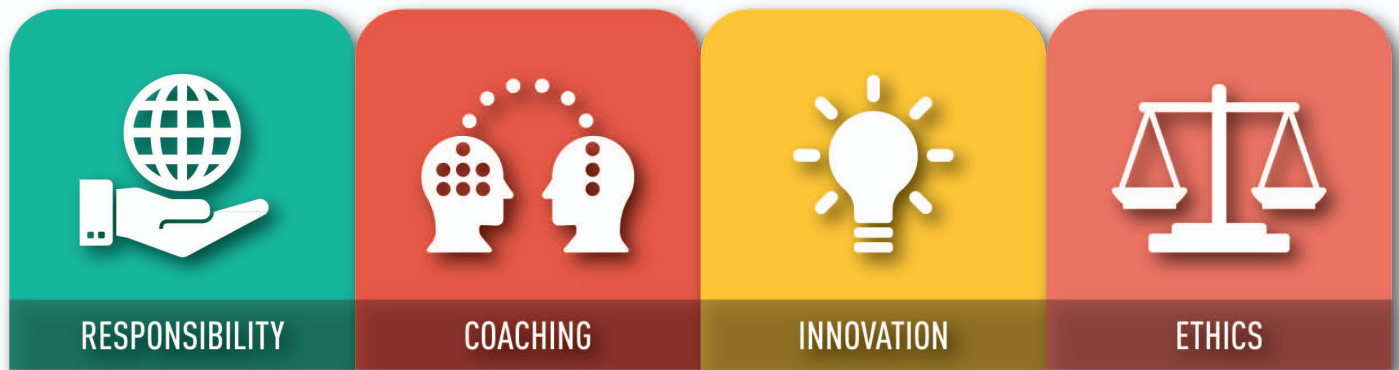




**TIP** Friendly  
Society

2019  
ANNUAL  
REPORT



# MISSION

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

# VISION

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.







# 2019

ANNUAL REPORT  
TIP Friendly Society

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**2019**  
ANNUAL REPORT  
**18<sup>th</sup> ANNUAL GENERAL MEETING**

## **NOTICE OF ANNUAL GENERAL MEETING**

The Board of Management of TIP Friendly Society hereby gives notice of its 18<sup>th</sup> Annual General Meeting to be held on

**Saturday, July 25, 2020  
starting at 9:00 am  
The Jamaica Conference Centre,  
14- 20 Port Royal Street, Kingston.**

In light of the current social distancing restrictions caused by the COVID-19 pandemic only 200 members will be able to join us physically.

For the 200 members registered to attend, kindly note the following:

1. All persons attending will be required to wear a mask;
2. Temperature checks will be administered to all persons in attendance;
3. All persons attending will be required to use the sanitizers provided before entering the room;
4. If you are experiencing flu like symptoms please do not attend;
5. All social distancing protocols will be observed;
6. Members 75 years and over and those with weakened immune systems as well as those with conditions like diabetes, cancer, asthma and chronic lung disease that are more susceptible to infections, should not attend the meeting.

Registration begins at 7:00 am. Parking will be made available at the UDC's Parking Lot. Members please take your valid government-issued Identification Cards.

### **For members registered to join us via live stream**

1. Registration for live streaming will open on Friday July 17, 2020 at 8:30 am and close on Monday, July 20, 2020 at 4: 30 pm.
2. An email with your login and password will be sent 24-48 hours before the AGM.

**Lola Bennett (Ms.)**  
**Secretary**  
**July 10, 2020**





**TIP** Friendly Society



## 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
  - Greetings, President, JTA, Mr. Owen Speid
  - Greetings, President, JCCUL, Mr. Winston Fletcher
7. Reading, Amendments & Correction of Minutes
8. Confirmation of Minutes
9. Matters Arising from Minutes
10. Report of the:
  - a. Committee of Management
  - b. Treasurer/Auditors
  - c. Credit Committee
  - d. Supervisory Committee
  - e. General Manager
11. Fixing of Maximum Liability
12. Appropriation of Surplus
13. Report of the Nominating Committee
14. Elections to the:
  - a. Committee of Management
  - b. Credit Committee
  - c. Supervisory Committee
15. Adjournment





**TIP** Friendly  
Society

**KEEP THOSE WHO  
MATTER SMILING**



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**TIP** Friendly Society



**MINUTES**

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**MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF TIP FRIENDLY SOCIETY HELD ON FRIDAY, MAY 24, 2019 AT THE JAMAICA CONFERENCE CENTRE, 14 - 20 PORT ROYAL STREET, KINGSTON.**

### **CALL TO ORDER**

The presence of a quorum was determined by the Board Secretary, Miss Lola Bennett, at 9:30 a.m. when two hundred and thirty-three (233) members had registered. The President and Chairman, Mr. Ray Howell, invited the Secretary to read the notice convening the meeting.

Mr. Howell, then called the meeting to order at 9:35 a.m. and requested that Mr. Edward Welsh lead the devotional exercise.

### **OBITUARIES**

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

Cynthia Campbell	Revival All Age	Westmoreland
Elizabeth Harvey	Sheffield All Age	Westmoreland
Racquel Simmonds	Edith Dalton James High	St. Andrew
Daphney Johnson	John Mills Primary	Kingston
Christopher James	Brimmer Vale High	St. Mary
Careen Clarke-Williams	Jericho All Age	Hanover
Sophia Graham	White Marl Primary	St. Catherine
Yvette Graham	Yallahs Primary	St. Thomas
Simone Whyte	Campion College	St. Andrew
Evine McLean-Williams	Christina High	Manchester
Murlene Douglas	Frankfield Primary	Clarendon
Angela Demetrius-Wilson	Marcus Garvey Technical	St. Ann
Jennifer Lindsay	Marlie Mount Primary & Junior High	St. Catherine



**TIP** Friendly Society



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David Campbell

Sean Hylton

Annette Fraser

YWCA

Knox Community College

TIP Friendly Society

Kingston

Manchester

Kingston

A minute of silence was observed followed by prayer from Vice President, Lawrence Graham.

### APOLOGIES FOR ABSENCE

Apologies for absence were tendered on behalf of:

Mrs. Sheron Matheson

Morris Edwards

Albert Corcho

Assistant Secretary

Member

Member

Board of Management

Supervisory Committee

Credit Committee

### OPENING REMARKS, WELCOME AND INTRODUCTION

The Chairman extended a warm welcome to all attendees at the 17<sup>th</sup> Annual General Meeting of TIP Friendly Society and expressed gratitude to Pastor Paul Hemmings for setting the right tone for the proceedings.

He noted that the AGM was being held during the commemoration of Worker's Week when the tireless efforts of workers, who invested their time, talent and treasure for the greater good of our nation, were being celebrated and urged all to build on the legacy that has been laid by those who preceded us. He stated that the TIP team was quite active at the Central High School on Labour Day.

President Howell also reminded the members that Child's Month was being celebrated during the month of May, when, as stakeholders we were highly conscious and mindful of the roles played by educators in nurturing and supporting our children in the various institutions of learning.

The AGM, he stated, was being held against the background of the theme, **Charting New Frontiers**. "It suggests a consciousness of the environment in which we operate; hence the need to be creative and innovative as we strive to satisfy the diverse needs of our members through the various offerings at TIP Friendly Society."





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He mentioned that with a membership of approximately 23,000, TIP Friendly Society is one of the fastest growing and most profitable institutions of its kind in Jamaica and the Caribbean. The President thanked the members for their selflessness and loyalty to the TIP Brand and assured them that both Staff and volunteers remain committed to abide by the mantra, **Serving You is our Pleasure**. It was in the spirit of service, therefore, that he welcomed all to the 17<sup>th</sup> Annual General Meeting.

He extended special welcome to the Committee of Management and introduced each member, from the various parishes, who stood to be recognized.

The management team, members of staff and the Credit and Supervisory Committee members present were also introduced.

A special welcome was extended to the following representatives from:

The Department of Co-operatives and Friendly Societies: Mrs. Sheryl Brown, Ms. Ann-Marie Wallace, John Hutchinson and Alvin Williams

The Audit Firm BDO: Reynald McFarlane and Ms. Jacqueline Roberts

The Stenographer: Ms. Joyce James

The President of the Jamaica Teachers' Association: Dr. Garth Anderson

The National Union of Co-operative

Societies: Mr. Brown

Pastor Paul Hemmings, contact teachers, new members, those attending the AGM for the first time, Miss TIP Friendly Society, Marla Gaye Taylor from Church Teachers' College and all loyal, committed members were also duly acknowledged.

In celebrating the achievements over the years, the Chairman asked all persons present to reflect on the five (5) W's of life and urged everyone to participate in the deliberations and discussions as new frontiers are being charted for the members.

## **GREETINGS**

### **PRESIDENT**

#### **The Jamaica Teachers' Association (JTA)**

The President of the JTA, Dr. Garth Anderson was then invited to bring greetings on behalf of the teacher-based organization. Dr. Anderson applauded and thanked the management team for the work done in enhancing the wealth and well-being of all teachers and those associated with education.

He expressed the hope that the reports presented by the leaders, would underscore the many creative ways and measures being implemented to ensure that they build on the solid foundation which has been laid.



**TIP** Friendly Society



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In speaking as a member of TIP, he stated that he had benefitted from the Society and was therefore speaking from a position of great knowledge and experience; about something with which he was truly acquainted. He confidently expressed that as an organization, there was much to be proud of especially in terms of the excellent customer service and the use of technology to enhance efficiency.

Amidst these achievements, however, he urged the team not to be complacent, but challenged them to think creatively in order to advance the financial wealth and well-being of all stakeholders.

He extended congratulations to the team for a job well done and expressed the hope that all members would continue to give them their full support and reap the benefits of their labour.

### **CONFIRMATION OF THE MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON SATURDAY, MAY 19, 2019**

The minutes were taken as read on a motion moved by Deslyn Brown Ferguson (Greenwich Primary), and seconded by Suzette Baker Tulloch (York Town Primary).

#### **Corrections to the minutes:**

Page 15, under St. Mary, 'Minister' should read 'Ministry of Education'

Page 17, Ruth Ann Dailey should read Ruth Ann Bailey

The minutes were unanimously confirmed on a motion moved by Mr. Rushane Morgan (Mandeville Primary) and seconded by Linette Francis (Davis Primary).

#### **MATTERS ARISING**

1. Donna Greenwood (Charlemont High School) queried (Page 17) whether the suggestion to distribute tokens to the schools for Teachers' Day was given any consideration, as was promised, because some schools were not in close proximity to the offices of the Society. Assistant Treasurer Clayton Hall explained that as a financial institution tokens are not provided for each member, but some were made available at the offices for persons who visited on that day. This was the general practice in most institutions, as it was not possible to undertake the provision of tokens for each school. He suggested that the AGM could vote to have tokens provided for each member but added that this would significantly impact the dividend they would receive as the provision of the tokens would be too costly.

The President added that JTA spent \$26M on tokens last year, and he was unaware of any other financial institution that undertook such an expensive venture.



**TIP** Friendly Society



**MINUTES**

**2019**

**18<sup>th</sup> ANNUAL GENERAL MEETING**

He apologized for the challenges experienced regarding the issuing of tokens in recognition of Customer Appreciation Day, during Education Week, which carried over into Teachers' Day.

2. Christine McIntosh (Duhaney Park Primary School) complained that on arrival, she was informed by the security officer that she had to pay for parking and asked that the parking fee be reimbursed. The General Manager stated that parking in the metropolis was at a premium, and whilst it was their desire to have parking provided to all members who drive, it was just not possible. The Conference Centre only afforded fifty-four (54) parking spaces and it was on a first come-first serve basis. He expressed regret for the inconvenience to the member and stated that in the future the use of another venue may have to be considered. Miss McIntosh added that they should be informed before hand that members may be required to pay for parking so they could make a choice. The General Manager again apologized and stated that that would be taken into consideration in the future.

## **REPORTS:**

### **THE COMMITTEE OF MANAGEMENT**

President Ray Howell reported that the financial year ending December 31, 2018 was another year of expansion and

improved performance by the Society. They made a surplus of \$220.76 Million before appropriations; an increase of \$46.78 Million or 26.98% when compared to the previous financial year. This was achieved through the implementation of organic growth strategies, strengthening of the financial resources and the unyielding support and collaboration of our dedicated Board.

- He gave a brief overview of the Jamaican economy that saw inflation at the end of the year in low single digits.
- The Society continued to operate in a dynamic and rapidly changing environment which required that the organization adapt quickly and respond appropriately. Despite the harsh economic climate and the increased competition, the results reflected the Society's unwavering commitment to the building of deeper relationships with all stakeholders.
- Whilst diversifying the product offerings, much focus was placed on growing the core business and providing financial advice and solutions to the members.
- With the decline in yield on investment instruments, the team continued to be innovative by providing a wider suite of products and during 2018, the Quick Cash Loan, as well as the seasonal Christmas Loan were introduced.





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There was also an increased demand for the TIP Regular and Motor Vehicle Loans which all contributed to the 9.2% growth in the loan portfolio of \$1,951.27 Million at the end of 2018. The total loan portfolio now stands at approximately \$2 Billion.

- Assets now stand at \$3 Billion and investments at \$657.17 Million.
- The five-year analysis showed that the loan portfolio doubled over the period 2014 - 2018.
- Management of liquidity was executed by ensuring that risks remain within tolerable and viable bands as dictated by the regulators via the PEARLS Ratio.
- The Society's net loans to members increased by \$162.96 Million, closing the year at \$1,951.27M.
- While maintaining this unique status, the Society continued to measure performance against international standards by which other organizations are judged such as the PEARLS Ratio. The year ended with an awareness of the fact that IFRS9 took effect in January 2018.
- The Chair implored members who had not yet purchased the Creditor Life Insurance product to do so immediately in order to safeguard the interests of their families and estates.
- All major insurance products were reinsured for greater protection. Savings were placed in secure financial instruments backed by Government Financial Papers, and liquid assets were kept in a form that could easily be converted to meet the needs of the Society.
- The best secured rates in the market were negotiated as the organization had more liquid reserves than required to meet the loan needs. The liquidity ratio was reduced by increasing loan disbursements.
- It was imperative that operating expenses be reduced to the average asset ratio by creating greater income generating initiatives and instituting cost containment strategies.
- Volunteers were trained in the application of the Anti-Money Laundering (AML) and the Proceeds of Crime Act (POCA) as these skillsets are critical in monitoring the Society's implementation of AML and POCA, while protecting the Society against illegal and punitive actions.
- Delinquency continued to affect the Society's profitability and care was exercised in managing this area of the operations by pursuing members who were indebted to the Society and were not servicing their loans. The Delinquency Ratio at year-end was 4.26% compared to 4.62% in 2017.



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This marginal downward trend augers well in ensuring that it remains within the internationally recognized standard of 5%. It was emphasized that with the introduction of IFRS9, the Society would set aside a greater loan loss provision.

The Emortelle System which enabled real time transaction processing and integration of most of our operating functions is still operable.

- The Society continued to offer high quality service in the regional offices located in Mandeville, Montego Bay and Ocho Rios. The President informed the meeting that the Montego Bay branch is now located at the newly purchased office in Fairview Plaza.
- There was a moderate increase of 11.95% in members' contributions as a result of purchases of our insurance products by members whose contributions increased from \$208,164M in 2017 to \$233,037M in 2018. Mr. Howell urged members to upgrade their current plans to more meaningful and wise options in keeping with the financial costs associated with today's morbidity and mortality situations. He promised to have Miss Thompson address the meeting regarding a plan that was being discussed with the JCIA that would revolutionize the industry.
- He referred members to Table 4 on

Page 22 and pointed out that over the last three years, over \$101M was used to settle claims, in addition to money paid for reinsurance.

- Scholarships were presented to the Top boy and girl GSAT scholars from each parish. Financial support was provided for the best-performing awardees for another two years of their high school education.
- He noted that last year, the Society increased the monetary value of each of the categories of scholarships.
- Scholarships were also provided to teachers pursuing undergraduate and post-graduate studies at local universities.
- Congratulations were extended to all the scholarship awardees for 2018 as stated in the report.
- He reminded the members of the various financial and insurance offerings.
- For 2019, the following new products would be introduced:
  - a) TIP Lifeline
  - b) Online Banking
  - c) Insurance Brokerage
- For 2018, the Chairman noted that twelve meetings were held and directed the members' attention to Page 28, Table 6 for the details.



**TIP** Friendly Society



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- In playing its role as a good corporate citizen, the Society assisted to a number of schools, churches, civic groups, charities and individuals with serious or terminal illnesses. A total of \$4M was disbursed.
- Throughout 2018, TIP sponsored various events thus providing the opportunity to showcase our brand.
- TIP also had strong representation in the ISSA School Boy Football Competition from which much traction was gained. TIPFS was also the main sponsor for the ISSA School Girls' Football Competition.
- The 72<sup>nd</sup> Board Meeting of the International Co-operatives Alliance of the Americas (ICA) was held in Kingston, Jamaica from August 8-10, 2018; the first time that the Regional Board Meeting was being held in an English-Speaking Caribbean territory. Significant exposure was received during and after the event.
- In closing, the President stated that 2018 was another highly successful year for the Society having recorded the \$3Billion mark in assets. Operational surplus was up by almost \$50Million, despite purchasing the Montego Bay Building at Fairview for \$100M. More than Seven Hundred (700) members now own motor vehicles. He mentioned the revolutionary new product, TIP

Lifeline, which would soon be introduced as that would enter the cyber world with online banking.

- He thanked the management and staff for yet another successful year of operation, the Committee of Management, the Supervisory and Credit Committees; Delinquency and Marketing Committees, the Department of Co-operatives and Friendly Societies, and the Auditors, BDO.

Vice President, Lawrence Graham was asked to take the meeting through the question and answer session.

### QUESTIONS:

- Mr. Alton Thomas (Maggotty High School) asked whether the names of the persons who received donations could be published in the annual book. Mr. Graham informed him that it would be a tedious task to mention all who received donations as the list was exceptionally long and would take up too many pages. Furthermore, the donations made were confidential. He reminded him that the annual report was meant to provide an overview of what was accomplished during the year under review.
- It was suggested that perhaps in the future, the number of donations made could be mentioned instead.





**TIP** Friendly Society



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- Paulette Jones questioned whether there was a deadline for persons seeking donations. Mr. Graham responded that there was no deadline, so persons are free to apply if the fund is not depleted.
- She further queried about the process to undertake in seeking a donation. Mr. Graham informed her that the request should be channeled through the General Manager.
- Members asked about the process regarding requests for donations for their churches and were informed that the cases would have to be addressed to the Board for a decision to be made.
- A member, Mrs. Juley Wynter Robinson, (Bethlehem Moravian College) expressed concern about the interest rate being charged on loans as she stated that it was not competitive. The General Manager, Mr. South, informed the meeting that recently, interest rates were reduced and the regular loan was now attracting an interest rate of below 20%. He advised the meeting that the Board reviews the rates on a consistent and timely basis.
- Ms. Janet Holness (Robert Lightbourne High School) asked why TIP requires that members present their last pay slips when borrowing a loan. Mr. Hall explained that the reason for this decision was that members would sometimes borrow from

another institution and it would not be reflected on their payslip. It would then be found that on receiving the loan from TIP their net pay would be insufficient to service the new loan thus leading to delinquency.

**There being no further questions, the Report of the Committee of Management was unanimously accepted on a motion moved by Lavern Johnson (Davis Primary) and seconded by Carol Barrett (Ballards Valley All Age).**

### **TREASURER'S REPORT:**

This report was presented by the Treasurer, Mr. Sherlock Allen.

Before addressing the Auditor's Report, the Treasurer clarified that when the donation fund of \$4M is exhausted and there are genuine requests and needs, every effort is made to accommodate these. When the next sum is approved it is then deducted from that amount. He, however, stated that requests for donations to churches for windows and doors could not be accommodated as those tend to be too many and varied. On the other hand, they tried to assist those programmes associated with children and basic schools.

In relation to the interest rate, he reminded members that it was unsecured loans, that they were getting, which attract a higher interest rate compared to credit unions that were offering secured loans.



He reminded the members that the interest rate was calculated on the reducing balance while the banks offer 'add-on'.

Mr. Allen then invited Mr. Renald McFarlane, Auditor of BDO to present the Auditor's Report.

The Auditor presented an abridged version of the report and stated inter alia that the accompanying financial statements gave a fair view of the financial position of the Society as at December 31, 2018; and of its financial performance and cash flows for the year that ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Friendly Societies Act.

The Treasurer, Mr. Allen, highlighted the following:

- The Net Surplus at the end of the year stood at \$220.7M before statutory deductions and other appropriations. After statutory deductions and other appropriations were effected, \$121,176,000 was left for distribution.
- Total assets ended the year at \$3.057B.
- Net income increased from \$525M the previous year to \$579M.
- Expenses increased by \$7.51M or 2.14% compared to \$4.62M or 1.33% in 2017.
- Net Income increased by \$54.30M or

10.33% when compared to 2017. The major contributing factors were interest on loans as well as contributions from members.

- Total Income generated during 2018 increased by 8.71% or \$49.51M, ending the year at \$617.88M compared to \$568.37M the previous year.
- Interest on members' investments accounted for \$14.3M.
- He explained in detail each line item in the various tables and asked members to peruse these tables at their leisure as he was only highlighting the significant items.

#### **Acknowledgement:**

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

#### **QUESTIONS:**

- A member questioned the reason they are unable to withdraw 50% of their savings after paying six months on the loan. The Treasurer explained that collaterals cannot be impaired while the loan is in progress.



- Jennifer Hewitt asked why statements were no longer sent to the members. The Treasurer stated that with the latest technology and online banking, members can access all the information on their account.

**The Treasurer's/Auditor's Report was accepted on a motion moved by Mrs. Lou-Ann Bramwell-Shakes and seconded by Member Norman Allen.**

At this juncture, the Standing Order was suspended on a motion moved by Julie Wynter Robinson, seconded by Judith Spencer Jarrett (Retired) to facilitate a presentation from the JCIA.

Mr. Jeremy Paul Bennett, Business Development Officer, from the Jamaica Co-operative Insurance Agency made a brief presentation about the new products being offered to teachers: A Life Insurance Product and an Auto Loan product. He invited the members who were interested to know more about the products to visit their booth.

The Standing Order was resumed on a motion moved by Carol Barrett and seconded by Mitchell Davis.

### **CREDIT COMMITTEE**

- The report was presented by Mrs. Lou-Ann Bramwell-Shakes, Chairman of the Committee.
- She drew the meeting's attention to

Page 101 of the booklet where the Credit Committee Report commenced and outlined the composition of the Committee.

- She stated that the Committee worked closely with the Delinquency and Customer Service Departments and highlighted the core functions of the Committee as presented on Page 101.
- Mrs. Bramwell-Shakes referred members to the products being offered including the Quick Cash and Motor Vehicle Loans which had been showing an uptake which resulted in a decrease in loans that required credit approval. She stated that the borrowing to savings ratio was now 5:1.
- The Committee processed fifteen (15) loan applications; eleven (11) were approved and four (4) denied.
- Five Hundred and Fifty (550) loan files were reviewed for the period under review compared to Three Hundred (300) the previous year.
- Five Hundred and Thirty-One (531) Delinquency files were actioned for the period under review compared to Two Hundred and Eleven (211) in the last financial year. These efforts yielded success as delinquency continues to trend downwards to 4.26%.





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- The Credit Committee, in analyzing the information provided by the Credit Info Bureau, offered financial counselling to a few members.
- In closing, she encouraged members accessing loans to exercise due diligence and know and understand the long-term impact on their accounts and savings.

She commended the Committee of Management, the management team and staff for the prudent approach to conducting the business of the Society. She assured the members that the Credit Committee remained resolute in assisting the members with loans while protecting the members' income. She thanked the members for the confidence and trust they placed in the Committee, and reiterated the mantra of the team, 'Serving you is our pleasure'.

There being no questions, the Credit Committee Report was accepted on a motion moved by Suzette Baker-Tulloch (York Town Primary), and seconded by Neil McKenzie (Petersfield High).

### SUPERVISORY COMMITTEE REPORT:

Mrs. Elaine Roulston, Chairman of the Supervisory Committee presented the report to the meeting having introduced the members of the Committee who were present.

- All members of the Committee

attended POCA training and a training session facilitated by the Department of Co-operatives and Friendly Societies.

- The Committee examined several areas of the Society's operations and reported to the Board of Management.
- All three branches as well as the Head Office were visited by the Committee. Some of the findings were outlined and appropriate recommendations made.
- Mr. David Hall was retained on a one (1) year contract effective September 1, 2019 to complete five audits.
- She congratulated the Marketing Team for increasing TIP's visibility within the last year.
- The members were reminded of the presence of the suggestion boxes placed in each branch to capture and record members' comments and concerns which could be brought to the attention of the Committee for appropriate action to be taken.
- A Policy Committee was formed to review the Society's policies and to make current the Society's Policy Manual.

The Committee perused the minutes for June to August 2018. These were in-depth and straight forward, and actions regarding the organization's strategic plan were discussed and reported on.



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- The Society adhered to sound risk management practices and financial compliance; however, there were concerns that were highlighted by the DCA Financial Control Reviews which were being addressed.
- The Tenancy Agreement for the two (2) residential properties were perused and carefully examined. It was observed that a few of the contract documents were not adequately completed by the tenants and the company's representative. Several important pieces of data were omitted from the Agreement.
- She commended the management and staff who demonstrated commitment to their work.
- In concluding, she stated that the Supervisory Committee was grateful for the confidence vested in the team. The Committee was satisfied that the company's operations were in keeping with the Friendly Society's Act and was appreciative of the co-operation received from the management and staff in the execution of their duties.

