



UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Fourth Quarter Ended December 31, 2022

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

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

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December 31, 2022

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Directors' Interim Report

For the fourth Quarter Ended December 31, 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 December 31, 2022.

The Bank of Jamaica through its Monetary Policy Committee (MPC) on December 20, 2022, issued the following statements in regard to its monetary policy direction:

- In the context of the incoming data and consistent with its November 2022 announcement, the MPC unanimously decided to maintain the policy interest rate at 7.00 per cent, effective 21 December 2022.
- The MPC also agreed to continue containing Jamaican dollar liquidity expansion and maintaining relative stability in the foreign exchange market.

As indicated by the MPC these decisions were based on the following considerations:

1. Jamaica's inflation rate at November 2022 of 10.3 per cent was within the range of 9.5 to 10.5 per cent expected by Bank of Jamaica (BOJ).
2. Core inflation (which excludes food and fuel prices) declined to 8.8 per cent at November 2022 from 9.0 per cent at October 2022.
3. The key external drivers of headline inflation, such as grains, fuel and shipping prices, continued to trend downward and broadly in line with the Bank's expectations.
4. Inflation expectations continued to fall.
5. As expected, the pace of monetary tightening by the United States (US) Federal Reserve Board (Fed) appeared to be slowing.
6. The level of liquidity in the financial system remained consistent with the Bank's objective of facilitating a reduction in inflation.
7. Interest rates in the money and capital markets have generally increased in line with the policy rate.
8. Some deposit-taking institutions have recently adjusted their deposit and lending rates marginally and have announced future rate increases. The MPC anticipates more material increases in deposit and lending rates in early 2023.

Despite these challenging economic conditions, the Credit Union continued to experience growth during the fourth 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. The Credit Union remains strong in our resolve to protecting our members' funds.

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

Financial Results for the twelve-months ended December 31, 2022

GROUP FINANCIAL PERFORMANCE – FOURTH QUARTER PERFORMANCE

Surplus

The Credit Union achieved a net surplus of \$305.85M for the financial year ended December 31, 2022. This was \$46.29M more than the prior year's performance due mainly to improved performance on investment portfolio along with reduction in the loan loss provision.

The fourth quarter performance showed strong results with net surplus of \$135.45M which was marginally above the surplus of \$132.3M reported for the corresponding quarter in 2021 and \$46.94M more than the \$88.51M reported for the third quarter of 2022. This was due primarily to the Credit Union benefiting from the gains made on the investment portfolio as well as the increased income generated from the special loan promotion.

Interest Income

The Credit Union earned interest income of \$597.62M for the quarter ended December 31, 2022, compared to \$577.4M for the corresponding period in 2021. The year-to-date interest income of \$2.17B for the year ended December 31, 2022 remained relatively flat when compared to the \$2.08B reported for the same period in 2021.

Interest Expense

Total interest expense for the quarter ending December 31, 2022, was \$119.75M, which was higher than the \$85.85M reported for the corresponding period in 2021. The year-to-date expense was \$404.15M, an increase of \$60.43M or 17% above the prior year. The increase in interest rate on the Deferred Shares was the major contributing factor.

Non-Interest Income

Non-interest income for the current quarter was \$111.00M, which remained relatively flat when compared to the \$111.58M reported for the corresponding period of 2021. The year-to-date performance showed Non-Interest Income of \$388.97M, representing an increase of \$36.56M, or 10.37% above the similar period for 2021. The improvement in the current year was primarily due to fees generated from the increased level of activity in personal loans.

Operating Expenses

Operating expenses for the quarter ending December 31, 2022, amounted to \$380.66M, an increase of \$22.15M when compared to the corresponding period in 2021. Operating expenses for the year ending December 31, 2022 increased marginally by 3.33% to \$1.6B, up from the \$1.55B reported in 2021. This low level of increase in operating expenses was in line with our strategy of efficiently managing the expenses.

