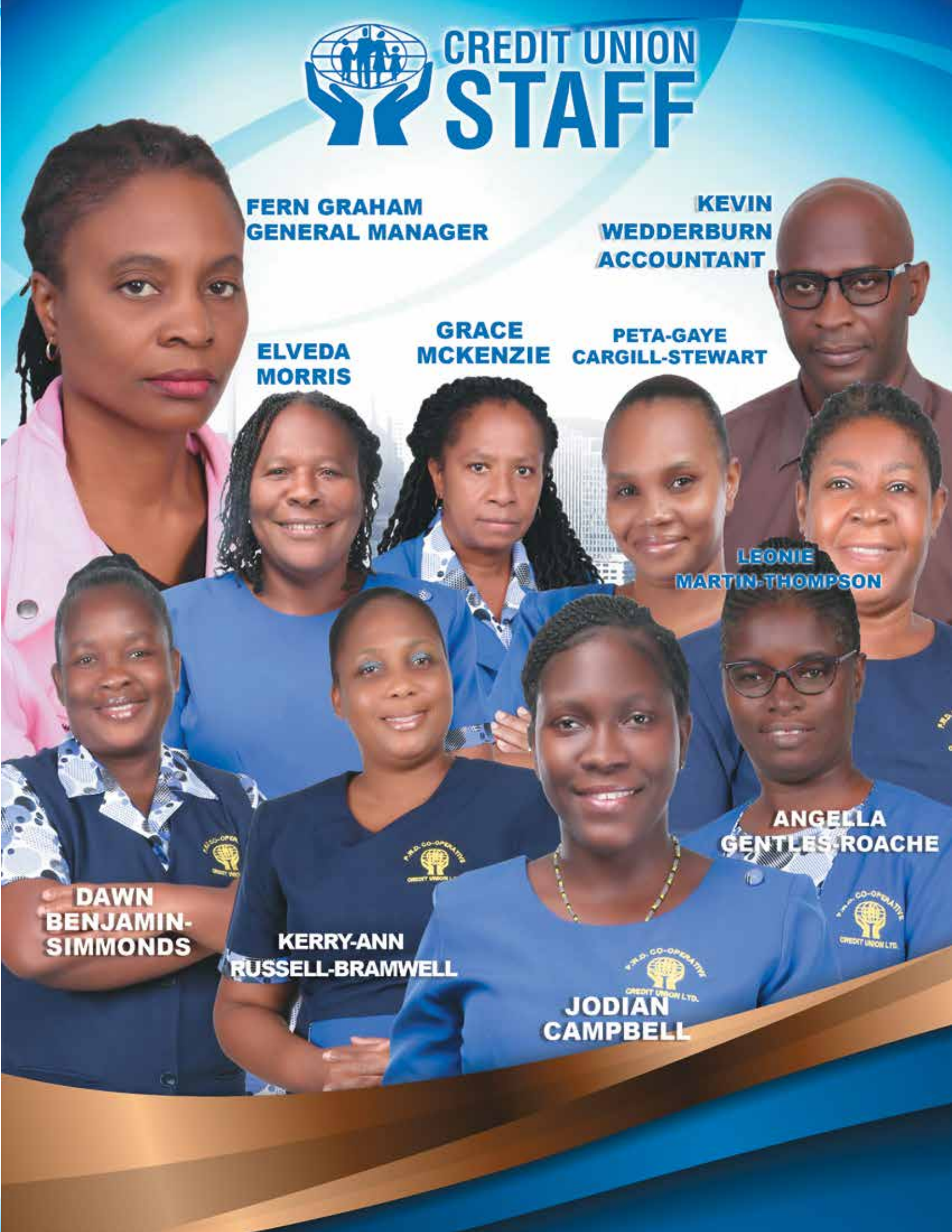
**LEONIE  
MARTIN-THOMPSON**

**DAWN  
BENJAMIN-  
SIMMONDS**

**KERRY-ANN  
RUSSELL-BRAMWELL**

**JODIAN  
CAMPBELL**

**ANGELLA  
GENTLES-ROACHE**







# CREDIT COMMITTEE

**PATRICK  
ROSE**

**WAYNE  
WALTON**



**PAULA  
HAMILTON**



**KERRIANN  
CLARKE**



**JANET  
STEWART**

# REPORT OF THE CREDIT COMMITTEE

## Credit Committee Members

1. Patrick Rose, Chairman
2. Janet Stewart
3. Kerriann Clarke
4. Paula Hamilton
5. Wayne Walton

The Credit Committee is pleased to have served for the period ended December 31, 2020.

The meetings were held once per week to consider members loan applications. We were involved in the business of the Credit Union by submitting monthly reports to the Board of Directors and attending Joint committee meetings as per Rule 40 "A meeting of the officers, members of the Board of Directors, Credit and Supervisory Committees shall be held at least once a quarter".

For the period under review a total of 3,516 loans were approved and disbursed in the amount of J\$241,672,698.28.

A number of applications were not approved for the period under review owing to the fact that some applicants did not meet the criteria for loan approval.

## Loan Portfolio

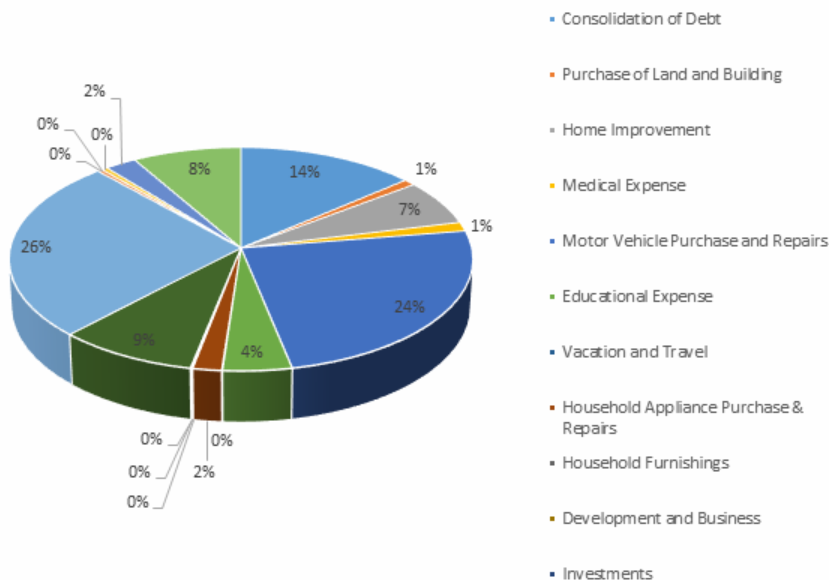
Debt Consolidation, Motor Vehicle and Personal Expenses (loans within shares) continue to be areas that dominate borrowing and account for over 50% of the loan portfolio. Vigorous efforts continue to be made to keep our delinquencies at a manageable level.

Despite the disastrous effects of COVID-19 worldwide we continue to assist our members through the depression and encourage them to embrace opportunities to go into agriculture, small businesses and investments to improve the quality of life for themselves and family.

We wish to express our appreciation and gratitude to the management and staff and in particular those officers who worked long hours with the Credit Committee to fulfil our responsibilities to the membership. In concluding, we say thanks to our members for making the PWD Credit Union your financial institution of choice.

Peace be with you until we meet again

**Total Loans  
January to December 2020**



## Loan Analysis

The total loan disbursement for the year 2020 stood at approximately \$241.7M. The total number of loans for the period January to December 2020 was 3,516. The top three loans for the period were Personal Expense Loan, Emergency Loan and Pay Day Loan. These three loans accounted for 89% of the total number of loans.





### LOANS FOR THE PERIOD JANUARY TO DECEMBER 2020

Loan Purpose Description	Count	Current Period Value
Consolidation of Debt	126	33,078,192.29
Purchase of Land and Building	5	2,190,000.00
Home Improvement	28	15,910,907.59
Medical Expense	44	3,185,054.08
Motor Vehicle Purchase and Repairs	64	58,697,356.59
Educational Expense	64	10,568,921.92
Vacation and Travel	2	102,700.00
Household Appliance Purchase & Repairs	17	4,426,666.25
Household Furnishings	1	2,300.00
Development and Business	1	200,000.00
Investments	1	135,000.00
Refinancing of Loans	28	21,533,374.67
Personal Expenses	1,695	63,622,847.65
Funeral Expenses	7	934,800.00
Legal Expenses	1	30,000.00
Insurance	13	1,072,695.12
Pay Day Loan	630	5,835,500.00
Emergency Loan	789	20,146,382.12
<b>Total</b>	<b>3,516</b>	<b>241,672,698.28</b>

*P. Rose*  
Patrick Rose  
Chairman



# **SUPERVISORY COMMITTEE**

**MELVIN YOUNG  
CHAIRMAN**

**ALTHEA  
COLE-MARTIN**

**SONIA  
COLE**

**LENSON  
LEE**

**ANGELINA BROWN  
SECRETARY**





It is with great pleasure that we report on our stewardship for the period January to December 2020. The following officers were duly elected to serve on the Supervisory Committee at the 72nd Annual General Meeting held on 2020 October 28 at the Girl Guides Association of Jamaica:

Mr. Lenson Lee  
Mr. Melvin Young  
Mrs. Sonia Cole  
Mrs. Althea Cole-Martin  
Miss Angelina Brown

Meetings were held on Mondays and Wednesdays. Report of attendance of the Supervisory Committee for the period January to December 2020 is outlined below:

Member	Position	# of Possible Meetings	# of Meetings Attended
Sonia Cole*	Chairperson	79	40
Angelina Brown	Secretary	79	55
Althea Cole-Martin	Member	79	71
Lenson Lee	Member	79	73
Melvin Young**	Chairperson	79	69

Mrs. Sonia Cole – Chairperson (Jan – Oct)  
Mr. Melvin Young – Chairperson (Oct – Dec)

**Note:** Miss Angelina Brown was on vacation from July – August & November 2020. Mrs. Sonia Cole was on vacation leave. she also had to observe the COVID-19 protocols issued by the government thereby affecting her physical appearance at meetings. Notwithstanding, there was constant communication and as always, she provided valuable contributions to the meetings virtually.

## Scope of Work

Our responsibilities are to oversee the operations of the Credit Union and provide objective reviews. Below are some of the areas that were audited during the period:

- Review Internal Control Systems.
- Verification of Payment Vouchers.
- Examination of Loan Applications.
- Prepare and submit Monthly reports to the Board of Directors.
- Attend Joint Meetings.
- Request management response on audit findings & follow up on previous External Audit Reports.

## Observations

The advent of the Coronavirus pandemic has altered the normal operation of businesses. In navigating this new paradigm – we all had to adjust to new ways of doing business and adhering to the Ministry of Health and Wellness protocols. The PWC Co-operative Credit Union Limited (PWCCUL) like all other organizations

was impacted and had to reschedule opening hours to be compliant. Adjusting to the National lockdown and Parish lockdowns also affected the daily service delivery of the Credit Union. Consequently, the Committee had to reschedule meeting times, which were facilitated by the Office Manager. The normal method of meetings have been revised to accommodate virtual attendance



and has been allowing members to contribute when we all cant physically attend. Nonetheless, we were not daunted in carrying out our mandate, as such, the Committee analyzed the performance of PWDCUL in the areas mentioned above and is reasonably satisfied that the internal controls implemented by Management to safeguard the assets of the Credit Union were satisfactory. Similarly, there was general adherence to the established policies, procedures, and standards. Our observations brought to the attention of Management were satisfactorily addressed.

### Acknowledgement

We express gratitude to the Board of Directors, staff, and other volunteers for their co-operation during the year. Our sincere thanks to the membership for the confidence displayed by electing us to serve in this capacity. We also use this medium to extend condolences and well wishes to members who are directly or indirectly affected by COVID-19. Remember; always observe the COVID-19 protocols established by the Ministry of Health and Wellness. Keep safe.

*Melvin Young*  
Melvin Young  
Chairman



**Financial Investments** for the year was \$33,360.00 and this was \$110,355.00 less than last year figures.

**Commission, Fees and Other Income** were -\$141,987.00 and this was \$2.548 million less than last year figures.

### Expenses

The expenses for the year 2020 were \$47.237 million or 6.82% more than 2019 expenses.

**Payroll cost** for the year 2020 was 44% of the Total Expenses, totaling \$22.5 million and was \$696,242.00 more than 2019.

**Administrative Expenses** for the year 2020 were \$17.520 million and was \$1.585 million more than 2019

**Representation and Affiliation** – This was \$6.497 million or \$777,469.00 more than 2019.

### Balance Sheet

#### Assets

At the end of 2020, the Credit Union had Total Assets of \$456.024 million. This is an increase of \$35.407 million or 8.42% over the previous year.

- Non-Current Asset - \$391.079 million which was 22.8% million more than the previous year.
- Non-Earning Asset - \$13.794 million 7.97% more than the previous year.
- Current Asset - \$41.205 million, this is a reduction of 41.2% over the period for 2019.

#### Liabilities

At the end of 2020, the liabilities of the Credit Union were \$387.224 million. This is an increase of 10.54% or \$36.906 million more than 2019.

- Non-Current Liabilities - \$363.388 million and

For the year 2020, the Credit Union made a Total Comprehensive Loss of \$1.062 million. This was our first negative return over the last ten years and was \$1.012 million below the year 2019. This loss is mainly due to the increase in expenses for the period which were not matched with additional revenue during the year. The continued declining interest rate and expenses associated with COVID-19 pandemic also contributed to the loss.

### Revenue

For the year 2020, PWD Credit Union earned Total Revenues of \$56.094 million. This was \$4.665 million more than the previous year. The revenue distribution was as follows:

**Loans to Members** - for the year were \$54.713 million which was \$4.449 million less than last year figures.

**Liquid Investments** - for the year the credit union made \$1.348 million this was \$325,782.00 more than last year figures.

this was 9.8% or \$32.28 million more than the 2019.

- Current Liabilities – \$23.835 million and this 24.05% or \$4.620 million more than 2019.

### **Capital & Reserves**

Capital and Reserves amounted to \$68.800 million. This is down from \$70.299 million in 2019.

The 2.13% reduction in capital was largely due to the deficit of \$1.062 million.

I would like to take this opportunity to thank the Assistant Treasurer, other members of the Board, Committee members, the Office Manager and Staff, our Auditors Smith and Associates, and our valued members for your co-operation and support during the year.

It was a pleasure serving you and Credit Union and I look forward to continued good relationship in the Credit Union movement.

*D Escoffery*

Damon Escoffery  
Treasurer

### **Fixing the Maximum Limit of Borrowing**

(In accordance with Rule 71)

The Board recommends to the Annual General Meeting that the Maximum Limited of borrowing by the PWD Co-operative Credit Union Limited remain at sixteen times the Credit Union's Capital until varied by a resolution of an Annual or Special General Meeting.

