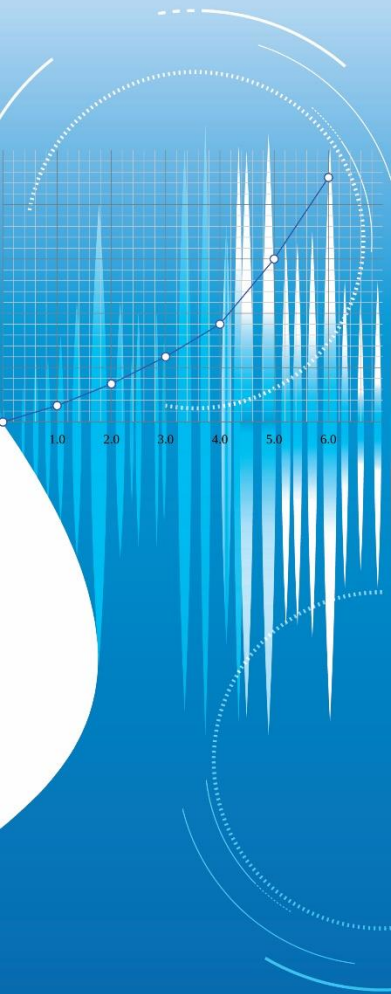




TIP Friendly Society



21st ANNUAL GENERAL MEETING



ANNUAL REPORT | 2022



WWW.TIPFRIENDLY.COM



TIP Friendly
Society

CORE VALUES

HONESTY

INTEGRITY

ACCOUNTABILITY

CREDIBILITY

RESPECT

COMMITMENT

DISCIPLINE

OUR MISSION

To improve the economic, social and health status of members and staff while contributing to the development of the wider community, by providing thrift and credit facilities, sickness, accident and death benefits in the most reliable, efficient, professional and accountable manner.

OUR VISION

TIP Friendly Society will become the leader in the profitable and professional provision of superior value added services to Stakeholders within the educational sector.

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TIP Friendly Society





TIP Friendly Society



NOTICE OF ANNUAL GENERAL MEETING

The Committee of Management of TIP Friendly Society hereby gives notice of its 21st Annual General Meeting (AGM) to be held on **Saturday, May 27, 2023 starting at 10:00 am at the Jamaica Conference Centre.**

The purpose of the meeting is to review and present the 2022 Audited Financial Statements and address matters relating to the operations of the Society. The electronic copy of the 2022 Annual Report can be found on TIP's website at www.tipfriendly.com on **Thursday, May 25, 2023.**

To attend and participate physically:

1. **Registration will be through our website www.tipfriendly.com and will open on Monday, May 15, 2023 at 8:30 am and close on Saturday, May 27, 2023 at 8:00 a.m**
2. Upon registration and verification, financial members will receive a confirmation email.
3. Only financial members in keeping with our Rule Book will be able to participate in the voting process

Kindly note that there will be no provision for a virtual meeting

For further queries and concerns, please email us at mktgsales@tipfriendly.com

BY ORDER OF THE COMMITTEE OF MANAGEMENT

LOLA BENNETT (MISS)
SECRETARY,
May 12, 2023

Serving You Is Our Pleasure!

HEAD OFFICE
80 Half-Way-Tree Road
Kingston 10
876-618-1914

OCHO RIOS
Shop 8, Ocho Rios Comm. Ctr.
Main Street, Ocho Rios, St. Ann
876-877-5267

MONTEGO BAY
The Annex, Shop 27A
Fairview, MoBay, St. James
876-382-7289

MANDEVILLE
24C Lot#3, Caledonia Road
Mandeville, Manchester
876-877-5268

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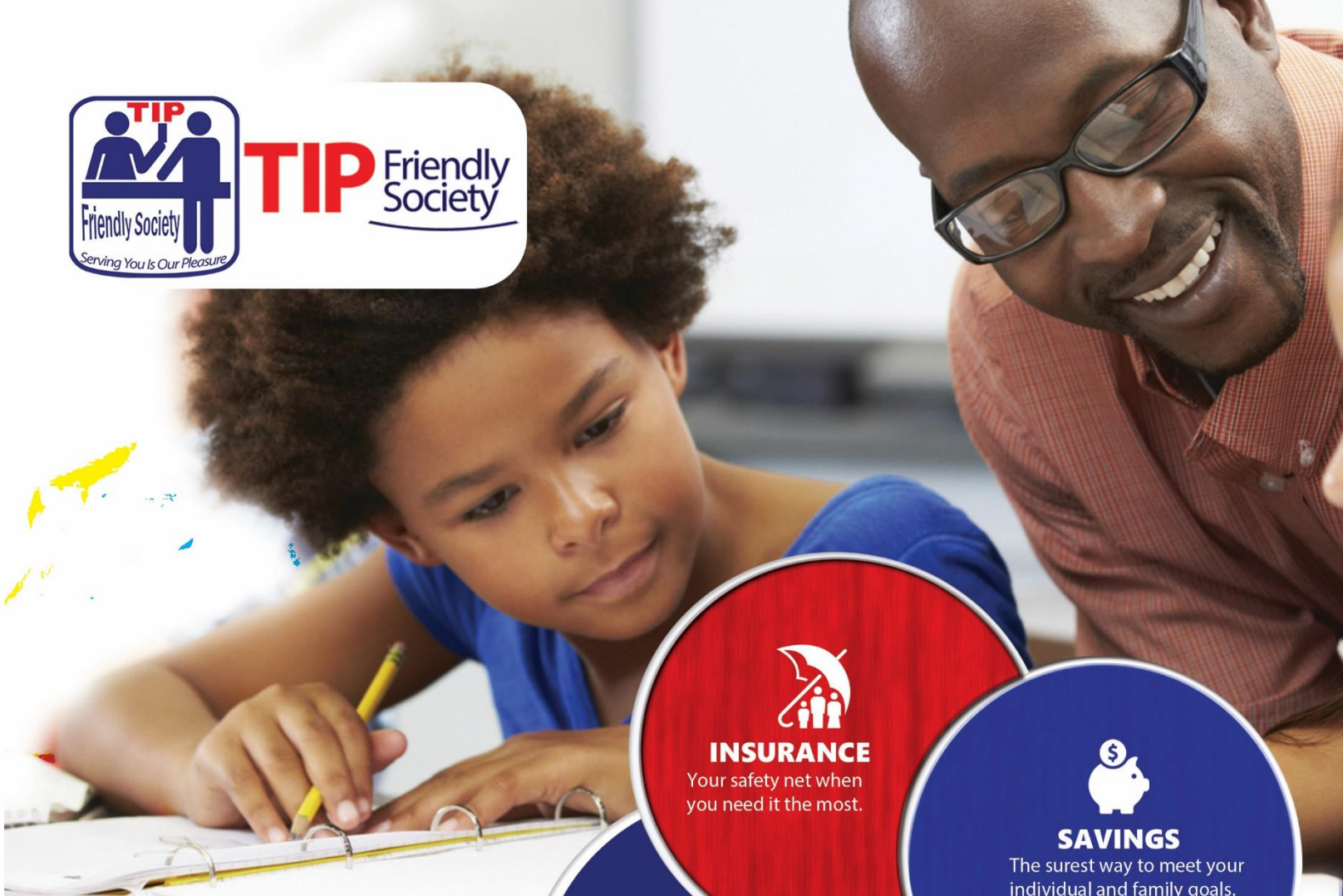
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AGENDA

1. Ascertainment of Quorum
2. Call to Order
3. Opening Prayer
4. Obituaries
5. Apologies for Absence
6. Welcome & Introduction - President, TIP Friendly Society, Dr Garth Anderson
 - Greetings, President, JTA, La Sonja Harrison
7. Reading, Amendments & Correction of Minutes
9. Confirmation of Minutes
10. Matters Arising from the Minutes
11. Report of the
 - Committee of Management
 - Treasurer/Auditors
 - Credit Committee
 - Supervisory Committee
 - Chief Executive Officer
12. Fixing of Maximum Liability
13. Appropriation of Surplus
14. Report of the Nominating Committee
15. Elections to the:
 - Committee of Management
 - Credit Committee
 - Supervisory Committee
16. Adjournment



TIP Friendly Society



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TIP Friendly Society



MINUTES OF THE TWENTIETH ANNUAL GENERAL MEETING OF TIP FRIENDLY SOCIETY

HELD IN A HYBRID FORMAT ON SATURDAY, MAY 18, 2022 AT THE SPANISH COURT HOTEL

COMMENCING AT 10:45 A.M.

1.0 CALL TO ORDER/ NOTICE/WELCOME

On the invitation of the President, Dr. Garth Anderson, the Secretary Miss. Lola Bennett reported that at 10:00 a.m. 73 persons were online, and 27 persons were physically present.

The Chairman, Dr. Garth Anderson, having ascertained that there was a quorum called the meeting to order at 10:45 a.m. and invited Miss. Bennett, Secretary, to read the notice convening the meeting.

The Notice was read by the Secretary.

1.1 Devotional Exercise

This was conducted by Mr. Lealon Nash, Chairman of the Supervisory Committee.

1.2 Welcome

The Chairman, Dr. Garth Anderson, extended a warm and cordial welcome to the valued members, the President of the Jamaica Teachers' Association (JTA), the representatives from the Department of Co-operatives and Friendly Societies, the Auditor, Mr. Wayne Strachan, volunteers, management, and members of staff.

1.3 Obituaries

The Chairman invited Secretary Bennett to take the meeting through the obituaries.

Condolences were extended to the families of the following persons who made their transition during the year under review.

- Janet Able-Simpson
- Georgia Allen
- Alicia Allen
- Clive Baker
- Paul Baker
- Lurline Bannister
- Sean Barrett
- Ann Bennett
- Downen Blair
- Patricia Coote
- Peaches Coward-Burke
- Lorna Crawford-Stewart

- Carole Davis
- Nattallie Dawkins
- Elaine Dixon-Crooks
- Jacklyn Douglas
- Claydette Dunkley
- Velora Edwards
- Orlene Gooden-Wellington
- Shirley Green
- Sophia Henry-Cousins
- Mark Hinds
- Carl Honeyghan
- Noel Hunter
- Aviann Jarrett
- Nichara Johnson
- Hope Johnson-Watson
- Fabian Largie
- Hope Leach
- Marion McCalla
- Paulette McKenzie
- Francis Minto
- Kayon Morgan
- Henry Mullings
- Alice Murray
- Andrea Nelson-Thomas
- Hyacinth Robinson-Johnson
- Rosemarie Samuels-Robinson
- Melva Shae
- Sharon Sinclair
- Albert Smith
- Natalie Tracey-Chance
- Bernice Turner
- Cynthia Turner
- Joan Walker-Jackson
- Yvonne Warburton-Ottar
- Melinda Williams
- Eugunando Williams
- Remona Williams-Harrison
- Trecia Wright

A moment's silence was observed.

1.4 Apologies for Absence

No apologies were received.

2.0 READING, CORRECTION AND CONFIRMATION OF THE MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON FRIDAY, OCTOBER 15, 2021

The minutes were taken as read on a motion moved by Miss Tamashella Smith, seconded by Mr. Norman Allen.

2.1 Corrections to the minutes:

Page 17 (5.1.9) 2nd paragraph, 2nd sentence, 'elected' should read 'erected'
Page 32 (13.3) 2nd paragraph, 'Williams Davis' should read 'Davis Williams'

There being no further corrections, the minutes were confirmed on a motion moved by Mr. Rushane Morgan, seconded by Mrs. Camille Davis Williams.

3.0 MATTERS ARISING

3.1 Availability and Accessibility to the Minutes of the last meeting.

Ms. Valerie Clara Knight queried whether the minutes were previously sent to members so they could participate in the meeting. The Chairman stated that the booklet was posted on the website four days ago.

4.0 REPORTS:

4.1 Committee of Management Report

The President highlighted the following:

- The meeting was being held under the theme *“Reimagining Our Identity for Sustainable Development”*.
- He stated that there would be several activities and innovations taking place during the year to highlight the ‘reimagining’ aspect of the theme.
- The great uncertainty of the Covid 19 pandemic wreaked havoc across the globe including Jamaica. There were lockdowns across the country and there was uncertainty regarding the reopening of schools. He noted the reluctance of Jamaicans to take the vaccines and urged the members to make use of the available vaccines.
- TIP Friendly Society, he stated, did not suffer any lockdown because of the pandemic in 2021 and asked the meeting to applaud the staff who kept the offices opened and served the members.
- 2021 was the most profitable year of operation on record for the Society as the surplus surpassed the 2020 figure by \$82 Million, ending the year with a surplus of over \$322 Million.
- TIP Friendly was now a \$5 Billion company and should be close to the \$7 Billion mark at the end of 2022 which was attributed to the work of the valued members, and the continuous implementation of organic growth strategies, diversification and strengthening of the financial resources.

On behalf of the Board of Directors, volunteers, and staff, he thanked the management and team members for this sterling effort amidst the challenges faced by the country and Society.

- Three resolutions were passed at the last Annual General Meeting, namely,
 - (1) to allow TIP Friendly to have meetings either virtually, in person or via the hybrid format.
 - (2) to continue to accept nominations from the floor
 - (3) a formal definition of a financial member.
- In 2022 TIP Friendly Society will celebrate 25 years of existence and to mark the occasion a number of activities would be carried out throughout the year members would be advised of.
- Some of the major developments since the last AGM were:
 - The completion of a major commercial real estate project at Cookson Pen, Portmore, St, Catherine.

- o The purchase of a plot of land at Drax Hall in St. Ann to build offices for the St. Ann branch.
- o The 80% completion of the construction work at the Apartment Complex at Palmoral Avenue, Mona, St. Andrew.

These, the Chairman stated would be bringing in additional revenue to the Society and ultimately to the members.

Other highlights from the Committee of Management Report were as follows:

- Interest rate was lowered on unsecured loans in March 2021 to make it easier for members to access financing to cope with the pandemic.
- In March 2021, regular loans were increased up to \$5 Million, with the payment period increased to 8 years; Mortgage period extended to 15 years, and Home Equity products moved to \$15 Million.
- Members' attention was drawn to the table under Investment, showing the movement of this item over a 5-year period.
- Assets moved from \$2.5 Billion to over \$3.4 Billion for the year under review, a 34.76% increase.
- Delinquency was maintained below the international standard of 5%.
- Members were assured that the savings were placed in secure financial instruments.
- In May 2020, the Montego Bay Office located at Bay West was relocated to its own premises at the Annex in Fairview, and in January 2021, the Mandeville Office was relocated to its new place on Caledonia Road.
- He directed the members' attention to the Members' Contribution/Insurance Premium table for their examination.
- It was noted that TIP continued to offer scholarships to members and their children, and the members were asked to review the different named scholarships that were awarded.

A new Scholarship would be offered to mark the 25th Anniversary called the President's Scholarship in the amount of \$250,000. More information will be provided on this.

- Donations were made to educational institutions, clubs, societies, churches, schools, and other educational organizations.
- Members' attention was drawn to the financial and insurance offerings that were listed, the newest being TIP Lock and Key, an investment product that would be offering an attractive interest rate.
- Board meetings were held virtually, and members were asked to review the Attendance Register that was projected on the screen. The President thanked the members of the Board of Management for their commitment.

- TIP attended the International Co-operative Alliance Congress held in Seoul under the theme, *'Deepening our Co-operative Identity'*. The attendees were Dr. Garth Anderson, President, Mr. Clayton Hall, Treasurer and Mr. Wilton South General Manager.

In closing, the President thanked the members of the management team and volunteers for their support and for remaining committed to the ideals and mission of the Society.

There being no questions, the Committee of Management Report was unanimously accepted on a motion moved by Mrs. Cecelia Grant Francis, seconded by Miss Claudia McLean.

4.2 Treasurer's Report

This was presented by the Treasurer Mr. Clayton Hall

He invited Mr. Strachan from the Audit Firm, Baker Tilly, to present the Auditor's Report.

The Auditor, Mr. Strachan, read the opinion as outlined in the Financial Statements.

The Treasurer, Mr. Hall, in presenting the report concurred with the President that the performance for the year under review was worthy of commendations.

He highlighted the following:

- The exchange rates going back to 2017 were projected on a screen as also the inflation rates. The inflation rate for the year under review was 7.3%.
- Net income at the end of 2021 stood at \$780 Million.
- Expenses grew minimally moving to \$458 Million at the end of 2021.
- The surplus for 2021 stood at \$322 Million.
- Members' Loans in 2020 grew to \$3.4 Billion, however, members' savings did not perform as expected. It was noted that loans were outstripping savings and innovative ways had to be found to improve the savings portfolio.
- Investment had improved and was now at \$3.4 Billion.
- Permanent shares, the Treasurer noted, had flattened out since 2019 and urged members to invest more in permanent shares. He indicated that a decent dividend would be paid on permanent shares in commemoration of the 25th Anniversary.
- As it is related to the PEARLS ratio, net loans to assets, the standard being 70 – 80%, TIP was at 65%, which the Treasurer attributed to the growth in assets over the last 2 – 3 years. He stated that loans were moving but not at the desired level.

- Total savings to total assets was below the standard as the savings were below expectation.
- Liquidity Reserves doubled the standard by greater than 10%.
- The standard for Delinquency was less than 5%, and TIP was currently at 4.23%.
- Non-earning Assets, the standard should be less than 7%, however, TIP was at 15.7% and while this was significantly below the International Standards, the Treasurer stated that as soon as the investments that the President spoke about materialized, this figure would be significantly reduced.
- The standard for Operating Expense/Average Assets, is less than 8%, and TIP's standard was at 1.73%.
- Net Income/Average Assets, the standard being greater than 5%, the standard was not met because of the proliferation of the acquisition of the assets as mentioned earlier.
- The Treasurer announced that in commemoration of the 25th Anniversary, TIP would be launching the first Real Estate Subsidiary wholly owned by members of the Society which would facilitate the earning of members in two ways. Firstly, by virtue of being a member in that whatever profit was made, members would benefit, and secondly, members could invest directly into real estate through TIP.

He appealed to the members to be a part of this venture.

Treasurer Hall made an impassioned plea to the members to invest more in Permanent Shares as attractive dividends over the years had been paid. He, however, advised that once members invest, they were not able to withdraw immediately and that on an annual basis, they would earn premium dividends and interest on these shares. He stated that they were minded for the current year to put a number closer to 10 on the table, a number that had not been seen in the financial sector for the past ten years.

He thanked the members for their continued support, the Committee of Management, the hardworking management and staff, the Auditors, the Registrar and his team at the Department of Co-operatives and Friendly Societies for their assistance and the Jamaica Co-operative Credit Union League.

QUESTIONS/QUERIES:

4.2.1 Ownership of Property in Portmore

Diana Campbell (Ferncourt High) congratulated the Board on its performance. She then queried whether the Society owned property in Portmore. She was given an affirmative answer. Ms Campbell further queried whether there was a timeline for it to commence operations. In response to this question to she was informed that in the next three months, it should commence operation.

The Treasurer's and Auditor's Report was accepted on a motion moved by Miss Audrey Williams, seconded by Ms. Concheta Walker (St. Aloysius Primary)

4.3 Credit Committee

The report was presented by Mr. Leanon Nash.

He outlined the names of the five-man Committee and stated that they worked assiduously to fulfill the mandate of the Credit Committee. He further highlighted the core functions of the Committee as stated in the report.

4.3.1 Loans and Savings

- He informed the meeting that members continued to access loans to savings at a ratio of 10:1.
- He projected on the screen the comparative figures for 2020 and 2021 in relation to loans.

4.3.2 Delinquency Files Review

- In terms of delinquency, 698 delinquency files were reviewed during the period in comparison to 1,093 for 2021. Delinquent loan files reviewed by the Committee were sometimes recalled for a clinical review and follow-up on the recommendations made.

The findings revealed that the majority of the follow-ups and the recommendations made were implemented by the Society. The Committee also contacted members and their references to have them fulfill their obligations.

- He noted that information provided by the Credit Information Bureau was analyzed and used as a guide in offering financial counselling to members.

4.3.3 Attendance Record of Members

- The attendance record was projected on screen for members' observation.

4.3.4 Training

- Members of the Committee were provided with training in the Proceeds of Crimes Act.
- He reminded the members that TIP Friendly remained safe, solid and strong and that its remit was to protect the member's income and ultimately that of the Society.
- The Credit Committee was satisfied that it was impartial in the execution of its mandate and applauded the management, Board, staff and stakeholders for the guidance provided to them. He thanked Mrs. Carey for the support and guidance given to the Committee.

He expressed gratitude to the members for their contribution and demonstration of faith and trust in the Committee to meet their dynamic needs.

QUESTIONS/QUERIES:

4.3.5 Outstanding Loans after Retirement

A member queried as to what happens when a member goes into retirement and has an outstanding loan. In response to this question, the Treasurer, Hall stated that the members would need to speak to the Customer Service Representative so that adjustments could be made to ensure that the interests of the members were protected.

At this juncture, the Chairman extended a special welcome to Ms. Tanesha Facey from the Department of Co-operatives and Friendly Societies

There being no questions, the Credit Committee Report was approved on a motion moved by Mr. Winston Smith, seconded by Ms. Estorine Brown.

5.0 ANNOUNCEMENT OF THE WINNER OF THE JINGLE COMPETITION

At this juncture, Miss Tamashella Smith, Chairman of the Marketing Committee announced the winner of the Jingle Competition that was launched on January 25, 2022. She stated that the winner was Mr. Oshane McHugh from Kingston College. The winning jingle was then played.

She thanked all the participants who participated in the competition.

She stated that she was now looking forward to Founder's Week celebrations to commence on September 24, 2022.

6.0 SUPERVISORY COMMITTEE REPORT

Ms. Aneita Bailey, Secretary of the Supervisory Committee, took the meeting through the report. She introduced the members of the Committee that were present.

She highlighted the following:

6.1 Roles and Responsibilities of the Committee

- The Committee was elected by the members to monitor and audit the operations of the Society to ensure compliance with the rules and established industry standards.
- She outlined the goals and responsibilities of the Committee as outlined in the booklet and projected on the screen.

Meetings held.

- During the period under review, there were 8 meetings and 4 branch visits. Members were present for at least 90% of the meetings, the majority of which were conducted virtually.

6.2 Branch Visits

The Committee reported on the findings to the Board after each branch visit was conducted. The team, however, was unable to visit the residential and commercial properties.

6.3 Training

Committee members attended a POCA training as well as training organized by the Registrar of Co-operatives and Friendly Societies.

6.4 Activities of Committee

- She outlined the critical activities undertaken by the Committee during the period under review.
- In keeping with the organization's theme for sustainable development, the Committee created a two-year audit plan to better streamline its activities for the proper functioning, sustainability as well as succession planning.
- An internal review of the financial accounts of the organization was carried out on April 1 and April 8, 2022. Areas of concern were dormant accounts, commercial property acquisition, expense accounts, staff car loans, personnel files, head office construction expenses and expenses incurred by the Board. The Committee was satisfied with the explanations given. For the most part, the expenses incurred were in keeping with the normal operations of the organization.
- Notwithstanding the challenges, the Committee celebrated the fact that TIP Friendly Society continued to grow robustly.
- The Supervisory Committee expressed gratitude for the confidence vested in the team and thanked the members of staff who facilitated the Committee during the year.

There being no questions, the Supervisory Committee Report was approved on a motion moved by Mr. Leاون Nash, seconded by Mrs. Jacqueline Hendricks-White.

7.0 GREETINGS FROM MR. WINSTON SMITH, PRESIDENT OF THE JAMAICA TEACHERS' ASSOCIATION

The Chairman invited Mr. Winston Smith, President of the JTA to bring greetings.

The President, Mr. Smith, stated that it was a pleasure to be addressing the gathering for the second time in one year. He noted that he was also the first President to have served on a Committee at TIP Friendly Society while being in office as President proving that the relationship between the teachers of Jamaica, the JTA and TIP Friendly Society,

was inextricably linked, one to be proud of and would continue to grow from strength to strength.

The teachers of Jamaica, he stated, lauded TIP Friendly Society as being an avenue for upward mobility, growth and development. JTA, he indicated, saluted TIP Friendly Society and made sure that the members of TIP Friendly Society were well pictured at the Vilma Lawes Munroe Walk/Run that took place earlier in the morning.

He thanked TIP for allowing the JTA to be a part of their Annual General Meeting each year and they look forward to greater synergies, greater relationships as TIP continued to tip its way in the hearts of the teachers of Jamaica.

8.0 MANAGEMENT REPORT

The report was presented by the General Manager, Mr. Wilton South.

Mr. South expressed thanks and appreciation to the President of the JTA for his continued promotion of TIP.

- He noted that TIP was celebrating its 25th Anniversary and expressed profound gratitude to the valuable members, the Board for its policy direction, and the management and staff. He stated that the Society continued to influence the lives of its members in the Education sector. He indicated that the delivery of quality service continued to improve daily.
- The Board and Management hosted its Planning Retreat from which the following key strategies were developed.:
 - a) To reduce the turnaround time for claims
 - b) To update HR policies to meet business needs.
 - c) To reduce delinquency below 4%
 - d) To improve the Customer Service experience
 - e) To leverage the TIP brand to meet annual sales objectives.
 - f) To hold unidentified deposits at their December 31, 2021, level
 - g) To improve efficiency via digital process, Flow and IT
- In 2021 the asset base, loan portfolio, and surplus were increased, and that his teams were working very hard to achieve the goal of \$7 billion in assets by the end of 2022.
- As at April 2022 delinquency stood at 3.62%, compared to 4.32% at the end of 2022, a figure he hoped to end the year at.
- He outlined some of the activities that took place to mark the 24th Anniversary.
- He acknowledged the Business Development Officers who, he stated, were the ones reaching out in the field and were working tirelessly to succeed in this area.
- TIP continued to take its corporate social responsibility seriously by giving back. He expressed the hope that the Treasurer would approve at least a minimum of \$6 Million for donations.

- He noted that it was their intention to have multiple streams of income from the different investments outlined by the President during 2022 to fulfill the dream of growing bigger.
- Condolences were paid to the members who passed and members who lost loved ones in 2021.
- TIP, he highlighted, could now be contacted through the following medium: telephone, Facebook, Instagram, YouTube, emails, Twitter, and WhatsApp.
- To commemorate the 25th Anniversary, new products were launched to include the Lock and Key product targeting persons approaching 50 years.
- Improvements were carried out in relation to TIP Educator, TIP Basic Plan, TIP Kids Plan and TIP School Plan and were before the Actuary for an actuarial review of these insurance products.
- In closing, he expressed gratitude to the valued members, volunteers, staff and managers.

8.1 Commendations/Congratulations:

Mr. Isaacs, a member stationed in St. Ann, commended the team at the Ocho Rios Branch for going beyond the call of duty in responding to the needs of members.

Ms. Estorine Brown congratulated Mr. South on a detailed and well-presented report and asked him to expand on the Lock and Key Product.

General Manager South responded that this was an investment product that allows members to choose tenure to lock their funds. He said that the minimum amount to be invested is \$10,000 and the minimum period is 24 months, he said that a return of 5% per annum would be received on the minimum.

There being no questions, the Supervisory Committee Report was approved on a motion moved by Mr. Rushane Morgan, seconded by Mrs. Jacqueline Hendricks-White.

9.0 APPROPRIATION OF SURPLUS

The Committee of Management recommended a dividend on Permanent Shares of 6%, on Ordinary Shares 3%, amounting to a dividend pay-out of \$70,358,146 and Social Outreach (Donations) of \$6,000,000 for 2021.

This was approved on a motion moved by the Treasurer, Clayton Hall and seconded by Nicolette McDonald Foster (Alpha Infant School)

10.0 FIXING OF MAXIMUM LIABILITY

The Treasurer, Mr. Hall, proposed that the maximum liability to December 31, 2021, be set at \$11.4 Billion, being two times the asset base.

This was approved on a motion moved by the Treasurer, Clayton Hall and seconded by Mrs. Sheron Matheson.

Treasurer Hall announced that a raffle was being considered for members having \$100,000 in their Permanent Shares as of July 31, 2022, as part of the 25th Anniversary celebrations. The top prize would be a Caribbean Cruise for two.

QUESTIONS/QUERIES:

A question in the chat from Michelle Barrett Cain asked why members had to wait 3 working days to access money from TIP.

The Chairman stated that a transfer online to NCB account would be accessible before 1 o'clock if the processing was done before 12:00, whilst it takes 24 hours to process at other banks.

11.00 NOMINATING COMMITTEE REPORT AND ELECTIONS

Chairman of the Nominating Committee, Mr. Norman Allen presented the report.