**There being no questions, the Supervisory Committee Report was approved on a motion moved by Veronica Peart (Retired teacher) and seconded by Regenda Miller.**

### MANAGEMENT REPORT:

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

- He reported that the Society continued to influence the lives of thousands of our members in the Education sector and that the delivery of quality service showed daily improvement especially with regard to the time taken to execute withdrawals, claims, loans and to utilize the tele-service facilities.
- He then informed the membership of the addresses of the company's branches.
- The staff complement is comprised of fifty-five (55) staff members at the head office and six (6) each at the Mandeville, Montego Bay and Ocho Rios branches, making a total of seventy-three (73) employees.
- He directed the meeting's attention to the resignations/terminations and staff recruitment tables on page 114 of the AGM booklet.
- He highlighted that from the Strategic Planning Retreat held in Ocho Rios on December 14-16, the following strategic goals were adopted in 2019.
  - a) Recruit, train, develop and retain high quality team members and volunteers
  - b) Growth in revenue and surplus



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- c) Identify and exceed stakeholders' needs and expectations
  - d) Cost Containment
  - e) Succession Planning
  - f) Risk Management
  - g) Enhance existing products and develop new ones.
- He stated that it was a momentous occasion when the organization achieved \$3Billion in assets.
  - He introduced the new Marketing Manager, Mrs. Judy Miller-Smith, who was engaged in August of 2018 as a contract employee and was later appointed Marketing Manager at the start of January 2019. He presented the thirteen (13) Sales Representatives to the meeting. The service team, he stated, was making progress in the field and for the 12-month period ending December 31, 2018, the total premium collected amounted to \$15,642,207.90.
  - The Society remains resolute and committed to the fulfillment of its corporate/social responsibility by sponsoring fundraising efforts of educational institutions, churches and other non-profit organizations.
  - The General Manager expressed condolences to the members who lost loved ones during 2018, and singled out former Marketing

Manager, Miss Annette Fraser, who passed on June 2, 2018 after a long illness with cancer. A Scholarship to a member of staff was recently launched in her honour.

- For future growth and development, he stated that the organization intended to grow the business efficiently and productively, while improving the organization's capabilities; thus becoming the insurance provider and financial institution of choice for current and prospective members.
- He reported that on November 30, 2018, they had an awards function for some of the retired contact teachers; due in part to the persistence of Miss Jennifer Hewitt who always advocated for an event of that nature.
- In closing, he expressed gratitude to the valued members, volunteers and staff for their support throughout the years.

He then called on Mr. Clayton Hall, Assistant Treasurer, to address the meeting briefly on the new product, TIP Lifeline.

Mr. Hall assured the meeting that there was no catch to this product. It was a line of credit issued on a TIP Master Card debit platform and that the product was offered in increments of \$50,000 at the lowest level to a maximum of \$500,000, subject to affordability. For \$50,000, the repayment was \$2000 monthly and for \$300,000 the repayment was \$12,200.





**TIP** Friendly Society



**MINUTES**

**2019**

**18<sup>th</sup> ANNUAL GENERAL MEETING**

He further explained that the interest was charged only on the amount used.

He explained in detail the features of the card, noting that the interest rate was not finalized, but 24% was being considered compared to 49% by the banks. The card would become operable by the end of May, 2019.

#### **APPOINTMENT OF AUDITORS:**

On a motion moved by the Assistant Treasurer and seconded by Maria Foster (Negril All Age) the recommendation proffered by the Board to appoint BDO as Auditors for the ensuing year was approved.

#### **APPROPRIATION OF SURPLUS:**

The Committee of Management recommended to members that the amount of \$121,176,000 be distributed as follows:

Dividends	\$60,000,000
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This was approved on a motion moved by the Assistant Treasurer, seconded by Rushane Morgan (Mandeville Primary).

Social Outreach - Donation	\$6,000,000
----------------------------	-------------

This was approved on a motion moved by the Assistant Treasurer Hall, seconded by Tamashella Smith (Golden Spring Primary School).

Transfer to General Reserve	\$55,176,000.00
-----------------------------	-----------------

This was approved on a motion moved by Assistant Treasurer Hall, seconded by Carol Barrett.

#### **FIXING OF MAXIMUM LIABILITY:**

The Assistant Treasurer, Mr. Hall, proposed that the maximum liability to December 31, 2019 be set at \$11.885,300 being 10 times the projected Total Reserves.

This was approved on a motion moved by Assistant Treasurer, seconded by Miss Regenda Miller (Retiree).



## **NOMINATING COMMITTEE REPORT AND ELECTIONS**

Chairman of the Nominating Committee, Miss Audrey Williams presented the report.

The other members of the Committee, Mrs. Kashiefa Walcott-Johnson and Mr. Edward Welsh were appointed by the Committee of Management to the Nominating Committee in accordance with the provisions of Article 20(i) of the Rules of the Society. She then presented the slate of candidates who were retiring, and those who were recommended to the Committee of Management, the Credit Committee and the Supervisory Committee.

### **Committee of Management**

#### **Retiring**

Miss Lola Bennett, Senior Lecturer  
Church Teachers' College, Mandeville

Mr. Clayton Hall, Regional Officer  
West Jamaica Teachers' Association

Miss Estorine Brown, Senior Teacher  
Clarksonville All Age

Mrs. Sheron Matheson, Principal Lecturer  
Sam Sharpe Teachers College

Miss Claudia McLean, Liaison Officer  
Jamaica Teachers' Association

Mr. Jermaine Williams, Youth Rep.  
Teacher, Mannings High

#### **Recommended**

Miss Lola Bennett  
Term - 3 years

Mr. Clayton Hall  
Term - 3 years

Miss Estorine Brown  
Term - 3 years

Mrs Sheron Matheson  
Term - 3 years

Miss Claudia McLean  
Term - 3 years

### **Credit Committee**

#### **Retiring**

Mr. Norman Allen, Principal  
Frome Technical High

#### **Recommended**

Mr. Norman Allen  
Term - 2 years



**TIP** Friendly Society



## MINUTES

**2019**

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### Retiring

Mr. Winston Smith, Principal  
Golden Spring Primary School

Mr. Albert Corcho, Principal  
Calabar High School

Mrs. Lou-Ann Bramwell-Shakes  
Hayes Primary & Junior High School

Miss Veneise Brenham, Teacher  
Old Harbor High School

### Recommended

Miss Tamashella Smith, Teacher  
Golden Spring Primary School

Mr. Albert Corcho  
Term - 2 years

Mrs. Lou-Ann Bramwell-Shakes  
Term - 2 years

Miss Veneise Brenham  
Term - 2 years

### Supervisory Committee

#### Retiring

Mr. Morris Edwards, Principal  
Water Valley Primary School, St. Mary

Mr. Leاون Nash, Public Relations Officer  
Jamaica Teachers' Association

Mr. Orville Jones, Principal  
Elliot Primary

Mrs. Allison Peart  
Retired Senior Vice Principal  
Excelsior High School

Miss Tamashella Smith, Teacher  
Golden Spring Primary School

Mrs. Elaine Roulston  
Retired Assistant Chief Education Officer  
Ministry of Education

#### Recommended

Mr. Morris Edwards

Mr. Leاون Nash

Mrs. Allison Peart

Mr. Winston Smith, Principal  
Golden Spring High School

Mrs. Elaine Roulston

All to serve for a term of one year.





**TIP** Friendly Society



## MINUTES

**2019**

18<sup>th</sup> ANNUAL GENERAL MEETING

Mr. Jermaine Williams was acknowledged for serving as the Youth Representative and for his vital role in advancing the welfare of the youth. Miss Williams wished for him God's continued strength as he pursued other endeavours.

Mrs. Sheryl Ramsay Brown was invited to preside over the elections. She brought greetings on behalf of the Registrar and staff of the Department of Co-operatives and Friendly Societies while congratulating TIP on convening its 17<sup>th</sup> AGM.

She then outlined the ground rules that would govern the elections. She reminded members that only nominations from the floor from the parishes of Kingston, St. Elizabeth, St. Catherine and Portland could be taken. She stated that the new Youth Representative was Miss Kareem Nelson and directed the members' attention to her profile which was presented at the time of receiving their reports.

### Committee of Management

Nominations were asked for, three times from the floor. There being no nominations from the floor, the persons nominated by the Nominating Committee were duly elected to the Committee of Management on a motion moved by Mrs. Judith Spencer Jarrett, and seconded by Ms. Marcia Cameron.

### Youth Representative:

Nominations for the youth representative was asked for from the floor and Juley Wynter Robinson nominated Mr. Rushane Morgan (Mandeville Primary). This was seconded by Ms. L. Henry (Porus Infant School).

Mrs. Allison Peart questioned whether there was any procedure followed in arriving at the decision to submit Miss Kareem Nelson as the Youth Representative. She was informed that both Mr. Morgan and Miss Nelson were interviewed by the panel, but Miss Nelson was the person selected.

Ballots were issued and members were instructed on the voting procedure. Mr. Morgan and Miss Nelson were asked to present a brief profile of themselves.

The meeting was informed that while the ballots were being counted, the voting for the Credit Committee would be done.

### Credit Committee

The floor was opened for nominations to the Credit Committee. There being no nominations from the floor, on a motion moved by Althea Smith, seconded by Mable Robertson Duffus (Yallahs Primary), Mr. Norman Allen, Miss Tamashella Smith, Mrs. Lou-Ann Bramwell Shakes, Miss Veneise Brenham and Mr. Albert Corcho were duly elected to serve on the Credit Committee for two years.



**TIP** Friendly Society



## MINUTES

**2019**

**18<sup>th</sup> ANNUAL GENERAL MEETING**

### Supervisory Committee

The floor was opened for nominations. There being no nominations from the floor, on a motion moved by Ayodel Taylor McDonald (Gregory Park Primary), seconded by Stacy-Ann Darien (Mannings High), Mr. Morris Edwards, Mr. Leanon Nash, Mrs. Allison Peart, Mr. Winston Smith and Mrs. Elaine Roulston were duly elected to serve on the Supervisory Committee

Mrs. Ramsay Brown asked the Committee of Management and elected Committees to meet within ten days and submit the names of the Board members and committee members to the Department of Co-operatives and Friendly Societies.

She indicated that the Department of Co-operatives and Friendly Societies should be informed of any changes made to the Committee of Management or the

Committees within fourteen (14) days of such change.

The Chairman stated that the counting of ballots would take some time and informed the members that the results of the election for the Youth Representative would be concluded at the Office of the Department of Co-operatives and Friendly Societies, and then delivered to the office of TIP Friendly Society.

He expressed gratitude to everyone for attending the AGM and wished all participants a safe journey home.

### ADJOURNMENT

The meeting was adjourned at 2:08 p.m. on a motion moved by the Chairman and seconded by Mrs. Cecelia Grant Francis.

Prepared by: Lola Bennett (Miss)  
Secretary - Committee of Management

Signed by: Ray Howell  
President - Committee of Management



Longing  
for the  
ideal  
home?

# TIP Mortgage

REALIZING DREAMS TOGETHER!

■ Access up to **\$10M**

■ **12 years** to repay

*Conditions apply*



**TIP** Friendly  
Society

For more details email [mktgsales@tipfriendly.com](mailto:mktgsales@tipfriendly.com)





## *Committee of Management Report*

**For the year ended December 31, 2019**

We are pleased to report that 2019 was marked with several innovations for the Society as we continue to listen to our members. It has been another profitable year for TIP Friendly Society. On behalf of the Board of Directors, I would like to thank our team and our members for your continued contributions and support. We are happy for the achievements that the Society has made and we can only expect better.

Our financial year ended December 31, 2019 was another year of profit for TIP Friendly Society (“the Society”).



The Board, Management and Staff are pleased to report that our Net Surplus before appropriations was \$207,782 million. This was achieved through the continuous implementation of organic growth strategies and strengthening of our financial resources. It is with pride that we announce that TIP Friendly Society is a \$3 billion dollar company and growing.

We are aware of the potential impact of several macroeconomic policies on our performance. The Covid-19 pandemic is one example of how macro environmental forces can impact our economy and company. We never saw it coming and we are uncertain of when it will end. What we know is that strategies must be developed and implemented to achieve our targets in tandem with the global pandemic. So far, we have been meeting the challenges, albeit with some of our key variables being behind.

We are continuously scanning the environment for growth opportunities and will not hesitate to take prudent actions to grow your wealth. The effect of the proposed changes of the Pensions Act, new regulations for entities within the financial sector and socio-economic factors will be closely monitored.

## OPERATING RESULTS

Innovation is one of the strategies we continue to employ in increasing the limits on our product offerings. During 2019, we increased the threshold on the Quick Cash and Regular Loans to \$1M and \$3M, respectively. The increased demand for our two flag ship loan products; TIP Regular Loan and our Motor Vehicle Loan contributed to the 10% growth in the loan portfolio which was \$2,144,340 at the end of 2019 as evident in Table 1

**Table 1: Total Assets, Loan and Investment**

Indicators	2019	2018	2017	2016	Changes 19/18	
	\$M	\$M	\$M	\$M	\$M	%
Assets	3,263.66	3,057.88	2,789.68	2,574.63	205.78	6.73%
Loans	2,144.34	1,951.27	1,788.31	1,556.37	193.07	9.89%
Investments	692.35	657.19	602.60	635.41	35.16	5.35%



## INVESTMENTS

Table 2 not only confirms our growth, but also the robust demand for our loan products. The five-year analysis shows that we have more than doubled our loan portfolio over the period 2015 to 2019. We carefully manage our liquidity by ensuring that our risk remains within tolerable and viable bands as is dictated by our regulators via PEARLS Ratio.

**Table 2: Interest on Investments and Loans**

Assets	2019	2018	2017	2016	2015
	\$M	\$M	\$M	\$M	\$M
Financial Investments	692.35	657.19	602.60	635.41	1,262.82
<b>Weighted Average Interest</b>	<b>4.50</b>	4.42%	4.72%	5.45%	6.09%
Loans	2,144,340	1,951.27	1,788.31	1,556.37	1,027.20
<b>Weighted Average Interest</b>	<b>15.60</b>	17.50%	18.59%	18.22%	20.52%

Our decision to increase our loan to savings ratio to 10:1 and maximum regular loan limit of up to \$3M continues to champion the upward movement in our loan portfolio. Overall improvement in consumer confidence has also encouraged more of our members to embrace the use of the wide array of products we have available. Again, these results reflect the untiring efforts of our dedicated volunteers, management and staff.

## Loans

The Society's net loans to members increased by \$193.07M (from \$1,951.27M for 2018) closing the year at \$2,144,340M.

There was an increase in the motor vehicle and the quick cash loan during the period. These complemented our regular and other perennial loan products. In summary these strategies impacted positively on the bottom-line.





**TIP** Friendly Society

## Committee of Management Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

### PROBITY AND PRUDENCE

Although your Friendly Society is located in Jamaica we are impacted by 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 demonstrate 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 much more liquid reserves than required to meet your loan needs.

We are on a journey towards strict Corporate Governance and risk management. Towards this end we have exposed our volunteers to the tenets of good corporate governance. Additionally, both our volunteers and staff have been introduced to Enterprise Risk Management. The Society continues to provide its volunteers and staff with training in the application of the Anti-Money Laundering (AML) and the Proceeds of Crime Act (POCA).

### REGIONAL SERVICES

We continuously scan the environment for opportunities to improve our service delivery. In May 2019 TIP Friendly Society relocated its Montego Bay business office from Bay West, Downtown, to its own premises at The Annex in Fairview, Montego Bay. As we speak, TIP is in advanced discussions with a vendor to purchase a property in Mandeville to relocate its Mandeville branch. These locations will provide you with ease of access and greater visibility to the organization. Equally important too, they will increase the Society's asset base.

### MEMBERS' CONTRIBUTION/INSURANCE PREMIUM

TIP's core business remains, providing annuity/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 final expenses. We, therefore, urge you to upgrade your current plans by selecting 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 \$126 million used to settle claims. This is in addition to money paid to reinsurers.

**Three (3) years claim settlements**

<b>CLAIMS</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Categories</b>	<b>J\$</b>	<b>J\$</b>	<b>J\$</b>
SICKNESS - IN HOSPITAL WEEKLY INCOME	449,357.16	481,928.56	487,357.14
SICKNESS - AT HOME BENEFIT	3,980,431.58	3,928,142.85	3,853,785.71
SURGEON'S FEE	4,835,032.82	5,678,316.33	4,962,643.81
ACCIDENT - IN HOSPITAL WEEKLY INCOME	146,138.13	89,357.15	137,142.87
ACCIDENT - AT HOME WEEKLY INCOME	1,471,142.86	2,204,300.02	1,887,056.80
ACCIDENTAL MEDICAL EXPENSES REIMBURSEMENT	808,846.42	1,123,696.94	1,045,823.48
MATERNITY	854,998.78	1,392,500.00	1,077,500.00
STUDENT/PARENT PLAN	2,185,450.51	2,362,690.02	2,241,622.45
ACCIDENTAL & NATURAL DEATH (INTERNAL)	9,700,000.00	9,890,000.00	10,415,000.00
ACCIDENTAL & NATURAL DEATH (REINSURANCE)	16,400,000.00	19,070,000.00	13,250,000.00
<b>TOTAL AMOUNT OF CLAIMS PAID OUT</b>	<b>40,831,398.26</b>	<b>46,220,931.87</b>	<b>39,357,932.26</b>
<b>TOTAL NUMBER OF CLAIMS PAID</b>	<b>615</b>	<b>630</b>	<b>604</b>

**OBITUARIES**

It is with deep sadness that we report the deaths of Twenty (20) of our members during the year 2019 plus our retired Treasurer, Sherlock Allen, who died May 19, 2020 and Mr. Wayne Mullings, who died on July 6, 2020. May their souls rest in peace. Kindly find a listing at the back of the magazine.



## MEMBERSHIP DEVELOPMENT

### TIP Scholarship Programme

TIP Friendly Society caters to the financial needs of persons employed in Jamaica's education sector. One aspect of our benevolence is demonstrated through our giving back to PEP Scholars from each parish where at least one parent is a member. The Society provided scholarships to the top boy and girl in each parish. Financial support is also provided to the top performing awardees of our 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.

Our heartfelt congratulations to all the scholarship recipients for 2019 listed in the table below. We wish them every success in their studies:

### TIP FRIENDLY SOCIETY 2019 SCHOLARSHIP AWARDEES

#### 2019 P.E.P. SCHOLARSHIP AWARDEES (\$30,000)

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
1	TAHIRA CAMPBELL	TRESHA SINCLAIR-CAMPBELL	CLARENDON
2	ALJAY ANDERSON	EILEEN SHECKLES-ANDERSON	CLARENDON
3	TYLER DONALDSON	AINSLEY DONALDSON	HANOVER
4	YAOUNDE' JACK	KAMEISHA SAUNDERS	KINGSTON
5	MALIK COUSINS	MARSHA WRAY-COUSINS	PORTLAND
6	KELSY RICHARDSON	NOVELETTE RICHARDSON	ST. ANDREW
7	KHYLE GREENLAND	KAVEL WILLIAMS	ST. ANDREW
8	NATHANIEL SCARLETT	SHAUNETTE MORRISON-SCARLETT	ST. ANN
9	ROKEYA MARSHALL	DONNAREE BAILEY-MARSHALL	ST. ELIZABETH
10	JOEL WILLIAMS	PETAL THOMPSON-WILLIAMS	ST. ELIZABETH
11	LATANYA WILLIAMS	LATOYA CALVIN-WILLIAMS	ST. JAMES
12	KIMANI BROWN	BEVERLEY JARRETT	ST. JAMES
13	SHANOYA GUTZMORE	SHARLINE FORRESTER-GUTZMORE	ST. MARY
14	NIANDRA NELSON	UCELLA RAMOCAN	ST. THOMAS
15	NICOLA SCOTT	NICOLINE MORGAN	TRELAWNY
16	MATTHEW POWELL	CLAUDETTE HINDS	TRELAWNY





## 2019 JUDITH THOMPSON P.E.P. AWARDEES

### Manchester Recipients - \$35,000

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
17	T'ANDRE CARTY	TORI BROWN-CARTY	MANCHESTER
18	MAKOTO LILLY	HOWARD LILLY	MANCHESTER

## 2019 LIVINGSTON ALLEN P.E.P. AWARDEES

### St. Catherine Recipients - \$35,000

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
19	KHAILA-KIA MOODIE	SHEKARAH DUNBAR	ST. CATHERINE
20	LONDON WEST	SHELDON WEST	ST. CATHERINE

## 2019 STAFFORD BLAKE P.E.P. AWARDEES

### Westmoreland Recipients - \$35,000

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
21	CIARA HALL	NATESHA FORRESTER	WESTMORELAND

## 2019 P.E.P. GRANT AWARDEES

### \$25,000

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
22	KAYLEIGH TRACEY	TRICIA COOPER-TRACEY	MANCHESTER
23	DANIQUE TULLOCH	DERRICK TULLOCH	ST. ANDREW
24	ROANNA CORK	ELLORINE GRAYDON	ST. ANN
25	GABRIELLE CRUMBIE	PRIMROSE BARNETT-CRUMBIE	ST. ELIZABETH
26	MICKALA BROWN	RENIA BROWN	ST. JAMES
27	ROBYN HILL	COLLIN HILL	ST. JAMES
28	TAY-SEAN BRYAN	MESHA JAMIESON-BRYAN	WESTMORELAND
29	ALYSSIA BROWN	STACCIE PALMER-BROWN	HANOVER



**2019 P.E.P. SCHOLARSHIP AWARDEES**

Children of Staff Members - Averages of 80 and above

**\$30,000**

	NAME OF STUDENT	TIP STAFF (PARENT)
30	ROANDRE' MILLER	KERRION JACKSON
31	NATHAN PALMER	NATALEE PALMER

**REPEAT G.S.A.T. AWARDEES FROM 2018**

**Past awardees who excelled in 1st form - \$30,000**

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
32	JOEL BARNETT	DAWN HOPE-BARNETT	ST. ANDREW
33	ABIGAIL TAYLOR	MEGAN CLARKE	ST. ANDREW
34	MONIQUE RAINFORD	BARBARA RAINFORD	ST. ANDREW
35	AHIR DIXON	KERRY GREY	ST. ELIZABETH

**REPEAT G.S.A.T. AWARDEES FROM 2018**

(Children of Staff Members who maintained an "A" Average) in 1st form

**\$30,000**

	NAME OF STUDENT	TIP STAFF (PARENT)	PARISH
36	JONATHON BAILEY	ORVILLE BAILEY	ST. ANN

**REPEAT G.S.A.T. AWARDEES FROM 2017- (Past awardees who excelled in 1st and 2nd form)**

**Final award - \$30,000**

	NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH
37	LARAIN WILLIAMS	DIONNE WILLIAMS	ST. ANDREW
38	DANAE EDWARDS	LEVENA EDWARDS	ST. THOMAS



**2019 SYLVIA SPENCE SCHOLARSHIP AWARDEES**

**Undergraduates - \$100,000)**

	NAME OF TIP MEMBER
39	SIMONE SHERMAN-MCLEAN
40	FAYANN HINDS-EAST
41	JODY-ANN HUTCHINSON
42	KAMOYA BRISSETT-MORANT

**2019 VILMA LAWES-MUNROE SCHOLARSHIP AWARDEES**

**Post-Graduates - \$110,000**

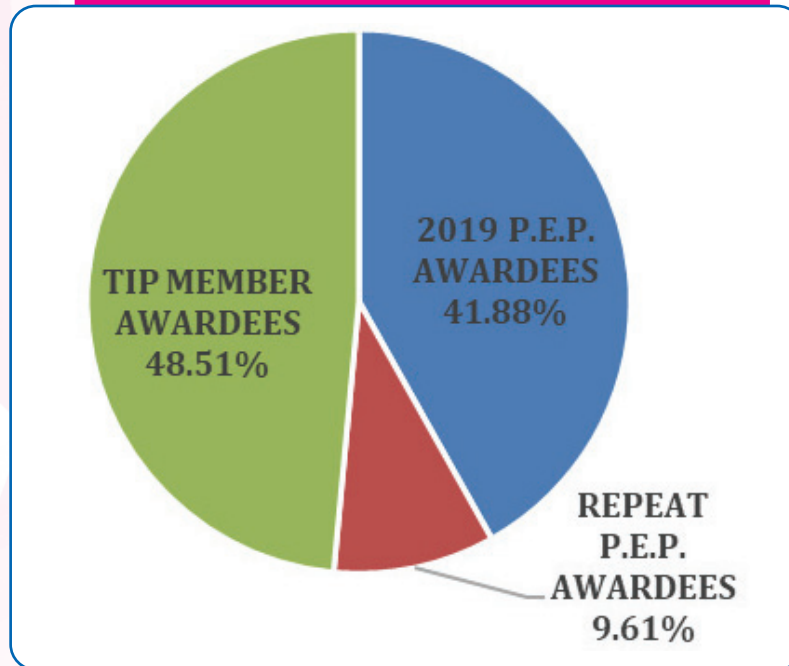
	NAME OF TIP MEMBER
43	ANTONETTE PRINGLE-GOPIE
44	EDITH ANDERSON
45	TREVINE LAWRENCE
46	JOHN VIRTUE
47	MERCELYN COUSINS-GOPEY
48	JANINE WHITE

<b>2019 P.E.P. AWARDEES</b>	<b>\$915,000.00</b>	<b>41.88%</b>
<b>REPEAT P.E.P. AWARDEES</b>	<b>\$210,000.00</b>	<b>9.61%</b>
<b>TIP MEMBER AWARDEES</b>	<b>\$1,060,000.00</b>	<b>48.51%</b>
	<b>\$2,185,000.00</b>	





**ALLOCATION OF 2019 SCHOLARSHIP AWARDS**



**FINANCIAL AND INSURANCE OFFERINGS**

We are pleased to remind you of the products offered.