Moved by Treasurer

Seconded by





# ***FINANCIAL STATEMENTS***

## ***& NOTES TO THE FINANCIAL STATEMENTS***

### ***AS AT DECEMBER 31 2020***

## **CONTENTS**

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• Statement of Financial Position	40
• Statement of changes in equity	42
• Statement of Cash Flows	44
• Notes to the Financial Statements	45



Smith and Associates

## **P.W.D. Co-operative Credit Union Limited**

**Financial Statements**

**December 31, 2020**

**Smith & Associates  
Chartered Accountants**



## Smith and Associates

Chartered Accountants

16 Hope Road,  
Kingston 10  
Jamaica W.I.  
Telephone: (876) 754-3562/  
908-2474/  
908-3210

Fax: (876) 754-5647  
email: [contact@smithandassociatesjm.com](mailto:contact@smithandassociatesjm.com)  
[smithas@cwjamaica.com](mailto:smithas@cwjamaica.com)

### Report of the Independent Auditors

12 October, 2021

To the Registrar of Co-operative Societies,  
P.W.D. Co-operative Credit Union Limited

#### Report on the Financial Statements

##### Opinion

We have audited the accompanying financial statements of P.W.D. Co-operative Credit Union Limited (the Credit Union) set out on pages 4 - to 61 which comprise the statement of financial position as at December 31, 2020, statements of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of P.W.D. Co-operative Credit Union Limited as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

##### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs).

Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of P.W.D. Co-operative Credit Union Limited in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Publication of these financial statements

Where P.W.D. Co-operative Credit Union Limited publishes these financial statements in any publication, management is responsible for the content of any other information that is included in the publication. The other information include all content other than the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

N.C. Smith, F.C.A., F.C.C.A., V.I. Smith, F.C.A., F.C.C.A.



## Report of the Independent Auditors

### Responsibility of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing P.W.D. Co-operative Credit Union Limited ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Credit Union or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing P.W.D. Co-operative Credit Union Limited's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Credit Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Credit Union to cease to continue as a going concern.



#### Report of the Independent Auditors

- ♦ 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 achieves fair presentation.
- ♦ Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Credit Union to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

#### Report on additional requirements of the Co-operative Societies Act

We have obtained all the information which, to the best of our knowledge and belief, was necessary for the purpose of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Co-operative Societies Act in the manner so required.

The engagement partner on the audit resulting in this independent auditor's report is Noel Smith

SMITH & ASSOCIATES

Chartered Professional Accountants

Noel Smith



## P.W.D. Co-operative Credit Union Limited

### Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended December 31, 2020

		2020 \$	2019 \$
<b>Interest Income calculated using the effective interest rate method:</b>	<b>Note</b>		
<b>Interest Income</b>			
Loans and advances to members	6.	54,712,911	50,263,249
Liquid assets	6.	1,348,029	1,022,247
Financial investments	6.	33,360	143,715
		<u>56,094,300</u>	<u>51,429,211</u>
<b>Interest Expense</b>			
Savings deposits	7.	3,030,372	3,501,346
Interest on voluntary shares	7.	2,841,149	3,743,708
Other interest expense	7.	-	299,061
		<u>(5,871,521)</u>	<u>(7,544,115)</u>
<b>Net interest income before provision for loan losses</b>		<u>50,222,779</u>	<u>43,885,096</u>
(Increase) / Decrease in provision for loan losses	9.d.		(1,709,827)
		<u>(1,800,000)</u>	
<b>Net interest income after provision</b>		<u>48,422,779</u>	<u>42,175,269</u>
<b>Non-interest income</b>			
Dividend income		403,718	77,380
Gain in market value of investment		40,000	-
Other (expenses) / income		(141,987)	2,689,564
<b>Non-interest expense</b>			
Loss in market value of investment		(2,055,825)	-
Loss on disposal of assets		(2,155)	-
		<u>(1,756,249)</u>	<u>2,766,944</u>
<b>Total non-interest income / (expense)</b>		<u>(1,756,249)</u>	<u>2,766,944</u>
<b>Gross margin</b>		<u>46,666,530</u>	<u>44,942,213</u>
Less operating expenses	8.	<u>47,237,171</u>	<u>44,221,588</u>
<b>Net income before Honoraria</b>		<u>(570,641)</u>	<u>720,625</u>
Honoraria	25.	<u>(100,000)</u>	<u>(300,000)</u>
<b>Net (Loss) / income after Honoraria</b>		<u>(670,641)</u>	<u>420,625</u>
<b>Other comprehensive income</b>			
<i>Items that will not be classified subsequently to profit and loss:</i>			
Actuarial gain / (loss) on obligation		(1,112,000)	9,431,000
Actuarial gain / (loss) on Plan Asset		(719,000)	1,829,000
Change in effect of asset ceiling		1,439,000	(11,630,000)
		<u>(392,000)</u>	<u>(370,000)</u>
<b>Total other comprehensive (loss) / income</b>		<u>(392,000)</u>	<u>(370,000)</u>
<b>Net profit, being total comprehensive income for the year</b>		<u>(1,062,641)</u>	<u>50,625</u>

The accompanying notes form an integral part of these financial statements





## P.W.D. Co-operative Credit Union Limited

### Statement of Financial Position

December 31, 2020

		2020	2019
	Note	\$	\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Earning assets</b>			
Loans to members	9.	365,148,816	291,412,746
Financial investments	10.	16,530,105	17,514,366
Investment property	11.	9,400,002	9,500,000
<b>Total non current, earning assets)</b>		<b>391,078,923</b>	<b>318,427,112</b>
<b>Non Earning assets</b>			
Property, plant and equipment (net)	12.	6,834,660	5,356,849
Retirement benefit asset	13.	6,958,871	7,418,871
<b>Total non-current, non-earning assets)</b>		<b>13,793,531</b>	<b>12,775,720</b>
<b>Total non-current assets</b>		<b>404,872,454</b>	<b>331,202,832</b>
<b>Current assets</b>			
<b>Earning assets</b>			
Liquid assets	14.	40,924,152	67,381,309
Bank and cash	15.	280,657	2,698,488
<b>Total current, earning assets</b>		<b>41,204,809</b>	<b>70,079,797</b>
<b>Non-earning assets</b>			
Bank and cash	15.	2,538,833	7,663,654
Receivables	16.	7,408,267	11,670,173
<b>Total current, non-earning assets</b>		<b>9,947,100</b>	<b>19,333,827</b>
<b>Total current assets</b>		<b>51,151,909</b>	<b>89,413,624</b>
<b>TOTAL ASSETS</b>		<b>456,024,363</b>	<b>420,616,456</b>

The accompanying notes form an integral part of these financial statements



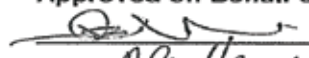
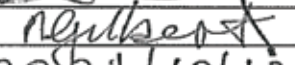
## P.W.D. Co-operative Credit Union Limited

### Statement of Financial Position

December 31, 2020

		2020 \$	2019 \$
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Institutional capital	17.	44,485,725	44,306,400
Non-Institutional capital		24,314,863	25,992,600
<b>TOTAL CAPITAL</b>		<b>68,800,588</b>	<b>70,299,000</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
<b>Interest bearing</b>			
Members' voluntary shares	18.	267,265,625	247,378,061
Savings deposit	19.	96,122,642	83,724,380
<b>Total non-current, interest bearing liabilities</b>		<b>363,388,267</b>	<b>331,102,441</b>
<b>Current Liabilities</b>			
<b>Non-interest bearing</b>			
Trade and other payables	20.	23,835,508	19,215,015
<b>Total current, non- interest bearing liabilities</b>		<b>23,835,508</b>	<b>19,215,015</b>
<b>TOTAL LIABILITIES</b>		<b>387,223,775</b>	<b>350,317,456</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>		<b>456,024,363</b>	<b>420,616,456</b>

Approved on Behalf of the Board

 , Director  
 , Director  
 2021/10/12 , Date

# P.W.D. Co-operative Credit Union Limited

## Statement of Equity

For the Year Ended December 31, 2020

	Permanent Shares	Statutory & Legal Reserves	Total Institutional Capital	Other Transfer	Retirement Benefit Reserve	Revaluation Reserve	Other Reserves	Accumulat ed surplus/ (deficit)	Total non- Institutional Capital	Grand Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at December 31, 2018	5,375,186	38,138,684	43,513,870	-	7,801,871	9,882,558	8,719,739	1,559,488	27,963,656	71,477,526
Surplus for the year	-	-	-	-	-	-	-	50,625	50,625	50,625
Shares issued and transferred	243,534	-	243,534	-	-	-	-	-	-	243,534
Shares repayment	(130,164)	-	(130,164)	-	-	-	-	-	-	(130,164)
(20% of net income before honoraria) statutory reserve transfer	-	144,125	144,125	-	-	-	-	(144,125)	(144,125)	-
Transfer to retirement benefit reserve	-	-	-	-	(383,000)	-	-	383,000	-	-
Entrance Fees	-	3,050	3,050	-	-	-	-	-	-	3,050
Appropriation of Net Surplus for 2018	-	531,985	531,985	147,026	-	-	580,000	(1,259,011)	(531,985)	-
Amount paid out in dividend	-	-	-	(107,026)	-	-	-	-	(107,026)	(107,026)
Amount paid in donation	-	-	-	(40,000)	-	-	-	-	(40,000)	(40,000)
Movement in other reserves (Payments)	-	-	-	-	-	-	(1,198,547)	-	(1,198,547)	(1,198,547)
	-	-	-	-	-	-	-	2	2	2
<b>Balance as at December 31, 2019</b>	<b>5,488,556</b>	<b>38,817,844</b>	<b>44,306,400</b>	<b>-</b>	<b>7,418,871</b>	<b>9,882,558</b>	<b>8,101,192</b>	<b>589,979</b>	<b>25,992,600</b>	<b>70,299,000</b>
Deficit for the year	-	-	-	-	-	-	-	(1,062,641)	(1,062,641)	(1,062,641)
Shares issued and transferred	207,002	-	207,002	-	-	-	-	-	-	207,002
Shares repayment and transferred	(135,078)	-	(135,078)	-	-	-	-	-	-	(135,078)
Transfer from retirement benefit reserve	-	-	-	-	(460,000)	-	-	460,000	-	-
Entrance fees	-	10,450	10,450	-	-	-	-	-	-	10,450
Appropriation of Net Surplus for 2019	-	100,000	100,000	164,657	-	-	125,000	(389,657)	(100,000)	-

The accompanying notes form an integral part of these financial statements



# P.W.D. Co-operative Credit Union Limited

## Statement of Equity

For the Year Ended December 31, 2020

	Permanent Shares \$ (note 13)	Statutory & Legal Reserves \$ (note 13)	Total Institutional Capital \$ (note 13)	Other Transfer \$	Retirement Benefit Reserve \$ (note 19)	Revaluation Reserve \$ (note 20)	Other Reserves \$	Accumulat ed surplus/ ed (deficit) \$	Total non- Institutional Capital \$	Grand Total \$
Amount paid out in dividend Movement in other reserves (Payments)	-	-	-	(164,657)	-	-	-	-	(164,657)	(164,657)
	-	-	-	-	-	-	(639,482)	-	(639,482)	(639,482)
<b>Balance as at December 31, 2020</b>	5,560,480	38,928,294	44,488,774	-	6,958,871	9,882,558	7,586,710	(402,317)	24,025,822	68,514,596

The accompanying notes form an integral part of these financial statements



**P.W.D. Co-operative Credit Union Limited**

**Statement of Cash Flows**

**For the Year Ended December 31, 2020**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from (used in) operating activities</b>		
Net profit for the year	(1,062,641)	50,624
<b>Adjustments to reconcile net (loss)/ profit for year to net cash provided by operations</b>		
Interest received	54,686,234	51,511,185
Adjustments for interest earned	(56,094,300)	(51,429,211)
Depreciation and amortisation expense	2,974,858	2,280,801
Retirement benefit reserve	460,000	383,000
Adjustments for interest expense	5,871,521	7,544,115
Adjustment to reflect loss on disposal of property, plant and equipment	2,155	-
Interest paid	(6,607,769)	(7,544,115)
<b>Total from operations</b>	<b>230,058</b>	<b>2,796,399</b>
<b>Decrease/ (increase) in current assets</b>		
Accounts receivables and prepayments	4,261,906	(4,534,488)
<b>Increase / (Decrease) in current liabilities</b>		
Accounts payable and accruals	4,620,492	3,703,681
Adjustments for non-cash gain in market value of investment	(40,000)	-
Adjustments for non-cash loss in market value of investment	2,055,825	-
Adjustments for non-cash dividend income	(403,718)	(77,380)
Dividends received	403,718	-
<b>Net cash provided by operations</b>	<b>11,128,281</b>	<b>1,888,212</b>
<b>Cash flows from (used in) investing activities</b>		
Financial investments	984,261	(3,786,911)
Loans to members	(73,736,071)	(2,819,913)
Purchase of property, plant and equipment	(4,454,826)	(1,985,892)
<b>Net cash flows from (used in) investing activities</b>	<b>(77,206,636)</b>	<b>(8,592,716)</b>
<b>Cash flows from (used in) financing activities</b>		
Members' voluntary shares	19,887,565	6,637,692
Members' savings deposit	12,398,262	8,116,077
Increase in Permanent share capital	71,926	113,370
Entrance Fees	10,450	3,050
Scholarships, share transfer and disaster fund	(125,000)	(1,238,547)
Dividend paid	(164,657)	(107,026)
<b>Net cash flows from (used in) financing activities</b>	<b>32,078,546</b>	<b>13,524,616</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(33,999,809)</b>	<b>6,820,112</b>
Cash and cash equivalents at beginning of period	77,743,451	70,923,337
<b>Cash and cash equivalents at end of period</b>	<b>43,743,642</b>	<b>77,743,449</b>

The accompanying notes form an integral part of these financial statements

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**1. Identification and principal activity**

P.W.D. Co-operative Credit Union Limited (the credit union) is registered under the Co-operative Societies Act of Jamaica. The registered office of the Credit Union is located at 147 Maxfield Avenue, Kingston 10.

The Credit Union's main activities are the promotion of thrift, the provision of loans to members exclusively for provident and productive purposes, and to receive the savings of its members either as payments on shares or as deposits.

The Credit Union is exempt from Income Tax under Section 59 (1) of the Co-operative Societies Act and Section 12 of the Income Tax Act.

The Credit Union employed 9 permanent persons as at December 31, 2020 (2019: 9).

