



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

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

Index

December 31, 2021

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

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

Directors' Interim Report

For the Fourth Quarter Ended December 31, 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 December 31, 2021.

The prolonged COVID-19 pandemic has tested the resilience of the financial sector throughout Jamaica and the world and has forced us to operate in a challenging economic environment and an ever changing competitive landscape. In spite of this reality, we are emerging stronger as we focus on our Mission *To enhance the wellbeing of our members through superior financial services delivered by an empowered and motivational team.* With the strong support of our members, we continue to deliver on this mission to profitably grow the business while ensuring the safety of our members' funds.

The Credit Union achieved growth during 2021 in the areas outlined below with the only exception being total loans where due to the uncertainty occasioned by the COVID-19 pandemic our members have reduced their levels of borrowing when compared to the financial year 2020.

	Increase (%)	Increase (\$)	Total as at Dec 31, 2021
Total Assets	8.88	1.74B	21.30B
Savings	10.52	1.58B	16.58B
Net Loans	-1.75	-232.03M	13.01B
Capital	7.67	264.95M	3.72B
Membership	3.52	4,640	136,406

C&WJCCUL's performance showed a net surplus for the year of \$278.23M. This was below the outturn in 2020 but was better than the 2021 projections. Total revenues remained in line with the prior year at \$2.40B. It should also be noted that the strategic management of all areas of expenses including operating expenses, interest expenses, and loan loss provision was implemented across all business lines to ensure that the Credit Union achieved positive results.

The Credit Union remains strong in our resolve to protecting our members' funds. This is evident in the deliberate management and strong position of our capital adequacy, liquidity and asset quality ratios. We continue to position the Credit Union to overcome the challenges and to emerge even stronger from this pandemic.

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

Consolidated Statement of Financial Position (Unaudited)
(expressed in Jamaican Dollars unless otherwise indicated)

GROUP FINANCIAL PERFORMANCE – FOURTH 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 achieved a net surplus of \$278.23M for the financial year ended December 31, 2021. This was \$140.14M or 33% below the prior year's performance due primarily to an increase in the loan loss provision, which is earmarked to provide support for the Credit Union in the event that there is any deterioration in the quality of the loan portfolio.

The fourth quarter performance showed strong results producing a net surplus of \$151.28M which was 72.91% above the corresponding quarter for the prior year. This result was achieved through improved performance of the investment portfolio coupled with the reduction in operating expenses which declined by \$47.87M compared to the similar quarter in 2020.

Interest Income

The Credit Union earned interest income of \$548.04M for the quarter ended December 31, 2021, compared to \$528.36M for the corresponding period in 2020. The year-to-date interest income remained flat when compared to the corresponding period, moving from \$2.00B in 2020 to \$2.06B in 2021.

Interest Expense

Total interest expense for the quarter ended December 31, 2021, was \$85.60M compared to \$83.51M for the fourth quarter of 2020. The year-to-date expense remained flat when compared to the corresponding period moving from \$340.99M in 2020 to \$349.83M in 2021.

Non-Interest Income

Non-interest income amounted to \$100.14M for the quarter ended December 31, 2021, an increase of 11.88% over the comparative period in 2020. The performance for the 2021 financial year resulted in income of \$342.64M, a decline of \$28.42M compared to the corresponding period in 2020. This was significantly impacted by lower fee income associated with the reduced level of activity in personal lending.

Operating Expenses

Operating expenses for the quarter ended December 31, 2021, amounted to \$343.54M, a reduction of 12.23% (\$47.87M) when compared to the corresponding period in 2020. The total operating expenses for the financial year 2021 was \$1.53B representing an increase of \$71.54M or 4.91% when compared to the corresponding period in 2020.

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Consolidated Statement of Financial Position (Unaudited)
(expressed in Jamaican Dollars unless otherwise indicated)

GROUP FINANCIAL POSITION

Total Assets

Total assets grew by 8.88% or \$1.74B during the financial year 2021, moving from \$19.56B at December 31, 2020, to \$21.30B at December 31, 2021. Liquid assets and financial investments increased by \$2.01B or 42.6% above the previous period. The increase in total assets was funded primarily by the savings of our members.

Loans and Savings

The uncertainty that exists within the economy continues to be reflected in our members' low demand for loans. This resulted in a reduction of 1.75% on the loan portfolio, closing the year with a loan balance of \$13.01B as at December 31, 2021. Management is pursuing several initiatives to improve the performance of the loan portfolio while preserving the credit quality. The non-performing loan portfolio was maintained well within the regulatory guidelines, in spite of the effects of COVID-19 on our members and the economy.

