



## **UNAUDITED FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&W,JCCUL)**

*(A Society Registered Under the Co-operative Societies Act)*

**Index**

**September 30, 2021**

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## **Directors' Interim Report**

### **For the Third Quarter Ended September 30, 2021**

On behalf of the Board of Directors of the Community & Workers of Jamaica Co-operative Credit Union Limited, I am pleased to present the Unaudited Consolidated Financial Statements for the period ended September 30, 2021. The Credit Union recorded total assets of \$20.91B as at September 30, 2021, an increase of 8% compared to the period ended September 30, 2020. The increase in total assets was due to a \$1.56B growth in savings.

The Credit Union achieved a surplus of \$126.95M for the nine months ended September 30, 2021. This was 52% below the nine-month comparative period ended September 30, 2020, primarily due to a significant increase in provision for credit losses on the loan portfolio.

Management continues to deliver value to our members through deliberate strategies implemented in response to the continued impact of the COVID-19 pandemic. The surplus recorded for the third quarter ended September 30, 2021, was \$44.44M which represents a 50% decrease relative to the corresponding quarter, September 30, 2020. The Credit Union remains sufficiently liquid with adequate capital to create and seize opportunities as they arise.

There are signs of economic recovery in several sectors, namely, but not limited to Hotel & Restaurant, Construction and Transport, Storage & Communication<sup>1</sup>. The management welcomes this recovery and the positive impact it should have on our members. A return to pre-COVID-19 levels is still considered a challenge globally. The resulting new norm of doing business has challenged the Board and management to continue to deliver and meet the expectations of our members and other stakeholders.

Management has taken note of the recent increase in the policy interest rate to 1.50% from 0.50% by the Bank of Jamaica (BOJ) to counter the increase in inflation. The Board and management are confident that the Credit Union is sufficiently liquid and capitalised to respond to the implications that may arise.

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<sup>1</sup> PIOJ and STATIN quarterly report, April 2021 – June 2021.

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
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**Consolidated Statement of Financial Position (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

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*GROUP FINANCIAL PERFORMANCE – THIRD QUARTER PERFORMANCE*

*Surplus*

The Credit Union continues to deliver value to its members despite the adverse impact of the COVID-19 pandemic. The Credit Union generated a surplus of \$44.44M for the quarter ended September 30, 2021. This compares to a surplus of \$88.94M for the corresponding period in 2020. In addition to adverse effect of the loan loss provision mentioned earlier, the decrease was also due to a reduction in fee income associated with the lower level of activity in personal lending; an increase in interest expense on savings reflecting the significant increase in savings generated over the period; and an increase in operating expenses over the prior period primarily due to increased staff related costs.

*Interest Income*

The Credit Union earned interest income of \$515.88M for the quarter ended September 30, 2021, compared to \$520.80M for the quarter ended September 30, 2020. This is a marginal decrease of 1% compared to the previous quarter ended September 30, 2020. Our investment in several markets provided our investment portfolio with adequate diversification of the risk associated with market volatility. The long-term investments continue to perform well, and our expectation is that this trend will remain. Our investment strategy continues to yield favorable results to offset the adverse performance of the loan interest income which was negatively impacted due to the cautious stance taken by our members in the face of uncertainty associated with the COVID-19 pandemic.

*Interest Expense*

Total interest expense for the quarter ended September 30, 2021 amounted to \$91.60M compared to \$80.84M in 2020. This is an increase of 13% compared to the corresponding period in 2020. The increase is mainly a result of the increase in members' savings deposits.

*Non-Interest Income*

Non-Interest income amounted to \$80.31M for the quarter ended September 30, 2021, a decrease of 8% over the comparative quarter ended September 30, 2020. This was significantly impacted by the fall off in fee income associated with the lower level of activity in personal lending. The Credit Union has invested in several Automated Teller Machines (ATM) which will be fully commissioned by the end of this financial year. This investment is expected to increase our non-interest income in the form of fee income. Management continues to pursue opportunities for diversifying the income streams of the Credit Union.