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

**2. Basis of preparation**

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

**3. IFRS compliance and adoption**

Standards, interpretations and amendments effective during the current year

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which became effective during the current financial year, and which the Credit Union has not early adopted. The Credit Union has assessed the relevance of all such new standards, interpretations and amendments and has adopted the following as follows:

Definition of a Business - Amendments to IFRS 3

Effective for annual periods beginning on or after 1 January 2020.

Key requirements

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards, interpretations and amendments effective during the current year continued

Minimum requirements to be a business

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

Market participants' ability to replace missing elements

Prior to the amendments, IFRS 3 stated that a business need not include all of the inputs or processes that the seller used in operating that business, 'if market participants are capable of acquiring the business and continuing to produce outputs, for example, by integrating the business with their own inputs and processes'. The reference to such integration is now deleted from IFRS 3 and the assessment must be based on what has been acquired in its current state and condition.

Assessing whether an acquired process is substantive

The amendments specify that if a set of activities and assets does not have outputs at the acquisition date, an acquired process must be considered substantive only if:

- It is critical to the ability to develop or convert acquired inputs into outputs; and
- The inputs acquired include both an organised workforce with the necessary skills, knowledge, or experience to perform that process, and other inputs that the organised workforce could develop or convert into outputs.

In contrast, if a set of activities and assets has outputs at that date, an acquired process must be considered substantive if:

- It is critical to the ability to continue producing outputs and the acquired inputs include an organised workforce with the necessary skills, knowledge, or experience to perform that process; or
- It significantly contributes to the ability to continue producing outputs and either is considered unique or scarce, or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

Narrowed definition of outputs

The amendments narrowed the definition of outputs to focus on goods or services provided to customers, investment income (such as dividends or interest) or other income from ordinary activities. The definition of a business in Appendix A of IFRS 3 was amended accordingly.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards, interpretations and amendments effective during the current year continued

**Optional concentration test**

The amendments introduced an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Entities may elect to apply the concentration test on a transaction-by-transaction basis. The test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if an entity elects not to apply the test, a detailed assessment must be performed applying the normal requirements in IFRS 3.

**Transition**

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

**Impact**

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, most entities will likely not be affected by these amendments on transition. However entities considering the acquisition of a set of activities and assets after first applying the amendments should update their accounting policies in a timely manner.

The amendments could also be relevant in other areas of IFRS (e.g., they may be relevant where a parent loses control of a subsidiary and has early adopted Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)).

**Interest Rate Benchmark Reform - Amendments to IFRS 9, IAS 39 and IFRS 7**

Effective for annual periods beginning on or after 1 January 2020.

**Key requirements**

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate (an RFR).



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards, interpretations and amendments effective during the current year continued

The amendments to IFRS 9

The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and / or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

Application of the reliefs is mandatory. The first three reliefs provide for:

- The assessment of whether a forecast transaction (or component thereof) is highly probable
- Assessing when to reclassify the amount in the cash flow hedge reserve to profit and loss
- The assessment of the economic relationship between the hedged item and the hedging instrument

For each of these reliefs, it is assumed that the benchmark on which the hedged cash flows are based (whether or not contractually specified) and / or, for relief three, the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform. A fourth relief provides that, for a benchmark component of interest rate risk that is affected by IBOR reform, the requirement that the risk component is separately identifiable need be met only at the inception of the hedging relationship. Where hedging instruments and hedged items may be added to or removed from an open portfolio in a continuous hedging strategy, the separately identifiable requirement need only be met when hedged items are initially designated within the hedging relationship. To the extent that a hedging instrument is altered so that its cash flows are based on an RFR, but the hedged item is still based on IBOR (or vice versa), there is no relief from measuring and recording any ineffectiveness that arises due to differences in their changes in fair value. The reliefs continue indefinitely in the absence of any of the events described in the amendments. When an entity designates a group of items as the hedged item, the requirements for when the reliefs cease are applied separately to each individual item within the designated group of items.

The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards, interpretations and amendments effective during the current year continued

The amendments to IAS 39 The corresponding amendments are consistent with those for IFRS 9, but with the following differences:

- For the prospective assessment of hedge effectiveness, it is assumed that the benchmark on which the hedged cash flows are based (whether or not it is contractually specified) and / or the benchmark on which the cash flows of the hedging instrument are based, are not altered as a result of IBOR reform or the retrospective assessment of hedge effectiveness, to allow the hedge to pass the assessment even if the actual results of the hedge are temporarily outside the 80%-125% range, during the period of uncertainty arising from IBOR reform.
- For a hedge of a benchmark portion (rather than a risk component under IFRS 9) of interest rate risk that is affected by IBOR reform, the requirement that the portion is separately identifiable need be met only at the inception of the hedge.

**Transition**

The amendments must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight. Early application is permitted and must be disclosed. Impact in finalising the amendments, the IASB has provided reliefs that are essential to mitigate the hedge accounting issues that could arise during the period of uncertainty before IBOR contracts are amended to new benchmark rates. The IASB is now finalizing phase two of the IBOR reform project, which addresses issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR.

**Definition of Material - Amendments to IAS 1 and IAS 8.**

Effective for annual periods beginning on or after 1 January 2020.

**Key requirements**

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards, interpretations and amendments effective during the current year continued

Obscuring information

The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated.

New threshold

The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users.

Primary users of the financial statements

The current definition refers to 'users' but does not specify their characteristics, which can be interpreted to imply that an entity is required to consider all possible users of the financial statements when deciding what information to disclose. Consequently, the IASB decided to refer to primary users in the new definition to help respond to concerns that the term 'users' may be interpreted too widely.

Other amendments

The definition of material in the Conceptual Framework and IFRS Practice Statement 2: Making Materiality Judgements were amended to align with the revised definition of material in IAS 1 and IAS 8.

Transition

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

Impact

Although the amendments to the definition of material is not expected to have a significant impact on an entity's financial statements, the introduction of the term 'obscuring information' in the definition could potentially impact how materiality judgements are made in practice, by elevating the importance of how information is communicated and organised in the financial statements.

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards interpretations and amendments issued but not yet effective

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective at the date of the statements of financial position, and which the credit union has not early adopted. The credit union has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations and concluded as follows:

Covid-19-Related Rent Concessions – Amendment to IFRS 16  
Effective for annual periods beginning on or after 1 June 2020.

Key requirements

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of the covid-19 pandemic and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- (b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2021 and increased lease payments that extend beyond 30 June 2021).
- (c) There is no substantive change to other terms and conditions of the lease.

Transition

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied.

The information required by paragraph 28(f) of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is not required to be disclosed.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted, including in financial statements not yet authorised for issue at 28 May 2020.

Impact

The amendment to IFRS 16 will provide relief to lessees for accounting for rent concessions from lessors specifically arising from the covid-19 pandemic. While lessees that elect to apply the practical expedient do not need to assess whether a concession constitutes a modification, lessees still need to evaluate the appropriate accounting for each concession as the terms of the concession granted may vary.





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards interpretations and amendments issued but not yet effective continued

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

Effective for annual periods beginning on or after 1 January 2022.

Key requirements

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

Transition

The amendment must be applied retrospectively only to items of PP&E made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

Effective for annual periods beginning on or after 1 January 2022.

Key requirements

In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

Transition

The amendments must be applied prospectively to contracts for which an entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

Impact

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognised contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgement will be required in determining which costs are "directly related to contract activities", but we believe that guidance in IFRS 15 Revenue from Contracts with Customers will be relevant. There is no transition relief for first-time adopters.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards interpretations and amendments issued but not yet effective continued

Classification of Liabilities as Current or Non-current - Amendments to IAS 1  
Effective for annual periods beginning on or after 1 January 2022.

The IASB has tentatively agreed to defer the effective date to 1 January 2023.

**Key requirements**

In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

What is meant by a right to defer settlement

That a right to defer must exist at the end of the reporting period

That classification is unaffected by the likelihood that an entity will exercise its deferral right.

That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

**Right to defer settlement**

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date.

**Existence at the end of the reporting period**

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

**Management expectations**

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorised for issuance.

**Meaning of the term 'settlement'**

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**3. IFRS compliance and adoption continued**

Standards interpretations and amendments issued but not yet effective continued

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'.

**Transition**

Many entities will find themselves already in compliance with the amendments. However, entities need to consider whether some of the amendments may impact their current practice. Entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

The credit union has concluded that all other standards, interpretations and amendments to existing standards which are published but not yet effective are either relevant to its operation but will have no material impact on adoption; or are not relevant to its operation and will therefore have no impact when they come into effect. This includes amendments resulting from IASB's ongoing improvement project.

**4. Significant Accounting Policies**

**a. Going concern**

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the company will continue to operate in the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. Should the company be unable to continue as a going concern, the basis of reporting the carrying values of assets may be adjusted.

**b. Presentation of financial statements**

The accounting policies adopted in the preparation of these financial statements are set out below. These accounting policies have been applied consistently to all the year's presented, unless otherwise stated.

**i. Functional and presentation currency**

The financial statements are presented in Jamaican dollars, which is the company's functional and presentation currency.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**b. Presentation of financial statements continued**

**ii. Critical accounting judgement and key source of estimation uncertainty**

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of, and disclosures related to, assets, liabilities, contingent assets and contingent liabilities at the statement of financial position date and the income and expenses for the year ended.

The estimates and associated assumptions are based on historical experience and / or various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized 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.

The significant areas where key assumptions concerning future, and other sources of estimation uncertainty, at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are as follows:

**(i) Allowance for losses**

In determining amounts recorded for allowance for losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable and other financial assets, for example, repayment default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired financial assets, including the net realizable value of underlying collateral, as well as the timing of such cash flows. The adequacy of the allowance depends on the accuracy of these judgments and estimates.

**(ii) Impairment of financial assets**

**Measurement of expected credit loss allowance**

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss (ECL) and selection and approval of models used to measure ECL requires significant judgement.

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Management also estimate the likely amount of cashflows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such estimates.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**b. Presentation of financial statements continued**

**ii. Critical accounting judgement and key source of estimation uncertainty continued**

**(iii) Determining fair values**

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of other generally accepted valuation techniques. Considerable judgment is required in interpreting market data to arrive at estimates for fair values. Consequently, the estimates of fair value arrived at may be significantly different from the actual price of the instrument in an arm's length transaction. It is reasonably possible that outcomes within the next financial year that are different from these assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

The preparation of the financial statements in accordance with IFRS also assumes that the Credit Union will continue in operational existence for the foreseeable future. This means, inter alia, that the statement of financial position and the statement of income and expenses assume no intention or necessity to liquidate the Credit Union or curtail the scale of its operations. This is commonly referred to as the going concern basis. The Board and Management believe that preparation of the financial statements on the going concern basis continues to be appropriate.

**iii. Comparative Information**

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

**c. Foreign currency**

**i. Translation of monetary assets**

Foreign currency transactions are translated at the rates of exchange in effect at the dates of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on foreign exchange are recognised in the income statement.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**d. Interest income**

Interests on loans and investments are stated on the accrual basis. Interest income and expense are recognized in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability. The effective interest rate is calculated considering all contractual terms of the financial instruments, except for the expected credit losses of financial assets. The 'amortized cost' of a financial asset or financial liability is the amount at which the instrument is measured on initial recognition minus principal repayments, plus or minus any cumulative amortization using the effective interest method of any difference between the initial amount and maturity amount and adjusted for any expected credit loss allowance. The 'gross carrying amount' of a financial asset is the amortized cost of a financial asset before adjusting for any expected credit losses. Interest income and expense is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (when the asset is not credit-impaired) or the amortized cost of the financial liability. Where a financial asset has become credit-impaired subsequent to initial recognition, interest income is calculated in subsequent periods by applying the effective interest method to the amortized cost of the financial asset. If the asset subsequently ceases to be credit-impaired, calculation of interest income reverts to the gross basis.

**e. Property, plant and equipment**

Items of property, plant and equipment are measured at cost or valuation, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

**(i) Subsequent costs:**

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

**f. Property, plant and equipment**

**i. Depreciation**

Land is not depreciated. Depreciation on other assets is calculated using the straight-line basis at annual rates estimated to write off the carrying value of the assets over the period of their estimated useful lives.

Annual rates are as follows:

Office equipment	20%
Furniture and fixtures	10%
Computer software	33.33%
Computer and equipment	20%

The assets' residual values and useful lives are reviewed periodically for impairment, and adjusted if appropriate, at each statement of financial position date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

All items of property, plant and equipment are de-recognized upon disposal or when no future economic benefit is expected to arise from the continued use of the asset. Any gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**g. Cash and cash equivalents**

For the purpose of the Statement of Cash Flows, cash and cash equivalent comprises of cash in hand and cash at bank.

**h. Trade payables**

Trade and other payables are obligations on the basis of normal credit terms and do not bear interest. Payables denominated in foreign currency are translated into Jamaican dollars using the exchange rate at the reporting date. Foreign exchange gains or losses are included in the Statement of Comprehensive income.

**i. Financial instruments - Classification, recognition, derecognition and measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements:

- Financial assets comprise loans to members, liquid investment, financial investments, cash resources and accounts receivable.
- Financial liabilities comprise voluntary shares, external credits, interest and non-interest bearing liabilities.

**Recognition and initial measurement**

The Credit Union recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The Credit Union initially recognises loans to members and other assets on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date

**j. Financial assets**

**Recognition and initial measurement**

The Credit Union recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in surplus or deficit when an asset is newly originated.

**Classification and subsequent measurement**

On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The Credit Union determines the classification of its financial assets, based on the business model for managing the financial assets and their contractual cash flow characteristics.

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**j. Financial assets continued**

Debt instruments are classified as follows:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss.
- Fair value through other comprehensive income – Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income is calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.
- Mandatorily at fair value through profit or loss – Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.
- Designated at fair value through profit or loss – On initial recognition, the Credit Union may irrevocably designate financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

The Credit Union measures all equity investments at fair value. Changes in fair value are recorded in profit or loss except where the entity has irrevocably elected at initial recognition, to present in other comprehensive income the fair value gains and losses of an equity investment that is neither held for trading nor contingent consideration acquired in a business combination. In such cases, the cumulative gains and losses recognized in other comprehensive income are not reclassified to profit or loss on derecognition of the investment.

**Business model assessment**

The Credit Union assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives and how performance of the portfolio is evaluated.

**Contractual cash flow assessment**

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Credit Union considers factors that would alter the timing amount of cash flows such as prepayment and extension features, terms that might limit the Credit Union's claim to cash flows, and any features that modify consideration for the time value of money.