He stated that he, along with Ms Rhamona Bromfield, and Mr. Wilton South were appointed by the Committee of Management to the Nominating Committee in accordance with the provisions of Article 20 (i) of the Rules of Society.

The Committee, he stated, met on numerous occasions, the last being April 28, and looked at qualified persons throughout the Education sector to serve on the Board and Committees.

11.1 Committee of Management

He noted that the Clarendon rep, Mrs. Beverly Green-Miller, resigned and Mr. Gregory King, Education Officer, Region 5 was being recommended to complete her unexpired term.

He noted that the parishes that were not up for election were Trelawny, St. Mary, and St. Thomas.

He indicated that due to some discrepancies last year, the Kingston rep would be coming up for election, Miss Audrey Williams, Retired Principal, Denham Town High School, and the Committee recommended that she completes the remaining two years, having served one year.

The Youth Rep position which comes up for reelection every year, the Committee recommended Miss Jodiann Evans, teacher, of Jessie Ripoll Primary, to serve.

The Committee made the following recommendations in relation to the parishes up for election:

RETIRING	RECOMMENDED	TERM
Mr. Clayton Hall (St. Catherine) Deputy Secretary General, JTA	Mr. Clayton Hall	3 years
Ms Lola Bennett (St. Elizabeth) Senior Lecturer, Church Teachers' College	Ms Lola Bennett	3 years
Mrs. Sheron Matheson (St. James) Principal Lecturer, Sam Sharpe Teachers' College	Mrs. Sheron Matheson	3 years
Miss Estorine Brown (St. Ann) Retired teacher, Clarksonville All Age	Mrs. Estorine Brown	3 years
Miss Claudia McLean (Portland) Principal, Norwich Primary	Miss Claudia McLean	3 years

11.2 Credit Committee

RETIRING	RECOMMENDED	TERM
Mr. Leacon Nash , Administrative Officer, Communication & Public Relation, JTA	Miss Sandra Hunter Lecturer, GC Foster College	2 years
Miss Janet Williams Director Shortwood Teachers' College	Mr. Winston Smith Principal, Golden Spring Primary	2 years
Mr. Rohan Johnson Teacher with Post of Special Responsibility Denham Town High School	Mr. Rohan Johnson	2 years

11.3 Supervisory Committee

It was noted that all members retire annually.

RETIRING	RECOMMENDED
Mrs. Camille Davis Williams Principal, St. Pauls Primary.	Mrs. Camille Davis Williams
Mr. Winston Smith, Principal, Golden Spring Primary,	Mr. Philmore McCarthy Principal, Exed Community College
Mrs. Viris Clark-Ellis Retired Education Officer	Mr. Colin Spence Principal, Mount Moreland Primary and Junior High
Miss Aneita Bailey Community Relations Officer, Min, of Education Region 5.	Lou-Ann Bramwell-Shakes Teacher, Hayes Primary Junior High
Miss Venice Brennan Teacher, Old Harbour High School	Mr. Leacon Nash Administrative Officer, JTA

11.4 Election Exercise

Ms. Tanesha Facey, who was online was invited to conduct the election exercise.

She then outlined the ground rules that would govern the elections and opened the floor for nomination for the Committee of Management.

11.4.1 Committee of Management- Nominations

Nominations were asked three times from the floor.

Ms. Aneita Bailey nominated Miss Venice Brennan for the Committee of Management for the parish of Clarendon. Asked by Ms. Facey if she was willing to accept the nomination, Ms. Brennan answered positively. This was seconded by Dianna Campbell.

The meeting was informed that Miss Bailey did not live in the parish of Clarendon, making her ineligible for the nomination. The nomination was withdrawn by Ms. Bailey.

Ms Dianna Campbell, nominated Mr. Howard Isaacs, (Moneaque) to represent the parish of St. Ann. Mr. Isaacs accepted the nomination. This was seconded by Shaunette Baugh Wilson.

Erica Ewbanks, Principal of Garvey Maceo High School nominated Ms. Brennan (Old Harbour High School). This was seconded by Camille Davis-Williams. (St. Pauls Pri, Westmoreland).

There being no further nominations, Ms Facey declared nominations closed. She stated that there were 10 nominees, but elections would only take place for the parishes of Clarendon and St. Ann.

She then declared Audrey Williams duly elected to serve for two years to represent Kingston; Jodiann Evans for one year as the Youth representative; Clayton Hall for 3 years to represent St. Catherine; Lola Bennett for 3 years to represent St. Elizabeth; Sheron Matheson for 3 years to represent St. James and Claudia McLean for 3 years to represent Portland.

11.4.2 Election Results – Committee of Management

In relation to the election for the parishes of Clarendon and St. Ann, she gave instructions as to how the voting via poll online as well as in the physical space would be conducted.

At the end of the voting process, she announced that Mr. Gregory King polled 42 votes and Miss Brennan, 31, and declared Mr. King duly elected to represent Clarendon for one year.

In relation to St. Ann, Miss Estorine Brown polled 23 votes and Mr. Howard Isaacs, 67 votes, and declared Mr. Howard Isaacs duly elected to represent the parish of St. Ann for 3 years.

11.5 Credit Committee

Instructions were given and nominations were opened from the floor.

Mr. Eaton McNamee, Manchester, nominated Mr. Timroy Shaw who accepted the nomination. This was seconded by Miss Valda Findlay (Grange Hill Primary).

Mr. Shaw who was online was asked to open his camera so he could be seen, this h he did and stated that he was currently serving as the principal of Highgate Primary School in St. Mary.

Nominations were declared closed, and Miss Facey pointed out that there were three vacancies and four 4 nominees and gave further instructions.

11.5.1 Election Results – Credit Committee

At the end of the process, she declared Sandra Hunter, who polled 62 votes and Winston Smith 64 votes, duly elected to the Credit Committee for a term of 2 years. Mr. Timroy Shaw polled 38 votes.

11.6 Supervisory Committee

Ms. Tanesha Facey stated that this Committee's tenure is for one year. She reminded the meeting of the instructions and opened the floor for nominations.

Ms. Concheta Walker (St. Aloysius Primary) nominated Mr. Eaton McNamee, who accepted the nomination. This was seconded by Mrs. Shaunette Baugh Wilson (Foga Road Infant School).

Ms. Aneita Bailey (Community Relations Education Officer, Region 5) nominated Ms. Viris Clark Ellis (Retired Education Officer) who was present and accepted the nomination. This was seconded by Miss Veniece Brennan (Old Harbour High).

Mr. Leاون Nash nominated Dr. Jannet Williams (Shortwood Teachers' College) who accepted the nomination. This was seconded by Aneita Bailey.

Mr. Rushane Morgan (Mandeville Primary School) nominated Miss Aneita Bailey (Community Relations Education Officer, Region 5) who accepted the nomination. This was seconded by Mrs. Camille Davis Williams (St. Paul's Primary).

Ms Facey declared nominations closed and stated that there were 9 nominees and 5 vacancies and issued the instructions as to the process.

11.6.1 Election Results – Supervisory Committee

Ms. Facey highlighted the following results for the election:

- Camille Davis Williams 46 votes
- Philmore McCarthy 41 votes
- Leاون Nash 40 votes
- Collin Spence 34 votes
- Lou Ann Bramwell Shakes 31 votes
- Dr. Jannet Williams 31 votes
- Aneita Bailey 27 votes
- Eaton McNamee 26 votes
- Viris Clark Ellis 25 votes

There being a tie between Dr. Jannet Williams and Lou Ann Bramwell Shakes, Chairman G. Anderson was asked to use the privilege of his casting vote. This he did for Lou Ann Bramwell Shakes.

Ms. Facey then declared Camille Williams, Philmore McCarthy, Collin Spence, Lou Ann Bramwell Shakes, and Leاون Nash duly elected to the Supervisory Committee.

She asked the Committee of Management and the Credit and Supervisory Committees to meet within ten days and submit the names of the Executive to the Department of Co-operatives & Friendly Societies and to any other institutions to which they are associated.

Chairman Anderson thanked Miss Tanesha Facey for ably conducting the election process.

He congratulated all the newly elected volunteers; he thanked those not returning for their service to TIP Friendly Society and stated that he looked forward to their continued support in the future.

He thanked those in the physical space as well as those joining the meeting online for attending and urged all to keep safe as the pandemic had not gone.

12.0 TERMINATION

There being no other matter for discussion, the meeting was terminated at 3:30 pm.

Prepared and submitted by:

Approved by :

.....
Lola Bennett, (Miss)
Secretary

.....
Garth Anderson, Dr.
President



TIP Friendly Society

TIP 2023 SCHOLARSHIPS

ARE NOW OPEN!

APPLICATION DEADLINE
JULY 31, 2023

APPLY NOW!

Simply visit www.tipfriendly.com and complete your application online or visit any of our TIP offices.

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■ MONTEGO BAY8 876-382-7289 ■ OCHO RIOS 876-877-5267



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COMMITTEE OF MANAGEMENT REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

The year 2022 was yet again another challenging year. At the start of the year the presence of the COVID-19 Corona Virus was still evident. Many Jamaican schools were still shuttered, and a significant amount of the teaching/learning process was still being done online. In fact, schools were not fully opened until March 2022.

At the start of the year, the level of economic activity showed signs of recovery, and by the end of the financial year, the country was back to normal economic activity, with some sectors experiencing growth that matched or in some cases, exceeding pre-Covid levels.

Jamaica's point-to-point inflation rate as at January 2022 was 9.7% and the country closed the year (December 31, 2022) with a point-to-point inflation rate of 9.4%. I must hasten to say that the rate of inflation in Jamaica went as high as 11.8% in April 2022. At the start of 2022, the Bank of Jamaica's projected inflation rate was set at a range of 4%-6%. With the rate of inflation exceeding projections adjustments had to be made by the country's Central Bank to control the money supply in the economy. The adjustments saw increases in interest rates, both on loans and savings. There is an inverse relationship between the movement of interest rates and the stock market and the latter experienced significant decline during the year. The rate of exchange for the Jamaican Dollar (J\$) to the Unites States Dollar (US\$) during 2022 was relatively stable. It went from a high of JS157.80:US\$1.00 (12.02.22) and as low as J\$148.16:US\$1.00 (18.09.22).

As you are aware, TIP Friendly Society (TIP) is not immune to the wider Jamaican economy. We were impacted by the movements in interest rates and the downturn in equities' prices. As prudent managers of your savings, we adjusted our financial assets to keep the organisation on a viable path. This is a result of the increase in savings interest rates and the reduced loan rates.

TIP celebrated its 25th Anniversary during the week of September 26, 2022, under the theme, Growing Friendly with TIP. The week started with a church service at the Mandeville Parish Church; the following day, myself and our CEO, Mr. Wilton South made an appearance on Smile Jamaica; there were tree planting activities across the country as well as a financial literacy webinar. During the week, TIP also had its scholarship awards and prize giving ceremony. On Thursday, we had our Meet and Greet with our Volunteers and the unveiling of the head office. We had an Outside Broadcast at our head office. Our celebrations ended with our 25th Anniversary Awards Ceremony. We disbursed \$3.5 Million Dollars in Scholarships for students from the PEP level to the post graduate level. The company had exposures on mainstream television, radio, newspapers and social media. TIP's head office was named after its first Board President, Ray Howell, the Montego Bay property was named after its 1st Treasurer, Sherlock Allen and the Mandeville property was named after its first secretary, Sylvia Spence. Family and close friends of the members for whom the buildings were named were invited to the unveiling ceremonies.

At our last Annual General Meeting (AGM), we reported that TIP Friendly Society was a \$5 billion dollar company. Today, as I stand here, I am reporting that we are now a \$6.072 billion dollar business. We also shared with you that we were constructing an apartment building at 18 Palmoral Avenue, Mona, Kingston 6. We are pleased to report to you that the property has been completed and that five of six apartments have been rented. This is a income generator for TIP Friendly Society.

OPERATING RESULTS

In keeping with the trend in the wider financial sector and to ensure that we earned a reasonable return on our investments, TIP Friendly Society increased its interest rate on most loan products in October 2022. Importantly, however, loans against members' savings were lowered. We controlled expenses well within our budget and with other strategic financial manoeuvrings performed during the year, we achieved a net surplus of \$141.2 Million. Surplus was significantly affected by a \$121.3 million adjustment in expected credit losses (ECL). This magnitude of adjustment is not expected to recur and we expect a significant improvement in surplus for the coming years.

INVESTMENTS

TIP has doubled its asset base over the last three (3) years. In 2019, our asset base was \$3.276 billion. As at December 31, 2022, the Society's asset base stood at \$6.072 billion. This is an indication of how well we have utilized our resources to create wealth for you, our valued members. In addition to our

traditional loan products, we have been offering mortgages and motor vehicle loans to you to ensure that you have a roof over your head and can travel around independently and in style.

LOANS

Our year-over-year movement in our loan's asset was significant. We moved from \$3,400.60 billion to \$3,931.75 billion for the year under review. The 15.61% increase helped to drive the growth in surplus while maintaining delinquency below the international standard of 5%.

PROBITY AND PRUDENCE

TIP Friendly Society is an active member of the International Cooperatives Alliance. Notwithstanding the fact that we are in Jamaica, we are impacted by what happens in the global community. We measure ourselves against international standards by which other organizations are judged. On a monthly basis we measure ourselves against the international standard of Protection, Effective Prudential Financial Standards, Asset Quality, and Rate of Return, Liquidity and Signs of Growth (PEARLS).

Your savings are placed in secured financial instruments, in blue chip institutions and backed by Government Financial Papers to assure that effective standards are followed. All of our major insurance products are reinsured for greater protection. Liquid Assets are kept in a form that is easily converted to cash to meet your needs. We negotiate the best secured rates in the market and the Society has adequate liquid reserves to meet your loan needs.

Our journey towards strict Corporate Governance and risk management is always central to our operation. We continue to expose our volunteers and staff to the tenets of good corporate governance via training in Enterprise Risk Management, Anti-Money Laundering (AML) and the Proceeds of Crime Act (POCA). During this year (2023) TIP will again be conducting training in Corporate Governance for our Volunteers and Management staff. All volunteers and management staff are now required to submit annual Fit and Proper documentation to our regulators, the Department of Cooperatives and Friendly Societies.

REGIONAL SERVICES

TIP Friendly Society is very conscious of your need for convenience. We have located our branches in strategic and easily accessible locations. You can visit us at The Annex in Fairview, Montego Bay; 24C, Lot #3 Caledonia Road, Mandeville; Shop 8, Ocho Rios Commercial Centre, Ocean Village Shopping Centre, Main Street, Ocho Rios, St. Ann and our Head Office located at 80 Half Way Tree Road, Kingston 10. The block and steel offices are complemented by our roving Business Development Officers and mobile and pop-up services in several parishes. To ensure that we can be reached at any time and from anywhere, we have introduced online banking services. We also encourage you to utilise our website and social media platforms.

MEMBERS' CONTRIBUTION/INSURANCE PREMIUM

TIP's core business remains, providing annuity and insurance to protect the income of our members in times of disability and trauma, but we also offer other financial services such as savings and loans. TIP understands the tight fiscal space in which we operate, however, we cannot overemphasize that it is in these times that you, our valued members, find it most difficult to manage unexpected medical bills and various expenses. We, therefore, urge you to upgrade your current plans by selecting insurance types that are more meaningful and in keeping with the financial costs associated with today's morbidity and mortality situations.

We draw your attention to the table below to provide you with a better understanding of how the money you spend on TIP insurance products have benefitted your families over the last three (3) years with over \$179.54 million when compared to the prior three years of \$126 million, used to settle claims. This includes money paid to reinsurers

**TIP FRIENDLY SOCIETY
SUMMARY CLAIMS REPORT
JANUARY TO DECEMBER 2022**

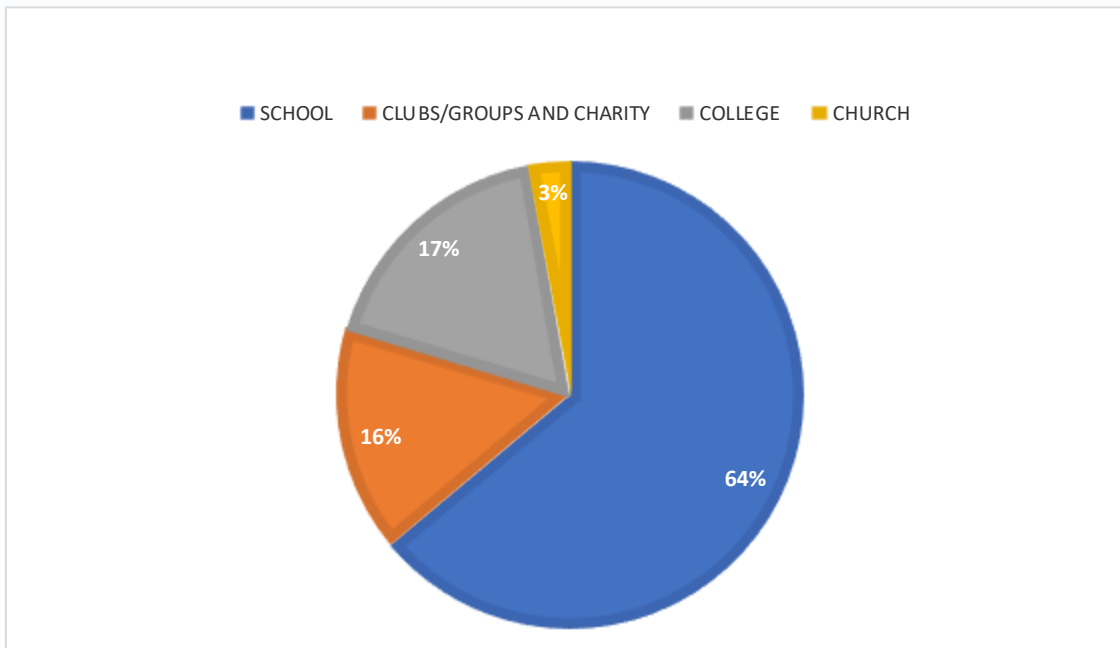
DETAILS	2022	2021	2020
CLAIMS PAYMENT- ACCIDENT	2,203,139.11	802,235.73	1,467,787.73
CLAIMS PAYMENT - SICKNESS	10,406,620.16	5,638,602.82	6,086,995.70
CLAIMS PAYMENT MATERNITY -	830,000.00	582,500.00	890,000.00
DEATH CLAIMS - SELF INSURANCE	22,045,517.60	14,799,470.16	16,815,974.78
STUDENT PLAN - SELF INSURANCE	6,274,978.22	2,011,170.29	2,464,221.79
GRAND TOTAL TIP'S PAYOUT	41,762,277.09	23,836,000.00	27,727,000.00
EXGRATIA	-	-	130,000.00
GRAND TOTAL TIP'S PAYOUT	<u>41,762,277.09</u>	<u>23,836,000.00</u>	<u>27,857,000.00</u>
TOTAL COUNT	459	343	438
REINSURERS EXPENSE			
PERSONAL ACCIDENT	5,123,870.04	8,762,664.88	10,839,940.53
GROUP LIFE	13,291,263.92	21,293,181.54	26,780,056.00
TOTAL PAYOUT TO REINSURERS	18,415,133.96	30,055,846.42	37,619,996.53

OBITUARIES (see inside back cover of the AGM magazine)

It is with deep sadness that we report the deaths of forty-three (43) of our members during the year 2022. May their souls rest in peace. Kindly find a listing at the back of the magazine.

CORPORATE SOCIAL RESPONSIBILITY

TIP continues to expand our social community outreach throughout Jamaica, for the benefit of our stakeholders, by giving back to the community throughout the years.



DONATION REPORT 2022	
SCHOOLS	2,438,033.74
CLUBS/GROUPS AND CHARITY	599,313.96
COLLEGE	822,495.00
CHURCH	106,999.00
MEMEBERS	783,000.00
JTA	558,800.00
OTHER	106,500.00
TOTAL	5,415,141.70

SCHOLARSHIPS

MEMBERSHIP DEVELOPMENT

TIP Scholarship Programme

TIP Friendly Society caters to the financial needs of persons employed in Jamaica's education sector. We deem it our responsibility to give back to the sector we serve and beyond. Our benevolence is demonstrated through the giving back to PEP Scholars from each parish where at least one parent is a member. TIP provided scholarships to the top boy and girl in each parish. Financial support is also provided to the top performing awardees among our PEP scholars for an additional two years of their high school education.

TIP is also proud to provide scholarships to teachers pursuing undergraduate and postgraduate studies at local universities.

We extend heartfelt congratulations to all the scholarship recipients for 2022 listed in the table below. We wish them every success in their studies

TIP FRIENDLY SOCIETY			
2022 SCHOLARSHIP AWARDEES			
2022 P.E.P. SCHOLARSHIP AWARDEES			
STUDENT	TIP MEMBER (PARENT)	PARISH	
KELEICIA HOILETT	KEMISHA MCCURRIE-HOILETT	CLARENDON	\$40,000.00
CAMERON WHITE	CARONIE BROWN	CLARENDON	\$40,000.00
DARIAN GORDON	SHERNET WILSON-GORDON	CLARENDON	\$40,000.00
MICAH CUNNINGHAM	RAPHALETA CUNNINGHAM	HANOVER	\$40,000.00
D'ANNA JACKSON	NORVELET JACKSON-	HANOVER	\$40,000.00
HAYLEY BROWN	SOPHIA DOUGLAS	KINGSTON	\$40,000.00
JANOI THOMPSON	MARSHALAE BROWN	KINGSTON	\$40,000.00
OMARA-PAIJE WILLIAMS	MEGAN HORNE-WILLIAMS	PORTLAND	\$40,000.00
ALLAYNE RIDLEY	ROWENA NEWMAN-RIDLEY	ST ANN	\$40,000.00
KHALEIF HUTCHINSON	MONICA BROWN-HUTCHINSON	ST ANN	\$40,000.00
CRYSTAL WYNTER	MAUREEN WILLIAMS-WYNTER	ST ELIZABETH	\$40,000.00
CONROY BLAKE	MITSIE SPENCER	ST ELIZABETH	\$40,000.00
RITANNIA WILLIAMS	LATOYA CALVIN-WILLIAMS	ST JAMES	\$40,000.00
NEKORAH GREY	DEMEISHA HENRY	ST JAMES	\$40,000.00
KIARA SELBY	KHAVA HAYLES-SELBY	ST JAMES	\$40,000.00
ROJIV REID	ROGER REID	ST JAMES	\$40,000.00
CAMOYA CAMERON	LATOYA DUNCAN	ST MARY	\$40,000.00
OJAUN BRYCE	TANISHA HIBBERT-BRYCE	ST MARY	\$40,000.00
NICKOLETT DALEY	NICKOLE CREIGHTON-DALEY	ST THOMAS	\$40,000.00
IYANNA JAMES	ELAINEY HOUSTON	TRELAWNY	\$40,000.00

2022 JUDITH THOMPSON P.E.P. AWARDEES (Manchester Recipients)

STUDENT	TIP MEMBER (PARENT)	PARISH	
ZOEY DAVIS	CAVEEN KHAN	MANCHESTER	\$45,000.00

2022 LIVINGSTON ALLEN P.E.P. AWARDEES (St. Catherine Recipients)

STUDENT	TIP MEMBER (PARENT)	PARISH	
ABRIANNA NEWTON	YANIKA PITT	ST CATHERINE	\$45,000.00
MIKHAIL CLARKE	CHARMAINE CLARKE	ST CATHERINE	\$45,000.00
RICKAYE COUSINS	LATOYA COUSINS	ST CATHERINE	\$45,000.00

2022 WAYNE MULLINGS P.E.P. AWARDEES (St. Andrew Recipients)

STUDENT	TIP MEMBER (PARENT)	PARISH	
JAYDEN RILEY	VALCIA ELLINGTON-RILEY	ST ANDREW	\$45,000.00

2022 STAFFORD BLAKE P.E.P. AWARDEES (Westmoreland Recipients)

STUDENT	TIP MEMBER (PARENT)	PARISH	
LYDIA ROMANS	MICHELLE BENNETT-ROMANS	WESTMORELAND	\$45,000.00
AKARIE CORNWALL	KADIAN RUSSELL	WESTMORELAND	\$45,000.00

2022 P.E.P. SCHOLARSHIP AWARDEES (Staff)

STUDENT	TIP MEMBER (PARENT)	PARISH	
AJANI FERGUSON	TOSHEBA GORDON		\$40,000.00
KHAREL HEWITT	ANTONETTE HEWITT		\$40,000.00
SADIEGA ROBINSON	GERONIMO ROBINSON		\$40,000.00

2022 P.E.P. GRANT SCHOLARSHIP AWARDEES (Staff)

STUDENT	TIP STAFF (PARENT)	PARISH	
DANIEL JACKSON	CADIANN CALVERT-JACKSON		\$20,000.00
ASHA-LEE KING	SHANTEL HENRY		\$20,000.00

REPEAT P.E.P. AWARDEES FROM 2021 (Past awardees who excelled in 1st form)

STUDENT	TIP MEMBER (PARENT)	PARISH	
ALTANIA LAWRENCE	TREVINE DONALDSON-LAWRENCE	HANOVER	\$40,000.00
KAYLIE GORDON	KAYDIAN SCOTT	MANCHESTER	\$45,000.00
QUINALIA WILLIAMS	MICHELLE GOODEN-WILLIAMS	KINGSTON	\$40,000.00
LA'TAVIER BURTON	COURTNEY BURTON	ST CATHERINE	\$45,000.00

REPEAT G.S.A.T. AWARDEES FROM 2020

(Past awardees who excelled in 1st and 2nd form) - Final award

STUDENT	TIP MEMBER (PARENT)	PARISH	
SUE-YUEN STEWART	MARIE STEWART	ST JAMES	\$40,000.00
ALIANA WALTERS	ORLANDO WALTERS	ST ANDREW	\$45,000.00

2022 SYLVIA SPENCE SCHOLARSHIP AWARDEES (Undergraduates)		
TIP MEMBER		
HADIA BROWN-SALMON	EMAMANUEL CHRISTIAN ACADEMY	\$150,000.00
TANESHA COWELL-FRANCIS	SUCCESS PRIMARY	\$150,000.00
SHAUNA-KAYE DUHANEY	HOMESTEAD PRIMARY & INFANT	\$150,000.00
VIVETTE POWELL- FERGUSON	NEW FORREST PRIM & INFANT	\$150,000.00
TAMIKA TAYLOR-ELLIOTT	ACOT PRIMARY	\$150,000.00
NOVADEEN NEWSOME	AABOUTHNOTT GALLIMORE HIGH	\$150,000.00
2022 VILMA LAWES-MUNROE SCHOLARSHIP AWARDEES (Post-Graduates)		
TIP MEMBER		
ROMAINE MURRAY	GAYNSTEAD HIGH	\$200,000.00
SOPHIA FORBES-HALL	MINISTRY OF EDUCATION	\$200,000.00
ROSE-ANN SAMUELS-PRYCE	ST HILDA'S HIGH	\$200,000.00
SARITA SMITH-IRVIN	EARLY CHILHOOD COMMISSION	\$200,000.00
2022 SHERLOCK ALLEN SCHOLARSHIP AWARDEES (Principal and Vice Principal Post-Graduates)		
TIP MEMBER		
ANTOINETTE LEVY-RILEY	CACOOON PRIMARY & INFANT	200,000.00
2022 25TH ANNIVERSARY SCHOLARSHIP AWARDEES (Post-Graduates)		
TIP MEMBER		
FABIAN WAIN WRIGHT	MINISTRY OF EDUCATION	\$200,000.00
2022 NON-TEACHING STAFF SCHOLARSHIP AWARDEES (Under Graduates)		
TIP MEMBER		
KENDRA WATSON	ANNOTO BAY HIGH	\$100,000.00
2022 SCHOLARSHIP AWARDEES (Grant)		
STUDENT		
COLLETTE LOGAN	ST THERESA'S PRIMARY	\$80,000.00
WINSWORTH MCCATTY	CHURCH TEACHERS' COLLEGE	\$50,000.00

We offered a one-off scholarship during our 25th Anniversary, celebrated on September 26, 2022. The value of the scholarship called the "President's Scholarship" was \$250,000.00.

FINANCIAL AND INSURANCE OFFERINGS

We are pleased to remind you of the products offered.

#	Categories	Options
1	<ul style="list-style-type: none"> Insurance Products (Personal Accident & Group Life). Creditor Life 	<ul style="list-style-type: none"> TIP for Life (6 options) TIP Kids Benefit (2 options) Family protector Insures loan balances on motor vehicle loans
2	Saving Products	<ul style="list-style-type: none"> Christmas Club TIP Accumulator Club TIP Pool Fund TIP for Wealth TIP Lock & Key Platinum Eagle Grad Plan
3	Loans	<ul style="list-style-type: none"> TIP Regular Loan TIP Education Loan TIP Express Loan Debt Consolidation Loan Vacation Loan Motor Vehicle loan Quick Cash Loan TIP Mortgage Loan TIP Home Equity Loan
5	School Plans	<ul style="list-style-type: none"> TIP Student Plan TIP College Plan

We continuously scan the business environment and will introduce new products and services based on the prevailing market conditions.