*Operating Expenses*

Total operating expenses for the quarter ended September 30, 2021, amounted to \$408.34M. This is a 4% increase compared to the corresponding period in 2020 which amounted to \$391.41M.

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**  
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**Consolidated Statement of Financial Position (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

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*GROUP FINANCIAL POSITION*

*Total Assets*

Total assets grew by 8% as at September 30, 2021, compared to the previous period September 30, 2020, moving from \$19.34B to \$20.91B, an increase of \$1.57B. Liquid assets and financial investments increased by \$1.89B compared to the previous period. The increase in total assets was primarily funded by the savings of our members.

*Loans and Savings*

The uncertainty that exists within the economy continues to impact the loan portfolio resulting in a reduction of 2% as at September 30, 2021 compared to the corresponding period in 2020. Management is pursuing several initiatives to improve the performance of the loan portfolio while preserving the credit quality of the loan portfolio.

A key initiative is to aggressively meet the increased demand for real estate loans. The Credit Union has recently introduced a new loan product to the market, “Own It”. This loan product targets young professionals who want to acquire their own homes. The response has met the expectations of management and increased growth is being achieved in this area. As at September 30, 2021, the overall loan portfolio balance stood at \$12.85B.

The Credit Union appreciates the high level of confidence and commitment of our members as demonstrated by the significant increase in savings over the period. The Credit Union’s savings portfolio grew significantly by 11% as at September 30, 2021, compared to the comparative period September 30, 2020. This represents an increase of \$1.57B, moving from \$14.73B as at September 30, 2020, to \$16.30B as at September 30, 2021.

*Liquidity*

As at September 30, 2021, the Credit Union had a liquidity position of \$3.02B which represented a liquidity ratio of 18.43% compared to 22.25% for the corresponding period. This surpasses the regulatory requirement. The Credit Union continues to maintain a strong liquidity position.

*Capital Adequacy*

The Credit Union’s financial position is supported by a strong capital base. The total capital base of the Credit Union was \$3.57B as at September 30, 2021, which satisfies the capital adequacy requirements of our regulators. Our institutional capital ratio was 12.63% as at September 30, 2021, which is in compliance with the minimum requirement of 8%.

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
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**Consolidated Statement of Financial Position (Unaudited)**  
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*OUTLOOK*

As we continue to celebrate our 60<sup>th</sup> anniversary in 2021, the Board and management are humbled by our members' loyalty and the resilience of the Credit Union during these challenging times. We are committed to the delivery of pioneering products and services that will continue to have a positive impact on the lives of our members and other stakeholders.

While the pandemic has brought many challenges, it has also presented opportunities to improve the service delivery to our members. The Credit Union remains fully committed to enhance member experience and will continue to be innovative with the use of technology, to differentiate and increase our product offerings. While we advance in technology and adapt our business processes to the new norm, we are also fully aware of the challenges of increased cyber risk. We want to assure our members that our banking platform remains secure and robust to support the business and the services that we offer.

Our members are the foundation of our organisation's network, and it is with this in mind, that we are committed and fully focused on our member strategy; one that will not only offer value-added services but will create opportunities to engage members, thereby retaining the existing membership and attracting new members.

Management continues to review the effect of the developments arising from the pandemic, and proactively manages the risks faced by the Credit Union. The Credit Union is optimistic that a further reopening of the economy will continue to provide the needed growth in the most affected sectors. In this vein, the Board and management have ensured that all the pillars of growth are in place for the Credit Union to operate successfully within the new paradigm.

The Credit Union has been named the 'Credit Union of the Year (Large Category)' by the Jamaica Co-operative Credit Union League. This award is a formal recognition of the Credit Union's exceptional performance in areas of operations for the year 2020.