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

Financial Results for the twelve-months ended December 31, 2022

GROUP FINANCIAL POSITION

Total Assets

Total assets grew by 6.72% or \$1.43B for the twelve-month period, moving from \$21.29B as at December 31, 2021, to \$22.72B as at December 31, 2022. This represents a 1.16% growth over the last quarter September 30, 2022. Liquid assets and financial investments increased by \$1.17B for the twelve-month period. 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 marginal increase of 2.23% in the loan portfolio, closing the quarter with a loan balance of \$13.29B, compared to \$13.00B as at December 31, 2021. Management has been pursuing several initiatives to improve the performance of the loan portfolio while preserving our strong credit quality. The non-performing loan portfolio was maintained well within the regulatory guidelines, despite the negative effects of COVID-19 on our members and the economy.

Savings

The Credit Union's savings portfolio grew by 8.17% over the twelve-month period, and by 1.35% during the current quarter ended December 31, 2022. This represents an increase of \$1.35B for the twelve-month period, moving from \$16.58B as at December 31, 2021, to \$17.94B as at December 31, 2022.

Liquidity

As at December 31, 2022, the Credit Union had a strong liquidity position of \$3.45B, which represented a liquidity ratio of 19.12%. 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 was \$3.98B as at December 31, 2022, which is higher than the capital adequacy requirements of our regulators. Our institutional capital ratio was 12.91% as at December 31, 2022, which is in compliance with the minimum requirement of 8%.

Financial Results for the twelve-months ended December 31, 2022

OUTLOOK

The Global Economic Outlook as reported by the World Bank reveals a slashed growth outlook from a 3% projection to 1.7% for 2023. “This marks the third weakest pace of growth in nearly three decades, overshadowed only by the global recessions caused by the pandemic and the global financial crisis.” Growth has slowed to the extent the global economy is perilously close to falling into a recession”. The following are some indicators highlighted:

- a) An unexpected rapid and synchronous global monetary policy tightening behind the sluggish growth in the economy.
- b) A 0.5% growth in the U.S. economy which is a significant downgrade from the earlier 2.4% projection.
- c) Tighter monetary policies from central banks around the world may have been necessary to tame inflation, but they have “contributed to a significant worsening of global financial conditions, which is exerting substantial drag activity”.
- d) The United States, the Euro area, and China are all undergoing a period of pronounced weakness, and the resulting spill overs are exacerbating other headwinds faced by emerging market and developing economies.
- e) China’s economic recovery may be delayed if faster than expected reopening results in major outbreaks that overburden the health sector and sap confidence. The Bank also reported that “there is significant uncertainty about the trajectory of the pandemic and how households, businesses and policy makers in China will respond.”

The International Monetary Fund (IMF) having concluded its Article IV consultation with Jamaica reported on February 8, 2023, that the Jamaican economy is now recovering strongly supported by sound policy frameworks and policies prioritising macroeconomic stability. The IMF added that the outlook points to a continued recovery in activity and inflation falling back within the Bank of Jamaica’s target range by the end of 2023. Nonetheless, the Fund warned that global risks remained high.

As the financial services industry faces a very challenging period, the Credit Union assures its members of its commitment to ensuring the safety of members’ funds. We are committed to a sustainable future and to improving the environmental, social, and governance policies and practices in our Credit Union.

As the Credit Union looks forward to the new 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 remains optimistic that with the changes in interest rate and inflation, the offerings will remain attractive to the members. In this regard, 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,



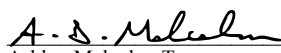
Austin Brown
President


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 December 31, 2022
(expressed in Jamaican Dollars unless otherwise indicated)*