BOARD MEETINGS /FIDUCIARY RESPONSIBILITY/ SUSTAINABILITY

For the administrative year 2021/2022, the Committee of Management held eight (8) full meetings. The holding of less than 12 meetings was negatively impacted by the ongoing COVID-19 pandemic and the postponement of the initial AGM that was scheduled for July 2021.

Each month, the Committee of Management received detailed reports of financial and operational activities from the management of the Society. Reports of the Credit and Supervisory Committees were also taken.

The table below details Directors’ attendance at the monthly Committee of Management meetings during the period.

Directors’ Attendance:

TIP FRIENDLY SOCIETY												
BOARD MEMBERS 2022												
	ATTENDANCE REGISTER	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	Jan 23	Feb 23	Mar 23	Apr 23
	NAMES											
1	Garth Anderson	y	y	y	y	y	y	y	y	y	y	y
2	Clayton Hall	y	y	y	y	y	y	y	y	y	y	y
3	Lola Bennett	y	y	y	y	y	y	y	y	y	y	y
4	Sheron Matheson	y	y	y	y	y	y	y	y	y	y	y
5	Norman Allen	y	y	y	y	y	y	y	y	y	y	y
6	Claudia McLean	y	y	y	y	y	y	y	y	y	y	y
7	Maureen Cunningham Johnson	y	y	y	y	y	y	y	y	y	y	y
8	Howard Isaacs	y	y	y	y	y	y	y	y	y	y	y
9	Gregory King	y	y	y	y	y	y	y	y	y	ab	y
10	Cecelia Grant Francis	y	y	y	y	y	y	y	y	y	y	y
11	Jodi-Ann Evans	y	y	y	y	y	y	y	y	y	ab	y
12	Mona Ennis	y	y	y	y	y	y	y	y	y	y	y
13	Nadienne Crossman	y	y	y	y	y	y	y	y	y	y	y
14	Tamashella Smith	y	y	y	y	y	y	y	y	y	y	y
15	Audrey Williams	y	y	y	y	y	y	y	y	y	y	y
16	Ray Howell	y	y	y	y	y	y	y	y	y	y	y
17	Jacqueline Hendricks-Thomas	y	y	y	y	y	y	y	y	y	y	y

AFFILIATION - INTERNATIONAL COOPERATIVES ALLIANCE (ICA)

REPORT ON THE WORLD COOPERATIVE ASSEMBLY HELD IN SEVILLE, SPAIN JUNE 2022

The theme of the conference was - “COOPERATIVES: THE TIME IS NOW.”

The General Assembly was hosted by the Spanish Confederation of Worker Cooperatives (COCETA, as the acronym in Spanish).

The event saw the gathering of approximately 400 cooperative leaders from 60 countries.



The 2nd Vice President and Minister of Social Economy said that sustainable developments are critical to the ongoing survival of the Spanish economy, but Moreso to the social economy. The cooperative movement is a critical part of the Seville economy. Through cooperatives, individuals and businesses can bridge differences. Cooperatives are different because we share our differences. Our processes are unique.

Cooperatives should move forward by empowering their members, especially through the empowerment of young people. We must embrace the cooperative principles.

President Ariel Guarco welcomed all and thanked COCETA for hosting us. He shared that all continents were represented. President Guarco said that the cooperative movement is focused on people, it is focused on building a better world through mutual respect, shared vision, and cooperation.

Cooperators are united by cooperative values. Cooperatives need to seize the moment. We need a plan C. There's a Chinese proverb that says, "The best time to plant a tree is 20 years ago and the 2nd best time is now." Let us work together to build a social economy. Let us take charge of our identity.

We got from the conference that economic reality is possible via cooperation. We must be the agent of change. Change is inevitable!

It is said that the cooperative movement has not been making ourselves known to our target market. We need to enhance our visibility ...The time is now. The role of the cooperative movement is to lead. Cooperatives build a better world.

Corporatism should be included in our school system to inform the youths about cooperatives. It helps to build trust. We need to add value to our offerings via commercial activities. We need to innovate more. We need to revisit the values of our founders.

Participants from TIP Friendly Society:

- | | | |
|-----------------------|---|-------------------------|
| 1. Dr. Garth Anderson | - | President |
| 2. Miss Lola Bennett | - | Secretary |
| 3. Mr. Clayton Hall | - | Treasurer |
| 4. Mr. Wilton South | - | Chief Executive Officer |

REPORT ON THE 6th COOPERATIVE SUMMIT OF THE AMERICAS HELD IN ASUNCION, PARAGUAY IN OCTOBER 2022

The theme of the conference was: “The Cooperative Commitment to the Recovering and Concerns for our Local and Global Community”.

This international event was organised by Cooperativas of the Americas (ICA Americas), a regional organisation of the International Cooperative Alliance (ICA) for the American continents, in conjunction with seven of its affiliated members from Paraguay.

The opening session had greetings and welcome from: Graciela Fernández Quintas President, Cooperativas of the Americas and Vice President International Cooperative Alliance; Ariel Enrique Guarco, President International Cooperative Alliance and President of the Cooperative Confederation of the Argentine Republic and César Cruz Roa, President Panal Seguros and Paraguayan Representative on the Board of Directors of Cooperativas of the Americas. The main message being carried by all three presenters was that actions matter as it shows the will of the people.

Session two had presentations from Simel Esim, Head of the Cooperatives and Social and Solidarity Economy Unit of the ILO Head Office in Geneva, Switzerland and Martin Lowery, Chairman of the Cooperative Identity Committee of the International Cooperative Alliance. Their presentations were focussed on Cooperative Identity. Mrs. Esim emphasized that there should be a shift in values and attitudes as we create an opening for the social and solidarity economy. She indicated that there needs to be a level of prudence within the Cooperative as the cooperative model has been misused, in some cases. Safeguards are to be put in place to prevent dilution and false practices. Mr. Lowery postulated that global sustainability for future generations is a major issue, and that sustainability and democracy should be tied together. He emphasized that each cooperative should get more young people involved through engaging them in participatory activities and educating them on the cooperative movement.

Throughout the summit, other notable presentations were made by Antonella Noya, Head of the Social Economy and Innovation Unit, Center for Entrepreneurship, SMEs, Regions and Cities. Organization for Economic Cooperation and Development OECD/OECD and Marco Dini, ECLAC’s Division of Production, Productivity and Development Division of ECLAC. Economic Commission for Latin America. Mrs. Noya said that as we come out of the pandemic cooperatives need to ensure that key policy responses include inter agency cooperation, liquidity support for households and transparent and coherent messaging. Mr. Dini articulated that industrialized countries are reacting with policies and plans (USA, Spain, China, etc). As a cooperative movement we need to be innovative by using technology to boost/propel our operations. Much attention was placed on recovering from the Covid-19 pandemic and economic integration among and between cooperatives and their members.

A key feature of the summit was a keynote panel comprised of Adrián Peña, Minister of Environment, Government of the Oriental Republic of Uruguay; Mario Lubetkin, FAO Deputy Director-General and FAO Regional Representative for Latin America and the Caribbean and Márcio Lopes De Freitas President of the Brazilian Cooperatives Organization, OCB, and Vice President of the International Cooperative Agricultural Organization, ICAO/ICA. This session was focussed on Sustainability and Climate Change. The common factor amongst all of the presentations was that cooperatives need to have a coordinated plan to mitigate against climate change.



During the closing remarks, it was stated that historically, during periods of crisis, the value of cooperation and solidarity experience, increase in popularity. As member owned economic enterprise, cooperatives are less likely to compromise on quality in pursuit of short-term profit. Cooperatives play an important role as interlocutors for their members, providing invaluable services through knowledge sharing, capacity building, networking and training and technical and cooperative governance support.

TIP Friendly Society and cooperatives across Jamaica, can benefit from many of the pronouncements coming out of these summits. Focus needs to be placed on mobilizing our youth members and getting them to understand the significance of our Friendly Society; incorporating more technology and streamlining its policies, so that we become resilient in adapting to a crisis, due to the specific features of the cooperative model, including the values of democracy and solidarity, as well as the principles of cooperation among cooperatives and concern for the community.

Representing TIP Friendly Society at the Paraguay Summit were:

- | | |
|---------------------------|---|
| 1. Dr. Garth Anderson: | President |
| 2. Mr. Clayton Hall: | Treasurer |
| 3. Mr. Norman Allen: | Assistant Treasurer |
| 4. Tamashella Smith: | Director/Executive Committee Member |
| 5. Mr. Philmore McCarthy: | Chairman – Supervisory Committee |
| 6. Sharon Carey: | Manager – Human Resources/Operations |

SUMMARY

At 25 plus years, TIP Friendly Society is a beacon of growth and stability. We are mindful of our position and fiduciary responsibility as the largest cooperative in the English-speaking Caribbean. We know that others are watching our every move and we are steadfast in our resolve to be different, proactive, innovative and sensitive to the needs of our members. We are an engaging cooperative, and we treasure the cooperation we receive from you our members in ensuring that the right persons are in control of your friendly society. Thank you for being there for us. I want to thank all volunteers, management and staff for making 2022 another successful year of operations. As Theodore Roosevelt once said, "The best executive is the one who has sense enough to pick good men to do what he wants done, and self-restraint enough to keep from meddling with them while they do it."

Dr. Garth Anderson
PRESIDENT



TIP Friendly Society

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- Admin Staff
- Educators
- Ancillary team
- and other School Employees!



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Conditions Apply

TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

MACRO ECONOMIC ENVIRONMENT

The Bank of Jamaica (BOJ) is currently employing strategies to keep the USD to JMD rate at relative stability. A stable exchange rate minimizes the fluctuations in prices of goods and services purchased in USD and allows for better planning. As such the BOJ makes necessary interventions in the foreign exchange market to achieve this goal. The year over year change in the USD to JMD exchange rate was a 1.3% depreciation from 2021 to 2022.

Target inflation rate for 2022 was 4% - 6%. However, the actual rate for the calendar year was 9.36% reflecting higher prices for goods and services. The BOJ is using various measures to pull back the rate within targeted levels.

Treasury Bills rates of 8.04% and 8.18% for 90-day and 180-day respectively in 2022 are the highest for the last five (5) years. These rates are used to benchmark short term investments and used as a tool to manage inflation by making credit more expensive.

The unemployment rate at July 2022 of 6.6% is the lowest it has been for the past 5 years. This shows that despite the high inflation and Treasury Bill rates the economy is showing signs of improvement.

TABLE 1: ECONOMIC DATA

Measure	2022	2021	2020	2019	2018
USD to JMD	\$152.60	\$150.63	\$143.27	\$131.18	\$127.72
Inflation rate	9.36%	7.30%	5.21%	3.91%	3.74%
Treasury Bill- 90/180 Day	8.04% /8.18%	4.09% /4.33%	0.77% /0.86%	1.32% /1.59%	2.05% /2.07%
Unemployment	6.60%	7.10%	8.40%	7.72%	9.10%

OPERATIONAL PERFORMANCE

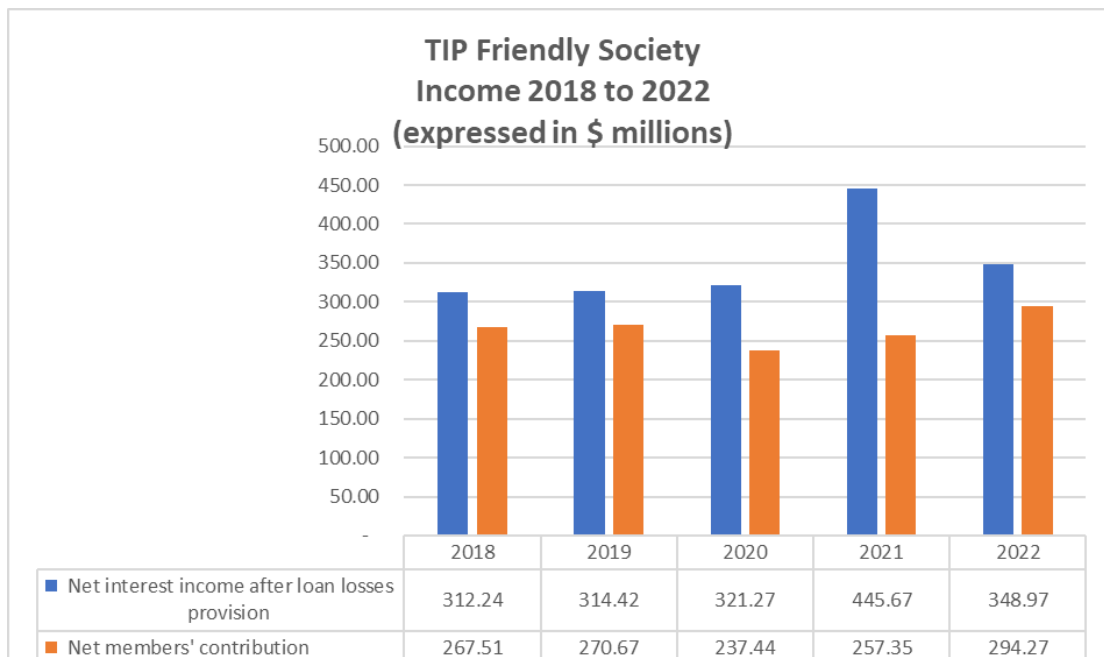
Surplus for 2022 was the lowest it has been for the last five years at \$141.2 million. This represents a 56% decline over the prior year. The main reason for the significant reduction is an adjustment of \$121.3 million for credit loss provision. The magnitude of this adjustment is not expected to recur and all efforts are being made to minimize actual bad debt write-offs.

TABLE 2: OPERATIONAL PERFORMANCE

Description	2022	2021	2020	2019	2018
	\$m	\$m	\$m	\$m	\$m
Net Income	704.34	780.15	604.53	585.08	579.74
Expenses	563.11	458.05	365.10	377.30	358.98
Surplus	141.23	322.10	239.43	207.78	220.76

INCOME

There was a 10% overall decline in net income for the period moving from \$780.15 million in 2021 to \$704.34 million for 2022. This reduction is also due to loan provisions as described above. The two main sources of income are interest from loans and members contribution (insurance). Interest from loans decreased by 22% whilst income from members' savings increased by 14%.



EXPENDITURE

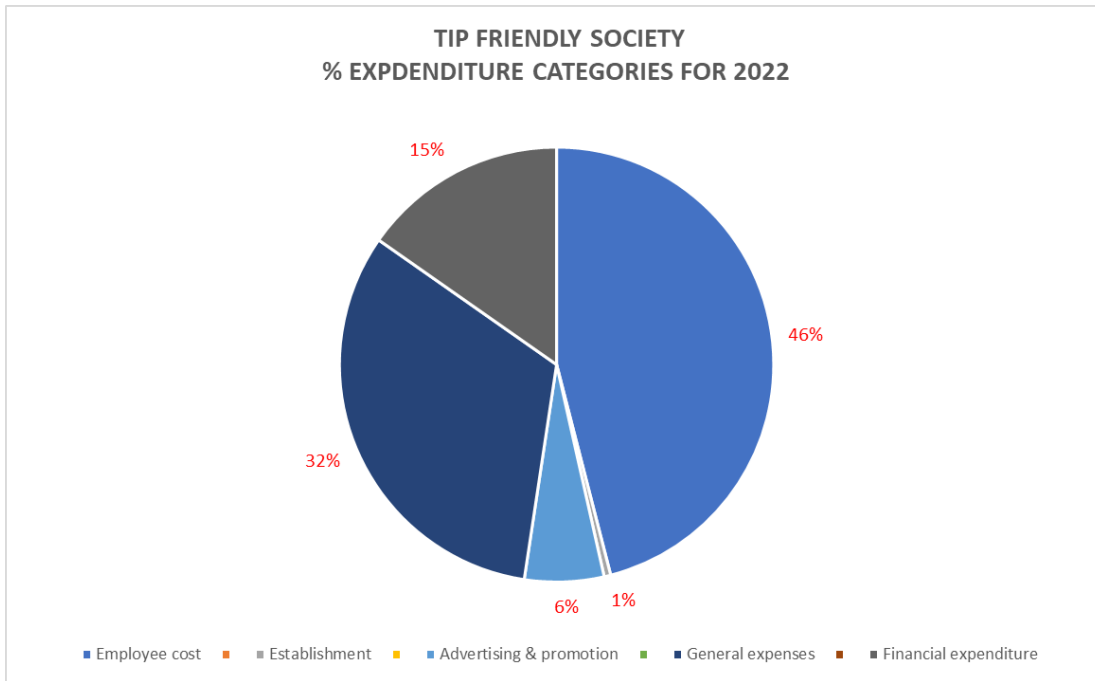
Total expenditure increased by 21% over prior year largely due to financial expenditure and advertising & marketing.

TABLE 3: EXPENDITURE BY EXPENSE GROUP

Operating expense	2022	2021	2020	2019	2018
	\$m	\$m	\$m	\$m	\$m
Employee cost	258.96	246.32	214.15	216.00	201.01
Establishment	2.77	2.83	12.07	11.49	11.38
Advertising & promotion	33.26	13.00	16.02	23.13	21.99
General expenses	182.03	166.04	119.84	122.93	121.79
Financial expenditure	86.08	29.85	3.03	3.76	2.80
TOTAL EXPENDITURE	563.11	458.05	365.10	377.30	358.98

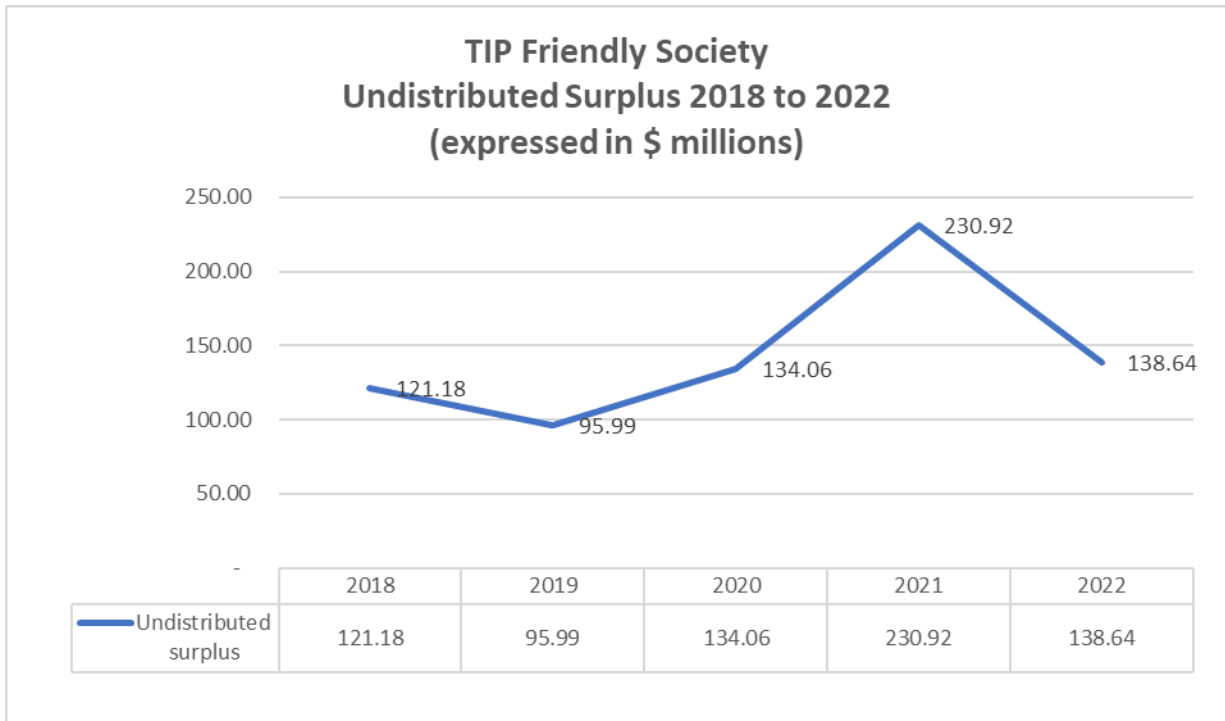
- 46% or \$259.0 million of the total expenditure related to staff costs which includes salaries, commissions, employer taxes, training and other welfare benefits.
- Financial expenditure moved from \$29.9 million in 2021 to \$86.1 million in 2022. This increase was largely due to financing of loans used for purchase and development of property during the period.
- Advertising & promotion – in 2022 the Society celebrated its 25th anniversary and there were lots of activities to commemorate this milestone. As a result, there was a \$20.3 million or 156% increase from prior year.
- General expenses largely reflected inflationary increases.

See pie chart showing a pictorial breakdown of the expenses:



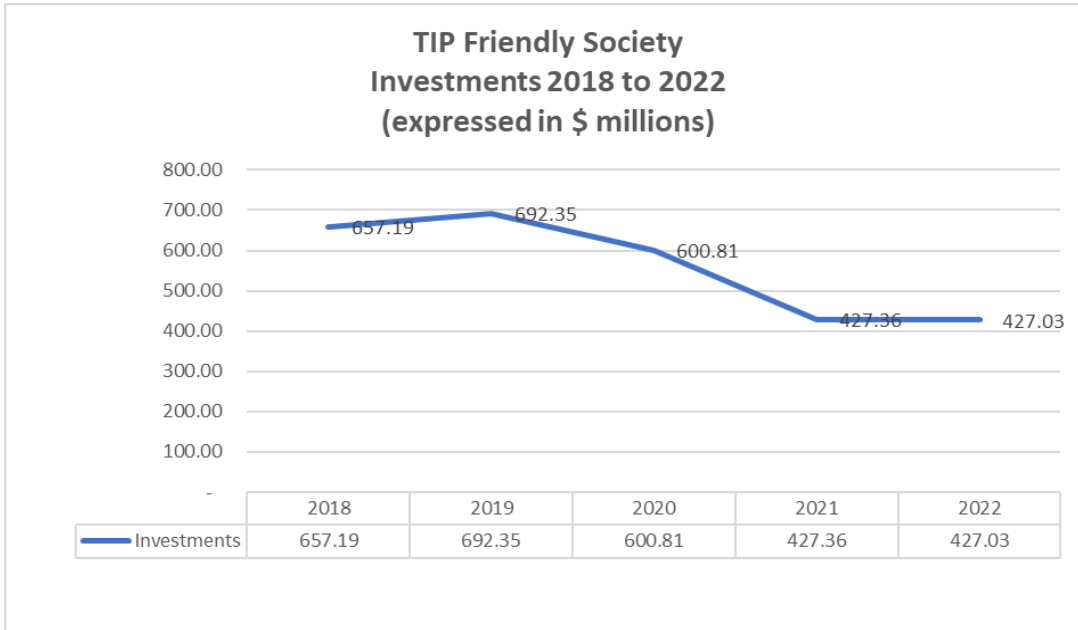
UNDISTRIBUTED SURPLUS

There was a decline in undistributed surplus mainly due to an increase in the special reserve from 20% to 27.5% as well as the significant credit loss provision. See below:



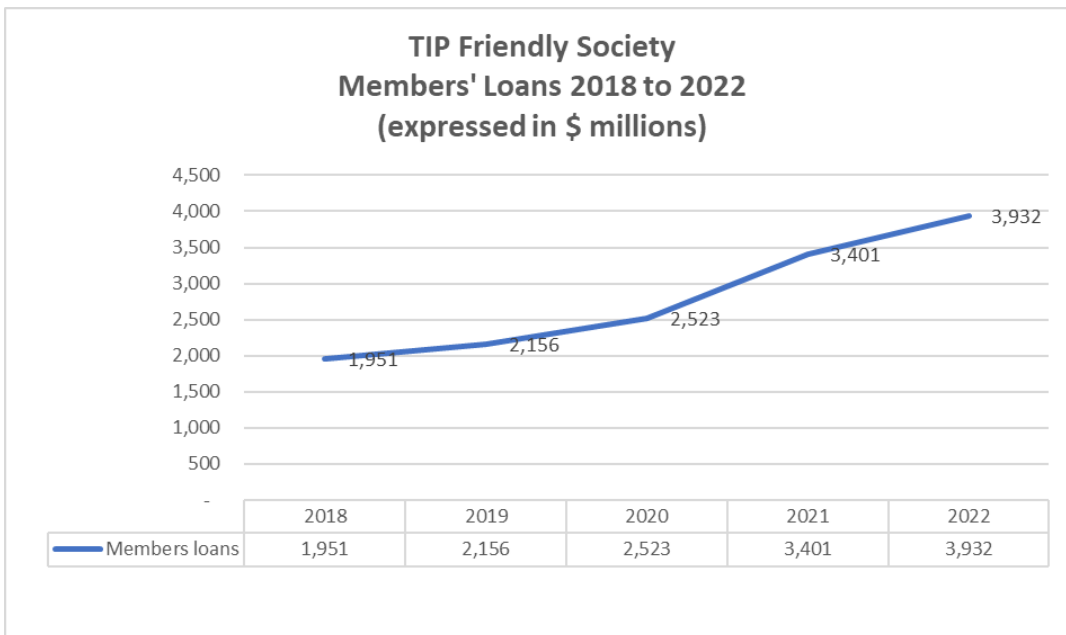
INVESTMENTS

There has been a steep decline in investments over the last 2 years largely due to the financing of property development projects during these periods. Investments must be maintained at a certain level to match statutory and special reserves however as stipulated by the Department of Co-Operatives and Friendly Societies Act. The Society is compliant with that requirement.



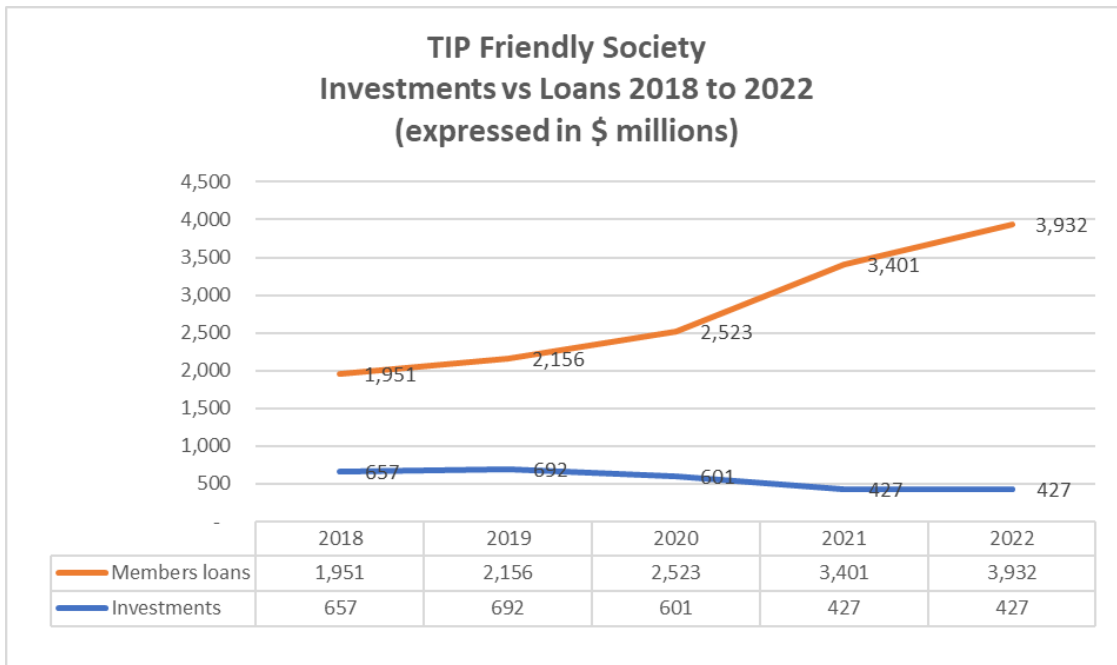
MEMBERS' LOANS

Members loans are the largest income contributor for the Society and all efforts must be maintained in strengthening this position. There was a 16% increase over prior year in this income category.