#	Categories	Options
1	<ul style="list-style-type: none"> <li>Insurance Products (Personal Accident &amp; Group Life).</li> <li>Creditor Life</li> </ul>	<ul style="list-style-type: none"> <li>TIP for Life (6 options)</li> <li>TIP Kids Benefit (2 options)</li> <li>Insures loan balances on motor vehicle loans</li> </ul>
2	Saving Products	<ul style="list-style-type: none"> <li>TIP Money Multiplier Protector</li> <li>TIP Accumulator Club</li> <li>TIP Pool Fund</li> <li>TIP Partner Club</li> <li>TIP for Wealth</li> </ul>
3	Last Minute Expense Plan	<ul style="list-style-type: none"> <li>TIP Family Protector</li> </ul>



#	Categories	Options
4	<b>Loans</b>	<ul style="list-style-type: none"><li>• TIP Regular Loan</li><li>• TIP Education Loan</li><li>• TIP Express Loan</li><li>• Debt Consolidation Loan</li><li>• Vacation Loan</li><li>• Motor Vehicle loan</li><li>• Christmas/Easter/Summer Loans</li><li>• Quick Cash Loan</li><li>• TIP Mortgage Loan</li><li>• TIP Home Equity Loan</li><li>• TIP Grad</li><li>• TIP Educator</li></ul>
5	<b>School Insurance Plans</b>	<ul style="list-style-type: none"><li>• TIP Student Insurance Plan</li><li>• TIP College Insurance Plan</li></ul>

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 2019/2020 administration, the Committee of Management held Thirteen (13) full meetings.

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 and apologies received for all absences.

The table below details Directors' attendance to the monthly Board meetings during the period.



**Directors Attendance:**

<b>Names</b>	<b>Positions</b>	<b># of Meetings Attended</b>	<b># of Meetings Held</b>
Ray Howell	President	13	13
Lawrence Graham*	Vice President- St. Thomas	12	13
Sherlock Allen*	Treasurer	0	07
Albert Corcho	Chairman - Finance	6	6
Clayton Hall	Asst. Treasurer-St. Catherine	13	13
Lola Bennett	Secretary-St. Elizabeth	13	13
Sheron Matherson *	Asst. Secretary- St. James	12	13
Beverley Green-Miller	Executive Member-Clarendon	13	13
Mona Ennis	Member- Trelawny	13	13
Maureen Cunningham-Johnson	Member-St. Mary	13	13
Nadienne Crossman*	Member-Hanover	11	13
Wayne Mullings*	Member – St. Andrew	9	13
Cecelia Grant-Francis*	Member – Manchester	12	13
Estorine Brown*	Member- St. Ann	12	13
Rushane Morgan*	Youth Representative	12	13
Audrey Williams*	Member- Kingston	12	13
Claudia McLean*	Member-Portland	11	13
Camille Davis-Williams	Member-Westmoreland	13	13

\* Missed Board meetings due to personal reason(s).





## CORPORATE SOCIAL RESPONSIBILITY

TIP continues to expand our social community outreach throughout Jamaica for the benefit of our stakeholders

### Donations

\$3.8M were disbursed to:

Educational institutions	\$2.3M
Churches	\$114,000.00
Teacher Based organizations and events	\$553,000.00
Members	\$845,000.00
Mico University College	\$135,000.00

## SPONSORSHIP/EXHIBITS

TIP Friendly Society knows the importance of education, a most valuable asset for any individual hence the Society's lion share of funding for this area.

Here are some of the activities we participated in during the year:

### Sports \$5.1M

- ISSA School Boy Manning Cup, DaCosta Cup and under 16 Football Competitions
- ISSA School Girl Football
- Calabar's McKinley/Wint inaugural track meet.

### Agriculture \$500,000

- 4-H Parishes Achievement Days



### Education, Training and Development \$3.1M

- Glen Owen Lecture
- Teachers' Colleges of Jamaica Professional Development Days
- TCJ Professional Development Days
- Schools' Career & Staff Development Days
- NCEL MOE Conference on Transformation & Education Leadership
- JAEO Annual & Half Yearly Meetings
- Association of Principals & Vice-Principals Meeting
- Bursars' Association Annual Conference/Seminars
- JAGCE Annual & Half Yearly Meetings
- Association of Principals' & Vice-Principals Annual Conference
- Jamaica Association of Guidance Counsellors in Education Annual Conference

### PAYMENTS AND COMMITMENTS TO JTA \$5.2M

- \$1M to the JTA Critical Illness Fund

### Golden Torch Award

- Helen Stills Professional Development Day
- Parish AGM'S
- Professional Development Day
- Annual Education Conference
- Annual Conference
- New Teachers Seminars
- Half Yearly Meeting
- District Associations
- Half Yearly Meeting
- District Associations
- Special Education Conference

### AFFILIATION - INTERNATIONAL COOPERATIVES ALLIANCE (ICA)

#### 1. ICA Global Conference

Global Conference  
Kigali Rwanda  
October 14 -17 2019



**TIP** Friendly Society

## Committee of Management Report

**2019**  
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The ICA Global Conference was held in Kigali Rwanda from October 14 - 17, 2019 under the theme Cooperatives for Development. The conference was organized by the ICA under the auspices of the Government of Rwanda; joining approximately 1,000 participants representing 94 countries and speaking seven different languages.



TIP Friendly Society was represented at the conference by:

Mr. Ray Howell	President
Miss Lola Bennett	Secretary
Mrs. Elaine Roulston	Supervisory Committee, Chairman
Mr. Wilton South	General Manager

Also in attendance from Jamaica were:

Mr. Errol Gallimore, Registrar, Department of Cooperatives and Friendly Societies  
Mr. Winston Fletcher, President JCCUL  
Mr. Robin Levy, Chief Executive Officer (CEO), JCCUL  
Mr. Clide Leopold Nesbeth



The conference began on Monday, October 14, 2019, with cocktails and welcome addresses.

The main speakers were:

- Thacienne Mutezinka, President of the National Cooperative Confederation of Rwanda
- Japheth Magomere, ICA Africa President
- Ariel Guarco, President of the International Cooperatives Alliance





**TIP** Friendly Society

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- Hon. Soraya Hakuziyaremeye, Minister of Trade & Industry of the Republic of Rwanda

The symposium provided co-operators from a wide array of countries with a platform to evaluate and recognize their contributions as actors of development, thus encouraging them to advance their advocacy work. This was done under the common development framework and the common global language of Sustainable Development, with its triple bottom line of economic, social, and environmental development.

The discussions articulated around plenary sessions, sectoral and thematic parallel sessions, as well as panel discussions. Civil society actors, development agencies, policy makers, institutional partners, government representatives, researchers, and persons with a deep interest in development. It provided a forum for the exchange of views, dialogue, cooperation, and the generation of new ideas.

The role of women in society, the eradication of hunger and poverty, and the right to housing, adequate health care, the protection of the world's biodiversity and the environment; new digital technologies and youth development awareness were some of the priority areas discussed for action in the context of the Sustainable Development Goals (SDGs). All these topics were addressed from the thematic and sectoral realities.

The forum concluded with a summary of the findings from the seminars and elaboration of policy recommendations that were prepared, in addition to a grand gala dinner.

## 2. ICA AMERICAS CONFERENCE - November 2019

### TIP in Costa Rica

The attendees were: Audrey Williams, Judith Wilson, Clayton Hall, Mona Ennis and Norman Allen

The General Meeting of the Board of Cooperativas de las Americas and thematic workshops were held in San Jose, Costa Rica between November 18 and 22, 2020 at the Hotel Continental, San Jose. The decisions which came from the discussions pointed that Cooperatives:

- Should look at how the Cooperative can collaborate with other sectors to assist in the social and economic development of our Continent.





**TIP** Friendly Society

## Committee of Management Report

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- Should be more than merchandise. They must get involved in the business of Regulating Social Justice as it is the only way to guarantee peace in the world.
- Should address situations of inequality and poverty; structural changes must take place as well as Transformation. For transformation to take place members (small savers) must have:
  - o Free access to information
  - o There must be Interco-operation
  - o There must be transparency
- The meeting also explored concerns regarding an aging leadership cadre which they felt would impact the sustainability of the movement.
  - o The concern about the aging leadership in the co-operative was high-lighted hence the need to continue the recruitment of younger persons in the movement for the purpose of continuity.
  - o Even as the suggestion came about to begin to teach co-operative law in the education system there is also a need to use the technology available to reach/ attract a younger audience to be active participants in the cooperatives.

The participants pictured below from left to right; Mr. Norman Allen Credit Committee, Miss Judith Wilson Management, Miss Audrey Williams, Mrs. Mona Ennis and Mr. Clayton Hall Committee of Management.





**TIP** Friendly  
Society

## Committee of Management Report

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### CONCLUSION

As we reflect on the year 2019, we are comforted that we had another successful year of operations. Net surplus of \$207,782 million was just \$13 million short of the previous year. Financially we are strong; we are a \$3 billion dollar company. The Society is cognizant of the role it plays and has demonstrated that it is a good corporate citizen. We have given scholarships to students at the secondary and tertiary levels, including postgraduate studies. TIP has given donations generously to educational institutions, teacher affiliated bodies and individuals for a myriad of reasons.

We strengthened corporate governance and we still have some way to go in this area. The Society is building a transformational team through recruitment, training and development. TIP'S technology platform is much more robust and members are having very little downtime. The Society's visibility continues to improve as we endeavour to be present at every teacher centred activity across Jamaica. We are also very active on social media and we encourage you to like our Facebook page.

For next year we will focus on the continued growth of our membership, improved products and services to include online banking.

Our Montego Bay property has been outfitted and is fully operational. Our attention is now focussed on the Mandeville location as we work towards the acquisition of a property in that section of the island. COVID-19 has negatively impacted our entire operation, however, we have not failed to open for a single day because we know that you are depending on us to always be there for you. We pause to say condolence to the families and friends of those members who have passed on. May their souls rest in peace.

Finally, we use this moment to say a big thank you to the staff and volunteers for the invaluable and dedicated service they are giving to this organization.

God bless

**Ray Howell,**  
President





**TIP** Friendly  
Society

*Tribute*

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING



## WAYNE MULLINGS

Director  
St Andrew, July 2020

*T*IP Friendly Society is deeply saddened by the passing of Director Wayne Mullings and recognizes him for his years of service and dedication to the teaching profession and TIP Friendly Society. Wayne served on the Supervisory, Credit and Marketing Committees and until his passing July 6, 2020, he served as a Director (St. Andrew) on the Committee of Management. He served both areas with distinction.

Wayne was a stalwart; dedicated and committed staunch advocate for the teaching profession. His love for his profession and his fellow men was truly amazing. It is difficult to coin an appropriate word to describe it. We admire his passion for the development of Jamaica and to see students fulfill their potential.

We celebrate and remember his charm, unconventional wit, curiosity and willingness to challenge the status quo. He was passionately patriotic and always willing to lend his time and assistance to persons and charitable causes. He had a genuine respect in all our dealings even when we did not agree. He simply did not know how to say no to anyone in need of his skills.

The teaching profession has lost one of its most strident leaders to whom a great deal of gratitude is owed as he was truly a professional.

Thank you, Wayne, for sharing your intellect, good natured spirit, wisdom and humility.

The TIP Friendly Society Family extends condolence to his widow and sons as they navigate this difficult time. We pray for your strength, courage and comfort.

Wayne will be missed. Rest in peace.



**TIP** Friendly  
Society

*Tribute*

**2019**

18<sup>th</sup> ANNUAL GENERAL MEETING



*Tribute*

## **Sherlock N. Allen**

RETIRED TREASURER  
TIP FRIENDLY SOCIETY  
MAY 2020

The Board of Directors, the Management and Staff of TIP Friendly Society celebrate the life and work of Mr. Sherlock Allen, founding Treasurer of TIP Friendly Society who served in that position until his retirement in December 2019 due to ill health.

For the 20+ years that Mr. Allen was associated with the Society, he positively touched the lives of all those who had the pleasure of interacting with him. He was affable, caring, pleasant but very demanding and ensured that everyone was held accountable. A firm believer in financial management, his commitment was exemplary and he was relentless in what was best for the organization. This assisted the Society to transform itself into the dynamic and outstanding organization that it is today. We will continue to be empowered by his legacy and commitment towards the betterment of TIP Friendly Society.

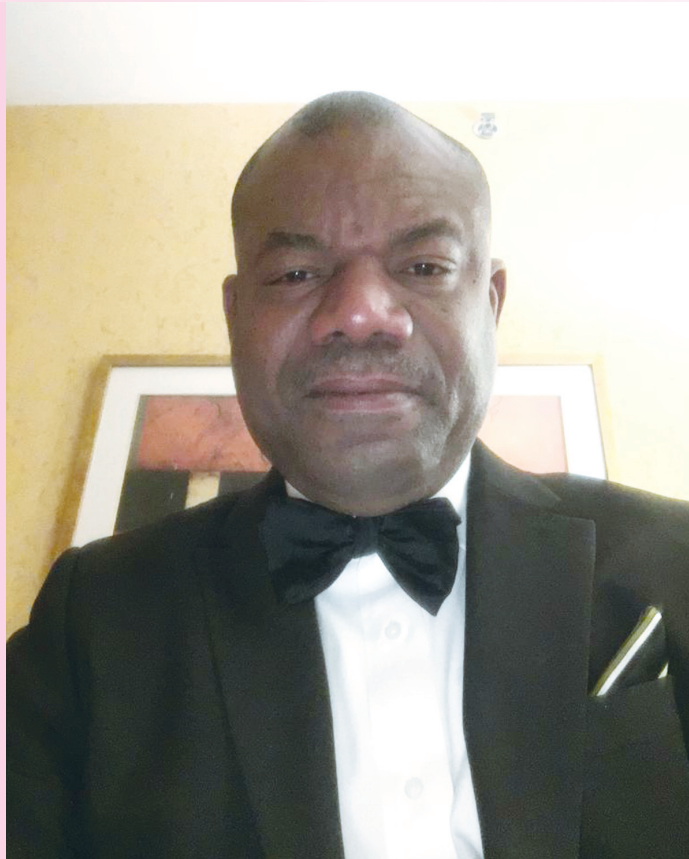
Sherlock, the boldest voice for the development of our educators, a leader, and a visionary. The quintessential gentlemen, the philanthropist, the epitome of excellence, a true educator, one who possessed integrity and a brilliant mind.

The TIP Friendly Society Family extends condolence to his widow Dr. Elaine Allen, son Norman and daughter Denerene, and other members of the Allen family. Sherlock will be deeply missed by his fellow Directors, the Management and Staff of TIP Friendly Society. Walk good Sherlock.



**TIP** Friendly  
Society





## *Treasurer's Report* for Year Ended 31 December 2019

### **Environmental Scan**

The Jamaican Economy continued on its growth trajectory as evidenced by the data shown in Table 1 below. The USD rate is at a 4 year high, moving from \$128.44 in 2016 to \$131.18 in 2019. This will impact the cost of goods and services which are purchased in USD.

The inflation rate has fluctuated from a low of 1.7% in 2016, to a high of 5.2% in 2017 and was 3.91% in 2019. The inflation rate is a general representation of the increase in the cost of living, which results in a fall in the purchasing power value of money.





The importance of the Treasury bill rate is that it is used as a benchmark for short term investments. The 90-day treasury bill rate fell from a high of 5.68% in 2016 to a low of 1.32% in 2019. The 180-day rate ranged from 6.56% in 2016 to 1.59% in 2019.

The unemployment rate, which is an indication of how well the economy is doing, reflected a reduction from a high of 13.19% in 2016 to a 4 year low of 9.1% in 2018. The rate in 2019 was 9.52%.

**Table 1: Economic Data**

	2019	2018	2017	2016
<b>USD</b>	131.18	127.72	125.00	128.44
<b>Inflation Rate</b>	3.91%	4.70%	5.20%	1.7%
<b>Treasury Bill 90/180 Day Rate</b>	1.32%/1.59%	2.05%/2.07%	4.18%/4.63%	5.68%/6.56%
<b>Unemployment Rate</b>	9.52%	9.1%	12.2%	13.19%

## Operational Performance

2019 was a good year for TIP Friendly Society even though the surplus was \$12.98m or 5.88% less than 2018. As shown in Table 2 below, this is because Net Income was \$5.34m or 0.92% higher than in 2018 while expenses were \$18.32m or 5.10% higher. Financial performance was better than 2015 to 2017. This is detailed in Table 2 below:

**Table 2: Summary Operational Performance**

	2019	2018	2017	2016	2015	Growth 2018/19	Growth 2018/19	Growth 2017/18	Growth 2017/18
	\$M	\$M	\$M	\$M	\$M	\$M	%	\$M	%
<b>Net Income</b>	585.08	579.74	525.44	421.51	376.53	5.34	0.92	54.30	10.33
<b>Expenses</b>	377.30	358.98	351.47	346.85	341.35	18.32	5.10	-7.51	-2.14
<b>Surplus Before Property Gain</b>	207.78	220.76	173.97	74.66	35.18	-12.98	-5.88	99.31	133.02

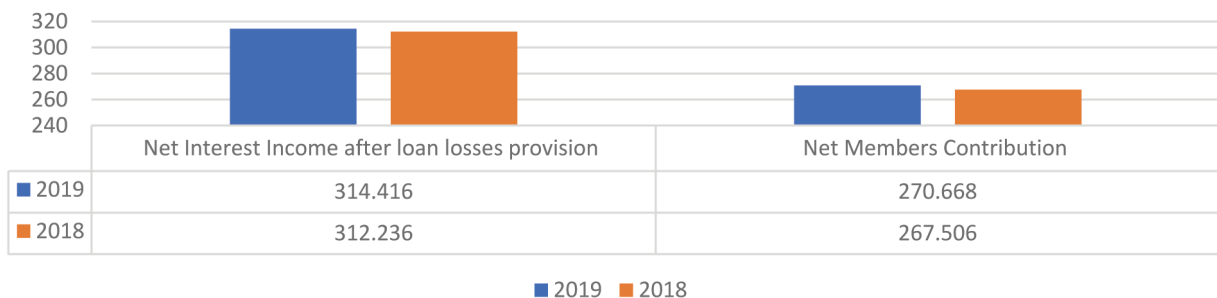


## Income

There are two main sources of income for TIP, interest income and members contributions. As shown in Table 3 below, both Net Interest Income and Net Members Contribution were higher in 2019 than in 2018.

**Table 3: Income**

### TIP Friendly Society Income 2019 vs 2018



The less than expected interest income in 2019 was a result of the lower interest rates offered to our members on Motor vehicle, TIP Express Loan, Education Loan, and Regular loans. The rate reduction took effect on 1 May 2019. The old and new rates are shown in Table 3 below:

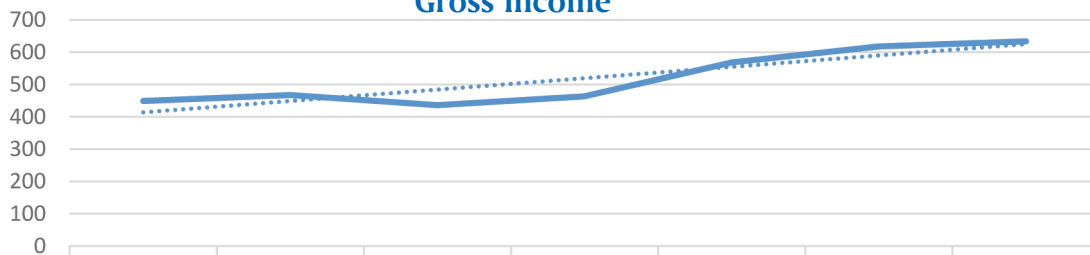
**Table 3: Reduction in Interest Rates on Loans**

#	Type of Loan	Old Rate	New Rate	Reduction
1	Motor Vehicle	8%	7.5%	0.5%
2	TIP Express Loan	12%	10%	2%
3	Education Loan	21%	20%	1%
4	Regular Loan	24%	19.75%	4.25%
5	Quick Cash Loan	25	20.75%	4.25%



**Gross Income 2013 to 2019**

**TIP Friendly Society  
Gross Income**



	2013	2014	2015	2016	2017	2018	2019
Gross Income	449.11	467.65	436.23	463.65	568.37	617.88	633.97

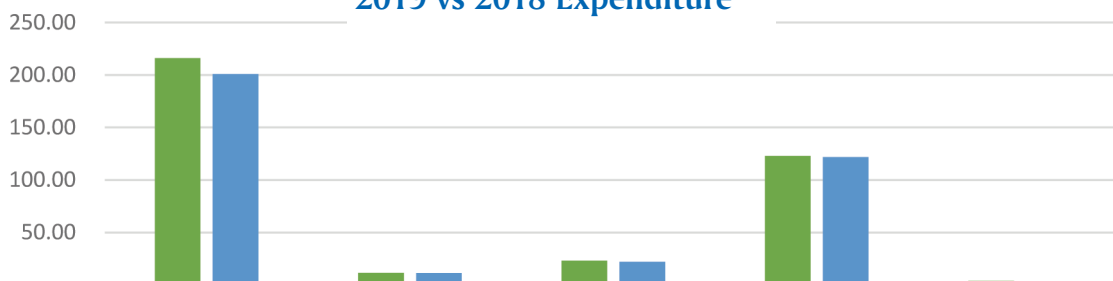
**Expenditure**

There are five categories of expenditure for TIP, namely Employee Cost, Establishment, Advertising & Promotion, General Expenses and Financial Cost. Within each expense category there are expense types. These help us to better monitor and control expenditure against budget on a day to day basis. Total expenditure was 5.10% higher in 2019 than 2018 but this is partially explained by the inflation rate which was 3.91%.

In Graph 1 below you will notice that expenditure in all 4 categories was higher in 2019 than it was in 2018.

**Graph 1: Expenditure**

**TIP Friendly Society  
2019 vs 2018 Expenditure**



	Employee Cost	Establishment	Advertising & Promotion	General Expenses	Financial
2019	216.00	11.49	23.13	122.93	3.76
2018	201.01	11.38	21.99	121.79	2.80

■ 2019 ■ 2018



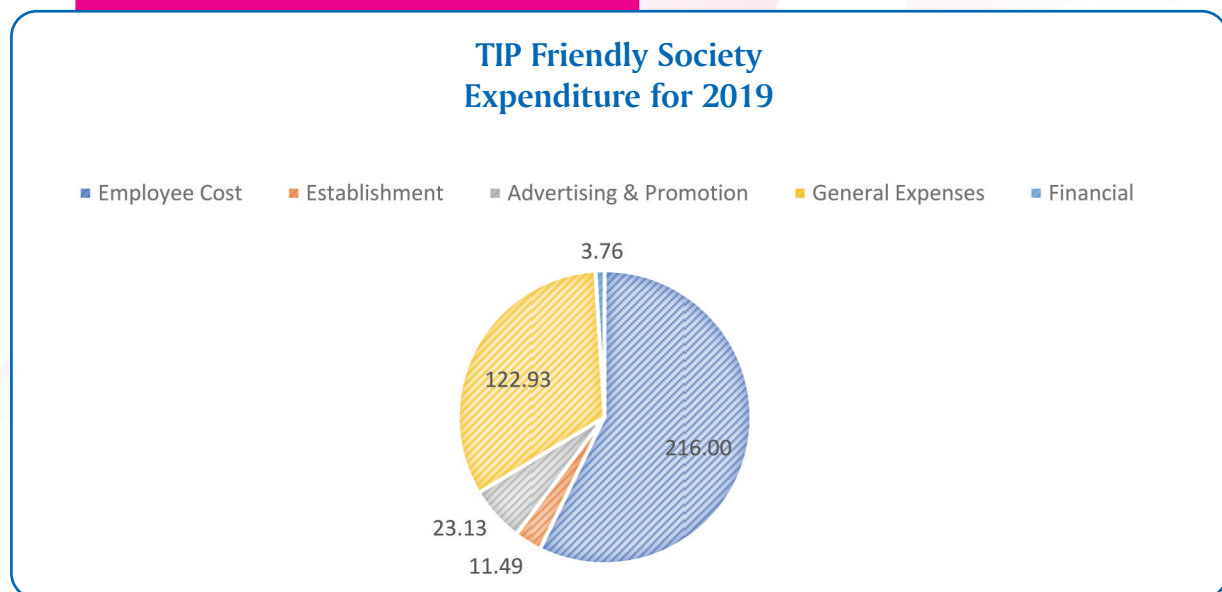


### 2019 Expenditure by Group

The total expenditure in 2019 was \$377.30m. The pie chart below shows how this was allocated.

1. \$216m or 56% was Employee Cost i.e. salaries and benefits, pension, employer taxes, training, staff welfare, uniforms, health & group life insurance
2. \$122.93m or 33% was General Expenses i.e. utilities, security, meetings, insurance & Office & Computer Supplies.
3. \$23.13m or 6% on Advertising and Promotion,
4. \$11.49m or 3% on Establishment Cost i.e. insurance of assets, building and property maintenance, rental of premises in Mandeville and Ocho Rios
5. Finally, \$3.76m or 1% was spent on Financial Expenses i.e. reinsurance, claims, bank charges and return of premium.

**Graph 2: 2019 Expenditure by Group**



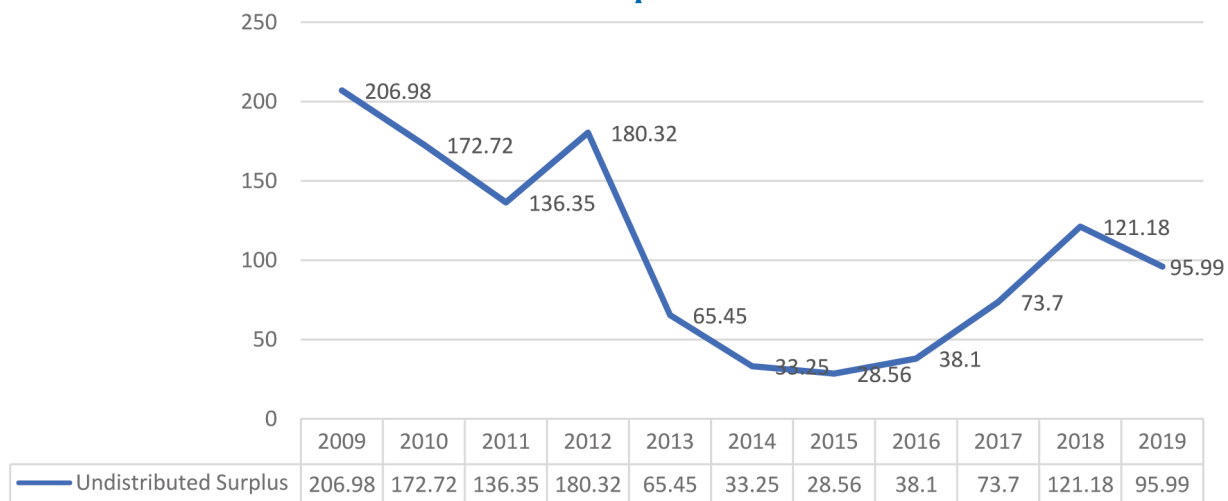
### Undistributed Surplus

The year 2009 is still the highest level of undistributed surplus for the period 2009 to 2019 and remains the level of performance to catch up with. 2019 ranked 6<sup>th</sup> behind 2012, 2010, 2011 and 2018. It is significant to note that both the surplus and undistributed surplus were higher in 2018 than 2019.



