



## **UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2022**

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

**Index**

**June 30, 2022**

<b>UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS</b>	<b>Page</b>
<b>Directors' Interim Report</b>	2-5
<b>Unaudited Consolidated Financial Statements</b>	
Unaudited Consolidated Statement of Financial Position	6
Unaudited Consolidated Statement of Comprehensive Income	7
Unaudited Consolidated Statement of Changes in Equity	8-9
Unaudited Consolidated Statement of Cash Flows	10
Notes to the Interim Financial Statements	11-12

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

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

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**Directors' Interim Report**  
**For the Second Quarter Ended June 30, 2022**

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 June 30, 2022.

The Bank of Jamaica through its Monetary Policy Committee (MPC) issued the following statements in regard to its monetary policy direction:

- a) Inflation will continue to breach the bank's target despite the rate decreasing from 11.7 per cent in April to 10.9 per cent in May
- b) The containment of the liquidity of the Jamaican dollar and the increase in savings in Jamaican dollar, have resulted in the increase in interest rate on bank's deposits and loans by major banks and building societies
- c) There has been increased stability in the exchange rate

The decision was made by the MPC for the bank to continue its pursuit of other measures in containing the liquidity expansion of the Jamaican dollar and to maintain a relative stability in the foreign exchange market. Some of those measures include the continuous tightening of liquidity conditions with interest rates increasing, and making foreign currency borrowing less attractive than that of Jamaican dollar borrowing. In addition, the MPC plans to decrease the ability of businesses to pass on the price increases to consumers which will also have the effect of reducing economic demand. The MPC also agreed to increase the policy rate by 50bps to 5.5 per cent.

The effects of the pandemic continue to be felt in economies across the world, while the war in Ukraine has adversely impacted supply chains, which caused a rapid increase in inflation rate.

Despite these challenging economic conditions, the Credit Union continued to experience growth during the second quarter of 2022, both in terms of total assets as well as membership. The Credit Union's capital adequacy, liquidity and asset quality ratios remain strong as we continue to emphasize efficiency and to improve our performance month over month.

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

***Financial Results for the six-months ended June 30, 2022***

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***GROUP FINANCIAL PERFORMANCE – SECOND QUARTER PERFORMANCE***

***Surplus***

The Credit Union achieved a net surplus of \$56.07M for the quarter ending June 30, 2022, compared to \$63.87M in the corresponding quarter in 2021. The \$7.80M decrease in surplus was due primarily to a \$20.64M increase in the loan loss provision. This quarter's surplus was 98.03% more than the amount reported for the first quarter of 2022.

***Interest Income***

Interest income for the quarter increased by \$25.34M. The Credit Union earned interest income of \$521.73M for the quarter ended June 30, 2022, compared to \$496.37M for the corresponding period in 2021.

***Interest Expense***

Interest expense for the quarter remained flat. Total interest expense for the quarter ending June 30, 2022, was \$91.87M compared to \$89.53M for the second quarter of 2021.

***Non-Interest Income***

Non-interest income of \$101.49M for the quarter ending June 30, 2022 was \$25.38M or 33.35% more than that reported for the same period in 2021. Fee income of \$70.47M contributed to 31.98% of the increase.

***Operating Expenses***

Operating expenses for the quarter ending June 30, 2022, amounted to \$414.25M, an increase of 8.44% when compared to the corresponding period in 2021 and 0.65% when compared to the first quarter of 2022.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
**CREDIT UNION LIMITED (C&WJCCUL)**  
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***Financial Results for the six-months ended June 30, 2022***

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***GROUP FINANCIAL POSITION***

***Total Assets***

Total assets grew by 7.44% or \$1.52B for the twelve-month period, moving from \$20.47B as at June 30, 2021, to \$22B as at June 30, 2022. This represents a 3.33% growth for the current quarter over December 31, 2021. Liquid assets and financial investments increased by \$949M for the twelve-month period and 3.33% for the current quarter. The increase in total assets was funded primarily by the savings of our members.

