

20TH
ANNUAL
GENERAL
MEETING

ANNUAL REPORT

2021



TIP Friendly
Society



www.tipfriendly.com



RESPONSIBILITY



COACHING



INNOVATION



ETHICS

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.

GOALS



TEAMWORK



CUSTOMERS



TRUST



CONTENTS

Notice of Annual General Meeting	2
Agenda	5
Minutes of the 19th AGM	7

Reports:

Committee of Management	37
Treasurer's	53
Auditor's	64
Credit Committee	139
Supervisory Committee	147
General Manager's	147
Nominating Committee	153
Board Members & Staff Pictorial	164



TIP Friendly
Society





TIP Friendly Society



NOTICE OF ANNUAL GENERAL MEETING

The Committee of Management of TIP Friendly Society hereby gives notice of its 20th Annual General Meeting (AGM) to be held in a hybrid format (that is, both at a physical location and by live streaming) on

Saturday, May 28, 2022 starting at 10:00 am at the Spanish Court Hotel.

Financial Members may attend and participate in the meeting via zoom conference.

The purpose of the meeting is to review and present the 2021 Audited Financial Statements and address matters relating to the operations of the Society. The electronic copy of the 2021 Annual Report can be found on TIP's website at www.tipfriendly.com on **Wednesday, May 25th, 2022**.

To attend and participate virtually:

1. Registration will be through our website www.tipfriendly.com and will open on **May 16, 2022 at 8:30 am** and close on **May 20, 2022 at 5:00 pm**.
2. Upon registration and verification, financial members will receive a login and password, 24-48 hours before the AGM
3. Only financial members in keeping with our Rule Book will be able to participate in the voting process

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

BY ORDER OF THE COMMITTEE OF MANAGEMENT

LOLA BENNETT (MISS)

SECRETARY,

May 13, 2022

Serving You Is Our Pleasure!

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

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

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

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

 www.tipfriendly.com  mktgsales@tipfriendly.com

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

AGENDA

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

YES! YES! *This is Exclusively Yours*

TIP **QuickCash** **Loan**

Supporting you Financially

- Apply for up to \$100,000.00
- Competitive Interest Rate
- 30 Months to repay



www.tipfriendly.com
mktgsales@tipfriendly.com
facebook.com\tipfriendlysociety
@tipfs
Half-Way-Tree | Mandeville | Ocho Rios | Montego Bay
876-920-8399 | 876-968-6096 | 876-960-0729 | 876-929-1710

***Conditions apply**

MINUTES OF THE NINETEENTH ANNUAL GENERAL MEETING OF TIP FRIENDLY SOCIETY

**HELD ON FRIDAY, OCTOBER 15, 2021, AT THE JAMAICA PEGASUS HOTEL
KNUTSFORD BOULEVARD, KINGSTON 5 VIA THE ZOOM PLATFORM**

1.0 CALL TO ORDER

The Chairman, Mr. Ray Howell, called the meeting to order at 9:30 a.m. He extended sincere apologies for the late start to the meeting and for the absence of the Annual General Meeting booklets that resulted in the Annual General Meeting being aborted on July 24, 2021; Mr. Howell also apologized to the members who had travelled from varied parishes to attend the aborted meeting.

He, however, bemoaned the conduct of some members which resulted in negative media coverage that did not auger well for a teachers' movement and the TIP brand. He reminded members that TIP was a \$4.5 billion organization whose reputation should be protected at all costs.

He asked all present both virtually and physically to adhere to the guidelines and protocol set for the Annual General Meeting.

1.1 NOTICE OF THE ANNUAL GENERAL MEETING

Mr. Howell, then invited the Secretary, Ms. Lola Bennett to read the Notice of the Annual General Meeting.

1.2 DEVOTIONAL EXERCISE

The devotional exercise was conducted by Mr. Edward Welsh and a team from TIP Friendly Society.

1.3 READING AND ADOPTION OF RESOLUTION 1: RE THE FORMAT OF THE ANNUAL GENERAL MEETING

The Chairman stated that the meeting would take a hybrid format, but for this to be formally recognized, the resolution which (was previously circulated) needed to be passed in order to host virtual and hybrid meetings going forward. He invited Mrs. Sheryl Brown from the Department of Co-operatives and Friendly Societies to take the meeting through this exercise.

Before the reading of the Resolution Mrs. Brown requested that members who were physically present and those who were also logged in online to log off so that a correct count of the members both physically and virtually were to be taken. Members physically present were then given the opportunity to remove themselves from the virtual platform.

The Chairman stated that the meeting would take a hybrid format, but for this to be formally recognized, the resolution which (was previously circulated) needed to be passed in order to host virtual and hybrid meetings going forward. He invited Mrs. Sheryl Brown from the Department of Co-operatives and Friendly Societies to take the meeting through this exercise.

Before the reading of the Resolution Mrs. Brown requested that members who were physically present and those who were also logged in online to log off so that a correct count of the members both physically and virtually were to be taken. Members physically present were then given the opportunity to remove themselves from the virtual platform.

Mrs. Ramsay Brown read the resolution. She then asked if there were any questions. There being no questions, the resolution was unanimously adopted on a motion moved by Norman Allen, and seconded by Dr. Garth Anderson.

Having verified that there were presently one hundred and forty-six (146) persons online and nine (9) members in the meeting room making a total of one hundred and fifty-five (155) members present, she noted that for the resolution to be passed, seventy-five percent (75%) of the one hundred and fifty-five (155) members had to vote in favour of the resolution.

She stated that voting would be done by way of the poll for those who are online and by raise of hand for the members who were physically in attendance.

The resolution was passed with one hundred and twenty-six (126) persons voting in favour of it. The breakdown was as follows:

- Nine votes in person
- 117 votes online via poll
- Four votes against the resolution
- One abstention

The Chairman thanked Mrs. Ramsay Brown for the efficient way she took the meeting through this exercise.

1.5 OBITUARIES

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

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

- Joan Kitson, Holy Family and Infant, Kingston
- Jeniene Brown, Jonathan Grant High, St. Catherine
- Claire Bartley-Allison, Braeton Primary School, St. Catherine
- Jennetta Mullings, Sawyers Primary School, St. James
- Sandra Allen Linton, Merlene Ottey High School, Hanover
- Carl Samuels, Vauxhall High School, Kingston
- Trudian Richards, St. Andrew High School for Girls, St. Andrew
- Shekarah Dunbar, Kensington Primary School, St. Catherine
- Pauline Austin, Keith Primary, St. Ann
- Nadrea Sheriff-Joseph, Mandeville Infant, Manchester
- Andre Hall, Maldon Primary School, St. James
- Allan Dawes, Green Island High School, Hanover
- Jeanette Green, Red Hills Primary School, St. Andrew
- Veronica Hastings-Brown, Wakefield Primary School, Trelawny
- Latoya Carter-Fullerton, Ocho Rios High School, St. Ann
- Sherlock Allen, Retired Treasurer, TIP Board Member at Large
- Latoya Hall-Cunningham, Alston High School, Manchester
- Dahlia Wright-McLean, Mt. Olivet Primary School, Manchester
- Tazmarie Morgan, Spanish Town Primary School, St. Catherine
- Michelle Spencer-Palmer, Norwich Primary, Portland
- Stephen Levy, B.B. Coke High School, St. Elizabeth
- Alvia Thompson-Haye, Tranquility Primary and Infant, Portland
- Carvell Miller, Spouse of Clarendon member
- Dawn Hewitt, Rose Garden Prep, St. Andrew
- Stacy Ann Patmore-McConnel, Christiana Primary and Infant, Manchester
- Dian Parchment-Williams, Fullerswood Primary School, St. Elizabeth Allison Higgins, Retreat Primary and Junior High School, St. Ann
- Owen Barrett, Claremont All-Age, St. Ann
- Michael Gooden, Sir Clifford Campbell Primary School, Westmoreland
- Coleen Walker, Excelsior High School, Kingston
- Clovis Tatham, Mayfield All- Age School, St. Elizabeth, Retired Principal
- Wayne Mullings, Louise Bennett- Coverley All- Age School, St. Andrew

- Kerry Ranger-McLeod, Hampton School, St. Elizabeth
- Dornett Stewart, St. Patrick's Primary School, Kingston
- Genevieve Brown, Islington Primary School, St. Mary

Mr. Hall, Treasurer, offered prayers to the bereaved family members, school family and friends of the deceased.

1.6 APOLOGIES FOR ABSENCE

Members were asked to put the apologies in the chat if they had any.

1.7 OPENING REMARKS, WELCOME AND INTRODUCTION

The Chairman, Mr. Howell, extended a warm and cordial welcome to all the members, those in the physical and virtual space, the Committee of Management, the Supervisory and Credit Committees and the Management and Staff.

A special welcome was extended to the following individuals

- Mrs. Sheryl Brown, Miss Tanesha Facey and Miss Tasheka Howell from the Department of Co-operatives and Friendly Societies.
- Ms. Jennifer Hibbert, Auditor, Engagement Partner and Jacqueline Roberts, Audit Manager from the audit firm, BDO
- Ms. Joyce James, stenographer.
- Mr. Winston Smith, President of the Jamaica Teachers' Association who was participating in the meeting via the online platform.
- Mr. Bryan Farquharson, Secretary General of the Jamaica Teachers' Association, who would be demitting office at the end of the month.
- Mrs. Petal Thompson- Williams, incumbent Regional Officer, North East of the Jamaica Teacher's Association.
- Dr. Mark Nicely, incumbent Secretary General of the Jamaica Teachers' Association.

He stated that TIP Friendly Society celebrated Founders' Week in the last week of September 2021 culminating in 24 years of service as a friendly society to teachers and other persons in education which prior to this was a private entity

He noted that TIP continued to adhere to the seven core principles of the Co-operative Movement to include:

1. Voluntary and open membership
2. Democratic member control
3. Member of economic participation
4. Autonomy and independence
5. Financial education, training, and information
6. Co-operative among co-operatives
7. Concern for the Community

He noted that over the years, financial institutions had failed and that there had been mergers but TIP throughout the years has stayed the course. This has been because of its frugality in the management of its resources, which steered them through turbulent times and assisted in TIP becoming one of the most successful co-operatives in Jamaica and the Caribbean. He attributed this success to the loyalty of the members and the commitment to the brand.

2.0 GREETINGS – Mr. Winston Smith, President, Jamaica Teachers' Association

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

Mr. Winston Smith extended welcome to all attendees, both physically and virtually.

He noted that TIP Friendly Society and JTA were inextricably linked as most of their members were teachers thus both organizations shared the same membership.

He congratulated TIP on its celebration of 24 years in existence and for holding its 19th AGM.

He asked all the teachers across Jamaica to continue to work hard and use TIP as an opportunity to save, invest and empower themselves, their families and friends, as the strength of TIP resided in its membership.

The JTA, he stated, saluted TIP, and applauded the leadership for a job well done.

3.0 READING, ADOPTION AND ACCEPTANCE OF RESOLUTION 2- Amendment to the Election Process.

The Chairman invited Mrs. Ramsay Brown to take the meeting through the second resolution, which was previously circulated, dealing with the Amendment to the Election Process.

Mrs. Brown read the resolution. Having read the resolution, the matter of having the Resolution accepted in the meeting was raised by Mr. Norman Allen. Mrs. Facey explained to the meeting what was expected of members to have the resolution accepted, after which members will be given the opportunity to pose their questions and concerns re the resolution.

Mrs. Brown asked for a simple resolution to accept the resolution into the meeting. This was moved by Mr. Allen, seconded by Dr. Anderson. Members were directed to vote using the “raise hand” feature on their computers or phones.

The poll displayed one hundred and thirty-nine (139) members voting for the acceptance of the Resolution out of a total of one hundred and eighty-nine (189) members. Figures included persons who were physically in attendance and those online.

Following this, she opened the floor for questions.

Mrs. Petal Thompson-Williams was acknowledged. Mrs. Thompson- Williams stated that she is objecting to the resolution that had been brought to the meeting. She stated that whilst she appreciated the work of the Nomination Committee she did not think it should be left in their hands to select individuals whom they considered to be the best persons to serve on committees or at the Board level; she further lamented that members should be given the right at AGMs to nominate persons from the floor and as such, they would not be voting for the resolution in its present form as the members wanted to nominate from the floor.

Another member, Ms. Hanson voiced her agreement with Mrs. Thompson-Williams and further stated that she agrees in having nomination from the floor instead of persons being chosen for the members.

Ms. Rhamona Bromfield, member stated that we must be reminded that teachers are the ones who own the company and therefore have a right to serve on the Board. She then proposed to have an amendment to the Resolution to remove the section that prohibits us as teachers nominate our colleagues from the floor.

Remarks from other members were aired after they were identified.

Mr. Whitehouse, member, stated that he agrees with not supporting the passing of the Resolution. He cited the length of the Resolution stating that with such a lengthy document, much would be lost in the reading. He further stated that it would be robbing members of their rights.

Mrs. Erica Ewbanks also voiced her agreement in having voting taking place from the floor.

Ms. Annmarie Walker was recognized by the Moderator, she stated that she is not comfortable with the Nomination Committee having that much power.

Ms. Castle indicated to the meeting that, from her understanding of the Resolution, the nomination would be done before the AGM; this would reduce time spent during the Annual General Meeting because the candidates for nominations would have already been presented so members could just vote.

Mr. Rayon Simpson was identified and then proffered his clarification on the objection to the Resolution.

Ms. Lesline Thomas, member, also posited her strong objection to the Resolution.

Mrs. Brown then requested Ms. Rhamona Bromfield restate the suggested amendment to the Resolution and the section which must be amended: the Resolution section states that nominations will not be taken from the floor at an Annual General Meeting.

Mrs. Facey, Department of Cooperatives informed the meeting that the resolution was to end the process of nomination from the floor though the members still had an opportunity to elect, recommend or nominate persons to serve on the various committees. She further informed the meeting that an opportunity is given to them when the notice is issued where it stated that 120 days prior to the date of the AGM members could nominate persons to serve on the various committees and it sets out the criteria that each should satisfy to make the recommendation. TIP she stated was a billion-dollar organization and persons with certain types of skillset were needed to manage the affairs of the organization.

Mrs. Brown reiterated that the resolution was seeking to address any concerns relating to skillset and that the duty of the Committee would be to interview the slate of persons nominated by the members to match skillsets possessed with those needed for the growth of the organization.

Dr. Garth Anderson stated that any decision to take away the rights of members to nominate persons from the floor was an injustice and that the resolution in its present format empowered the Committee to make the determination as to the nominees that would come to the AGM.

Mrs. Waugh Richards stated that the members' rights would not be taken away as the members would be asked to exercise their rights in another form.

She noted that the Society, despite the pandemic, maintained good financial health, which was a testament to good management and applauded the team for that. She pointed out that a Society of TIP's size requires due diligence and background checks before persons are nominated to serve on any committee or Board; thus, the fitness and properness of those who serve must be ascertained before they are elected. She asked her colleagues to let good sense prevail by voting against nominations from the floor. A lengthy discussion ensued, with members raising objections to the resolution as formulated.

Mr. Hall posited that the resolution proposed was a simple one and that the current rules defined a financial member as persons whose dues were up to date. He stated that while the facility existed for dues to be paid in TIP, it was not being done and to ensure that the rules were clearly articulating the current position, he proposed that Article 46, Interpretation of Rule regarding the Financial Members be amended to read:

The "Financial Member" means a member who is not delinquent with his payment of dues for over 6 months and his active savings and payment of insurance premium are not in arrears.

This was seconded by Dr. Garth Anderson.

Questions/comments, queries having been exhausted, Mrs. Ramsay closed the debate and stated that there were one hundred and eighty-two (182) persons online and nine (9) persons in the room making a total of one hundred and ninety-one (191) persons. For the resolution to be passed seventy-five percent (75%) of the members in the meeting had to vote in favour of the resolution. She noted that voting would be done via the poll.

The resolution was put to the vote and one hundred and three persons (103) persons voted against the resolution, twenty-seven (27) voted for and fourteen (14) abstained. The resolution was not carried.

This was accepted on a motion moved by Dr. Garth Anderson, seconded by Mr. Clayton Hall.

In relation to the second resolution to amend Rule 46 moved by Mr. Hall, seconded by Dr. Garth Anderson, Mrs. Brown stated that one hundred and eighty-eight (188) persons were eligible to vote and for the resolution to be passed seventy-five percent (75%) or one hundred and forty-one (141) persons had to vote in favour of it which would be done via the poll and opened the poll. One hundred and eleven persons (164) persons voted in favour, eight (8) against and sixteen (16) abstained. The resolution was passed.

Mrs. Archibald expressed concern as it related to the monitoring of the chat as she had her hand raised and was not recognized. Other member expressed the same sentiment to which the Chairman stated that they would try to rectify it as the meeting proceeded as it was new venture they had entered.

4.0 READING, CORRECTION AND CONFIRMATION OF THE MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON FRIDAY, JULY 25, 2020

The minutes were taken as read on a motion moved by Dr. Garth Anderson, seconded by Miss Sheron Matheson.

One correction was noted:

Page 14, Obituary, Allison Higgins, Retreat Primary and Junior High was in St. Mary and not St. Ann

There being no further correction, the minutes were confirmed on a motion moved by Miss Diana Campbell (Ferncourt High) seconded by Jacqueline Hendricks (Middleton Primary).

4.1 MATTERS ARISING

There were no matters arising from the minutes.

5.0 REPORTS

5.1 COMMITTEE OF MANAGEMENT REPORT

5.1.1 COVID-19 and Its Impact

Mr. Ray Howell reported that with the advent of Covid 19 in March of 2020 many personal dreams were shattered and the economic impact across the globe was profound. There were significant job losses, business closures, curfews, and other major dislocations. Educational institutions closed in March of 2020 which negatively impacted the field service operations of TIP. Business Development Officers and members had to use social media and other forms of electronic media to conduct business.