| | Unaudited Quarter Ended 31-Dec-22 | Audited Year Ended 31-Dec-21 |
|---|---|------------------------------------|
| | \$'000 | \$'000 |
| ASSETS | | |
| EARNING ASSETS | | |
| Loans | 13,291,686 | 13,002,288 |
| Liquid Assets | 3,160,769 | 3,874,168 |
| Financial Investments | 4,650,345 | 2,891,022 |
| Total earning assets | <u>21,102,799</u> | <u>19,767,478</u> |
| NON-EARNING ASSETS | | |
| Liquid asset | 287,614 | 162,447 |
| Other assets | 160,188 | 163,326 |
| Property, plant and equipment | 823,024 | 838,901 |
| Intangible assets | 336,570 | 343,840 |
| Right-of-use assets | 6,001 | 9,615 |
| Total non-earning assets | <u>1,613,396</u> | <u>1,518,129</u> |
| TOTAL ASSETS | <u><u>22,716,195</u></u> | <u><u>21,285,607</u></u> |
| LIABILITIES: | | |
| INTEREST BEARING LIABILITIES | | |
| Lease liabilities | 6,738 | 10,620 |
| Voluntary shares | 4,874,044 | 4,640,633 |
| Deferred shares | 865,444 | 885,058 |
| Saving deposits | 13,062,373 | 11,941,387 |
| Due to other institutions | 36,136 | 36,136 |
| External credits | <u>112,691</u> | <u>254,924</u> |
| Total interest bearing liabilities | <u>18,957,425</u> | <u>17,768,758</u> |
| NON-INTEREST BEARING LIABILITIES | | |
| Accruals | 221,232 | 204,692 |
| Payables | 85,722 | 171,214 |
| Others | <u>339,088</u> | <u>326,361</u> |
| Total non-interest bearing liabilities | <u>646,042</u> | <u>702,267</u> |
| TOTAL LIABILITIES | <u>19,603,467</u> | <u>18,471,025</u> |
| CAPITAL | | |
| Permanent shares | 297,513 | 287,609 |
| Institutional capital | <u>2,276,297</u> | <u>2,273,718</u> |
| | 2,573,810 | 2,561,327 |
| Non-institutional capital | <u>538,918</u> | <u>253,255</u> |
| TOTAL CAPITAL | <u>3,112,728</u> | <u>2,814,582</u> |
| TOTAL LIABILITIES & CAPITAL | <u>22,716,195</u> | <u>21,285,607</u> |

Approved for issue by the Board of Directors on February 14, 2023 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 for the twelve months ended December 31, 2022
(expressed in Jamaican Dollars unless otherwise indicated)**

| | Unaudited Three months ended 31/12/2022 \$'000 | Unaudited Three months ended 31/12/2021 \$'000 | Unaudited Twelve months ended 31/12/2022 \$'000 | Audited Twelve months ended 31/12/2021 \$'000 |
|--|--|--|--|--|
| INTEREST INCOME | | | | |
| Loans | 462,323 | 488,090 | 1,771,270 | 1,855,675 |
| Liquid Assets | 78,170 | 38,308 | 232,991 | 104,020 |
| Financial investments | <u>57,123</u> | <u>51,005</u> | <u>162,576</u> | <u>129,200</u> |
| | <u>597,616</u> | <u>577,403</u> | <u>2,166,836</u> | <u>2,088,895</u> |
| INTEREST EXPENSE | | | | |
| Saving deposits | 61,040 | 53,261 | 225,147 | 204,006 |
| Members' Shares | 1,737 | 1,964 | 6,791 | 9,733 |
| Deferred shares | 21,788 | 7,298 | 61,147 | 30,224 |
| Due to other institutions | 419 | 1,719 | 6,030 | 8,509 |
| Other financial costs | <u>34,766</u> | <u>21,612</u> | <u>105,031</u> | <u>91,245</u> |
| | <u>119,749</u> | <u>85,854</u> | <u>404,146</u> | <u>343,717</u> |
| NET INTEREST INCOME | 477,867 | 491,549 | 1,762,690 | 1,745,178 |
| Provision for credit losses | <u>-72,220</u> | <u>-110,387</u> | <u>-224,050</u> | <u>-271,734</u> |
| NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES | <u>405,646</u> | <u>381,161</u> | <u>1,538,640</u> | <u>1,473,444</u> |
| NON-INTEREST INCOME | | | | |
| Fees | 76,754 | 65,887 | 279,810 | 229,643 |
| Rental Income | 3,944 | 3,651 | 16,971 | 14,324 |
| Others | <u>30,304</u> | <u>42,045</u> | <u>92,199</u> | <u>108,451</u> |
| | <u>111,002</u> | <u>111,582</u> | <u>388,979</u> | <u>352,418</u> |
| GROSS INCOME | <u>516,648</u> | <u>492,743</u> | 1,927,620 | 1,825,862 |
| OPERATING EXPENSES | <u>-380,662</u> | <u>-358,514</u> | <u>-1,602,627</u> | <u>-1,550,963</u> |
| NET SURPLUS BEFORE HONORARIA AND OTHER PAYMENTS | 135,986 | 134,229 | 324,993 | 274,899 |
| Honoria | -236 | 0 | -11,000 | -8,920 |
| Disaster and Social Outreach | -272 | -205 | -1,670 | -1,217 |
| Scholarship Fund | <u>-34</u> | <u>-1,725</u> | <u>-6,473</u> | <u>-5,205</u> |
| NET SURPLUS AFTER HONORARIA AND OTHER PAYMENTS, BEING SURPLUS FOR THE PERIOD | <u>135,445</u> | <u>132,299</u> | <u>305,850</u> | <u>259,557</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>-9,420</u> | <u>-9,983</u> | <u>-7,545</u> | <u>2,569</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | <u>126,025</u> | <u>122,316</u> | <u>298,305</u> | <u>262,126</u> |
| Earnings per Deferred Share (expressed in \$) | 0.31 | 0.29 | 0.71 | 0.59 |