***Loans***

The uncertainty that exists within the economy continues to be reflected in our members' relatively lower demand for loans. This resulted in a reduction of 4.06% on the loan portfolio, closing the quarter with a loan balance of \$12.72B, compared to \$12.68B as at June 30, 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, despite the effects of COVID-19 on our members and the economy.

***Savings***

The Credit Union's savings portfolio grew by 9.11% over the twelve-month period, and by 1.85% during the current quarter ended June 30, 2022. This represents an increase of \$1.45B for the twelve-month period, moving from \$15.91B as at June 30, 2021, to \$17.36B as at June 30, 2022.

***Liquidity***

As at June 30, 2022, the Credit Union had a strong liquidity position of \$3.39B, which represented a liquidity ratio of 19.43%. 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 in order 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 \$3.76B as at June 30, 2022, which is higher than the capital adequacy requirements of our regulators. Our institutional capital ratio was 12.13% as at June 30, 2022, which is in compliance with the minimum requirement of 8%.

COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)  
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***Financial Results for the six-months ended June 30, 2022***

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***OUTLOOK***

The global economic outlook as reported by the World Bank Global Economic Prospect, June 2022 points to the continuing uncertain economic environment within which we operate. The following are some indicators highlighted:

- a) World Bank President, David Malpass stated that Global growth is expected to decline to 2.1% in 2022 and 1.5% in 2023, driving per capita growth to zero, if downside risks materialized. He indicated that the decline is due mainly to the Ukraine war, the fresh COVID 19 lockdowns in China, supply-chain disruptions and the rising risk of stagflation, (a period of weak growth and high inflation.) The President also pointed out that with subdued growth as a result of weak investment in most of the world the risk that inflation will remain higher for longer is high.
- b) The World Bank expects a sharp deceleration in Latin America and the Caribbean, reaching just 2.5% this year and slowing further to 1.9% in 2023.
- c) The U.S growth dropped to 2.5% from 5.7% in 2021.
- d) Emerging market and developing economies achieved growth of just 3.4% in 2022, down from 6.6% in 2021, and well below the annual average of 4.8% seen in 2011-2019.

As the Credit Union looks forward to the subsequent quarters of this financial year, the leadership team will continue to manage the various risks which the business encounters as a result of the economic environment and respond responsibly to the respective challenges. The Credit Union is optimistic that with the changes in interest rate and inflation, the offerings will remain attractive to the members. 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 movement with which we worked during the period. We thank the management and staff for their professionalism and concern for the welfare of the Credit Union and the members. Specifically, the Board wishes to thank our members, who continue to faithfully support the institution.

For and on behalf of the Board.

Signed,



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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 as at June 30, 2022  
 (expressed in Jamaican Dollars unless otherwise indicated)**

	Unaudited Quarter Ended 30-Jun-22	Unaudited Quarter Ended 30-Jun-21	Audited Year Ended 31-Dec-21
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>EARNING ASSETS</b>			
Loans	12,717,926	12,679,314	13,002,288
Liquid Assets	3,178,252	3,054,316	3,874,168
Financial Investments	4,536,239	2,932,798	2,891,022
Total earning assets	20,432,417	18,666,428	19,767,478
<b>NON-EARNING ASSETS</b>			
Liquid asset	214,082	389,170	162,447
Other assets	189,593	239,810	163,326
Property, plant and equipment	826,393	794,563	838,901
Intangible assets	324,719	368,421	343,840
Right-of-use assets	7,800	12,924	9,615
Total non-earning assets	1,562,587	1,804,889	1,518,129
<b>TOTAL ASSETS</b>	<b>21,995,003</b>	<b>20,471,317</b>	<b>21,285,607</b>
<b>LIABILITIES:</b>			
<b>INTEREST BEARING LIABILITIES</b>			
Lease liabilities	8,711	12,019	10,620
Voluntary shares	4,781,209	4,515,348	4,640,633
Deferred shares	867,454	900,000	885,058
Saving deposits	12,577,471	11,398,738	11,941,387
Due to other institutions	36,136	58,232	36,136
External credits	130,100	342,994	254,924
Total interest bearing liabilities	18,401,080	17,227,331	17,768,758
<b>NON-INTEREST BEARING LIABILITIES</b>			
Accruals	163,202	212,552	204,692
Payables	52,757	40,043	171,214
Others	480,294	356,625	326,361
Total non-interest bearing liabilities	696,252	609,220	702,267
<b>TOTAL LIABILITIES</b>	<b>19,097,333</b>	<b>17,836,551</b>	<b>18,471,025</b>
<b>CAPITAL</b>			
Permanent shares	293,102	283,501	287,609
Institutional capital	2,275,083	2,032,075	2,273,718
Non-institutional capital	2,568,186	2,315,575	2,561,327
<b>TOTAL CAPITAL</b>	<b>2,897,671</b>	<b>2,634,765</b>	<b>2,814,582</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>21,995,003</b>	<b>20,471,317</b>	<b>21,285,607</b>