On behalf of the Board of Directors, I wish to thank the many individuals and institutions in the Credit Union family with which this Credit Union worked during the quarter.

Thanks to the management and staff for their professionalism and concern for the welfare of the Credit Union and the members. The Board also wishes to thank our members, who continue to faithfully support the Credit Union.

For and on behalf of the Board.

Signed,



Austin Brown  
President

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
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**Consolidated Statement of Financial Position (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

	Unaudited Nine months ended 30-Sep-21 \$'000	Unaudited Nine months ended 30-Sep-20 \$'000	Audited Year Ended 31-Dec-20 \$'000
<b>ASSETS</b>			
<b>EARNING ASSETS</b>			
Loans	12,848,936	13,115,358	13,242,829
Liquid Assets	2,773,427	3,000,078	2,890,518
Financial Investments	<u>3,632,547</u>	<u>1,516,585</u>	<u>1,835,873</u>
Total earning assets	<u>19,254,910</u>	<u>17,632,021</u>	<u>17,969,220</u>
<b>NON-EARNING ASSETS</b>			
Liquid assets	243,985	203,861	224,996
Other assets	231,100	153,392	177,916
Pledged assets	-	147,749	-
Property, plant and equipment	799,544	773,668	775,647
Intangible assets	358,505	398,149	388,289
Assets held-for-sale	13,500	14,687	13,500
Right-of-use assets	<u>12,138</u>	<u>14,381</u>	<u>14,669</u>
Total non-earning assets	<u>1,658,771</u>	<u>1,705,887</u>	<u>1,595,017</u>
<b>TOTAL ASSETS</b>	<u><u>20,913,681</u></u>	<u><u>19,337,908</u></u>	<u><u>19,564,237</u></u>
<b>LIABILITIES:</b>			
<b>INTEREST BEARING LIABILITIES</b>			
Lease liabilities	11,014	15,003	13,978
Voluntary shares	4,556,841	4,319,135	4,422,510
Deferred shares	900,000	900,000	900,000
Saving deposits	11,739,756	10,413,338	10,578,661
Due to other institutions	58,232	43,456	42,447
External credits	<u>275,054</u>	<u>427,537</u>	<u>368,780</u>
Total interest bearing liabilities	17,540,896	16,118,468	16,326,376
<b>NON-INTEREST BEARING LIABILITIES</b>			
Accruals	275,380	331,552	199,829
Payables	168,297	170,328	217,004
Others	<u>261,377</u>	<u>325,321</u>	<u>267,057</u>
Total non-interest bearing liabilities	<u>705,053</u>	<u>827,201</u>	<u>683,890</u>
<b>TOTAL LIABILITIES</b>	<u><u>18,245,949</u></u>	<u><u>16,945,668</u></u>	<u><u>17,010,266</u></u>
<b>CAPITAL</b>			
Permanent shares	285,478	276,904	278,757
Institutional capital	<u>2,032,551</u>	<u>1,761,313</u>	<u>2,031,041</u>
	2,318,030	2,038,218	2,309,798
Non-institutional capital	<u>349,702</u>	<u>354,022</u>	<u>244,173</u>
<b>TOTAL CAPITAL</b>	<u><u>2,667,732</u></u>	<u><u>2,392,239</u></u>	<u><u>2,553,971</u></u>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<u><u>20,913,681</u></u>	<u><u>19,337,908</u></u>	<u><u>19,564,237</u></u>

Approved for issue by the Board of Directors on November 10, 2021 and signed on its behalf by:

  
Ashlyn Malcolm, Treasurer

  
Austin Brown, President

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**

*(A Society Registered Under the Co-operative Societies Act)*

**Consolidated Statement of Comprehensive Income (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

	Unaudited Nine months ended 30-Sep-21 \$'000	Unaudited Nine months ended 30-Sep-20 \$'000	Unaudited Three months ended 30-Sep-21 \$'000	Unaudited Three months ended 30-Sep-20 \$'000	Audited Year Ended 31-Dec-20 \$'000
<b>INTEREST INCOME</b>					
Loans	1,367,584	1,381,944	460,530	474,353	1,857,729
Liquid Assets	73,451	36,949	31,599	16,696	71,587
Financial investments	70,456	62,021	23,753	29,748	79,965
	<u>1,511,491</u>	<u>1,480,915</u>	<u>515,881</u>	<u>520,798</u>	<u>2,009,281</u>
<b>INTEREST EXPENSE</b>					
Saving deposits	150,744	135,314	54,157	45,360	182,453
Members' Shares	7,769	7,410	2,528	2,549	10,019
Deferred shares	22,926	40,153	7,622	7,458	48,912
Due to other institutions	13,761	11,355	4,181	3,118	14,206
Other financial costs	69,033	62,155	23,104	22,359	85,398
	<u>264,233</u>	<u>256,387</u>	<u>91,592</u>	<u>80,845</u>	<u>340,988</u>
<b>NET INTEREST INCOME</b>	<u>1,247,257</u>	<u>1,224,528</u>	<u>424,289</u>	<u>439,953</u>	<u>1,668,293</u>
Provision for credit losses	(163,987)	(60,299)	(47,842)	(42,677)	(146,669)
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<u>1,083,271</u>	<u>1,164,228</u>	<u>376,448</u>	<u>397,276</u>	<u>1,521,624</u>
<b>NON-INTEREST INCOME</b>					
Fees	163,757	181,738	55,017	64,074	248,347
Rental Income	11,133	11,166	4,047	3,797	14,832
Others	67,614	55,129	21,247	19,102	107,886
	<u>242,504</u>	<u>248,033</u>	<u>80,311</u>	<u>86,974</u>	<u>371,065</u>
<b>GROSS INCOME</b>	<u>1,325,775</u>	<u>1,412,261</u>	<u>456,759</u>	<u>484,250</u>	<u>1,892,689</u>
<b>OPERATING EXPENSES</b>	<u>(1,185,416)</u>	<u>(1,145,084)</u>	<u>(408,339)</u>	<u>(391,411)</u>	<u>(1,457,416)</u>
<b>NET SURPLUS BEFORE HONORARIA AND OTHER PAYMENTS</b>	<u>140,359</u>	<u>267,177</u>	<u>48,420</u>	<u>92,840</u>	<u>435,273</u>
Honoraria	(8,920)	-	-	-	(8,900)
Disaster and Social Outreach	(1,012)	(1,290)	(504)	(317)	(2,829)
Scholarship Fund	(3,480)	(3,778)	(3,480)	(3,578)	(5,175)
<b>NET SURPLUS AFTER HONORARIA AND OTHER PAYMENTS, BEING SURPLUS FOR THE PERIOD</b>	<u>126,947</u>	<u>262,108</u>	<u>44,436</u>	<u>88,945</u>	<u>418,369</u>
<b>OTHER COMPREHENSIVE INCOME</b>					
Item that may be reclassified to surplus: Change in fair value of the debt securities at fair value through other comprehensive income	<u>(7,415)</u>	<u>(10,566)</u>	<u>(13,911)</u>	<u>9,857</u>	<u>(16,303)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>119,532</u>	<u>251,542</u>	<u>30,525</u>	<u>98,802</u>	<u>402,066</u>
<b>Earnings per Deferred Share (expressed in \$)</b>	<b>0.28</b>	<b>0.58</b>	<b>0.10</b>	<b>0.20</b>	<b>0.93</b>

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
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**Consolidated Statement of Changes in Equity (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