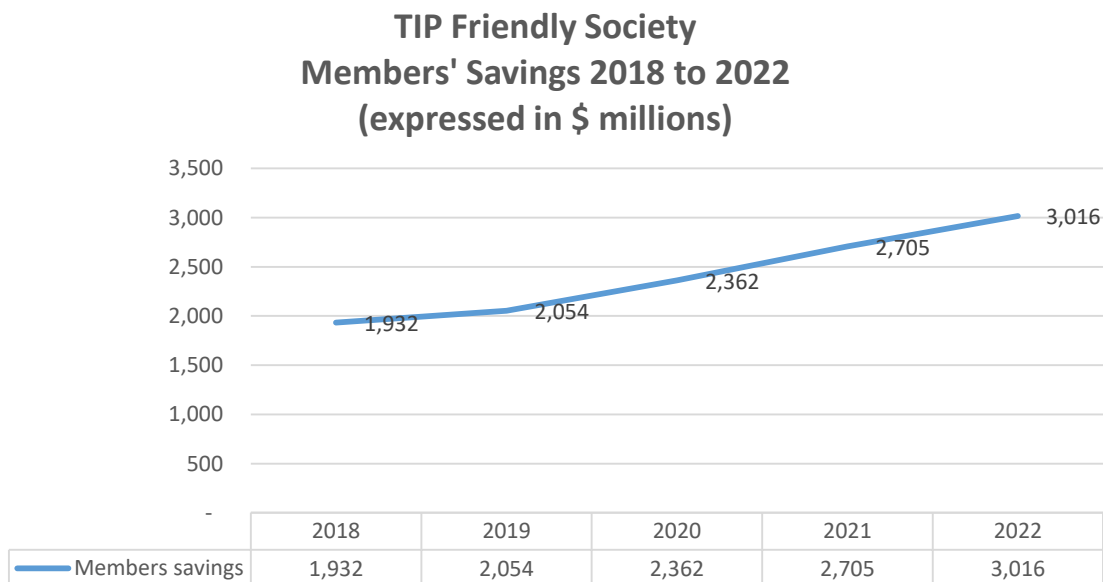
RELATIONSHIP BETWEEN INVESTMENTS AND MEMBERS LOANS

Our total financial resources are used to either provide loans to our members or invested with reputable financial institutions to provide returns. The graph below shows the trend of this relationship over the past 5 years.



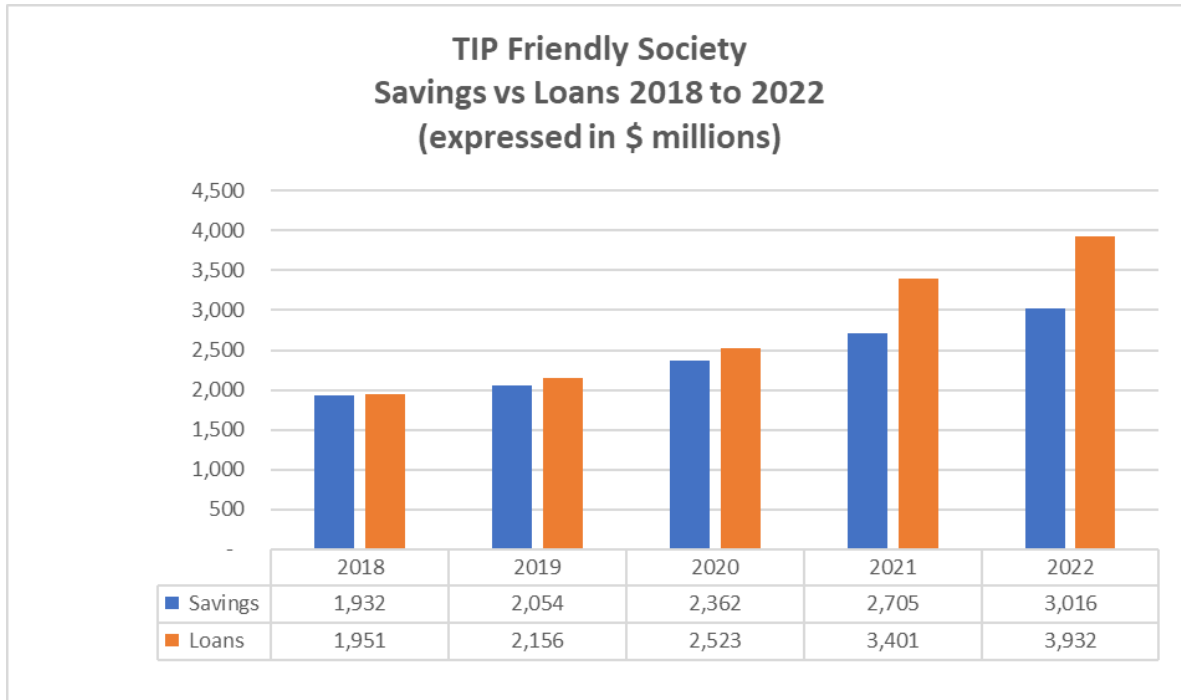
MEMBERS SAVINGS

The society provides a facility for our members to save and provides a competitive return. There is also a requirement for members to have a certain level of funds saved in order to access loans. There is an increase of 11% between 2021 and 2022. The table below shows the total amount of funds we hold for our members



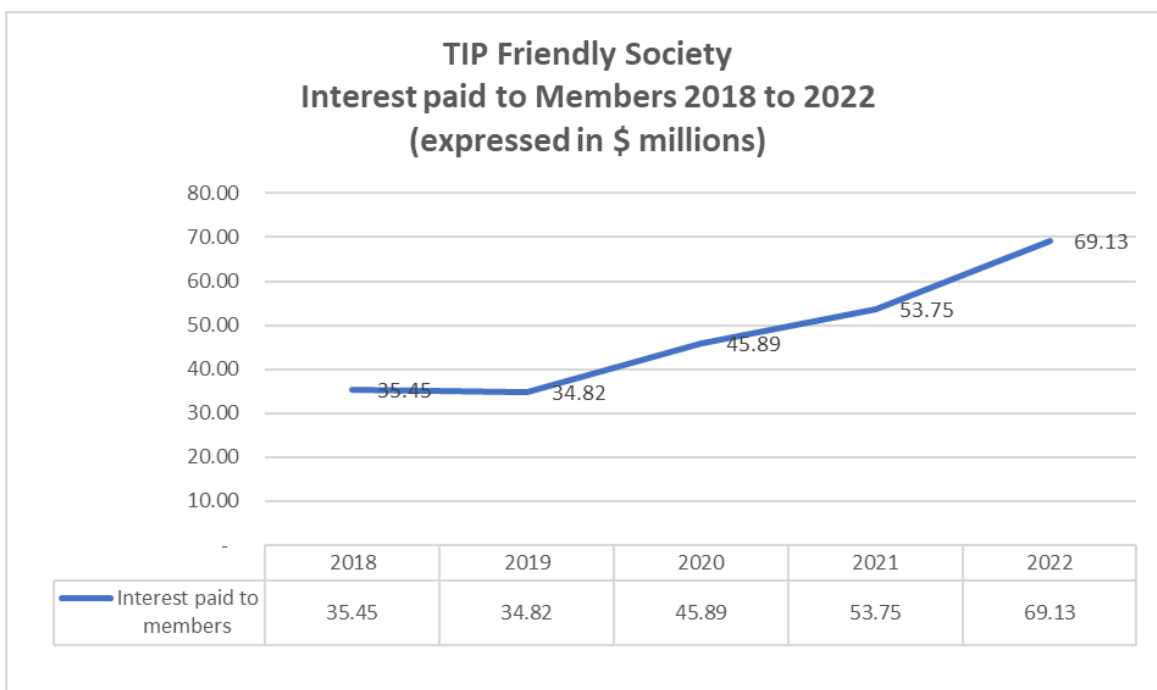
MEMBERS LOANS AND MEMBERS SAVINGS

The table below shows the relationship between members loans and savings.



INTEREST PAID TO MEMBERS

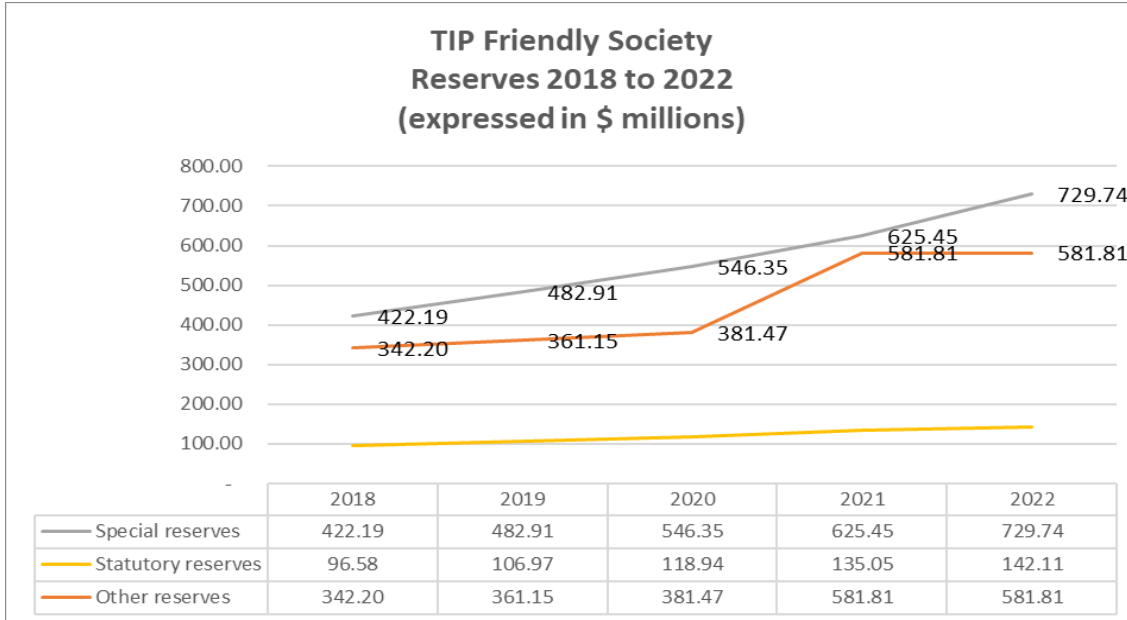
Interest earned by members was \$69.1 million in 2022, a 29% increase over the prior year. The interest rates paid are guided by the prevailing Treasury Bill rates as well as the level of savings by the member. Dividends are also declared and paid annually based on members savings. The table below shows the trend for the past 5 years.



RESERVES

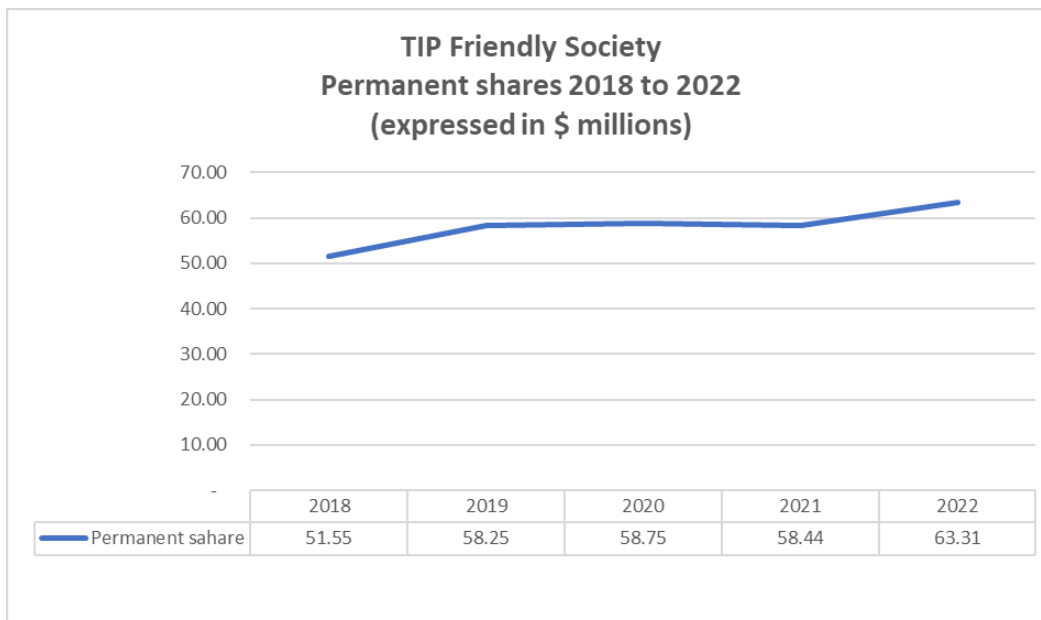
Section 68 of the Friendly Societies Act requires that every registered society “shall establish and maintain a reserve fund”. Our Reserves are:

- Statutory reserve – 5% of surplus
- Special reserve – 27.5% of net contributions
- Other reserve – 20% of net contributions. This is not required by regulations but TIP sets aside this amount for added security.



PERMANENT SHARES

Our rule book states that “every member shall subscribe to a minimum of two thousand dollars (\$2,000) Permanent Shares” and then states the rights and restrictions that are attached to these permanent shares. Permanent shares are not withdrawable, dividends may be distributed and paid on these shares based on the profitability of the Society. See trend of permanent shares below:



PEARLS RATIO

The Prudential Financial Standard – Protection, Effective Management Structure, Asset Quality and Rate of Return and Cost, Liquidity and Signs of Growth Standard – PEARLS – which is acceptable by the Jamaica Co-Operative Credit Union League (JCCU), the World Confederation of Co-Operative Credit Unions (WCCU) and the International Co-Operative Alliance (ICA), is used below to report on the performance of TIP Friendly Society for 2018 to 2022. See table below:

Indicator	Standard	2022	2021	2020	2019	2018
Net loans/Total assets	70-80%	64.76%	65.96%	65.68%	64.51%	64.10%
Total savings/Total assets	70-80%	49.67%	52.68%	63.56%	62.61%	64.29%
Liquidity reserve/ Savings & Deposits	>10%	24.20%	20.94%	20.45%	23.49%	21.85%
Delinquency rate	<5%.	4.12%	4.23%	4.48%	5.95%	4.56%
Non-earning assets/ Total assets	<7%	15.40%	15.77%	12.10%	9.21%	12.98%
Operating expense/ Average assets	<8%	8.36%	1.73%	16.06%	25.22%	12.28%
Net income/ Average assets	>5%	2.51%	0.80%	4.63%	-4.28%	19.83%
Growth in total assets	>7.1%	17.22%	28.00%	22.67%	7.03%	9.61%
Growth in Members' savings	>10.2%	11.50%	14.98%	8.32%	-2.74%	7.73%

OPERATIONAL CHALLENGES

TIP Friendly Society continues to be plagued by unidentified deposits – these are amounts that are lodged or transferred to our main NCB account, but the information provided is not sufficient to identify the member to whom this deposit relates and the required email is not sent to accounts@tipfriendly.com.

All the options below are now available for payments to be made to your TIP account are detailed below:

1. NCB Smart Pay
2. Bill Express Outlets (over 300) Island wide and online
3. Paymaster Outlets (nearly 200) Island wide and online
4. Our 4 Offices in Kingston, Montego Bay, Ocho Rios and Mandeville
5. BDO's using their smart mobile machines.

ACKNOWLEDGEMENTS

On behalf of the Finance Committee, we would like to thank all stakeholders who played a part for a successful 2022, we look forward to serving you even more in 2023 and beyond.

We would like to thank the External Auditors for their observations and recommendations as they diligently give a third eye to our controls and efficiencies. Thanks also to the Department of Co-Operatives for their guidance and strong regulatory oversight.

We also enjoyed a good working relationship with Investment Houses and are grateful for the negotiations and ensuring rates which proved to be mutually beneficial.

Thanks to the Chief Executive Officer and his team for their efficient handling of the strategic and operational aspects of the business.

Finally, thanks to the TIP Finance Department who continues to make every effort to simplify and improve the accounting processes while maintaining strong internal controls, perfecting segregation of duties and producing efficient and timely management reporting. Our commitment to our members is to safeguard the integrity of the systems and support the other departments by always providing you with exceptional service.

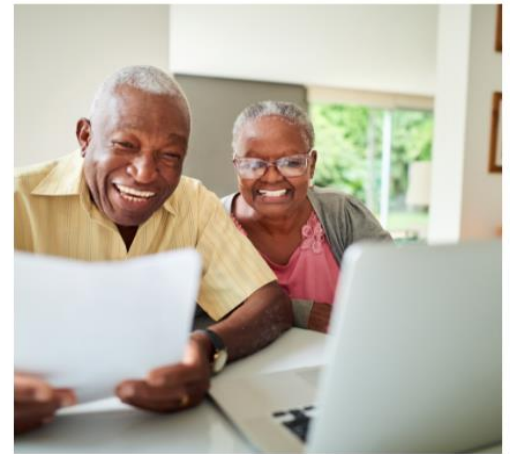
Clayton Hall
Treasurer




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 **3.5% P.A** **TIP POOL FUND**
STARTING AT ONLY \$2,500 MONTHLY
SAVE TOWARDS THAT SHORT-TERM GOAL!


 **4% P.A** **TIP FOR WEALTH**
STARTING AT ONLY \$5,000 MONTHLY
THE MORE YOU SAVE THE MORE YOU EARN!

 **UP TO 6.5% P.A** **TIP LOCK & KEY**
WITH 4 OPTIONS, STARTING AT \$10,000 MONTHLY
LONG TERM SAVING NEVER LOOKED SO GOOD!

 **UP TO 6.5% P.A** **TIP PLATINUM EAGLE**
FOR AS LOW AS \$1,000 MONTHLY+ **BRAWTA**
MAXIMIZE YOUR RETURNS!

CONDITIONS APPLY

FOR FURTHER INFORMATION, CONTACT YOUR MEMBER SERVICES REPRESENTATIVE OR BUSINESS DEVELOPMENT OFFICER

 876-618-1914

St. Catherine – Necola 876-301-3963

Kgn., St. Andrew – Cadiann 876-281-0245 St. Mary, St. Ann, Trelawny – Richard 876-281-0258
 St. James, Hanover, West. – Kajha 876-550-6748 St. Elizabeth, Manchester – Marquez 876-550-6747
 Portland, St. Thomas, St. And. – Sheldon 876-278-6214 Clarendon & Manchester – Leon 876-364-7331



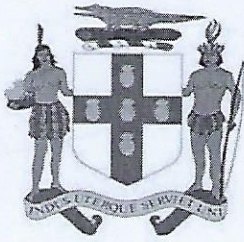


TIP Friendly Society



FINANCIAL STATEMENTS

(AS AT DECEMBER 31, 2022)



DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES

CHARITIES AUTHORITY, JAMAICA

Ministry of Industry, Investment, and Commerce

2 Musgrave Avenue, Kingston 10

Jamaica, W.I.

Tel: (876) 927-4912 | 927-6572 | 978-1946

E-mail: dcfs@cwjamaica.com

Website: www.dcfs.gov.jm

ANY REPLY OR SUBSEQUENT REFERENCE TO THIS COMMUNICATION SHOULD BE ADDRESSED TO THE REGISTRAR AND THE FOLLOWING REFERENCE QUOTED:

S1

F547/754/05/23

May 22, 2023

The Secretary
TIP Friendly Society
80 Half Way Tree Road
Kingston 10

Dear Sir/Madam:

I forward herewith the Financial Statements of your Society for the financial year ended December 31, 2022.

The Annual General Meeting (AGM) must be convened under **Regulation 8 a-f** of the Friendly Societies (Amendment) Regulations, 2021.

Kindly advise the Department of the date of the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

.....
Lavern Gibson-Eccleston (Mrs.)
(For) REGISTRAR OF CO-OPERATIVE SOCIETIES
AND FRIENDLY SOCIETIES

HOPE GARDENS

Hope Gardens, Kingston 6
(876) 977-2277 / 927-1948
Fax (876) 977-2698

MANDEVILLE, MANCHESTER

23 Caledonia Road
(RADA Bldg.)
(876) 615-9083

MONTEGO BAY, ST. JAMES

10 Delisser Drive
(The Office of the Prime Minister)
(876) 952-7913

9 Cargill Avenue
Kingston 10
Jamaica

T: 876 906 1658-9
F: 876 920 3226

admin@bakertilly.com.jm
www.bakertilly.com.jm

INDEPENDENT AUDITORS' REPORT

To the Registrar of Co-operatives and Friendly Societies
TIP FRIENDLY SOCIETY
(A Society Registered Under the Friendly Societies Act)

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of TIP Friendly Society (“the Society”) set out on pages 1 to 67, which comprise the statement of financial position at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Friendly Societies Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants' (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operatives and Friendly Societies

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Page 2

Report on the audit of the Financial Statements (continued)*Responsibilities of Management and those charged with Governance for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and the Friendly Societies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society to cease operations, or has no realistic alternative but to do so.

Those charged with the governance are responsible for overseeing the Society's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

.../3

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operatives and Friendly Societies

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Page 3

Report on the audit of the Financial Statements (continued)*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the consolidated financial statements. We are responsible for the director, supervision and performance of the Society audit. We remain solely responsible for our audit opinion.
- We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

As required by the Friendly Societies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Friendly Societies Act, in the manner required.

A handwritten signature in blue ink that reads 'Baker Tilly'.

Chartered Accountants

Kingston, Jamaica

19 May 2023

TIP FRIENDLY SOCIETY

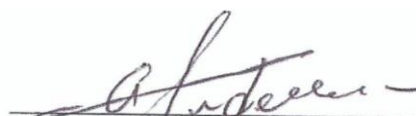
(A Society Registered Under the Friendly Societies Act)

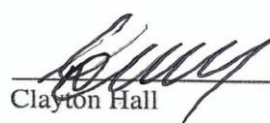
Statement of Financial Position

As at 31 December 2022

	Note	2022 \$'000	2021 \$'000
ASSETS			
Earning Assets			
Investment properties	6	777,732	42,600
Investment securities	7	427,027	427,360
Loan receivables	8	<u>3,931,752</u>	<u>3,400,600</u>
Total Earning Assets		<u>5,136,511</u>	<u>3,870,460</u>
Non-Earning Assets			
Cash and cash equivalents	9	168,450	141,495
Other assets	10	166,215	168,855
Property, plant and equipment	11	599,426	993,913
Right-of-use-asset	12	1,080	-
Intangible assets	13	-	<u>4,904</u>
Total Non-Earning Assets		<u>935,171</u>	<u>1,309,167</u>
TOTAL ASSETS		<u>6,071,682</u>	<u>5,179,627</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Permanent shares	14	63,306	5 8,438
Institutional capital	15	871,851	760,497
Non-institutional capital	16	<u>720,441</u>	<u>812,722</u>
Total Capital and Reserves		<u>1,655,598</u>	<u>1,631,657</u>
LIABILITIES			
Interest Bearing Liabilities			
Members' savings	17	3,015,581	2,704,508
External credits	18	1,221,207	567,278
Lease liability	12	<u>1,155</u>	-
Total Interest Bearing Liabilities		<u>4,237,943</u>	<u>3,271,786</u>
Non-Interest Bearing Liabilities			
Payables	19	<u>178,141</u>	<u>276,184</u>
Total Non-Interest Bearing Liabilities		<u>178,141</u>	<u>276,184</u>
TOTAL EQUITY AND LIABILITIES		<u>6,071,682</u>	<u>5,179,627</u>

Approved for issue by the Board of Directors on 19 May 2023 and signed on its behalf by:


 Dr. Garth Anderson President


 Clayton Hall Treasurer

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Statement of Comprehensive Income
Year ended 31 December 2022**

	Note	<u>2022</u> \$'000	<u>2021</u> \$'000
Interest Income			
Interest on loans	20	521,100	466,906
Interest on investment securities	21	18,270	42,742
		<u>539,370</u>	<u>509,648</u>
Interest Expense			
Interest on members' savings		(69,125)	(53,745)
Finance costs, net	22	(83,698)	(25,078)
		<u>386,547</u>	<u>430,825</u>
Net Interest Income			
Increase in impairment losses on loans	4(a)(iii)	(121,274)	(10,229)
		<u>265,273</u>	<u>420,596</u>
Net interest income after provision for loan losses			
Non-Interest Income/(expenses)			
Insurance premium	23	311,692	287,410
Other finance costs		(17,420)	(30,056)
		<u>294,272</u>	<u>257,354</u>
Fair value gains on investment properties		-	7,500
Other income	24	61,098	69,621
		<u>355,370</u>	<u>334,475</u>
Net Non-Interest Income			
		<u>620,643</u>	<u>755,071</u>
Gross Income			
Operating expenses	25	(479,412)	(432,969)
Surplus before honoraria and other payment			
		141,231	322,102
Honoraria		(6,000)	(6,000)
Errol Henry Fund	26	(7,062)	(16,105)
		<u>128,169</u>	<u>299,997</u>
Surplus for the year, being total comprehensive income			

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Statement of Changes in Equity
Year ended 31 December 2022**

	<u>Institutional Capital</u>			<u>Non-institutional Capital</u>		<u>Total</u>
	<u>Permanent Shares</u>	<u>Statutory Reserve</u>	<u>Special Reserve</u>	<u>Other Reserve</u>	<u>Undistributed Surplus</u>	
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Balance at 31 December 2020	58,749	118,941	546,345	381,473	134,061	1,239,569
Transactions with members:						
Decrease in permanent shares	(311)	-	-	-	-	(311)
Movement in reserves:						
5% transfer to statutory reserve	-	16,105	-	-	(16,105)	-
20% transfer to special reserve	-	-	51,471	-	(51,471)	-
Transfer to special reserve	-	-	51,471	-	(51,471)	-
Transfer to other reserve	-	-	-	-	(21,217)	(21,217)
Surplus arising on the revaluation of property, plant & equipment (Note 15)	-	-	-	200,333	-	200,333
Claim payments	-	-	(23,836)	-	-	(23,836)
Dividends	-	-	-	-	(62,878)	(62,878)
Total comprehensive income	-	-	-	-	299,997	299,997
Balance at 31 December 2021	58,438	135,046	625,451	581,806	230,916	1,631,657
Transactions with members:						
Increase in permanent shares	4,868	-	-	-	-	4,868
Movement in reserves:						
5% transfer to statutory reserve	-	7,062	-	-	(7,062)	-
20% transfer to special reserve	-	-	58,854	-	(58,854)	-
27.5% transfer to special reserve	-	-	80,924	-	(80,924)	-
Claim payments	-	-	(35,486)	-	-	(35,486)
Dividends	-	-	-	-	(73,610)	(73,610)
Total comprehensive income	-	-	-	-	128,169	128,169
Balance at 31 December 2022	63,306	142,108	729,743	581,806	138,635	1,655,598

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Statement of Cash Flows
Year ended 31 December 2022

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY		
Cash Flows from Operating Activities		
Net surplus for year	128,169	299,997
Adjustments for:	-	
Amortization of intangible assets	4,904	3,406
Amortization of right-of-use asset	360	-
Bad debt written off	18,279	24,567
Depreciation	42,014	19,326
Impairment losses on loans	121,274	10,229
Fair value gains on investment properties	-	(7,500)
Fair value gains on investment securities	(12,027)	(12,360)
Interest income	(521,100)	(466,906)
Interest expense	151,219	78,301
Lease interest expense	99	-
Loss on disposal of property, plant and equipment	-	7,048
Loss on disposal of intangible assets	-	139
Foreign exchange losses/(gains)	40	(188)
	<u>(66,769)</u>	<u>(43,941)</u>
Changes in operating assets and liabilities:		
Increase loan receivables	(653,764)	(891,076)
Decrease/(increase) in other assets	2,640	(47,386)
Increase in members' savings	311,073	342,371
(Decrease)/increase in payables	(109,237)	133,891
Cash used in operating activities	(516,057)	(506,141)
Interest received	504,159	445,900
Interest paid	(140,024)	(78,301)
Lease interest paid	(99)	-
Net cash used in operating activities	<u>(152,021)</u>	<u>(138,542)</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(12,375)	(512,007)
Purchase of investment property	(370,385)	-
Investment securities	12,360	185,811
Net cash used in investing activities	<u>(370,400)</u>	<u>(326,196)</u>
Cash flows from Financing Activities		
Loan proceeds	653,929	567,278
Permanent shares	4,868	(311)
Claims payments	(35,486)	(23,836)
Lease principal payments	(285)	-
Dividends paid	(73,610)	(62,878)
Net cash provided by investing activities	<u>549,416</u>	<u>480,253</u>
Net increase in cash and cash equivalents	26,995	15,515
Effects of foreign exchange on cash and cash equivalents	(40)	188
Cash and cash equivalents at the beginning of the year	141,495	125,792
CASH AND CASH EQUIVALENT AT END OF YEAR	<u>168,450</u>	<u>141,495</u>
Represented by:		
Cash at bank and in hand	<u>168,450</u>	<u>141,495</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

1. Identification and Principal Activities

TIP Friendly Society (“the Society”) is incorporated under the laws of Jamaica and is registered under the Friendly Societies Act. The Society’s operations are concentrated in the parishes of St. Andrew, Manchester, St. James and St. Ann.