Approved for issue by the Board of Directors on August 10, 2022 and signed on its behalf by:

  
 Ashlyn Malcolm, Treasurer

  
 Austin Brown, President

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**  
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**Consolidated Statement of Comprehensive Income for the six months ended June 30, 2022**  
(expressed in Jamaican Dollars unless otherwise indicated)

	Unaudited Three months ended 30/6/2022	Unaudited Three months ended 30/06/2021	Unaudited Six months ended 30/6/2022	Unaudited Six months ended 30/06/2021	Audited Twelve months ended 31/12/2021
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INTEREST INCOME</b>					
Loans	426,670	451,191	872,575	907,054	1,855,675
Liquid Assets	79,099	24,495	124,296	41,852	104,020
Financial investments	<u>15,962</u>	<u>20,688</u>	<u>20,625</u>	<u>46,703</u>	<u>129,200</u>
	521,732	496,374	1,017,497	995,610	2,088,895
<b>INTEREST EXPENSE</b>					
Saving deposits	55,074	50,304	106,703	96,587	204,006
Members' Shares	1,687	2,658	14,113	5,241	9,733
Deferred shares	10,786	7,599	7,025	15,304	30,224
Due to other institutions	1,936	4,617	4,076	9,580	8,509
Other financial costs	<u>22,383</u>	<u>24,354</u>	<u>44,241</u>	<u>45,900</u>	<u>91,245</u>
	<u>91,867</u>	<u>89,532</u>	<u>176,159</u>	<u>172,612</u>	<u>343,717</u>
<b>NET INTEREST INCOME</b>	<u>429,865</u>	<u>406,843</u>	<u>841,338</u>	<u>822,998</u>	<u>1,745,178</u>
Provision for credit losses	<u>-49,687</u>	<u>-29,046</u>	<u>-112,111</u>	<u>-116,145</u>	<u>-271,734</u>
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</b>	<u>380,177</u>	<u>377,797</u>	<u>729,227</u>	<u>706,853</u>	<u>1,473,444</u>
<b>NON-INTEREST INCOME</b>					
Fees	70,474	53,400	132,769	108,740	229,643
Rental Income	5,044	3,604	8,965	7,086	14,324
Others	<u>25,970</u>	<u>19,101</u>	<u>50,752</u>	<u>46,367</u>	<u>108,451</u>
	<u>101,489</u>	<u>76,105</u>	<u>192,487</u>	<u>162,193</u>	<u>352,418</u>
<b>GROSS INCOME</b>	481,666	453,902	921,714	869,045	1,825,862
<b>OPERATING EXPENSES</b>	<u>414,252</u>	<u>-381,998</u>	<u>-825,832</u>	<u>-777,077</u>	<u>-1,550,963</u>
<b>NET SURPLUS BEFORE HONORARIA AND OTHER PAYMENTS</b>	67,414	71,904	95,882	91,939	274,899
Honoraria	<u>-10,764</u>	<u>-8,920</u>	<u>-10,764</u>	<u>-8,920</u>	<u>-8,920</u>
Disaster and Social Outreach	-275	-99	-402	-508	-1,217
Scholarship Fund	<u>0</u>	<u>0</u>	<u>100</u>	<u>0</u>	<u>-5,205</u>
<b>NET SURPLUS AFTER HONORARIA AND OTHER PAYMENTS, BEING SURPLUS FOR THE PERIOD</b>	56,375	62,885	84,816	82,511	259,557
<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>-302</u>	<u>986</u>	<u>2,898</u>	<u>6,496</u>	<u>2,569</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>56,073</u>	<u>63,871</u>	<u>87,713</u>	<u>89,007</u>	<u>262,126</u>
Earnings per Deferred Share (expressed in \$)	0.13	0.14	0.20	0.18	0.59