**Table 5: Undistributed Surplus**

**TIP Friendly Society  
Undistributed Surplus 2009 to 2019**

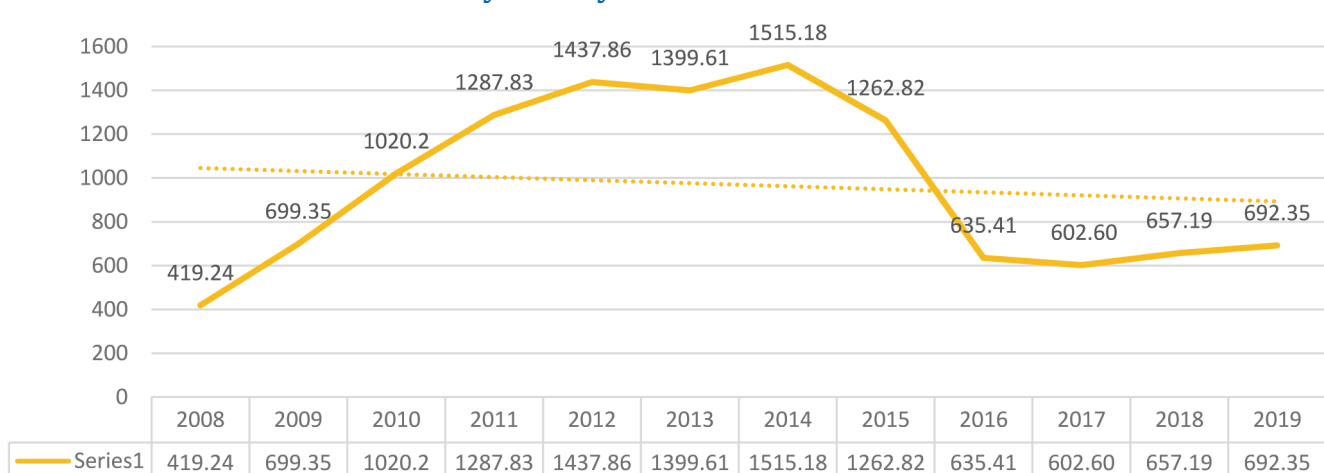


**Investments**

The level of cash investments that a Financial Institution maintains is governed by statute. As is shown in the PEARLS Ratios table though, TIP exceeds the standard liquidity requirement. TIP cash investments peaked at \$1.5b in 2014. At the end of 2019 the level of investments stood at \$692.35m.

**Graph 6: Investments 2008 to 2019**

**TIP Friendly Society Investments 2008 to 2019**



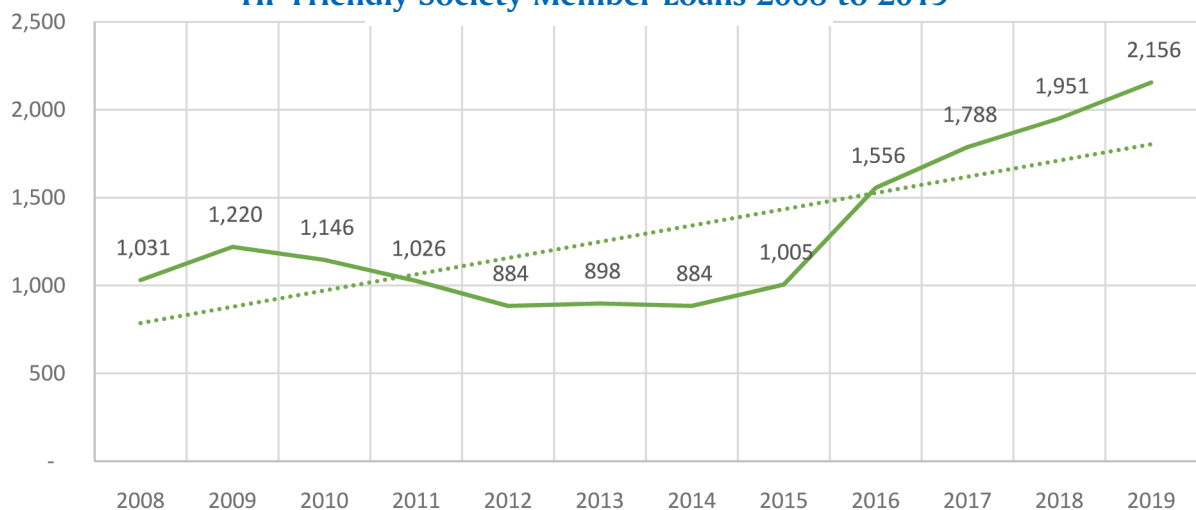


## Members' Loans

Members' loans continue to increase and although there was a dip between 2012 and 2015, it has now peaked in 2019 at \$2,156

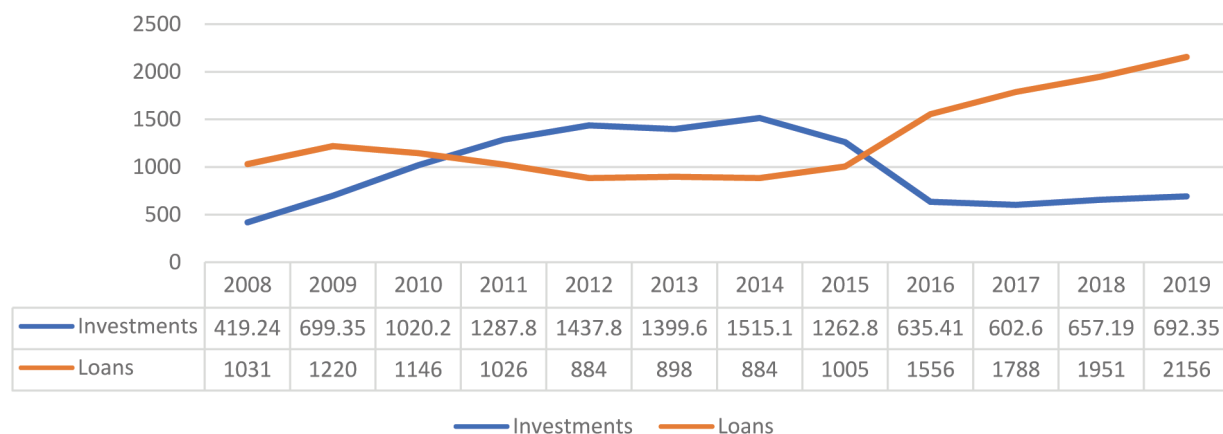
**Graph 7: Members Loans 2008 to 2019**

**TIP Friendly Society Member Loans 2008 to 2019**



**Graph 8: Relationship between Investments and Members Loans**

**TIP Friendly Society  
Investments and Loans**





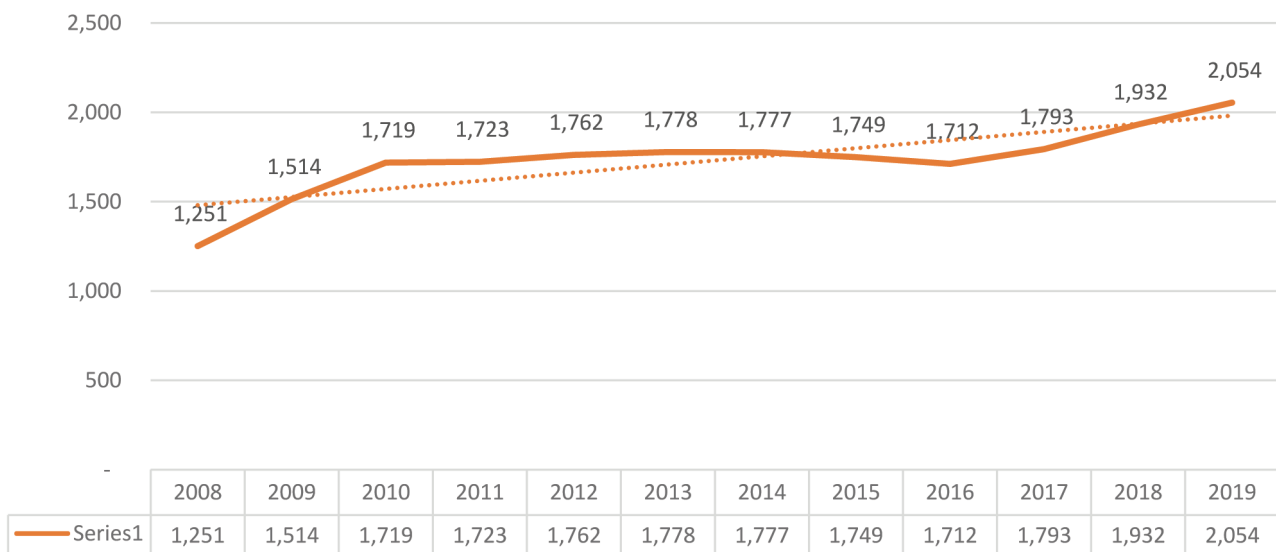


## Members' Savings

Members' Savings have grown steadily from 2008 to 2019 and is at its highest level in 2019 at \$2.054b. This is shown graphically below:

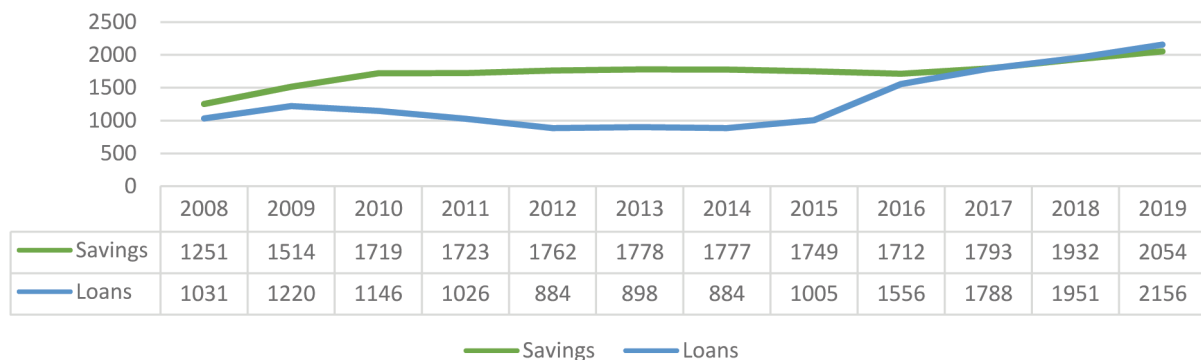
**Graph 9: Members Savings 2008 to 2019**

### TIP Friendly Society Members Savings 2008 to 2019



**Graph 10: Relationship: Members Loans and Members Savings**

### TIP Friendly Society Members Savings and Loans



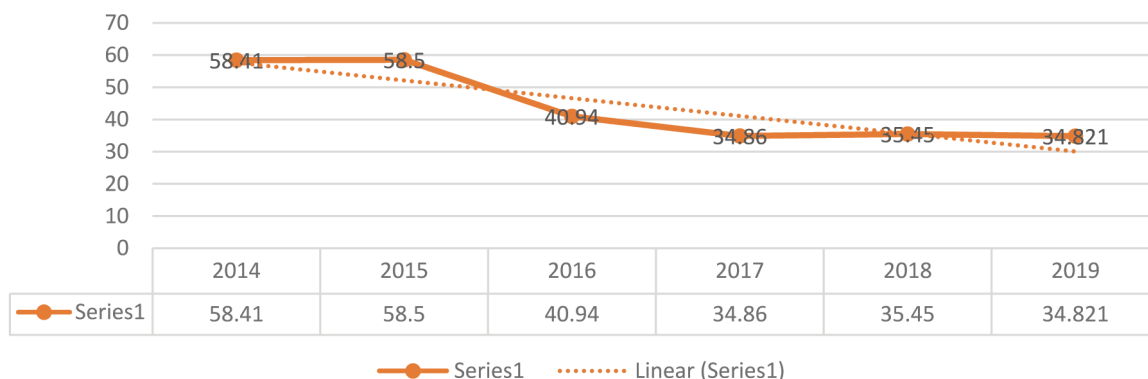


## Interest Paid to Members

Interest paid to members for the period 2014 to 2019 ranged from \$34.86m in 2017 to a high of \$58.41m in 2014. The interest paid is a direct function of the prevailing Treasury Bill rates as well as the level of members' savings. Interest is accrued monthly and payment is made at the end of the year based on the balance in the members' account.

**Graph 8: Interest Paid to Members**

### TIP Friendly Society Interest Paid to Members 2014 to 2019



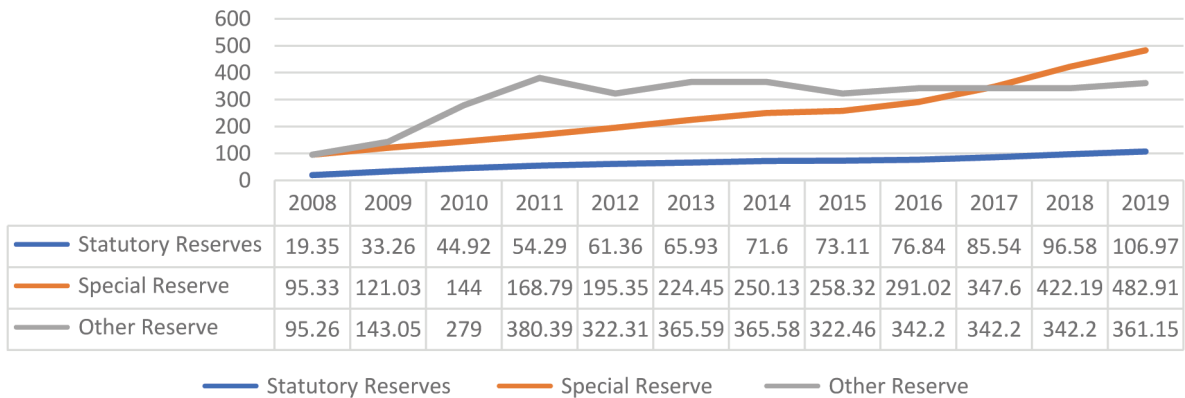
## Reserves

Section 68 of the Friendly Societies Act requires that every registered society 'shall establish and maintain a reserve fund'. Our Reserves are; Statutory Reserves - 5% of surplus, Special Reserve - 20% of Net Contributions and Other Reserve - this is not required by the Act but TIP sets aside 20% of Surplus. The Reserves for the period 2009 to 2019 are shown in Graph 9 below:



**Graph 9: TIP Reserves**

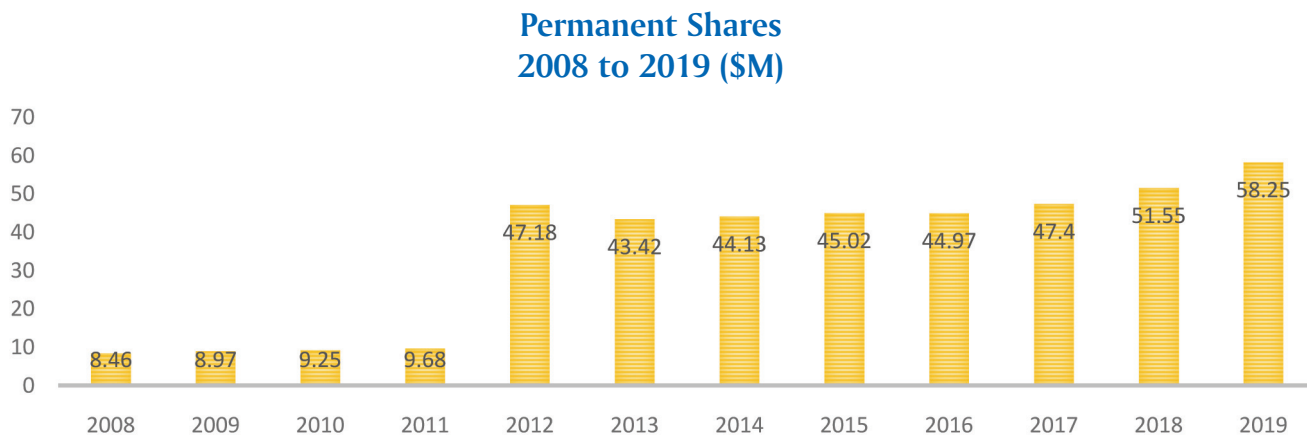
**TIP Friendly Society  
Reserves 2009 to 2019**



**Permanent Shares**

Permanent Shares are very important for membership to TIP. Our rule book states that every member shall subscribe to a minimum of two thousand (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. The growth in permanent shares from 2008 to 2019, is shown in Graph 10 below:

**Graph 10: Permanent Shares 2008 to 2019**







## 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 (WCCCU) and the International Co-operative Alliance (ICA) , is used below to report on the performance of TIP Friendly Society for 2015 to 2019. We have shown in red the areas where though close, we have not met the standards.

**Table 6: PEARLS Ratio**

Indicator	Standard	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015
<b>Provision for Loan losses</b>						
Delinquency > 12 months	100%	100%	100%	100%	100%	100%
Delinquency <12> 6 months	60%	60%	60%	60%	60%	60%
Delinquency > 3 months	30%	30%	30%	30%	30%	30%
Delinquency >2 months	10 %	10 %	10 %	10 %	10 %	10 %
<b>Effective Financial Structure</b>						
Net Loans/Total Assets	70-80%	64.51%	64.10%	60.45%	39.76%	33.83%
Total Savings/Total Assets	70-80%	62.61%	64.29%	66.48%	69.20%	67.97%
<b>Liquidity</b>						
Liquidity Reserve/Savings and Deposits	>10%	23.49%	21.85%	0.00%	17%	14.77%
<b>Asset Quality</b>						
Delinquency Rate	<5%	5.95%	4.56%	3.89%	6.94%	8.78%
Non-Earning Assets/Total Assets	<7%	9.21%	12.98%	13.42%	9.07%	7.03%



**Table 6: PEARLS Ratio (cont'd)**

Indicator	Standard	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Operating Expense/Average Assets	<8%	25.22%	12.28%	13.10%	13.60%	13.28%
Net Income/Average Assets	>5%	-4.28%	19.83%	19.59%	16.52%	14.60%
Gross Income/Average Assets	>5%	23.32%	21.13%	21.19%	18.17%	16.97%
<b>Signs of Growth</b>						
Growth in Total Assets	>7.1%	7.03%	9.61%	8.35%	1.86%	-3.32%
Growth in Members Savings	>10.2%	-2.74%	7.73%	4.77%	-2.14%	-1.56%

### 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 which this deposit relates. This means that the correct account is yet to be credited. The advertisement below provides clear instructions on the steps to be taken when making lodgments to our bank account. We anticipate your full support in helping us to help you ensure that your hard-earned money is reflected in your account.



**TIP** Friendly Society

## Treasurer's Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING



**TIP** Friendly Society

### TIP BANKING INFORMATION

<b>Name of Bank</b>	National Commercial Bank
<b>Name on Bank Account</b>	TIP Friendly Society
<b>Branch</b>	Duke & Barry Streets
<b>Account Number</b>	101878120
<b>Type of Account</b>	Chequing

Whenever payments are made, please email the confirmation of said payments (receipts or reference numbers) along with:

- **Full Name & TRN of Client**
- **Place of Work**
- **Contact Number**
- **What exactly the funds are being paid for**

Please email [tipbursar@tipfriendly.com](mailto:tipbursar@tipfriendly.com)

### Serving You Is Our Pleasure!

Half-Way-Tree  
876-618-1914

Ocho Rios  
876-877-5267

Montego Bay  
876-382-7289

Mandeville  
876-877-5268

 [www.tipfriendly.com](http://www.tipfriendly.com)  [mktgsales@tipfriendly.com](mailto:mktgsales@tipfriendly.com)

 [www.facebook.com/tipfriendlysociety](https://www.facebook.com/tipfriendlysociety)  [www.instagram.com/tipfriendlysociety](https://www.instagram.com/tipfriendlysociety)

 @tipfs





Secondly, we would like to encourage all Bursar schools to submit their staff deduction listing by email and their payment by direct transfer to our bank account. We think that schools need to send the right message in this new technological era and to take full advantage of the ease of doing business as is offered by the online options available. The letter below sent to Bursars refers. We anticipate your full support.

May 26, 2020

The Bursar  
Educational Institution

Dear Sir/Madam,

**Re: Direct Lodgement to TIP's Accounts**

As the world grapples with the “new norms” arising out of the COVID-19 pandemic, TIP Friendly Society is seeking ways to ensure that all of its members, partners and stakeholders are able to transact business quickly and effectively, especially with the need to maintain physical distance while conducting pertinent business.

It is with this in mind that we remind you that TIP has the facility for you to make direct lodgements to our accounts by transfer or direct lodgements. Details of the bank account is outlined below:

<b>Name of Bank:</b>	National Commercial Bank	<b>Account Number:</b>	101-878-120
<b>Name on Bank Account:</b>	TIP Friendly Society	<b>Type of Account:</b>	Chequing
<b>Branch:</b>	Duke & Barry Streets		

Whenever payments are made, **the confirmation of the payments (receipt or reference number) along with the list of members, associated amounts and TRNs** must be emailed to [tipbursar@tipfriendly.com](mailto:tipbursar@tipfriendly.com). This reduces the need for you to have personnel visit TIP's physical locations to make payments and will also ensure prompt processing of the payment.

TIP Friendly Society wishes you and the school community to stay safe.

**Serving You Is Our Pleasure.**

Yours Sincerely,

---

**Authorised Signature**



**TIP** Friendly  
Society

## Treasurer's Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

### Acknowledgements

On behalf of the Finance Committee we would like to thank you our members for your support during 2019, we look forward to serving you even more in 2020 and beyond.

We would also like to thank the Internal and 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 the Investment Houses and are grateful for the negotiations and ensuing rates that resulted.

Thanks to the General Manager and his team for their efficient handling of the strategic and operational aspect 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 in providing you with an exceptional service at all times.

**Albert Corcho**  
Chairman Finance Committee



**We are the FUTURE...**  
*WE DESERVE TO BE PROTECTED*

## **TIP STUDENT PLAN**

Insurance coverage 24 hours 365 days per year  
Anywhere in the World

Let one of our representatives provide you with more details:

✉	mktgsales@tipfriendly.com	🌐	www.tipfriendly.com
📘	facebook.com/tipfriendlysociety.com	🐦	@tipfs
📍	Half-Way-Tree	📍	Montego Bay
📞	876-618-1914	📞	876-382-7289

**Conditions Apply**





TIP Friendly Society

# Financial Statements

31 December 2019



**DEPARTMENT OF CO-OPERATIVES & FRIENDLY SOCIETIES**  
**CHARITIES AUTHORITY, JAMAICA**

**Ministry of Industry, Commerce, Agriculture and Fisheries**

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

**S1**

**R547/-813/07/20**

**July 16, 2020**

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 year ended December 31, 2019.

Kindly advise me of the date of the Annual General Meeting, so that arrangements may be made for the Department to be represented.

Yours truly,

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

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Chartered Accountants  
26 Beechwood Avenue  
P.O. Box 351  
Kingston 5, Jamaica

## **INDEPENDENT AUDITORS' REPORT**

To: The Registrar of Co-operative and Friendly Societies  
Re: TIP Friendly Society

### **Opinion**

We have audited the financial statements of TIP Friendly Society ("the Society") set out on pages 4 to 47, which comprise the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Society as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of 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 are independent of the Society in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements 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 or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Society's financial reporting process.



## INDEPENDENT AUDITORS' REPORT (CONT'D)

To: The Registrar of Co-operative and Friendly Societies  
Re: TIP Friendly Society

### **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.
- 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 achieves fair presentation.



**INDEPENDENT AUDITORS' REPORT (CONT'D)**


To: The Registrar of Co-operative and Friendly Societies  
Re: TIP Friendly Society

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 additional matters 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 kept, 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.