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**j. Financial assets continued**

**Reclassifications**

The Credit Union reclassifies debt instruments only when its business model for managing those financial assets has changed. Reclassifications are applied prospectively from the reclassification date and any previously recognized gains, losses or interest are not restated.

**Impairment**

The Credit Union recognizes a loss allowance for the expected credit losses associated with its financial assets, other than debt instruments measured at fair value through profit or loss and equity investments, as well as financial guarantee contracts and loan commitments not measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

For loans and mortgages the Credit Union records a loss allowance equal to the expected credit losses resulting from default events that are possible within the next 12-month period, unless there has been a significant increase in credit risk since initial recognition. For those financial assets for which the Credit Union assessed that a significant increase in credit risk has occurred, the Credit Union records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Credit Union assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts, breaches of borrowing contracts such as default events or breaches of borrowing covenants and requests to restructure loan payment schedules. For financial assets that are credit-impaired at the reporting date, the Credit Union continues to recognize a loss allowance equal to lifetime expected credit losses.

Loss allowances for expected credit losses are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost, as a deduction from the gross carrying amount of the financial assets;
- For facilities with both a drawn and undrawn component where the Credit Union cannot separately identify expected credit losses between the two components, as a deduction from the carrying amount of the drawn component.

Any excess of the loss allowance over the carrying amount of the drawn component is presented as a provision:

- For debt instruments measured at fair value through other comprehensive income, in other comprehensive income. The loss allowance does not reduce the fair value carrying amount of the financial asset in the statement of financial position.

Financial assets are written off when the Credit Union has no reasonable expectations of recovering all or any portion thereof.





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**k. Financial liabilities**

**Recognition and initial measurement**

The Credit Union recognizes financial liabilities when it becomes party to the contractual provisions of the instrument. At initial recognition, the Credit Union measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss. Derecognition of financial liabilities

The Credit Union derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

**l. Investments**

Securities acquired or loans granted or other receivables that have a fixed or determined payment and which are not quoted in an active market are measured at amortised cost. An active market is one where quoted prices are readily and regularly available from an exchange dealer, broker or other agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. Debt investments that the Credit Union has the intent and ability to hold to maturity are measured at amortise cost. All other investments are measured at fair value through profit and loss (FVTPL). Loans and receivables and held-to-maturity investments are initially measured at cost and subsequently at amortised cost, calculated on the effective interest rate method, less impairment losses. Where fair value cannot be reliably measured, they are stated at cost. Where the securities are disposed of, or impaired, the related accumulated unrealized gains or losses are recognized in profit or loss. Equity securities are considered impaired when there is a prolonged or significant decline in fair value below the securities costs. Investments are recognized / derecognized on the day they are transferred to / from the Credit Union.

Fair value is determined based on quoted market bid price. Where a quoted market price is not available, the fair value is estimated using discounted cash flow. The estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and condition.

**m. Reverse repurchase agreements**

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

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

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



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**n. Loans to members and allowance for loan losses**

**(i) Loans to members:**

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Credit Union does not intend to sell immediately or in the near term. Loans are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, less allowance for loan losses.

**(ii) Allowance for impaired loans:**

Assumptions in determining the allowance for expected credit losses - applicable to 2019.

At each reporting period, financial assets are assessed to determine whether their credit risk has increased significantly since initial recognition. In determining whether credit risk has significantly increased, management develops a number of assumptions about the factors which impacts the borrower's ability to meet debt obligations:

Significant judgements, estimates and assumptions are required when calculating the expected credit losses of financial assets. In measuring the 12-month and lifetime expected credit losses, management makes assumptions about prepayments, the timing and extent of missed payments or default events. In addition, management makes assumptions and estimates about the impact future events may have on the historical data used to measure expected credit losses.

In estimating expected credit losses, the Credit Union develops a number of assumptions as follows:

- The period over which the Credit Union is exposed to credit risk, considering for example, prepayments, extension options, demand features
- The probability-weighted outcome, including identification of scenarios that specify the amount and timing of the cash flows for particular outcomes and the estimated probability of those outcomes
- The risk of default occurring on loans during their expected lives and during the next 12 months after the reporting date
- Expected cash short falls including, recoveries, costs to recover and the effects of any collateral or other credit enhancements
- Estimates of effective interest rates used in incorporating the time value of money.
- The above assumptions are based on historical information and adjusted for current conditions and forecast of future economic conditions. The Credit Union determines adjustments needed to its historical assumptions by monitoring the correlation of the probability of default and loss rates with the following economic variables:
  - Interest rates
  - Unemployment rates
  - Real Gross domestic product Growth

The estimate of expected credit losses reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes that are neither best-case nor worse-case scenarios. The Credit Union uses judgment to weight these scenarios

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**n. Loans to members and allowance for loan losses continued**

Assumptions in determining the allowance for incurred credit losses.

The Credit Union has determined the likely impairment loss on loans which have not maintained the loan repayments in accordance with the loan contract, or where there is other evidence of potential impairment such as job losses or economic circumstances. In identifying the impairment likely from these events, the Credit Union estimates the potential impairment using the loan type, type of loan security, the length of time the loans are past due and the historical loss experience.

Member loans that have been assessed individually and found not to be impaired and all individually insignificant loans are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether provision should be made due to incurred loss events for which there is objective evidence but whose effects are not yet evident. The general provision assessment takes account of data from the loan portfolio such as credit quality, delinquency, historical performance and industry economic outlook.

The guidelines stipulated by the JCCUL require the allowance for loan losses to be stipulated percentages of total delinquent loans, the percentage varying with the period of delinquency, before considering securities held against such loans.

The allowance for loan losses required by the PEARLS that is in excess of the requirements of IFRS 9 is treated as an appropriation of undistributed net income and included in a non-distributable loan loss.

**o. Other assets**

Other assets are stated at amortised cost, less impairment.

**p. Other payables and accruals**

Other payables and accruals are stated at amortised cost.

**q. External credits**

External credit is measured initially at cost and subsequently at amortised cost





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**r. Grants**

Grants are recognized at fair value initially as deferred income when there is reasonable assurance that they will be received and the Credit Union will comply with the conditions associated with the grant. Grants that compensate the Credit Union for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized.

**s. Impairment**

The carrying amounts of the Credit Union assets, other than loans to members (see note 3 (f)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale investment recognized previously in equity is transferred to profit or loss.

**(i) Calculation of recoverable amount:**

The recoverable amount of the Credit Union's loans and receivables and held-to-maturity investments is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. The recoverable amount in respect of an available-for-sale investment is its current fair value. Receivables with a short duration are not discounted.

**(ii) Reversals of impairment:**

In respect of loans and receivables and held-to-maturity investments and receivables, the impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Reversals are recognized in profit or loss, except for available-for-sale equity securities, that are recognized in other comprehensive income.

**t. Fees and dividend**

Fee income is recognized when the related service is provided.

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**u. Employee benefits**

Employee benefits are all forms of consideration given by the Credit Union in exchange for service rendered by employees. These include current or short-term benefits such as salaries, bonuses, NIS contributions, annual vacation leave, and non- monetary benefits such as medical care, post-employment benefits such as pensions and other long-term employee benefits such as termination benefits.

Employee benefits that are earned as a result of past or current service are recognized in the following manner: Short-term employee benefits are recognized as a liability, net of payments made, and charged as expense. The expected cost of vacation leave that accumulates is recognized when the employee becomes entitled to the leave.

Employee benefits comprising pension asset included in the financial statements have been actuarially determined by a qualified independent actuary, appointed by JCCUL.

The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the Credit Union's pension asset as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The employees of the Credit Union participate in a defined-benefit multi-employer pension scheme operated by JCCUL.

The Credit Union's net obligation in respect of the defined-benefit pension plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that value is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is determined by reference to the yield at the reporting date on long-term government bonds with dates approximating the terms of the related liability. The calculation is performed by a qualified actuary, using the projected unit credit method.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in profit or loss on the straight-line basis over the average period until the benefits become vested. To the extent that the benefits are vested immediately, the expense is recognized immediately in profit or loss.

In respect of actuarial gains and losses that arise in calculating the Credit Union's obligation in respect of the plan, to the extent that any cumulative unrecognized actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognized in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognized.

Where the calculation results in a benefit to the Credit Union, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**4. Significant Accounting Policies continued**

**v. League fees and stabilization dues**

JCCUL has determined the rate of calculating league fees at 0.2% (2019: 0.2%) of total assets. These fees are capped at 10% of the total fees due from the Credit Union movement, calculated by JCCUL. Stabilization dues are computed at a rate of 0.15% (2019: 0.15%) of saving funds.

**5. Financial risk management**

The Credit Union's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk, liquidity risk and operational risk. The Credit Union's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Credit Union's financial performance.

The Credit Union's risk management policies are designed to identify and analyze these risks to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Credit Union regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the established and oversight of the Credit Union's risk management framework. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Board has established a department headed by a Risk Officer for managing and monitoring risks. In addition to the above, risk is monitored as follows:

(ii) The Jamaica Co-operative Credit Union League has established a Risk Assessment Unit which has regular meetings with Risk Officers from within the Credit Union movement. The objectives of these meetings are to develop strategies to manage risk in member credit unions.

**(ii) Supervisory Committee**

The Supervisory Committee oversees how management monitors compliance with the Credit Union's risk management framework in relation to the risks faced by the company. The Supervisory Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and hoc reviews of risk management controls and procedures, the result of which are reported to the Supervisory Committee.

The most important types of risk are credit risk, liquidity risk, market risk and other operational risk. Market risk includes currency risk, interest rate risk and other price risk.

**a. Credit risk**

Credit risk is the risk of financial loss to P.W.D. Co-operative Credit Union Limited if the counterparty fails to meet its obligation. Credit risk arises from P.W.D. Co-operative Credit Union Limited's operating activities from trade receivables and loan notes and financing activities from cash and cash equivalents, deposits with banks and financial institutions, derivative financial instruments.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**a. Credit risk continued**

The Credit Union takes on exposure to credit risk, which is the risk that its members, clients or counterparties will cause a financial loss for the Credit Union by failing to discharge their contractual obligations. Credit risk is the most important risk for the Credit Union's business; management therefore carefully manage its exposure to credit risk. Credit exposures arise principally from the Credit Union's loans to members, deposits with other institutions and investment securities. There is also credit risk exposure in respect of off-Statement of Financial Position, financial instruments e.g. financial guarantees. The Credit Union structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single member or Credit Unions of related parties and to geographical and industry segments.

There is a documented credit policy in place which provides guidelines for the Credit Union's review process.

Credit review process:

The Credit Union has a Credit Committee whose responsibility involves regular review of the ability of borrowers to meet repayment obligations.

**(i) Loans to members.**

The Credit Union's exposure to credit risk is influenced mainly by the individual characteristics of each member. The Board of Directors has established a credit policy under which each member is assessed individually for creditworthiness prior to the Credit Union offering them a credit facility.

Loans are not granted to delinquent members, or co-makers of delinquent members.

Loans are not granted for "high risk" investment purposes.

The verification of applicant's income is undertaken e.g. the last three (3) pay slips are reviewed prior to the approval of all loans above shares. The Credit Union reserves the right to request additional information, such as job letter, especially for first time applicants.

**Collateral**

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

- (c) Co-makers are required to have unencumbered (free) voluntary shares or savings which will be hypothecated.
- (d) All items offered as security should be fully insured and the Credit Union must be satisfied as to the arrangements in place for the future payments of the insurance premium.
- (e) Motor vehicles may be used as security, provided that the vehicle will continue to get comprehensive insurance coverage until the loan is fully repaid.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**a. Credit risk continued**

**Approval Limits:**

The following persons are authorised to approve loans up to a maximum as follows:

Board of Directors	Unlimited
Credit Committee	\$5,000,000
In-House Credit Committee	\$500,000
Office Manager	\$500,000
loans Officer	\$250,000
Accountant	\$500,000

**Impaired Loans**

Impaired loans are loans for which the Credit Union determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan and the security value is insufficient to cover the loan.

**Past due but not impaired loans**

These are loans where the contractual interest or principal payment are past due but the Credit Union believes that the impairment is not appropriate on the basis of the level of security available or the stage of collection of amounts owed to the Credit Union.

**Loans with renegotiated terms**

Loans with renegotiated terms are loans that have been restructured due to deterioration in the member's financial position and where the Credit Union has made concessions that it would not otherwise consider. Once the loan is restructured, it is classified and monitored.

**Allowances for impairment**

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

The Credit Union establishes an allowance for impairment that represents its estimate of incurred losses in respect of loans and other receivables and investments. The Credit Union addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

The Credit Union's average credit period on the loans granted is 36 Months. The Credit Union has provided fully for all past due loans over 365 days based on historical experience which dictates that amounts past due beyond 365 days are generally not recoverable. Impaired Loans to members between 61 and 365 days are provided for based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**a. Credit risk continued**

**(i) Write-off policy**

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

**(ii) Deposits and Investments securities**

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

The Credit Union has documented investment and deposit policies in place, which guide in managing credit risk on deposits and investments. The Credit Union's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

**(iii) Guarantees**

The Credit Union's policy is not to provide financial guarantees on behalf of other Credit Unions unless the full amount of the guarantee is fully backed by collateral. At 31 December 2020 no guarantee was outstanding (2019: NIL).

**(iv) Exposure to credit risk**

The carrying amount of financial assets represents the maximum exposure to credit risk (before collateral held) which at the statement of financial position date was:

**Maximum Exposure**

	<b>2020</b>	<b>2019</b>
Loans to members	365,148,816	291,412,746
Financial investments	16,530,105	17,514,366
Liquid assets - earning	40,924,152	67,381,309
Receivables and prepayments	7,408,267	11,670,173
	<b>430,011,340</b>	<b>387,978,594</b>

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





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**a. Credit risk continued**

**(v) Receivables**

The following table summarizes the Credit Union's credit exposure for receivables at their carrying amounts, as categorized by the customer sector:

	<b>2020</b>	<b>2019</b>
Withholding tax recoverable	552,480	544,373
Interest due on fixed deposits	367,397	8,072
Interest due on loans	1,599,813	1,581,243
Staff loan	50,000	429,588
CUNA Mutual (Death Claim)	3,837,226	5,362,585
Other receivable	1,001,351	85,868
Prepayments	-	3,658,444
	<b>7,408,267</b>	<b>11,670,173</b>

**b. Liquidity risk**

Liquidity risk is the risk that P.W.D. Co-operative Credit Union Limited will encounter difficulty in meeting its short-term obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

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

The Credit Union is subject to a liquidity limit of 20% imposed by the Jamaica Credit Union League (JCCUL) and compliance is regularly monitored. The key measure used by the Credit Union for managing liquidity risk is the ratio of liquid assets to total savings deposit. For this purpose, liquid assets include cash and bank balances, deposits held with JCCUL and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the year was 19% (2019: 23%).