The Credit Union's savings portfolio grew significantly by 10.52% during the financial year ended December 31, 2021. This represents an increase of \$1.58B, moving from \$15.00B as at December 31, 2020, to \$16.58B as at December 31, 2021.

Liquidity

As at December 31, 2021, the Credit Union had a strong liquidity position of \$4.05B which represented a liquidity ratio of 24.43%. The Credit Union's strong liquidity position is a deliberate strategy that is being pursued by management to provide an effective buffer for the Credit Union to mitigate any unforeseen events.

Capital Adequacy

The Credit Union's financial position is supported by a strong capital base. The total capital base of the Credit Union was \$3.72B as at December 31, 2021, which is much greater than the capital adequacy requirements of our regulators. Our institutional capital ratio was 13.30% as at December 31, 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

The global economic outlook as reported by the International Monetary Fund (IMF) World Economic Outlook January 2022 highlighted the following which points to the continuing uncertain economic environment within which we operate:

“Rising Caseloads, A Disrupted Recovery, and Higher Inflation

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging markets and developing economies. The ongoing retrenchment of China’s real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects. Global growth is expected to moderate from 5.9% in 2021 to 4.4% in 2022.

The Bank of Jamaica Monetary Policy Committee (MPC) in the continued implementation of its tightening monetary policy has reported the impact on the Jamaican financial sector.

“Interest rates in the money market have increased, overnight placements (or liquid balances) by deposit-taking institutions at Bank of Jamaica have declined and deposit rates have started to rise. Further, the indications from the Bank of Jamaica’s credit conditions survey are that deposit-taking institutions plan to increase interest rates on loans, albeit marginally.”

In December 2021 the MPC agreed to further reduce the level of monetary policy accommodation by increasing the policy rate to 2.50 per cent. This they indicated was against the background of the following:

- The domestic economy is expected to expand in the range of 7.0% to 10.0% for FY2021/22 and between 2.0% and 4.0% FY2022/23
- Real GDP to return to its pre-COVID-19 level by the end of 2022.
- Inflation was expected to average within a range of 5.5% to 6.5% over the next two years.
- Monetary conditions continue to tighten globally. To date, at least 39 central banks around the world have begun tightening policy.

Management continues to review and monitor 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 the 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.

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

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

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

**Consolidated Statement of Financial Position (Unaudited)
(expressed in Jamaican Dollars unless otherwise indicated)**

For and on behalf of the Board.

Signed,



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 Financial Position (Unaudited)
(expressed in Jamaican Dollars unless otherwise indicated)

	Unaudited Year Ended 31-Dec-21 \$'000	Audited Year Ended 31-Dec-20 \$'000
ASSETS		
EARNING ASSETS		
Loans	13,010,797	13,242,829
Liquid Assets	3,850,955	2,890,518
Financial Investments	2,888,892	1,835,873
Total earning assets	<u>19,750,644</u>	<u>17,969,220</u>
NON-EARNING ASSETS		
Liquid assets	199,444	224,996
Other assets	150,249	177,916
Pledged assets	0	-
Property, plant and equipment	838,901	775,647
Intangible assets	348,588	388,289
Assets held-for-sale	2,500	13,500
Right-of-use assets	11,347	14,669
Total non-earning assets	<u>1,551,029</u>	<u>1,595,017</u>
TOTAL ASSETS	<u><u>21,301,673</u></u>	<u><u>19,564,237</u></u>
LIABILITIES:		
INTEREST BEARING LIABILITIES		
Lease liabilities	9,986	13,978
Voluntary shares	4,640,633	4,422,510
Deferred shares	885,703	900,000
Saving deposits	11,939,233	10,578,661
Due to other institutions	36,136	42,447
External credits	263,910	368,780
Total interest bearing liabilities	<u>17,775,602</u>	<u>16,326,376</u>
NON-INTEREST BEARING LIABILITIES		
Accruals	210,365	199,829
Payables	150,024	217,004
Others	332,464	267,057
Total non-interest bearing liabilities	<u>692,852</u>	<u>683,890</u>
TOTAL LIABILITIES	<u><u>18,468,454</u></u>	<u><u>17,010,266</u></u>
CAPITAL		
Permanent shares	287,609	278,757
Institutional capital	2,033,086	2,031,041
	<u>2,320,696</u>	<u>2,309,798</u>
Non-institutional capital	512,524	244,173
TOTAL CAPITAL	<u><u>2,833,219</u></u>	<u><u>2,553,971</u></u>
TOTAL LIABILITIES & CAPITAL	<u><u>21,301,673</u></u>	<u><u>19,564,237</u></u>