TIP developed safe and healthy strategies for serving its members during the period and the company rolled out its business continuity plan that enabled staff to work from home during the St. Catherine Lockdown in April of 2020.

To ensure a safe environment, the work environment was reconfigured by expanding the banking hall at the head office building and by installing safety barriers at workstations. There was adherence to sanitization protocols and social distancing.

It must be noted that the Annual General Meeting was rescheduled from May to June and that TIP Friendly Society was the first Co-operative to hold its Annual General Meeting after the onset of Covid 19 pandemic where a face to face and virtual approach was used to conduct the meeting.

5.1.2 TIP's Asset Base, Renovations, and Investments

TIP was the first Co-operative to introduce a Covid 19 Loan to assist members from as early as April 2020 and provided loans refinancing, payment holidays and loan moratorium for its members. The Society also strengthened its payment channels with the addition of NCB Smartpay, Bill Express, and Paymaster to enable payments from members.

Amidst the challenges experienced, TIP made a surplus of \$239 Million surpassing the 2019 figure by \$31 Million. He attributed this outstanding performance to the hardworking management team and staff and thanked them for their contribution and support.

It was reported that TIP Friendly Society was now a \$4 Billion business and should be close to \$5 Billion by the end of 2021 if plans afoot were achieved.

The Society invested in a major commercial real estate project in Braeton, St. Catherine. It is scheduled to be completed by the end of February 2022. A deposit was made on a multi-use commercial complex at Drax Hall, St. Ann which would include a regional office. The Society was in the construction phase of a 9 one-bedroom apartment complex at 18 Palmoral Avenue, Mona, St. Andrew. He noted that this was the same property that the house they owned in Mona was located. These properties, he stated, would provide significant revenue to the Society, and complement the existing revenue streams. Sections of the head office building had undergone significant refurbishing to improve the functionality and overall aesthetics of the corporate office.

5.1.3 Town Hall Meetings

A town hall meeting was held to commemorate the 24th Anniversary aimed at connecting and listening to the members to hear their grouses and provide feedback. Other town hall meeting would be rolled out momentarily.

5.1.4 Loan Portfolios

In August 2020, a decision was taken to reduce the interest rates on several products to make it easier for members to access funds. In March 2021 interest rate on unsecured loans reduced to 15% and the repayment period was extended up to 8 years making this the lowest in the market at the time. He reminded the meeting that they do not do a debt service ratio as other institutions.

The threshold was increased for the Quick Cash and Regular Loans to \$1 Million and \$3 Million respectively in 2020.

The loan portfolio at the end of 2020 stood at \$2.523 Billion and this moved to \$3.2 Billion in June 2021, a growth of over \$700 Million. This unexpected growth caused a cash flow management system to be put in place to meet the needs of the members. He apologized profusely for any inconvenience experienced by members during this period and extended appreciation for their patience. He however, reported that as of October things were back to normal as it concerned loan disbursement and withdrawals.

Total assets moved from \$3.276 billion in 2019 to \$3.722 billion in 2020 and loans moved from \$2.156 billion in 2019 to \$2.523 billion in 2020.

Investment moved down from \$692 Million to \$600 Million which was due to the increased lending.

Liquidity continued to be carefully managed ensuring that the risk remained within a tolerable and viable band as dictated by the regulators.

The long-awaited Mastercard named TIP Lifeline was introduced which made accessing of loan easier. The take-up was far beyond expectation and presently stood at \$35 Million and growing.

TIP continued to be a member of the International Co-operative Alliance, headquartered in Belgium.

The Society acquired a 3-storey building in Mandeville in 2019, refurbished it and began operating from the ground floor in January 2021. The other two offices were fully tenanted enabling the Society to earn an income. TIP was now operating from its own properties in Kingston, Montego Bay, and Mandeville and very soon from the North Coast.

The core business of the Society was providing annuity/insurance to protect the income of the members in times of disability and trauma but other financial services such as savings and loans were being offered. He urged all to upgrade their current plans by selecting types that are more relevant to their situation in keeping with financial costs.

Over \$113 Million was used to settle claims which was in addition to money paid to reinsurers.

5.1.5. TIP Scholarships

Scholarships continued to be provided to the top ten boy and girl PEP scholars in each parish. Financial support was provided to the top performing awardees for an additional two years of their high school education. Scholarships were also provided to members pursuing undergraduate and postgraduate studies at local universities.

In 2020 two new scholarships were introduced, the Sherlock Allen Scholarship for postgraduate studies for principals and vice principals and the Wayne Mullings Scholarship for PEP awardees in St. Andrew. Congratulations were extended to all scholarship recipients for 2020.

5.1.6 Meetings

The Committee of Management held twelve full meetings in 2021 and each month the Committee of Management received detailed reports of financial and operational activities from the management of the Society. Reports were also received from the Credit and Supervisory Committees. The meeting's attention was drawn to the attendance of members at monthly board meetings during the period displayed on the screen.

5.1.7 Sponsorships

The Society continued its social community outreach programmes and donated to various institutions, individuals, and events to the tune of \$4.162 Million.

TIP continued its sponsorship in the areas of agriculture, education, schools' career, staff development, sports as well as JTA activities at the parish and local levels.

5.1.8 Closing

In closing, the President stated that members in reviewing the performance for the year 2020 should feel proud of the results. It was noted that TIP was more active on the social media platform and that it strived to be present at all teacher-centered activities across Jamaica. Members were encouraged to like the company's Facebook page, visit the website, and sign up for online banking.

The short to medium term efforts would be focused on improving efficiency, organic growth, building out real estate projects and ensuring that the Society reaped the maximum benefits.

The President stated that the mission of TIP was to become the leader in profitable and professional superior value-added services to stakeholders within the educational sector. TIP, he noted, continued to be one of the most successful profitable co-operatives in Jamaica and the Caribbean.

He stated that the success of TIP did not come overnight and though there may be some who wanted to destroy the brand, TIP was about making a difference in the lives of the educators who spent most of their time improving the lives of the nation's children at the sacrifice of quality

time with their families. He urged all to continue to work as a team and to think, plan, execute as they break through to achieve excellence.

He thanked the management and staff, volunteers, Department of Co-operatives, and Friendly Societies, BDO Auditors for their invaluable and dedicated service given to the organization.

He displayed the Mandeville building on screen for all to see and the various projects presently taking place.

He craved the meeting's indulgence to reply to a question asked by Petal Thompson last year in relation to mortgage. He stated that based on the recommendation moved, \$15 Million maximum would be lent for 15 years at 7.5% on the reducing balance.

In relation to the TIP Lifeline project, there was presently \$35 Million in the portfolio and growing.

As it related to online banking, 2,437 accounts had been created since going live.

5.1.9 Questions/Queries of the President's Report

Mrs. Petal Thompson- Williams thanked the members for the opportunity given her to witness the counting of the ballots at last year's election.

There were several comments online commending the President on a lovely presentation and the newly elected buildings.

Mr. Gabriel commended the President and team for the fantastic job done despite the pandemic as the performance recorded was better than pre-pandemic. He stated that the teachers across the country be treated more friendly considering the technological and mental health issues and trying to make ends meet while the negotiations continued. He further asked that the interest rates be lowered as this would be beneficial to the members and this also would attract new members resulting in the organization growing its membership.

In response to Mr. Gabriel's request, the Chairman advised him that TIP had the best interest rates in the market and was one of the friendliest organizations. He noted that the members can call his cellphone or any member on the Board as well as

the General Manager's if they have a complaint. He again thanked the members for standing by the Society when they experienced an uptake in the loans and had to adjust facilitate everyone.

Mr. Rayon Simpson posited that while TIP was not an organization for students, due to the hardship caused by the pandemic which forced students to purchase gadgets to assist with their learning, whether the organization would consider offering a helping hand to some of these students without gadgets.

The President responded that schools had made requests in terms of gadgets and had gotten them, but TIP did not make a fanfare when they donate these things like other organizations. He asked Mr. Hall to expand on what had been done.

Mr. Hall reminded Mr. Simpson that TIP was the only company that provided an incentive to the schools that join the insurance programme and majority of the schools used these incentives to buy multiple tablets which they issue to students.

There being no further questions, the Committee of Management Report was unanimously accepted on a motion moved by Dr. Garth Anderson, seconded by Michelle Hanson (Trinityville Primary)

6.0 TREASURER'S REPORT

This was presented by the Treasurer Mr. Clayton Hall.

He stated that it takes cash to care and because TIP provides cash it meant that TIP cares. He invited the BDO representative, Ms. Jacqueline Roberts, to present the abridged version of the Auditor's Report.

6.1 Auditor's Presentation

The Auditor, Ms. Jacqueline Roberts, presented the abridged version of the report, which stated that the accompanying financial statements gave a fair view of the financial position of the Society as at 31 December 2018, 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.

6.2 Treasurer's Report

The Treasurer, Mr. Hall, highlighted the following:

- the Jamaican dollar ended the year at \$143.27 to US\$1.
- the inflation rate stood at 5.21%.
- Interest on loan increased to \$387 Million compared to \$343 Million the previous year.
- Interest on investment declined from \$19.8 Million to \$16.6 Million the previous year
This he attributed to an increase in the number of loans.
- Members' contribution increased to \$280 Million from \$279 the previous year and other gains increased from \$41 Million to \$55 Million.
- Employee cost declined and he hastened to say that that was due to the effective management of the reengagement procedures. He commended the management team for the effective way in which they curtailed expenses during the period.
- Net interest and other income, employee costs of \$214 Million declined but remained the largest expense item.
- Advertisement and promotion costs declined, and he commended the Marketing Team that ensured that TIP remained relevant through the different social media platforms despite its inability to spend the quantum that would normally be spent on advertisement and promotion.
- Operating expense declined in 2020 to \$365 Million as opposed to \$377 Million the previous year.
- Net Surplus increased from \$207 Million to \$239 Million and applauded the volunteers and staff for this performance.
- Current assets moved from \$279 Million to \$351 Million.
- Investment properties remained static as there was no reassessment done in relation to the investment properties.
- Loans after provision for loan losses increased from \$2.1 Billion to \$2.5 Billion.
- Total assets increased to \$3.7 Billion versus \$3.2 Billion in 2019.
- Establishment Cost increased due to the maintenance of these properties.
- Advertising and Promotion increased by \$7.1 Million.
- Personnel cost increased marginally by \$1.8 Million moving to \$214 Million.
- Total expenditure decreased to \$365 Million compared to \$377 Million the previous year.

Mr. Hall then projected on screen the TIP loan portfolio between 2008 and 2020.

He noted that while members' savings continued to improve, it outstripped the quantum of loans granted. He informed members that they had facilities that offered significant returns on investment. Members were further informed that savings increased, and he encouraged members to convert their dividends to Permanent Shares whenever they receive it as they would get a greater return. Interest paid to members decreased which was attributed to the low interest rate regime.

The meeting was further informed that Statutory Reserves now stood at \$118 Million while Special Reserves stood at \$546 Million. Permanent Shares now stood at \$58.75 Million.

Mr. Hall reminded members that a rule was passed 4 years ago which facilitated the capitalization of the organization through Permanent Shares where each member could own 100,000 shares or \$100,000 shares in TIP. In November 2020 TIP launched a promotion encouraging members to increase their Permanent Shares to 100,000 and urged members who had not yet taken up the offer to do so as they would receive a better return.

He noted that members who accepted the offer were eligible for a chance to win one of three prizes, the first prize being a Samsung Smart TV, second prize a laptop and third a Samsung cellular phone. To date, twenty-one members accepted the offer and 17 members had been entered for the grand prizes.

Total Income generated during 2020 increased by 8.71% or \$49.51M, ending the year at \$617.88.1M compared to \$568.37M the previous year.

He assured the members that the organization was financially healthy.

6.3 Questions/Queries of the Treasurer's Report

Mr. Rayon Simpson, through the chat, commended the TIP staff for their excellent service and singled out the Montego Branch where he stated they needed a raise.

The other comments that came through the Chat were commending the Treasurer on his presentation of the report.

The Treasurer's and Auditor's Report was accepted on a motion moved by Sheron Matheson, seconded by Beverly Miller.

Mr. Hall noted that the drawing of the prizes for those who took part in the Permanent Shares offer would be done momentarily and invited Mrs. E. Roulston to pull the numbers from the bag.

- The winner of the Samsung cellular phone went to Colley Newman
- Jacqueline Thompson won the laptop
- Canute Fagan won the Samsung Smart TV

Mr. Hall congratulated all the winners

7.0 CREDIT COMMITTEE REPORT

The report was presented by Mrs. Lou-Ann Bramwell-Shakes, Chairman of the Committee.

She drew the meeting's attention to Page 108 of the booklet where the Credit Committee Report commenced.

She outlined the composition of the Committee elected at the 2020 AGM.

She stated that the Committee worked closely with the Delinquency and the Customer Service Department.

She highlighted the core functions of the Committee as presented in the report.

She indicated that several loan products were added to the suite of products currently offered owing to the impact of the pandemic on the membership such as the COVID-19 Loan, Mortgage, Tip Lifeline and Online Banking.

She informed the meeting that members could access loans to savings at a ratio of 10:1 which eliminated the need for referral to the Committee. She noted that for the period under review only two loans were submitted to the Committee that were above the 10:1 ratio in relation to a Motor Vehicle Loan and a Regular Loan which were both approved.

The Committee's observation of the loan files processed revealed that policies and guidelines of the Society were consistent and adhered to and they all contained the requisite supporting documents for the respective loan types.

Seven hundred and sixteen (716) loan files were reviewed by the Committee for the period under review compared to six hundred and seventy-three (673) the previous year.

One thousand and ninety -three (1,093) Delinquency files were assessed by the Committee for the period under review compared to seven hundred and twenty-one (721) for the previous fiscal year. The Committee contacted clients and their references and were successful in having them fulfilled promises to settle arrears and regularize their accounts. She however noted that there were several delinquent loans because of Covid 19.

The Committee, she stated, remained resolute in serving TIP Friendly Society and continued to intervene in instances where loans were falling behind in payment.

It was noted that refinancing of loans was one of the measures offered to alleviate the burden on members during the pandemic.

Information provided by the Credit Information Bureau was analyzed and used by the Committee as a guide in offering financial guidance to the members.

She directed the meeting's attention to the attendance at meeting which was projected on screen.

Committee members received virtual training in the Proceeds of Crime Act.

She stated that the Committee was cognizant of the varying options available to members to access loans and other savings and how pleased the Committee felt satisfying members' loans and other requests.

She acknowledged and expressed gratitude to all members for their commitment and the confidence vested in them. The Committee, she stated, was satisfied that it fulfilled its mandate and expressed appreciation for the opportunity to serve the members.

The Committee applauded the management, staff, and stakeholders for their resilience during the challenging time and implored them to continue to plan and execute to achieve excellence.

There being no questions, the Credit Committee Report was approved on a motion moved by Clayton Hall, seconded by Mrs. Beverley Green Miller.

8.0 SUPERVISORY COMMITTEE REPORT

Mrs. Elaine Roulston, Chairman of the Supervisory Committee, was invited to present the Supervisory Committee Report. She directed members' attention to the attendance record projected on the screen.

She highlighted the following:

Introduction of the members of the Committee that were elected at the 2020 AGM.

- The roles and functions of the Committee.
- Ten (10) regular meetings, five (5) branch visits and three (3) site visits were conducted, and the findings and observations were reported, and recommendations were made to the Board. She outlined in detail the observations noted and the recommendations made. The Department of Co-operatives and Friendly Societies in September of 2020 facilitated the training of all committee members on the roles and functions of the Supervisory Committee. Proceeds of Crime Act (POCA) training was also held in October 2020 and all members were in attendance.
- Focus was placed on the BDO audits and the management's responses to them. In several instances the Committee felt that the responses needed to be more fulsome. An audit that was of concern to the Committee was the matter of the actual size of TIP's membership and the underfunded members' accounts as this was mentioned in the previous audit and to date had not been resolved.
- Though the Committee lauded the fact that TIP continued to grow, it expressed concern about the large amount of unallocated funds, a situation that could have serious implications for members' account balances. The Committee was however heartened by the fact that the Financial Controller and her team accounted for some of the funds and were focused on resolving the issue.
- In concluding, she stated that the Supervisory Committee was grateful for the confidence vested in the team. She expressed appreciation to the Board of Management and staff for their co-operation. The Committee, she stated, was satisfied that the company's operations were in keeping with the Friendly Society's Act and were appreciative of the co-operation received from the management and staff in the execution of our work.

Comments from the chat were congratulating the Committee on their excellent presentation.

There being no questions, the Supervisory Committee Report was approved on a motion moved by Mrs. Lou-Ann Bramwell-Shakes, seconded by Dr. Garth Anderson.

9.0 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 members in the Education sector. Mr. South stated that the Society was proud to have catered to members' needs with the provision of insurance, savings, and loans. The delivery of quality service continued to improve daily especially regarding time taken to execute withdrawals, claims, loans, tele-service facilities as well as online banking.

He indicated that the Society implemented several personal hygiene and social distancing activities and other safety measures with the advent of Covid 19 in early March 2020. He stated that because of the adherence to the social distancing policy, members had to stand outside of the building at first; since then, improvements have been made at the head office and other locations to better accommodate the members.

TIP, he indicated, operated from four locations, Kingston, Mandeville, Montego Bay and Ocho Rios. The Mandeville and Montego Bay locations are tenanted and earning revenue for the Society. Of the complement comprising eighty (80) staff members, sixty-one (61) were located at Head Office, seven (7) at Mandeville and six (6) each at Montego Bay and Ocho Rios branches.