The Credit Union is also required to hold a liquidity reserve of 10% of specified liabilities. A minimum of 8% is to be held with JCCUL while a maximum of 2% can be held with approved financial institutions. The liquidity reserve ratio at the end of the year was 12% (2019: 22%).

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



**P.W.D. Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**b. Liquidity risk continued**

**Liquidity risk management process**

The Credit Union's liquidity risk management process, as carried out within the Credit Union and monitored by the Board of Directors, includes:

- Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Maintaining committed lines of credit;
- Optimizing cash returns on investment;
- Managing the concentration and profile of debt maturities.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Credit Union. It is unlikely for Credit Unions to be completely matched at any time since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

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

**Financial liabilities cash flows**

The tables below summarize the maturity profile of the Credit Union's financial liabilities including interest payments at 31 December based on contractual undiscounted payments.

	<b>Within 3 Months \$</b>	<b>3 to 12 Months \$</b>	<b>Total Cash outflow \$</b>	<b>Carrying Amount \$</b>
<b>As at December 31, 2020</b>				
<b>Liabilities:</b>				
Savings deposits	-	96,122,642	96,122,642	96,122,642
Members' voluntary shares	267,265,625	-	267,265,625	267,265,625
Payables and accruals	23,835,507	-	23,835,507	23,835,507
	<u>291,101,132</u>	<u>96,122,642</u>	<u>387,223,774</u>	<u>387,223,774</u>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**b. Liquidity risk continued**

	<b>Within 3 Months \$</b>	<b>3 to 12 Months \$</b>	<b>Total Cash Outflow \$</b>	<b>Carrying Amount \$</b>
<u>As at December 31, 2019</u>				
<u>Liabilities:</u>				
Savings deposits	-	83,724,380	83,724,380	83,724,380
Members' voluntary shares	247,378,061	-	247,378,061	247,378,061
Payables and accruals	19,215,015	-	19,215,015	19,215,015
	<u>266,593,076</u>	<u>83,724,380</u>	<u>350,317,456</u>	<u>350,317,456</u>

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term investments.

The Credit Union has a documented assets and liabilities policy in place that guides the management of its liquidity risks.

**c. Market risk**

Market risk is the risk that changes in market prices, through foreign exchanges rates, interest rates, and equity prices, will cause fluctuations to the fair values and cash flows of financial instrument holdings. Market risk affects loans and borrowings, deposits, investments, and derivative financial investments.

The Credit Union takes on exposure to market risks, which 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, interest rates and equity prices and will affect the Credit Union's income or value of its portfolio of financial instruments. Market risk is monitored by the General Manager who carries out extensive reviews and monitors the price movement of financial assets on the local markets. Market risk exposures are measured using sensitivity analysis.

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

**Currency risk**

Currency risk is the risk that the market value of, or the cash flows from, financial instruments will vary because of exchange rate fluctuations. The Credit Union is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican dollar. The Credit Union is primarily exposed to the United States dollars (US\$). There was no exposure to foreign currency risk.

**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.

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





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**c. Market risk continued**

Liquid assets are held for the short term and, accordingly would substantially reflect prevailing interest rates in the financial market. Savings deposits and external credits are accepted from, and loans given to, members at a fixed rate of interest which is fairly stable. Accordingly, there is no significant exposure to interest rate risk.

A summary of interest rate gap position is as follows:

	Within 3 months \$	3 to 12 months \$	Over 12 months	Non- rate sensitive \$	2020 \$
<b>Assets</b>					
Loans to members	2,301,256	6,258,356	356,589,204	-	365,148,816
Financial investments	-	-	16,530,105	-	16,530,105
Liquid Assets	40,924,152	-	-	-	40,924,152
Bank and cash, earning	-	-	-	280,657	280,657
Bank and cash, non-earning	-	-	-	2,538,833	2,538,833
<b>Total assets</b>	<b>43,225,408</b>	<b>6,258,356</b>	<b>373,119,309</b>	<b>2,819,490</b>	<b>425,422,563</b>
<b>Liabilities</b>					
Savings deposit	-	96,122,642	-	-	96,122,642
Members' voluntary shares	267,265,625	-	-	-	267,265,625
<b>Total financial liabilities</b>	<b>267,265,625</b>	<b>96,122,642</b>	<b>-</b>	<b>-</b>	<b>363,388,267</b>
<b>Net interest rate gap</b>	<b>(224,040,217)</b>	<b>(89,864,286)</b>	<b>373,119,309</b>	<b>2,819,490</b>	<b>62,034,296</b>
<b>Cumulative gap</b>	<b>(224,040,217)</b>	<b>(313,904,503)</b>	<b>59,214,806</b>	<b>62,034,296</b>	<b>-</b>

	Within 3 months \$	3 to 12 months \$	Over 12 months \$	Non- rate sensitive \$	2019 \$
<b>Assets</b>					
Loans to members	775,692	17,486,497	273,150,557	-	291,412,746
Financial investments	-	-	17,514,366	-	17,514,366
Liquid assets	67,381,309	-	-	-	67,381,309
Bank and cash, earning	-	-	-	2,698,488	2,698,488
Bank and cash, non-earning	-	-	-	7,663,654	7,663,654
<b>Total assets</b>	<b>68,157,001</b>	<b>17,486,497</b>	<b>290,664,923</b>	<b>10,362,142</b>	<b>386,670,563</b>
<b>Liabilities</b>					
Savings deposit	-	83,724,379	-	-	83,724,379
Members' voluntary shares	247,378,061	-	-	-	247,378,061
<b>Total liabilities</b>	<b>247,378,061</b>	<b>83,724,379</b>	<b>-</b>	<b>-</b>	<b>331,102,440</b>
<b>Total interest rate gap</b>	<b>(179,221,060)</b>	<b>(66,237,882)</b>	<b>290,664,923</b>	<b>10,362,142</b>	<b>55,568,123</b>
<b>Cumulative gap</b>	<b>(179,221,060)</b>	<b>(245,458,942)</b>	<b>45,205,981</b>	<b>55,568,123</b>	<b>-</b>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

c. Market risk continued

Interest rate profile:

At the reporting date the interest rate profile of the Credit Union's interest-bearing financial instruments reflected at the average yields by the earlier of contractual re-pricing and maturity dates was as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Fixed rate financial assets:</u>		
Loans to member	5% - 24%	5% - 24%
Liquid assets	1.25%	1.25%
 <u>Fixed rate financial liabilities</u>		
Savings deposits:	3% - 5%	3% - 5%

The Credit Union does not account for any fixed rate financial asset and liability at fair value through profit or loss and therefore a change in interest rates at the statement of financial position date would not affect profit or loss or equity. The Credit Union has no variable rate financial instrument at the statement of financial position date.

**Sensitivity Analysis**

An increase of 100 basis points in interest rates would have increased profit and equity by the amounts shown below. The analysis assumes that all other variables in particular, foreign currency rates remain constant. The analysis is performed on the same basis for 2019.

	<u>2020</u>	<u>2019</u>
	\$	\$
Variable rate instruments	<u>502,057</u>	<u>403,954</u>

An alternative scenario of a decrease of 100 basis points in interest rates would have reduced profit and equity by the amounts shown below.

	<u>2020</u>	<u>2019</u>
	\$	\$
Variable rate instruments	<u>502,057</u>	<u>403,954</u>

**Equity price risk**

Equity price risk arises from available-for-sale equity securities held by the Credit Union as part of its investment portfolio. Management monitors the mix of debt and equity securities in its investment portfolio based on market expectations. The primary goal of the Credit Union's investment strategy is to maximize return on investment.

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**d. Operational risk**

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

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

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to the Finance and Audit Committee. This responsibility is supported by overall requirements for the management of operational risk in the following areas:

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentation of controls and procedures.
- Requirements for the reporting of operational losses and proposed remedial action.
- Development of contingency plans.
- Training and professional development
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

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





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**5. Financial risk management continued**

**e. Capital management**

The Credit Union's objectives when managing capital are to safeguard the Credit Union's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital as well as meet externally imposed capital requirements. The Board of Directors monitors the return on capital, which the Credit Union defines as net operating income divided by total members' equity. The Board of Directors also monitors the level of dividends to members.

Consistent with others in the industry, the Credit Union monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt

During 2020, the Credit Union's strategy, which was unchanged from 2019, was to maintain the gearing ratio within 75% to 83%. The gearing ratios at 31 December 2020 and 2019 were as follows

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Total Borrowing (Note 15 and 16)	363,388,267	331,102,441
Less : cash and cash equivalent (note 12 and 13a)	(45,759,494)	(77,743,451)
Net debt	317,628,773	253,358,990
Equity	70,816,441	70,299,000
<b>Total capital</b>	<b>388,445,214</b>	<b>323,657,990</b>
Gearing ratio %	82%	78%

There was no change to the Credit Union's approach to capital management during the year.  
The Credit Union complied with all externally imposed capital requirements to which they were subjected



**P.W.D. Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**6. Income**

Interest income calculated using the effective interest rate method:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Loans to members:</b>		
Interest on personal loan	21,849,826	23,308,551
Interest on payday loans	174,076	170,945
Interest on purchase loans	5,902,755	6,749,659
Interest on staff loans	123,155	64,241
Interest on car loans	5,585,363	4,356,931
Interest on quick access loans	2,495,207	2,880,662
Interest on computer loans	55,621	73,052
Interest on education loans	139,921	147,491
Interest on staff car loans	51,540	73,798
Interest on Jamaica 55 loans	-	3,300
Interest on motor vehicle loans	37,772	41,113
Interest on consolidation loans	18,297,675	12,393,506
	-	-
	<b>54,712,911</b>	<b>50,263,249</b>
<b>Liquid investments:</b>		
Interest on JCCUL - Special deposit	-	11,507
Interest on JCCUL - CuCash	965,166	903,745
Interest on Barita	382,863	106,995
	-	-
	<b>1,348,029</b>	<b>1,022,247</b>
<b>Financial investments:</b>		
Interest on JCCUL - Mortgage fund	62,215	73,780
Interest income /(expense) on JCCUL - Security Deposit	(30,110)	53,106
Interest on Sagicor Select fund	1,255	16,829
	-	-
	<b>33,360</b>	<b>143,715</b>
<b>Total interest income</b>	<b>56,094,300</b>	<b>51,429,211</b>
Dividend on shares	403,718	77,380
Gain on market value	40,000	-
	-	-
Commission and fees	372,434	187,700
Other income	(514,421)	2,501,863
	<b>(141,987)</b>	<b>2,689,563</b>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**7. Interest expenses**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Members' deposits:</b>		
Interest expense -Deposits	3,037,854	3,487,528
Interest expense / (income)- Partner plan	(7,482)	13,818
<b>External credit:</b>		
Interest expense - Shares	2,839,909	3,743,708
Interest expense - TransJamaica Highway	1,240	-
<b>Other financial cost:</b>		
Interest expense - CUFMC	-	88,093
Interest refunds - Loans	-	210,968
<b>Total</b>	<b>5,871,521</b>	<b>7,544,115</b>

**8. Administrative costs**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Staff costs</b>		
Employees salaries and Allowance	16,903,800	17,090,905
Employees Benefit	3,395,561	3,221,530
Education and Training	170,931	259,529
Staff Travel and Related Expenses	2,063,736	1,265,822
	<b>22,534,028</b>	<b>21,837,786</b>
<b>Administrative expenses</b>		
Audit and accounting fee	1,600,000	1,509,269
Bank charges	941,389	795,885
Debit card purchase	-	91,929
Electricity & water	1,452,527	1,711,664
Insurance	153,122	264,318
Life savings and loan protection insurance - general	3,421,152	3,001,330
Postage	4,800	6,800
Stationery and office expenses	1,643,612	1,611,272
Repairs and maintenance	1,752,975	722,226
Security	419,952	440,699
Entertainment and travelling	398,902	1,466,479
Telephone and Internet	2,741,998	2,032,566
Depreciation	2,974,858	2,280,801
	<b>15,000</b>	<b>-</b>
	<b>17,520,287</b>	<b>15,935,238</b>





**P.W.D. Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**8. Administrative costs continued**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Marketing and Promotion</b>		
Publicity and promotion	685,303	728,480
	<u>685,303</u>	<u>728,480</u>
<b>Representation and Affiliation</b>		
League and other dues	1,323,049	1,265,205
Seminars and meetings	622,133	1,050,218
Board of Directors	885,371	892,654
Committees	1,123,527	1,161,500
Annual General Meeting	2,225,066	942,630
Annual retreat	-	407,877
Volunteer Training	318,407	-
	<u>6,497,553</u>	<u>5,720,084</u>
<b>Total operating expense</b>	<u>47,237,171</u>	<u>44,221,588</u>

**9. Loans to members**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Balance as at January 1	295,876,456	294,528,972
Loans granted	70,624,979	82,002,353
	<u>366,501,435</u>	<u>376,531,325</u>
Repayment	(112,965,551)	(123,473,279)
Transfers	115,579,768	42,818,410
	<u>369,115,652</u>	<u>295,876,456</u>
Provision for loans losses (expected credit loss)	(3,966,836)	(4,463,710)
	<u>365,148,816</u>	<u>291,412,746</u>

**a. Loans net of provision for loan losses at December 31 are as follows:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Within 3 months	2,301,256	775,692
From 3 months to 1 years	6,258,356	17,486,497
From 1 to 6 years	356,589,204	273,150,557
	<u>365,148,816</u>	<u>291,412,746</u>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**9. Loans to members continued**

**b. The maximum exposure to credit risk for loans to members as at year-end by type of loans was:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Home Equity	49,535,966	36,425,574
Motor Vehicle	81,976,285	37,326,196
Loans within shares / savings	107,719,989	120,445,262
Unsecured	119,112,325	93,875,081
Others	10,771,087	7,804,343
	<b>369,115,652</b>	<b>295,876,456</b>

**c. The credit quality of loans is summarized as follows:**

	<b>Stage 1 (12 month ECL)</b>	<b>Stage 2 (Lifetime ECL)</b>	<b>Stage 3 (Lifetime ECL)</b>	<b>2020 Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Members Loans	364,408,112	2,692,723	2,014,817	369,115,652
Less Allowance	(2,435,025)	(794,642)	(737,169)	(3,966,836)
<b>Total carrying amount</b>	<b>361,973,087</b>	<b>1,898,081</b>	<b>1,277,648</b>	<b>365,148,816</b>