**Nine months ended September 30, 2021**

	INSTITUTIONAL CAPITAL					NON-INSTITUTIONAL CAPITAL						
	Permanent shares \$'000	Statutory & legal reserve \$'000	General reserve \$'000	Business combination reserve \$'000	Retained earnings reserve \$'000	Total \$'000	Loan loss reserves \$'000	Fair value reserve \$'000	Other Non- qualifying reserve \$'000	Undistributed net surplus \$'000	Total \$'000	Grand total \$'000
Balance at January 1, 2021	278,757	1,502,870	12,449	489,534	26,188	2,031,041	122,313	33,108	29,895	58,857	244,173	2,553,971
<b>Total comprehensive income for the year</b>												
Surplus for the year	-	-	-	-	-	-	-	-	-	126,947	126,947	126,947
Other comprehensive income:												
Change in fair value of equity at FVOCI being total other comprehensive income	-	-	-	-	-	-	-	(7,415)	-	-	(7,415)	(7,415)
Total comprehensive income for the year	-	-	-	-	-	-	-	(7,415)	-	126,947	119,532	119,532
<b>Transactions with members and movements in reserves</b>												
Entrance fees	-	1,510	-	-	-	1,510	-	-	-	-	-	1,510
Shares amount subscribed	6,721	-	-	-	-	-	-	-	-	-	-	6,721
Appropriation of net surplus for 2021:												
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	-	(13,938)	(13,938)	(13,938)
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	-	-	-	-
Leslie Mills Trust Fund	-	-	-	-	-	-	-	-	15	-	15	15
Share transfer fund	-	-	-	-	-	-	-	(2)	-	2	-	-
Disaster and social outreach fund	-	-	-	-	-	-	-	-	3,987	(3,987)	-	-
Scholarship fund	-	-	-	-	-	-	-	-	1,520	(1,520)	-	-
Honorarium	-	-	-	-	-	-	-	-	-	(80)	(80)	(80)
Total transactions with members and movements in reserves	6,721	1,510	-	-	-	1,510	-	-	5,520	(19,524)	(14,003)	(5,772)
Balances at September 30, 2021	285,478	1,504,380	12,449	489,534	26,188	2,032,551	122,313	25,693	35,415	166,280	349,702	2,667,732

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
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*(A Society Registered Under the Co-operative Societies Act)*

**(Unaudited) Consolidated Statement of Changes in Equity (Continued)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

**Nine months ended September 30, 2020**

	INSTITUTIONAL CAPITAL					NON-INSTITUTIONAL CAPITAL					Grand total \$'000	
	Permanent shares \$'000	Statutory & legal reserve \$'000	General reserve \$'000	Business combination reserve \$'000	Retained earnings reserve \$'000	Total \$'000	Loan loss reserves \$'000	Fair value reserve \$'000	Other Non-qualifying reserve \$'000	Undistributed net surplus \$'000		Total \$'000
Balance at January 1, 2020	<u>271,235</u>	<u>1,232,189</u>	<u>12,449</u>	<u>489,534</u>	<u>26,188</u>	<u>1,760,360</u>	<u>15,363</u>	<u>49,411</u>	<u>24,924</u>	<u>40,699</u>	<u>130,397</u>	<u>2,161,992</u>
<b>Total comprehensive income for the year</b>												
Surplus for the year	-	-	-	-	-	-	-	-	-	262,108	262,108	262,108
Other comprehensive income:												
Change in fair value of equity at FVOCI being total other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,566)</u>	<u>-</u>	<u>-</u>	<u>(10,566)</u>	<u>(10,566)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,566)</u>	<u>-</u>	<u>262,108</u>	<u>251,542</u>	<u>251,542</u>
<b>Transactions with members and movements in reserves</b>												
Entrance fees	-	953	-	-	-	953	-	-	-	-	-	953
Shares amount subscribed	5,669	-	-	-	-	-	-	-	-	-	-	5,669
Appropriation of net surplus for 2020												
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	-	(21,699)	(21,699)	(21,699)
Transfer to Loan Loss Reserve	-	-	-	-	-	-	85,786	-	-	(85,786)	-	-
Leslie Mills Trust fund	-	-	-	-	-	-	-	-	2,787	-	2,787	2,787
Disaster and social outreach fund	-	-	-	-	-	-	-	-	3,710	(3,710)	-	-
Honorarium	-	-	-	-	-	-	-	-	-	(9,006)	(9,006)	(9,006)
Transfer to statutory reserve [86.10% of net surplus for the year before honoraria and other payments]	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to share transfer fund, net	-	-	-	-	-	-	-	-	-	-	-	-
Scholarship fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,222</u>	<u>(1,222)</u>	<u>-</u>	<u>-</u>
Total transactions with members and movements in reserves	<u>5,669</u>	<u>953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>953</u>	<u>85,786</u>	<u>-</u>	<u>7,719</u>	<u>(121,423)</u>	<u>(27,918)</u>	<u>(21,296)</u>
Balances at September 30, 2020	<u>276,904</u>	<u>1,233,142</u>	<u>12,449</u>	<u>489,534</u>	<u>26,188</u>	<u>1,761,313</u>	<u>101,149</u>	<u>38,845</u>	<u>32,643</u>	<u>181,385</u>	<u>354,022</u>	<u>2,392,239</u>