Training was facilitated by the training team during the year which allowed for every employee within the Society to benefit from attending at least three major training interventions annually.

Four staff members were recruited during the year under review.

He outlined some of the following strategies that came out of the Planning Retreat last year:

- Recruit, train, develop and retain high quality team members and volunteers
- Growth in revenue and surplus
- Targetting non-teaching staff
- Delinquency management
- Improve key financial ratios
- Leveraging Mastercard product
- Job reclassification
- Leveraging information technology

He mentioned that the Society experienced significant growth in its asset base which stood at \$4.5 Billion in 2020; loan portfolio of over \$3 Billion and Surplus of \$239 Million.

He informed the members that the long-awaited mortgage product was now on the market.

Delinquency at the end of 2020 stood at 4.48%.

Marketing and Sales team led by Mrs. Judy Miller-Smith and supported by Supervisor, Mrs. Camille Archibald continued to promote and bring greater awareness to the TIP brand within the Education Sector. The Marketing team, management and volunteers staged the 1st Anniversary celebration called Founders Week which was a successful event. A church service was held on Sunday October 12, 2021, followed by a feature on Television Jamaica (TVJ) on Monday; an online seminar on Tuesday, a Tree Planting Ceremony on Wednesday; and Thursday the Scholarship Awards function.

He then introduced the Business Development Officers to the meeting.

The Society continued to fulfill its corporate social responsibility by sponsoring fund raising efforts by educational institutions, churches, and other non-profit organizations. The entities that were assisted were projected on screen for all to see.

For future growth and development, the Society would maximize on innovative technology; and review the Business Continuity Plan.

Condolences were offered to the families of the members who transitioned during the period under review.

In closing, he expressed gratitude to the valued members, volunteers, and staff for their support throughout the years.

The Chairman noted that this report did not need to be accepted.

10.0 FIXING OF MAXIMUM LIABILITY

Chairman Howell invited The Treasurer, Mr. Hall, to take the meeting through the Fixing of Maximum Liability and Appropriation of Surplus.

Mr. Hall proposed that the maximum liability to December 31, 2020, be set at \$7.4 Billion, two times the asset base of \$3.7 Billion.

This was seconded by Ms. Lola Bennett.

10.1 APPROPRIATION OF SURPLUS:

The Committee of Management recommended to members the following:

- | | |
|------------------------------------|---------|
| • Dividends (Permanent Shares, 5%) | \$2.9M |
| • Savings (Ordinary Shares, 3%) | \$70.8M |
| • Social Outreach (Donations) | \$6M |

This was seconded by Dr. Garth Anderson

11.0 FORMALIZATION OF ELECTION OF THE ANNUAL GENERAL MEETING OF 2020

The Chairman had earlier acceded to a request from Petal Thompson to have her raised an issue under Matters Arising and invited her to do so.

Ms Thompson stated that she was placing the following motion for the formalization of the election of the last AGM.

Whereas the 18th Annual General Meeting of TIP Friendly Society nominated and elected Celia Grant-Francis to serve as a representative of the parish of Manchester for a term of three years commencing after AGM 2020, and:

Whereas the said AGM nominated and elected Kaydian Scott to serve on the Credit Committee for a period of two years commencing after AGM 2020; and

Whereas the election of the two individuals mentioned above was challenged based on eligibility of one of the nominations and at the end of the process the challenge was overturned, and Celia Grant-Francis was reinstated for the completion of the year, and.

Whereas it was the demonstrated wish of the last AGM to have the individuals serve as they were elected.

Be it resolved that the 19th Annual General Meeting of TIP Friendly Society upholds the decision of the 18th AGM and return Celia Grant-Francis and Kaydian Scott to the posts to which they were elected for the duration of the term.

The Chairman indicated that the person who made the nomination was Mr. Patrick Smith and that he was delinquent, but he invited him as a special guest and that the Registrar of Co-operatives made a ruling on the matter. He added that it went into the court, and he invited the Secretary to read two correspondents to bring clarity to the matter.

The Secretary, L. Bennett, read the two pieces of correspondence, one from the Registrar nullifying the elections of Kaydian Scott and Celia Grant-Francis and indicating that Mrs. Erica Ewbanks and Mrs. Celia-Grant-Francis continue in office until the next AGM. The second correspondence was written by Mr. John Bassie, lawyer, indicating among other things that communication and documentation from the Registrar to Miss Erica Ewbanks and Mrs. Celia Grant-Francis be reduced to a letter form and copied to Mr. Ray Howell, Mr. Errol Gallimore and Mr. Wilton South.

The Chairman invited Mrs. Facey from the Department of Co-operatives and Friendly Society to comment on the issue at hand.

She reiterated what was stated in the first letter resulted in a failed election and cited Regulation 15 of the Friendly Societies Act which states that: “in the event of a failure of an election in respect of any office, those previously appointed shall continue in office pending the holding of a valid election as respects such office. Every officer shall remain in office until the installation of his successor. “

The Chairman added that it cost the Society, one and a half million dollars (\$1.5 million) for legal expenses (lawyer oversight) regarding the matter.

Mr. Allen noted that there was a resolution on the floor that needed a seconder.

The Chairman asked Mrs. Thompson-Williams considering the clarity if she was willing to withdraw the motion.

Mrs. Thompson-Williams stated inter alia that members who voted for persons who were duly nominated could not be discarded. She added that the individual who did the nomination stood up and identified himself and nobody at that time objected to him not being a member, thus the matter should not be determined by some legal rulings from the AG who would not be privy to all the information.

He invited the General Manager to shed more light on the issue, but members present felt there was no need for the General Manager to address the issue. The Chairman noted that the General Manager sought clarity from the Department of Co-operatives and Friendly Society on how to react. The Chairman then read the notice of appeal. A lengthy discussion ensued on this issue with members giving their varying views and asking several questions which Mrs. Facey responded that she was not au fait with all the issues; she stated that had she been aware that this matter would have been raised she would have revisited what happened at the last AGM and thus, be in a better position to answer the questions. She however stated that the court made a ruling which now stands.

Mr. Hall pointed out that the resolution before the meeting was seeking to fill the two posts that were decided on at the last election and overturned because the nominee was deemed improper and if that resolution were to pass it would have meant that Mrs. Grant-Francis and Miss Kaydian Scott would be elected later to which Mrs. Facey stated that they could be nominated from the floor. Mr. Hall proceeded to make further queries by asking to how the resolution, now before the members, would be treated. Mrs. Francis responded that it was overruled by the decision of the court as the court directed that the persons were to be returned to their original state until the next AGM which they were now at.

Mrs. Facey implored all to allow the AGM to decide at the time of the election and proposed that the resolution be pulled. Amidst that proposal, the debate continued with members proffering varying views. It was argued by majority of the members that the ultimate authority as to who sits on the Board rests with the members.

Mrs. Facey then asked Mrs. Thompson-Williams to close off the debate. She stated that she would not be withdrawing the resolution and asked that it be put to the vote for the AGM to decide on the matter.

Mrs. Facey again read Regulation 15 which stated that: "in the event of the failure of an election in respect of any office, those previously appointed shall continue in office pending the holding of a valid election."

Mrs. Thompson-Williams insisted that she would not be withdrawing the resolution as she did not know on what ground she would be doing so as Mr. Smith should not have been in the meeting if he was not in good financial standing. Mrs. Facey again stated that she was not able to answer that question and asked if any Board member or individuals could speak to the issue. Mrs. Facey pleaded for good sense to prevail and allow the Nomination Committee to present its report and thereafter the election would follow where nominations from the floor could be made. Mrs. Thompson- Williams eventually withdrew the resolution.

12.0 NOMINATING COMMITTEE REPORT AND ELECTIONS

Chairman of the Nominating Committee, Mrs. Beverly Green Miller presented the report.

She stated that she, along with Ms. Jennifer Williams and Ms. Judith Wilson 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 stated that the Committee met on several occasions, with the last meeting being June 30, 2021. A transformational approach was taken in choosing nominees where a set of criteria for selection was looked at to include relevant skills, the knowledge of financial matters as well as willingness to serve. Persons nominated were from different sectors such as education, tertiary, secondary and primary and early childhood. All nominees were fit and proper to serve.

She then presented the slate of candidates who were retiring and those who were recommended for the Committee of Management, the Credit Committee, and the Supervisory Committee.

Committee of Management

Parish	Retiring	Recommended	Term of Office
Manchester	Mrs. Celia Grant- Francis, Retired Principal, Porus Primary	Mr. Jasford Gabriel, Principal, Manchester High School	2 years
Trelawny	Mrs. Mona Ennis, Principal, Falmouth Infant	Mrs. Mona Ennis, Principal, Falmouth Infant	3 years
St. Mary	Mrs. Maureen Cunningham-Johnson, Retired Education Officer, Ministry of Education	Mrs. Maureen Cunningham-Johnson Retired Education Officer, Ministry of Education,	3 years
St. Thomas	Mr. Lawrence Graham, Teacher, Yallahs Primary School	Mr. Lawrence Graham Teacher, Yallahs Primary School,	3 years
At Large	Dr. Garth Anderson, Principal, Church Teachers' College	Dr. Garth Anderson Principal, Church Teachers' College	3 years
At Large	Ms. Audrey Williams, Retired Principal, Denham Town High School	Ms. Audrey Williams, Retired Principal, Denham Town High School	3 years
At Large	Mr. Ray Howell, Retired Principal, Edith Dalton James High School	Mr. Ray Howell, Retired Principal, Edith Dalton James High School	3 years
Youth Representative	Mr. Rushane Morgan, Teacher, Mandeville Primary School	Mr. Rushane Morgan, Teacher, Mandeville Primary School	1 year

Credit Committee

Retiring	Recommended	Term of Office
Mrs. Erica Ewbanks, Principal, Garvey Maceo High School	Mr. Terrence Brown, Teacher, Petersfield High School	2 years
Mrs. Lou- Ann Bramwell Shakes, Teacher, Hayes Primary and Junior High	Mrs. Elaine Roulston, Retired Regional Director, Ministry of Education	2 years
Mrs. Elaine Roulston, Regional Director, Ministry of Education	Mrs. Georgia Waugh- Richards, Regional Officer, South Central, Jamaica Teachers' Association	1 year
Mr. Winston Smith, Principal, Golden Spring Primary	Mr. Philmore McCarthy, Principal, Excelsior Community College	1 year
Mrs. Anieta R. Bailey, Community Relations Officer, Region 5, Ministry of Education	Mrs. Anieta R. Bailey Community Relations Officer, Region 5, Ministry of Education,	1 year
Mrs. Viris Clarke- Ellis, Retired Education Officer	Mrs. Viris Clarke- Ellis, Retired Education Officer	1 year
Ms. Veniese Brennan, Teacher, Old Harbour High School	Ms. Veniese Brennan, Teacher, Old Harbour High School	1 year

13.0 NOMINATION AND ELECTION OF MEMBERS TO THE COMMITTEE OF MANAGEMENT

Mrs. Facey was invited to preside over the elections. She opened the floor for nominations and stated that the floor was open for nominations for the parishes Manchester, Trelawny, St. Mary, St. Thomas and the two At Large positions and Kingston.

The nominations were as follows:

Mrs. Facey asked if there were any nominations from the floor for Manchester.

- Dr. Garth Anderson nominated Celia Grant Francis. Mrs. Grant Francis accepted the nomination. This was seconded by Joan O'Connor.
- Mr. Glenroy Williams (St. Andrew Technical) nominated Philmore McCarthy for Kingston. Mr. McCarthy accepted the nomination. This was seconded by Panchita Walker. Mr. Rohan Johnson questioned whether Mr. McCarthy works or lives in the parish of Kingston. Mr. McCarthy stated that that he works in Kingston but does not live in Kingston. He was informed that he was not qualified, and his name had to be removed. Mrs. Bramwell Shakes pointed out that he was qualified on the basis that he was the principal for all the campuses thus his work would span Kingston and St. Andrew as the Principal. On that basis the nomination was reinstated.

- Ms. Carlene Bygrave nominated Miss Jacqueline Hendricks for St. Thomas. Miss Hendricks accepted the nomination. This was seconded by Petal Thompson-Williams.

13. 1 Objection to the Nomination of Mr. Jasford Gabriel

Mr. Hall objected to the nomination of Mr. Jasford Gabriel as Director of the parish of Manchester. He stated that his objection was based on the fact that at a meeting of the JTA General Council on July 31, 2021, Mr. Gabriel declared in the presence of all that TIP would fail and that was his prophecy. He asked that Mr. Gabriel either recant that position or be struck from the nomination list.

Mr. Gabriel stated that the context in which he made that comment was a private closed-door meeting where he outlined to all present at the General Council his concerns about three members of the Trustee Board to include Dr. Garth Anderson who were corrupting the process of the selection of Regional Officers and Secretary General for the Association. He indicated that he accepted the nomination to ensure there was transparency and accountability as he remained concerned about the direction in which TIP was going based on the trend he observed. Mrs. Facey stated that this discourse was not for this meeting as these were extraneous matters that had nothing to do with the election process. Mr. Gabriel withdrew his nomination.

She then closed nominations for the Committee of Management and outlined the ground rules that would govern the elections. She stated that there would be no need for voting in respect of Manchester since Mr. Gabriel withdrew his nomination.

For Kingston, she informed the membership that they would be voting for Audrey Williams who was nominated by the Committee and Mr. Philmore McCarthy and opened the poll. After five minutes she closed the poll for Kingston.

For St. Thomas, she stated that the nominees were Lawrence Graham and Jacqueline Hendricks and then opened the poll for St. Thomas. After five minutes she closed the poll for St. Thomas.

13. 2 NOMINATION AND ELCTION OF MEMBERS OF THE CREDIT COMMITTEE

Mrs. Facey opened the floor for nominations to the Credit Committee. The nominations were as follows:

- Mrs. Bramwell Shakes nominated Ms. Erica Ewbanks; the nomination was accepted by Mrs. Ewbanks. This was seconded by Veneise Brennan.
- Mrs. Paula Duncan Frater nominated Miss Kaydian Scott who accepted the nomination. This was seconded by Dr. Garth Anderson.

There being no further nominations Mrs. Facey closed the nomination. She stated that members would be voting for Kaydian Scott, Erica Ewbanks, Terrence Brown, and Elaine Roulston and launched the poll. She instructed members that they were to vote for only two persons, and should they vote for more than two those ballots would be considered spoilt. After five minutes the poll was closed.

She announced that the results for St. Thomas and Kingston were as follow: for the parish of St. Thomas, Lawrence Graham received twenty-seven votes and Jacqueline Hendricks 93 votes respectively. She then declared Jacqueline Hendricks duly elected to the Board for a term of 3 years.

In relation to Kingston, Audrey Williams received thirty-eight votes and Philmore McCarthy 75. She declared Philmore McCarthy duly elected to the Board for a term of 3 years. She extended congratulations to the newly elected persons to include Cecelia Grant-Francis for 2 years; Mona Ellis, Maureen Cunningham, Jacqueline Hendricks, Dr. Garth Anderson, and Mr. Ray Howell for a term of 3 years and Mr. Rushane Morgan for 1 year.

In relation to the Credit Committee, Terrence Brown received 42 votes, Erica Ewbanks 67 votes: Kadian Scott 87 votes and Elaine Roulston 27 votes. She then declared Kadian Scott and Erica Ewbanks duly elected for a term of 2 years. She congratulated the duly elected members.

13.3 NOMINATION AND ELECTION OF MEMBERS TO THE SUPERVISORY COMMITTEE

Mrs. Facey opened for nominations for members to the Supervisory Committee. It was noted that Mr. Philmore McCarthy had been elected to the Committee of Management thereby creating a vacancy on the Supervisory Committee. Mrs. Waugh Richards asked that her nomination be withdrawn. The following nominations were done:

- Miss Marcia Foster (Negril All Age) nominated Mrs. Camille Williams Davis who accepted the nomination. This was seconded by Lola Bennett.
- Yanique Parks (Thompson Town High) nominated Mr. Winston Smith who accepted the nomination. This was seconded by Norman Allen.
- Ms. Kaydian Scott nominated Mrs. Bramwell Shakes who declined nomination.

There being no further nominations from the floor, nomination was declared closed. Mrs. Facey noted that there would be no need for an election as there were five nominees and five vacancies and congratulated Camille Davis Williams, Anieta Bailey, Viris Clarke Ellis, Veniese Brennan and Winston Smith as duly elected to the Supervisory Committee.

The Chairman thanked Mrs. Facey from the Department of Co-operatives and Friendly Societies for taking the meeting through the elections.

14.0 ANY OTHER BUSINESS

Mrs. Duncan Frater queried when the dividend would be paid. Mr. Hall stated that the dividend would be paid at the end of November.

Mrs. Estorine Brown pointed out that the retention of the auditor for the year was not done. The Chairman stated that this would be discussed by the Board.

Mr. Simpson stated that the AGM, to a considerable extent, was good but expressed disappointment with the expressions coming from two Past Presidents referring to the election process as being corrupt and another referring to a kangaroo court and that those comments should be withdrawn as it was beneath their offices.

Mrs. Richards-Thompson stated that, from her knowledge, the border of Kingston did not extend to South Camp Road and asked that this be verified before confirming anyone in the position. The Chairman stated that the Department of Co-operatives and Friendly Societies would do their checks and make the appropriate decision.

15.0 VOTE OF THANKS

Dr. Garth Anderson thanked the members for their participation and extended special thanks to the management team for their preparation and efficient execution of the AGM and for the work that they continue to do.

He congratulated the members for staying the course, this being a long meeting.

He thanked the representatives from the Department of Co-operatives and Friendly Societies for their participation in ensuring that due diligence was followed.