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

Unaudited Consolidated Statement of Changes in Equity for the twelve months ended December 31, 2022
(expressed in Jamaican Dollars unless otherwise indicated)

Quarter ended December 31, 2022

| | INSTITUTIONAL CAPITAL | | | | | Total | NON-INSTITUTIONAL CAPITAL | | | | | Total | 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, 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 | |
| Total comprehensive income for the year | | | | | | | | | | | | | |
| Surplus for the year | - | - | - | - | - | - | - | - | - | 305,850 | 305,850 | 305,850 | |
| Other comprehensive income: | | | | | | | | | | | | | |
| Change in fair value of equity at FVOCI being total other comprehensive income | - | - | - | - | - | - | - | (7,545) | - | - | (7,545) | (7,545) | |
| Total comprehensive income for the year | - | - | - | - | - | - | - | (7,545) | - | 305,850 | 298,305 | 298,305 | |
| Transactions with members and movements in reserves | | | | | | | | | | | | | |
| Entrance fees | - | 2,579 | - | - | - | 2,579 | - | - | - | - | - | 2,579 | |
| Shares amount subscribed | 9,904 | - | - | - | - | - | - | - | - | - | - | 9,904 | |
| 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 | - | - | - | - | - | - | - | - | 34 | - | 34 | 34 | |
| Share transfer fund | - | - | - | - | - | - | - | - | 1,196 | - | 1,196 | - | |
| Disaster and social outreach fund | - | - | - | - | - | - | - | - | 1,300 | (1,330) | (30) | (30) | |
| Scholarship fund | - | - | - | - | - | - | - | - | 527 | (627) | (100) | (100) | |
| Honorarium | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total transactions with members and movements in reserves | 9,904 | 2,579 | - | - | - | 2,579 | - | - | 3,057 | (15,698) | (12,641) | (158) | |
| Balances at December 31, 2022 | 297,513 | 1,748,126 | 12,449 | 489,534 | 26,188 | 2,276,297 | 122,313 | 28,132 | 38,135 | 350,339 | 539,919 | 3,112,728 | |

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

Unaudited Consolidated Statement of Changes in Equity for the twelve months ended December 31, 2022
(expressed in Jamaican Dollars unless otherwise indicated)