**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 for the six months ended June 30, 2022**  
(expressed in Jamaican dollars unless otherwise indicated)

**Quarter ended June 30, 2022**

	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, 2022	287,609	1,745,547	12,449	489,534	26,188	2273,718	122,313	35,677	35,078	60,187	253,255	2,814,582
<b>Total comprehensive income for the year</b>												
Surplus for the year	-	-	-	-	-	-	-	-	-	87,713	87,713	87,713
Other comprehensive income:												
Change in fair value of equity at FVOCI being total other comprehensive income	-	-	-	-	-	-	-	2,898	-	-	2,898	2,898
Total comprehensive income for the year	-	-	-	-	-	-	-	2,898	-	87,713	90,611	90,611
<b>Transactions with members and movements in reserves</b>												
Entrance fees	-	1,365	-	-	-	1,365	-	-	-	-	-	1,365
Shares amount subscribed	5,493	-	-	-	-	-	-	-	-	-	-	5,493
Appropriation of net surplus for 2022:												
Dividends on membership qualification shares	-	-	-	-	-	-	-	-	-	(14,380)	(14,380)	(14,380)
Transfer to loan loss reserve	-	-	-	-	-	-	-	-	-	-	-	-
Leslie Mills Trust Fund	-	-	-	-	-	-	-	-	-	-	-	-
Share transfer fund	-	-	-	-	-	-	-	-	-	-	-	-
Disaster and social outreach fund	-	-	-	-	-	-	-	-	2,598	( 2,598)	-	-
Scholarship fund	-	-	-	-	-	-	-	-	7,100	( 7,100)	-	-
Honorarium	-	-	-	-	-	-	-	-	236	( 236)	-	-
Total transactions with members and movements in reserves	5,493	1,365	-	-	-	1,365	-	-	9,934	( 24,314 )	( 14,380 )	( 7,522 )
Balances at June 30, 2022	293,102	1,746,912	12,449	489,534	26,188	2,275,083	122,313	38,575	45,012	123,586	329,486	2,897,671

**COMMUNITY & WORKERS OF JAMAICA CO-OPERATIVE  
CREDIT UNION LIMITED (C&WJCCUL)**  
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**Consolidated Statement of Changes in Equity for the six months ended June 30, 2022**  
(expressed in Jamaican dollars unless otherwise indicated)