He congratulated all the newly elected members and reminded them that their call was to serve and that the members were depending on everyone to ensure that TIP continued to grow.

16.0 CLOSING PRAYER

The Chairman invited Mrs. Duncan-Frater to offer the closing prayer.

17.0 ADJOURNMENT

The Chairman adjourned the meeting at 5:40 p.m.



TIP Friendly Society



TIP 2022 SCHOLARSHIPS ARE NOW OPEN!



We are offering:

★ TIP P.E.P. Scholarships

TIP Members' Dependents who are
2022 P.E.P. Scholars

★ TIP Member Scholarships

TIP Members in their final year of study,
pursuing Undergraduate and
Postgraduate Degrees at accredited
Universities in Jamaica

APPLY NOW!

APPLICATION DEADLINE - JULY 15, 2022

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

To submit your application virtually, please email your application form and
all supporting documents to mktgsales@tipfriendly.com

Contact us:

Conditions Apply



HALF WAY TREE
876-618-1914

MANDEVILLE
876-877-5268

OCHO RIOS
876-877-5267

MONTEGO BAY
876-382-7289



www.tipfriendly.com



www.facebook.com/tipfriendlysociety



www.instagram.com/tipfriendlysociety

COMMITTEE OF MANAGEMENT REPORT

TIP Friendly Society began the year 2021 with great uncertainty as the Covid-19 pandemic was still wreaking havoc across the globe, and of course right here in Jamaica. There was still uncertainty regarding the reopening of schools and there were widespread lockdowns across the country due to the pandemic.

There was however some light at the end of the tunnel as the availability of vaccines to treat the Covid-19 outbreak was being made available to several countries worldwide. Jamaica received our first batch of vaccines in March 2021.

As 2021 wore on, Jamaica and Jamaicans became more aware of the virus and so we were better positioned to manage the spread of the virus. It is very sad to learn that Jamaica is 2nd from bottom of the list of countries in the region in regards to the take up of the Covid-19 vaccines. TIP is urging those of us who have not yet received their jabs to do so as soon as possible.

It is important to note that we at TIP did not suffer any lockdown as a result of the pandemic in 2021.

In spite of the Covid-19 pandemic the Jamaican economy rebounded in 2021, reaching US\$14.90 billion as at December 31, 2021. This was approximately US\$1.1 billion more than the prior year (US\$13.81 billion). The country relies heavily of foreign inputs for our finished products. TIP's electronic equipment and software programmes and support services are sourced from overseas and any movement in the exchange rate impacts us. We started 2021 with the exchange rate at US\$1.00 to J\$142.97 and ended the year with the exchange rate at US\$1.00 to J\$154.04. This as you can see was a decline of J\$11.07. Another debilitating headwind, inflation, is upon us. This one, which is currently at 11% is eating away at your purchasing power. But as the saying goes, Jamaicans are a set of resilient people and this too shall pass.

We were not fazed by the pandemic. In fact, 2021 was our most profitable year of operation on record. We surpassed our 2020 surplus by \$82.67 million dollars, to achieve a surplus of \$322.10 million dollars. Our hardworking volunteers and staff have been there for you throughout the Covid-19 pandemic to serve you in your time of need. On behalf of the Board of Directors, other volunteers and staff 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 for 2022 and beyond.

Three very important resolutions were passed at the last Annual General Meeting (AGM):

1. To allow TIP Friendly Society to have meetings either virtually, in person or via a hybrid methodology
2. To continue to accept nominations from the floor
3. Definition of a financial Member

When we last met like this, we reported that TIP Friendly Society was a \$4 billion dollar company. Today, as I stand here, I am reporting that we are now a \$5 billion dollar business and if our plans are achieved, we should be close to \$7 billion dollars by the end of 2022. This will be achieved through the continuous implementation of organic growth strategies, diversification and the strengthening of our financial resources.

This year, 2022 we celebrate our 25th Anniversary and there will be numerous activities throughout the year which you will hear much more about. Please tune to your favourite medium for more information. Last year we celebrated our 24th Anniversary with a church service, tree planting activities, publications in several newspapers and a financial webinar. For 2022 it will be bigger and better.

Below is a list of some major developments since our last AGM:

- We have completed a major commercial real estate project in Cooksonpen, Portmore.
- Completed the purchase of a commercial plot of land in Drax Hall, St. Ann.
- 80% completion of construction of an apartment complex at 18 Palmoral Avenue, Mona, Kingston 6 (we demolished a house that was on this property). Except for the Drax Hall land, these properties will provide significant revenue streams to the Society to complement our existing revenue streams.

OPERATING RESULTS

TIP Friendly Society again lowered interest rates on unsecured loans in March 2021 to make it easier for our members to access financing. At the time, the lowered rates of 15% were arguably the lowest in the market. Additionally, in March 2021, we increased the limit and tenure of our Regular Loan to \$5 million and 8 years respectively. The tenure and limit on our Mortgage and Home Equity products were also increased to 15 years and \$15 million, respectively.

INVESTMENTS

Table 1 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 2017 to 2021. 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 1: Interest on Investments and Loans

Assets	2021	2020	2019	2018	2017
	\$M	\$M	\$M	\$M	\$M
Financial Investments	427.36	600.81	692.35	657.19	602.60
Weighted Average Interest	10.00%	3.08%	4.50%	4.42%	4.72%
Loans	3,400.60	2,523.31	2,144.34	1,951.27	1,788.31
Weighted Average Interest	13.73%	16%	15.60%	17.50%	18.59%

LOANS

Our year over year movement in our loan's asset was remarkable. We moved from \$2,523.31 billion to \$3,400.60 billion for the year under review. The 34.76% increase helped to drive the growth in surplus while maintaining delinquency below the international standard of 5%.

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

The comfort of our members is always top of mind. In May 2019 TIP Friendly Society relocated its Montego Bay business office from Bay West, Downtown, Montego Bay to its own premises at The Annex in Fairview, Montego Bay. In January 2021 we relocated the Mandeville Branch to 24C, Lot #3 Caledonia Road, Mandeville. These two moves resulted in more space for our Members. Not to be outdone, additional space was added to our head office location to make it more comfortable for you our Members to do business with us.

speaking, 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 insurance types that are more meaningful and in keeping with the financial costs associated with today's morbidity and mortality situations.

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

TIP FRIENDLY SOCIETY THREE (3) YEARS OF CLAIM SETTLEMENT			
DETAILS	TOTAL Y-T-D		
	2021 \$	2020 \$	2019 \$
SICKNESS/ACCIDENT			
SICKNESS - IN HOSPITAL WEEKLY INCOME	276,642.84	436,857.13	449,357.16
SICKNESS - AT HOME WEEKLY INCOME	1,887,714.29	2,435,357.07	3,980,431.58
SURGEON'S FEE	3,907,531.40	4,027,767.20	4,835,032.82
ACCIDENT - IN HOSPITAL WEEKLY INCOME	5,428.57	26,142.86	146,138.13
ACCIDENT - AT HOME WEEKLY INCOME	359,428.58	984,785.71	1,471,142.86
ACCIDENTAL MEDICAL EXPENSES REIMBURSEMENT	421,408.57	546,896.64	808,846.42
MATERNITY	737,500.00	1,010,000.00	854,998.78
TOTAL SICKNESS/ACCIDENT	7,595,654.25	9,467,806.61	12,545,947.75
KIDS BENEFIT			
IN HOSPITAL	1,428.57	PREVIOUSLY INCLUDED IN THE SICKNESS/ACCIDENT BALANCE	PREVIOUSLY INCLUDED IN THE SICKNESS/ACCIDENT BALANCE
SURGEON'S FEE	70,000.00		
ACCIDENTAL MEDICAL EXPENSES	24,507.12		
DEATH	0.00		
TOTAL KIDS BENEFIT	95,935.69		
STUDENT PLAN			
	2,141,170.29	2,542,448.99	2,185,450.51
TOTAL STUDENT PLAN	2,141,170.29	2,542,448.99	2,185,450.51
DEATH CLAIMS- TIP			
ACCIDENTAL & NATURAL DEATH	16,972,320.00	13,870,000.00	9,700,000.00
STUDENT - DEATH	220,000.00	-	-
TOTAL DEATH CLAIMS- TIP PAYOUT	17,192,320.00	13,870,000.00	9,700,000.00
DONATION (EXGRATIA)	-	130,000.00	-
GRAND TOTAL SETTLED TIP CLAIMS (INTERNAL)	27,025,080.23	26,010,255.60	40,831,398.26
TOTAL CLAIMS - COUNT	343	438	615
REINSURANCE	2021	2020	2019
ACCIDENTAL & NATURAL DEATH	10,400,000.00	18,900,500.00	16,400,000.00
TOTAL REINSURERS PAYOUT	10,400,000.00	18,900,500.00	16,400,000.00

OBITUARIES (see inside back cover of the AGM magazine)

It is with deep sadness that we report the deaths of fifty one (51) of our members during the year 2021. 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 2021 listed in the table below. We wish them every success in their studies:

CORPORATE SOCIAL RESPONSIBILITY

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

DONATION	
Educational Institutions	1,165,247.00
Clubs & Charity	592,292.00
Colleges	220,000.00
Churches	116,000.00
Donations to Members	446,398.00
Mico University College	230,000.00
JTA	245,000.00
Others	188,405.00
TOTAL	3,203,342.00



SCOLARSHIPS

Below we share the list of scholarships and awardees who were recipients of TIP's kindness towards the growth and development of the human capital. We are happy to contribute to the development of life skills which will endure forever.

2021 GENERAL PEP SCHOLARSHIP AWARDEES			
NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
ALTODEEN PHILLIPS	MARCIA MARTIN	CLARENDON	\$40,000.00
RHY-ANAH BENNETT	RHYNEE MCKAY-BENNETT	CLARENDON	\$40,000.00
ALTANIA LAWRENCE	TREVE NE DONALDSON	HANOVER	\$40,000.00
JAPHYA ABRAHAMS	YVONNETTE WALKER	HANOVER	\$40,000.00
CAPRICE SIMPSON	MELISSA BECKFORD-SIMPSON	KINGSTON	\$40,000.00
QUINALIA WILLIAMS	MICHELLE WILLIAMS-GOODEN	KINGSTON	\$40,000.00
DANDRE MCKENZIE	SARNIA MALCOLM-MCKENZIE	PORTLAND	\$40,000.00
SKYE MARSH	LECIA WALTERS	KINGSTON	\$40,000.00
DAVOY BROWN	DIANA CAMPBELL	ST ANN	\$40,000.00
NEAH-JADE NOBLE	JULAIN HIBBERT	ST ANN	\$40,000.00
BENJAMIN CLACKEN	NICKESHIA WALTERS	ST ELIZABETH	\$40,000.00
AZIZA HILL	MASHIA THOMPSON	ST ELIZABETH	\$40,000.00
YOHAN HOLNESS	KADINE SCOTT-HOLNESS	ST ELIZABETH	\$40,000.00
ANGELIQUE SMITH	MICHELLE SMITH	ST JAMES	\$40,000.00
STEFAN STEELE	ELOISE GRANT-STEELE	ST JAMES	\$40,000.00
ROGJEVE SAWYERS	CAROL REID-SAWYERS	ST MARY	\$40,000.00
AMIER CAMPBELL	CAROL GUTHRIE	ST MARY	\$40,000.00
KARRISSA CAMERON	OLANZER CAMERON	ST MARY	\$40,000.00
NICKANDRA NICHOLAS	NORMAN NICHOLAS	ST THOMAS	\$40,000.00
RHAYMONE STEWART	ROXANN MILLER-STEWART	TRELAWNY	\$40,000.00
JAUN-TAY BARTLEY	AVERY STEWART	TRELAWNY	\$40,000.00

2021 JUDITH THOMPSON P.E.P. AWARDEES (Manchester Recipients)

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
KAYLIE GORDON	KAYDIAN SCOTT	MANCHESTER	\$45,000.00
HILANDRA THOMPSON	SANDRA THOMPSON-DESGOUTTES	MANCHESTER	\$45,000.00

2021 LIVINGSTON ALLEN P.E.P. AWARDEES (St. Catherine Recipients)

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
LATAVIER BURTON	COURTNEY BURTON	ST. CATHERINE	\$45,000.00
ZAUNDRE MYERS	GRACE PATTERSON-MYERS	ST. CATHERINE	\$45,000.00

2021 STAFFORD BLAKE P.E.P. AWARDEES (Westmoreland Recipients)

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
JESSE BEHARIE	DAWNETT HALL-BEHARIE	WESTMORELAND	\$45,000.00

2021 WAYNE MULLINGS P.E.P. AWARDEES (St. Andrew Recipients)

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
DAIGIRO POMMELLS	MARSHA WILLIAMS-POMMELLS	ST. ANDREW	\$45,000.00
KAYNE SCARLETT	JESSICA NARINE-SCARLETT	ST. ANDREW	\$45,000.00

2021 P.E.P. SCHOLARSHIP AWARDEES

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
AALIYAH MILLS	DONNALEY DRUMMOND-MILLS		\$40,000.00

REPEAT P.E.P. AWARDEES FROM 2020 (Past awardees who excelled in 1st form)

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
ROJAE MILLER	NORDIA CHAMBERS	HANOVER	\$40,000.00
ALEXANDRIA MCENNIS	DENISE BUCHANAN	KINGSTON	\$40,000.00
SUE-YUEN STEWART	MARIE WAITE-STEWART	ST JAMES	\$40,000.00
ALIANA WALTERS	ORLANDO WALTERS	ST ANDREW	\$45,000.00

REPEAT G.S.A.T. AWARDEES FROM 2019 (Past awardees who excelled in 1st and 2nd form) - Final award

NAME OF STUDENT	TIP MEMBER (PARENT)	PARISH	Amount
LATANYA WILLIAMS	STACEY-ANN CALVIN-WILLIAMS	ST JAMES	\$40,000.00
LONDON WEST	SHELDON WEST	ST CATHERINE	\$45,000.00

2021 SYLVIA SPENCE SCHOLARSHIP AWARDEES (Undergraduates)

NAME OF STUDENT	TIP MEMBER (PARENT)	Amount
SHALDON WILLIAMS	CUMBERLAND HIGH	\$150,000.00
TOPAZ ELLIOTT-WOOLERY	ANCHOVY HIGH SCHOOL	\$150,000.00
ALLISON MCKENZIE-PILLINER	HOMESTEAD PRIMARY	\$150,000.00
NORDIA LEWIS	CUMBERLAND HIGH	\$150,000.00
TAMARA ROSS-MCCALLUM	ST PETER CLAVER PRIMARY	\$150,000.00
HEATHER RICHARDS-STEPHENSON	MANDEVILLE PRIMARY	\$150,000.00

2021 VILMA LAWES-MUNROE SCHOLARSHIP AWARDEES (Post-Graduates)

NAME OF STUDENT		Amount
PHYLICIA ANDERSON-LEDGISTER	HAZARD PRIMARY SCHOOL & SPECIAL Ed. UNIT	\$200,000.00
SANDRA SPENCE	GREEN POND HIGH	\$200,000.00
NICOLE MCCAIN	IRIS GELLY PRIMARY	\$200,000.00
RIKARDO HOLNESS	LENNON HIGH	\$200,000.00

2021 SHERLOCK ALLEN SCHOLARSHIP AWARDEES (Principal and Vice Principal Post-Graduates)

NAME OF STUDENT		Amount
ORAIN E BANKS	GREEN POND HIGH	\$200,000.00

2021 ANNETTE FRASER SCHOLARSHIP AWARDEES (STAFF MEMBER)

NAME OF STUDENT		Amount
SHARON SLOWLY	TIP FRIENDLY SOCIETY	\$110,000.00

We plan to offer a new scholarship during this our 25th Anniversary. It will be called the President's scholarship with a value of \$250,000.00

FINANCIAL AND INSURANCE OFFERINGS

We are pleased to remind you of the products offered.

#	CATEGORIES	OPTIONS
1	<ul style="list-style-type: none"> Insurance Products (Personal Accident & Group Life). Creditor Life 	<ul style="list-style-type: none"> TIP for Life (6 options) TIP Kids Benefit (2 options) Insures loan balances on motor vehicle loans
2	Saving Products	<ul style="list-style-type: none"> TIP Money Multiplier Protector TIP Accumulator Club TIP Pool Fund TIP Partner Club TIP for Wealth TIP Lock & Key* Platinum Eagle*T

#	CATEGORIES	OPTIONS
3	Loans	<ul style="list-style-type: none"> TIP Regular Loan TIP Education Loan TIP Express Loan Debt Consolidation Loan Vacation Loan Motor Vehicle loan Christmas/Easter/Summer Loans Quick Cash Loan TIP Mortgage Loan TIP Home Equity Loan
4	School Plans	<ul style="list-style-type: none"> TIP Student Plan TIP College Plan

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

BOARD MEETINGS /FIDUCIARY RESPONSIBILITY/ SUSTAINABILITY

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

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

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

Directors Attendance:

NAMES	2021			2022				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
AUDREY WILLIAMS	-	-	√	√	√	√	√	√
BEVERLEY GREEN-MILLER	√	√	√	√	√	√	√	-
CECELIA GRANT FRANCIS	√	√	√	√	√	√	√	√
CLAUDIA MCLEAN	√	√	√	√	√	√	√	√
CLAYTON HALL	√	√	√	√	√	√	√	√
ESTORINE BROWN	√	√	√	√	√	√	√	√
GARTH ANDERSON	√	√	√	√	√	√	√	√
JACQUILINE HENDRICKS-WHITE	√	√	√	√	√	√	√	√
LOLA BENNETT	√	√	√	√	√	√	√	√
MAUREEN C-JOHNSON	√	√	√	√	√	√	√	√
MONA ENNIS	√	√	√	√	√	√	√	√
NADIENNE CROSSMAN	√	√	√	√	√	√	√	√
NORMAN ALLEN	√	√	√	√	√	√	√	√
PHILMORE MCCARTY	√	√	-	-	-	-	-	-
RAY HOWELL	√	√	√	√	√	√	√	√
RUSHANE MORGAN	√	√	√	√	√	√	√	√
SHERON MATHESON	√	√	√	√	√	√	√	√
TAMASHELLA SMITH	√	√	√	√	√	√	√	√

AFFILIATION - INTERNATIONAL COOPERATIVES ALLIANCE (ICA)

REPORT ON THE ICA 33RD WORLD COOPERATIVE CONGRESS HELD IN SEOUL, REPUBLIC OF KOREA DECEMBER 2021

The overarching theme for the Congress was “DEEPENING OUR COOPERATIVE IDENTITY”. Additionally, each day had its own sub theme.