Quarter ended December 31, 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 | <u>278,757</u> | <u>1,502,870</u> | <u>12,449</u> | <u>489,534</u> | <u>26,188</u> | <u>2,031,041</u> | <u>122,313</u> | <u>33,108</u> | <u>29,895</u> | <u>32,935</u> | <u>244,173</u> | <u>2,553,971</u> |
| Total comprehensive income for the year | | | | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | 2,569 | - | - | (7,415) | (7,415) |
| Total comprehensive income for the year | - | - | - | - | - | - | - | (2,569) | - | 126,947 | 119,532 | 119,532 |
| Transactions with members and movements in reserves | | | | | | | | | | | | |
| Entrance fees | - | 2,045 | - | - | - | 2,045 | - | - | - | - | - | 1,510 |
| Shares amount subscribed | 8,852 | - | - | - | - | - | - | - | - | - | - | 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 | - | - | - | - | - | - | - | - | (64) | - | (64) | (64) |
| Share transfer fund | - | - | - | - | - | - | - | - | 1,670 | - | 1,670 | 1,670 |
| Disaster and social outreach fund | - | - | - | - | - | - | - | - | 3,782 | (3,987) | - | - |
| Scholarship fund | - | - | - | - | - | - | - | - | (205) | (1,520) | - | - |
| Honorarium | - | 240,632 | - | - | - | 240,632 | - | - | - | (240,632) | (240,632) | - |
| Total transactions with members and movements in reserves | <u>8,852</u> | <u>242,677</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>242,677</u> | <u>-</u> | <u>-</u> | <u>5,183</u> | <u>(258,227)</u> | <u>(253,044)</u> | <u>(1,515)</u> |
| Balances at December 31, 2021 | <u>287,609</u> | <u>1,745,547</u> | <u>12,449</u> | <u>489,534</u> | <u>26,188</u> | <u>2,273,718</u> | <u>122,313</u> | <u>35,677</u> | <u>35,078</u> | <u>60,187</u> | <u>253,255</u> | <u>2,814,582</u> |

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

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**Unaudited Consolidated Statement of Cash Flows for the twelve months ended December 31, 2022
(expressed in Jamaican Dollars unless otherwise indicated)**

| | Unaudited Twelve Months Ended 31-Dec-22 \$'000 | Audited Year Ended 31-Dec-21 \$'000 |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus for the year | 305,850 | 259,557 |
| Adjustments for: | | |
| Depreciation - property, plant and equipment | 55,715 | 47,793 |
| Depreciation - right-of-use assets | 3,615 | 5,054 |
| Amortisation and impairment | 40,100 | 44,449 |
| Loss on disposal of property, plant and equipment | - | 97 |
| Gain on assets held for sale | - | -11,795 |
| Provision for credit losses | 224,050 | 271,734 |
| Interest income | - 2,166,836 | -2,088,895 |
| Interest expense | 403,524 | 342,560 |
| Interest expense on lease liability | 622 | 1,157 |
| | <u>-1,133,360</u> | <u>-1,128,289</u> |
| Changes in operating assets and liabilities | | |
| Loans to members | 121,979 | -55,955 |
| Saving deposits | 1,120,986 | 1,362,726 |
| Voluntary shares & deferred shares | 213,797 | 203,181 |
| Other assets | 3,138 | 28,090 |
| Other non-interest-bearing liabilities | -56,225 | 5,573 |
| Due to other institutions | - | -6,311 |
| External credit | -142,233 | -113,856 |
| | 128,081 | 295,159 |
| Interest received | 2,070,753 | 2,092,993 |
| Interest paid | -403,524 | -330,913 |
| Net cash provided by operating activities | <u>1,795,310</u> | <u>2,057,239</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Financial investments | -1,211,191 | -1,226,067 |
| Purchase of property, plant and equipment | -39,838 | -111,174 |
| Proceeds on disposal of property plant and equipment | - | 30 |
| Net cash used by investing activities | <u>-1,251,029</u> | <u>-1,337,211</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Permanent shares | 9,904 | 8,852 |
| Entrance fees | 2,579 | 2,045 |
| Dividends on membership shares | -13,741 | -13,938 |
| Lease payment | -4,504 | -3,358 |
| Net cash used by financing activities | <u>-5,762</u> | <u>-6,399</u> |
| Increase/(decrease) in cash and cash equivalents | 538,519 | 713,629 |
| Cash equivalents at beginning of year | 2,084,426 | 1,370,797 |
| Cash equivalents at end of year | <u>2,622,945</u> | <u>2,084,426</u> |
| Comprised of: | | |
| Liquid Assets: Earning | 2,335,331 | 1,921,979 |
| Liquid Assets: Non-earning | 287,614 | 162,447 |
| | <u>2,622,945</u> | <u>2,084,426</u> |

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CREDIT UNION LIMITED (C&WJCCUL)**

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

Notes to the Financial Statements for the twelve-months ended December 31, 2022 (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)

Notes to the Financial Statements for the twelve-months ended December 31, 2022 (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 twelve months ended December 31, 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 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.