**Quarter ended June 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	32,935	244,173	2,553,971
<b>Total comprehensive income for the year</b>												
Surplus for the year	-	-	-	-	-	-	-	-	-	-	19,626	82,511
Other comprehensive income:												
Change in fair value of equity at FVOCI												
being total other comprehensive income	-	-	-	-	-	-	-	6,496	-	-	6,496	6,496
Total comprehensive income for the year	-	-	-	-	-	-	-	6,496	-	19,626	89,007	89,007
<b>Transactions with members and movements in reserves</b>												
Entrance fees	-	1,033	-	-	-	1,033	-	-	-	-	-	1,033
Shares amount subscribed	4,744	-	-	-	-	-	-	-	-	-	-	4,744
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	-	-	-	-	-	-	-	-	28	-	28	28
Share transfer fund	-	-	-	-	-	-	-	-	-	-	-	-
Disaster and social outreach fund	-	-	-	-	-	-	-	-	4,492	(4,492)	-	-
Scholarship fund	-	-	-	-	-	-	-	-	5,000	(5,000)	-	-
Honorarium	-	-	-	-	-	-	-	-	-	80	(80)	-
Total transactions with members and movements in reserves	4,744	1,033	-	-	-	471	-	-	9,520	(23,511)	(13,990)	(8,213)
Balances at June 30, 2021	283,501	1,503,903	12,449	489,534	26,188	2,032,074	122,313	39,604	39,415	117,857	243,407	2,634,765

**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 for the six months ended June 30, 2022**  
(expressed in Jamaican dollars unless otherwise indicated)

	Unaudited Six Months Ended 30-Jun-22 \$'000	Unaudited Six Months Ended 30-Jun-21 \$'000	Audited Year Ended 31-Dec-21 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year	84,816	82,511	259,557
Adjustments for:			
Depreciation - property, plant and equipment	27,959	23,171	47,793
Depreciation - right-of-use assets	1,815	1,745	5,054
Amortisation and impairment	18,377	19,867	44,449
Loss on disposal of property, plant and equipment	-	-	97
Gain on assets held for sale	-	-	-11,795
Provision for credit losses	112,111	116,145	271,734
Interest income	-1,017,497	-995,609	-2,088,895
Interest expense	175,814	172,161	342,560
Interest expense on lease liability	345	480	1,157
	<u>-596,261</u>	<u>-579,529</u>	<u>-1,128,289</u>
Changes in operating assets and liabilities			
Loans to members	181,304	384,059	-55,955
Saving deposits	636,084	820,077	1,362,726
Voluntary shares & deferred shares	122,972	92,838	203,181
Other assets	-24,028	-48,394	28,090
Other non-interest-bearing liabilities	-7,536	-74,670	5,573
Due to other institutions	0	15,785	-6,311
External credit	-124,824	-25,786	-113,856
	<u>187,710</u>	<u>584,380</u>	<u>295,159</u>
Interest received	2,048,626	1,048,571	2,092,993
Interest paid	-174,293	-155,367	-330,913
Net cash provided by operating activities	<u>2,062,043</u>	<u>1,477,584</u>	<u>2,057,239</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Financial investments	-732,952	-1,096,925	-1,226,067
Purchase of property, plant and equipment	-15,451	-42,087	-111,174
Proceeds on disposal of property plant and equipment	0	0	30
Net cash used by investing activities	<u>-748,403</u>	<u>-1,139,012</u>	<u>-1,337,211</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Permanent shares	5,493	4,744	8,852
Entrance fees	1,365	1,033	2,045
Dividends on membership shares	-14,380	-13,938	-13,938
Lease payment	-2,253	-2,439	-3,358
Net cash used by financing activities	<u>-9,775</u>	<u>-10,600</u>	<u>-6,399</u>
Increase/(decrease) in cash and cash equivalents	1,303,865	327,972	713,629
Cash equivalents at beginning of year	2,084,426	3,115,514	1,370,797
Cash equivalents at end of year	<u>3,388,291</u>	<u>3,443,486</u>	<u>2,084,426</u>
Comprised of:			
Liquid Assets: Earning	3,174,209	3,054,316	1,921,979
Liquid Assets: Non-earning	214,082	389,170	162,447
	<u>3,388,291</u>	<u>3,443,486</u>	<u>2,084,426</u>

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

**Notes to the Financial Statements for the six-months ended June 30, 2022 (Unaudited)  
(expressed in Jamaican dollars unless otherwise indicated)**

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**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 Financial Statements for the six-months ended June 30, 2022 (Unaudited)  
(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 three months ended June 30, 2022 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, 2021.

**(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 it's 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.