The Society’s registered office is located at 80 Half Way Tree Road, Kingston 10, Jamaica.

Its principal activities are to provide specific benefits for members by voluntary subscription of members with or without aid or donation and to solicit savings from its members in the form of deposits for the provision of sickness, accident and death benefits to members and their dependents.

Membership of the Society is opened to all employed persons in the field of education in Jamaica with certain provisions.

The Friendly Societies Act requires, among other provisions, that at least 5% of net surplus and 20% of net contribution be transferred annually from undistributed surplus to a statutory and special reserve fund respectively.

The Society is exempt from income tax and stamp duty under section 27 (1 & 2) of the Friendly Societies Act.

These financial statements are presented in Jamaican dollars, which is the functional currency and are expressed in thousands of dollars unless otherwise stated.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022**

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for certain properties and financial assets that are measured at fair value or revalued amounts. They are also prepared in accordance with the provisions of the Friendly Societies Act.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgment in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in Note 5.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)****Standards, interpretations, and amendments to published standards effective in the current year**

The following amendments to standards have been adopted by the Society for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2022:

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16) (effective for annual periods beginning on or after 1 January 2022) amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37), (effective for annual periods beginning on or after 1 January 2022) specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018–2020 are effective for annual reporting periods beginning on or after 1 January 2022. The IASB issued its Annual Improvements to IFRSs 2015-2017 cycle amending a number of standards:

- **IFRS 9 ‘Financial Instruments’ - Fees in the ‘10 per cent’ test for derecognition of financial liabilities.** The amendment clarifies which fees an entity includes when it applies the ‘10 per cent’ test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.

The amendments did not result in any material effect on the Group’s financial statements.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)****Standards, amendments, and interpretations to existing standards that are not yet effective and have not been early adopted by the Society (continued)**

At the date of authorisation of these financial statements, certain new accounting standards, amendments and interpretation to existing standards have been issued which are not yet effective, and which the Company has not early adopted. The Group has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations. Unless stated otherwise, the impact of the changes is still being assessed by management.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023). The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendments to IAS 1, Presentation of financial statements' on classification of liabilities, (effective for annual periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the operations of the Society.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(b) Property, plant and equipment****(i) Owned assets:**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Society and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in surplus or deficit as incurred.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professional qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the property revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in surplus or deficit.

(ii) Depreciation

Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their period of expected useful lives. Land and work-in-progress are not depreciated. The annual depreciation rates are as follows:

Buildings	2 ½ %
Computer equipment	25%
Furniture and fixtures	10%
Leasehold improvement	10%
Office equipment	20%
Motor bike	12 ½%

Depreciation methods and useful lives residual values are reviewed at each reporting date and adjusted if applicable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(b) Property, plant and equipment (continued)**

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

Repairs and maintenances are charged to the statement of comprehensive income during the financial period in which they are incurred.

(c) Investment properties

Investment properties comprise of land and buildings held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, they are measured at fair value.

Investment properties, which are not occupied by society and related parties, are treated as long-term investments, and carried at cost. Under the cost model, investment is measured at cost less accumulated depreciation, and any accumulated impairment losses. Cost is the amount of cash or cash equivalent paid, or the fair value of other consideration given to acquire an asset at the time of its acquisition.

(d) Intangible assets

This represents the costs of computer software, which includes costs incurred to acquire and bring to use the specific software, as well as certain acquired computer software licences. These intangible assets are acquired separately and reported at cost less accumulated amortization and accumulated impairment losses. The costs of these intangible assets are amortized over their estimated useful life of three years. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Computer software

33 1/3 %

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****2. Summary of significant accounting policies (continued)**

(e) Financial instruments**Classification**

The Society classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Society's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Society has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Society reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****2. Summary of significant accounting policies (continued)**

(e) Financial instruments (continued)*Debt instruments*

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Society classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Society assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022**

2. Summary of significant accounting policies (continued)**(f) Fair value of financial instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial assets carried on the statement of financial position include investments, loans receivables and cash and cash equivalents. Financial liabilities consist of members' savings, external credits and payables.

Generally financial instruments are recognized on the statement of financial position when the Society becomes a party to the contractual provisions of the instruments. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.

The fair values of the financial instruments are discussed in Note 3(a)(iii).

(g) Cash and cash equivalents

Cash comprises cash in hand and demand and call deposits with banks. Cash equivalents are short term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitment rather than for investment or other purposes.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits.

(h) Other assets

Other receivables are carried at anticipated realized value. An estimate is made for doubtful receivables based on all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified.

(i) Institutional capital

Institutional capital includes the statutory and special reserve, established as set out in Section 68 (7) (ii) of the Friendly Societies Act and Regulations. These are set aside in order to strengthen the capital base of the Society and thereby protect the interest of members. These reserves are not available for distribution.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2022**

2. Summary of significant accounting policies (continued)**(j) Members' shares****(1) Permanent shares**

Permanent shares are equity shares and form part of the capital of the Society. All new applicants for membership and existing members of the Society are required to subscribe to a minimum of 2,000 permanent shares. These shares are issued at a par value of \$1 each or at a selling price per unit which prevails at the time of subscription.

Permanent shares are not withdrawable but may be redeemable subject to the sale, transfer, or repurchase of such shares. Dividends may be paid on permanent shares subject to the profitability of the Society.

(2) Voluntary shares

Every member shall subscribe to a minimum of 1 voluntary share at a par value of \$1 each or at a selling price per unit which prevails at the time of subscription.

Members' voluntary shares represent savings of the Society's members, to satisfy membership requirements and to facilitate eligibility for loans and other benefits. These shares are treated as liabilities of the Society. Dividends may be paid on voluntary shares subject to the discretion and profitability of the Society.

(k) Impairment of non-financial assets

At each statement of financial position date, the Society reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(l) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(m) Payables

Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the Society has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(n) Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

(o) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the services provided in the ordinary course of the Society's activities.

Interest income

Interest income and expense are recognised in the statement of comprehensive income using the effective yield method.

Interest income is recognised when it is probable that the economic benefits will flow to the Society and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis by reference to principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipt through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

Rental income

Rental income is generated from the subletting of properties in Mandeville, Manchester and Montego Bay, St. James, which are rented properties. Revenue from providing services is recognised in the accounting period in which the services are rendered.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Society exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Fee income

Fee income from contracts with customers is measured based on the consideration specified in a contract with a customer. Fees are recognised on the accrual basis when the related services have been provided.

(p) Comparative information

Where necessary comparative figures have been reclassified to conform with changes in presentation.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(q) Related party transactions**

A party is related to the Society, if:

- (i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the Society (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the Society that gives it significant influence over the Society; or has joint control over the Society;
- (ii) the party is an associate of the Society;
- (iii) the party is a joint venture in which the Society is a venturer;
- (iv) the party is a member of the key management personnel of the Society or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is the Society that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the Society, or of any Society that is a related party of the Society.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The Society has a related party relationship with its directors and key management personnel, representing certain senior officers of the Society.

(r) Employee benefits**Post employment benefit costs**

The Society participates in a defined contribution pension scheme with Sagicor Life Jamaica for employees who have satisfied certain minimum service requirements. The scheme is funded by equal contributions of employer and employees of 5% of pensionable salaries with an option for employees to contribute up to an additional 10% of pensionable salaries.

The assets are held independently of the Society's assets in a separate trustee administered fund.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022**

2. Summary of significant accounting policies (continued)**(s) Employee benefits (continued)****Leave accruals**

The Society's vacation leave policy allows for unused vacation to be carried forward to a maximum of one (1) year. All outstanding leave is recognised in the statement of comprehensive income. All obligations in respect of outstanding leave are recognised in the statement of financial position in the year to which it relates.

(t) Financial liabilities

The Society's financial liabilities net of transaction costs are initially measured at fair value and are subsequently measured at amortized cost using the effective interest method. At the reporting date, the items classified as financial liabilities are members' savings, external credits and payables.

(u) Repurchase agreements

The purchase and sales of securities under resale and repurchase agreements are treated as collateral lending and borrowing transactions. The related interest income and expense are recorded on the accrual basis.

(v) Members' saving

Saving deposits are recognized initially at the normal amount when funds are received. Deposits are subsequently stated at amortized cost.

(w) Right-of-use assets and lease liabilities

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- (i) Leases of low value assets; and
- (ii) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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Notes to the Financial Statements**31 December 2022**

2. Summary of significant accounting policies (continued)**(w) Right-of-use assets and lease liabilities (continued)**

On initial recognition, the carrying value of the lease liability also includes:

- (i) amounts expected to be payable under any residual value guarantee;
- (ii) the exercise price of any purchase option granted in favour of the company if it is reasonable certain to assess that option;
- (iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

To determine the incremental borrowing rate, the company:

- (i) since it does not have recent third-party financing, uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, and
- (ii) makes adjustments specific to the lease, e.g. term, currency and security.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- (i) lease payments made at or before commencement of the lease;
- (ii) initial direct costs incurred; and
- (iii) the amount of any provision recognised where the company is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are assets valued as US\$5,000 or less when new. The group has no short-term leases or leases for low valued assets at this time.)

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

2. Summary of significant accounting policies (continued)**(w) Right-of-use assets and lease liabilities (continued)**

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the company. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

When the group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the stand-alone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

3. Effect of changes in accounting policies

The company adopted IAS 40 with a transition date from year end 31 December 2022. This note explains the impact of the adoption on the company's financial statements.

As indicated the company has adopted IAS 40 from 31 December 2022, and has chosen not to restate comparatives for the 2021 reporting period, as permitted under the specific transition provisions in the standard.

The company applied the following practical expedients when applying IAS 40 to investment property using the cost model instead of the fair value method.

- Under the cost model, investment is measured at cost less accumulated depreciation, and any accumulated impairment losses.
- The depreciation method used.
- The useful lives of the depreciation rates used.
- Reconciliation of the carrying amount of investment property at the beginning and end of the period
- a reconciliation of the carrying amount of investment property at the beginning and end of the period, showing the following:
 - additions, disclosing separately those additions resulting from acquisitions and those resulting from subsequent expenditure recognised as an asset.
 - additions resulting from acquisitions through business combinations.
 - assets classified as held for sale or included in a disposal group classified as held for sale in accordance with IFRS 5 and other disposals.

Depreciation

IAS 8 applies to any change in accounting policies that is made when an entity first applies this standard and chooses to use the cost model. The effect of the change in accounting policies includes the reclassification of any amount held in revaluation surplus for investment property.

When an entity uses the cost model for investment property, transfers between categories do not change the carrying amount of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements
31 December 2022**

4. Financial Risk Management

The Society's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Society manages risk through a framework of risk principles, organizational structures and risk management and monitoring processes that are closely aligned with the activities of the Society. Risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Society's overall risk management programme focuses on the unpredictability of financial markets and seeks to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Society's financial performance.

The Society regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Society's risk management framework. The Board has established committees for managing and monitoring risks.

Three key committees for managing and maintaining risks are as follows:

(1) Supervisory Committee

The Supervisory Committee oversees the internal audit function of the Society and ensures that internal procedures and controls are adhered to. The Supervisory Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

(2) Credit Committee

The Credit Committee oversees the approval of credit facilities to members. It is also primarily responsible for monitoring the quality of loan portfolio.

(3) Finance Committee

The Finance Committee is responsible for overseeing the management of the Society's assets and liabilities and the overall financial structure.

These committees comprise persons independent of management and reports to the Board on a monthly basis.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements
31 December 2022****4. Financial Risk Management (continued)****(a) Financial instruments**

In common with all other businesses, the Society's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the Society's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the Society and the methods used to measure them.

(i) Principal financial instruments

The principal financial instruments used by the Society from which financial instrument risk arises, are as follows:

- Financial investments
- Loan receivables
- Cash and cash equivalents
- Members' savings
- External credits
- Payables

(ii) Financial instruments by categoryFinancial assets

	Assets at amortized cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
As at 31 December 2022:			
Cash and cash equivalents	168,450	-	168,450
Financial investments	275,000	152,027	427,027
Loan receivables	3,931,752	-	3,931,752
	4,375,202	152,027	4,527,229
As at 31 December 2021:			
Cash and cash equivalents	141,495	-	141,495
Financial investments	275,000	152,360	427,360
Loan receivables	3,400,600	-	3,400,600
	3,817,095	152,360	3,969,455

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Notes to the Financial Statements**31 December 2022****4. Financial Risk Management (continued)****(a) Financial instruments (continued)****(ii) Financial instruments by category (continued)**Financial liabilities at amortized cost

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Payables	178,141	276,184
Members' savings	3,015,581	2,704,508
External credits	<u>1,221,207</u>	<u>567,278</u>
	<u>4,414,929</u>	<u>3,547,970</u>

(iii) Fair value estimates

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument.

Financial instruments that are measured in the statement of financial position at fair value are classified by level in one of the following fair value measurement hierarchy:

Level 1 - Quoted prices in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. This includes financial assets with fair values based on broker quotes.

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available.

The amount included in the financial statements for cash and cash equivalents, loans receivables and payables reflect their approximate fair values because of the short-term maturity of these instruments. The fair value for borrowings is assumed to approximate carrying value as the contractual cash flows are at current market interest rates that are available to the Society for similar financial instruments.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements
31 December 2022****4. Financial Risk Management (continued)****(a) Financial instruments (continued)****(iii) Fair value estimates (continued)**

The fair value of property, plant and equipment and investment properties are stated at revalued amounts for buildings.

The fair values of investment securities in unit trusts were estimated based on prevailing market prices at period end. They are initially recognized at fair value and subsequently measured at year-end realization prices as quoted by the respective investment houses, with changes in fair value being including in profit or loss.

Financial instruments classified as fair value through other comprehensive income and fair value through profit and loss investments are disclosed in Note 6. Unquoted investments are classified as level 2 and 3 and quoted instruments are classified as level 1.

The following table presents the assets that are measured at fair value.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
	2022			
Financial assets measured at:				
Fair value through profit and loss	-	152,027	-	152,027
Amortized cost	-	275,000	-	275,000
	-	427,027	-	427,027
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
	2021			
Financial assets measured at:				
Fair value through profit and loss	-	152,360	-	152,360
Amortized cost	-	275,000	-	275,000
	-	427,360	-	427,360

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial risk management (continued)

The Society's overall risk management programme seeks to minimize potential adverse effects on the Society's financial performance. There have been no significant changes to the Society's exposure to financial risks or the manner in which it manages and measures its risks.

(b) Credit Risk

Credit risk is the risk of financial loss to the Society if a member or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from loans to members, deposits with banks and other financial institutions and investment securities.

(i) Loans to members*Management of risk*

The Society assesses the probability of default of individual borrowers using internal ratings. The Society assesses each borrower on four critical factors. These factors are the member's credit history, ability to pay linked to the industry benchmarked debt service ratio, character profile and the member's economic stability, based on employment and place of abode.

Borrowers are segmented into two rating classes performing and non-performing.

Credit review process

The management of credit risk in respect of loans to members is delegated to the Credit Committee. The Committee is responsible for oversight of the Society's credit risk, including formulating credit policies, establishing the authorisation structure for the approval of credit facilities, reviewing and assessing credit risk, and limiting concentration of exposure to counterparties.

The credit quality review process allows the Society to assess the potential loss as a result of the risk to which it is exposed and take corrective action. Exposure to credit risk is managed, in part, by obtaining collateral and personal guarantees.

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Notes to the Financial Statements**31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(i) Loans to members (continued)***Collateral*

The Society holds collateral against loans to members in the form of mortgage interest over property, lien over motor vehicles, hypothecation of shares held in the Society and guarantees. Estimates of fair value are based on the values of collateral assessed at the time of borrowing and are generally not updated until a loan is individually assessed as impaired.

Collateral is not generally held against deposits and investment securities, except when securities are held as part of reverse repurchase agreements. An estimate of the fair value of collateral held against financial assets is not readily available.

Write-off policy

The Society writes off loans and any related allowances for impairment losses when it is determined that the loans are uncollectible. This determination is usually made after considering information such as changes in borrower's financial position, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Additionally, loans are written off once they are delinquent for over 365 days based on regulatory requirements and are subject to approval by the Board and the Registrar.

(ii) Liquid assets and investment securities

The Society limits its exposure to credit risk by investing only in liquid assets and only with counterparties that have a high credit quality and Government of Jamaica securities. Therefore, management does not expect any counterparty to fail to meet its obligations.

The Society has documented policies which facilitate the management of credit risk on investment securities and resale agreements. The Society's exposure and credit ratings of its counterparties are continually monitored.

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**Notes to the Financial Statements
31 December 2022****4. Financial Risk Management (continued)****(b) Credit Risk (continued)****(iii) Maximum exposure to credit risk and credit quality analysis***Maximum exposure to credit risk*

Maximum credit exposure to credit risk before collateral held or other credit enhancements.

The maximum credit exposure, that is, the total amount of loss that the Society would suffer if every counterparty to the Society's financial assets were to default at once, is represented by the carrying amount of the financial assets shown on the statement of financial position as at the reporting date.

Credit quality

The Society identifies changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Society supplements this by reviewing changes in bond yields together with available press and regulatory information on issuers.

The following table sets out information about the credit quality of loans.

31 December 2022	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	3,900,019	131,850	-	4,031,869
Non-performing	-	-	120,883	120,883
	3,900,019	131,850	120,883	4,152,752
Loss allowance	(87,081)	(13,036)	(120,883)	(221,000)
	3,812,938	118,814	-	3,931,752
31 December 2021	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	3,350,865	74,363	-	3,425,228
Non-performing	-	-	75,098	75,098
	3,350,865	74,363	75,098	3,500,326
Loss allowance	(74,844)	(9,036)	(15,846)	(99,726)
	3,276,021	65,327	59,252	3,400,600

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****4. Financial Risk Management (continued)****(b) Credit Risk (continued)****(iii) Maximum exposure to credit risk and credit quality analysis (continued)***Concentration of risk*

The following table summarises the Society's credit exposure for consumer loans at their carrying amounts:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Real estate	72,662	34,966
Unsecured	2,533,972	1,958,779
Cash secured	809,890	622,479
Motor vehicle	<u>736,228</u>	<u>884,102</u>
	4,152,752	3,500,326
Less: Allowance for impairment losses	<u>(221,000)</u>	<u>(99,726)</u>
	<u>3,931,752</u>	<u>3,400,600</u>

The closing loss allowances for loans receivables as at 31 December 2022 reconcile to the opening loss allowances is as follows:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of the year	99,726	89,497
Increase in loss allowance recognised in profit or loss during the year	<u>121,274</u>	<u>10,229</u>
Balance at year end	<u>221,000</u>	<u>99,726</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(iv) Impairment**

Inputs, assumptions and techniques used for estimating impairment

(a) Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Society considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Society's historical experience and third party policies including forward-looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Society uses three criteria for determining whether there has been a significant increase in credit risk:

- quantitative test based on movement in PD;
- qualitative indicators; and
- the 30 days past due backstop indicator.

Credit risk grades:

The Society allocates each exposure a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment. The Society uses these grades in identifying significant increases in credit risk. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. These factors may vary depending on the nature of the exposure and the type of borrower.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(iv) Impairment (continued)***(a) Significant increase in credit risk (continued)*

Each exposure is allocated a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- Information obtained during periodic review of customer files.
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower.
- Payment record, which includes overdue status as well as a range of variables about payment ratios.
- Existing and forecast changes in business, financial and economic conditions.

Determining whether credit risk has been increased significantly:

The Society assesses whether credit risk has increased significantly since initial recognition at each reporting date. Determining whether an increase in credit risk is significant depends on the characteristics of the financial instrument and the borrower.

Credit risk is deemed to increase significantly where the credit rating of a security decreased from grade 1 to grade 3 and the risk grade of loans has moved from grade 1 (standard) to grade 3 (sub-standard).

As a backstop, the Society considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(iv) Impairment (continued)***(a) Significant increase in credit risk (continued)*

Determining whether credit risk has been increased significantly (continued)

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument return to being measured as 12-month ECL. Some qualitative indicators of an increase in credit risk, such as delinquency or forbearance, may be indicative of an increased risk of default that persists after the indicator itself has ceased to exist. In these cases, the Society determines a probation period during which the financial asset is required to demonstrate good behaviour to provide evidence that its credit risk has declined sufficiently. When contractual terms of a loan have been modified, evidence that the criteria for recognising lifetime ECL are no longer met includes a history of up-to-date payment performance against the modified contractual terms.

The Society monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default;
- the criteria do not align with the point in time when an asset becomes 30 days past due;
- the average time between the identification of a significant increase in credit risk and default appears reasonable;
- exposures are not generally transferred directly from 12-month ECL measurement to credit-impaired; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(iv) Impairment (continued)***(a) Significant increase in credit risk (continued)*

Determining whether credit risk has been increased significantly (continued)

The Society monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that (continued):

- the borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as realising security (if any is held);
- the borrower is more than 90 days past due on any material credit obligation to the Society; or
- it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Definition of default:

In assessing whether a borrower is in default, the Society considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment on another obligation of the same issuer to the Society; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

(b) Incorporation of forward-looking information

The Society incorporates forward-looking information into both the assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and the measurement of ECL.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(iv) Impairment (continued)***(b) Incorporation of forward-looking information (continued)*

The Society uses a forward-looking scorecard model to estimate the potential impact of future economic conditions. It formulates three economic scenarios: a base case, which is the median scenario assigned a 50% probability of occurring, and two less likely scenarios, one upside and one downside, assigned a 20% and 30% probability of occurring respectively. Each scenario considers the expected impact of inflation, interest rates, unemployment rates and gross domestic product (GDP).

The base case is aligned with information used by the Society for other purposes such as strategic planning and budgeting. External information considered includes economic data and forecasts published by governmental bodies and monetary authorities in Jamaica, supranational organisations and selected private-sector and academic forecasters.

The economic scenarios used as at 31 December 2022 assumed no significant changes in key indicators for Jamaica within the next year.

(c) Measurement of ECLs

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure at Default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(b) Credit Risk (continued)****(iv) Impairment (continued)***(c) Measurement of ECLs (continued)*

LGD is the magnitude of the likely loss if there is a default. The Society estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For loans secured by property, loan-to-value (LTV) ratios are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Society derives the EAD from current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortization.

The EAD of a financial asset is its gross carrying amount at the time of default. For lending commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Society measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Society considers a longer period. The maximum contractual period extends to the date at which the Society has the right to require repayment of an advance or terminate a loan commitment or guarantee.

Whereby the regulatory and general computations exceed the accounting standards the additional allowance is treated as an appropriation and taken to reserves.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(c) Liquidity risk:**

Liquidity risk is the risk that the Society is unable to meet its payment obligations associated with its financial liabilities when they fall due and to raise funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due, under normal and also under stressed conditions, without incurring unacceptable losses or risking damages to the Society's reputation.

The key measure used by the Society for managing liquidity risk is the ratio of liquid assets to members' savings. For this purpose, liquid assets include cash and bank balances and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the year was approximately 19% (2021: 320.03%). The minimum standard is 15%.

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

Liquidity risk management process

The Society's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis;
- (ii) Maintaining marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining a committed line of credit;
- (iv) Optimizing cash returns on investment.

Monitoring and reporting take the form of an analysis of the cash balances and expected investment maturity profiles for the next day, week and month, respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

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

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2022****4. Financial Risk Management (continued)****(c) Liquidity risk (continued)****Undiscounted cash flows of financial liabilities**

The maturity profile of the Society's financial liabilities at year end on contractual undiscounted payments was as follows:

	Within 1 month \$'000	1 to 3 months \$'000	3 to 12 months \$'000	1 - 8 years \$'000	Total \$'000	Carrying amount \$'000
2022						
Payables	98,061	90,791	-	-	178,141	178,141
Members' savings	-	3,015,581	-	-	3,015,581	3,015,581
External credits	10,356	39,708	281,900	1,216,034	1,547,998	1,221,207
Lease Liability	35	69	311	878	1,293	1,155
	108,452	3,146,149	282,211	1,216,912	4,743,013	4,416,084
2021						
Payables	89,042	187,142	-	-	276,184	276,184
Members' savings	-	2,704,508	-	-	2,704,508	2,704,508
External credits	6,952	13,905	259,871	436,364	717,092	567,278
	95,994	2,905,555	259,871	436,364	3,697,784	3,547,970

Assets available to meet all of the liabilities and to cover financial liabilities include cash and cash equivalents, investment securities and loans to members.

(d) Market risk

The Society takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates (see 4 (d) (i)), interest rates (see 4 (d) (ii)) and equity price risk (see 4 (d) (iii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk exposures are measured using sensitivity analysis.

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

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society is exposed to foreign exchange risk arising from currency exposure primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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**Notes to the Financial Statements
31 December 2022****4. Financial Risk Management (continued)****(d) Market risk (continued)****(i) Currency risk (continued)**

The Society is primarily exposed to such risks arising from foreign currency translation in relation to cash and cash equivalents.

Financial assets quoted in denominated foreign currency are as such:-

	<u>2022</u>	<u>2021</u>
	<u>US\$</u>	<u>US\$</u>
Cash at bank	10,982	1,263
	<u>10,982</u>	<u>1,263</u>
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Currency		
Rate of exchange	149.96	152.75
Jamaican equivalent	<u>1,647</u>	<u>193</u>

The following table demonstrates the sensitivity to fluctuations in the exchange rates of the currencies held by the Society before tax, with all other variables held constant.

	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
	Effect on Profit and loss and equity			
	Devaluation	Revaluation	Devaluation	Revaluation
	-4%	1%	-8%	2%
Currency:				
USD	<u>(66)</u>	<u>16</u>	<u>(15)</u>	<u>4</u>

TIP FRIENDLY SOCIETY

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**Notes to the Financial Statements
31 December 2022****4. Financial Risk Management (continued)****(d) Market risk(continued)****(ii) Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Society to cash flow interest risk, whereas fixed interest rate instruments expose the Society to fair value interest risk.

The Society's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments and managing maturities of interest-bearing financial assets and interest-bearing financial liabilities.

At the reporting date, financial liabilities subject to interest rates aggregated \$4,236,787,540; (2021: \$3,271,786,609). The Society contracts financial liability at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

The following table summarizes the Society's exposure to interest rate risk. It includes the Society's financial instruments at carrying amounts, categorized by the contractual re-pricing or maturity dates.

	Within 3 months	3 to12 months	1 to5 years	Over 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2022					
Assets						
Investment						
Securities	12,027	75,000	205,000	135,000	-	427,027
Loans receivables	20,437	59,560	1,372,673	2,476,540	2,542	3,931,752
Cash and cash equivalents	166,548	-	-	-	1,902	168,450
Total financial assets	199,012	134,560	1,577,673	2,611,540	4,444	4,527,229
Liabilities						
Members' savings	3,015,581	-	-	-	-	3,015,581
External credits	29,003	278,531	397,561	516,111	-	1,221,206
Payables	-	-	-	-	178,141	178,141
Lease liability	27	55	258	815	-	1,155
Total financial liabilities	3,044,611	278,586	397,819	516,926	178,141	4,416,083
Total interest re- pricing gap	(2,845,599)	(144,026)	1,179,854	2,094,614	(173,697)	111,146

TIP FRIENDLY SOCIETY

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Notes to the Financial Statements**31 December 2022****4. Financial risk management (continued)****(d) Market risk (continued)****(ii) Interest rate risk (continued)**

	Within 3 months	3 to 12 months	1 to 5 years	Over 5 years	Non-interest bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2021					
Assets						
Investment securities	12,360	-	205,000	210,000	-	427,360
Loan receivables	19,082	51,713	1,568,970	1,758,262	2,573	3,400,600
Cash and cash equivalents	39,608	-	-	-	101,887	141,495
Total financial assets	71,050	51,713	1,773,970	1,968,262	104,460	3,969,455
Liabilities						
Members' savings	2,704,508	-	-	-	-	2,704,508
External credits	3,688	207,434	34,431	321,725	-	567,278
Payables	-	-	-	-	276,184	276,184
Total financial liabilities	2,708,196	207,434	34,431	321,725	276,184	3,547,970
Total interest re-pricing gap	(2,637,146)	(155,721)	1,739,539	1,646,537	(171,724)	421,485

The Society has no significant sensitivity to interest rate risk as all borrowings are at fixed rates.

The sensitivity of the net surplus is the effect of the assumed changes in interest rates on net income based on the floating rate financial assets and financial liabilities. The sensitivity of equity is calculated by revaluing fixed rate available-for-sale financial assets for the effect of the assumed changes in interest rates. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements
31 December 2022****4. Financial risk management (continued)****(d) Market risk (continued)****(iii) Price risk**

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

The Society is exposed to equity price risk because of equity investments held and classified on the statement of financial position as available for sale. The Society manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations. The price of these commodities is reviewed regularly in considering the need for active financial risk management.