  
Chartered Accountants  
14 July 2020

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Statement of Profit or Loss and Other Comprehensive Income  
Year Ended 31 December 2019



	<u>Note</u>	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<b>Interest Income:</b>			
Interest on loans	8	343,481	336,039
Interest on investments		<u>19,823</u>	<u>14,322</u>
		363,304	350,361
<b>Interest Expense:</b>			
Interest on members' investments		( 34,821)	( 35,449)
<b>Net Interest Income</b>		328,483	314,912
Provision for loan losses	13	( 14,067)	( 2,676)
<b>Net Interest Income after Provision for Loan Losses</b>		<u>314,416</u>	<u>312,236</u>
Members' contribution		279,812	275,303
Less - reinsurance cost		( 50,588)	( 42,266)
Net members' contribution		229,224	233,037
Other income/gains	9	<u>41,444</u>	<u>34,469</u>
		<u>270,668</u>	<u>267,506</u>
<b>Net Interest and Other Income</b>		<u>585,084</u>	<u>579,742</u>
<b>Operating Expenses:</b>			
Personnel	25	216,000	201,011
Establishment	26	11,485	11,384
Advertising and promotion	27	23,126	21,993
General	28	122,932	121,793
Financial	29	<u>3,759</u>	<u>2,802</u>
		<u>377,302</u>	<u>358,983</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>207,782</u>	<u>220,759</u>

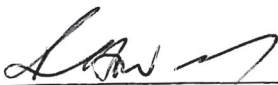


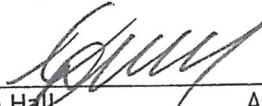
Statement of Financial Position  
31 December 2019



	<u>Note</u>	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<b>NON-CURRENT ASSETS:</b>			
<b>Earning:</b>			
Investment properties	11	<u>35,000</u>	<u>35,000</u>
<b>Non-Earning:</b>			
Property, plant and equipment	12	<u>244,693</u>	<u>230,703</u>
<b>CURRENT ASSETS:</b>			
<b>Earnings Assets:</b>			
Financial investments	10	692,352	657,188
Loans after provision for loan losses	13	<u>2,156,961</u>	<u>1,951,271</u>
		2,849,313	2,608,459
<b>Non-Earnings Assets:</b>			
Cash and cash equivalents	14	54,926	73,244
Other assets	15	<u>92,345</u>	<u>110,473</u>
		2,996,584	2,792,176
<b>TOTAL ASSETS</b>		<u>3,276,277</u>	<u>3,057,879</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and Reserves:</b>			
Permanent shares	16	58,252	51,551
Reserves	17	<u>1,047,021</u>	<u>982,144</u>
		1,105,273	1,033,695
<b>CURRENT LIABILITIES:</b>			
<b>Interest Bearing:</b>			
Members' savings	18	2,054,137	1,932,060
Bank overdraft	14	<u>-</u>	<u>1,027</u>
		2,054,137	1,933,087
<b>Non-Interest Bearing:</b>			
Payables	19	<u>116,867</u>	<u>91,097</u>
		2,171,004	2,024,184
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,276,277</u>	<u>3,057,879</u>

Approved for issue by the Board of Directors on 14 July 2020 and signed on its behalf:

  
Ray Howell      President

  
Clayton Hall      Assistant Treasurer

Statement of Changes in Equity  
Year Ended 31 December 2019



	Note	Permanent Shares \$'000	Statutory Reserve \$'000	Special Reserve \$'000	Other Reserve \$'000	Undistributed Surplus \$'000	Total \$'000
<b>Balance at 31 December 2017</b> (as previously reported)		47,402	85,542	347,595	342,201	73,695	896,435
Effect of adopting new standard		-	-	-	-	(16,171)	(16,171)
<b>Balance at 1 January 2018 (restated)</b>		47,402	85,542	347,595	342,201	57,524	880,264
Increase in permanent shares		4,149	-	-	-	-	4,149
5% transfer to statutory reserve		-	11,038	-	-	(11,038)	-
20% transfer to special reserve		-	-	46,607	-	(46,607)	-
Transfer to special reserve		-	-	46,607	-	(46,607)	-
Claim payments		-	-	(18,622)	-	-	(18,622)
Due to Errol Henry	23	-	-	-	-	(11,038)	(11,038)
Appropriations to net surplus		-	-	-	-	(4,000)	(4,000)
Dividends		-	-	-	-	(37,817)	(37,817)
Total comprehensive income		-	-	-	-	220,759	220,759
<b>Balance at 31 December 2018</b>		51,551	96,580	422,187	342,201	121,176	1,033,695
Increase in permanent shares		6,701	-	-	-	-	6,701
5% transfer to statutory reserve		-	10,389	-	-	(10,389)	-
20% transfer to special reserve		-	-	45,844	-	(45,844)	-
Transfer to special reserve		-	-	45,844	-	(45,844)	-
Transfer to other reserve		-	-	-	55,178	(55,178)	-
Transfer from other reserves		-	-	-	(36,229)	-	(36,229)
Claim payments		-	-	(30,961)	-	-	(30,961)
Due to Errol Henry		-	-	-	-	(10,389)	(10,389)
Dividends		-	-	-	-	(59,326)	(59,326)
Appropriations to net surplus		-	-	-	-	(6,000)	(6,000)
Total comprehensive income		-	-	-	-	207,782	207,782
<b>Balance at 31 December 2019</b>		58,252	106,969	482,914	361,150	95,988	1,105,273



Statement of Cash Flows  
Year Ended 31 December 2019



	<u>Note</u>	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net surplus		207,782	220,759
Items not affecting cash resources -			
Interest income		(343,481)	(350,361)
Interest expense		34,821	35,449
Loss on disposal of property, plant & equipment		-	291
Depreciation	12	<u>16,969</u>	<u>18,905</u>
		( 83,909)	( 74,957)
Changes in operating assets and liabilities -			
Loans receivable		(236,223)	(162,465)
Effect of adopting new standard - IFRS 9	13	-	( 16,171)
Other assets		18,128	( 40,942)
Members' savings		122,077	138,681
Payables		<u>25,770</u>	<u>( 7,233)</u>
Cash used in operating activities		<u>(154,157)</u>	<u>(163,087)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment & work in progress	12	( 30,959)	(109,092)
Interest received		374,014	350,510
Financial investments		<u>( 35,164)</u>	<u>( 55,228)</u>
Cash provided by investing activities		<u>307,891</u>	<u>186,190</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Permanent share		6,701	4,149
Claim payments		( 30,961)	( 18,622)
Due to Errol Henry	23	( 10,389)	( 11,038)
Interest paid		( 34,821)	( 35,449)
Appropriations		( 42,229)	( 4,000)
Dividends paid		<u>( 59,326)</u>	<u>( 37,817)</u>
Cash used in financing activities		<u>(171,025)</u>	<u>(102,777)</u>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		<u>( 17,291)</u>	<u>( 79,674)</u>
Cash and cash equivalents at beginning of year		<u>72,217</u>	<u>151,891</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	14	<u>54,926</u>	<u>72,217</u>





**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, and has its registered office at 80 Half Way Tree Road, Kingston 10, Jamaica.

The main activities of the Society are to provide specific benefits for members by voluntary subscription of the 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.

**2. REGULATION:**

The Friendly Societies Act requires, among other provisions, that at least 5% of net surplus and 20% of net contribution be transferred annually from the undistributed surplus to a Statutory and Special Reserve fund respectively. Section 27 (1 & 2) of the Act provides for the exemption from income tax and stamp duty for the Society.

**3. REPORTING CURRENCY:**

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the Society operates ('the functional currency'). These financial statements are presented in Jamaican dollars, which is considered the Society's functional and presentation currency.

**4. SIGNIFICANT ACCOUNTING POLICIES:**

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards International Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations (collectively IFRS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain properties and financial assets that are measured at fair value or revalued amounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Society's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.



4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

**New standards, interpretations and amendments effective in the current year**

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Society has assessed the relevance of all such new standards, amendments and interpretation and has put into effect the following, which are is immediately relevant to its operations:

**IFRS 16, 'Leases'**(effective for annual reporting periods beginning on or after 1 January 2019). The standard eliminates the dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to finance lease accounting. Entities will be required to bring all major leases on balance sheet, recognizing new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease. Optional lessee exemption will apply to short- term leases and for low-value items with value of US\$5,000 or less. The adoption of IFRS 16 does not impact the Society as the current lease arrangements expired in 2019. The Society is actively pursuing the purchase of these leased properties.

Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases.

**Amendment to IAS 19, Employee Benefits, (effective for annual periods beginning on or after January 1, 2019).** This standard specifies how an entity determines pension expenses when there are changes to a defined pension plan. The amendment requires the entity to use updated actuarial assumptions to determine its current service cost and net interest for the remaining period when there is an amendment, curtailment or settlement of a defined benefit plan. The effect of the net asset ceiling is disregarded when calculating the gain or loss on the settlement of the defined benefit plan and is dealt with separately in other comprehensive income. The adoption of the standard did not have an impact on financial statements of the Society.

**Amendment to IAS 1, Employee Benefits, (effective for annual periods beginning on or after 1 January 2019).** This standard specifies how an entity determine pension expenses when there are changes to a defined pension plan. The amendment requires the entity to use updated actuarial assumptions to determine its current service cost and net interest for the remaining period when there is an amendment, curtailment or settlement of a defined plan. The effect of the net asset ceiling is disregarded when calculating the gain or loss on the settlement of the defined benefit plan and is dealt with separately in other comprehensive income. The adoption of the standard did not have an impact on financial statement of the Society.





4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(a) **Basis of preparation (cont'd)**

**New standards, amendments and interpretations not yet effective and have not been early adopted**

At the date of authorization, there are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the Society has decided not to adopt early. The most significant of these are:

**Amendment to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, (effective for annual periods beginning on or after January 1, 2020).** These standards are conceptual amendments to other IFRSs and provides the following definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The Society does not expect the amendment to have a significant impact on its 2020 financial statements.

**Revised Conceptual Framework for Financial Reporting (effective for annual periods beginning on or after 1 January 2020).** The revised conceptual framework will be used in standards-setting decisions with immediate effect, however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework. The Society is currently assessing the impact of this revision.

(b) **Foreign currency translation**

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss. Translation differences on non-monetary financial instruments, such as equities classified as fair value through other comprehensive income financial assets, are included in equity.





#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

##### (c) Property, plant and equipment

Items of property, plant and equipment are recorded initially at cost and, except for freehold land and buildings, subsequently carried at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally 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 the 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 profit or loss.

Depreciation is calculated on the straight-line method at annual rates estimated to write off the costs of the assets over the period of their estimated useful lives. Annual rates are as follows:

Buildings	2½%
Leasehold improvement	10%
Computer equipment	25%
Computer software	33 1/3%
Furniture and fixtures	10%
Office equipment	20%
Motor bike	12½%

Gains and losses on disposals of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each reporting date.

##### (d) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

##### (e) Financial assets

A financial asset is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

##### Classification and subsequent measurement

The Society classifies its financial assets based on the business model used for managing the financial assets and the asset's contractual terms. These are measured at either:

- Amortised cost, and;
- Fair value through profit or loss (FVPL).

##### Amortised 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 amortised cost. Interest income from these financial assets is included in the income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the surplus or deficit. Impairment losses are presented as a line item in the income statement as credit impairment losses. Bad debt recoveries are included in other income.

##### Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is measured at FVPL is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest method.

##### Derecognition

The Society derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Society neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in surplus or deficit.





#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

##### (e) Financial assets (cont'd)

###### Classification and subsequent measurement (cont'd)

###### Measurement and gains and losses

Financial assets at amortised cost are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

The investment securities' caption in the statement of financial position includes:

- debt investment securities measured at amortised cost which are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- equity investment securities mandatorily measured at FVTPL or designated as at FVTPL which are at fair value with changes recognised immediately in profit or loss;

###### Impairment

The Society assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets classified at amortised cost.

The ECL will be recognised in surplus before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 -** 12 month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not non-performing. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.





#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

##### (e) Financial assets (cont'd)

##### Impairment (cont'd)

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination (cont'd):

**Stage 2 -** When a financial asset experiences a significant increase in credit risk subsequent to origination but is not non-performing, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

**Stage 3 -** Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Society uses judgement when considering the following factors that affect the determination of impairment:

##### Assessment of Significant Increase in Credit Risk (SICR)

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Society compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Society's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be assessed on a collective basis, this would require the segmentation of credit exposure on the basis of shared credit risk characteristics. This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

##### Macroeconomic Factors, Forward Looking Information and Multiple Scenarios

The Society applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.



#### 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

##### (e) Financial assets (cont'd)

###### Impairment (cont'd)

###### Macroeconomic Factors, Forward Looking Information and Multiple Scenarios (cont'd)

Macroeconomic factors and forward looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Society uses three scenarios that are probability weighted to determine ECL: base, optimistic and pessimistic.

###### Expected Life

When measuring ECL, the Society considers the maximum contractual period over which the Society is exposed to credit risk. All contractual terms are considered when determining the expected life. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Society is exposed to credit risk and where the credit loss would not be mitigated by management's actions.

###### Application of the Simplified Approach

For other receivables, the Society applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for other receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

##### (f) Financial liabilities

The Society's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: members savings, bank overdraft and payables.

Members' savings are recorded initially at the proceeds received. Subsequently, members' savings are stated at amortized cost, using the effective yield method. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.





4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(f) **Financial liabilities (cont'd)**

Trade payables and other short-term monetary liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

**Recognition and initial measurement**

Financial instruments are classified, recognised and measured in accordance with the substance of the terms of the contracts. The Society recognises a financial instrument when it becomes a party to the contractual terms of the instrument. The Society initially recognises receivables and investment securities on the date when they are originated. All other financial assets and financial liabilities are initially recognised when the Society becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

(g) **Loans and provision for impairment losses**

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Society does not intend to sell.

Loans are recognised when cash is advanced to members. They are initially recorded at cost, which is the cash given to originate the loan including any transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

A loan is classified as non-performing when, in management's opinion there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. Loan repayment outstanding over 30 days are considered past due. Loans are classified as non-current if they are non-performing over 90 days. In accordance with regulations, when a loan is classified as non-current, recognition of interest in accordance with the terms of the agreement ceases, and interest is taken into account when received. IFRS require that interest income on non-performing loans be accrued, to the extent collectible and that the increase in the present value of impaired loans due to the passage of time be reported as interest income.





4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(g) **Loans and provision for impairment losses (cont'd)**

The Society maintains an allowance for loan losses, which in management's opinion, is adequate to absorb all credit related losses in its portfolio. The allowance consists of specific and general provisions for doubtful debts.

Specific provisions are established as a result of a review of the carrying value of loans in arrears. Full provision of loan principal is made for loans in arrears over one year. General provision of 10% - 60% are established in respect of loan principal in arrears for two to twelve months. All interest over two months is provided for in full.

Write-offs are made when all or part of a loan is deemed uncollectible or in case of debt forgiveness. Write-offs are charged against previously established provisions for credit losses and reduce the principal amount of a loan. Recoveries in part or in full of amounts previously written off are credited to impairment loss expenses in the profit or loss.

(h) **Investment securities**

Investment securities are initially recognized at cost (which includes transaction costs). Financial assets are subsequently remeasured at fair value based on quoted bid prices or amounts derived from cash flow models. Fair values for unquoted equity instruments are estimated using applicable price/earnings or cash flow ratios refined to reflect the specific circumstances of the issuer. Unrealized gains and losses arising from the changes in the fair value of securities classified as available-for-sale are recognized in equity. When the securities are disposed of or impaired, the related accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

(i) **Investment properties**

Investment properties are comprised of land and buildings which are held for long term rental yields and are not occupied by the Society. Investment properties are treated as long term investments and are carried at fair value determined by an independent valuator at intervals such that the carrying value is not materially different from market value.

The fair values of the investment properties during the interval between independent valuations are determined by the directors. Fair value, representing open market values, are based on current prices in an active market for similar properties in the same location and condition.

Changes in fair values are recorded in the profit or loss in accordance with IAS 40 and are included in other income/gains.



4. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(j) **Employment benefits**

**Post employment benefit costs**

The Society participates in a defined contribution pension scheme with Sagicor Life of 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 5% of pensionable salaries.

The assets are held independently of the Society's assets in a separate trustee administered fund. The Scheme is subjected to actuarial valuations.

**Leave accruals**

The Society's vacation leave policy allows for unused vacation leave to be carried forward to a maximum of one (1) year. All outstanding leave is recognized in the profit or loss.

(k) **Provisions**

Provisions are recognized when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(l) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business.

**Interest income**

Interest income is recognized 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 the 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 accrued when due.





4. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(l) **Revenue recognition (cont'd)**

**Fee income**

Fee income is generally recognized when the service has been provided.

(m) **Permanent shares**

Permanent shares 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. Permanent shares are equity shares and form part of the capital of the Society.

5. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:**

Judgements and estimates 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.

(a) **Critical judgements in applying the Society's accounting policies**

In the process of applying the Society's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

(b) **Key sources of estimation uncertainty**

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 assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

(i) **Fair value estimation**

A number of assets and liabilities included in the Society's financial statements require measurement at, and/or disclosure of, at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument.





## 5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

### (b) Key sources of estimation uncertainty (cont'd)

#### (i) Fair value estimation (cont'd)

The fair value measurement of the Society's financial and non financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on the degree to which the fair value is observable.

The standard requires disclosure of fair value measurements by level using the following fair value measurement hierarchy:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The classification of an item into the above level is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item.

The society measures a number of items at fair value -

Financial investments - (note 10)  
Revalued building - property, plant and equipment (note 12)  
- Investment properties (note 11)

#### (ii) Impairment losses on financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of members' defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing the number and relative weights of forward looking scenarios.
- Establishing groups of similar financial assets for the purpose of measuring ECL.



5. **CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):**

(b) **Key sources of estimation uncertainty (cont'd)**

(iii) **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.

6. **FINANCIAL RISK MANAGEMENT:**

The Society's activities are principally related to the use of financial instruments, which involves analysis, evaluation and management of some degree of risk or combination of risks. 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. The Society's risk management policies are designed to identify and analyze the risks faced by the Society, to set appropriate risk limits and controls, and to monitor risks and adherence to limits by means of regularly generated reports. The Society's aim is, therefore, to achieve an appropriate balance between risks and return and minimize potential adverse effects on the Society's financial performance.

The Society has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

In common with all other businesses, the Society activities exposes 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 affects 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
- Loans, after provision for impairment
- Cash and bank balances
- Members' savings
- Payables
- Bank overdraft





6. FINANCIAL RISK MANAGEMENT (CONT'D):

(ii) Financial instruments by category

Financial assets

	Assets at Amortised cost \$'000	Assets at fair Value through Profit or loss \$'000	Total \$'000
<b>As at 31 December 2019:</b>			
Cash in hand and bank	54,926	-	54,926
Loans after provision for Loan losses	2,156,961	-	2,156,961
Financial investments	<u>610,490</u>	<u>81,862</u>	<u>692,352</u>
	<u>2,822,377</u>	<u>81,862</u>	<u>2,904,239</u>

	Assets at Amortised cost \$'000	Assets at fair Value through Profit or loss \$'000	Total \$'000
<b>As at 31 December 2018:</b>			
Cash in hand and bank	73,244	-	73,244
Loans after provision for Loan losses	1,951,271	-	1,951,271
Financial investments	<u>657,188</u>	<u>-</u>	<u>657,188</u>
	<u>2,681,703</u>	<u>-</u>	<u>2,681,703</u>

Financial liabilities

	Financial liabilities at amortised cost	
	2019 \$'000	2018 \$'000
Payables	96,929	91,097
Members' savings	2,054,137	1,932,060
Bank overdraft	<u>-</u>	<u>1,027</u>
	<u>2,151,066</u>	<u>2,024,184</u>





6. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(iii) **Financial instruments not measured at fair value**

Financial instruments not measured at fair value includes cash and bank balances, loans after provision for loan losses, payables, members' savings and bank overdraft.

Due to their short term nature, the carrying value of cash and bank balances, loans, after provision for impairment and payables approximate their fair value.

(iv) **Financial risk factors**

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.

The Supervisory Committee is responsible for monitoring compliance with the Society's risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Society.

The Committee is assisted in these functions by the Internal Audit function of the Society which undertakes periodic reviews of risk management controls and procedures, the results of which are reported to the Supervisory Committee and management.

(a) **Credit risk**

The Society takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss by being unable to pay amounts in full when due. Credit exposures arise principally in lending activities.

For loans, strategic decisions are primarily made by the Board of Directors, with some delegation of credit approval authority to the Credit Committee and certain members of executive management. The Society's credit policy forms the basis for all its lending operations. The policy aims at maintaining a high quality loan portfolio, as well as enhancing the Society's mission and strategy. The policy sets the basic criteria for acceptable risk and identifies risk areas that require special attention.

Additionally, the Society is exposed to credit risk in its treasury activities, arising from financial assets that the Society uses for managing, its liquidity and currency and interest rate risks, as well as other market risks. There is also credit risk in off-statement financial position financial items, such as loan commitments.

**Credit review process**

The Society has established a credit quality review process involving regular analysis of the ability of borrowers and other counterparties to meet interest and loan repayment obligations.



6. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(iv) **Financial risk factors (cont'd)**

(a) **Credit risk (cont'd)**

**Credit review process (cont'd)**

The Society has a Credit Manager who operates within the guidelines established by the Board of Directors for granting loans. Loans outside of the policy have to be referred to the Credit Committee by the Credit Manager for a waiver of the policy to allow the Credit Manager to approve the loan.

**Loans to members**

The Society's exposure to credit risk is influenced mainly by the individual characteristics of each member. The Board of Directors has established a credit policy under which each member is assessed individually for creditworthiness prior to the Society offering them a credit facility. Loans are normally granted at a maximum ratio of \$4 for each \$1 in savings held by a member. One is required to be a member for at least six (6) months before he/she becomes eligible for a loan.

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.

**Investments and resale agreements**

The Society limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. As a consequence, management's expectation of default is low.

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.

**Credit limits**

The Society manages concentrations of credit risk by placing limits on the amount of risk accepted in relation to a single borrower or groups of related borrowers, and to product segments. Borrowing limits are established by the use of the system described above. Limits on the level of credit risk by product categories, and for investment categories, are reviewed and approved by the Board of Directors.

**Liquid assets and bank balances**

Liquid assets and bank balances are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed by the finance committee.





## 6. FINANCIAL RISK MANAGEMENT (CONT'D):

### (iv) Financial risk factors (cont'd)

#### (a) Credit risk (cont'd)

##### Impairment

The Society established an allowance for impairment losses that represents its estimates of incurred losses in its portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established on a group basis in respect of losses that have been incurred but have not been identified on loans subject to individual assessments for impairment.

The Society establishes an allowance for impairment that represents its estimate of incurred losses in respect of loans and other receivables and investments. The Society addresses impairment assessment in two areas: individually assessed allowances and collectively assessed allowances.

The Society's average credit period on the loans granted is 3 years. The Society has provided fully for all past due loans over 365 days based on historical experience which dictates that amounts past due beyond 365 days are generally not recoverable. Impaired loans to members between 61 and 365 days are provided for based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

##### Write-off policy

The Society writes off a loan (and any related allowances for impairment losses) when the Society determines that the loans are not collectible. 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.

##### Credit risk exposure

Maximum exposure to credit risk before collateral held or other credit enhancements are as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Loans to members (net)	2,156,961	1,951,271
Financial investments	692,352	657,188
Cash and bank balances	<u>54,926</u>	<u>73,244</u>
	<u>2,904,239</u>	<u>2,681,703</u>





6. FINANCIAL RISK MANAGEMENT (CONT'D):

(iv) Financial risk factors (cont'd)

(a) Credit risk (cont'd)

Credit risk exposure (cont'd)

There has been no change to the Society's exposure to credit risk or the manner in which it manages and measures the risk. The credit quality of loans is summarized as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Neither past due nor impaired	2,095,118	1,905,418
Past due but not impaired	65,720	41,700
Impaired	<u>48,180</u>	<u>41,850</u>
	2,209,018	1,988,968
Less provision for loan losses	<u>( 52,057)</u>	<u>( 37,697)</u>
	<u>2,156,961</u>	<u>1,951,271</u>

Loans to members that are less than two months past due are not considered impaired. These relate to a number of members for whom there is no recent history of default.

Aged analysis of past due but not impaired loans:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
30 days	18,718	20,242
60 days	<u>47,002</u>	<u>21,458</u>
	<u>65,720</u>	<u>41,700</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:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
60 - 90 days	12,052	13,046
91 - 180 days	14,614	9,483
181 - 365 days	9,224	9,183
Over 365 days	<u>12,290</u>	<u>10,138</u>
	<u>48,180</u>	<u>41,850</u>



6. FINANCIAL RISK MANAGEMENT (CONT'D):

(iv) Financial risk factors (cont'd)

(a) Credit risk (cont'd)

Concentration of risk

Loans

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Mortgage	3,097	-
Life insurance	213	-
Quick cash	203,125	149,456
Regular	1,084,710	964,320
Educational	5,707	14,203
Christmas loan	2,255	7,112
Easter Loan	1,277	1,710
Summer Loan	3,011	768
Special client	19	79
Tip Express	20,728	22,871
Vacation	175	172
Motor vehicle	856,386	789,124
Debt consolidation	<u>15,691</u>	<u>21,244</u>
	2,196,394	1,971,059
Less: Allowance for loan impairment	( 52,057)	( 37,697)
	2,144,337	1,933,362
Interest receivable	<u>12,624</u>	<u>17,909</u>
	<u>2,156,961</u>	<u>1,951,271</u>

Debt securities

The following table summarises the Society's credit exposure for debt securities at their carrying amounts, as categorized by issuer:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Unit trust investments	81,862	-
Securities purchases under agreements to resell	<u>610,490</u>	<u>657,188</u>
	<u>692,352</u>	<u>657,188</u>





6. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(iv) **Financial risk factors (cont'd)**

(b) **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 replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfil commitments to lend.

The Society's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and 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 26.77% (2018: 37.84%). 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, as carried out within the Society, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Optimising cash returns on investments;
- (iv) Managing the concentration and profile of debt maturities.

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.





## 6. FINANCIAL RISK MANAGEMENT (CONT'D):

### (iv) Financial risk factors (cont'd)

#### (b) Liquidity risk (cont'd)

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.

The tables below present the undiscounted cash flows payable (both interest and principal cash flows) of the Society's financial liabilities based on contractual repayment obligations.

	<u>Within 3 Months \$'000</u>	<u>3 to 12 Months \$'000</u>	<u>1 - 5 Years \$'000</u>	<u>Over 5 Years \$'000</u>	<u>Total \$'000</u>
<b>As at 31 December 2019:</b>					
Members' savings	2,054,137	-	-	-	2,054,137
Accounts payable	96,929	-	-	-	96,929
Bank overdraft	-	-	-	-	-
<b>Total financial liabilities</b>	<b><u>2,151,066</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,151,066</u></b>
<b>As at 31 December 2018:</b>					
Members' savings	1,932,060	-	-	-	1,932,060
Accounts payable	91,097	-	-	-	91,097
Bank overdraft	1,027	-	-	-	1,027
<b>Total financial liabilities</b>	<b><u>2,024,184</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,024,184</u></b>

#### (c) Market risk

The Society takes on exposure to market risk, 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 risk mainly arises from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the general manager which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.



6. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(iv) **Financial risk factors (cont'd)**

(c) **Market risk (cont'd)**

**Currency risk**

Currency or foreign exchange 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 primarily exposed to the United States (US\$) and at 31 December 2019 there was no significant exposure to foreign currency risk.

**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, and arises mainly from investments, loans, deposits and reverse repurchase agreements.

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. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The following tables summarize the Society's exposure to interest rate risk. They include the Society's financial instruments at carrying amounts, categorized by the earlier of contractual re-pricing or maturity dates. A summary of the Society's interest rate gap position is as follows:





6. FINANCIAL RISK MANAGEMENT (CONT'D):

(iv) Financial risk factors (cont'd)

(c) Market risk (cont'd)

Interest rate risk (cont'd)

	2019					
	Within 3 Months \$'000	3 to 12 Months \$'000	1-5 Years \$'000	Over 5 Years \$'000	Non-interest Bearing \$'000	Total \$'000
<b>Assets:</b>						
Cash and cash equivalents	54,926	-	-	-	-	54,926
Financial investments	218,020	228,332	166,000	80,000	-	692,352
Loans to members	11,379	40,409	1,686,587	416,073	2,513	2,156,961
Total	284,325	268,741	1,852,587	496,073	2,513	2,904,239
<b>Liability:</b>						
Members' savings	2,054,137	-	-	-	-	2,054,137
Total	2,054,137	-	-	-	-	2,054,137
<b>Total Interest Rate</b>						
Sensitivity gap	(1,769,812)	268,741	1,852,587	496,073	2,513	850,102
Cumulative interest sensitivity gap	(1,769,812)	(1,501,071)	351,516	847,589	850,102	-





6. FINANCIAL RISK MANAGEMENT (CONT'D):

(iv) Financial risk factors (cont'd)

(c) Market risk (cont'd)

Interest rate risk (cont'd)

	2018					
	Within 3 Months \$'000	3 to 12 Months \$'000	1-5 Years \$'000	Over 5 Years \$'000	Non-interest Bearing \$'000	Total \$'000
<b>Assets:</b>						
Cash and cash equivalents	72,217	-	-	-	-	72,217
Financial investments	657,188	-	-	-	-	657,188
Loans to members	<u>16,115</u>	<u>27,807</u>	<u>1,676,268</u>	<u>228,400</u>	<u>2,681</u>	<u>1,951,271</u>
Total	<u>745,520</u>	<u>27,807</u>	<u>1,676,268</u>	<u>228,400</u>	<u>2,681</u>	<u>2,680,676</u>
<b>Liability:</b>						
Members' savings	<u>1,932,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,932,060</u>
Total	<u>1,932,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,932,060</u>
<b>Total Interest Rate Sensitivity gap</b>	<u>(1,186,540)</u>	<u>27,807</u>	<u>1,676,268</u>	<u>228,400</u>	<u>2,681</u>	<u>748,616</u>
Cumulative interest sensitivity gap	(1,186,540)	(1,158,733)	517,535	745,935	748,616	-

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Society's statement of profit or loss and other comprehensive income and equity.

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.



6. FINANCIAL RISK MANAGEMENT (CONT'D):

(iv) Financial risk factors (cont'd)

(c) Market risk (cont'd)

Interest rate risk (cont'd)

	Effect on Net Surplus 2019 \$'000	Effect on Equity 2019 \$'000	Effect on Net Surplus 2018 \$'000	Effect on Equity 2018 \$'000
Change in basis points:				
-100/-100	( 1,284)	6,104	(17,864)	6,061
+100/+100	( 1,284)	6,104	(17,864)	6,061

Average effective yields by earlier of the contractual re-pricing or maturity dates:

	2019				
	Within 3 Months %	3 to 12 Months %	1 to 5 Years %	Over 5 Years %	Weighted Average %
Loans	14.29	23.25	17.36	7.50	15.60
Financial investments	2.70	-	-	-	4.50
Members savings	<u>1.50 - 3.50</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.50</u>

	2018				
	Within 3 Months %	3 to 12 Months %	1 to 5 Years %	Over 5 Years %	Weighted Average %
Loans	14.29	20.78	18.69	8.49	17.50
Financial investments	3.75 - 5.10	-	-	-	4.42
Members savings	<u>1.50 - 3.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.88</u>





## 6. FINANCIAL RISK MANAGEMENT (CONT'D):

### (v) 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 within each department. 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 undertaken by Internal Audit. The results of internal audit reviews are discussed with the department heads, with summaries submitted to senior management.

### (vi) Capital management

The Society's objectives when managing capital are 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 and to maintain a strong capital base to support the development of its business.





**6. FINANCIAL RISK MANAGEMENT (CONT'D):**

**(vi) Capital management (cont'd)**

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.

There were no changes in the Society's approach to Capital Management during the year.

**7. FAIR VALUES OF FINANCIAL INSTRUMENTS:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Society.

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. For financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting date.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

- (i) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities.
- (ii) The fair value of demand deposits with no specific maturity is assumed to be the amount payable on demand at the date of the statement of financial position.
- (iii) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts.
- (iv) The carrying value of external credit approximates its fair values, as these loans are carried at amortized cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions.



## 7. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D):

- (v) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. For match-funded loans the fair value is assumed to be equal to their carrying value, as gains and losses offset each other.
- (vi) Unquoted equities are classified as FVOCI. If there is no active market for investments, the Society establishes fair value by using valuation techniques, such as reference to recent arm's length transaction, reference to other instruments that are substantially the same or amounts derived from discounted cash flow models, making maximum use of market inputs.
- (vii) The fair values of quoted investments are based on current bid prices.

The following table provides an analysis of financial instruments that are measured in the statement of financial position at fair value at 31 December 2019, grouped into Levels 2 and 3 based on the degree to which the fair value is observable:

- (i) Level 2: Fair value measurements are those derived from valuation techniques based on inputs other than quoted market prices included within level 1, that are observable for the instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (ii) Level 3: Fair value measurements are those derived from valuation techniques using significant inputs for the instrument that are not based on observable market data (unobservable inputs).

		2019		
		Level 2	Level 3	Total
		\$'000	\$'000	\$'000
<i>Amortised cost:</i>				
Repurchase agreement		<u>692,352</u>	<u>-</u>	<u>692,352</u>
		2018		
		Level 2	Level 3	Total
		\$'000	\$'000	\$'000
<i>Amortised cost:</i>				
Repurchase agreement		<u>657,188</u>	<u>-</u>	<u>657,188</u>

## 8. INTEREST ON LOAN:

	2019	2018
	\$'000	\$'000
Staff loans	3,699	6,502
Car loans	73,253	72,294
Loan to members	<u>266,529</u>	<u>257,243</u>
	<u>343,481</u>	<u>336,039</u>





9. **OTHER INCOME/GAINS:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Rental income	2,417	3,750
Loan application fees	30,267	25,166
Bad debt recovered	446	393
Miscellaneous income	<u>8,314</u>	<u>5,160</u>
	<u>41,444</u>	<u>34,469</u>

10. **FINANCIAL INVESTMENTS:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<b>Current:</b>		
Amortised cost - Repurchase agreements	<u>692,352</u>	<u>657,188</u>

11. **INVESTMENT PROPERTIES:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Investments properties	<u>35,000</u>	<u>35,000</u>

This consists of two (2) houses owned by the Society, that are held to earn rentals or for capital appreciation or both. The fair value of the Society's Investment properties at 31 December 2019 was Thirty Five Million Dollars (\$35,000,000), arrived at on the basis of a valuation done in 2016 by independent valuers, Thomas, Forbes & Associates Limited, Licenced Real Estate Dealer. The directors are of the view that fair value has not changed significantly since the last independent valuation.

The income earned and direct operating expenses incurred in connection with the investments were as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Rental income	2,417	3,750
Management costs and repairs	<u>1,430</u>	<u>1,123</u>





12. PROPERTY, PLANT AND EQUIPMENT:

	Building \$'000	Motor Bike \$'000	Furniture & Fixtures \$'000	Computer & Equipment \$'000	Leasehold Improvement \$'000	Total \$'000
At Cost/valuation -						
1 January 2018	102,500	270	30,534	133,103	7,770	274,177
Additions	-	-	3,330	13,259	-	16,589
Disposals	-	-	( 6,698)	( 40,758)	-	( 47,456)
Work-in-progress	92,503	-	-	-	-	92,503
31 December 2018	195,003	270	27,166	105,604	7,770	335,813
Additions	13,921	-	2,255	14,783	-	30,959
Disposals	-	-	-	-	-	-
Work-in-progress	-	-	-	-	-	-
31 December 2019	208,924	270	29,421	120,387	7,770	366,772
Accumulated Depreciation -						
1 January 2018	2,563	222	19,625	105,460	5,500	133,370
Charge for the year	2,562	34	2,642	13,125	542	18,905
Elimination on disposal	-	-	( 6,215)	( 40,950)	-	( 47,165)
31 December 2018	5,125	256	16,052	77,635	6,042	105,110
Charge for the year	4,331	14	2,290	9,862	472	16,969
Elimination on disposal	-	-	-	-	-	-
31 December 2019	9,456	270	18,342	87,497	6,514	122,079
Net Book Value -						
31 December 2019	199,468	-	11,079	32,890	1,256	244,693
31 December 2018	189,878	14	11,114	27,969	1,728	230,703

The Society's building at 80 Half Way Tree Road, Kingston 5, was revalued in 2016, by independent valuers, Thomas, Forbes & Associates Limited, Licenced Real Estate Dealer. The valuation was done on the basis of open market value. The revaluation surplus was credited to property revaluation reserve (note 17).

If building was stated on historical cost basis, the carrying amount would total \$35,049,607 (2018- \$36,405,645).



13. **LOANS AFTER PROVISION FOR LOAN LOSSES:**

Movement in loans during the year is as follows -

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	1,951,271	1,788,312
Add: disbursements	<u>1,179,744</u>	<u>1,011,328</u>
	3,131,015	2,799,640
Less: repayments	<u>( 934,621)</u>	<u>( 828,581)</u>
	2,196,394	1,971,059
Accrued interest	<u>12,624</u>	<u>17,909</u>
	2,209,018	1,988,968
Less: Provision for loan losses	<u>( 52,057)</u>	<u>( 37,697)</u>
	<u>2,156,961</u>	<u>1,951,271</u>

Allowance for loan losses -

The movement in the allowance for impairment determined under the requirements of IFRS 9 is as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	37,697	21,656
Effect of adopting IFRS 9	-	16,171
Bad debt written off	293	( 2,806)
Impairment losses recognized through profit or loss	<u>14,067</u>	<u>2,676</u>
	<u>52,057</u>	<u>37,697</u>

Expected credit loss

<u>2019</u>				Expected
<u>Stages</u>	<u>Number of</u> <u>accounts</u>	<u>Loans</u> <u>\$'000</u>	<u>Default</u> <u>Rates</u> <u>%</u>	<u>Credit</u> <u>Loss</u> <u>\$'000</u>
1	5,425	2,057,735	0.01-0.20	38,155
2	164	52,270	0.21-0.45	3,736
3	<u>501</u>	<u>99,013</u>	<u>0.46-0.50</u>	<u>10,166</u>
	<u>6,090</u>	<u>2,209,018</u>		<u>52,057</u>





13. LOANS AFTER PROVISION FOR LOAN LOSSES (CONT'D):

Expected credit loss (cont'd)

2018				
Stages	Number of accounts	Loans \$'000	Default Rates %	Expected Credit Loss \$'000
1	5,266	1,806,327	0.01 - 0.20	26,515
2	261	78,479	0.21 - 0.45	4,480
3	419	104,163	0.46 - 0.50	6,702
	<u>5,946</u>	<u>1,988,969</u>		<u>37,697</u>

Delinquent loans

Delinquent loans are summarized as follows:

2019							
Months in Arrears	Number of accounts in arrears	Delinquent Loans (P) \$'000	Security held against loans \$'000	Portion of Principal not Covered by savings \$'000	Delinquent Loans (I) \$'000	Loan Loss Provision \$'000	Statutory Provision Rate %
0 - 2	93	47,698	24,003	23,696	6,540	-	0
2 - 3	35	12,052	5,788	6,264	4,093	4,351	10
3 - 6	61	24,660	7,816	16,845	3,882	6,905	30
6 - 12	81	15,566	11,614	3,952	6,169	10,380	60
Over 12	104	20,740	14,488	6,252	13,528	30,421	100
	<u>374</u>	<u>120,716</u>	<u>63,709</u>	<u>57,009</u>	<u>34,212</u>	<u>52,057</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 two to twelve months. All interest over two months is provided for in full.





14. **CASH AND CASH EQUIVALENTS:**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and bank overdraft as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Cash at bank and in hand	54,926	73,244
Less - bank overdraft	<u>-</u>	<u>( 1,027)</u>
	<u>54,926</u>	<u>72,217</u>

Bank overdraft

Bank overdraft represents cheques drawn but unissued at year end.

15. **OTHER ASSETS:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Prepayments	7,593	4,599
Staff loans	70,609	93,007
Rent deposit	353	121
Utilities deposit	311	261
Telephone deposit	43	43
Income tax recoverable	782	782
Interest receivable	789	643
Other receivables	<u>11,865</u>	<u>11,017</u>
	<u>92,345</u>	<u>110,473</u>

16. **PERMANENT SHARES:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance brought forward	51,551	47,402
Shares issued	<u>6,701</u>	<u>4,149</u>
Balance at year end (note 17)	<u>58,252</u>	<u>51,551</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 subjected to sale, transfer or repurchase by the Society.



17. **RESERVES:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
(a) Statutory reserve	106,969	96,580
(b) Special reserve	482,914	422,187
(c) Reconciliation reserve	52,568	88,797
(d) General reserve	236,758	181,580
(e) Computer reserve	5,000	5,000
(f) Share transfer fund	208	208
(g) Property revaluation reserve	66,616	66,616
(h) Undistributed surplus	<u>95,988</u>	<u>121,176</u>
	1,047,021	982,144
Permanent shares (note 16)	<u>58,252</u>	<u>51,551</u>
	<u>1,105,273</u>	<u>1,033,695</u>

(a) **Statutory reserve**

This reserve is established out of the excess of revenue over expenditure each year and represents 5% of such excess. This is used to assist with the strengthening of the capital base of the Society.

(b) **Special reserve**

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. An amount equal to the value of this reserve is included in the Financial Investments.

(c) **Reconciliation reserve**

This represents amount set aside for future reconciliation or write off of differences in the personal and general ledger balances, where appropriate.

(d) **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.

(e) **Computer reserve**

This reserve is to be used for any major purchases or upgrade of software or hardware.

(f) **Share transfer fund**

This reserve is to be used for the purchase or sale of permanent shares to and from members.





17. **RESERVES (CONT'D):**

(g) **Property revaluation reserve**

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

18. **MEMBERS' SAVINGS:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	1,932,060	1,793,379
Add: savings and interest	<u>1,062,269</u>	<u>988,474</u>
	2,994,329	2,781,853
Less: Withdrawals and transfers	<u>( 940,192)</u>	<u>( 849,793)</u>
	<u>2,054,137</u>	<u>1,932,060</u>

19. **PAYABLES:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Rental deposits	628	281
Sagicor Life Jamaica Pension account	36	746
Income tax and GCT	1,136	( 195)
Payroll related liabilities	7,738	5,411
Audit fee	2,915	2,600
Due to Errol Henry (notes 23)	10,389	11,038
Unallocated lodgments	45,650	31,842
Accrued untaken vacation leave	7,114	7,031
Personal Accident Claim Fund	2,467	1,855
Withholding tax payable	7,872	4,425
Stale-dated cheques which may be reissued	-	8,603
Dividend payable	142	523
Accruals	8,394	1,036
Credit life insurance	7,775	12,476
Other payables	<u>14,611</u>	<u>3,425</u>
	<u>116,867</u>	<u>91,097</u>





20. **RELATED PARTY TRANSACTIONS AND BALANCES:**

The Society entered into the following transactions with related parties:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
(a) Loan balances (including interest) -		
Board and committee members	37,892	23,820
Members of staff	<u>71,029</u>	<u>89,671</u>
(b) Deposits (including interest) -		
Board and committee members	12,026	5,114
Members of staff	<u>3,620</u>	<u>3,378</u>

At 31 December 2019 all loans owing by directors, committee members and staff were being repaid in accordance with their loan agreements.

(c) Share balances -		
	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Board and committee members	146	126
Members of staff	<u>228</u>	<u>254</u>
(d) Compensation of key management personnel -		

The remuneration of key members of management during the year was as follows -

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Salaries and other short-term benefits	46,058	42,760
Post employment benefits	<u>6,824</u>	<u>6,457</u>
	<u>52,882</u>	<u>49,217</u>

21. **STAFF COSTS:**

Staff costs for the year amounted to \$215,991,257 (2018 - \$201,010,715), while the number of employees at year end was 73 (2018 - 72).

	<u>2019</u>	<u>2018</u>
Permanent	61	48
Temporary	<u>12</u>	<u>24</u>
	<u>73</u>	<u>72</u>



22. **PENSION SCHEME:**

The Society is a participant in a contributory pension scheme operated and managed by Sagicor Life Jamaica Limited. For the year ended 31 December 2019 the Society's contributions amounted to \$3,779,329 (2018 - \$4,480,365).

23. **DUE TO ERROL HENRY:**

The Committee of Management has agreed to a cash payment of five percent (5%) of net surplus on a yearly basis for the next thirteen (13) years ceasing in 2030. The amount payable accumulated to date is shown in the accounts payable (note 19).

24. **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:

	2 0 1 9		2 0 1 8	
	Loans to Members \$'000	Members' Deposits \$'000	Loans to Members \$'000	Members' Deposits \$'000
Balance as per general ledger	2,196,394	2,054,137	1,971,059	1,932,060
Balance as per members' ledger	<u>2,195,979</u>	<u>2,054,171</u>	<u>1,971,059</u>	<u>1,931,914</u>
Variances at 31 December	( <u>415</u> )	<u>34</u>	<u>-</u>	<u>146</u>

25. **PERSONNEL:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Salaries and statutory contributions	195,159	181,101
Health insurance	5,771	6,271
Pension	3,779	3,570
Staff welfare	<u>11,291</u>	<u>10,069</u>
	<u>216,000</u>	<u>201,011</u>

26. **ESTABLISHMENT:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Building and ground maintenance	4,706	3,958
Rental of premises	2,883	4,289
Property tax	294	295
Property insurance	<u>3,602</u>	<u>2,842</u>
	<u>11,485</u>	<u>11,384</u>





27. **ADVERTISING AND PROMOTION:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Scholarship expenses	3,060	2,800
Promotional expenses	20,066	19,193
	<u>23,126</u>	<u>21,993</u>

28. **GENERAL EXPENSES:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Motor vehicle expenses	97	138
Office equipment maintenance	2,102	5,373
Software maintenance	9,688	4,665
Lodging	1,458	1,721
Transport	370	10
Affiliation expenses	9,282	10,858
Meals	179	55
Entertainment	866	731
Office expenses	5,201	4,498
Telephone	5,156	5,705
Utilities	9,484	12,400
Postage and courier	1,722	1,589
Printing and stationery	2,180	2,380
Training seminars	6,752	4,071
Contact teachers' seminar (staged biennially)	20	-
Professional fees	8,514	7,849
Audit fees - current year	2,915	2,600
Asset insurance	48	64
Fidelity insurance	315	341
AGM expenses	6,661	8,447
Board and committee meetings	14,858	17,255
Out of pocket	4,202	4,345
Security	3,469	4,182
IBM processing fees	170	933
Miscellaneous	1,576	966
Depreciation	16,969	18,905
Irrecoverable GCT	8,678	1,618
Donation general	-	94
	<u>122,932</u>	<u>121,793</u>





29. **FINANCIAL:**

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Bank charges	1,084	969
Returns on premium expense account	<u>2,675</u>	<u>1,833</u>
	<u>3,759</u>	<u>2,802</u>

30. **SUBSEQUENT EVENT:**

In December 2019, a novel strain of coronavirus (“COVID-19”) emerged in Wuhan China which began to spread suddenly, at first locally but subsequently nationally, regionally and globally. Due to the rapid outbreak, on 30 January 2020; the World Health Organization declared the COVID-19 outbreak as a “Public Health Emergency of International Concern” and on 10 March 2020, declared it to be a pandemic.

In response to the pandemic, the Jamaican Government instituted quarantine areas, travel and logistics restrictions to control the spread of the virus. In adhering to local government restrictions, the Society took appropriate steps to manage foot traffic and better protect its members. As a result, a limit was placed on the number of customers allowed in branch at any one time which reduced members trafficking. Effective mid March 2020, there was a reduction in operating hours. The Society business is dependent upon the willingness and ability of its employees and customers to conduct banking and other financial transactions. These measures caused significant disruption in daily banking activities and could potentially create business continuity issues for the Society.

Given the uncertainty around the extent and timing of the potential future spread or mitigation of the Coronavirus and around the imposition or relaxation of protective measures; management cannot reasonably estimate the impact to the Society’s financial statements, results of its operations and liquidity in 2020.



## *Credit Committee Report*

Financial Year January - December 2019

The Credit Committee of TIP Friendly Society comprises five volunteers who were duly nominated and elected at the 2019 Annual General Meeting. These are as follows

- |                              |             |
|------------------------------|-------------|
| Mr. Norman Allen             | - Chairman  |
| Ms. Veniese A. Brennan       | - Secretary |
| Mrs. Lou Ann Bramwell Shakes |             |
| Miss Tamashella Smith        |             |
| Mr. Albert Corcho            |             |



Mrs. Sharon Carey, Manager for the Credit Department and Mrs. Charmane Gordon, who deputised on occasion; were charged with the responsibility of giving oversight to the committee. The Committee also worked closely with the Delinquency Unit and the Customer Service Department.

The following were adopted as the core functions of the team of individuals who represent the Credit Committee of the Society:

- To assist in the reduction of delinquent loans and also to determine if the loan underwriting process is being maintained according to established standards.
- To examine and approve loans with a 5:1 ratio or other loan applications that seek the approval of the Committee based on the nature of the loan.
- To make contact with delinquent customers and their references.
- To ensure that the supporting documents for loan applications are properly satisfied and loan policies adhered to.
- To review and sign off on loan applications for each month.
- Any three (3) of the five members' signatures is utilized to determine the decision of the Committee.
- Prepare and submit monthly reports

to the Committee of Management.

- Ratify loans as granted by the Society.

Loans which need the Committee's approval fall within certain categories as outlined below:

- Where the member's last loan is less than 3 months old.
- Where the member requires a special facilitation arrangement.
- Where the member requires a loan facility that is above the 10:1 ratio.

Loan products offered by the Society are: (1) Vacation, (2) Education, Education Plus, (3) Quick Cash, (4) Seasonal (Christmas, Easter, and Summer Loans), (5) Motor Vehicle, (6) Debt Consolidation, (7) Express, (8) Regular and (9) TIP Lifeline. Kindly refer to the Credit Department Report for more information.

### Loans Processed

The processing of loans under the upgraded services offered by the Society is now executed mostly at Customer Service. The trend analysis shows a decreasing number of loans which require Credit Committee's approval. The major reason for this occurrence is that in 2019 there was modification in policy to benefit members which increased the borrowing to savings ratio to 10:1.





This shift occurred due to the fact that TIP is keeping to its mandate, to remain current and au fait with its members' needs. With the ratio being increased to 10:1, members are allowed access to larger amounts of money at Customer Service i.e. without any waiver or Committee referral. This allows the Committee the opportunity to review more loan application files and also to focus on reducing delinquency.

Month	Loan Type(s)	Amount (\$)	#	#	#
			Approved	Denied	Deferred
<b>January</b>	Refinance	\$1,732,623.00	1	0	0
<b>February</b>	-	-	-	-	-
<b>March</b>	Education	\$80,000.00			
	Refinance	\$43,234.00	2	0	0
<b>April</b>	Refinance	\$2,775,863.00			
	Refinance	\$826,869.00			
	Education Plus	\$115,070.00			
	Regular	\$253,000.00	4	0	0
<b>May</b>	Regular	\$125,000.00	1	0	0
<b>June</b>	-	-	-	-	-
<b>July</b>	Regular	\$1,009,00.00			
	Regular	\$250,000.00	2	0	0
<b>August</b>	Regular	\$150,000.00			
	Education Plus	\$150,000.00			
	Refinance	\$219,793.00			
	Regular	\$184,100.00	4	0	0
<b>September</b>	-	-	-	-	-
<b>October</b>	-	-	-	-	-
<b>November</b>	-	-	-	-	-
<b>December</b>	Regular	\$100,000.00	1	0	0

### Loan files reviewed for the period January to December 2019

The Committee conducted regular reviews of loan files. The purpose of review for a loan, is to augment the loan application process by providing checks and balances necessary for loan disbursement. For the period, approximately 673 loan files were reviewed. This is a 22.36% increase from just over 550 files reviewed in the previous year. Our review showed that the loans processed were consistent with the Society's loan policy and had contained all the relevant supporting documents. The following schedule further explains the distribution of the review for the period.



**Table 2: Number of loan files reviewed for the period January - December 2019**

MONTH	NUMBER OF FILES REVIEWED
JANUARY	78
FEBURARY	80
MARCH	67
APRIL	56
MAY	40
JUNE	49
JULY	61
AUGUST	32
SEPTEMBER	62
OCTOBER	61
NOVEMBER	29
DECEMBER	58
<b>TOTAL</b>	<b>673</b>

**Delinquency files reviewed for the period January to December 2019**

For the period under review, approximately seven hundred and twenty-one (721) delinquency files were actioned. This is an increase of over 42.49% up from 506 in the last financial year. We are pleased that even through delinquency has increased to just under 6% our efforts yielded good rewards. In an effort to continue to reduce delinquency the Committee continues to intervene in instances where loans are falling behind in payment by utilizing a stricter monitoring system.