Day one started with welcome and opening remarks by the NACF President. He expressed how happy they were to be hosting the ICA 33rd World Congress at a time when there was still a global pandemic wreaking havoc on people’s lives. There were also introductory remarks by ICA President Ariel Guarco who welcomed the President of the Republic of Korea, Moon Jae-In and thanked him for hosting the ICA. President MOON spoke of the challenges facing the Republic and the success they had over the years. Some of the successes listed were the growth and development of computer technology, the manufacturing of motor vehicles and the expansion of the social economy.

The sub theme for day one was “EXAMINING OUR COOPERATIVE IDENTITY”.



The examination of this theme begun with a plenary session with the main presenter being the Republic of Korea’s Deputy Minister of Agriculture Food and Rural Affairs, PARK Young-Bum. His presentation looked at how agricultural, financial and other cooperatives across the country were able to pool their resources to make the Republic self-sufficient in food production. His presentation was followed by a roundtable discussion that looked at how the

cooperative identity unites us to work for the common good. Major highlights were on how our values and principles gave millions of people control of their own lives and their future. These serve as a strong foundation that sets cooperatives apart from other types of enterprises. At the end of the roundtable discussion, the following question was posed, how can our business model stay relevant in addressing today’s global challenges? Most answers zeroed in on cooperatives sharing ideas and other resources

STRENGTHENING OUR COOPERATIVE IDENTITY was the sub theme for day 2.

The focus was on innovation and entrepreneurship and their ever-increasing importance in facing today's complex global economy. One noted presentation came from the Vice President of the Spanish Basque Region, Inigo Albizurri. This region of Spain arguably has the wealthiest set of cooperatives in the world. He pointed out that the people-centred cooperative model nurtures talent, creativity and encourages innovative ideas to create a more humane and inclusive society. Other presenters on day 2 expressed how important it was for us to look at winning ways to make our cooperative identity a competitive advantage. Several speakers challenged the audience to be more creative in their thinking, to step outside the box and wow our members and potential members with new and improved ways of operation.

Focus for the penultimate day of the conference was on COMMITTING TO OUR COOPERATIVE IDENTITY

Ela Bhatt, founder of SEWA, India was convinced that it was through the unity of strength and commitment that the SEWA cooperatives were able to overcome financial, social and entrepreneurial obstacles in her region in India. She posited that inclusion and humanity are at the core of our identity, making cooperatives a valuable tool in the construction of positive peace. Speaker after speaker agreed that each one helping the other was important as we respond to the needs of refugees, rebuild after natural disasters, look after the most vulnerable and respond to the ravages of a global pandemic. It was agreed that these crises are constantly threatening an increasingly globalized economy. Consequently, cooperatives must work together to bring about positive and lasting change in their communities, their countries and the world.

LIVING OUR COOPERATIVE IDENTITY

At the start of day 4, we were reminded that the foundation of our identity drives cooperatives to pursue fundamental positive change in our world. One such alliance is in the form of support for the UN's 2030 Sustainable Development Goals. As grassroots organisations that are led by our members, we (cooperatives) are working strongly to offer effective approaches to sustainable development in the communities in which we are rooted. Cooperatives need to advocate for UN global policies to be turned into effective local actions.

The face-to-face meeting ended abruptly close to the lunch break because an attendee tested positive for the COVID-19 virus. All attendees were asked to return to their rooms while a thorough contact tracing process was done among all attendees that this individual was in contact with. Hours later the conference resumed online for wrap up comments and close.

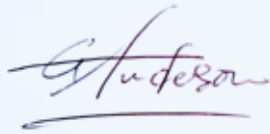
A delegation of three persons from TIP Friendly Society attended the Congress They were as follows:

1. Dr. Garth Anderson President
2. Mr. Clayton Hall Treasurer
3. Mr. Wilton South General Manager

SUMMARY

Our Membership is like the “rock of Gibraltar”. We look to you for input and we are encouraged by your unwavering support. You always challenge us to improve our service delivery to you. We encourage you to keep lifting the bar of accountability as we provide mature leadership in how we serve you. Again, I want to thank all volunteers, management and staff for making 2021 our best year as measured by our surplus.

God speed



Dr. Garth Anderson
PRESIDENT



TIP Friendly
Society



CHILDREN EXPLORE.....

.....LET TIP COVER THEM!



TIP STUDENT PLAN

- Insurance coverage 24 hours
365 days per year.
- Anywhere in the world!

FIND OUT MORE



HALF WAY TREE: 876-618-1914
MANDEVILLE: 876-877-5268
OCHO RIOS: 876-877-5267
MONTEGO BAY: 876-382-7289



MKTGSALES@TIPFRIENDLY.COM
WWW.TIPFRIENDLY.COM
FACEBOOK.COM/TIPFRIENDLYSOCIETY
INSTAGRAM.COM/TIPFRIENDLYSOCIETY

Serving you is our pleasure!

TREASURER'S REPORT FOR YEAR ENDED 31 DECEMBER 2021

THE JAMAICAN ECONOMY

The USD rate is at a 5-year high, moving from \$125 in 2017 to \$150.63 in 2021. This will impact the cost of goods and services purchased in USD.

The inflation rate has fluctuated from a low of 5.2% in 2017, to a high of 7.3% in 2021. 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 4.18% in 2017 to a low of 4.09% in 2021. The 180-day rate ranged from 4.63% in 2017 to 4.33% in 2021.

The unemployment rate, which is an indication of how well the economy is doing, reflected a reduction from a high of 11.63% in 2017 to a 5-year low of 7.1% in 2021.

TABLE 1: ECONOMIC DATA

MEASURE	2021	2020	» 2019	2018	2017
USD to JMD	\$150.63	\$143.27	\$131.18	\$127.72	\$125.00
Inflation Rate	7.3%	5.21%	3.91%	3.74%	4.38%
Treasury Bill 90/180 Day Rate	4.09% /4.33%	0.77% /0.86%	1.32% /1.59%	2.05% /2.07%	4.18% /4.63%
Unemployment Rate	7.1%	8.40%	7.72%	9.1%	11.63%

OPERATIONAL PERFORMANCE

2021 was an exceptionally good year for TIP Friendly Society and we ended the year with a surplus was \$322.104m, which is \$82.672m or 34.53% more than the 2020 surplus of \$239.432m.

Our summary financial performance for the last 5 years is shown in TABLE 2 below:

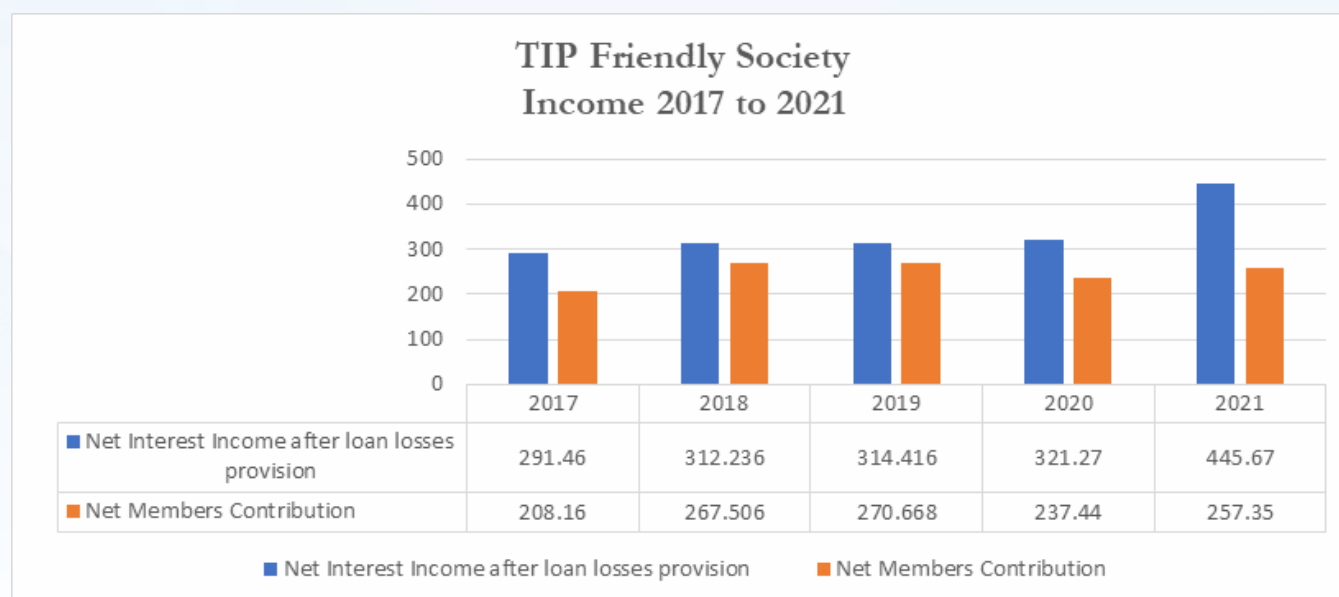
TABLE 2: SUMMARY OPERATIONAL PERFORMANCE

DESCRIPTION	2021	2020	2019	2018	2017
Net Income	780.149	604.534	585.08	579.74	525.44
Expenses	458.047	365.102	377.30	358.98	351.47
Surplus	322.102	239.432	207.78	220.76	173.97

INCOME

There are two main sources of income for TIP, interest income from loans made to members and members contributions – insurance. As shown in GRAPH 1 below, Net Interest Income was higher in 2021 while Net Members Contribution was higher in 2019.

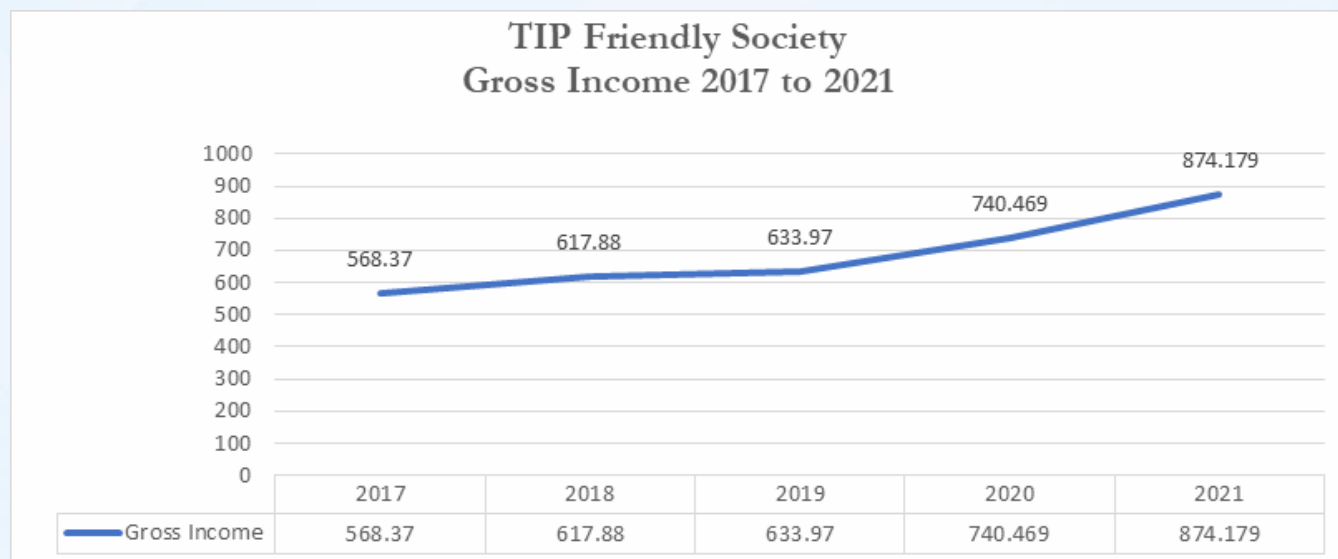
GRAPH 1: INCOME 2017 TO 2021



GROSS INCOME

Gross income ranged from a low of \$568.37m in 2017 to our highest level of \$874.18m in 2021. This is shown in GRAPH 2 below.

GRAPH 2: GROSS INCOME 2017 to 2021



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 25.5% higher in 2021 than 2020.

EXPENDITURE BY EXPENSE GROUP

Expenditure was \$92.945m higher in 2021 than it was in 2020. This is detailed in the TABLE 3:

TABLE 3: EXPENDITURE BY EXPENSE GROUP

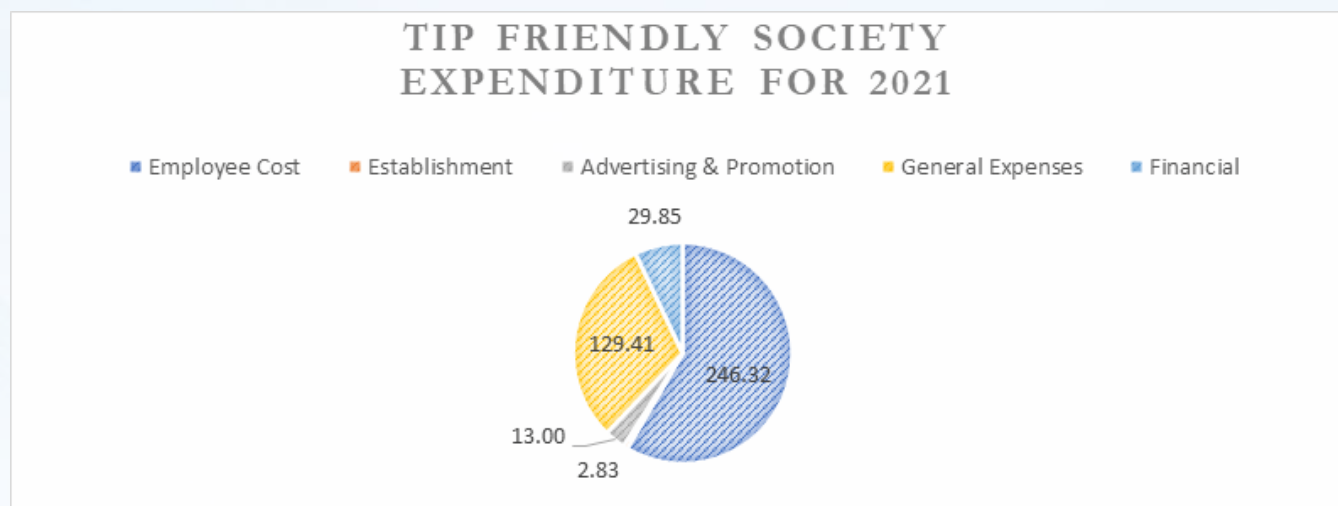
OPERATING EXPENSES	2021	2020	2019	2018	2017
EMPLOYEE COST	246,323	214,145	216,000	201,011	209,525
ESTABLISHMENT	2,831	12,070	11,485	11,384	9,318

OPERATING EXPENSES	2021	2020	2019	2018	2017
ADVERTISING & PROMOTION	13,004	16,019	23,126	21,993	17,561
GENERAL EXPENSES	166,040	119,837	122,932	121,793	108,792
FINANCIAL EXPENDITURE	29,849	3,031	3,759	2,802	6,270
TOTAL EXPENDITURE	458,047	365,102	377,302	358,983	351,466

The total expenditure in 2021 was \$458.047m. GRAPH 2 below shows the allocation.

1. \$246m or 54% was Employee Cost i.e., salaries and benefits, pension, employer taxes, training, staff welfare, uniforms, health & group life insurance.
2. \$166.04m or 36% was General Expenses i.e., utilities, security, meetings, insurance & Office & Computer Supplies.
3. \$13.004m or 3% on Advertising and Promotion,
4. \$2.831m or 1% on Establishment Cost i.e., insurance of assets, building and property maintenance, rental of premises in Ocho Rios
5. Finally, \$29.849m or 6% was spent on Financial Expenses i.e., reinsurance, claims, bank charges, loan repayments and return of premium.