The impact of a change in the quoted prices for these equities would be:

<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
Effect on Profit and loss and equity			
Increase	Decrease	Increase	Decrease
6%	6%	5%	5%
12,000	(12,000)	10,000	(10,000)

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

4. Financial Risk Management (continued)**(e) Operational risk**

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

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

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

Compliance with the Society's standards is supported by a programme of periodic reviews which are discussed with management and submitted to the Board.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****4. Financial Risk Management (continued)****(f) Capital management**

The Society is subject to capital requirements. The Society's objectives when managing capital are :

- (1) To comply with the capital requirements set by the Department of Co-operatives and Friendly Societies;
- (2) To safeguard the Society's ability to continue as a going concern so that it can continue to provide returns to its members and benefits for other stakeholders;
- (3) To maintain a strong capital base to support the development of its business through the allocation of at least 25% of surplus to institutional capital and;
- (4) To maintain an above 8% ratio of institutional capital to total assets.

The Society defines its capital as permanent shares and reserves. Its dividend payout is made taking into account the maintenance of an adequate capital base.

The composition of regulatory capital and the ratios of the Society as at 31 December 2022 and 31 December 2021 are as follows:

	2022		2021	
	Actual	Required	Actual	Required
	\$'000	\$'000	\$'000	\$'000
Total regulatory capital	<u>871,851</u>	<u>485,735</u>	<u>760,497</u>	<u>414,370</u>
Total capital ratio	<u>14%</u>	<u>8%</u>	<u>15%</u>	<u>8%</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022**

5. Critical accounting estimates and judgements in applying accounting policies

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Society uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Society's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the Credit risk note.

(ii) Depreciable assets

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The Society applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(iii) Fair value of financial assets

The management uses its judgment in selecting appropriate valuation techniques to determine fair values of financial assets adopting valuation techniques commonly used by market practitioners supported by appropriate assumptions as set out in Note 3(a).

TIP FRIENDLY SOCIETY

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**Notes to the Financial Statements
31 December 2022****6. Investment properties**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at the beginning of year	42,500	35,000
Additions	370,385	-
Transfer from property, plant and equipment	375,058	-
Fair value gains	-	<u>7,500</u>
	787,943	42,500
Depreciation of investment properties	<u>(10,211)</u>	-
Balance at end of year	<u>777,732</u>	<u>42,500</u>

- (i) The Mona property, which is a residential dwelling, located at Lot 18 Palmoral Avenue, Mona Heights, Kingston 6. The fair value at 31 December 2022 was arrived at on the open market value basis by a Licenced Real Estate Dealer, Thomas, Forbes & Associates Limited.
- (ii) The Portmore property, which is a residential dwelling, located at Lot 682 Kent Avenue, Bridgeport, was revalued on 20 January 2022, on the open market value basis by Thomas, Forbes & Associates Limited, licenced valuers and real estate agents.
- (iii) The Montego Bay property, which is a commercial building, is located at Lot 27 Fairview, Bogue Estate, was revalued on 9 August 2021, on the open market value basis by Thomas, Forbes & Associates Limited, licenced valuers and real estate agents.
- (iv) The Mandeville property, which is a commercial building, is located at Lot 3, Caledonia, Mandeville, Manchester, was purchased during 2021 for the sum of \$60m.
- (v) The Portmore property, which is a commercial building, is located at Lot 6E Cookson Pen and Bushy Park Pen, Braeton, was revalued on 27 October 2022 on the open market value basis, by Thomas, Forbes & Associates Limited, licenced valuers and real estate agents.
- (vi) Rental income and direct operating expenditure in relation to investment properties are as follows:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental income	9,041	552
Direct operating expenses (Note 25)	<u>(8,274)</u>	<u>(545)</u>
	<u>767</u>	<u>7</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****7. Financial investments**

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Investment securities at amortized cost		
Deferred shares:		
6.75%-7.00% Victoria Mutual Building Society – Deferred shares	<u>200,000</u>	<u>200,000</u>
Corporate Bond:		
6% VMWM Property Fund	<u>75,000</u>	<u>75,000</u>
Investment securities at fair value through profit or loss		
Unit in unit trust funds:		
Victoria Mutual Wealth Management Fund	147,247	147,343
CUMAX Investment Fund	<u>4,780</u>	<u>5,017</u>
	<u>152,027</u>	<u>152,360</u>
	<u>427,027</u>	<u>427,360</u>

The movement in investment securities is as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Balance at beginning of year	427,360	600,811
Fair value (losses)/gains	(333)	66,352
Additions to investment securities	-	5,017
Disposal of investment securities	<u>-</u>	<u>(244,820)</u>
Balance at end of year	<u>427,027</u>	<u>427,360</u>

The Society invested in deferred shares and a bond as shown above. These investments may result in a credit exposure in the event that the counter party to the transactions is unable to fulfill its obligations. The Society did not recognize impairment losses on these agreements because the amount was immaterial. The deferred shares are expected to mature on July 2024 and July 2025.

TIP FRIENDLY SOCIETY

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Notes to the Financial Statements**31 December 2022****8. Loan receivables**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	3,464,933	2,598,534
Loans granted	<u>1,768,831</u>	<u>2,106,624</u>
	5,233,764	4,705,158
Less: Repayments	<u>(1,133,188)</u>	<u>(1,240,225)</u>
	4,100,576	3,464,933
Less: Impairment loss allowance	<u>(221,000)</u>	<u>(99,726)</u>
	3,879,576	3,365,207
Interest receivable	<u>52,176</u>	<u>35,393</u>
Balance at end of year	<u><u>3,931,752</u></u>	<u><u>3,400,600</u></u>

Loans to members, before impairment loss allowance, comprise:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Motor vehicle loans	736,228	884,102
Mortgage loans	61,886	34,966
Regular loans	2,623,316	2,108,535
Other loans	<u>679,146</u>	<u>437,330</u>
	<u><u>4,100,576</u></u>	<u><u>3,464,933</u></u>

Movement of the expected credit loss provision is as follows:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	99,726	89,497
Increase in expected credit loss provision	139,553	34,796
Bad debt written off	<u>(18,279)</u>	<u>(24,567)</u>
Balance at end of year	<u><u>221,000</u></u>	<u><u>99,726</u></u>

Full provision of principal is made for loans in arrears over one year. General provision of 10% - 60% are established in respect of principal in arrears for 2 - 12 months. Provision is made for all interest in arrears in excess of 2 months.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****8. Loan receivables (continued)**

The ageing of the loans at the reporting date was as follows:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	3,782,495	3,324,620
30 days	120,520	21,997
60 days	92,632	58,513
60 - 90 days	40,183	31,765
91 - 180 days	42,917	18,361
181 - 365 days	31,690	20,096
Over 365 days	<u>42,315</u>	<u>24,974</u>
	4,152,752	3,500,326
Less: Impairment loss allowance	<u>(221,000)</u>	<u>(99,726)</u>
Balance at end of year	<u>3,931,752</u>	<u>3,400,600</u>

The individually impaired loans mainly relate to members who are in unexpected difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these loans are as follows:

Delinquent loans are summarized as follows:

Months in arrears	Number of accounts in arrears	Total loan balances	Security held against loans	Portion of principal not covered by savings	Interest outstanding on delinquent loans
				\$'000	\$'000
2022					
Less than 2	9	5,210	2,165	3,045	153
2 – 3	46	40,183	461	39,722	1,890
4 – 6	80	42,917	6,464	36,453	2,284
7 – 12	91	31,690	2,261	29,429	4,756
Over 12	78	42,316	888	41,428	11,014
	<u>304</u>	<u>162,316</u>	<u>12,239</u>	<u>150,077</u>	<u>20,097</u>
\$'000 \$'000 \$'000 \$'000					
2021					
Less than 2	74	46,765	14,765	31,542	1,300
2 – 3	40	31,765	2,563	29,202	1,168
4 – 6	52	18,361	4,556	13,805	1,436
7 – 12	79	20,096	6,945	13,150	4,078
Over 12	81	24,974	9,000	15,974	7,199
	<u>326</u>	<u>141,961</u>	<u>37,829</u>	<u>103,673</u>	<u>15,181</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****8. Loan receivables (continued)**

The allowance for impairment under the society's regulatory requirement is below the provision required under IFRS provisioning rules, hence no amounts have been recognised in loan loss reserve during the year. The excess of the regulatory provision over the IFRS provision is normally dealt with through a transfer between accumulated surplus and loan loss reserve.

9. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash at bank	(a)	
National Commercial Bank Jamaica Limited	151,657	100,059
FirstCaribbean International Bank (Jamaica) Limited	1,717	1,868
JMMB Bank (Jamaica) Limited	<u>8,743</u>	<u>1,509</u>
	<u>162,117</u>	<u>103,436</u>
Short term deposits		
Victoria Mutual Building Society	(b) <u>6,148</u>	<u>37,874</u>
Cash on hand	<u>185</u>	<u>185</u>
	<u>168,450</u>	<u>141,495</u>

(a) Cash at bank substantially comprise savings and operating accounts at licensed commercial banks in Jamaica.

The rate of interest earned on the Society's savings accounts range from 0.75% to 1.75% (2021: 0.55% to 1.75%) for those that are denominated in Jamaican Dollars.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****9. Cash and cash equivalents (continued)**

Cash at bank includes amounts that are denominated in foreign currency, as follows:

	<u>2022</u>	<u>2021</u>
	US\$	US\$
United States Dollars	<u>10,982</u>	<u>1,263</u>

(b) Short term deposits represent funds held at Victoria Mutual Building Society. The rate of interest earned on the Society's savings accounts range from 0.02% to 0.12% (2021: 0.4%).

10. Other assets

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Prepayments	1,487	11,463
Staff loans	151,052	148,098
Interest receivable on staff loans	3,711	3,647
Rent deposit	5,002	4,256
Utilities deposit	311	311
Telephone deposit	43	43
General consumption tax	4,444	1,037
Other receivables	<u>165</u>	<u>-</u>
	<u>166,215</u>	<u>168,855</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements
31 December 2022

11. Property, plant, and equipment

	Building	Motor	Furniture &	Computer &	Leasehold	Work-in-	Total
	\$'000	Bike \$'000	Fixtures \$'000	Equipment \$'000	Improvement \$'000	progress \$'000	
Cost -							
1 January 2021	284,331	270	32,173	83,335	7,770	-	407,879
Additions	5,369	-	893	14,834	-	490,911	512,007
Revaluation adjustment	185,226	-	-	-	-	-	185,226
Disposal	-	-	(9,084)	(1,626)	-	-	(10,710)
31 December 2021	474,926	270	23,982	96,543	7,770	490,911	1,094,402
Additions	-	-	1,215	11,160	-	-	12,375
Transfer to investment property	(171,452)	-	-	-	-	(206,334)	(377,786)
31 December 2022	303,474	270	25,197	107,703	7,770	284,577	728,991

Depreciation -

1 January 2021	12,760	270	20,898	58,985	7,019	-	99,932
Charge for year	9,188	-	3,213	6,488	437	-	19,326
Revaluation adjustment	(15,107)	-	-	-	-	-	(15,107)
Relief on disposals	-	-	(3,106)	(556)	-	-	(3,662)
31 December 2021	6,841	270	21,005	64,917	7,456	-	100,489
Charge for the year	7,587	-	1,453	22,450	314	-	31,804
Transfer to investment property	(2,728)	-	-	-	-	-	(2,728)
31 December 2022	11,700	270	22,458	87,367	7,770	-	129,565

Net book value -

31 December 2022	291,774	-	2,739	20,336	-	284,577	599,426
31 December 2021	468,085	-	2,977	31,626	314	490,911	993,913

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements
31 December 2022****11. Property, plant, and equipment(continued)**

- (i) The Society's land and buildings are stated at their revalued amounts, being their fair value at date of revaluation less subsequent accumulated depreciation.
- (ii) The Society's building located at 80 Half Way Tree Road, Kingston 5, was revalued 4 June 2021, by independent valuers, Thomas, Forbes & Associates Limited. The valuation was done on the basis of open market value.

The Society's building at Lot #27, Bogue Estate, St. James was revalued 9 August 2021, by independent valuers, Thomas, Forbes and Associates Limited. The valuation was done on the basis of open market value.

Thomas, Forbes and Associates Limited are members of the Real Estate Board of Jamaica and are licensed to practice appraisals.

- (iii) During the year 2021, the Society purchased building located at Lot 3, Caledonia, Mandeville, Manchester, was purchased during 2021 for the sum of \$60m..
- (iv) Work-in-progress includes legal fees and payments made for the purchase and construction of commercial properties in Portmore, St. Catherine and Drax Hall, St. Ann.
- (v) During the year the Society transferred property from property, plant and equipment to investment properties for building located in St. James and Manchester.
- (vi) All of the Society's properties (as stated in ii, iii, and iv above) have been pledged as security for the borrowings of loans from Victoria Mutual Building Society, CUMAX Wealth Management and JMMB Bank (Jamaica) Limited. See Note 7.
- (vii) Rental income and direct operating expenditure in relation to owner-occupied properties are as follows:

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Rental income	-	7,127
Direct operating expenses (Note 25)	-	(109)
	<u>-</u>	<u>7,018</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****12. Right-of use asset and related lease liability****(i) Amounts recognised in the balance sheet**

The statement of financial position shows the following amounts relating to leases: -

Right-of-use asset

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of the year	-	-
Additions	1,440	-
Amortization	(360)	-
Balance as at end of year	<u>1,080</u>	<u>-</u>

Lease liability

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of the year	-	-
Additions	1,440	-
Lease payments	(384)	-
Interest expense	99	-
Balance as at end of year	<u>1,155</u>	<u>-</u>

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	340	-
Non-current	815	-
Balance as at end of year	<u>1,155</u>	<u>-</u>

(ii) The statement of profit or loss shows the following amounts relating to leases:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Amortization of right-of-use assets (included in administrative expenses)	360	-
Interest expense (included in finance costs)	99	-

(iii) Amounts recognised in the statement of cash flows

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Total cash outflows for leases	<u>384</u>	<u>-</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****13. Intangible assets****(a) Software**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Cost		
Balance at the beginning of the year	45,793	45,979
Disposal	-	(186)
Balance at the end of the year	<u>45,793</u>	<u>45,793</u>
Amortization		
Balance at the beginning of the year	40,889	37,530
Charge for the year	4,904	3,406
Relieved on disposal	-	(47)
Balance at the end of the year	<u>45,793</u>	<u>40,889</u>
Net book value	<u>-</u>	<u>4,904</u>

Intangible assets comprise computer software acquired by the Society. Amortization of the computer software is calculated based on an estimated useful life of three years.

The amortization of intangible assets is charged to the administration expenses in the statement of comprehensive income.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****14. Permanent shares**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	58,438	58,749
Increase/(decrease) in shares	<u>4,868</u>	<u>(311)</u>
Balance at end of year	<u>63,306</u>	<u>58,438</u>

Each member is required to subscribe to a minimum of two thousand (2,000) shares at par value of one dollar (\$1) each. These shares cannot be withdrawn but may be subject to sale, transfer or repurchase by the Society.

Dividends declared

In a meeting of the Board of Directors held on May 28, 2022 (October 15, 2021) a dividend of \$73,610,000 (2021: \$62,878,000) representing approximately 3% (2021: 3%) of ordinary shares and 6% (2021: 5%) of permanent shares was declared:

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Permanent shares	3,252	2,501
Ordinary shares	<u>70,358</u>	<u>60,377</u>
	<u>73,610</u>	<u>62,878</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****15. Institutional capital**

		<u>2022</u>	<u>2021</u>
		\$'000	\$'000
Statutory reserve	(a)	142,108	135,046
Special reserve	(b)	<u>729,743</u>	<u>625,451</u>
		<u>871,851</u>	<u>760,497</u>

(a) Statutory reserve

		<u>2022</u>	<u>2021</u>
		\$'000	\$'000
Balance at beginning of year		135,046	118,941
Transfer to statutory reserve – 5%		<u>7,062</u>	<u>16,105</u>
Balance at end of year		<u>142,108</u>	<u>135,046</u>

This reserve is established out of the excess of revenue over expenditure each year and represents 5% of such excess. During the year, transfers from surplus amounted to \$7,062,000 (2021: \$16,105,000). This is used to assist with the strengthening of the capital base of the Society.

(b) Special reserve

		<u>2022</u>	<u>2021</u>
		\$'000	\$'000
Balance at beginning of year		625,451	546,345
Transfer to special reserve - 20%		58,854	51,471
Transfer to special reserve - 27.5%; (2021-20%)		80,924	51,471
Claim payments		<u>(35,486)</u>	<u>(23,836)</u>
Balance at end of year		<u>729,743</u>	<u>625,451</u>

This reserve is set aside in order to meet insurance claim payments and to strengthen the capital base of the Society as required by Section 68(7)(ii) of the Friendly Societies Act and Regulations. The annual amount that is transferred to the special reserve represents 20% of the net non-interest income.

On May 18, 2023, the Directors passed an ordinary resolution to increase the special reserve from 20% to 27.5%.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2022****16. Non-institutional capital**

		<u>2022</u>	<u>2021</u>
		<u>\$'000</u>	<u>\$'000</u>
General reserve	(a)	314,857	314,857
Property revaluation reserve	(b)	266,949	266,949
Undistributed surplus		<u>138,635</u>	<u>230,916</u>
		<u>720,441</u>	<u>812,722</u>

(a) General reserve

General reserve represents appropriations from undistributed surplus for the purpose of strengthening the capital base of the Society. The amount transferred is determined at the Annual General Meeting based on the availability of appropriate surplus.

(b) Property revaluation reserve

This represents unrealized surplus on revaluation of property, plant and equipment.

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	266,949	66,616
Surplus arising on the revaluation of property, plant and equipment (Note 11)	<u>-</u>	<u>200,333</u>
Balance at end of year	<u>266,949</u>	<u>266,949</u>

17. Members' savings

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	2,704,504	3,285,665
Savings and interest	1,368,253	342,504
	<u>4,072,757</u>	<u>3,628,169</u>
Withdrawals and transfers	(1,057,176)	(923,661)
Balance at end of year	<u>3,015,581</u>	<u>2,704,508</u>

Members' savings represents voluntary shares which are issued at a par value of \$1 per share. Interest is paid at a rate ranging between 3.5% and 5% per annum.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****18. External credits**

		<u>2022</u>	<u>2021</u>
		<u>\$'000</u>	<u>\$'000</u>
Victoria Mutual Building Society	(a)	174,152	189,989
Victoria Mutual Building Society	(b)	125,895	131,157
Victoria Mutual Building Society	(c)	139,335	-
CUMAX Wealth Management	(d)	21,682	46,132
JMMB Bank (Jamaica) Limited	(e)	139,500	144,000
JMMB Bank (Jamaica) Limited	(f)	54,500	56,000
JMMB Bank (Jamaica) Limited	(g)	96,143	-
National Commercial Bank Jamaica Limited	(h)	470,000	-
		<u>1,221,207</u>	<u>567,278</u>
Less: Current portion		<u>(307,535)</u>	<u>(245,553)</u>
		<u>913,672</u>	<u>321,725</u>

(a) This loan of \$200M, which was received in April 2021, attracts interest at 5.75% per annum and is repayable over 120 equal monthly instalments. The loan is secured by Hypothecation of securities held at Victoria Mutual Wealth Management Limited in the name of TIP Friendly Society in the amount of \$210M.

(b) This loan of \$132M, which was received in September 2021, attracts interest rate of 6.90% per annum and is repayable over 180 equal monthly instalments. The loan is secured by First Legal Mortgage to be stamped to cover \$132M over commercial property located at Strata 1-3, 80 Half Way Tree Road, Kingston 10. Registered at Volume 1201 Folio 712-714.

(c) This loan of \$144M, which was received in February 2022, attracts interest rate of 7.00% per annum and is repayable over 180 equal monthly instalments. The loan is secured against first legal mortgage Lot 17B, Drax Hall Estate, Drax Hall, St. Ann. Registered at Volume 1490 Folio 932.

(d) This loan of \$50M, which was received in October 2021, attracts interest rate of 6.50% and is repayable over 24 equal monthly instalments.

The loan is secured against first legal legal mortgage over property located at Caledonia Mandeville, Manchester, with title registered at Volume 1417 Folio 425, stamped to cover \$50M.

(e) This loan is a Revolving Line of Credit, which was received in October 2022, attracts interest rate of 7.95% and is repayable over 12 equal monthly instalments.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022**

18. External credits (continued)

- (f) This loan is a Revolving Line of Credit, which was received in October 2022, attracts interest rate of 8.50% and is repayable over 12 equal monthly instalments.
- (g) This loan of \$100M, was received in September 2022, attracts interest at a rate of 10.50% and is repayable over 60 equal monthly instalments.
- (h) This loan of \$470M, was received in January 2022, attracts interest at a rate of 6.25% during the moratorium period of 12 months and 5.75% thereafter. The loan is repayable over 32 equal monthly instalments of \$11,750,000 commencing after the moratorium period and payable quarterly and one final payment of \$94,000,000 at maturity.

Loans (e) to (g) are secured against the following:

- (i) First Legal Mortgage to be stamped to cover \$144M over commercial property located at Lot No. 27, Bogue Estate, St. James registered at Volume 1522 Folio 915
- (ii) Assignment of fire and allied peril insurance over property Lot No. 27, Bogue Estate, St. James for the full replacement value with the bank's interest duly noted as First Mortgage.

Loan (h) is secured by the following:-

- (i) First legal mortgage over property located at Lot 1, 6E Cookson Pen, Greater Portmore, registered at volume 1333 Folio 914, stamped to cover \$470M. Valuation dated 1 July 2021 by Thomas Forbes & Associates Limited reflecting current market value of \$755.5M and forced sale value \$680M.
- (ii) Assignment of peril insurance with National Commercial Bank Jamaica Limited as the beneficiary.
- (iii) Assignment of Contractors' All Risk Insurance established with National Commercial Bank Jamaica Limited as the beneficiary.
- (iv) Debt service reserve account (DSRA) is to be established with an amount of J\$2.45 million initially, and thereafter built up at a rate of J\$592,000 monthly over twenty-four (24) months until the sum of J\$16.66 million is achieved. A lien will be placed on this account.
- (v) Assignment of contractual right, liquidated damage claim, architectural and construction contracts relating to the project.

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2022****19. Payables**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Members interest account	20,000	10,000
Rental deposits	1,058	1,058
Statutory contributions	7,266	5,820
Audit fee	2,900	2,800
Due to Errol Henry Fund (Note 26)	7,062	16,105
Unallocated lodgments	47,118	40,136
Accrued vacation leave	7,010	7,050
Withholding tax	9,556	13,100
Accruals	42,511	155,426
Credit life insurance	-	388
Student self insurance fund	6,275	8,386
Other payables	27,385	15,915
	<u>178,141</u>	<u>276,184</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****20. Interest on loans**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Motor vehicle loans	63,278	77,477
Regular loans	437,170	376,317
Other loans	<u>20,652</u>	<u>13,112</u>
	<u>521,100</u>	<u>466,906</u>

21. Interest on investment securities

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Deferred shares	13,926	13,925
Bonds and unit trust funds	<u>4,344</u>	<u>28,817</u>
	<u>18,270</u>	<u>42,742</u>

22. Finance costs, net

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Return on premium expense account	1,465	710
Interest on external credits	82,094	24,556
Foreign exchange losses/(gains)	40	(188)
Lease interest expense	99	-
	<u>83,698</u>	<u>25,078</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****23. Insurance premium**

Members' contribution represents sixty percent (60%) of the monthly insurance premium payment made by each member. This amount is used to provide for the following:

- (i) Re-insurance cost
- (ii) Administrative expenses
- (iii) Savings

The premium covers mortality, interest and administrative expenses.

The other forty percent (40%) of the members' monthly insurance premium is deposited in the members' savings accounts. Each member has access to this amount which he/she may withdraw, allow to accumulate, or used as security for loans.

24. Other income

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
Other income		
JCIA income	3,883	4,274
Rental income	10,578	7,679
Loan application fees	30,302	33,943
Other income	<u>16,335</u>	<u>23,725</u>
	<u>61,098</u>	<u>69,621</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2022****25. Operating expenses**

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Advertising and promotion		
Scholarships	5,213	4,088
Promotional	28,048	8,916
	<u>33,261</u>	<u>13,004</u>
Administrative expenses		
Amortization of intangible assets	4,904	3,406
Amortization of right-of-use asset	360	-
Audit fee	2,900	3,612
Bad debts	18,279	24,567
Bank charges	2,387	4,771
Data processing	-	222
Depreciation	42,015	19,326
Donation	5,415	-
Insurance	4,519	2,525
Legal and professional fees	3,988	3,356
Motor vehicle expenses	60	39
Office and general expenses	5,395	4,597
Postage and courier	683	882
Printing and stationery expenses	4,041	2,384
Repairs and maintenance	3,965	13,924
Security	5,632	4,077
Software maintenance	11,688	14,394
Student plan insurance expenses	731	842
Telecommunications	9,815	12,216
Utilities	10,090	7,770
Other administrative expenses	8,646	11,266
	<u>143,126</u>	<u>134,176</u>
Balance carried forward	<u>179,161</u>	<u>147,180</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****25. Operating expenses (continued)**

	2022	2021
	\$'000	\$'000
Balance brought forward	179,161	147,180
Establishment		
Building and ground maintenance	127	372
Rental of premises	1,692	1,915
Property tax	317	317
Utilities	638	227
	<u>2,774</u>	<u>2,831</u>
Representation and affiliation		
Affiliation expenses	12,347	6,323
Annual general meeting	3,727	4,605
Board and committee expenses	22,834	25,707
	<u>38,908</u>	<u>36,635</u>
Personnel expenses		
Staff costs (Note 27)	258,957	246,323
Total operating expenses	<u>479,412</u>	<u>432,969</u>

26. Errol Henry Fund

By virtue of an agreement dated 1 February 2004 between the Society and Errol Henry, founding member of TIP Friendly Society, whereby a payment equivalent to 5% of the annual net surplus be paid to him over a period of Twenty (25) years ending 1 February 2029. At year end, the amount of \$7,062,000; (2021-16,105,000) was charged to the Statement of Comprehensive Income. (Note 19).

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2022****27. Staff costs**

	2022	2021
	\$'000	\$'000
Salaries and wages	164,950	150,478
Statutory contributions	21,899	20,462
Staff welfare	48,694	53,531
Pension	5,043	4,982
Health insurance	5,364	8,142
Casual labour	2,153	1,607
Other	10,854	7,121
	<u>258,957</u>	<u>246,323</u>
	2022	2021
Number of staff:		
Permanent	81	76
Temporary	1	8
	<u>82</u>	<u>84</u>

28. Pension Scheme

The Society is a participant in a contributory pension scheme operated and managed by Sagicor Life Jamaica Limited. The society's liability to the contributory pension scheme is limited to the contributions. During the year, the Society's contributions amounted to \$5,042,689 (2021: \$4,981,864).

29. Comparison of ledger balances

The detailed records of balances relating to loans to members, deposits and share capital differed from their respective control accounts as follows:

	Loans to members	Member's deposit
	\$'000	\$'000
December 31, 2022		
General ledger	4,100,577	2,220,610
Personal ledger	<u>4,101,406</u>	<u>2,220,611</u>
Difference	<u>(829)</u>	<u>(1)</u>
December 31, 2021		
General ledger	3,464,933	2,704,508
Personal ledger	<u>3,465,891</u>	<u>2,704,575</u>
Difference	<u>(958)</u>	<u>(67)</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2022****30. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

- (a) Enterprises over which a substantial interest in the voting power is owned by key management personnel, including directors and officers and close members of families; or
- (b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the Society.

As at the statement of financial position date the following balances was outstanding:-

	<u>2022</u>	<u>2021</u>
	\$'000	\$'000
(i) Loan balances (including interest)		
Board and committee members	84,377	88,682
Staff members	196,608	164,933
	<u> </u>	<u> </u>
(ii) Deposits (including interest)		
Board and committee members	21,787	28,175
Staff members	8,726	4,916
	<u> </u>	<u> </u>
(i) Share balances		
Board and committee members	592	462
Staff members	492	475
	<u> </u>	<u> </u>

No waivers were granted in respect of these loans. At 31 December 2022, all loans owing by directors, committee members and staff were being repaid in accordance with their loan agreements.