**Table 3: Number of delinquency files reviewed for the period January - December 2019**

MONTH	NUMBER OF FILES REVIEWED
JANUARY	55
FEBURARY	60
MARCH	49
APRIL	47
MAY	40



MONTH	NUMBER OF FILES REVIEWED
JUNE	94
JULY	50
AUGUST	65
SEPTEMBER	83
OCTOBER	43
NOVEMBER	91
DECEMBER	44
<b>TOTAL</b>	<b>721</b>

### Role of the Credit Bureau

In analysing the information provided by the Credit Info Bureau, the Credit Committee uses it mainly as a guide to offer financial counselling to a few of our members. Occasionally, members are surprised by the information on their record. Where there are inaccuracies in the report, members quickly move to have the relevant companies correct the information.

### Attendance at Meetings

The Committee meets two times per month on a Wednesday.

**Table 4: Committee members' attendance to meeting**

Member	# of Possible Meetings	# of Meetings Attended
Norman Allen	24	24
Veniese A. Brennan	24	24
Lou Ann Bramwell Shakes	24	24
Albert Corcho	24	10
Tamashella Smith	15	15

In March 2020 Mrs. Erica Ewbanks replaced Mr. Albert Corcho who transitioned to the Committee of Management. We wish to recognize the sterling contribution she has made thus far.





### Proceeds of Crime Act (POCA) Training

In the month of October, members of the Committee received training in the Proceeds of Crime (POCA) at the Credit Union League on Manhattan Road in Kingston. This training is compulsory and it sensitizes the members regarding the methods and indicators of money laundering, terrorism preventions and regulations in addition to customer and employee due diligence.

### CREDIT COMMITTEE MEMBERS



*Lou-Ann Bramwell-Shakes*



*Veniese Brennan*



*Tamashella Smith*

**Mr. Norman Allen**  
Chairman

**Ms. Veniese A. Brennan**  
Secretary



*Erica Wilson-Ewbanks*



## *Supervisory Committee Report*

Financial Year January - December 2019

The following persons were elected at the TIP Friendly Society's 2019 Annual General Meeting to the Supervisory Committee to serve for one (1) year:

Mrs. Elaine Roulston	-	Chairman
Mrs. Allison Peart	-	Secretary
Mr. Morris Edwards	-	Member
Mr. Leاون Nash	-	Member
Mr. Winston Smith	-	Member



The table below shows the attendance record of the members of the Committee at meetings and visits. It should be noted that our most punctual member, Morris Edwards had medical challenges and consequently, missed some of the Committee's activities. He never-the-less, always sent his apology and kept in contact with the team.

#### ATTENDANCE BY COMMITTEE MEMBERS

NAMES	13 Regular Meetings	4 Special Mtgs.	4 Visits	2 Training sessions
Elaine Roulston	13	4	3	POCA & Registrar
Allison Peart	12	4	4	POCA & Registrar
Morris Edwards	8***	2	1***	Registrar***
Leaon Nash	7	3	4	POCA &Registrar
Winston Smith	12	4	4	POCA & Registrar

#### ROLES AND FUNCTIONS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee is a body elected by the members at the Society's Annual General Meeting for the purpose of supervising and auditing the operations of the organization for compliance to documented industry standards. The Committee's goals and responsibilities are to:

- Ensure that the financial statements accurately and fairly represent the financial condition of the Society.
- Ensure that management practices and procedures safeguard members' assets.
- Determine if management has established and is maintaining effective internal controls.
- Determine if management has implemented and is adhering to the policies and control procedures established by the Board of Management.

#### ATTENDANCE RECORD AND SCHEDULE OF MEETINGS

In order to accomplish our mandate for the year, thirteen (13) regular meetings were held. Our last meeting would normally have been held in May.





**TIP** Friendly Society

## Supervisory Committee Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

However, due to the COVID 19 pandemic the Society's Annual General Meeting was rescheduled to July 2020 and consequently our Committee held an additional meeting in June. Four (4) special meetings were held to address matters pertaining to the Internal Audit report and other issues dealing with the execution of the Society's policies.

As is customary, the members of this committee were exposed to training. In August 2019, the Department of Co-operatives and Friendly Societies facilitated the training of all Committee members in a session entitled "The roles and function of the Supervisory Committee". The Proceeds of Crime Act (POCA) training was held on October 31, 2019 and four Committee members attended.

Among the functions of the Supervisory Committee is the examination of the Society's offices and other assets. This year our Committee members went on four (4) site visits. The two planned for March and April did not materialize due to the pandemic. We visited the newly relocated Montego Bay office, the Mandeville office, and the Society's residential properties at Portmore and Mona. After each visit a report on the findings/observations at the office or residence was submitted to the Board of Management with recommendations and commendations.

The Supervisory Committee is still not satisfied with TIP's management of the Society's Real Estate. TIP's approach has enabled some tenants to demonstrate a nonchalant attitude to their pattern of payment. Today (2020) the matter of outstanding payment for occupied property is still a concern.

### VISIT - MONTEGO BAY BRANCH

All five Committee members participated in this site visit on Thursday August 22, 2019. The team believes that TIP must be commended for securing that new space in an area that promises good prospects. There were however some concerns and consequently a number of recommendations were made but the following were the main ones.

#### Recommendations

Additional space should be accessed from the adjoining office to provide suitable accommodation for the staff.

A professional should be hired to determine the allocation and use of space as the current layout of the office does not apportion the space very well.



## General Comments

A member of our team tested the Montego Bay service and was heartened that within five minutes he was able to sit there at the desk and receive information on his account. This is good. We hope that in short order the staff will be more comfortable in this new office and that this new accommodation will provide more business for the organization.

## BRANCH VISIT - MANDEVILLE

This visit revealed that the office space allocation is an issue. The office Supervisor and the cashier both occupied cramped spaces while the Security officer seemed quite comfortable around his desk. Several of this office's files were not properly stored as they were atop cupboards and filing cabinets.

The staff was commended for their management of the records as though not properly stored, the files examined were in very good order. Documents were certified and in chronological order. Our team was impressed with the cohesive unit that was seen in this branch as well as with the strong management knowledge demonstrated by the Supervisor.

## Recommendations

A new ground floor office location should be acquired as climbing the stairs poses a challenge for some members. In the interim a solution needs to be found to deal with the exposed pipe which runs across the entrance to the very small bathroom as one could easily trip over it.

## SITE VISIT- Mona Property (Residential)

The site visit to the Mona property was conducted on Saturday, October 26, 2019. It should be noted that the comments made were mainly about the unkempt appearance of the property and consequently the recommendations were mainly about cleaning it up.

## SITE VISIT - PORTMORE

This property is the better kept of the two residential properties. When we visited, it was clean and it was obvious that the tenants were making the effort to keep the place in good condition. We only examined the exterior of the house and the grounds.



**TIP** Friendly Society

## Supervisory Committee Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

### The Audit Report

We noted that the Audit report that was provided in January 2018 to the Society (TIP) but that there was a long period between that time and Management's response. Additionally, the response to the report showed that some of those matters that are deemed "low hanging fruits" were still not addressed. It was noted for example, that the Management has been writing to the banks with which it does business about errors that these banks have been making over the years. According to the report, several of these letters about bank errors were sent to the banks in 2017 and to date there is still no resolution to the issues. We have indicated that if they are unsuccessful at one level then the next level should be approached as banks do not want negative publicity.

Our Committee lauds the fact that TIP is growing but is concerned that there is still a large amount of unallocated funds; a situation which has serious implications for the members' account balances and which the Society has been trying to curtail for some years. The team is heartened by the fact that the new Financial Controller and her team have identified the accounts for some of the funds and are focused on dealing with this matter.

### Special Meetings

During the period being reported on, the Supervisory Committee held five unscheduled meetings. These were to investigate various matters of import that were brought to the team's attention. The matters investigated were the Lump sum lodgements to permanent shares by some members, the duplicate loan payments under the Automated Clearing House (ACH) system, the delayed payment for many Creditor Life plans, Compassionate grants and the perusal of some files at the Head Office. In all its recommendations the Supervisory team sought to protect the rights of the members as well as to uphold the rules and regulations of the Society. We have relied on facts and sought to be extremely objective. Where there are grey areas regarding matters brought to us, we have asked the BOM to take a position and to put its stance in writing so that all volunteers/members are dealt with in a transparent manner. The Committee has also recommended that the BOM always speaks with one voice and that Board members should only address an issue publicly after consensus has been had on it at the Board level.

The Supervisory Committee is grateful for the confidence reposed in our team by TIP's membership. We are extremely appreciative of the cooperation proffered to us in the execution of our work by the Board of Management and the Management and staff. Our team is satisfied that generally, the Company's operations are in keeping with the Friendly Society's Act. We are acutely aware that there are challenges, but we know that they are not insurmountable and like the ants, if we work together there is nothing that we cannot achieve.





**TIP** Friendly Society

## Supervisory Committee Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

### SUPERVISORY COMMITTEE MEMBERS



*Morris Edwards*



*Lealon Nash*



*Allison Peart*



*Winston Smith*

Elaine P Roulston (Mrs.)  
Chairman

Allison Peart (Mrs.)  
Secretary



## *Management Progress Report*

**Financial Year January - December 2019**

We continue to be a positive influence in the lives of thousands of our members in the Education sector and we are indeed proud that we are able to cater to your needs with the provision of insurance, savings and loans. Delivery of professional service to you, our members, continue to improve daily especially with regard to time taken to execute withdrawals, claims, loans and tele-service facilities.

The advent of the global pandemic, COVID-19, in early March 2020, caused us to implement a number of personal hygiene and social distancing measures, in keeping with government protocols.





These measures are in place to protect all stakeholders with whom we interface. We have put in place all the necessary measures to ensure that our staff and members are safe. We know you have encountered a little discomfort every now and again, in regards to social distancing and having to stand for awhile on the outside of the building as we try to protect all of us and it too shall pass. We understand the plight and we are working towards always ensuring that you enjoy our motto ‘Serving you is our pleasure’.

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

- Head Office, 80 Half Way Tree, Kingston 10 and
- Three(3) other locations, namely:
  - o Montego Bay: The Annex, Unit 27<sup>a</sup> in Fairview Park, Montego Bay, St. James on the first floor. This branch serves our members in St. James, Hanover, Westmoreland and Trelawny.
  - o Mandeville: Shop F4 Caledonia Mall, Caledonia Avenue, Mandeville, Manchester. This branch serves our members in the parishes of St. Elizabeth, Manchester, Clarendon and Southern Trelawny. In the very near future we hope to relocate this branch to a company owned location on Caledonia Road.
  - o Ocho Rios: Ocean Village Shopping Centre, Shop 8, Ocho Rios, St. Ann. This branch serves our members in the parishes of St. Ann, St. Mary and Northern Trelawny.

The staff complement is as detailed below:

Locations	Staff Complement		
Head Office	Permanent - 52	*Contract - 7	<b>Total = 59</b>
Mandeville	Permanent - 5	*Contract - 1	<b>Total = 6</b>
Montego Bay	Permanent - 5	*Contract - 1	<b>Total = 6</b>
Ocho Rios	Permanent - 5	*Contract - 1	<b>Total = 6</b>
			<b>Total 77</b>





\*Number of contract workers:

1. Five service Representatives
2. Three managerial employees
3. Two watchmen/porters

### Staff Recruitment

Since our last AGM the following vacancies were filled:

	NAMES	LOCATION	POSITION
1	Dawn Ebanks	Head Office	Financial Controller
2	Roger Watson	Head Office	Chief Information Technology Officer
3	Tosheba Gordon	Head Office	Financial Accountant
4	Bryan Murray	Head Office	Accounting Clerk
5	Patrica Williams-Coore	Head Office	Claims & Underwriting Supervisor
6	Terry-Ann Jarrett	Head Office	HR Clerk
7	Gary Simms	Head Office	Processing Clerk
8	Zarifa Roberts	Head Office	Customer Service Rep
9	Derisa Robinson	Head Office	Customer Service Rep
10	Orlando Bryan	Head Office	Underwriting Clerk
11	Amanda Harris	Head Office	Filing Clerk
12	Donya Jones	Head Office	Delinquency Clerk
13	Raul Lindsay	Head Office	Service Rep

We want to use this opportunity to extend a special welcome our new Financial Controller, Miss Dawn Ebanks and our Chief Information Technology Officer, Mr. Roger Watson. We also want to extend a special welcome to all other new recruits.



**RESIGNATIONS/TERMINATIONS**

<b>Names</b>	<b>Position Held</b>	<b>Yrs of service</b>	<b>Reasons for departure</b>
Traceylee Gutzmore	Claims & Underwriting Supervisor	24	Resignation
Shonna Grant	HR Clerk	11	Resignation
Davian Walker-Dwyer	Accounting Clerk	7	Resignation
Dahlia Hall-Brown	Accounting Clerk	15	Resignation
Raquel Gentles	Financial Controller	1	Resignation
Marlon Matthews	Processing Clerk	16	Terminated
Karisa Richards	Customer Service Representative	1	End of contract

We wish these former employees well in their future endeavours.

**STRATEGIC PLANNING RETREAT**

The following strategic goals were adopted by the Committee of Management at the Strategic Planning Retreat held at the Moon Palace Hotel, Ocho Rios, in St. Ann, December 14 - 16, 2018 to be implemented by the Management Team in 2019.

**STRATEGIC GOALS**

Facilities	Implementation Dates
Recruit, develop and retain high quality team members and volunteers	2020
Growth in revenue and surplus	2020
Identify and exceed stakeholders needs and expectations	2020
Develop Robust Risk Management System	2020
Improve key financial ratios	2020
Create and utilize effective systems, policies and standard operating procedures	2020

**PERFORMANCE**

During 2019 the Society experienced growth in its

- 1) Asset base
- 2) Loan Portfolio

Our asset base is over \$3 billion while our loan portfolio has surpassed \$2 billion. This is a proud moment for us as we strive to make you, our owners more successful.

We have listened to you and we are pleased to let you know that the mortgage product is now on the market. Let us know how we can help you to achieve your very own dream home or to improve on the one you currently own. Our rates are competitive - 7.5% interest on maximum loan of \$10 million to be repaid in 12 years.

Conversely, we fell short of our 2018 surplus output by 10.66% and delinquency ended the year at 5.95% (see delinquency table below). We have put strategies in place to monitor this ratio to keep it in line with the international standard of 5%.





**FIVE YEAR DELINQUENCY TABLE**

	2019	2018	2017	2016	2015
JANUARY	4.00%	4.65%	5.12%	4.48%	5.51%
FEBRUARY	4.36%	4.98%	5.57%	3.69%	5.62%
MARCH	4.31%	5.35%	4.72%	3.69%	5.62%
APRIL	4.57%	4.35%	4.23%	3.13%	5.62%
MAY	4.65%	4.28%	3.57%	3.01%	5.05%
JUNE	5.16%	4.15%	3.62%	2.78%	5.17%
JULY	5.52%	4.03%	3.97%	2.68%	5.08%
AUGUST	5.37%	3.57%	3.85%	2.49%	4.99%
SEPTEMBER	5.08%	3.66%	3.54%	3.56%	4.78%
OCTOBER	5.00%	3.81%	3.64%	3.47%	4.82%
NOVEMBER	5.42%	4.14%	4.33%	3.30%	4.84%
DECEMBER	5.95%	4.26%	4.62%	4.97%	4.46%

**Marketing and Sales**

This department continues to promote and bring greater awareness to the TIP brand within the Education Sector. The Marketing and Sales team is led by a dynamic Marketing Manager, Mrs. Judy Miller-Smith. She was appointed in January 2019. She is supported by Marketing Supervisor Mrs. Camille Archibald and the following Service Representatives:

NAMES	PARISHES	BRANCHES
Kajha Cunningham	Westmoreland, Hanover and St James	Montego Bay
Richard Mollison	St. Ann, Trelawny and St. Mary	Ocho Rios
Raul Lindsay	Clarendon and Manchester	Head Office
Marquez Cole	St. Elizabeth and Manchester	Mandeville
Cadiann Calvert - Jackson	Kingston and St. Andrew	Head Office



NAMES	PARISHES	BRANCHES
Necola Wilson	Portmore and Spanish Town	Head Office/Marketing Department Rep
Leon Barnaby	Mandeville	Mandeville Branch/CSR
Sheldon Samuels	St. Thomas, Portland and St. Andrew	Head Office/Customer Service Department

## OUR CORPORATE SOCIAL RESPONSIBILITY

The wise words of A former British Prime Minister, Tony Blair, says “the emphasis placed by more and more companies on corporate social responsibility, symbolizes the recognition that prosperity is best achieved in an inclusive society”.

With the annual allocation of \$6.0 million approved by you, TIP Friendly Society 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 the less fortunate in spite the challenging financial climate in which we operate.

## COMMITMENTS

We have committed ourselves to assisting the Jamaica Teachers’ Association as follows:

- JTA Critical Illness Fund \$1 Million
- Sponsorship of Mr. & Ms. JTA Pageant Competition \$1.34 Million

## CONDOLENCES

We must express our condolences to those who suffered losses and continue to be impacted by the death of their loved ones. Be comforted that although we are saddened by the passing of our members, we feel a deep sense of satisfaction that TIP continues to help in your time of need.



**TIP** Friendly Society

## Management Progress Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

### THE FUTURE

The Society is very conscious of the important role of technology in sustainable development and therefore we have been maximizing on the use of cutting-edge technology to drive our operations.

Our business continuity planning is well advanced. Significant downtime is minimized and we have established a back-up operational system should there be a major disaster at our head office.

We are continuing the process of:

- Growing the business efficiently and productively. We must improve our capabilities thus becoming the Insurance and Financial institution of choice for current and prospective members.
- To use Information Technology as the ultimate weapon to enhance the teams' and members' experiences; use technology to enhance business efficiencies for example by the introduction of swipe technology and other innovative software that will improve our service delivery to you.

We thank our volunteers and staff for always putting TIP Friendly Society first. Your tireless and invaluable contributions have helped to increase the status of this premier education-based organization. Additionally, as we forge ahead, we must express our gratitude to you, our valued members, for your support throughout the years. We remain committed to working tirelessly to ensure that you will always know, it's a pleasure serving you.

**Wilton South**  
General Manager





**TIP** Friendly Society

## Management Progress Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

### MANAGEMENT TEAM



*Sharon Carey*  
*Credit Manager*



*Dawn Ebanks*  
*Financial Controller*



*Judy Miller-Smith*  
*Marketing Manager*



*Roger Watson*  
*Chief Information  
Technology Officer*



*Judith Wilson*  
*Asst. General Manager*



In accordance with the provisions of Article 20, Section 20.0 of the Society, the Committee of Management appointed a Nominating Committee. The Committee met on May 29, 2020 for its meeting.

**Present were**

Mr. Wilton South	General Manager
Mrs. Pauline Sterling Wright	Member
Miss Claudia A McLean	Chairman

The Nominating Committee took a transformational approach in choosing nominees. We looked at a set of criteria for selection on the Board and Committees. These include having the relevant skills and knowledge of financial matters as well as willingness to serve. The Committee ensured that persons nominated are from the different sectors in education, tertiary, secondary, primary and early childhood. The nominees include Past Presidents of the JTA, Education Officers, Principals, Lecturers and Classroom Teachers. All the nominees are fit and proper to serve. Below is the slate of members currently serving and those nominated to serve.

**Board of Directors**

	<b>Parish Represented</b>	<b>Retiring</b>	<b>Recommended</b>	<b>Term in Office</b>
1	Kingston		Audrey Williams Retired Principal Denham Town High	1
2	St Andrew	Wayne Mullings – deceased, Principal Louise Bennett- Covererly	Tamashella Smith Teacher, Golden Primary, St. Andrew	3



**TIP** Friendly Society

# Nominating Committee Report

**2019**  
18<sup>th</sup> ANNUAL GENERAL MEETING

	Parish Represented	Retiring	Recommended	Term in Office
3	St. Thomas		Lawrence Graham Teacher Yallahs Primary	1
4	Portland		Claudia McLean Principal Norwich Primary	2
5	St. Mary		Maureen Cunningham-Johnson Retired Education Officer	1
6	St. Ann		Estorine Brown Retired Teacher Clarkonsville Primary	2
7	Trelawny		Mona Ennis Principal Falmouth Infant	1
8	St. James		Sheron Matheson Principal Lecturer Sam Sharpe Teachers' College	2
9	Westmoreland	Camille Davis-Williams Principal St. Paul's Primary	Norman Allen Principal, Frome Technical High School	3
10	Hanover	Nadienne Crossman Principal Mt. Peto Primary	Nadienne Crossman Principal Mt. Peto Primary	3





	<b>Parish Represented</b>	<b>Retiring</b>	<b>Recommended</b>	<b>Term in Office</b>
11	St. Elizabeth		Lola Bennett Senior Lecturer Church Teachers College	2
12	Manchester	Cecelia Grant-Francis Retired Principal Porus Infant.	Georgia Waugh-Richards JTA Regional Officer, South Central Region	3
13	Clarendon	Beverly Green-Miller Retired Teacher	Beverly Green-Miller Retired Teacher	3
14	St. Catherine		Clayton Hall Regional Officer JTA - West	2
15	Youth Rep	Rushane Morgan Teacher Mandeville Primary	Rushane Morgan Teacher Mandeville Primary	1
16	At large	Sherlock Allen – Deceased. Retired Principal	Albert Corcho Principal Calabar High	1
17	At Large		Ray Howell Retired Principal Edith Dalton James	1



As per Article 29 Section 1 (11) the following are persons who served the Supervisory Committee and recommended for nomination to the Committee.

Retiring	Recommended	Term in Office
Elaine Roulston Retired Regional Director MoEYI	Elaine Roulston Retired Regional Director MoEYI	1
Winston Smith Principal Golden Spring Primary	Winston Smith Principal Golden Spring Primary	1
Morris Edwards Principal Water Valley	Aneita R Bailey Community Relations Officer MoEYi Region 5	1
Allison Peart Retired VP	Viris Clarke-Ellis Retired	1

As per Article 28, Section 1(1) the following are persons retiring and recommended to the Credit Committee.

Retiring	Recommended	Term in Office
Norman Allen Principal Frome Tech High	Jennifer Williams Principal The Queens School	1
Albert Corcho Principal Calabar High School	Erica Ewbanks Principal Garvey Maceo High	2



Retiring	Recommended	Term in Office
Veniese Brennan Teacher Old Harbour High	Janette Williams (PhD) Director of Marketing and Communication Shortwood Teachers College	2
Tamashella Smith Teacher Golden Spring Primary	Rohan Johnson Senior Teacher Denham Town High	1
Lou-Ann Bramwell-Shakes Teacher Hayes Primary and Junior High	Allison Peart Retired VP Excelsior High	1

The members of the Nominating Committee are grateful for the opportunity to serve.

**Claudia A McLean (Ms.)**  
**Chairman**





## **NADIENNE ROSEMARIE CROSSMAN**

*MSc. BSc. Dip Ed*

The current Principal of Mt. Peto Primary School, Miss Nadienne Crossman is the holder of a Bachelor of Science degree in Elementary Education and a Master of Science degree in Secondary Education, both from the Alcorn State University, Mississippi, U.S.A. She gained her Teachers' Diploma in Primary Education from the Shortwood Teachers' College. She also did professional training at the National College of Educational Leadership.

A highly socially aware and responsible person, Miss Crossman has established a legacy of leadership, serving the Kiwanis movement as Divisional Secretary (Eastern Canada & the Caribbean District), President, Distinguished Secretary, Secretary and Chairman (Kiwanis Club of Hanover/Lucea). She currently serves as the President of the Kiwanis Club of Hopewell.

At the National level of the Jamaica Teachers' Association, Nadienne has served as Chairman of the International Relations Committee, Chairman of the Professional Advancement & Teacher Welfare Committee, member of Primary and Education and Research Committees, the Central Executive Body and General Council.

At the parish level she is a Past President, Past Secretary and Women's Caucus Coordinator of the JTA's Hanover Parish Association. She has also held the positions of President, Secretary and Contact Teacher at the District Association level.

She has been a member of TIP Friendly Society for over fifteen years and served as the Contact Teacher while at Bethel Primary School. She currently serves as a Director of the Board of Management, representing the parish of Hanover.

She is a faithful and dedicated member of the Lucea Circuit of Baptist Church. Her social involvement also includes membership on the Hanover Police Civic Committee, and service as an Election Day Worker with the Electoral Office of Jamaica.



## JENNIFER MARIE WILLIAMS

*J.P., M.ED. B.SC.*

Ms. Williams, Principal of The Queen's School for the past 10 years was formerly a teacher at Wolmer's High School for Girls' and Training Manager at the Dispute Resolution Foundation.

She is presently 2<sup>nd</sup> Vice President for The Association of Principals and Vice Principals (APVP), Executive Member of Inter-Secondary School Sports Association (ISSA), member of the Jamaica Teachers Association (JTA) and an active member of TIP Friendly Society.

As a Justice of the Peace, Ms. Williams serves on the Lay Magistrate's Bench, Kingston Chapter, once per month. She is also a Certified Supreme Court Mediator.

Over the years Ms. Williams has served the different organizations to which she is affiliated, to include the Anglican Church, with dedication, commitment, pride and honesty. Her motto is Respect and Equality for All.

## ROHAN JOHNSON



Mr. Rohan Johnson is a career educator with over seventeen (17) years of experience in the secondary level of the educational landscape. He presently serves as a Sociology and Caribbean Studies teacher and a Senior Teacher at Denham Town High School.

Mr. Johnson is presently enrolled in the Aspiring Principal Program at the National College for Educational Leadership (NCEL). He holds a Bachelor of Arts in Community Development and Project Management from the International University of the Caribbean and a Diploma in Secondary Education from the Mico Teachers' College.