Approved for issue by the Board of Directors on February 8, 2022 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 Year Ended 31-Dec-21 \$'000	Audited Year Ended 31-Dec-20 \$'000	Unaudited Three months ended 31-Dec-21 \$'000	Audited Three months ended 31-Dec-20 \$'000
INTEREST INCOME				
Loans	1,822,288	1,857,729	454,704	475,785
Liquid Assets	111,758	71,587	38,308	34,638
Financial investments	125,483	79,965	55,027	17,944
	<u>2,059,530</u>	<u>2,009,281</u>	<u>548,039</u>	<u>528,366</u>
INTEREST EXPENSE				
Saving deposits	204,006	182,453	53,261	47,139
Members' Shares	9,733	10,019	1,964	2,549
Deferred shares	30,224	48,912	7,298	7,458
Due to other institutions	15,480	14,206	1,719	3,118
Other financial costs	90,388	85,398	21,355	23,243
	<u>349,831</u>	<u>340,988</u>	<u>85,597</u>	<u>83,508</u>
NET INTEREST INCOME	1,709,699	1,668,293	462,442	444,860
Provision for credit losses	(229,819)	(146,669)	(65,832)	(42,677)
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>1,479,880</u>	<u>1,521,624</u>	<u>396,610</u>	<u>402,183</u>
NON-INTEREST INCOME				
Fees	229,720	248,347	65,964	66,609
Rental Income	14,784	14,832	3,651	3,797
Others	98,139	107,886	30,525	19,102
	<u>342,644</u>	<u>371,065</u>	<u>100,140</u>	<u>89,509</u>
GROSS INCOME	1,822,524	1,892,689	496,749	491,692
OPERATING EXPENSES	<u>(1,528,955)</u>	<u>(1,457,416)</u>	<u>(343,539)</u>	<u>(391,411)</u>
NET SURPLUS BEFORE HONORARIA AND OTHER PAYMENTS	293,569	435,273	153,210	100,282
Honoraria	(8,920)	(8,900)	-	8,900
Disaster and Social Outreach	(1,217)	(2,829)	(205)	(317)
Scholarship Fund	(5,205)	(5,175)	(1,725)	(3,578)
NET SURPLUS AFTER HONORARIA AND OTHER PAYMENTS, BEING SURPLUS FOR THE PERIOD	<u>278,228</u>	<u>418,369</u>	<u>151,281</u>	<u>87,487</u>
OTHER COMPREHENSIVE INCOME				
Item that may be reclassified to surplus: Change in fair value of the debt securities at fair value through other comprehensive income	<u>2,569</u>	<u>(16,303)</u>	<u>9,984</u>	<u>-5,737</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>280,797</u>	<u>402,066</u>	<u>161,265</u>	<u>81,750</u>
Earnings per Deferred Share (expressed in \$)	0.63	0.93	0.34	0.19

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

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

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

Twelve months ended December 31, 2021

	INSTITUTIONAL CAPITAL					Total	NON-INSTITUTIONAL CAPITAL					Grand total
	Permanent shares	Statutory & legal reserve	General reserve	Business combination reserve	Retained earnings reserve		Loan loss reserves	Fair value reserve	Other Non-qualifying reserve	Undistributed net surplus	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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
Total comprehensive income for the year												
Surplus for the year	-	-	-	-	-	-	-	-	-	278,228	278,228	278,228
Other comprehensive income:												
Change in fair value of equity at FVOCI												
being total other comprehensive income	-	-	-	-	-	-	-	2,569	-	-	2,569	2,569
Total comprehensive income for the year	-	-	-	-	-	-	-	2,569	-	278,228	280,797	280,797
Transactions with members and movements in reserves												
Entrance fees	-	2,045	-	-	-	2,045	-	-	-	-	-	2,045
Shares amount subscribed	8,852	-	-	-	-	-	-	-	-	-	-	8,852
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	-	-	-	-	-	-	-	-	(63)	-	(63)	(63)
Share transfer fund	-	-	-	-	-	-	-	-	1,637	(2)	1,635	1,635
Disaster and social outreach fund	-	-	-	-	-	-	-	-	3,982	(3,982)	-	-
Scholarship fund	-	-	-	-	-	-	-	-	(205)	205	-	-
Honorarium	-	-	-	-	-	-	-	-	-	(80)	(80)	(80)
Total transactions with members and movements in reserves	8,852	2,045	-	-	-	2,045	-	-	5,151	(17,598)	(12,446)	(1,548)
Balances at December 31, 2021	287,609	1,504,915	12,449	489,534	26,188	2,033,086	122,313	35,677	35,046	319,487	512,524	2,833,219