TIP FRIENDLY SOCIETY

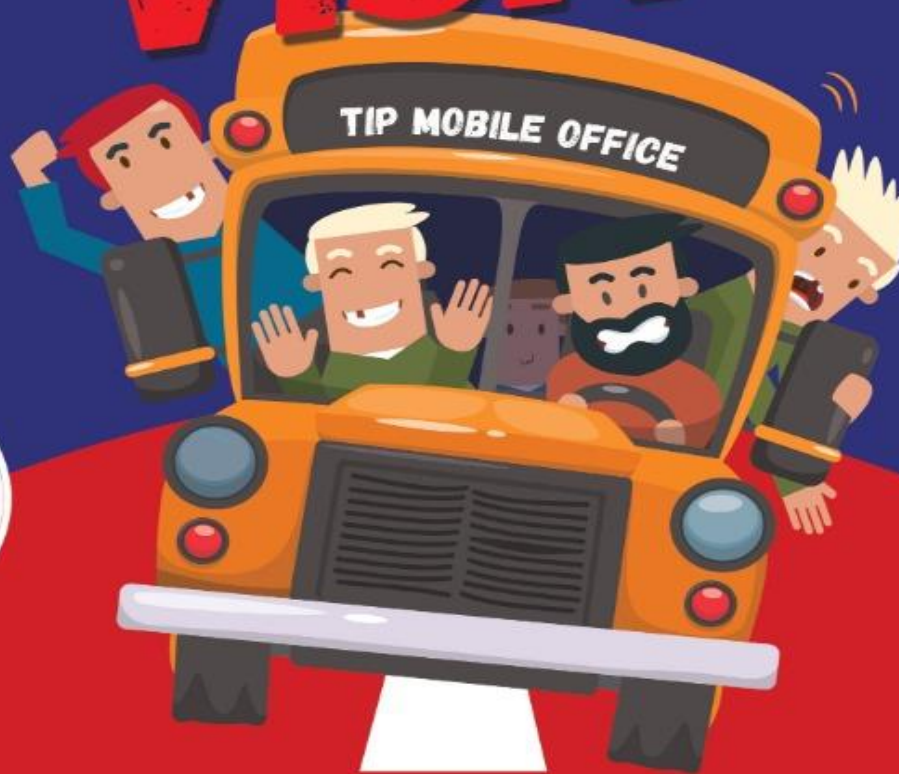
(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2022****30. Related party transactions (continued)**

Amounts charged to the statement of comprehensive income: -

	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Scholarship	500	-
Key management compensation:		
Salaries and other short-term benefits (included in staff costs)	49,116	51,067
Post employment benefits	<u>7,388</u>	<u>15,238</u>
	<u>57,004</u>	<u>66,305</u>

CAMPUS VISITS



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REPORT OF THE CREDIT COMMITTEE

MAY 2022-2023

The erudite Credit Committee of TIP Friendly Society consist of five dedicated, fit and proper volunteers who were nominated and elected at the 2022 Annual General Meeting (AGM) of the Friendly Society.

These committed volunteers are:

- Mr. Winston R. Smith, JP, Chairman
- Mrs. Erica Ewbanks Secretary
- Mr. Rohan Johnson Member
- Ms. Sandra Hunter Member
- Miss Kaydian Scott Member

The committee started the year under the watchful eye of Mrs. Sharon Carey, Manager of TIP's Credit Department. However, during our journey, Mrs. Carey was redeployed and was replaced by Miss Judith Wilson, Branch Operations Manager of TIP Friendly Society, who continued to give much needed support to the committee.

It is with a heart of gratitude that the committee say thanks to Mrs. Carey for her invaluable contribution to us during her time with us. We also say welcome and thank you to Miss Judith Wilson who has taken up the mantle of working with the committee and we look forward to a productive and engaging period as we continue to ensure that quality services is provided to every member of TIP Friendly Society.

Acknowledgement

The Committee takes great pride in acknowledging our members who continues to see TIP as the place of choice to conduct business and as such, continue to take loans, service their

loans as well as responding to our calls whenever such calls become necessary. Furthermore, we acknowledge the work of the Credit Department of the Society to include all the Member Service Representatives on the floor as well as the team of the Marketing Department. Additionally, the committee extends a special thank you to Miss Daneal Reid and John 'Moses' Emery, who were always willing and ready to go beyond the call of duty to ensure that we the members of the committee were well taken care of on days when we meet to execute our duties.

Committee Functions as per the Regulations

The Credit Committee of the Friendly Society executes the following core functions, by members who have volunteered to serve and represent the Society:

- Examine and approve loans within a 10:1 ratio or other loan applications that seek the approval of the committee based on the nature of the loan.
- Review and sign off on loan applications on a monthly basis.
- Review all loans to ensure that all supporting documents are properly aligned to the stipulated guidelines of the Society
- Make contact with delinquent customers and their references.
- Assist with the reduction of delinquency by making contact with members whose loan are in arrears for sixty days.

- Prepare and submit monthly reports to the Board of Management of TIP Friendly Society.
- The quorum is three (3) and as such at least three members are required to sign on documents representing the decision of the Committee.

Meeting attendance of the Committee

Meetings were held twice per month for June- December but has been reduced by Management to monthly meetings. The chart below outlines the attendance of members of the committee to meetings and training sessions.

MEMBERS	POCA TRAINING	BOARD RETREAT	POSSIBLE MEETINGS	PRESENT	ABSENT	PERCENTAGE ATTENDANCE
Winston Smith (Chairman)	✓	✓	19	17	2	89%
Erica Ewbanks (Secretary)	✓	✓	19	18	1	95%
Sandra Hunter	✓	✓	19	17	2	89%
Rohan Johnson	✓	✓	19	19	0	100%
Kaydian Scott	✓	✓	19	17	2	89%

The scheduled meetings of the committee were held under the watchful eyes of **Mrs. Sharon Carey (Credit Manager)** from the rise of the Committee until the end of September 2022. Due to redeployment of the Managerial Staff, Mrs. Carey was replaced by **Miss Judith Wilson (Branch Operations Manager)** as the Administrative Staff who gave support to the Committee. In the absence of Mrs. Carey and Miss Wilson, the Committee received support from **Ms Khdine Clarke, Supervisor, Kingston Branch**.

Loans

The core function of the committee is to treat with loans. This took the form of;

- Evaluating and approving loans outside of the specified ration.
- Assessing with the view to approve loans that require special interventions.
- Assessing loan request where members last accessed a loan under 90 days.
- Review and sign off on all loans granted during the periods between meetings.
- Make contact with delinquent members with the view to help them out of delinquency, by providing much needed advice and support.

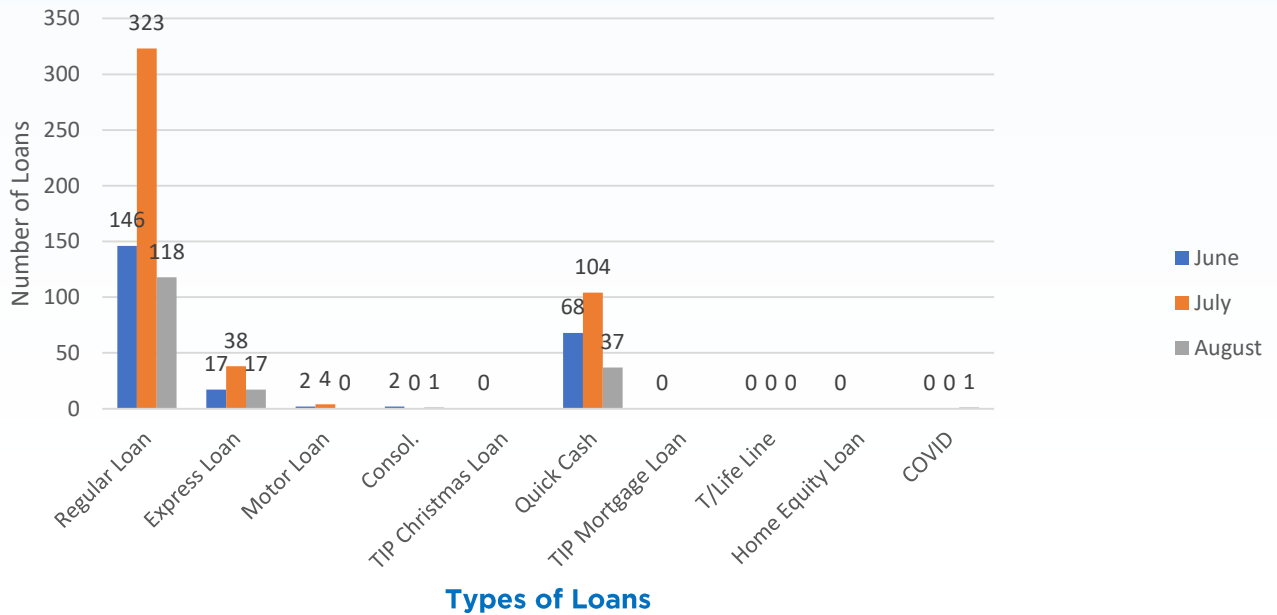
Loan Files reviewed for the period June 2022 to April 2023

The Credit Committee in fulfilling its mandate met twice monthly from June 2022 to December 2022, with the multipurpose function as prescribed in its mandate. In so doing, the committee examine all loan files to ensure that the requisite documentations are in place for the granting of the specified loan. Furthermore, the committee assess the loan process and make recommendations where necessary to the Board of Management. In addition, where documentations are missing and or not visible, such information is passed on to the Management by way of the Managerial Staff who provides support to the committee.

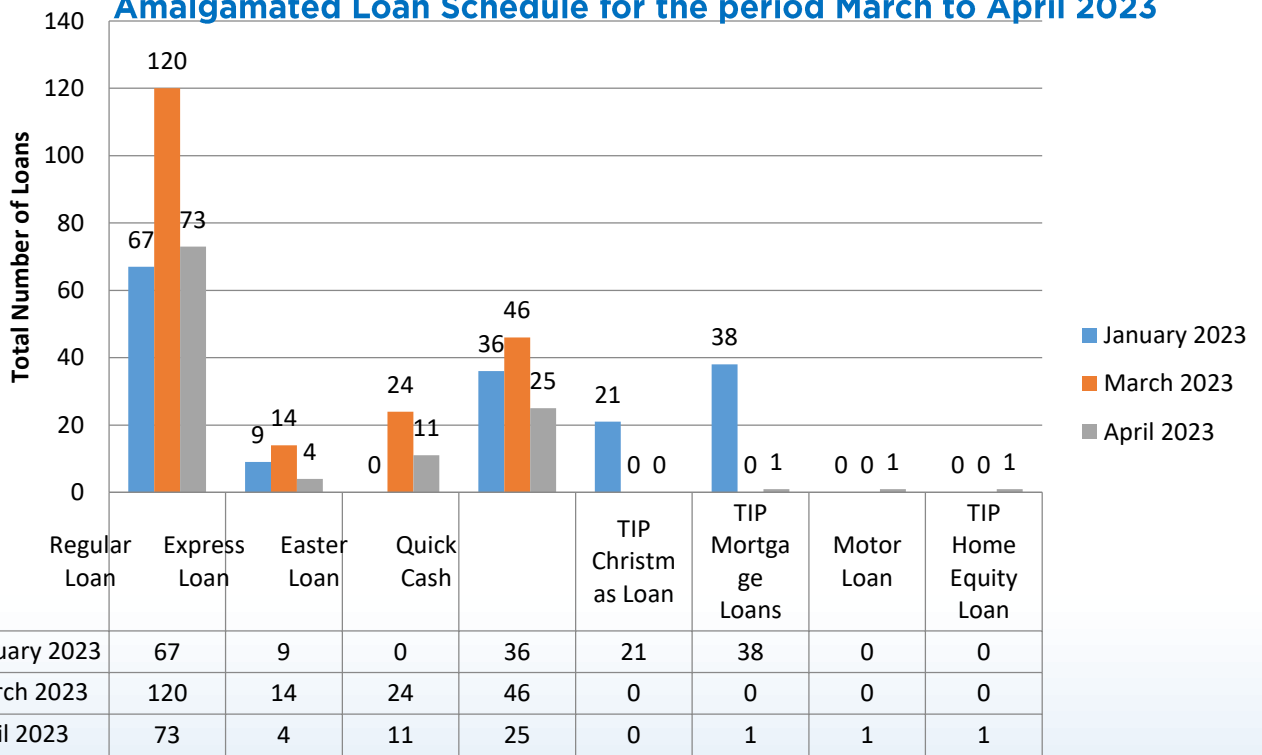
In so doing, the committee ensures that all processes are followed thus safeguarding the funds of all members of TIP Friendly Society. The graphs below indicate the number of files viewed, the types of loans as well as delinquency loans reviewed during the reporting period.

TYPES OF LOAN	MONTHS IN 2022					
	JUNE	JULY	AUGUST	OCT	NOV	DEC
Regular Loan	146	323	118	245	175	110
Express Loan	17	38	17	20	22	11
Motor Vehicle Loan	2	4	0	3	1	2
Consolidation	2	0	1	1	1	0
TIP Christmas Loan	0	0	0	0	11	0
Quick Cash	68	104	37	75	74	41
TIP Mortgage Loan					1	
TIP Life Line	0	0	0	1	1	0
Home Equity Loan					1	
COVID	0	0	1	2	1	1
Total	235	469	174	347	286	165

Number of Loans Given Period June to August 2022



Amalgamated Loan Schedule for the period March to April 2023



Types of Loans

Proceeds of Crime Act (POCA) Training

All members of the committee participated in the POCA training virtually. This training is of fundamental importance to the committee members as it brings to our consciousness the varied ways that individuals can take advantage of the Society, thereby arming us with the knowledge to detect and eliminate any such threat with ease. Some areas covered were money laundering, terrorism prevention as well as fraud. There were also sessions on good customer service and the importance of executing due diligence.

General Remarks

The Credit Committee is conscious of the fact that members are constantly being bombarded with opportunities to access loans from multiplicity of lending agencies and institutions. Consequently, we took our task seriously and as such ensure that quality service was always the hallmark of our deliberations when assessing applications from our members. We say to all members of TIP Friendly Society, a heartfelt thank you for choosing TIP Friendly Society as your institution of choice.

It would be remis of the Committee if we failed to mention the stellar report presented by the Committee at our Board Retreat, held in December 2022. We sincerely hope that management will act on the recommendations presented at that Retreat as we seek to cater to the needs of our members.

As we embark on another year, we implore you to make TIP your continued institution of choice as we continue to live by our motto "Serving you is our pleasure". May God bless you all richly.

Sincerely,

TIP Friendly Society Credit Committee

Erica Ewbanks
Secretary



Winston. R. Smith, JP
Chairman

Your wellbeing is important to us!

Wednesday, September 28, 2022

TIP hosted a Financial Webinar with guest speaker Zedayne Simister, founder of Value Zone Financial Services. He imparted important financial gems to our members. Click [here](#) to watch.

Thursday, September 29, 2022

Recruitment Day was held across the island as Volunteers and B.D.Os interacted with new members.

Friday, September 30, 2022

Ms. Kitty, with Nationwide Radio, brought her vibes and excitement to TIP's rainy outside broadcast, where she interacted with TIP's management team and staff. Later that afternoon, TIP hosted a special naming ceremony for the Head Office in Kingston, in honour of Mr. Ray Howell our very first President who served for 21 years! Click [here](#) to watch.



Saturday, October 1, 2022

To close the week of activities, TIP held its 25th Anniversary Awards Banquet at the A.C. Marriott Hotel. Guest Speaker was Dr. Maurice Smith, Registrar, Chief Administration Officer, U.W.I, Mona. 23 staff members, 14 volunteers and 15 contact teachers were honoured. A significant highlight of the evening was the presentation of the Visionary Award to Mr. & Mrs. Errol Henry, the founders of TIP. Banquet attendees rocked to the catchy tune sang by O'Shane McHugh, educator, Kingston College, TIP's 25th Anniversary Jingle Winner. Click [here](#) to watch.



THANK YOU!

For celebrating this milestone with us
and we look forward to many more years
of
*"Protecting our Members' Income,
Safeguarding their Future!"*



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SUPERVISORY COMMITTEE'S ANNUAL REPORT

THE STARTING TEAM

The Supervisory Committee comprises five volunteers who were elected to serve for one (1) year as per article 29, Section 1 (i) at the TIP Friendly Society's Annual General Meeting in May 2022.

Mr. Philmore McCarthy - Chairman
 Mrs. LouAnn Bramwell-Shakes - Secretary
 Mrs. Camille Davis-Williams
 Mr. Colin Spence
 Mr. Leon Nash

Mission Focus/ Roles and Functions of the Supervisory Committee

The TIP Friendly Society Rule Book details the roles and functions of the Supervisory Committee. This body is elected by the members at the Society's Annual General Meeting for the purpose of monitoring and auditing the operations of the organization to ensure compliance with the Organization's rules and documented industry standards.

The Committee's goals and responsibilities include:

- Ensuring that the financial statements accurately and fairly represent the financial condition of the Society.
- Ensuring that management-practices and procedures safeguard members' assets.
- Determining if management has established and is maintaining effective internal controls.
- Receiving and investigating any complaint made by any member regarding the proper running of the Society.
- Determining if management has implemented and is adhering to the policies and control-procedures established by the Board of Management.

MISSION CRITICAL ACTIVITIES

The activities for the period have been reviewed and are noted as follows:

1. Training of the Committee members on their roles and functions
2. Investigation of alleged loan portfolio breach
3. Visiting of the Head Office and Branch Offices,
4. Review of Human Relations process within the organization
5. Creation of an Audit Plan for successive use (*See Appendix 1*)
6. Careful review of the internal financial accounting system.
7. Conduct monthly meetings
8. Submit monthly reports to the Board of Management

Training: Regulatory/ POCA

TIP Friendly Society is regulated by the Department of Co-operatives and Friendly Societies (DCFS) to ensure that the Committee is aware of its sphere of activities. This department facilitated the training of five Committee members on Saturday July 16, 2022, in a very engaging session entitled “Introducing the Supervisory Committee: TIP Friendly Society”. The broad objective of this training was to provide the committee with an overview of its roles and functions in ensuring that the internal control systems employed by the Society are effective in achieving its objective.

The training relating to the Proceeds of Crime Act (POCA) was held on November 18, 2021. All the members of our committee attended. Training familiarized us with information relating to Corporate Governance as well as other regulatory controls. Both training sessions proved beneficial to the team and empowered us in the execution of our duties.

Investigation of Alleged Loan Portfolio Breach

The committee was tasked to investigate accounts where there were

perceived breaches. The investigations revealed that there were procedural breaches as it related to the loans in question. The findings were brought to the attention of the board and requisite treatment executed. Arising from this, the Board implemented policies to mitigate recurrence. The committee randomly examined other loans and based on this comprehensive analysis, the committee was satisfied that no other breaches existed and appropriate approval policies were adhered to.

Meetings & Branch Visits

Committee meetings were conducted face to face and Hybrid/ virtual in a few instances to facilitate members. The team adopted a one-year Audit Plan to better streamline the activities of the Committee for proper functioning, sustainability and succession planning. To execute our planned activities thirteen (13) meetings four (4) branch visits and three (3) site visits were conducted.

ATTENDANCE RECORD

The attendance record for the Committee members are displayed on the table below.

Member	Regular/ Special Meetings(13)	Branch Visits (4)	Site Visits (3)	Training Sessions (2)
Philmore McCarthy	13	4	3	2
LouAnn Bramwell-Shakes	12	4	3	2
Camille Davis-Williams	13	4	2	2
Leaon Nash	12	4	3	2
Colin Spence	12	4	2	2

To augment the structure of our inspection and ensure transparency of the branch audits, an operational checklist was created as per the following areas:

- ✓ Physical Plant
- ✓ Operational Flow
- ✓ Human Resources
- ✓ Marketing
- ✓ Information Technology

From the checklists the members generated respective reports. The assessment included record keeping, staff attendance registers, customer's files, staff files, inventory, security and customer service among others. (See *Appendix 2 for sample of Physical Plant Checklist*)

The Supervisory Committee reported on the findings/observations to the Board after each visit was conducted. Commendations and recommendations were extended, as required. The timely Board response which usually follows each report, created a healthy partnership as we work together to improve the TIP Brand.

Internal Assessment of Management Operations

- ❖ Significant improvement in customer service experiences.
- ❖ Optimize Emortelle System
- ❖ Product innovations

FULFILLING OUR HR MANDATE. In assessing this aspect, the following were highlighted:

- ❖ Workers received a new compensation structure, which gave them increased benefits.

- ❖ Staff members have training sessions to keep abreast with current standards and practices.
- ❖ Staff members at the branches continue to sell the company in a positive light.
- ❖ Staff turnover rate is extremely low in all branches highlighting the strength of the TIP organization as an employer.

Customer Satisfaction Survey

As it relates to customer satisfaction survey conducted in the various branches, this is automated and the information is sent directly to the Head Office. The Committee is of the view that the current system can hamper local response to customer complaints, some of which are outlined below.

- Some of our clients expressed their disappointment in the slow roll out of internet banking, especially when they recognize the ease with which it works. However, the teachers lauded the organisation for the rapid turn-around time in its internet banking.
- Concerns regarding open-office concept vis-à-vis customer service interviews were cited.
- Privacy and confidentiality of clients' discussion and financial information.
- The teachers articulated their delight with the new office spaces at the Montego Bay and Mandeville branches, as well as the re-furbished space at the Head Office.

MARKETING PORTFOLIO

The committee accepts that the marketing team has been working assiduously as reflected below:

- I. Surpassed the quota of over two million dollars
- II. Maintain the organization's image and presence in the market. This observation is borne out by the publication of fliers and the number of radio and television promotions that have been seen.
- III. Observations made indicate that both print and electronic information is evident in branch offices.
- IV. Involved in several activities to enhance Tip's presence such as the recent 25th anniversary activities launched for different locations
- V. Employ strategies such as:- Use of all social media platforms , the youth representative, contact teachers, Mobile unit, traditional and print media for sensitization, especially with promotion of products and services.

ICT

- Improve online application
- Data analytics was delayed, however the roll out of new reporting streams to the business has been initiated following recruitment of staff. This involves generating reports for the Marketing and Processing Departments in particular which has been impacting positively the work of the department and the society.

- Efficiency through digital process flow
- There is evidence of maintenance system to deal with day-to-day computer and technology challenges.
- Even though digitization has begun, there is need for speed in this regard, to ensure greater efficiency in the organisation.
- The recommendation is that some form of backup system such as a satellite system be considered to minimize lag time and ultimately customer satisfaction.

BRANCH OPERATIONS

Mandeville

- Revenue Earner – Excellent concept
- Excellent open concept office layout
- Marketing material expertly displayed
- Additional file storage capacity provided for customer service representative
- Compliance with promoting TIP brand

Security concerns: outstanding matters to be address

The Customer Service area: The glass on the customer service desks will be lightly tinted to give the appearance of privacy to members sitting before the representatives.

The Server Room: The committee insists that the server room door be kept closed to optimize function.

Ocho Rios

- The consensus is that the branch is managed by a knowledgeable highly organized supervisor.
- Members of staff are working as a cohesive work force to ensure that the office runs effectively.
- The office space is organized featuring excellent layout of information.

Concerns: The following are situations needing improvement for both the Ocho Rios and Montego Bay branches:

- Privacy, confidentiality, integrity, and security of member's information.
- Risk assessment of filing system
- Housing of ICT equipment

Montego Bay

- The operation at the Branch is running smoothly
- Staff appeared committed and contented.
- This branch occupied their current space fairly recently and as such most things are functioning optimally.

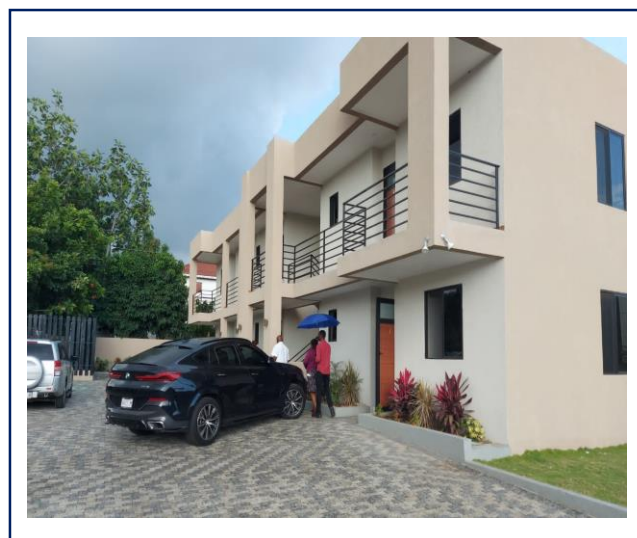
The following recommendations are being made:

- ❖ More filing cabinets are needed to store members' files. *(The picture below shows files piled on top of cabinets posing a real challenge to retrieve and properly sort them)*
- ❖ More space is needed. The server room that doubles as storage space is crammed.

- ❖ The recommendation is that some form of backup system such as a satellite system be considered to minimize lag time and ultimately customer satisfaction.



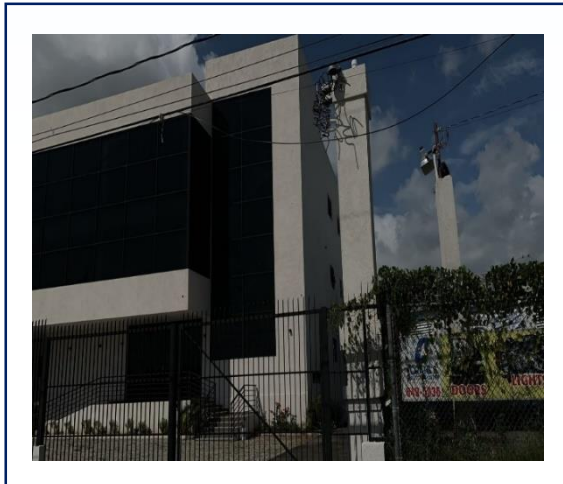
SITE/PROPERTY VISITS



TIP must be applauded for this worthwhile investment. The real estate value can only appreciate. This property boasts six one bedroom apartments with four already occupied. As seen in the photographs, these are very exquisite apartments with air conditioned rooms and beautiful landscaping. Prospective tenants were on site for viewing at the time of our visit

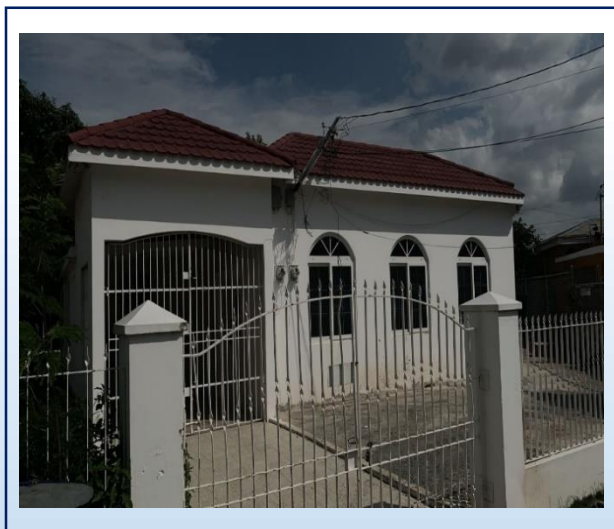
PORTMORE COMMERCIAL PROPERTY

- Excellent Commercial Investment property
- Ideally located in a growing population centre
- Revenue Earner – Excellent concept
- Currently unoccupied- Loss of revenue opportunities



PORTMORE RESIDENTIAL PROPERTY

- Property is currently occupied
- Evidence of recent maintenance activities
- Potential fire hazard resulting from the falling electrical tension pole connection.
- Landscaping challenges



DRAX HALL PROPERTY- ST. ANN



TIP must be commended for having acquired this property in a developing corridor.

- The property is prime Real Estate in excellent location
- Buzzing business hub
- Potential for excellent revenue generation

Recommendations:

- ✓ TIP is encouraged to increase efforts to occupy, rent or lease the property
- ✓ Explore engaging a property management company to enhance greater level of efficiency of property management.
- ✓ Debushing work must be continuous to avoid overgrowth.

CHECKS AND BALANCES – AUDITS

An internal review of the financial accounts of the organization was carried out in April 2023. Areas of focus were member's accounts, commercial property acquisition, staff loans, personnel files, head office construction and expenses incurred by the Board. For the most part the expenses incurred are in keeping with normal operation of the company.

In examining the Strategic focus, the committee made the following recommendations, comments and concerns. We were heartened that there was strategic focus "To improve records management for seamless storage and retrieval of member's data". We were able to locate supporting documents for transactions with ease as the process is being simplified and optimized. We are satisfied that the accounting system being used optimizes the functions and the future looks favourable. A broad over view was that expenses were being managed according to budget and the financial affairs of the company are in capable hands.