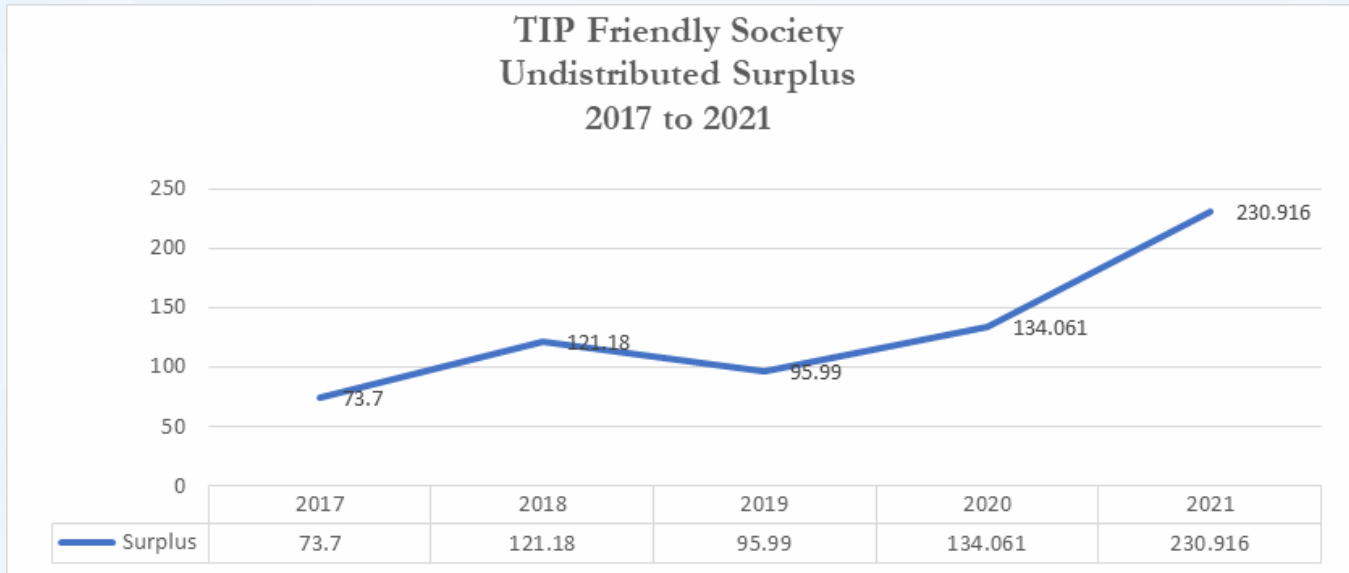
GRAPH 2: 2021 EXPENDITURE PIE CHART



UNDISTRIBUTED SURPLUS

The year 2021 is the highest level of undistributed surplus for the period 2017 to 2021. This is shown in GRAPH 3:

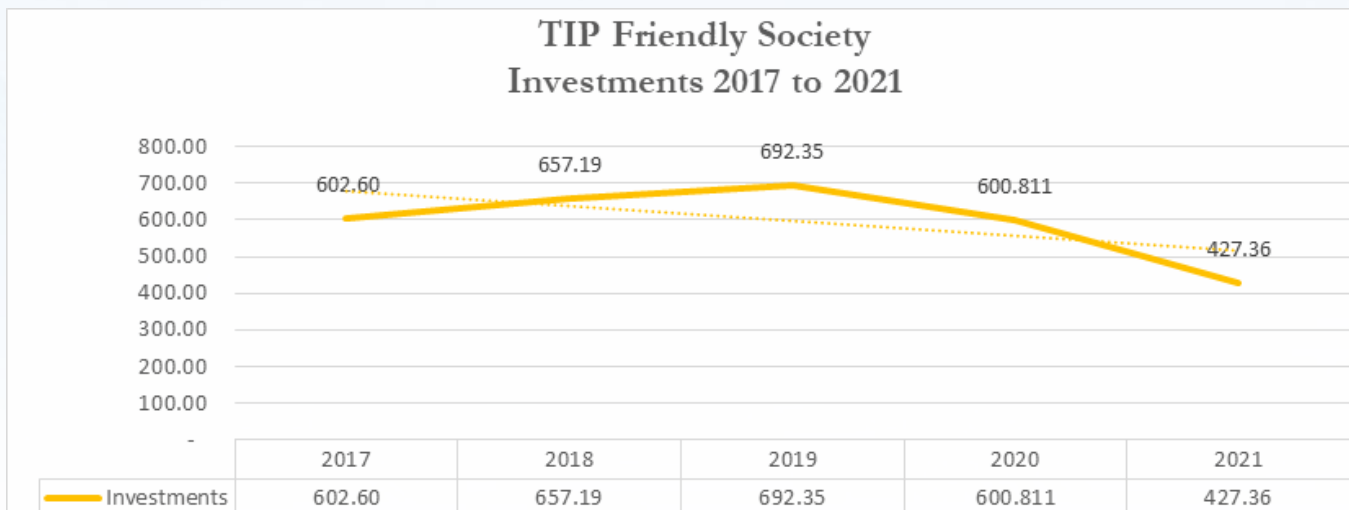
GRAPH 3: UNDISTRIBUTED SURPLUS



INVESTMENTS

The level of cash investments that a Financial Institution maintains is governed by statute. As is shown in the PEARLS Ratios table, TIP exceeds the standard liquidity requirement. TIP cash investments peaked at \$1.5b in 2014. In 2021, investments were \$427.36m.

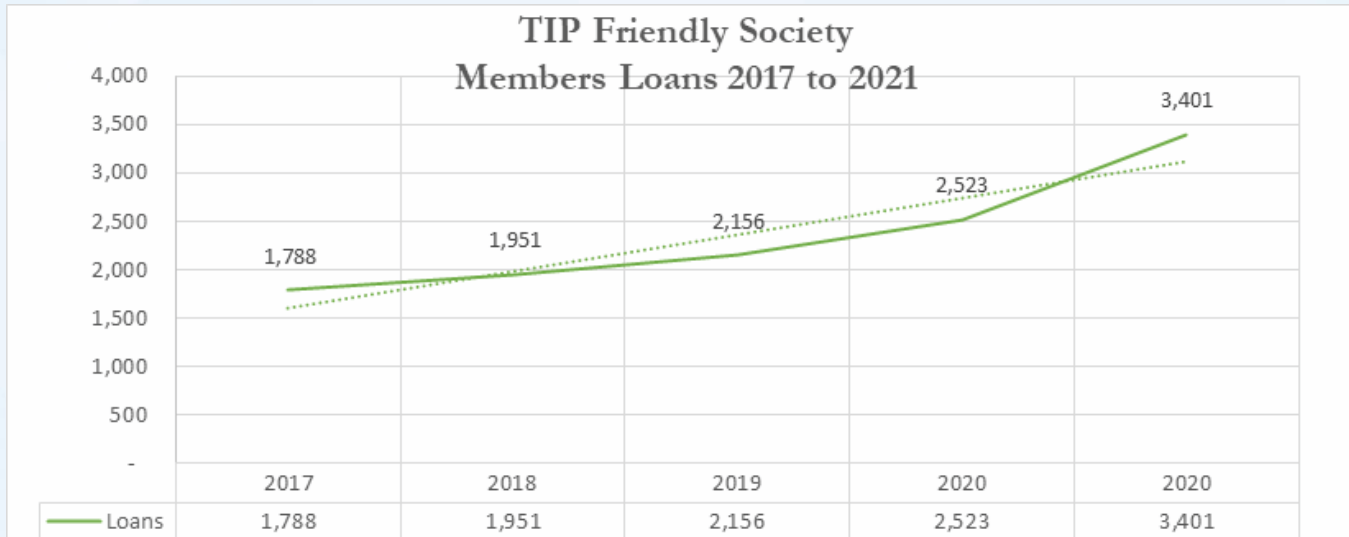
GRAPH 4: INVESTMENTS 2017 TO 2021



MEMBERS LOANS

Members loans continue to increase steadily between 2017 and 2021, it has now peaked in 2021 at \$3.401b. This is shown in GRAPH 5 below.

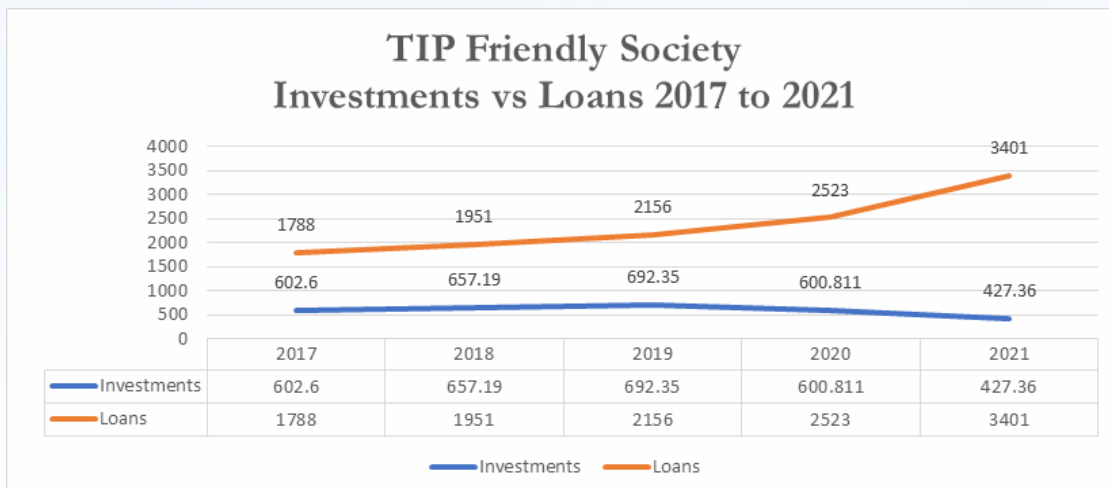
GRAPH 5: MEMBERS LOANS 2017 TO 2021



REALTIONSHIP BETWEEN INVESTMENTS AND MEMBERS LOANS

TIP always has many choices with how its resources are used. For example, funds available outside our required liquidity ratios, are either invested with reputable institutions or given as loans to our members. This relationship is shown in GRAPH 6 below:

GRAPH 6: INVESTMENTS VS MEMBERS LOANS



MEMBERS SAVINGS

Members Savings have grown steadily from 2017 to 2021 and at \$2.705b in 2021, savings is at its highest level for the period under review. This is shown in GRAPH 7 below:

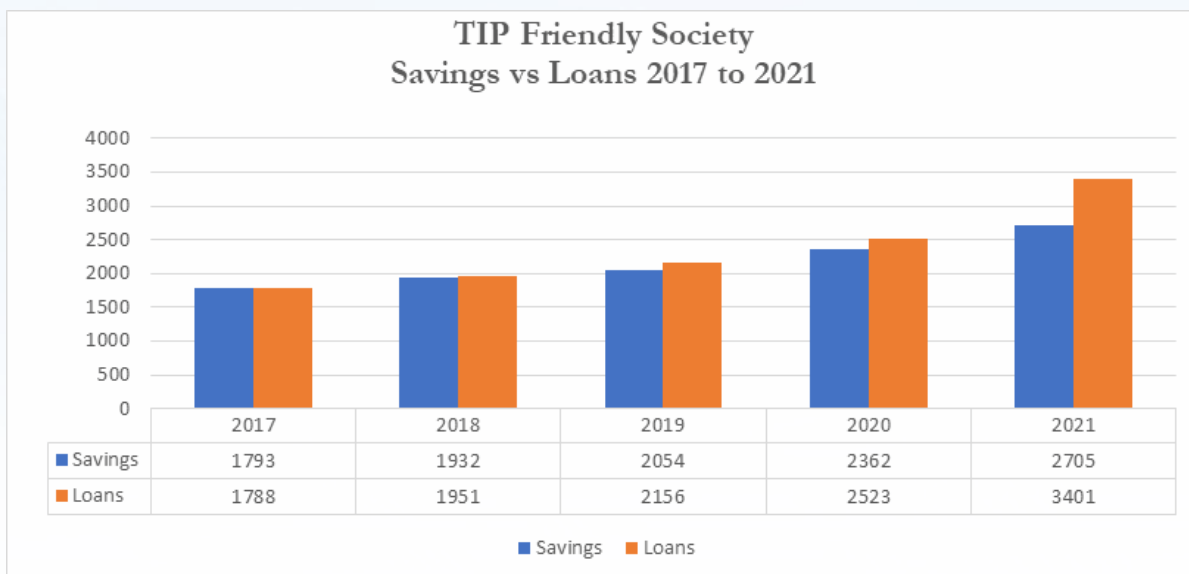
GRAPH 7: MEMBERS SAVINGS 2017 TO 2021



MEMBERS LOANS AND MEMBERS SAVINGS

TIP's members rule requires a 10% monthly compulsory savings on all loan repayment amounts. In addition to this 40% of ALL insurance premiums paid is added to the member's savings account. This in conjunction to the voluntary savings constitutes the total member savings in TIP. Ideally our total savings should be higher than our member loans, but this is not always the case. The relationship between members savings and loans is shown in GRAPH 8 below:

GRAPH 8: MEMBERS SAVINGS AND LOANS



INTEREST PAID TO MEMBERS

Interest paid to members for the period 2017 to 2021 ranged from a low of \$34.86m in 2017 to a high of \$53.75m in 2021. The interest paid is a direct function of the prevailing Treasury Bill rates as well as the level of members savings. In addition to the agreed interest rate on our savings and investment products, members benefit from dividends and interest declared annually from any surplus that is earned. Interest is accrued monthly, and payment is in keeping with the applicable savings or investment plan. This is shown in GRAPH 9 below:

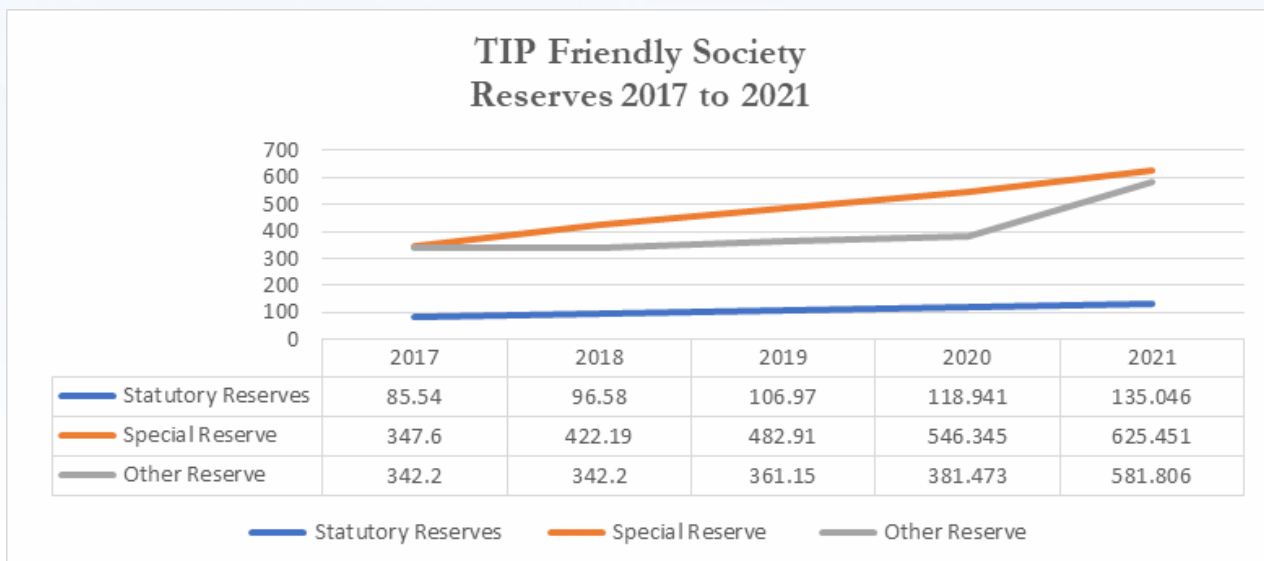
GRAPH 9: INTEREST PAID TO MEMBERS



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 Regulation but TIP sets aside 20% of Surplus as Other Reserves. The Reserves for 2017 to 2021 are shown in GRAPH 10 below:

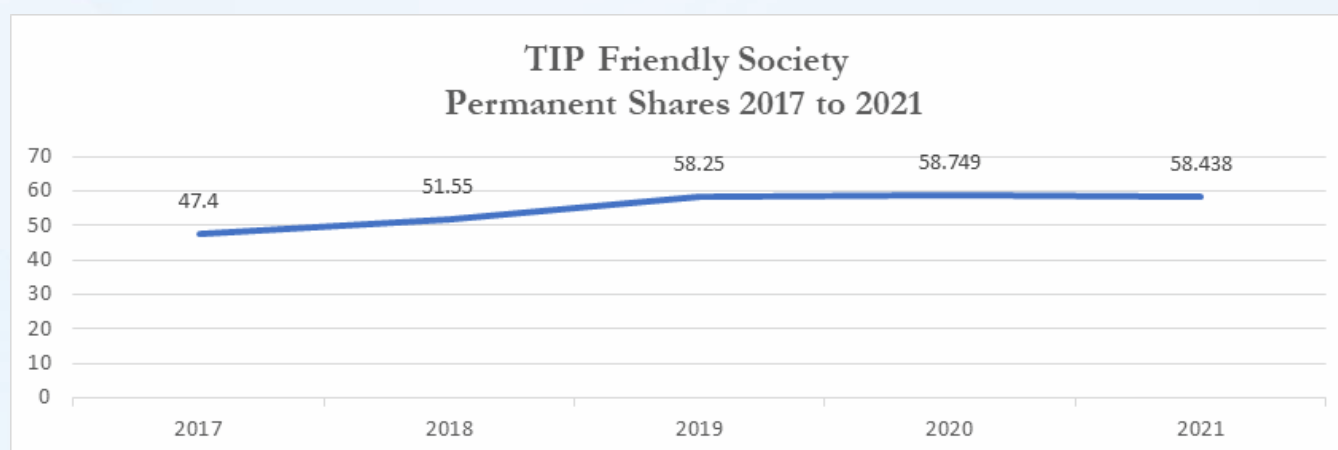
GRAPH 10: RESERVES



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 2017 to 2021, is shown in GRAPH 11 below:

GRAPH 11: PERMANENT SHARES 2017 TO 2021



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 2017 to 2021.

We have shown in red the areas in TABLE 4 below, where though close, we have not met the standards.