	<b>Stage 1 (12 month ECL)</b>	<b>Stage 2 (Lifetime ECL)</b>	<b>Stage 3 (Lifetime ECL)</b>	<b>2019 Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Members Loans	291,184,409	248,410	4,443,637	295,876,456
Less allowance	(283,716)	(159,004)	(4,020,990)	(4,463,710)
<b>Total carrying amount</b>	<b>290,900,693</b>	<b>89,406</b>	<b>422,647</b>	<b>291,412,746</b>

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**9. Loans to members continued**

**d. Movements on the provision for expected credit loss on loans to members are as follows:**

	2020	2019
	\$	\$
Balance at beginning of year	4,463,710	5,936,139
Loans written-off	(2,296,874)	(3,182,256)
Increase / (decrease) in provision for the year - charged to profit & loss	1,800,000	1,709,827
	<u>3,966,836</u>	<u>4,463,710</u>

**e. Delinquent loans**

At December 31, 2020, there were fifteen (15) (2019: twelve (12)) delinquent loans aged as disclosed below. At minimum, the total loan provision derived below is consistent with loan loss provision rules of League. The total provision for 2020 was not in excess (2019 - was not in excess) of the provision required under the IFRS provisioning rules as indicated in Note 5 (f) below. These loans are summarized as follows:

	Total number of loans	Delinquent loans \$	Savings held against loans \$	Exposure \$	Rate %	PEARLS Provision Required 2020 \$
<b>Number of Months in arrears</b>						
Less than 2 months	7	966,710	1,039,030	(2,654,773)	0%	-
2 to 3 months	4	2,339,915	99,386	33,773	10%	233,992
3 to 6 months	1	101,537	16,076	1,452,876	30%	30,460
6 to 12 months	3	1,092,706	69,463	1,425,014	60%	655,624
<b>Total</b>	<b>15</b>	<b>4,500,868</b>	<b>1,223,955</b>	<b>256,890</b>	<b>100%</b>	<b>920,076</b>

	Total number of loans	Delinquent loans \$	Savings held against loans \$	Exposure \$	Rate %	PEARLS Provision Required 2019 \$
<b>Number of Months in arrears</b>						
Less than 2 months	4	1,195,227	3,850,000	(2,654,773)	0%	-
2 to 3 months	1	33,773	-	33,773	10%	3,377
3 to 6 months	4	1,610,968	158,092	1,452,876	30%	483,290
6 to 12 months	3	1,650,570	225,556	1,425,014	60%	990,342
<b>Total</b>	<b>12</b>	<b>4,490,538</b>	<b>4,233,648</b>	<b>256,890</b>		<b>1,477,009</b>





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**9. Loans to members continued**

**f. Provision for loan impairment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Provision at beginning of year as per IFRS	4,463,710	5,936,139
Additional amounts provided for during the year	1,800,000	1,709,827
Bad debt written off	(2,296,874)	(3,182,256)
Provision for impairment at the end of the year as per IFRS	3,966,836	4,463,710
Provision for impairment in accordance with League provisioning rules	920,076	1,477,009

**10. Financial Investments**

	<b>Over 5 years</b>	<b>Carrying value 2020</b>	<b>Carrying value 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fair value through profit and loss			
Jamaica Co-operative Credit Union League:			
Mortgage Fund	3,042,932	3,042,932	2,980,716
Security Deposits	1,126,062	1,126,062	1,156,172
	4,168,994	4,168,994	4,136,888
Deferred Shares:-			
C&W Jamaica Co-operative Credit Union	4,040,000	4,040,000	4,000,000
	4,040,000	4,040,000	4,000,000
Unquoted shares			
Jamaica Co-operative Credit Union League:			
Ordinary shares	976,740	976,740	976,740
Permanent shares	2,007,555	2,007,555	2,007,555
QNET shares	147,865	147,865	147,865
CUMFCO Ordinary shares	3,000,000	3,000,000	3,000,000
Sagicor Select fund	1,246,200	1,246,200	3,245,318
TransJamaican Highway Limited	942,751	942,751	-
	8,321,111	8,321,111	9,377,478
	16,530,105	16,530,105	17,514,366



**P.W.D. Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**11. Investment property**

	<b>Land</b>	<b>Building</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cost			
At January 01, 2020			
Opening Balance	6,000,000	4,000,000	10,000,000
<b>At December 31, 2020</b>	<b>6,000,000</b>	<b>4,000,000</b>	<b>10,000,000</b>
Depreciation and impairment losses			
Opening balance	-	(500,000)	(500,000)
<b>Charge for the year</b>	<b>-</b>	<b>(99,998)</b>	<b>(99,998)</b>
<b>At December 31, 2020</b>	<b>-</b>	<b>(599,998)</b>	<b>(599,998)</b>
Carrying amount			
<b>December 31, 2019</b>	<b>6,000,000</b>	<b>3,500,000</b>	<b>9,500,000</b>
<b>December 31, 2020</b>	<b>6,000,000</b>	<b>3,400,002</b>	<b>9,400,002</b>

At December 31, 2020 the fair value of the investment property as assessed by management amounted to \$13,200,000 (2019 - \$13,200,000) The property is located at Lot No. 134, 60 Montgomery Avenue Kingston 10 and was appraised by Wilcan and Associates, Licensed Real Estate Dealers on October 6, 2017.

**P.W.D. Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**12. Property, plant and equipment**

	<b>Furniture and fixtures \$</b>	<b>Office equipment \$</b>	<b>IT equipment \$</b>	<b>Computer software \$</b>	<b>Leasehold improvements \$</b>	<b>Total \$</b>
<b>At cost or valuation:-</b>						
At January 1, 2019	1,616,498	3,651,567	1,979,811	6,470,786	2,554,456	16,273,118
Additions	-	1,743,845	342,875	2,368,107	-	4,454,827
Disposals	-	(1,099,435)	-	-	-	(1,099,435)
<b>At December 31, 2020</b>	<b>1,616,498</b>	<b>4,295,977</b>	<b>2,322,686</b>	<b>8,838,893</b>	<b>2,554,456</b>	<b>19,628,510</b>
<b>Accumulated Depreciation:-</b>						
At January 1, 2019	(1,435,297)	(3,181,790)	(1,817,281)	(2,886,216)	(1,595,685)	(10,916,269)
Disposals	-	997,275	-	-	-	997,275
Depreciation	(60,350)	(349,695)	(105,939)	(2,213,761)	(145,111)	(2,874,856)
<b>At December 31, 2020</b>	<b>(1,495,647)</b>	<b>(2,534,210)</b>	<b>(1,923,220)</b>	<b>(5,099,977)</b>	<b>(1,740,796)</b>	<b>(12,793,850)</b>
<b>Net book value December 31, 2019</b>	<b>181,201</b>	<b>469,777</b>	<b>162,530</b>	<b>3,584,570</b>	<b>958,771</b>	<b>5,356,849</b>
<b>Net book value December 31, 2020</b>	<b>120,851</b>	<b>1,761,767</b>	<b>399,466</b>	<b>3,738,916</b>	<b>813,660</b>	<b>6,834,660</b>





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**13. Retirement benefit asset**

**a. Pension Scheme**

The Credit Union participates in a multi-employer based, contributory defined benefit pension plan, which is open to all permanent employees and is managed by the Jamaica Co-operative Credit Union League. The scheme is funded by eligible employees' contributions of 5% and employer contributions, which is currently at 8% or as recommended by independent actuaries consequent on the annual reviews of the scheme. Retirement benefits are based on average salary for the last three (3) years of pensionable service. The scheme is valued by independent actuaries using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 31 December 2020 which determined that the scheme was adequately funded at that date. The amounts recognized in the statement of financial position are determined as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Present value of funded obligations	43,412,000	41,198,000
Fair value of plan assets	(62,594,871)	(61,326,871)
Change in effect of asset ceiling	12,224,000	12,710,000
<b>Asset recognized in the statement of financial position</b>	<b>(6,958,871)</b>	<b>(7,418,871)</b>

**b. Changes in the present value of obligation**

Movement in the net liability/(asset) for defined benefit obligations recognized in the statement of financial position.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Present value of obligation at beginning of year	41,198,000	60,231,000
Employer's current service cost	832,000	915,000
Employee's contribution	394,000	538,000
Interest Cover	2,988,000	3,718,000
Benefits paid	(3,112,000)	(14,773,000)
Actuarial (gain) / loss - experience adjustments	1,637,000	(8,603,000)
Actuarial (gain) / loss - changes in demographic assumptions	-	326,000
Actuarial (gain) / loss - changes in financial assumptions	(525,000)	(1,154,000)
<b>Balance at the end of year</b>	<b>43,412,000</b>	<b>41,198,000</b>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**13. Retirement benefit asset continued**

**c. Movement in plan assets**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Fair value of plan assets at beginning of year	61,327,000	69,041,871
Contribution paid	932,000	1,187,000
Expected return on plan asset	4,518,000	4,358,000
Benefits paid	(3,112,000)	(14,773,000)
Actuarial (gain) / loss on plan assets	(719,000)	1,828,000
Administrative expenses	(351,000)	(315,000)
Fair value of plan assets at end of year	<b>62,595,000</b>	<b>61,326,871</b>

**d. Plan assets consist of the following:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Equities	12,740,000	14,892,000
Fixed income securities	35,223,000	29,664,000
Real estate	15,866,000	14,300,000
Other	(1,232,000)	2,470,871
	<b>62,597,000</b>	<b>61,326,871</b>

**e. The amounts recognized in the statement of income and expenses are as follows:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current service cost	832,000	915,000
Interest cost	2,988,000	3,718,000
Expected return on asset	(4,518,000)	(4,357,000)
Administrative expense	351,000	315,000
Interest cost on asset ceiling	953,000	71,000
<b>Included in staff cost</b>	<b>606,000</b>	<b>662,000</b>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**13. Retirement benefit asset continued**

**f. The principal actuarial assumptions used were as follows:**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Discount rate	9%	7%
Expected return on plan assets	6.5%	5%
Future salaries increase	4.5%	5%

**g. Historical information**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Present value of defined obligation	43,412	41,198	60,231	50,739	41,327
Fair value of plan assets	62,595	61,327	69,043	64,686	58,289
Surplus in plan	(19,183)	(20,129)	(8,811)	(13,948)	(16,962)
Experience adjustments arising on plan assets gain / (loss)	(719)	1,828	(841)	1,165	(126)
Experience adjustments arising on plan liabilities gain / (loss)	1,637	(8,603)	(648)	2,781	(550)

**h. Expected pension contributions**

The estimated pension contributions expected to be paid into the plan during the next financial year is \$540,000 (2019: \$560,000).

**14. Liquid assets**

	<b>Within 3 months</b>	<b>Carrying value 2020</b>	<b>Carrying value 2019</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Measured at amortised cost			
Jamaica Co-operative Credit Union League: CUMAX	30,924,152	30,924,152	60,416,942
Measure at fair value through profit and loss			
Resale Agreements			
Jamaica Co-operative Credit Union League: Barita Investments	10,000,000	10,000,000	6,964,367
	-	-	-
	<b>40,924,152</b>	<b>40,924,152</b>	<b>67,381,309</b>





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**14. Liquid assets continued**

continued

The estimated fair value of these resale agreements is assumed to approximate their carrying value. The fair value of the underlying securities at the reporting date was \$10,000,000 (2019: \$6,964,367).

**15. Cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Earning asset</b>		
Sagicor current account	280,657	2,698,488
	<u>280,657</u>	<u>2,698,488</u>
 BNS Current Account	 2,185,499	 5,402,444
Cash on hand	353,334	2,261,210
	<u>2,538,833</u>	<u>7,663,654</u>
<b>Total cash and cash equivalents</b>	<b><u>2,819,490</u></b>	<b><u>10,362,142</u></b>

**16. Receivables and prepayment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Interest due on fixed deposits	367,397	8,072
Staff loans	50,000	429,588
Prepayments	-	3,658,444
Withholding tax recoverable	552,480	544,373
Interest due on Loans	1,599,813	1,581,243
Cuna Insurance Claim	3,837,226	5,362,585
Other receivable	1,001,351	85,868
	<u>7,408,267</u>	<u>11,670,173</u>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**17. Institutional capital**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Other reserve	10,858,139	10,758,139
Permanent Shares (note 18)	5,560,482	5,488,556
Statutory and legal reserves (note 18a)	28,056,654	28,056,655
Entrance Fee	10,450	3,050
	<b>44,485,725</b>	<b>44,306,400</b>

Institutional capital forms a part of the permanent capital of the Credit Union and is not available for distribution.

**18. Members voluntary share capital**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Balance at January 1	247,378,061	240,740,369
Amount subscribed	49,959,621	43,121,657
Withdrawals	(30,072,057)	(36,483,965)
	<b>267,265,625</b>	<b>247,378,061</b>

Members' shares are withdrawable and are eligible to participate in dividend payments as determined by the annual general meeting of the Credit Union. No member may own more than 20% of the members voluntary share capital.

A minimum of one share in the Credit Union gives each member the right to vote at the Annual General Meeting. Shares are transferable to another member or anyone who is eligible for membership with the consent of the Board of Directors. Shares may be withdrawn wholly or partially by the member, but the Board may require a member to give notice.

Voluntary Shares are not a part of risk capital. The following rights and restrictions are attached to Voluntary Shares:

1. Money paid into Voluntary Shares may be withdrawn in whole or in part on any day when the Credit Union is open for business, but the Board of Directors shall reserve the right at any time to require member to give notice not exceeding six (6) months; provided however that no member may withdraw any shareholding below the amount of his liability to the Credit Union as a borrower or co-maker.
2. Voluntary Shares shall be treated as liabilities of the Credit Union.
3. Subject to the profitability of the Society, the Board of Directors may recommend the declaration and payment of dividends on Voluntary Shares in amounts and at times as it may determine.
4. The Credit Union shall have a lien on all Voluntary Shares and deposits of a member for, and to the extent of, any sum due to the Credit Union from the said member or any loan endorsed by the member.
5. Voluntary Share accounts are required for members to utilize the products and services of the Credit Union as determined by the Board of Directors from time to time.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**19. Savings deposits**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<u>Ordinary deposits</u>		
Balance as at January 1	61,215,254	61,228,669
Receipts	52,083,675	43,475,547
Withdrawal	(44,483,196)	(46,311,219)
Other Credits	2,008,214	2,822,257
<b>Balance as at December 31</b>	<b>70,823,947</b>	<b>61,215,254</b>
Other deposits	25,298,695	22,509,125
	<b>96,122,642</b>	<b>83,724,379</b>

**20. Payables and Accruals**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Payables	13,086,900	8,906,131
Accrued Interest	3,149,395	3,738,584
Deceased members	6,592,120	5,328,065
Staff vacation accrued	802,265	1,023,907
Non members' deposit	204,828	218,328
	<b>23,835,508</b>	<b>19,215,015</b>

**21. Permanent share capital**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Amount subscribed	5,560,482	5,488,566

'Permanent shares' represents equity shares, and forms part of the capital of the Credit Union.