He has served as chairperson of the Secondary Committee at the Jamaica Teachers Association, as well as being a member of the Central Executive, General Council and Parish Executive. Mr. Johnson is also an assistant examiner for Caribbean Studies with the Caribbean Examination Council (CXC) since 2009. He was instrumental in establishing a sixth form program at Denham Town High School in 2009.

Mr. Johnson is the consummate professional that is reflective of the ideals of the highest order of service. He has transmitted these values in all aspects of his life and has dedicated his life to serving others.





## BEVERLEY GREEN-MILLER

Beverley Green-Miller has positively impacted the Jamaican education landscape for more than thirty eight years. She retired from Central High School as the Work Experience teacher.

The TIP Friendly Family has benefitted from her yeoman's service, having served on the Nomination Committee, the Marketing Committee, and the Committee of the Board of Directors as Parish Representative for Clarendon.

This educator believes in volunteerism. Besides serving as president for the Work Experience Region 6 Chapter, the Ministry's largest Region which comprises of the parishes of Clarendon and St Catherine, and as Sunday School Superintendent in her Church, she serves on a number of other committees.

## ALBERT A. CORCHO



Albert Anthony Corcho sought after challenges that allowed him to utilize, develop and improve his abilities in the field of Business Education. In his quest for such, he started his teaching tenure at Campion College where he offered years of service as an Educator of Business Studies. He also lectured at the University of the West Indies in Educational Finance.

With over 30 years of experience in the Jamaican education system, 17 of which were spent at the senior management levels, Albert Corcho served as Principal/Headmaster of three educational institutions in Jamaica, providing technical guidance in the transformation of these schools. He served as Principal of Tarrant High School in September 2000 for 10 years. He later moved to Munro College in 2011, and then Calabar High School in 2013, in the capacity as Principal.

He held other executive positions during his tenure as Educator and Principal such as President, Association of Principals and Vice-Principal; Treasurer, Inter-Secondary Schools Sports Association; Chairman of Finance, TIP Friendly Society; and Chairman of Management Advisory Committee, HEART TRUST School of Beauty Services.

He has a Master's in Business Administration (Finance) and Bachelor's Degree in Business Education from the University of Technology; A Master's in Public Sector Management and Post-Graduate Diploma in Educational Leadership from the University of the West Indies, and Diploma in Business Education from the College of Art, Science, and Technology.

He holds the philosophy that effective growth and development can only be achieved through education.





## GEORGIA WAUGH RICHARDS

The society today needs committed leaders. Mrs. Georgia Waugh Richards is a young woman who is sold out to the Lord.

Mrs. Waugh Richards is a multi-faceted and committed educator who received her professional training at the Mico Teachers' College where she obtained a Diploma in Teaching, Temple University of Philadelphia where she received a Bachelor's degree in Education, Western Carolina University where she received a Master's degree in Educational Supervision and International Studies. She continued to pursue studies at the University of the West Indies where she received a Certificate in Trade Unionism/Industrial Relations.

For nine (9) years she served as a Parish Youth Director for the Church of God of Prophecy in Manchester and for twelve (12) years as Pastor of the Church of God of Prophecy in Christiana.

On the secular side, Minister Waugh Richards is currently the Regional Officer of the JTA's South Central Regional Officer (serving Manchester, Clarendon & St. Elizabeth). Prior to taking up the post of Regional Officer, Mrs. Richards was the interim Principal of the Cross Keys High School. She also served as Principal for the Harmons Primary and Infant School.

She is three-time Past President of the Jamaica Teachers' Association, Manchester Chapter and currently a Past President of the Association. She is one of the 2002 recipients of the R.C. Tavares Award and the 2011 recipient of the W.B.C Ben Hawthorne Award for Outstanding Service to Education in Jamaica.

Mrs. Waugh Richards has also received The Jamaica Teaching Council Carlong Publishers Excellent Principals' Award in 2012. In 2016 she received the Prime Minister's Award for Outstanding Service to Education in Jamaica. Mrs. Waugh Richards is the proud mother of three children. Mrs. Waugh Richards has as her mantra, 'I can do all things through Christ who strengthens me'. She loves the lord passionately and is a worshipper by choice and nature.

## ANIETA R BAILEY

Anieta Bailey is a former Teacher of English Language, Literature, Communication Studies and Literatures in English at Marymount High School, where she was employed since September of 2006. A graduate of Shortwood Teachers' College, Miss Bailey believes very strongly in the importance of developing young minds in a wholistic manner.



At the same time, she is also convicted about the importance of a sound education in providing a secure future for youth.

Consequently, she holds a Bachelor's Degree with honour's and a Diploma in Linguistics and Literature from Shortwood Teachers' College and a Master of Arts in Literatures in English from the University of the West Indies. She was further named LASCO Ministry of Education Youth and Information Teacher of the Year 2014/2015. Her career path continued when she was employed at the Moneague College in 2015 as a Lecturer in the Departments of English and Education.

Her education experience has also extended to lecturing at the University College of the Caribbean Ms. Bailey later joined the Ministry of Education Youth and Information as a Community Relations Education Officer where she specializes in community and stakeholder engagement; public relations and communication; school support; operational planning; data management; as well as; events and project management.

She has also acted as a Master Teacher Assessment Team Member; member of the national planning committee for the 2018 UNESCO International Policy Dialogue Forum; Trainer of Trainers - MoEYI National Standards Curriculum; Beginning Teacher Induction Series - JTC Trainer; Consultant Editor and Proofreader Hodder Education, Nelson Thornes and Oxford Publishing companies. Miss Bailey is an accomplished Microphone compere, as well as, speech and drama specialist. In response to the COVID 19 school plant closures, she acted as the executive producer for the MoEYI educational radio programmes, The Adventures of Thomas the Inventor and School Street Productionz.

She has often been described as possessing a great deal of compassion for children, and intense thirst for teaching. She has conducted numerous workshops with teachers about a wide range of topics which span the English Language and Literature curriculum. Miss Bailey is a visionary and a dedicated, driven individual who is possessed of a great sense of justice and equality.



## JANETTE ANGELLA WILLIAMS

*PhD*

Janette is an experienced educator, who has a PhD in Education having studied at Walden University, USA and served - working individually as well as cooperatively with various stakeholders ñ in multiple capacities at the different tiers of tertiary education over two decades. She maintains strong work relationships with key offices at the highest level of teacher training and is committed to institutional development having held several leadership roles in academic content and delivery. She has served as Vice President of the Staff Association and Head of the Language Arts Department at

Shortwood Teachers' College. Currently she is the Faculty Advisor for the Drama Society and Director of Marketing and Communications at Shortwood. She serves at the Faith Cathedral Deliverance Centre as the Assistant Ministry Leader for the Education Council.





## ALLISON C. PEART

Allison C. Peart is the retired Senior Vice Principal of her alma mater, Excelsior High School where she served in various capacities for approximately forty (40) years. She also acted as the school's principal for the school year 2008-2009 and retired in November 2016. A Science Educator, author and poet she is a consultant with the Caribbean Examinations Council, producing resource material in the Sciences for use in the educational institutions of the region.

Her latest work has been as co-author of the 'CSEC STUDY GUIDE IN BIOLOGY' by OXFORD UNIVERSITY PRESS for CXC. Mrs. Peart is currently the Creative Director/Publisher for Urban Books and Publishers Ltd., a member of the MeriChan Group of Companies.

She has been a member of TIP Friendly Society for more than two decades, and has been a volunteer for as long as she can remember. Here is a list of the many areas in which she has contributed to the development of this noble organization and by extension, the nation's educators.

- Former Parish Representative for Kingston and St. Andrew on the Board of Directors.
- Acting Delegate to the Board Meeting of the ICA held in Argentina in August, 2014.
- Chairman and member of the Credit, Policy Drafting and Delinquency Committees at various times and presently, serves as Secretary of the Supervisory Committees. As a member of the Delinquency Committee, working in association with the Society's Credit and Delinquency Departments, the delinquency rate was reduced to below the required 5% (PEARLS Ratio) in about four (4) years.
- Motivational Speaker and Trainer of Contact Teachers during the tenure of the late Marketing Manager, Miss Annette Fraser.
- Chairman of various Awards Ceremonies held by the Society each year.

The many opportunities afforded me to serve TIP Friendly Society throughout the years remain one of the joys of my life and I will continue to offer my service for as long as it is required of me.





## ERICA ELAINE EWBANKS

Erica Elaine Ewbanks JP and principal of Garvey Maceo High School. I was born in St Elizabeth and attended the Hampton School. I later attended the Bethlehem Teachers' College. I have contributed 29 years to the education system serving as teacher, Regional Literacy Coordinator and Principal.

As a former high school athlete I am interested in sports and presently serve as a director of ISSA and also chairman of the netball competition. A strong believer in voluntarism serving as a former treasurer on The Friends of May Pen Hospital committee. I am former secretary for JAPSS (Jamaica Association Principals of Secondary Schools) and presently assistant PRO on the APVP (Association of Principals and Vice Principals) executive. I believe in service and serving people and country.

Married to Anthony Ewbanks, with 3 children.

## VIRIS V. CLARKE-ELLIS

*M. Ed; Dip. Ed.; B. Sc.*

Viris is a multi-disciplinary, motivated professional educator. Her service in the education arena has seen her serving as a Teacher, a Teacher Trainer, Science Educator and Education Officer in supervision at the secondary and tertiary levels.

A creative workshop facilitator she has conducted hundreds of workshops and seminars on the topics of Protocol, School Management, Middle Management, Customer Service, Communication, Public Speaking and Student Leadership under the trading name Professional Training and Communication Services (PTCS).

She is a Distinguished Toastmaster (DTM), with extensive experience in public speaking and leadership. Her passion is Public Speaking and she has authored a book on the subject - Public Speaking - the art made simple.

A graduate of the University of the West Indies she holds a Masters degree in Science Education, a post graduate diploma in the teaching of Biology and a Bachelor of Science degree in Marine Biology and Chemistry.

Her community service involves:

- Chairing the Sanmerna Foundation (a non-profit charitable organisation)
- Serving on school and church boards.





## VENIESE ANGELLA BRENNAN

Miss Veniese Angella Brennan is a Career Educator with 20 years of experience in the delivery, development and direction of services at all levels of the educational landscape. She currently serves as a teacher of English studies at Old Harbour High School, lecturer at the College of Agriculture and Portmore Community College. She is also a trainer in Workforce Solutions at the Heart NSTA Trust.

Miss Brennan has set her sights on attaining a doctoral degree in Curriculum Planning and Instruction. Her resume is indicative of a Master of Arts degree in Higher Education: Student Personnel Administration (2010). In addition she holds post graduate diplomas in School Leadership and Technology Integration including many other academic accolades. Miss Brennan also holds many certificates approved by the Organization of American States (OAS) in conjunction with the Ministry of Education as a Trainer in Critical Thinking Reading and Writing.

As part of her professional development and in conjunction with her spirit of nationalism; Miss Brennan has served on the National Parenting Council, and the Jamaica 50 Secretariat. She also has served and numerous Committees including TIP Friendly Society Credit and Marketing Committees, Miramar Mews Citizen Association and the Poor Relief Department (in May Pen). She is a member in training of the Lay Magistrate Association of Clarendon and is a proud Glenmuir High school alum. She currently serves as a member of the Salaries and Conditions of Service Committee of the JTA 2019 - present.

She is an affiliate of the Seventh-day Adventist Church and mother of two adult daughters and has a grandson. One of her daughters holds a national title and the other serves locally a Special Educator at a high school.

## TAMASHELLA SMITH

Tamashella Smith is a career educator at Golden Spring Primary for over a decade. Miss Smith has a genuine love for the teaching profession and is always seeking ways of enhancing her growth, skills and abilities in order to become the consummate expert in the delivery of her lessons as well as the various portfolio responsibilities under her supervision.





She approach every task assigned to her or undertaken by her with a high level of professionalism and passion which always redound to tremendous success to herself, the students and the school as a whole.

Her tenacious attitude has not been lost on her colleagues which sees them electing her to serve as St. Andrew North District Association President, St. Andrew Parish President and member of both the Central Executive and General Council of the Jamaica Teacher's Association. Throughout the years, she has been a strong advocate for teachers. Her strength of character and activism have afforded her the opportunity to serve on both the Supervisory and Credit Committees at TIP Friendly Society. She remains steadfast and dedicated to serving the teachers of Jamaica.

Miss Smith holds a Diploma in Primary Education, B.Ed. in Language and Literacy and a M.Ed. in Educational Measurement. Her knowledge of the educational landscape and her leadership qualities will make her an asset on the Board of Management of TIP Friendly Society.



## ELAINE ROULSTON

Mrs. Elaine Patricia Roulston is a retired Educator who knew she wanted to be in the field of education from very early in her life. When her high school classmates were busy with their plans for graduation from high school, she was busy with her plans to enter Shortwood Teachers' College. This quiet, humble lady started her working life as a teacher and for many years made a positive impact on the hundreds of students to whom she taught Spanish. She has also taught World Affairs (a portion of the A Level General Paper) and Literature. Mrs. Roulston has a rounded work life with both Private and Public Sector experiences.

During the sixteen years at the Ministry of Education, Mrs. Roulston served in different capacities. In her first five years, she moved from Education officer to Senior Education Officer to Assistant Chief Education Officer (Regional Director). After six years as the Regional Director for the academic institutions in Kingston & St. Andrew, she was asked to serve as Senior Director for Human Resource Management & Administration for the nation's most populous government Ministry. In this position, the Industrial Relations knowledge gained from her work with the Joint Trade Union Research Development Centre (JTURDC) and the Jamaica Civil Service Association coupled with her MSc. training in Human Resource Development placed her in good stead to do an effective job. It should be noted that throughout most of her service at the MoE, Mrs. Roulston still made use of her training in Spanish as for several years she led the Ministry's team to Cuba to recruit teachers for our schools. This multifaceted educator returned to her substantive post of Regional Director in August 2017 when she served as head of Region 6, the then biggest Region in the island until her retirement. Among the recognitions she gained is the Prime Minister's Medal of Appreciation for service to education in 2019.

This lady believes that there is value in serving and has been giving her time to various groups and organizations.



From being the founder of the Wolmer's Boys Key Club (which is still in operation) to being a founding member of the Optimist Club established in Mineral Heights, to serving as the President of the Shortwood Teachers' College Alumni Association (STCAA), to serving as the Chair of the TIP Scholarship Committee, to being the Ministry of Education's representative for two years to the Public Sector Modernization Oversight Committee; she has been serving. Presently she serves as a member of the STCAA executive, as Chairman of TIP's Supervisory Committee and deacon at Boulevard Baptist Church. Mrs. Roulston is willing to continue her service on the TIP Supervisory Committee.



## **NORMAN ALLEN**

### **THE EDUCATOR:**

Norman Allen has been an educator for the past 27 years. He has served as Principal for 13 years of the 27 years. During the period, he served the following institutions:

1. Waterford High School
2. Bois Content Primary School
3. Four Paths Primary
4. Frome Technical High School (present)

### **JAMAICA TEACHERS' ASSOCIATION (J.T.A.) INVOLVEMENT**

#### **AS PRESIDENT:**

- He was president of the Jamaica Teachers' Association (J.T.A.) for the conference year September 2015 to August 2016 but has been an active member since September 1993.
- He also served as President of Portmore and North West District Association.
- He was also the President of St. Catherine Parish Association.

#### **AS CHAIRMAN:**

- He served as Chairman of the Primary and Public Relations Committees.

#### **AWARDS:**

Mr. Allen is the recipient of the Mico University College 175<sup>th</sup> Anniversary Medal of Appreciation for service to education and the R.C. Tavares Award for service of education.

### **SERVICE TO TIP FRIENDLY SOCIETY**

Mr. Allen has been a member of the Credit Committee of the TIP Friendly Society since May 2017 and is currently the Chairman of the said committee.



## WINSTON R. SMITH

*B.Sc, TT. Dip, Cert. Mgmt*

Winston is a dedicated educator with over two decades of service in the field of education. He is currently the Principal of Golden Spring Primary School as well as a candidate in the 2020 President - Elect Elections of the JTA. He was born in the parish of St. Elizabeth and attended the Rose Hall Primary School, then St. Elizabeth Technical High School. He was employed as a Pre-trained Teacher at both Papine Secondary and Stony Hill All Age Schools. He pursued his teacher training at CASE but completed his studies at Mico Teachers' College.

Upon completing his studies, Mr. Smith was employed at Papine High and served that institution with distinction for fifteen years, during which he was promoted to Grade Supervisor as well as Head of the Science Department. He then accepted the post of Principal at Constitution Hill Primary where he served for 5 years. He is currently the Principal at Golden Spring Primary in St. Andrew.

Being in the field of education, Mr. Smith became a member of the TIP Friendly Society in 1998 and has been a dedicated 'TIP-ster' ever since. As such, he served the Society as a member of the Nominating Committee, followed by the Credit Committee and currently serves as a member of the Supervisory Committee. He is always present at meetings and training seminars held by the Society and is always encouraging workers within the field of education to join the Society. The entire staff complement of his school are members of TIP Friendly Society, a feat for which he is very proud.

## RUSHANE ANTHONY MORGAN

"The heights by great men reached and kept where not attained by sudden flight, but they while their companions slept were toiling upwards through the night".

Hailing from the beautiful parish of Manchester is a brilliant, energetic, kind hearted, friendly and youthful man Rushane Anthony Morgan. He grew up in the community of Porus in Manchester where his formative education began at the Porus Infant School then to the Porus Primary School. After completing six (6) years of his primary educational journey he was placed at the Porus High School where he did five (5) excellent years of high school.



Leadership for Rushane was innate and throughout his high school years he served in numerous school capacities, including Prefect, Senior Prefect, and then Deputy Head Boy. Mr Morgan also served as ISCF Secretary/Treasurer and was the Brand Ambassador for the 4H Club gaining him both local and international exposures.

He is an educator who holds a First Degree in Primary Education from the International University of the Caribbean. He later completed a Master's Degree with the University of the West Indies in Educational Leadership and Administration. An educator at the Mandeville Primary School, he also serves as part time facilitator at HEART Trust NTA.

Rushane is guided by the philosophy 'Success is a journey, not a destination'. This passion has elevated him to serve his Parish and Country as a Youth Leader and Ambassador at the Youth Council Level. He enjoys working with young people and is very passionate about the rich heritage of his native country Jamaica.

Rushane is a community man and is a part of the Ackee Tree Mentorship Programme which helps to provide scholarship, motivation and inspiration to over One hundred (100) youths in his community. Mr Morgan is a proud member and Director of the Optimist Club of Mandeville. He has served at various levels in the Club such as; Director for Internet Safety, Club and Membership Chairperson and Optimist International Representative for the Caribbean District.

He is also the Porus High School Past Student Board Advisor and Immediate Past President of the Porus High School Alumni Association.

Rushane is a proud recipient of several awards for outstanding leadership and services. He was awarded the Bert Mitchell Award for Leadership and Humanitarians, Twice he was awarded for Most Outstanding Youth Ambassador at the community and parish level, Certificates of Appreciation for Outstanding Contribution to Sponsorship and Participation in Cultural Events.

A Mentor, Youth Advisor and a well-rounded individual who is culturally develop in all areas.







Lola Bennett  
Secretary, St. Elizabeth



Estorine Brown  
St. Ann



Albert Corcho  
Chairman Finance



Nadienne Crossman  
Hanover



Maureen Cunningham-Johnson  
St. Mary



Camille Davis-Williams  
Westmoreland



Mona Ennis  
Trelawny



Lawrence Graham  
Vice President  
St. Thomas



Cecilia Grant-Francis  
Manchester



Beverley Green-Miller  
Executive Member, Clarendon



Clayton Hall  
Assistant Treasurer  
St. Catherine



Ray Howell  
President



Sheron Matheson  
Assistant Secretary, St. James



Rushane Morgan  
Youth Member



Audrey Williams  
Kingston

## HEAD OFFICE



Annette Adair  
Accounting Supervisor



Alyssa Adams  
Marketing Clerk



Omario Allen  
Delinquency Clerk



Camille Archibald  
Marketing Supervisor



Camoy Berry  
Accounting Clerk



*Roxanne Brown-Powell*  
Customer Service Rep.



*Orlando Bryan*  
Claims Clerk



*Kimberly Bryce*  
Processing Clerk



*Sharmaine Campbell*  
Accounting Clerk



*Khdine Clarke*  
Customer Service Supervisor



*Charmane Collins-Gordon*  
Processing Supervisor



*Povell Coubrie*  
Account Clerk



*Camille Cranston*  
Delinquency Clerk



*Renee Davis*  
Filing Clerk



*Donnaleay Drummonds-Mills*  
Processing Clerk



*John Emery*  
Maintenance Clerk



*Jermaine Evans*  
Delinquency Officer



*Damarley Facey*  
Customer Service Rep.



*Cha-Ann Freeman-Wilson*  
Processing Clerk



*Tosheba Gordon*  
Accounting Supervisor



*Loy Grant*  
Contact Centre Officer



*Nicole Hardy-Smith*  
Office Services Clerk



*Amanda Harris*  
Filing Clerk



*Kerrion Jackson-Cousins*  
Claims & Underwriting Officer



*Terry-Ann Jarrett*  
HR Clerk



*Yanique Johnson*  
Cashier



*Donya Jones*  
Delinquency Clerk



*Brittany Knott*  
Accounting Clerk



*Rikane McDaniel*  
Customer Service Rep.



*Mahaida McGregor*  
Processing Clerk





*Ackeem Mitchell*  
Cheque Processor



*Astley Montaque*  
Maintenance Clerk



*Bryan Murray*  
Accounting Clerk



*Novelette Myton*  
Contact Center Officer



*Khadeem Nelson*  
Business Support Specialist



*Natalee Palmer*  
Customer Service Rep.



*Daneal Reid*  
Marketing Clerk



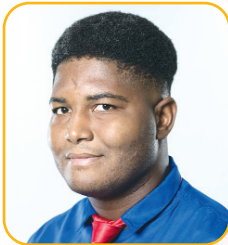
*Zarifa Roberts*  
Contact Centre Officer



*Derisa Robinson*  
Receptionist



*Sheldon Samuels*  
Customer Service Rep.



*Garrick Simms*  
Processing Clerk



*Gregrian Sutherland*  
Customer Service Rep.



*Shanna Tyrell*  
Processing Clerk



*Moesha Walters*  
Claims & Underwriting Officer



*Edward Welsh*  
Training and Welfare Officer



*Marion Williams-Brown*  
Customer Service Rep.



*Patricia Williams-Coore*  
Claims & Underwriting Supervisor



*Necola Wilson*  
Marketing Representative



**TIP** Friendly Society  
Serving Those In Need of Financial Help

## MANDEVILLE



*Leon Barnaby*  
Senior Customer Service Rep.



*Christopher Carr*  
Cashier



*Shirlet Melbourne*  
Filing Clerk



*Sharon Slowly*  
Supervisor



*Britnie Tulloch*  
Customer Service Rep.



## MONTEGO BAY



*Olive Garel  
Senior Customer Service Rep.*



*Ann-Marie Hastings  
Filing Clerk*



*Antoinette Hewitt  
Supervisor*



*Kareen Robinson  
Customer Service Rep.*



*Tresan Thomas  
Cashier*

## OCHO RIOS



*Orville Bailey  
Senior Customer Service Rep.*



*Judith Cooper  
Supervisor*



*Paulette Cooper  
Filing Clerk*



*Moya-Lee Dickenson  
Customer Service Rep.*



*Simone Rowe  
Cashier*

## REGIONAL SERVICE REPRESENTATIVES



*Leon Barnaby  
Mandeville*



*Cadiann Calvert-Jackson  
Kingston & St. Andrew*



*Marquez Cole  
Manchester & St. Elizabeth*



*Kajha Cunningham  
St. James, Hanover & Westmoreland*



*Raul Lindsay  
St. Catherine & Clarendon*



*Richard Mollison  
St. Mary, St. Ann & Trelawny*



*Sheldon Samuels  
St. Andrew, Portland & St. Thomas*



*Necola Wilson  
Portmore & Spanish Town*



**TIP** Friendly Society  
Having You in Our Plans



**TIP** Friendly  
Society

# *Notes*

**2019**

18<sup>th</sup> ANNUAL GENERAL MEETING



# *Members Who Passed in 2019*

It is with deep sadness that we report the deaths of Twenty (20) of our members during the year 2019 plus our retired Treasurer, Sherlock Allen, who died May 19, 2020. May their souls rest in peace.

<b>NAMES</b>	<b>NAME OF INSTITUTION</b>	<b>PARISH</b>
Angela Harrison -Scott	Bitto All Age & Infant	St. Catherine
Sean Hylton	Knox Community College	Manchester
Carolyn Bent Orzan	Osbourne Store All Age	Clarendon
Lola Markland	Harmons All Age	Clarendon
Seleema Campbell	Boundbrook Primary	Portland
Carolyn Davis-Campbell	Bishop Gibson High	Manchester
Carol Lowe-Grant	Cacoon All Age	Hanover
Ileane Parchment-Williams	Fullerswood All Age	Hanover
Jillian Gentles-Brown	St. Margaret's Bay All Age	Portland
Andrea Denise Taylor	Richmond Primary Infant	St. Mary
Karen Rodney	Glengoffe High School	St. Catherine
Tasania Smith	Duncan's All Age	Trelawny
Tanya Codington Allen	St. Elizabeth Technical High	St. Elizabeth
Imolyn Ramsay	Bickersteth Primary & Infant	St. James
Christine Seivwright	Ministry Of Education	Kingston & St. Andrew
June Birch Williamson	Merlene Ottey High School	Hanover
Claudette King	St. Peter & Paul Preparatory	Kingston & St. Andrew
Henry Walker	Oberlin High School	St. Andrew
Ariane Hart-Russell	New Roads All Age	Westmoreland
Shauna English-Corniffe	Charlie Smith High	St. Catherine



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