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**

*(A Society Registered Under the Co-operative Societies Act)*

**Consolidated Statement of Cash Flows September 30, 2021 (Unaudited)**  
**(expressed in Jamaican dollars unless otherwise indicated)**

	Unaudited Nine Months Ended 30-Sep-21 \$'000	Unaudited Nine Months Ended 30-Sep-20 \$'000	Audited Year Ended 31-Dec-20 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year	126,947	262,108	418,369
Adjustments for:			
Depreciation - property, plant and equipment	35,032	33,949	43,793
Depreciation - right-of-use assets	2,530	2,530	2,242
Amortisation and impairment	29,784	30,238	40,098
Gain on assets held for sale	-	-	1,187
Provision for credit losses	163,987	60,299	146,669
Interest income	(1,511,491)	(1,480,914)	(2,009,281)
Interest expense	263,534	255,524	339,867
Interest expense on lease liability	699	863	1,121
	<u>(888,978)</u>	<u>(835,402)</u>	<u>(1,015,935)</u>
<b>Changes in operating assets and liabilities</b>			
Loans to members	142,446	(421,328)	(658,586)
Saving deposits	1,161,095	976,794	1,140,417
Voluntary shares & deferred shares	134,331	331,076	434,450
Other assets	(53,184)	3,498	(30,988)
Pledged assets	-	215,647	363,396
Accruals	75,551	101,211	(3,443)
Payables	(48,707)	(36,248)	10,428
Other non-interest-bearing liabilities	(5,680)	87,655	29,390
Due to other institutions	15,785	939	(70)
External credit	(93,726)	(136,426)	(195,183)
	<u>438,933</u>	<u>287,416</u>	<u>73,876</u>
Interest received	1,571,184	1,370,382	1,911,567
Interest paid	(243,245)	(234,675)	(338,167)
<b>Net cash provided/(used) by operating activities</b>	<u>1,766,871</u>	<u>1,423,123</u>	<u>1,647,276</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Financial investments	(1,796,674)	(341,227)	(642,817)
Purchase of property, plant and equipment	(58,929)	(54,705)	(66,528)
Proceeds from disposal asset held for sale	-	17,313	17,313
<b>Net cash provided/(used) by investing activities</b>	<u>(1,855,602)</u>	<u>(378,619)</u>	<u>(692,032)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Permanent shares	6,721	5,669	7,522
Entrance fees	1,510	953	1,218
Dividends on membership shares	(13,938)	(21,699)	(21,699)
Lease payment	(3,663)	(3,005)	(4,288)
<b>Net cash used by financing activities</b>	<u>(9,370)</u>	<u>(18,082)</u>	<u>(17,247)</u>
<b>Increase in cash and cash equivalents</b>	<u>(98,101)</u>	<u>1,026,422</u>	<u>937,997</u>
<b>Cash equivalents at beginning of year</b>	<u>3,115,514</u>	<u>2,177,517</u>	<u>2,177,517</u>
<b>Cash equivalents at end of year</b>	<u>3,017,413</u>	<u>3,203,939</u>	<u>3,115,514</u>
<b>Comprised of:</b>			
Liquid Assets: Earning	2,773,427	3,000,078	2,890,518
Liquid Assets: Non-earning	243,985	203,861	224,996
	<u>3,017,412</u>	<u>3,203,939</u>	<u>3,115,514</u>