TABLE 4: PEARLS RATIO

INDICATOR	STANDARD	2021	2020	2019	2018	2017
NET LOANS/TOTAL ASSETS	70-80%	65.96%	65.68%	64.51%	64.10%	60.45%
TOTAL SAVINGS/TOTAL ASSETS	70-80%	52.68%	63.56%	62.61%	64.29%	66.48%
LIQUIDITY RESERVE/SAVINGS & DEPOSITS	>10%	20.94%	20.45%	23.49%	21.85%	0.00%

INDICATOR	STANDARD	2021	2020	2019	2018	2017
DELINQUENCY RATE	<5%	4.23%	4.48%	5.95%	4.56%	3.89%
NON-EARNING ASSETS/ TOTAL ASSETS	<7%	15.77%	12.10%	9.21%	12.98%	13.42%
OPERATING EXPENSE/ AVERAGE ASSETS	<8%	1.73%	16.06%	25.22%	12.28%	13.10%
NET INCOME/AVERAGE ASSETS	>5%	0.80%	4.63%	(4.28%)	19.83%	19.59%
GROWTH IN TOTAL ASSETS	>7.1%	28%	22.67%	7.03%	9.61%	8.35%
Growth in Members Savings	>10.2%	14.98%	8.32%	-2.74%	7.73%	4.77%

OPERATIONAL CHALLENGES

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

In addition to lodging or making transfers to our NCB account, our members may also there are make payments and lodgments at one of our four offices or using your debit and or credit cards to our BDO's mobile card machines.

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

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

ACKNOWLEDGEMENTS

On behalf of the Finance Committee, we would like to thank you our members for your support during 2021, we look forward to serving you even more in 2022 and beyond. We would also like to thank the External Auditors for their observations and recommendations as they diligently give a third eye to our controls and efficiencies.

Thanks also to the Department of Co-Operatives for their guidance and strong regulatory oversight.

We also enjoyed a good working relationship with 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 by always providing you with exceptional service.

Clayton Hall
Treasurer



TIP Friendly
Society



FINANCIAL STATEMENTS

(AS AT DECEMBER 31, 2021)



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

Ministry of Industry, Investment, and Commerce
2 Musgrave Avenue, Kingston 10
Jamaica, W.I.

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

E-mail: dcfs@cwjamaica.com

Website: www.dcfs.gov.jm

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

S1
F547/517/05/22

May 13, 2022

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, 2021.

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

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

Yours truly,

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

HOPE GARDENS

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

MANDEVILLE, MANCHESTER

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

MONTEGO BAY, ST. JAMES

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



9 Cargill Avenue
Kingston 10
Jamaica

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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of TIP Friendly Society ("the Society") set out on pages 1 to 63, which comprise the statement of financial position at 31 December 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Society as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Friendly Societies Act.

Basis for opinion

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

Independence

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

Other matter

The financial statements of TIP Friendly Society for the year ended 31 December 2020, were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 18 June 2021.

ADVISORY • ASSURANCE • TAX

PARTNERS: Wayne Strachan; FCA; FCCA; MBA Emile Lafayette; FCA; FCCA; MBA PRINCIPAL: Roxiana Malcolm-Tyrell; FCA; FCCA; MBA

Baker Tilly Strachan Lafayette trading as BakerTilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operatives and Friendly societies
TIP FRIENDLY SOCIETY
 (A Society Registered Under the Friendly Societies Act)
 Page 2

Report on the audit of the Financial Statements (continued)

Responsibilities of Management and those charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

.../3



INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Registrar of Co-operatives and Friendly societies

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Page 3

Report on the audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

Report on other legal and regulatory requirements


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

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

Baker Tilly
Chartered Accountants
 Kingston, Jamaica
 6 May 2022

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Statement of Financial Position
As at 31 December 2021**

		2021	2020
	Note	\$'000	\$'000
ASSETS			
Earning Assets			
Investment properties	5	42,500	35,000
Financial investments	6	427,360	600,811
Loan receivables	7	<u>3,400,600</u>	<u>2,523,314</u>
		<u>3,870,460</u>	<u>3,159,125</u>
Non-Earning Assets			
Property, plant and equipment	8	993,913	307,947
Intangible assets	9	4,904	8,449
Other assets	10	168,855	121,469
Cash and cash equivalents	11	<u>141,495</u>	<u>125,792</u>
		<u>1,309,167</u>	<u>563,657</u>
TOTAL ASSETS		<u><u>5,179,627</u></u>	<u><u>3,722,782</u></u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Permanent shares	12	58,438	58,749
Institutional capital	13	760,497	665,286
Non-institutional capital	14	<u>812,722</u>	<u>515,534</u>
		<u>1,631,657</u>	<u>1,239,569</u>
Interest Bearing Liabilities			
Members' savings	15	2,704,508	2,362,137
External credits	16	<u>567,278</u>	<u>-</u>
		<u>3,271,786</u>	<u>2,362,137</u>
Non-Interest Bearing Liabilities			
Payables	17	<u>276,184</u>	<u>121,076</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,179,627</u></u>	<u><u>3,722,782</u></u>

Approved for issue by the Board of Directors on 6 May 2022 and signed on its behalf by:

 President
 Dr. Garth Anderson


 Treasurer
 Clayton Hall

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Statement of Comprehensive Income
Year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Interest Income			
Interest on loans	19	466,906	391,274
Interest on investments	20	42,742	13,326
		<u>509,648</u>	<u>404,600</u>
Interest Expense			
Interest on members' savings		(53,745)	(45,887)
		<u>455,903</u>	<u>358,713</u>
Net Interest Income			
Impairment losses on loans	3(a)(iii)	(10,229)	(37,440)
		<u>445,674</u>	<u>321,273</u>
Net interest income after provision for loan losses			
Non-Interest Income			
Fees		287,410	280,502
Less – reinsurance costs		(30,056)	(52,608)
		<u>257,354</u>	<u>227,894</u>
Other income	21	77,121	55,367
Net Non-Interest Income		<u>334,475</u>	<u>283,261</u>
Operating surplus for year		780,149	604,534
Operating expenses	22	(458,047)	(365,102)
Surplus before honoraria and other payment		322,102	239,432
Appropriations		(6,000)	(6,000)
Payment to Errol Henry		(16,105)	(11,972)
Surplus for the year, being total comprehensive income		<u>299,997</u>	<u>221,460</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Statement of Changes in Equity****Year ended 31 December 2021**

		Institutional Capital		Non-institutional Capital		
	Permanent Shares	Statutory Reserve	Special Reserve	Other Reserve	Undistributed Surplus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	58,252	106,969	482,914	361,150	95,988	1,105,273
Transactions with members:						
Increase in permanent shares	497	-	-	-	-	497
Movement in reserves:						
5% transfer to statutory reserve	-	11,972	-	-	(11,972)	-
20% transfer to special reserve	-	-	45,579	-	(45,579)	-
Transfer to special reserve	-	-	45,579	-	(45,579)	-
Claims payments	-	-	(27,727)	-		(27,727)
Transfer to other reserve	-	-	-	20,323	-	20,323
Dividends	-	-	-	-	(80,257)	(80,257)
Total comprehensive income	-	-	-	-	221,460	221,460
Balance at 31 December 2020	58,749	118,941	546,345	381,473	134,061	1,239,569
Transactions with members:	-					
Decrease in permanent shares	(311)	-	-	-	-	(311)
Movement in reserves:						
5% transfer to statutory reserve	-	16,105	-	-	(16,105)	-
20% transfer to special reserve	-	-	51,471	-	(51,471)	-
Transfer to special reserve	-	-	51,471	-	(51,471)	-
Transfer to other reserve	-	-	-	-	(21,217)	(21,217)
Surplus arising on the revaluation of property, plant & equipment (Note 14)	-	-	-	200,333	-	200,333
Claim payments	-	-	(23,836)	-	-	(23,836)
Dividends	-	-	-	-	(62,878)	(62,878)
Total comprehensive income	-	-	-	-	299,997	299,997
Balance at 31 December 2021	58,438	135,046	625,451	581,806	230,916	1,631,657

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Statement of Cash Flows****Year ended 31 December 2021**

	2021	2020
	\$'000	\$'000
CASH RESOURCES WERE (USED IN)/PROVIDED BY		
Cash Flows from Operating Activities		
Net surplus for year	299,997	221,460
Adjustments for:		
Amortization of intangible assets	3,406	3,681
Bad debt written off	24,567	-
Depreciation	19,326	11,705
Impairment loss/(allowance) on loans	10,229	(37,440)
Fair value gains on investment properties	(7,500)	-
Fair value gains on investment securities	(12,360)	-
Interest income	(466,906)	(387,976)
Interest expense	53,745	45,887
Loss on disposal of property, plant and equipment	7,048	-
Loss on disposal of intangible asset	139	-
Foreign exchange gains	(188)	(287)
	<u>(68,497)</u>	<u>(142,970)</u>
Changes in operating assets and liabilities:		
Increase loan receivables	(891,076)	(355,818)
Increase in other assets	(47,386)	(29,124)
Increase in members' savings	342,371	308,000
Increase in payables	133,891	4,209
Cash used in operating activities	<u>(530,697)</u>	<u>(215,703)</u>
Interest received	445,900	414,877
Interest paid	<u>(53,745)</u>	<u>(45,887)</u>
Net cash (used in)/provided by operating activities	<u>(138,542)</u>	<u>153,287</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(512,007)	(86,158)
Purchase of intangible assets	-	(927)
Purchase of investment securities	185,811	91,541
Net cash (used in)/provided by investing activities	<u>(326,196)</u>	<u>4,456</u>
Cash flows from Financing Activities		
Loan proceeds	567,278	-
Permanent shares	(311)	497
Claims payments	(23,836)	(27,727)
Dividends paid	(62,878)	(59,934)
Net cash provided by/(used in) investing activities	<u>480,253</u>	<u>(87,164)</u>
Net increase in cash and cash equivalents	<u>15,515</u>	<u>70,579</u>
Effects of foreign exchange on cash and cash equivalents	188	287
Cash and cash equivalents at the beginning of the year	<u>125,792</u>	<u>54,926</u>
CASH AND CASH EQUIVALENT AT END OF YEAR	<u><u>141,495</u></u>	<u><u>125,792</u></u>
Represented by:		
Cash at bank and in hand	<u>141,495</u>	<u>125,792</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

1. Identification and Principal Activities

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

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

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

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

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

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

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

2. Summary of significant accounting policies

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

(a) Basis of preparation

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)**

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

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgment in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in Note 4.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

There were no new standards, interpretations and amendments to existing standards that have been published, that became effective during the current financial year that is relevant to the Society's operations.

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been early adopted by the Society

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

2. Summary of significant accounting policies (continued)**(a) Basis of preparation (continued)**

Standards, amendments, and interpretations to existing standards that are not yet effective and have not been early adopted by the Society (continued)

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

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

Annual Improvements to IFRS Standards 2018–2020 are effective for annual reporting periods beginning on or after 1 January 2022. These amendments include minor changes to the following applicable standards:

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

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

(ii) Depreciation

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

(c) Investment properties

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

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

Investment properties, which are not occupied by the Society and related parties, are treated as long-term investments and carried at fair value, representing open market value. Fair value, representing open market values, are based on current prices in an active market for similar properties in the same location and condition. The open market values are determined with sufficient regularity by external valuers and by the directors in the intervening years. Changes in fair values are recorded in the statement of comprehensive income.

(d) Intangible assets

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

Computer software

33 1/3 %

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

2. Summary of significant accounting policies (continued)**(e) Financial instruments****Classification**

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

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

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

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

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

Recognition and derecognition

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

Measurement

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

2. Summary of significant accounting policies (continued)**(e) Financial instruments (continued)***Debt instruments*

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

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

Impairment

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

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

(g) Cash and cash equivalents

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

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

(h) Other assets

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

(i) Institutional capital

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

(2) Voluntary shares

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

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

(k) Impairment of non-financial assets

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

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

Borrowing costs

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

(m) Payables

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

(o) Revenue recognition

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

Interest income

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

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

Rental income

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

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

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

Fee income

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

(p) Comparative information

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

A party is related to the Society, if:

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

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

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

(t) Financial liabilities

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

(u) Repurchase agreements

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

(v) Members' saving

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

3. Financial Risk Management

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

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

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

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

(1) Supervisory Committee

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

(2) Credit Committee

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

(3) Finance Committee

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(a) Financial instruments**

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

(i) Principal financial instruments

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

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

(ii) Financial instruments by categoryFinancial assets

	Assets at amortised cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
As at 31 December 2021:			
Cash and cash equivalents	141,495	-	141,595
Loans receivables	3,400,600	-	3,400,600
Financial investments	275,000	152,360	427,360
	3,817,095	152,360	3,969,555

	Assets at amortised cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
As at 31 December 2020:			
Cash and cash equivalents	125,792	-	125,792
Loans receivables	2,523,314	-	2,523,314
Financial investments	451,000	149,811	600,811
	3,100,106	149,811	3,249,917

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(a) Financial instruments (continued)****(ii) Financial instruments by category (continued)**Financial liabilities at amortised cost

	2021	2020
	\$'000	\$'000
Payables	276,183	121,076
Members' savings	2,704,508	2,362,137
External credits	567,278	-
	<u>3,547,967</u>	<u>2,483,213</u>

(iii) Fair value estimates

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

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

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

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(a) Financial instruments (continued)****(iii) Fair value estimates (continued)**

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

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

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

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
	2021			
Financial assets measured at:				
Fair value through profit and loss	-	152,360	-	152,360
Amortised cost	-	275,000	-	275,000
	-	427,360	-	427,360
	2020			
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at:				
Fair value through profit and loss	-	149,811	-	149,811
Amortised costs	-	451,000	-	451,000
	-	600,811	-	600,811

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

3. Financial Risk Management (continued)

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

(b) Credit Risk

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

(i) Loans to members*Management of risk*

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

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

Credit review process

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

Write-off policy

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

(ii) Liquid assets and investment securities

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(b) Credit Risk (continued)****(iii) Maximum exposure to credit risk and credit quality analysis***Maximum exposure to credit risk*

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

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

Credit quality

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

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

31 December 2021	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	3,350,865	74,363	-	3,425,228
Non-performing	-	-	75,098	75,098
	3,350,865	74,363	75,098	3,500,326
Loss allowance	(74,844)	(9,036)	(15,846)	(99,726)
	3,276,021	65,327	59,252	3,400,600
31 December 2020	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	2,499,681	26,855	-	2,526,536
Non-performing	-	-	86,275	86,275
	2,499,681	26,855	86,275	2,612,811
Loss allowance	(67,369)	(4,033)	(18,095)	(89,497)
	2,432,312	22,822	68,180	2,523,314

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(b) Credit Risk (continued)****(iii) Maximum exposure to credit risk and credit quality analysis (continued)***Concentration of risk*

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

	2021	2020
	\$'000	\$'000
Real estate	34,966	17,261
Unsecured	1,958,779	1,305,712
Cash secured	622,479	437,046
Motor vehicle	884,102	852,792
	<u>3,500,326</u>	<u>2,612,811</u>
Less: Allowance for impairment losses	<u>(99,726)</u>	<u>(89,497)</u>
	<u>3,400,600</u>	<u>2,523,314</u>

The closing loss allowances for loans receivables as at 31 December 2021 reconcile to the opening loss allowances is as follows:

	2021	2020
	\$'000	\$'000
Balance at beginning of the year	89,497	52,057
Increase in loss allowance recognised in profit or loss during the year	<u>10,229</u>	<u>37,440</u>
Balance at year end	<u>99,726</u>	<u>89,497</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

Inputs, assumptions and techniques used for estimating impairment

(a) Significant increase in credit risk

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

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

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

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

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

Credit risk grades:

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

Determining whether credit risk has been increased significantly:

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

Determining whether credit risk has been increased significantly (continued)

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

Determining whether credit risk has been increased significantly (continued)

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

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

Definition of default:

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

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

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

(b) Incorporation of forward-looking information

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

The economic scenarios used as at 31 December 2021 assumed no significant changes in key indicators for Jamaica within the next year.

(c) Measurement of ECLs

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

The key measure used by the Society for managing liquidity risk is the ratio of liquid assets to members' savings. For this purpose, liquid assets include cash and bank balances and highly liquid investments which are readily converted into cash within three months. The liquid asset ratio at the end of the year was approximately 21.03% (2020: 30.76%). The minimum standard is 15%.

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

Liquidity risk management process

The Society's liquidity management process includes:

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(c) Liquidity risk (continued)****Undiscounted cash flows of financial liabilities**

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

	Within 1 month	1 to 3 months	3 to 12 months	1 - 8 years	Total	Carrying amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2021					
Payables	89,042	187,142	-	-	276,184	276,184
Members' savings	-	2,704,508	-	-	2,704,508	2,704,508
External credits	6,952	13,905	259,871	436,364	717,092	567,278
	95,994	2,905,555	259,871	436,364	3,697,784	3,547,970
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	2020					
Payables	54,846	66,230	-	-	121,076	121,076
Members' savings	-	2,362,137	-	-	2,362,137	2,362,137
	54,846	2,428,367	-	-	2,483,213	2,483,213

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

(d) Market risk

The Society takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates (see 3 (d) (i)), interest rates (see 3 (d) (ii)) and equity price risk (see 3 (d) (iii)). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk exposures are measured using sensitivity analysis.