The permanent share capital of the Credit Union is unlimited and divided into shares of no par value. The minimum number of permanent shares that a member can subscribe to is three thousand dollars (\$3,000). No member may own more than 20% of the permanent share capital.

**a. Statutory reserve**

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





**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**22. Retirement Benefit reserve**

The retirement benefit reserve represents the pension surplus arising on the actual valuation, under IAS 19, of the pension scheme in which the Credit Union participates. Annual changes in the value of the scheme are shown in the profit or loss, and other comprehensive income then transferred to this reserve.

**23. Revaluation reserve**

Revaluation reserve represents the surplus arising on the revaluation of the Credit Union's furniture and fixtures, office equipment, computers and building (Note 9 and 10).

**24. Permanent share transfer fund**

This represents amounts transferred to non-distributable reserve from net surplus to provide for the purpose of redeeming permanent shares.

**25. Appropriations**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Donations	-	40,000
Honoraria	100,000	300,000
Dividends	164,657	107,026
Appropriations	100,000	531,984
Social / Charitable reserves	125,000	580,000
	<b>489,657</b>	<b>1,559,010</b>



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**26. Going concern**

Impending regulations by the Bank of Jamaica (BOJ) is expected to bring Credit Union Co-operatives Societies under the regulatory ambit of the Minister of Finance and the Public Service and the Bank of Jamaica later this year.

Accordingly, the proposed Credit Union Act contains the substantive prudential requirements to which credit unions will be subject once the regulatory regime comes into effect.

Accordingly, the Credit Union Act will cover, among other things, licensing, capital, reserves, prohibited business, remedial and intervention processes as well as defines the role of specially authorized credit unions.

It is anticipated that small credit unions such as PWD Co-operative Credit Union Limited could experience difficulties complying with capital adequacy and other requirements when the new regulations take effect.

The management of the PWD Co-operative Credit Union Limited is convince that based on the anticipated Credit Union Act and the other stipulations of the Bank of Jamaica (BOJ), PWD Co-operative Credit Union Limited does not foresee any of the pending requirements causing the Credit Union to cease operation within the next twelve (12) months. The Credit Union will be hampered mainly by its size, to cope with the changes that will be required when the Credit Union movement comes under regulation by the BOJ. Some of the increased costs will be in the form of additional specialist personnel that will have to be employed to satisfy the compliance requirements of the new regulator. Other costs involved are technological costs to implement new systems that aid with compliance, disaster recovery and reporting etc.

There are three options that the Board of Directors have been considering for the future of PWD Co-operative Credit Union Limited. The options are:

Remain as a stand-alone Credit Union, while strengthening the internal capabilities that will be required for licensing

Merge with other smaller Credit Unions to form a network Credit Union with PWD Co-operative Credit Union as a branch

Transition to a Thrift Society and remain under the regulation of the Registrar of Co-operatives and Friendly Societies.

While remaining as a stand-alone Credit Union will evidently be at a higher operating cost under the new regulations, the widening of the bond for membership will drive new business and thereby the Credit Union will be able to cover the additional expenses.

The merger discussions with the other credit unions, has not yet materialized into forming the network Credit Union that was an option disclosed a year ago. The option is still available to share back office operations through the Credit Union League. That option will create efficiencies and thereby cost reductions.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**27. Volunteers and other related party balances**

Related parties include directors, and senior executives, all of whom are referred to as key management personnel as well as Credit Unions closely connected to them and the pension scheme.

Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 Related Party Disclosures as the "reporting entity").

- (f) A person or a close member of that person's family is related to the reporting entity if that person;
- Has control or joint control over the reporting entity;
  - Has significant influence over the reporting entity; or
  - Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) The Credit Union is related to the reporting entity if any of the following conditions applies:

- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- Both Credit Unions are joint ventures of the same third party;
- One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or the Credit Union related to the reporting entity;
- The entity is controlled, or jointly controlled by a person identified in (A);
- A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

(g) At December 31, 2020 19 (2019:19) members of the Credit Union's Board of Directors and Committee members had savings of \$16,714,122 (2019: \$16,154,836) and loans including interest totaling \$40,502,970 (2019: \$30,995,037). Loan balances including interest due from members of staff totaled \$24,710,862 (2019: \$14,967,305). During the year, no director or committee member received any loan, which necessitated waiver of the loan policy. At December 31, 2020, all loans owing by directors, committee members and members of staff were being repaid in accordance with their loan agreement.

(h) Compensation of key management personnel represents short-term employee benefit (note 27). Total remuneration is included in personnel expenses ( note 6).





**P.W.D. Co-operative Credit Union Limited**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2020**

**28. Comparison of ledger balances**

	<b>Voluntary Shares</b>	<b>Permanent Shares</b>	<b>Loans</b>	<b>Deposits</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Personal ledger	267,266,625	5,560,482	369,406,639	95,982,713
General ledger	267,265,625	5,560,482	369,221,778	96,122,642
	1,000	-	184,861	(139,929)

**29. Insurance**

**a. Fidelity insurance coverage**

During the year, the Credit Union had fidelity insurance coverage with British Caribbean Insurance Credit Union Limited. The total premium for the year was \$94,872.32 (2019: \$201,214).

**b. Life savings and loan protection coverage**

During the year, the Credit Union had life savings and loan protection coverage with Cuna Mutual Insurance Credit Union Limited. The total premium for the year was \$3,421,152 (2019: \$3,001,330).

**30. Key management compensation**

Key management compensation is as follows:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Salaries, bonus and employee benefits (included in staff cost and project expense)	6,053,824	6,259,528

Key management personnel comprises the following positions:

- (a) Office Manager
- (b) Assistant Office Manager / Accountant

**31. Commitments and fair values**

- (i) At December 31, 2020, there were loan commitments to members totaling \$NIL (2019: \$NIL) for the Credit Union.
- (j) At December 31, 2020, total capital commitments by the Credit Union amounted to \$NIL (2019: \$NIL).

**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**Fair values**

Fair value amounts represents of arms length's length consideration that would be currently agreed upon between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price if one exists.

Many of the Credit Union's financial instruments lack an available trading market. Therefore, these instruments have been valued using present value or other valuation techniques and may not necessarily be indicative of the amounts realizable in an immediate settlement of the instruments.

The fair values of cash resources, securities purchased under resale agreements, other assets, other liabilities, are assumed to approximate their carrying values due to their short-term nature.

The fair value of the quoted equities is determined based on their quoted bid price at the balance sheet date. The fair value of Government of Jamaica securities is estimated by discounting the future cash flows of the securities at the estimated yields at the reporting date for similar securities. The estimated fair values of loans to members are assumed to be the principal receivable less any allowance for loan losses.

The fair value of external credits and deposits payable on demand or after notice are assumed to be equal to their carrying values. The estimated fair values of fixed rate deposits payable within a year are assumed to approximate their carrying values, due to their short-term nature.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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).
- Level 3: Inputs or the asset or liability that is not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>December 31, 2020</b>				
Measured at FVTPL- Financial assets	-	16,530,105	-	16,530,105
<b>December 31, 2019</b>				
Measured at FVTPL- Financial assets	-	17,514,366	-	17,514,366

There were no financial assets valued using the level 1 or 3 hierarchy in the current or previous year.



**P.W.D. Co-operative Credit Union Limited**

**Notes to the Financial Statements**

**For the Year Ended December 31, 2020**

**Fair value hierarchy**

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet, are as follows:

	<b>2020</b>		<b>2019</b>	
	<b>Carrying value</b>	<b>Fair value</b>	<b>Carrying value</b>	<b>Fair value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets:</b>				
Loans to members	365,148,816	365,148,816	291,412,746	291,412,746
Financial investments	16,530,105	16,530,105	17,514,366	17,514,366
Liquid assets	40,924,152	40,924,152	67,381,309	67,381,309
Cash & cash equivalent - earnings	1,635,233	1,635,233	2,698,488	2,698,488
Cash and cash equivalents	3,529,570	3,529,570	7,663,654	7,663,654
Receivables & prepayments	7,385,267	7,385,267	11,670,173	11,670,173
	<u>435,153,143</u>	<u>435,153,143</u>	<u>398,340,736</u>	<u>398,340,736</u>
<b>Financial liabilities:</b>				
Savings deposit, non-current	96,074,787	96,074,787	83,724,380	83,724,380
Voluntary shares	267,316,625	267,316,625	247,378,061	247,378,061
Payables and accruals	23,291,097	23,291,097	19,215,015	19,215,015
	<u>386,682,509</u>	<u>386,682,509</u>	<u>350,317,456</u>	<u>350,317,456</u>

Fair value has been determined either by reference to the market value at the statement of financial position date or by discounting the relevant cash flows using current interest rates for similar instruments.







The Board of Directors of the PWC Co-operative Credit Union Limited in accordance with Article XII, Rule 62 (1):

*“Shall appoint a nominating Committee of three (3) members, of which not more than one (1) may be a member of the existing Board of Directors.”*

*“It shall be the duty of the Nominating Committee to nominate at the Annual General Meeting one (1) member for each vacancy for which elections are being held.”*

The following members were appointed by the Board as the Nominating Committee:

Miss Cheryl Hawkins - Director/Chairperson  
Miss Michelle Pryce - Member  
Mr. Kevin Wedderburn - Staff Member

The Committee wishes to express its sincere gratitude on behalf of the Board, the Management, and the members, to all volunteers for their service over the years and to welcome those who will be serving for the first time. The Committee encourages all volunteers to strive to maintain the highest standard of service demonstrated through professionalism, commitment, and integrity.

The Committee anticipates that together with the management and staff, the volunteers will contribute to the continued success of the Credit Union and serve to advance the Credit Union.

The Nominating Committee on July 5, 2021, published Notices in its PWC Branch Office and at members' Ministries, Agencies and Departments locations inviting members to submit nominations to fill vacancies on the Board of Directors, the Credit Committee, and the Supervisory Committee.

### **NOMINATIONS BOARD OF DIRECTORS**

The following shows the officers retiring and date of retirement from the present Board of Directors (Article VII, Rule Nos. 29 & 30):

#### **Retiring 2021**

1. Mr. Norris Gilbert
2. Mr. Damon Escoffery
3. Mr. Everton Walker
4. Mr. Romoyne Watson

#### **Retiring 2022**

1. Mr. Bernard Allen
2. Mrs. Kaydian Gordon
3. Ms. Karen Arscott
4. Miss Cheryl Hawkins
5. Miss Paula Brown

#### **Unexpired Time**

- 1 Year
- 1 Year
- 1 Year
- 1 Year
- 1 Year

The following members are being nominated by the nominating Committee after expressing their willingness to serve on the Board of Directors:

#### **Recommended**

1. Mr. Norris Gilbert
2. Mr. Damon Escoffery
3. Mr. Everton Walker
4. Ms. Jaqueline Barnes

#### **Term**

- 2 Years
- 2 Years
- 2 Years
- 2 Years

## CREDIT COMMITTEE

The members of the Credit Committee retiring are as follows (Article IX, Rule No.41):

### Retiring 2021

1. Mr. Wayne Walton
2. Miss Kerriann Clarke
3. Miss Paula Hamilton\*\*

*\*\*Mr. Alric Blake resigned in November 2020, thereby creating a vacancy on the Credit Committee, which was filled by Miss Paula Hamilton for the remaining period.*

### Retiring 2022

1. Mr. Patrick Rose
2. Miss. Janet Stewart

### Unexpired Time

- 1 Year
- 1 Year

On expressing their willingness to serve, these members are being nominated by the Committee:

### Recommended

1. Mr. Wayne Walton
2. Miss Kerriann Clarke
3. Miss Paula Hamilton

### Term

- 2 Years
- 2 Years
- 2 Years

## SUPERVISORY COMMITTEE

The members of the Supervisory Committee retiring are as follows (Article X, Rule No.49):

### Retiring 2021

1. Mr. Lenson Lee
2. Mrs. Sonia Cole
3. Mrs. Althea Cole-Martin
4. Miss. Angelina Brown
5. Mr. Melvin Young

On expressing their willingness to serve, these members are being nominated by the Committee:

### Recommended

1. Mr. Lenson Lee
2. Mr. Melvin Young
3. Mrs. Sonia Cole
4. Mrs. Althea Cole-Martin
5. Miss. Angelina Brown

### Term

- 1 Year
- 1 Year
- 1 Year
- 1 Year
- 1 Year

## DELEGATES TO THE JAMAICA CO-OPERATIVE CREDIT UNION LEAGUE LIMITED (JCCUL)

The Jamaica Co-operative Credit Union League allows member Credit Unions to be represented by two (2) members delegated in accordance with Rule 55 (ii) (d). At least one of these members delegated shall be elected from the serving members of the Board of Directors of the Credit Union.

The following members are nominated for election as Delegates to the Jamaica Co-operative Credit Union League:

1. Mr. Norris Gilbert
2. Miss. Karen Arscott





### **BOARD OF DIRECTORS**



Mr. Norris Gilbert is currently the Director of Finance and Accounts at the Department of Correctional Services. Mr Gilbert has served the Credit Union in various capacities over his twenty-six years of membership. He was first elected to the Board in 2002 and served as Vice President for the period 2006-2008 when he demitted office. He re-joined the Board of Directors in 2010 and was elected as President until 2016. Currently he is serving on the JCCUL Board and is the Secretary. Mr Gilbert has a MSc. in Accounting (UWI) and Bachelors in Business Administration (UTECH). His hobbies are attending sporting events and planning social events. He is a past student of the St. Mary's College.



Mr. Damon Escoffery is currently a Senior Accounting Officer at the National Works Agency. He has been a member of the Credit Union for over 22 years and has previously served on the Supervisory Committee (May 2003 - May 2009) and was elected to the Board of Directors in June 2009. He is currently serving as Treasurer and Chairman of the ALM Committee. A past student of St. Catherine High School, Mr Escoffery is a sports enthusiast, likes playing dominoes and playing music.



Mr. Everton Walker has retired as Accounts Payables and Disbursement Manager from the Ministry of Transport and Mining. He has been with the Credit Union since 1988 and a volunteer for 8 years serving on the Credit Committee. Mr. Walker has a Diploma in Government Accounting. He is married and enjoys driving to the country and listening to oldies music. Mr. Walker farms in his spare time.