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**

*(A Society Registered Under the Co-operative Societies Act)*

**Notes to the September 30, 2021 Financial Statements**  
**(expressed in Jamaican dollars unless otherwise indicated)**

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**1. Identification**

Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL) (“Co-operative”) is incorporated under the laws of Jamaica and is registered under the Co-operative Societies Act (“Act”) and has its registered office at 51 Half Way Tree Road, Kingston 10.

On August 1, 2019, C&WJCU Holdings Limited was formed with initial ownership of 100% by Community & Workers of Jamaica Co-operative Credit Union Limited. The principal activity of C&WJCU Holdings Limited is the holding of loan portfolios from non-members of the credit union. The company is incorporated in Jamaica. The company started trading in January 2020.

The Co-operative’s subsidiary, which together with the Co-operative are referred to as “The Group”.

Membership in the Co-operative is limited to:

(A) All registered societies and:

- (i) Employees and ex-employees of Cable & Wireless Jamaica Limited and its successor and predecessor Companies.
- (ii) Any person engaged in the provision of telecommunication services in Jamaica including regulators and contractors or sub-contractors of Cable & Wireless Jamaica Limited or its successor and predecessor companies.
- (iii) Employees and ex-employees of corporate subscribers to telecommunication service in Jamaica.
- (iv) Persons living and working in the parish of Clarendon.
- (v) Persons working in Marine and Allied Industries in Jamaica.
- (vi) Employees of members.
- (vii) Minors, whether or not they are wards or children or grandchildren of members.
- (viii) Persons working, living or who were born in the parish of Westmoreland.
- (ix) Relatives and spouses of members. Relatives are specified as father, mother, son, daughter, grandchildren, brother, sister, aunt, uncle, niece and nephew.

(B) Members and persons eligible to be members of the credit unions that merged with this society [Marine and Allied Industries Co-operative Credit Union, Clarendon Co-operative Credit Union, Westmoreland Co-operative Credit Union, ICD & Associates Co-operative Credit Union, National Water commission Co-operative Credit Union, Desnoes and Geddes Employees Co-operative Credit Union Limited, St. Elizabeth Co-operative Credit Union Limited (STECCUL)].

PROVIDED THAT any person admitted to membership has attained the age of sixteen (16) years.

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**

*(A Society Registered Under the Co-operative Societies Act)*

**Notes to the September 30, 2021 Financial Statements  
(expressed in Jamaican dollars unless otherwise indicated)**

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**1. Identification (continued)**

The Co-operative's main activities are:

- (i) The promotion of thrift;
- (ii) The provision of loans to members exclusively for provident and productive purposes; and
- (iii) To receive the saving of its members either as payments on share or as deposits.

The Co-operative Societies Act requires amongst other provisions, that at least 20% of the net surplus of the Co-operative be transferred to a statutory reserve fund.

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

**2. Statement of compliance and basis of preparation**

(a) Basis of preparation

The Group's condensed Consolidated Interim Financial Statements for the nine months ended September 30, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS). The condensed Consolidated Interim Financial Statements should be read in conjunction with the accounting policies as set out in the Audited Financial Statements for the year ended December 31, 2020.

(b) Basis of consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

The Consolidated Financial Statements present the results of operations and financial position of the Group and its Subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. The Subsidiary's accounting policies are consistent with the policies adopted by the Group.