The proposal of Delinquency Management "To decrease the rate of delinquency on loans to under 4%" is laudable. However, as at Feb 2023 management has not been able to realize the goal of 4%. Some attention need to be given as it relates to this target as delinquency is currently at 5%. Direct strategies need to be implemented to constrain and curtail an upward spiral. It was commendable that none of the volunteers was found to be delinquent.

The review of the loans revealed compliance with standards. As per the loan policy, loans are satisfactorily serviced by salary deductions. The Committee was a bit concerned that the Credit Information Report was not placed on some of the files reviewed and made the necessary recommendations that this be remedied. The Committee is pleased to report that there have been marked improvements in the storage, handling and documentation of files and pertinent information is much more accessible.

The construction/upgrade of Head Office is complete. TIP members continue to enjoy the new more spacious and aesthetic surroundings. The overall outlay included: upgrade of elevator system, expansion of the customer service areas, extension of the waiting areas, enhancement of the staircase, painting and landscaping of the external facility.

General recommendations for consideration

- Increase collaboration with contact teachers to facilitate increase members and member saving
- Increase effort to occupy/lease/rent properties
- Product innovation to increase savings (Increase insurance related products, members assets building portfolio)
- Data driven decision making to established performance targets

- Robust security system (rapid response team for all branch offices)
- Update the Society's Policies documents
- Standardized Branch layout and operations

Expressions of Gratitude

Commendations are in order for the astute guidance of the Registrar, Mr. Gallimore and his team of regulators. Their clinical supervision of TIP's operation enabled the success of our work.

We were also extremely grateful for the cooperation extended to us by the Board of Management in the execution of our duties and commend the insight demonstrated.

Thanks to the members of staff for your support of the Committee during our tenure as you made yourselves available for our requests, interviews and various other matters. We appreciate your willingness to work cohesively with us while we sought to fulfill the mandate we were assigned.

Conclusion

The Committee is grateful for the confidence vested in us by TIP's membership and we were inspired to serve you with humility and pride. The Supervisory committee has worked assiduously to maintain the standards for supervision to ensure that the organization achieves its mandate.

The Supervisory Committee acknowledges the fact that amidst unstable economic conditions, TIP Friendly Society continues to experience robust growth. We are fully cognizant that there are challenges, but we know that now is the time to work together for the sustainable re-imaging of the TIP Friendly Society brand.

LouAnn Bramwell-Shakes
Secretary

Philmore McCarthy
Chairman



TIP Friendly Society

TIP ONLINE BANKING

SIGN UP TODAY!

- ⦿ Go to **www.tipfriendly.com**
- ⦿ Click the **E-Banking** link
- ⦿ On the Login Page, select **Sign-Up**
- ⦿ Complete the required details and click **SUBMIT**

That's it!

Within 48 hours your Online Banking Profile will be created and you will enjoy the benefits of the TIP Online Banking platform.

Features:

Withdrawals
Transfer of Funds within your TIP Accounts
View and Request Statements
24/7 Online Access

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Half-Way-Tree: 876-618-1914 | Mandeville: 876-877-5268 | Ocho Rios: 876-877-5267 | Montego Bay: 876-382-7289

* Conditions Apply

MANAGEMENT PROGRESS REPORT

TIP Friendly Society is profoundly grateful to the following groups that went beyond the call of duty to ensure that the organization prospered during challenging times:

- our Membership who saw the value of TIP and supported us despite the ravages of the pandemic and the socio-economic environment.
- The Board for its policy direction and steady leadership
- Our valuable and hardworking staff that showed us their resourcefulness and their dedication to the tasks at hand, especially during crunch times.

The growth of our organization over the last few years has been phenomenal. At the end of fiscal 2019 we had an asset base of \$3.276 billion and three years later (December 31, 2022) our asset base stood at \$6.072 billion. We have continued to entice our membership with our market driven product offerings and the best service offerings among our peers. Our strategic direction is to ensure a bright future that is full of continuous growth and potential for our members and ultimately the Society.

The operations of TIP Friendly Society are undertaken from our four (4) locations, namely:

- Head Office, 80 Half Way Tree, Kingston 10 and
- Three (3) other locations, namely:
 - o Montego Bay: The Annex, Unit 27A in Fairview Park, Montego Bay, St. James on the first floor. This branch serves the teachers of St. James, Hanover, Westmoreland and Trelawny.
 - o Mandeville: Lot #3, 24C Caledonia Road, Mandeville, Manchester. We are now serving members in the parishes of St. Elizabeth, Manchester, Clarendon and Southern Trelawny.
 - o Ocho Rios: Ocean Village Shopping Centre, Shop 8, Ocho Rios, St. Ann. This branch serves the members in the parishes of St. Ann, St. Mary and Northern Trelawny.

Members are also able to access our product offerings through our team of Business Development officers, our mobile and pop-up stops and via our online banking services.

The staff complement is as detailed below:

LOCATIONS	STAFF COMPLEMENT		
	Permanent	Contract	Total
Head Office	53	5	58
Mandeville	6	1	7
Montego Bay	6	0	6
Ocho Rios	6	0	6
Total			77

RESIGNATIONS/TERMINATIONS (since our last AGM)

NAMES	POSITIONS HELD	YRS OF SERVICE	REASON FOR DEPARTURE	YEAR RESIGNED/TERMINATED
Mark Shaw	Receptionist	Contract	Resigned	2022
Amanda Harris	Accounting Clerk	3 years	Resigned	2022
Yanique Johnson	Accounting Clerk	4 years	Resigned	2022
Damarley Facey	Delinquency Officer	5 years	Resigned	2022
Dawn Ebanks	Financial Controller	3 years	Resigned	2022
Christopher Carr	Mandeville Cashier	12 years	Terminated	2022
Donya Jones	Delinquency Clerk	4 years	Resigned	2022
Zarifa Roberts	CSR- Call Center	3 years	Resigned	2022
Terry-Ann Jarrett	Human Resource Clerk	3 years	Terminated	2022
Geronimo Robinson	Janitor	16 years	Resigned	2022
Sharon Slowly	Branch Supervisor	21 years	Resigned	2023
Charmaine Collins-Gordon	Member Accounts Supervisor	19 years	Resigned	2023
Shakinah Morgan	Human Resource Clerk	4 months	Resigned	2023
Camille Archibald	Marketing Supervisor	20 years	Resigned	2023
Moesha Walters	Claims and Underwriting Clerk	3 years	Resigned	2023
Tosheba Gordon	Financial Accountant	4 years	Resigned	2023
Antonette Brown-Hewitt	Branch Supervisor	20 years	Resigned	2023

We wish these former employees well in their future endeavors.

Job Evaluation/Reclassification

In November 2022, we implemented a job evaluation/reclassification exercise which started during the prior year. We now have a salary scale for the 1st time in our history. This allows for an orderly placement and compensation of all categories of staff.

STRATEGIC PLANNING RETREAT

The following strategic goals were adopted by the Committee of Management at the Strategic Planning Retreat held at the Royalton Hotel, Negril, Westmoreland from December 16 - 19, 2022. The implementation of the strategies by the Management Team began in January 2023.

KEY STRATEGIES FOR 2023	IMPLEMENTATION DATES 2023
To Update 4 HR policies to meet business needs (Claims, Flexi work, Health & safety)	By the end of quarter 4
Develop a staff handbook- This will include dress code, grooming, mission and vision statement, workplace etiquette, etc.	By the end of quarter 4
To decrease the rate of delinquency on loans to under 4%	By the end of quarter 4
To leverage the brand to meet annual sales objective of \$1.2B for 2023.	By the end of quarter 3
Improve turnaround time for processing internal claims to 12 days	By the end of quarter 4
To hold unidentified deposits at the December 2021 level of \$40M	By the end of quarter 4
To achieve \$7.3B Asset base	By the end of quarter 4
Ensure best practice operations through bursar admin portal	By the end of quarter 4
To increase savings by 10% (\$300M) over prior year	By the end of quarter 4
Targeted revenue booster through meetings with members	By the end of quarter 2

PERFORMANCE

Year over year the Society experienced significant growth in its

- 1) Asset Base
- 2) Loan Portfolio
- 3) Surplus

Our asset base as at December 31, 2022 was \$6.072 billion, while our loan portfolio surpassed \$3.9 billion, and we recorded a surplus of \$141.2M. This was however lower than prior year largely due to a significant adjustment of \$121.3 for expected credit losses (ECL). The sizeable increase in ECL provision is not expected to recur and we expect growth in surplus in the coming years.

We ended the year 2022 with a delinquency rate of 4.12% (see delinquency table). We have put strategies in place to monitor the ratio to keep it below the international standard of 5%.

5-year Delinquency Table

DELINQUENCY TREND ANALYSIS					
	2022	2021	2020	2019	2018
JANUARY	3.99%	3.78%	6.61%	4.00%	4.65%
FEBRUARY	3.95%	3.51%	6.03%	4.36%	4.98%
MARCH	4.55%	3.76%	6.48%	4.31%	5.35%
APRIL	3.62%	3.77%	6.26%	4.57%	4.35%

DELINQUENCY TREND ANALYSIS					
	2022	2021	2020	2019	2018
MAY	3.82%	3.51%	5.85%	4.65%	4.28%
JUNE	4.08%	4.18%	5.69%	5.16%	4.15%
JULY	3.40%	3.04%	5.49%	5.52%	4.03%
AUGUST	4.17%	3.27%	5.21%	5.37%	3.57%
SEPTEMBER	4.41%	3.08%	5.07%	5.08%	3.66%
OCTOBER	4.41%	2.65%	4.20%	5.00%	3.81%
NOVEMBER	5.06%	3.89%	4.34%	5.42%	4.14%
DECEMBER	4.12%	4.23%	4.48%	5.95%	4.26%

MARKETING COMMUNICATION AND INSURANCE

This department continues to promote and bring greater awareness to the TIP brand within the Education Sector. The team is led by Marketing Manager, Mrs. Judy Miller-Smith. She was appointed to this position in 2019. At the head office, she is supported by the Insurance Supervisor, Mrs. Patricia Williams-Coore and a knowledgeable and experienced team of Marketing, Communication and Insurance specialists who work assiduously to exceed our customer experience. Additionally, in the field are our Business Development Officers (listed below):

NAMES	PARISHES	BRANCHES
Kajha Cunningham	Westmoreland, Hanover, and St. James	Montego Bay
Richard Mollison	St. Ann, Trelawny and St. Mary	Ocho Rios
Marquez Cole	St. Elizabeth and most of Manchester	Mandeville
Cadiann Calvert-Jackson	Kingston and St. Andrew	Head Office
Necola Wilson	St. Catherine	Head Office
Leon Barnaby	Clarendon and parts of Manchester	Mandeville
Sheldon Samuels	St. Thomas, Portland, and outskirts of St. Andrew	Head Office

OUR CORPORATE SOCIAL RESPONSIBILITY

According to a well-known economist, Milton Friedman, “There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”.

With the annual allocation of \$6.0 million approved by you, our membership, TIP continued its engagement with stakeholders via sponsorship of fundraising efforts of educational institutions, churches, and other non-profit organizations in fulfilling our corporate and social responsibilities. TIP has been able to assist our various stakeholders despite the challenging financial climate in which we operate

THE FUTURE

We are certain that there will be challenges in the future, however, we have demonstrated our capacity to manage through the bad times as well as the good times. We are well prepared for the future. Exceeding the needs of our members and growing the value of TIP Friendly Society are our primary goals.

The skillful use of cutting-edge technology will be the driving force behind our forward thrust. We will be increasing the use of social media as well as traditional media to enhance communication with you. TIP has built an enviable record of good customer service, fast turnaround time and quick response to customer concerns. Going forward we intend to move the bar even further, to be ahead of our members' needs.

TIP is in the process of establishing a new company to manage our real estate and investment businesses. With this entity we are planning to leverage our insurance knowledge and experience by entering the general insurance market, offering brokerage services to members who have purchased motor vehicles with loans from us.

We must update you that we have completed work on the following real estate properties:

- a. Cookson Pen, Braeton, St. Catherine: A commercial investment. We are actively seeking to have this 26,000 square feet property rented.

- b. The apartment complex in Mona is now complete. We built an apartment complex of six one-bedroom units. Five have been rented so far.
- c. The Head Office has been beautifully renovated to make your visits with us more comfortable.

These properties will provide significant revenue streams to the Society to complement our existing streams.

CONDOLENCES

We must express our condolences to those members who suffered losses during 2022. Although the passing of our family members saddens us, we feel a deep sense of satisfaction that TIP continues to help in your time of need.

CONCLUSION

We thank you for your continued patronage of TIP Friendly Society. Many thanks too, to our dedicated and hardworking volunteers and staff for always putting TIP Friendly Society first. Your tireless and invaluable service have helped us to increase the status of the Society.

We are forever grateful for your commitment, loyalty and confidence in this great organization. There would be no TIP without you. Always be reminded "serving you is our pleasure!".

NOMINATING COMMITTEE REPORT

In accordance with the provisions of article 20 in section 20.0 of the Rules of the Society, the Committee of Management appointed a Nominating Committee which comprised of the following persons.

Mr. Howard Isaacs	-	Chairman
Miss Charlene Davis	-	Member
Mr. Wilton South	-	Chief Executive Officer

The Committee met on April 28, 2023.

A transformational approach was taken in choosing the nominees. We looked at a set of criteria for the selection of the Board and Committees. These include having the relevant skills and knowledge of financial matters as well as willingness to serve. We ensure that persons nominated are from different sectors in Education, tertiary, secondary, primary, and early childhood. The nominees include Presidents of JTA, Education Officers, Principals, Ministry of Education Staff, Principal Lecturers and Classrooms Teachers. All the nominees are fit and proper to serve. Below is the slate of members currently serving and those nominated to serve.

Members of the Committee of Management

As per Article 22, Section 1, the following are persons retiring and recommended for nominations to the Committee of Management.

PARISH REPRESENTED	RETIRING	RECOMMENDED	TERM IN OFFICE
St. Andrew	Ms. Tamashella Smith, Principal, Mt. Fletcher Primary	Ms. Tamashella Smith, Principal, Mt. Fletcher Primary	3
Clarendon	Mr. Gregory King, Education Officer, St. Elizabeth	Mr. Gregory King, Education Officer, St. Elizabeth	3
Hanover	Ms. Nadienne Crossman, Principal, Mt. Peto Primary	Ms. Nadienne Crossman, Principal, Mt. Peto Primary	3
Westmoreland	Mr. Norman Allen Regional Officer JTA-West	Mr. Norman Allen Regional Officer JTA-West	3
Manchester	Mrs. Cecelia Grant- Francis, Retired Principal, Porus Primary	Kaydian Scott, Teacher, Christiana Moravian Primary	3
Trelawny		Mrs. Mona Ennis, Principal, Falmouth Infant	1
St. Mary		Ms. Maureen Cunningham-Johnson, Retired Education Officer, Ministry of Education	1
St. Thomas		Mrs. Jacqueline Hendricks-Whyte, Principal, Lyssons Centre of Excellence	1
At Large		Dr. Garth Anderson, Principal, Church Teachers' College	1

PARISH REPRESENTED	RETIRING	RECOMMENDED	TERM IN OFFICE
At Large		Mr. Ray Howell, Retired Principal, Edith Dalton James High	1
Kingston		Ms. Audrey Williams, Retired Principal, Denham Town High	1
Youth Representative	Miss Jodi-Ann Evans, Teacher, Jessie Ripoll Primary School	Miss Jodi-Ann Evans, Teacher, Jessie Ripoll Primary School	1
St. Catherine		Clayton Hall, Deputy Secretary General, Member Service and Industrial Relations, Jamaica Teachers' Association	2
St. Elizabeth		Ms. Lola Bennett, Senior Lecturer, Church Teachers' College	2
St. James		Mrs. Sheron Matheson, Principal Lecturer, Sam Sharpe Teachers' College	2
St. Ann		Howard Isaacs, Principal, Moneague College	2
Portland		Ms. Claudia McLean, Principal, Norwich Primary, Portland	2

Members of the Credit Committee

As per article 28, Section 1 (i), the following are persons retiring and recommended for nomination to the Credit Committee.

RETIRING	RECOMMENDED	TERM
	Ms. Sandra Hunter, Lecturer, GC Foster for Physical Education	1
Ms. Erica Ewbanks, Principal, Garvey Maceo High School	Ms. Erica Ewbanks, Principal, Garvey Maceo High School	2
Kaydian Scott, Teacher, Christiana Moravian Primary School	Mrs. Ceceila Grant- Francis, Retired Principal, Porus Primary	2
	Mr. Winston Smith, Principal, Golden Spring Primary	1
	Mr. Rohan Johnson, Senior Teacher, Denham Town High School	1

Members of the Supervisory Committee

As per article 29, Section 1 (i), the following are persons who served the Supervisory Committee and those recommended to the Committee.

RETIRING	RECOMMENDED	TERM
Mrs. Camille Davis-Williams, Principal, St. Paul's Primary School	Mrs. Camille Davis-Williams, Principal, St. Paul's Primary School	1
Mr. Philmore McCarthy, Principal, Excelsior Community College	Mr. Philmore McCarthy, Principal, Excelsior Community College	1
Mr. Colin Spence, Principal, Mount Moreland Primary and Junior High School	Mr. Colin Spence, Principal, Mount Moreland Primary and Junior High School	1
Mrs. Lou-Ann Bramwell-Shakes, Teacher, Hayes Primary and Junior High School	Mrs. Lou-Ann Bramwell-Shakes, Teacher, Hayes Primary and Junior High School	1
Mr. Leاون Nash, Administrative Officer, Communication and Public Relations, JTA	Mr. Leاون Nash, Administrative Officer, Communication and Public Relations, JTA	1



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Let's KEEP IN TOUCH!



Our members are very important to us and we want to stay in touch.

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BOARD MEMBERS



Dr. Garth Anderson
PRESIDENT
Member-At-Large



Claudia McLean
VICE PRESIDENT
Portland



Lola Bennett
SECRETARY
St. Elizabeth



Clayton Hall
TREASURER
St. Catherine



Sheron Matheson
ASSISTANT SECRETARY
St. James



Norman Allen
ASST. TREASURER
Westmoreland



Tamashella Smith
EXECUTIVE MEMBER
St. Andrew



Howard Isaacs
St. Ann



Audrey Williams
Kingston



Maureen Cunningham-Johnson
St. Mary



Gregory King
Clarendon



Jacqueline Hendricks-Whyte
- St. Thomas



Cecelia Grant-Francis
Manchester



Nadienne Crossman
Hanover



Mona Ennis
Trelawny



Ray Howell -
Member-At-Large



Jodi-Ann Evans
Youth Rep

CREDIT COMMITTEE



Winston Smith
CHAIRPERSON



Erica Ewbanks
SECRETARY



Sandra Hunter



Rohan Johnson



Kaydian Scott

SUPERVISORY COMMITTEE



Philmore McCarthy
CHAIRPERSON



Lou-ann Bramwell-shakes
SECRETARY



Colin Spence



Leاون Nash



Camille Davis-williams

MANAGEMENT TEAM



- Roger Watson
Chief Information Technology Officer
- Judy Miller-Smith
Marketing, Communication & Insurance Manager
- Judith Wilson
Branch Operations Manager
- Carlinton Montgomery
Financial Controller
- Edward Welsh
(Training, Welfare, Procurement & Property Officer)
- Sharon Carey
HR & Operations Manager
- Wilton South
Chief Executive Officer

BUSINESS DEVELOPMENT OFFICERS



Cadiann Calvert-Jackson
Kingston, St. Andrew



Sheldon Samuels
St. Andrew, St. Thomas, Portland



Kajha Cunningham
St. James, Hanover, Westmoreland



Richard Mollison
St. Mary, St. Ann, Trelawny



Leon Barnaby
Mandeville, Clarendon



Necola Wilson
St. Catherine



Marquez Cole
St. Elizabeth, Manchester

CEO's OFFICE



Wilton South (CEO)
Jade Cespedes (Executive Asst.)

CLAIMS UNIT



Patricia Williams-Coore (Claims & Underwriting Sup.)
Yanique McLean, Kerrion Jackson- Cousins,
Ackeem Mitchell
Missing: Sasha-Gay Dean & Sharneil Smith

DELINQUENCY UNIT



Rikane McDaniel (Senior Delinquency Officer)
Levar Pearson, Derisa Robinson & Brianna Adamson

FINANCE UNIT



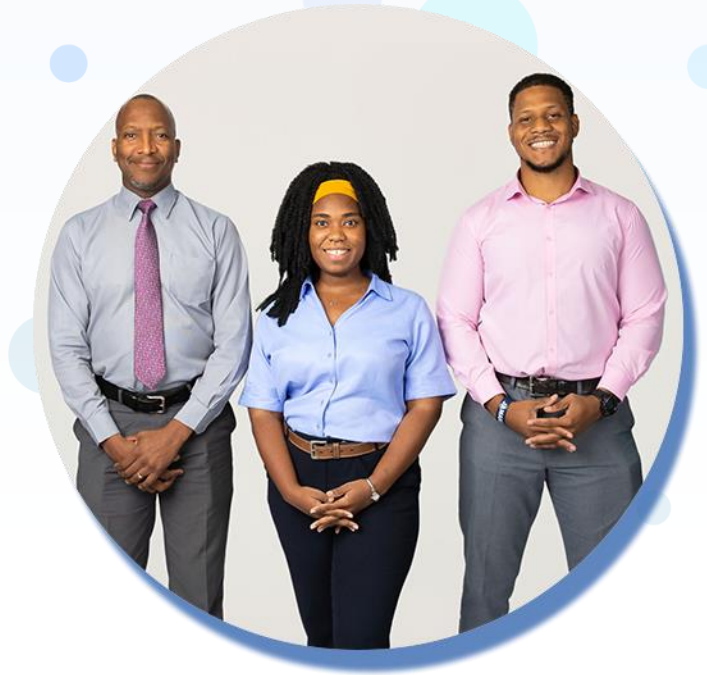
Carlinton Montgomery (Financial Controller)
Camoy Berry, Brittany Knott, Annette Adair
(Payables & Treasury Sup.),
Antonette McKenzie-Burnett & Povell Coubrie
Missing - Keana Samuels

HUMAN RESOURCE DEPARTMENT



Chamalie Bahadur, Edward Welsh
Sharon Carey (*HR & Operations Manager*)
Missing: Renee Davis & Shannon McKenzie

IT DEPARTMENT



Roger Watson (*Chief Information & Technology Officer*), Rashida Nelson & Khadeem Nelson

MAINTENANCE UNIT



Edward Welsh (*Training, Welfare, Procurement & Property Officer*), Astley Montaque, Shantel Henry, John Emery *Missing:* Kebra Gayle & Calliston Russell

MARKETING UNIT



Cadiann Calvert-Jackson, Necola Wilson, Alyssa Adams Daneal Reid & Judy Miller-Smith (*Marketing, Communication & Insurance Manager*)

MEMBER SERVICE HEAD OFFICE



Selene Samuels, Judith Wilson (*Branch Operations Manager*), Renae Morrison, Roxanne Brown-Powell Novelette Campbell-Myton, Camille Cranston Natalee Palmer, Cha-Ann Freeman-Wilson *Missing* - Sharmaine Campbell, Jermaine Evans Khdine Clarke (*Branch Supervisor*) & Marion Williams-Brown

MEMBERS ACCOUNTS UNIT



Dahlia Reid-Johnson, Corey Dennis Tashema Drummond, Omario Allen, Shanna Tyrell Kimberly Bryce, Jasiann Reid & Donnaley Drummonds-Mills (*Team Lead*)

MEMBER EXPERIENCE



Sheron Grizzle-Palmer, Brian Murray, Loy Grant (*Senior Member Experience Officer*) & Orlando Bryan

MONTEGO BAY BRANCH



Olive Garel (*Senior Member Service Rep*)
Tresan Thomas, Ann-Marie Hastings &
Kajha Cunningham
Missing - Kareen Robinson-Linton

OCHO RIOS BRANCH



Richard Mollison, Paulette Cooper, Judith Cooper
(*Branch Supervisor*), Simone Rowe-Morgan
Missing - Orville Bailey & Moya-Lee Dickenson-
Harvey

MANDEVILLE BRANCH



Marquez Cole, Kerry-Ann Gayle-Bird, Jovani Miller
Britnie Tulloch, Gregrian Sutherland & Leon Barnaby

OBITUARIES 2022

COUNT	SURNAME	CHRISTIAN	NAME OF SCHOOL	SCHOOLS/PARISHES
1	BANTON-ELLIS	ANTOINETTE	VERE TECHNICAL HIGH	CLARENDON
2	GOLDING-MCLEGGON	ANN-MARIE	LENNON HIGH	CLARENDON
3	ROBB	ANN	GARVEY MACEO HIGH SCHOOL	CLARENDON
4	ESSON	KARLENE	ROUSSEA PRIMARY	KINGSTON
5	HALL-JONES	SHAZE-ANN	ST. ANDREW HIGH FOR GIRLS	KINGSTON
6	SALMON-SWABY	HAIIDIE	ORMSBY HALL PRIMARY	KINGSTON
7	WARREN	ALTHEA	WINSTON JONES HIGH SCHOOL	MANCHESER
8	COX	JOYCELYN	NEW GREEN PRIMARY & JNR. HIGH	MANCHESER
9	DENNIS	DENISE	NEWTON PRIMARY	MANCHESER
10	WILBURN	TYRONE	WOODLAWN SCHOOL	MANCHESTER
11	ROWE	AUDREY	MAY DAY HIGH	MANDEVILLE
12	ALLEN-THOMAS	KAYANN	MCINTOSH MEMORIAL PRIMARY	MANDEVILLE
13	ARCHIBALD-LEMON	COLINATE	CHURCH TEACHERS COLLEGE	MANDEVILLE
14	ALLEN-EDWARDS	MARGARET	RETIRED - BUFF BAY HIGH	PORTLAND
15	DALEY	KARLENE	ST. RICHARD'S PRIMARY	ST. ANDREW
16	BREMMER	ENID	STS. PETERS & PAUL PREP.	ST. ANDREW
17	RAMSAY	PHYLLIS	ST. ANDREW PREPARATORY	ST. ANDREW
18	FREEMANTLE	FAYRONA	BREADNUT HILL PRIMARY	ST. ANN
19	BRAMWELL MCFARLANE	DELORIS	DISCOVERY BAY ALL AGE	ST. ANN
20	HALL	KARLEEN	ROSE HILL ALL AGE	ST. CATHERINE
21	PARK	DAWNETTE	BRAETON PRIMARY & JNR. HIGH	ST. CATHERINE
22	GIDDEN	JENNIFER	CHARLEMONT HIGH	ST. CATHERINE
23	HENRY	SHEREEN	POINT HILL LEASED ALL AGE	ST. CATHERINE
24	STEER	DESRENE	BRAETON PRIMARY & INFANT	ST. CATHERINE
25	MURRAY	JULIAN	PORTMORE COMMUNITY COLLEGE	ST. CATHERINE
26	BALL-MURPHY	SEDONEY	GUYS HILL HIGH SCHOOL	ST. CATHERINE
27	MAITLAND	KAREN	BALACLAVA PRIMARY	ST. ELIZABETH
28	TOMLINSON	AMOSY	BLACK RIVER HIGH	ST. ELIZABETH
29	MUNROE	RICHARD	SAVANNA-LA-MAR PRIMARY	ST. ELIZABETH
30	WILLIAMS	MARSHA	ST. JAMES HIGH	ST. JAMES
31	FAIRCLOUGH	CHARMAINE	ST. JAMES HIGH	ST. JAMES
32	NISH	SAMUEL	ANCHOVY HIGH	ST. JAMES
33	FRAZER-HYDE	ODETTE	MT. NEBO PRIMARY	ST. JAMES
34	BROWN	VELMA	GALINA PRIMARY SCHOOL	ST. MARY
35	WILSON	MAXWELL	JACKS RIVER PRIMARY	ST. MARY
36	EDWARDS	DENNIS	TACKY COMPREHENSIVE HIGH	ST. MARY
37	HOWELL	DONALD	RETIRED - ST. MARY TECHNICAL	ST. MARY
38	HENRY-HOWELL	ROSE	WAIT-A-BIT ALL AGE	TRELAWNY
39	WALTERS	VINETTE	WAKEFIELD PRIMARY	TRELAWNY
40	JOHNSON-LINDO	ANN MARIE	DUNCANS ALL AGE	TRELAWNY
41	GARDINER	ANDREL	CAIN CURRAN ALL AGE	WESTMORELAND
42	SPENCE	LOY	GRANGE HILL HIGH	WESTMORELAND
43	JAMES	CHARMAINE	PETERSFIELD HIGH	WESTMORELAND