Ms. Jacqueline Barnes is the Director, Financial Accounts in the Ministry of Transport and Mining, with over twenty-five (25) years as an experienced civil servant. She is also a Chartered Accountant and has served on several committees, such as the Audit Committee at the Ministry of Justice and the Finance Committee at the Toll Authority of Jamaica. Ms. Barnes is a Justice of the Peace for the parish of St. Catherine since 2016 and takes pride in community service and development. Her competencies include Risk Management, Administration Management, Policy Development and Strategic Management

## PROFILE OF NOMINEES

### **CREDIT COMMITTEE**



Mr Wayne Walton is currently the Project Surveyor at the National Works Agency and has been a member of the Credit Union since 1984. He has been a volunteer for over 8 years. He is currently serving as a member of the Credit Committee. He is married and a past student of the College of Arts Science and Technology now UTECH. He holds a Diploma in Land Surveying. Mr Walton's hobbies are gardening and travelling, while playing cricket in his spare time.



Miss Kerriann Clarke is the Research Analyst in the Planning Research and Evaluation Branch at the Ministry of Transport and Mining. She has been a member of the Credit Union since 2013. Kerriann's core interests are statistics, research, and project management. Kerriann earned a BSc in Economics from the University of the West Indies, Mona as well as a MSc. in Economics.



Ms. Paula Hamilton is a civil servant who has been employed in the Public Service for over twenty-four (24) years and currently serves as a Performance Monitoring Officer in the Ministry of Transport and Mining in the Corporate Planning and Performance Monitoring Unit. A Graduate of the Convent of Mercy Academy (Alpha), she holds a BSc. in Business Administration from the University of Technology with a major in Production and Operations Management and a minor in Marketing. Her core competencies, which have evolved from expertise gained in the Corporate Planning and Performance Monitoring field, among other areas, include Financial Management, Budgeting, Risk Management, Strategic Management and Planning and Performance Monitoring. Ms. Hamilton's many services include assignment as Member of the Ministry of Transport, Works and Housing Audit Committee and the Social Welfare Committee.



### **SUPERVISORY COMMITTEE**



Mrs. Sonia Cole is a retired Administrative Manager of the National Works Agency and a member of the Credit Union since 1995. She currently serves on the Supervisory Committee. Mrs. Cole is a past student of Kingston Technical High School and International University of the Caribbean. She holds a BSc. in Guidance Counselling. Mrs. Cole is a widow. Her hobbies are singing and baking.



Miss Angelina Brown is currently employed to the National Works Agency and has been a member of the Credit Union since 1996. She currently serves on the Supervisory Committee. Miss Brown holds a Bachelor's Degree in Business Administration from the University of Technology. She is the mother of two and enjoys watching a good movie in her spare time.



Mrs. Althea Cole-Martin is an Administrative Assistant to the Manager of Communication & Customer Services at the National Works Agency. She has been a member of the Credit Union since 2000. Mrs. Cole-Martin is a current member of the Supervisory Committee. She is the National Public Relations Officer for the Jamaica Association of Administrative Professionals.



## PROFILE OF NOMINEES



Mr. Lenson Lee is a retired Auditor from the Ministry of Local Government. He has been with the Credit Union since 1976 and a volunteer for over 10 years. He is currently a member of the Supervisory Committee. He is a past student of Excelsior High School. He holds an Accounting Certificate from the Management Institute for National Development (MIND). Mr Lee enjoys watching sports and playing football.



Mr. Melvin Young is currently employed as a Senior Auditor in the Ministry of Transport and Mining and has been a member of the Credit Union since 1998. Mr. Young is a past student of Calabar High School and is a former track athlete. He is currently pursuing a BSc. in Business Administration. Mr. Young is married and his hobbies are playing dominoes and watching sports.

The Chairman and the members of the Nominating Committee thanks you for the opportunity to serve its members.

*CHawkins*  
Cheryl Hawkins  
Chairman



**PWD CO-OPERATIVE  
CREDIT UNION LTD.**

## **EDUCATION LOAN**

**PWD CREDIT UNION  
WANTS YOU TO TAKE ADVANTAGE  
OF AN AMAZING EDUCATIONAL  
LOAN PRODUCT OFFERED  
BY THE CREDIT UNION**

**CONDITIONS APPY**

- **ACCESS A MAXIMUM OF  
\$500,000.00 UNSECURED**

- **ATTRACTIVE RATES  
& VERY COMPETITIVE**



## INTERESTING FACTS THAT VOLUNTEERS AND MEMBERS SHOULD KNOW

The PWD Co-operative Credit Union Limited was registered in 1948.

The following persons have served as Presidents:

Year	President	Year	President	Year	President
1949	Mr. Dudley M. Forrester	1980	Mr. Cecil Harvey	2011	Mr. Norris Gilbert
1950	Mr. Dudley M. Forrester	1981	Mr. Cecil Harvey	2012	Mr. Norris Gilbert
1951	Mr. Dudley M. Forrester	1982	Mr. Cecil Harvey	2013	Mr. Norris Gilbert
1952	Mr. Dudley M. Forrester	1983	Mr. Cecil Harvey	2014	Mr. Norris Gilbert
1953	Mr. Dudley M. Forrester	1984	Mr. Cecil Harvey	2015	Mr. Norris Gilbert
1954	Mr. Dudley M. Forrester	1985	Mr. Stanley G. Williams	2016	Ms. Lorette Scarborough
1955	Mr. Dudley M. Forrester	1986	Mr. Stanley G. Williams	2016	Ms. Karen Arscott
1956	Mr. Dudley M. Forrester	1987	Mr. Stanley G. Williams	2017	Mr. Norris Gilbert
1957	Mr. Dudley M. Forrester	1988	Mr. Stanley G. Williams	2018	Mr. Norris Gilbert
1958	Mr. Dudley M. Forrester	1989	Mr. Stanley G. Williams	2019	Mr. Norris Gilbert
1959	Mr. Dudley M. Forrester	1990	Mr. Stanley G. Williams	2020	Mr. Norris Gilbert
1960	Mr. Dudley M. Forrester	1991	Mr. Whylie A. Chambers		
1961	Mr. Dudley M. Forrester	1992	Mr. Whylie A. Chambers		
1962	Mr. Ridell G. Chambers	1993	Mr. Winston W. Wright		
1963	Mr. Ridell G. Chambers	1994	Mr. Winston W. Wright		
1964	Mr. Ridell G. Chambers	1995	Mr. Winston W. Wright		
1965	Mr. Ridell G. Chambers	1996	Mr. Winston W. Wright		
1966	Mr. Ridell G. Chambers	1997	Mrs. Sharon Nelson		
1967	Mr. George O. Rose	1998	Mr. Howard Barrett		
1968	Mr. Terrence O.B. Goldson	1999	Mr. Dwight Thomas		
1969	Mr. Terrence O.B. Goldson	2000	Mr. Dwight Thomas		
1970	Mr. Terrence O.B. Goldson	2001	Mr. Dwight Thomas		
1971	Mrs. Denise Pinnock	2002	Mr. Dwight Thomas		
1972	Mrs. Denise Pinnock	2003	Mr. Dwight Thomas		
1973	Mrs. Denise Pinnock	2004	Mr. Dwight Thomas		
1974	Mr. Edwin L. Stewart	2005	Mr. Dwight Thomas		
1975	Mr. Edwin L. Stewart	2006	Mr. Dwight Thomas		
1976	Mr. Cecil Harvey	2007	Mr. Dwight Thomas		
1977	Mr. Cecil Harvey	2008	Mrs. C. Gordon-Hemmings		
1978	Mr. Aubrey A. Saunders	2009	Mrs. C. Gordon-Hemmings		
1979	Mr. Aubrey A. Saunders	2010	Mr. Norris Gilbert		





## THOSE WHO SERVED IN 2020

BOARD OF DIRECTORS		OFFICE STAFF	
Norris Gilbert	President	Fern Graham	Manager
Karen Arscott	Vice President	Kevin Wedderburn	Accountant
Damon Escoffery	Treasurer	Peta Gaye Cargill-Stewart	System's Admin
Everton Walker	Asst Treasurer	Dawn Benjamin-Simmonds	Loans Officer
Cheryl Hawkins	Secretary	Grace McKenzie	Cashier
Paula Brown	Asst Secretary	Leonie Thompson-Martin	Registrar & MSR
Bernard Allen	Director	Kerry-Ann Russell	Risk & Compliance
Kaydian Gordon	Director	Jodian Campbell	MSR/ Recon Officer
Romoyne Watson	Director	Elveda Morris	Office Attendant
		Angella Gentles-Roache	Office Attendant
CREDIT COMMITTEE		DELINQUENT LOANS COMMITTEE	
Patrick Rose	Chairman	Bernard Allen	Chairman
Kerriann Clarke	Secretary	Leonie Thompson-Martin	
Wayne Walton		Karen Arscott	
Janet Stewart		Fern Graham	
Alric Blake		Peta Gaye Cargill-Stewart	
SUPERVISORY COMMITTEE		SCHOLARSHIP COMMITTEE	
Sonia Cole	Chairman	Karen Arscott	Chairman
Angelina Brown	Secretary	Sakina Tobias	
Lenson Lee		Everal Barnett	
Althea Cole-Martin		Leonie Thompson-Martin	
Melvin Young		Fern Graham	
ASSET LIABILITY MANAGEMENT & INVESTMENT COMMITTEES		EDUCATION & MEMBERS RELATION COMMITTEE	
Damon Escoffery	Chairman	Kaydian Gordon	Chairman
Norris Gilbert		Romoyne Watson	
Everton Walker		Peta Gaye Cargill-Stewart	
Patrick Rose		Kerry-Ann Russell	
Dawn Benjamin Simmonds			
Fern Graham			

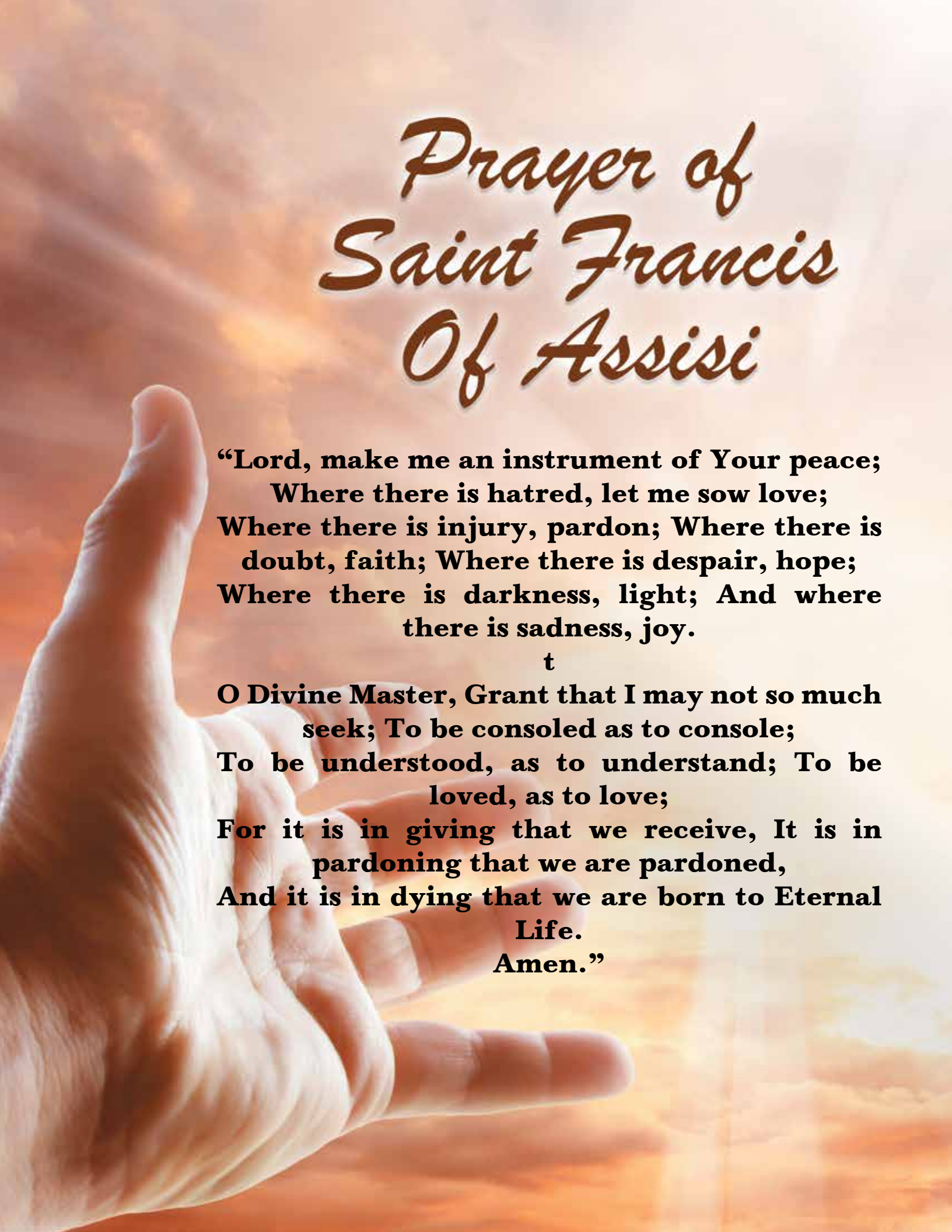
## INTERESTING FACTS THAT VOLUNTEERS AND MEMBERS SHOULD KNOW

Kevin Wedderburn				
<b>HUMAN RESOURCE COMMITTEE</b>			<b>INFORMATION TECHNOLOGY COMMITTEE</b>	
Cheryl Hawkins	Chairman		Everton Walker	Chairman
Kaydian Gordon			Romoyne Watson	
Norris Gilbert			Fern Graham	
Damon Escoffery			Peta-Gaye Cargill-Stewart	
Fern Graham			Jodian Campbell	
<b>NOMINATING COMMITTEE</b>			<b>POLICY COMMITTEE</b>	
Norris Gilbert	Chairman		Norris Gilbert	Chairperson
Dawn Benjamin-Simmonds			Karen Arscott	
Fern Graham			Damon Escoffery	
			Paula Brown	
			Cheryl Hawkins	
			Kaydian Gordon	
			Fern Graham	

# PICTORIALS - 2020 YEAR IN REVIEW







# *Prayer of Saint Francis Of Assisi*

**“Lord, make me an instrument of Your peace;  
Where there is hatred, let me sow love;  
Where there is injury, pardon; Where there is  
doubt, faith; Where there is despair, hope;  
Where there is darkness, light; And where  
there is sadness, joy.**

**t**

**O Divine Master, Grant that I may not so much  
seek; To be consoled as to console;  
To be understood, as to understand; To be  
loved, as to love;  
For it is in giving that we receive, It is in  
pardoning that we are pardoned,  
And it is in dying that we are born to Eternal  
Life.  
Amen.”**