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

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

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

Twelve months ended December 31, 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	271,235	1,232,189	12,449	489,534	26,188	1,760,360	15,363	49,411	24,924	40,699	130,397	2,161,992
Total comprehensive income for the year												
Surplus for the year	-	-	-	-	-	-	-	-	-	418,369	418,369	418,369
Other comprehensive income:												
Change in fair value of equity at FVOCI												
being total other comprehensive income	-	-	-	-	-	-	-	(16,303)	-	-	(16,303)	(16,303)
Total comprehensive income for the year	-	-	-	-	-	-	-	(16,303)	-	418,369	402,066	402,066
Transactions with members and movements in reserves												
Entrance fees	-	1,218	-	-	-	1,218	-	-	-	-	-	1,218
Shares amount subscribed	7,522	-	-	-	-	-	-	-	-	-	-	7,522
Appropriation of net surplus for 2020												
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	-	(21,699)	(21,699)	(21,699)
Transfer to Loan Loss Reserve	-	-	-	-	-	-	106,950	-	-	(106,950)	-	-
Leslie Mills Trust fund	-	-	-	-	-	-	-	-	23	-	23	23
Disaster and social outreach fund	-	-	-	-	-	-	-	-	2,340	(2,174)	166	166
Honorarium												
Transfer to statutory reserve [86.10% of net surplus for the year before honoraria and other payments]	-	269,463	-	-	-	269,463	-	-	-	(100)	(100)	(100)
Transfer to share transfer fund, net	-	-	-	-	-	-	-	-	2,783	-	2,783	2,783
Scholarship fund	-	-	-	-	-	-	-	-	(175)	175	-	-
Total transactions with members and movements in reserves	7,522	270,681	-	-	-	270,681	106,950	-	4,971	(400,211)	(288,290)	(10,087)
Balances at December 31, 2020	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

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

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

**Consolidated Statement of Cash Flow (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)**

	Unaudited Year Ended 31-Dec-21	Audited Year Ended 31-Dec-20
	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus for the year	278,228	418,369
Adjustments for:		
Depreciation - property, plant and equipment	47,793	43,793
Depreciation - right-of-use assets	3,321	2,242
Amortisation and impairment	39,701	40,098
Gain on assets held for sale	-	1,187
Provision for credit losses	229,819	146,669
Interest income	(2,059,530)	(2,009,281)
Interest expense	348,926.56	339,867
Interest expense on lease liability	904	1,121
	<u>(1,110,838)</u>	<u>(1,015,935)</u>
Changes in operating assets and liabilities		
Loans to members	(112,332)	(658,586)
Saving deposits	1,360,572	1,140,417
Voluntary shares & deferred shares	218,123	434,450
Other assets	27,667	(30,988)
Pledged assets	-	363,396
Accruals	10,536	(3,443)
Payables	(66,980)	10,428
Other non-interest-bearing liabilities	65,407	29,390
Due to other institutions	(6,311)	(70)
External credit	(104,870)	(195,183)
	<u>280,973</u>	<u>73,876</u>
Interest received	2,153,524	1,911,567
Interest paid	(328,638)	(338,167)
Net cash provided/(used) by operating activities	<u>2,105,859</u>	<u>1,647,276</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Financial investments	(1,053,019)	(642,817)
Purchase of property, plant and equipment	(111,047)	(66,528)
Proceeds from disposal asset held for sale	-	17,313
Net cash provided/(used) by investing activities	<u>(1,164,066)</u>	<u>(692,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanent shares	8,852	7,522
Entrance fees	2,045	1,218
Dividends on membership shares	(13,938)	(21,699)
Lease payment	(3,868)	(4,288)
Net cash used by financing activities	<u>(6,908)</u>	<u>(17,247)</u>
Increase in cash and cash equivalents	<u>934,885</u>	<u>937,997</u>
Cash equivalents at beginning of year	<u>3,115,514</u>	<u>2,177,517</u>
Cash equivalents at end of year	<u><u>4,050,399</u></u>	<u><u>3,115,514</u></u>
Comprised of:		
Liquid Assets: Earning	3,850,955	2,890,518
Liquid Assets: Non-earning	199,444	224,996
	<u><u>4,050,399</u></u>	<u><u>3,115,514</u></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 Flow (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

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)

Consolidated Statement of Cash Flow (Unaudited)
(expressed in Jamaican dollars unless otherwise indicated)

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 year ended December 31, 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.