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

(i) Currency risk

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial Risk Management (continued)****(d) Market risk (continued)****(i) Currency risk (continued)**

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

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

	2021	2020
	US\$	US\$
Cash at bank	1,263	21,298
	<u>1,263</u>	<u>21,298</u>
	2021	2020
Currency	\$'000	\$'000
Rate of exchange	152.75	140.77
Jamaican equivalent	<u>193</u>	<u>2,998</u>

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

	2021	2021	2020	2020
	Effect on Profit and loss and equity			
	Devaluation	Revaluation	Devaluation	Revaluation
	-8%	2%	-6%	2%
Currency:				
USD	<u>(15)</u>	<u>4</u>	<u>(180)</u>	<u>60</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****3. Financial Risk Management (continued)****(d) Market risk (continued)****(ii) Interest rate risk**

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

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

At the reporting date, financial liabilities subject to interest rates aggregated \$3,271,786,609; (2020 - \$2,362,136,533). The Society contracts financial liability at a fixed interest rate, hence changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

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

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

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****3. Financial risk management (continued)****(d) Market risk (continued)****(ii) Interest rate risk (continued)**

	Within 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non-interest bearing \$'000	Total \$'000
	2020					
Assets						
Financial investments	39,811	100,000	226,000	235,000	-	600,811
Loans receivables	34,857	48,275	2,099,842	337,689	2,651	2,523,314
Cash and cash equivalents	9,488	-	-	-	116,304	125,792
Total financial assets	84,156	148,275	2,325,842	572,689	118,955	3,249,917
Liabilities						
Members' savings	2,362,137	-	-	-	-	2,362,137
Payables	-	-	-	-	121,076	121,076
Total financial liabilities	2,362,137	-	-	-	121,076	2,483,213
Total interest re-pricing gap	(2,277,981)	148,275	2,325,842	572,689	(2,121)	766,704

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****3. Financial risk management (continued)****(d) Market risk (continued)****(iii) Price risk**

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

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

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

2021	2021	2020	2020
Effect on Profit and loss and equity			
Increase	Decrease	Increase	Decrease
5%	5%	10%	10%
10,000	(10,000)	35,000	(35,000)

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

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

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

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

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

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

3. Financial Risk Management (continued)**(f) 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.

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.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

4. Critical accounting estimates and judgements in applying accounting policies

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

(i) Impairment of financial assets

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

(ii) Depreciable assets

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

(iii) Fair value of financial assets

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****5. Investment properties**

	2021	2020
	\$'000	\$'000
Balance at the beginning of year	35,000	35,000
Fair value gains	7,500	-
Balance at end of year	<u>42,500</u>	<u>35,000</u>

Investment properties comprise of dwelling houses located at Mona, St. Andrew and Portmore, St. Catherine, which are held for rental and capital appreciation.

The fair value of the Society's investment properties at 31 December 2021 was arrived at on the basis of a Licenced Real Estate Dealer. The Mona property was revalued on 2 April 2017. The property is currently undergoing major construction and will be valued upon completion.

The Portmore property was revalued on 20 January 2022, on the open market value basis, by Thomas, Forbes & Associates Limited, licenced valuers and real estate agents. The fair value adjustment was credited to Other Comprehensive Income (Note 21).

Rental income and direct operating expenditure in relation to investment properties are as follows:

	2021	2020
	\$'000	\$'000
Rental income	552	2,699
Direct operating expenses (Note 22)	<u>(545)</u>	<u>(1,254)</u>
	<u>7</u>	<u>1,445</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****6. Financial investments**

	2021	2020
	\$'000	\$'000
Investment securities at amortised cost		
Repurchase agreements:		
Victoria Mutual Building Society – Deferred shares	200,000	200,000
NCB Capital Market Reserve Investment	-	150,000
	<u>200,000</u>	<u>350,000</u>
Corporate Bonds:		
5.5% VMWM Fixed Bond	-	16,000
6% VMWM Property Fund	75,000	75,000
Barita Bond	-	10,000
	<u>75,000</u>	<u>101,000</u>
Sub-total	<u>275,000</u>	<u>451,000</u>
Investment securities at fair value profit or loss		
Unit in unit trust funds:		
Victoria Mutual Wealth Management Fund	147,343	80,991
Sagicor Investment Fund	-	42,152
JMMB Investment Fund	-	26,668
CUMAX Investment Fund	5,017	-
	<u>152,360</u>	<u>149,811</u>
	<u>427,360</u>	<u>600,811</u>

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

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****7. Loan receivables**

	2021	2020
	\$'000	\$'000
Balance at beginning of year	2,598,534	2,156,961
Loans granted	2,106,624	1,400,346
	4,705,158	3,557,307
Less: Repayments	(1,240,225)	(958,773)
	3,464,933	2,598,534
Less: Impairment loss allowance	(99,726)	(89,497)
	3,365,207	2,509,037
Interest receivable	35,393	14,277
Balance at end of year	<u>3,400,600</u>	<u>2,523,314</u>

Loans to members, before impairment loss allowance, comprise:

	2021	2020
	\$'000	\$'000
Motor vehicle loans	884,102	852,793
Mortgage loans	34,966	17,262
Regular loans	2,108,535	1,409,923
Other loans	437,330	318,556
	<u>3,464,933</u>	<u>2,598,534</u>

Movement of the expected credit loss provision is as follows:

	2021	2020
	\$'000	\$'000
Balance at beginning of year	89,497	52,057
Increase in expected credit loss provision	34,796	37,440
Bad debt written off	(24,567)	-
Balance at end of year	<u>99,726</u>	<u>89,497</u>

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****7. Loan receivables (continued)**

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

	2021	2020
	\$'000	\$'000
Current	3,324,620	2,465,156
30 days	21,997	22,303
60 days	58,513	40,926
60 - 90 days	31,765	7,837
91 - 180 days	18,361	17,450
181 - 365 days	20,096	23,814
Over 365 days	24,974	35,325
	3,500,326	2,612,811
Less: Impairment loss allowance	(99,726)	(89,497)
Balance at end of year	<u>3,400,600</u>	<u>2,523,314</u>

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

Delinquent loans are summarized as follows:

Months in arrears	Number of accounts in arrears	Total loan balances	Security held against loans	Portion of principal not covered by savings	Interest outstanding on delinquent loans
		\$'000	\$'000	\$'000	\$'000
			2021		
Less than 2	74	46,765	14,765	31,542	1,300
2 – 3	40	31,765	2,563	29,202	1,168
4 – 6	52	18,361	4,556	13,805	1,436
7 – 12	79	20,096	6,945	13,150	4,078
Over 12	81	24,974	9,000	15,974	7,199
	326	141,961	37,829	103,673	15,181
		\$'000	\$'000	\$'000	\$'000
			2020		
Less than 2	65	24,831	8,257	16,574	949
2 – 3	29	7,837	3,491	4,346	341
4 – 6	61	17,450	7,638	9,812	1,610
7 – 12	91	23,814	8,615	15,199	3,802
Over 12	153	34,333	22,890	11,443	17,901
	399	108,265	50,891	57,374	24,603

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements
31 December 2021**8. Property, plant and equipment**

	Building	Motor	Furniture &	Computer &	Leasehold	Work-in-	Total
	\$'000	Bike	Fixtures	Equipment	Improvement	progress	\$'000
Cost -							
31 December 2019	208,924	270	29,421	75,336	7,770	-	321,721
Additions	75,407	-	2,752	7,999	-	-	86,158
31 December 2020	284,331	270	32,173	83,335	7,770	-	407,879
Additions	5,369	-	893	14,834	-	490,911	512,007
Revaluation adjustment	185,226	-	-	-	-	-	185,226
Disposal	-	-	(9,084)	(1,626)	-	-	(10,710)
31 December 2021	474,926	270	23,982	96,543	7,770	490,911	1,094,402
Depreciation -							
31 December 2019	9,456	270	18,342	53,645	6,514	-	88,227
Charge for year	3,304	-	2,556	5,340	505	-	11,705
31 December 2020	12,760	270	20,898	58,985	7,019	-	99,932
Charge for year	9,188	-	3,213	6,488	437	-	19,326
Revaluation adjustment	(15,107)	-	-	-	-	-	(15,107)
Relief on disposals	-	-	(3,106)	(556)	-	-	(3,662)
31 December 2021	6,841	270	21,005	64,917	7,456	-	100,489
Net book value -							
31 December 2021	468,085	-	2,977	31,626	314	490,911	993,913
31 December 2020	271,571	-	11,275	24,350	751	-	307,947

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****8. Property, plant and equipment (continued)**

- (j) The Society's land and buildings are stated at their revalued amounts, being their fair value at date of revaluation less subsequent accumulated depreciation.
- (ii) The Society's building located at 80 Half Way Tree Road, Kingston 5, was revalued 4 June 2021, by independent valuers, Thomas, Forbes & Associates Limited. The valuation was done on the basis of open market value. The revaluation surplus of \$112M was credited to property revaluation reserve (Note 14).

The Society's building at Lot #27, Bogue Estate, St. James was revalued 9 August 2021, by independent valuers, Thomas, Forbes and Associates Limited. The valuation was done on the basis of open market value. The revaluation surplus of \$73M was credited to the revaluation reserve (Note 14).

The fair values were guided by prices being realised for similar properties with unencumbered freehold interest.

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

- (iii) During the year, the Society purchased a property located at Lot #3, Caledonia, Mandeville, Manchester for the sum of \$60M.
- (iv) Work-in-progress includes legal fees and payments made for the purchase and construction of commercial properties in Portmore, St. Catherine and Drax Hall, St. Ann.
- (v) All of the Society's properties (as stated in ii, iii, and iv above) have been pledged as security for the borrowings of loans from Victoria Mutual Building Society, CUMAX Wealth Management and JMMB Bank (Jamaica) Limited. See Note 16.
- (vi) Rental income and direct operating expenditure in relation to owner-occupied properties are as follows:

	2021	2020
	\$'000	\$'000
Rental income	7,127	3,677
Direct operating expenses (Note 22)	(109)	(649)
	<u>7,018</u>	<u>3,028</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements
31 December 2021**9. Intangible assets****(a) Software**

	2021	2020
	\$'000	\$'000
Cost		
Balance at the beginning	45,979	45,052
Additions	-	927
Disposal	(186)	-
Balance at the end	45,793	45,979
Amortization		
Balance at the beginning	37,530	33,849
Charge for the year	3,406	3,681
Relief on disposal	(47)	-
Balance at the end	40,889	37,530
Net book value	4,904	8,449

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

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

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****10. Other assets**

	2021	2020
	\$'000	\$'000
Prepayments	11,463	2,186
Staff loans	148,135	108,788
Rent deposit	278	366
Utilities deposit	311	311
Telephone deposit	43	43
General consumption tax	1,037	-
Interest receivable	3,647	7,514
Other receivables	3,941	2,261
	168,855	121,469

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****11. Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Cash at bank		
National Commercial Bank Jamaica Limited	100,059	112,648
FirstCaribbean International Bank (Jamaica) Limited	1,868	6,580
JMMB Bank (Jamaica) Limited	1,509	-
	<u>103,436</u>	<u>119,228</u>
Short term deposits		
Victoria Mutual Building Society	37,874	6,490
	<u>37,874</u>	<u>6,490</u>
Cash on hand	185	74
	<u>141,495</u>	<u>125,792</u>

Short term deposits represent funds held at Victoria Mutual Building Society.

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

The rate of interest earned on the Society's savings accounts range from 0.04% to 1.75% for those that are denominated in Jamaican Dollars.

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

	2021	2020
	US\$	US\$
United States Dollars	<u>1,263</u>	<u>21,298</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****12. Permanent shares**

	2021	2020
	\$'000	\$'000
Balance at beginning of year	58,749	58,252
(Decreased)/increase in shares	(311)	497
Balance at end of year	<u>58,438</u>	<u>58,749</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.

Dividends declared

In a meeting of the Board of Directors held on October 15, 2021 (2020: July 25, 2020) a dividend of \$62,878,000 (2020: \$80,257,000) representing approximately 3% (2020: 4%) of ordinary shares and 5% (2020: 6%) of permanent shares was declared:

	2021	2020
	\$'000	\$'000
Permanent shares	2,501	3,023
Ordinary shares	60,377	77,234
	<u>62,878</u>	<u>80,257</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****13. Institutional capital**

		2021	2020
		\$'000	\$'000
Statutory reserve	(a)	135,046	118,941
Special reserve	(b)	625,451	546,345
		760,497	665,286

(a) Statutory reserve

This reserve is established out of the excess of revenue over expenditure each year and represents 5% of such excess. Transfer for the year \$16,105,082 (2020: \$11,971,613) of surplus. This is used to assist with the strengthening of the capital base of the Society.

	2021	2020
	\$'000	\$'000
Balance at beginning of year	118,941	106,969
Transfer for the year (5% of surplus)	16,105	11,972
Balance at end of year	135,046	118,941

(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.

	2021	2020
	\$'000	\$'000
Balance at beginning of year	546,345	482,914
Transfer for the year	79,106	63,431
Balance at end of year	625,451	546,345

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2021****14. Non-institutional capital**

		<u>2021</u>	<u>2020</u>
		\$'000	\$'000
Reconciliation reserve	(a)	-	72,891
General reserve	(b)	314,857	236,758
Computer reserve	(c)	-	5,000
Share transfer fund	(d)	-	208
Property revaluation reserve	(e)	266,949	66,616
Undistributed surplus		<u>230,916</u>	<u>134,061</u>
		<u>812,722</u>	<u>515,534</u>

(a) Reconciliation reserve

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

(b) 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.

(c) Computer reserve

This reserve is to be used for any major purchases or upgrade of software or hardware. This amount was written back to retained earnings.

(d) Share transfer fund

This reserve is to be used for the purchase or sale of permanent shares to and from members. This amount was written back to retained earnings.

(e) Property revaluation reserve

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

	<u>2021</u>	<u>2020</u>
	\$'000	\$'000
Balance at beginning of year	66,616	66,616
Surplus arising on the revaluation of property, plant and equipment (Note 8)	<u>200,333</u>	<u>-</u>
Balance at end of year	<u>266,949</u>	<u>66,616</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****15. Members' savings**

	2021	2020
	\$'000	\$'000
Balance at beginning of year	3,285,665	2,054,137
Savings and interest	342,504	1,231,528
	3,628,169	3,285,665
Withdrawals and transfers	(923,661)	(923,528)
Balance at end of year	2,704,508	2,362,137

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

16. External credits

		2021	2020
		\$'000	\$'000
Victoria Mutual Building Society	(a)	189,989	-
Victoria Mutual Building Society	(b)	131,157	-
CUMAX Wealth Management	(c)	46,132	-
JMMB Bank (Jamaica) Limited	(d)	144,000	-
JMMB Bank (Jamaica) Limited	(e)	56,000	-
		567,278	-
Less: Current portion		(245,553)	-
		321,725	-

(a) This loan of \$200M, which was received in April 2021, attracts interest at 5.75% per annum and is repayable over 120 equal monthly instalments.

This loan is secured against the Hypothecation of securities held at Victoria Mutual Wealth Management Limited valued at \$210M.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

16. External credits (continued)

- (b) This loan of \$132M, which was received in August 2021, attracts interest rate of 6.90% per annum and is repayable over 180 equal monthly instalments.

This loan is secured against Strata Lot #1-3, 80 Half Way Tree Road, Kingston 10, St. Andrew, with title registered at Volume 1201 Folio 712-714.

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

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

- (d) This loan of \$144M represents a short-term loan facility, which was received in October 2021, attracts interest rate of 7.95% and is repayable over 12 equal monthly instalments.

This loan is secured against the following:

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

- (e) This loan of \$56M represents an unsecured short-term loan facility, which was received in October 2021, attracts interest rate of 8.50% and is repayable over 12 equal monthly instalments.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****17. Payables**

	2021	2020
	\$'000	\$'000
Members interest account	10,000	8,848
Rental deposits	1,058	598
Sagicor Life Jamaica Pension account	-	32
General consumption tax	-	983
Statutory contributions	5,820	6,492
Audit fee	2,800	3,100
Due to Errol Henry (Note 18)	16,105	11,972
Unallocated lodgments	40,136	15,936
Accrued vacation leave	7,050	8,727
Personal Accident Claim Fund	-	3,603
Withholding tax	13,100	7,881
Accruals	155,426	17,274
Credit life insurance	388	4,209
Student self insurance fund	8,386	9,525
Other payables	15,915	21,896
	<u>276,184</u>	<u>121,076</u>

18. Due to Errol Henry

The Committee of Management agreed to a cash payment of five percent (5%) of net surplus on a yearly basis for the next nine (9) years ceasing in 2030. The amount payable accumulated to date is shown in accounts payable (Note 17).

19. Interest on loans

	2021	2020
	\$'000	\$'000
Staff loans	13,112	4,771
Car loans	77,477	73,047
Loans to members	376,317	313,456
	<u>466,906</u>	<u>391,274</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****20. Interest on investments**

	2021	2020
	\$'000	\$'000
Deferred shares	13,925	11,964
Bonds and unit trust funds	28,817	1,362
	<u>42,742</u>	<u>13,326</u>

21. Other income

	2021	2020
	\$'000	\$'000
JCIA income	4,274	5,418
Rental income	7,679	6,376
Loan application fees	33,943	34,671
Fair value gains	7,500	-
Bad debt recovered	-	1,037
Other income	23,725	7,865
	<u>77,121</u>	<u>55,367</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements
31 December 2021****22. Operating expenses**

	2021	2020
	\$'000	\$'000
Advertising and promotion		
Scholarships	4,088	4,308
Promotional	8,916	12,063
	<u>13,004</u>	<u>16,371</u>
Administrative expenses		
Amortization of intangible assets	3,406	3,677
Audit fee	3,612	3,285
Bad debts	24,567	-
Data processing	222	221
Depreciation	19,326	11,705
Insurance	2,525	3,248
Legal and professional fees	3,356	7,171
Motor vehicle expenses	39	99
Office and general expenses	4,597	6,879
Postage and courier	882	817
Printing and stationery expenses	2,384	1,807
Repairs and maintenance	13,924	3,857
Security	4,077	5,318
Software maintenance	14,394	16,699
Student plan insurance expenses	842	2,384
Telecommunications	12,216	4,824
Training seminars	-	5,758
Travelling, meals and entertainment	-	2,045
Utilities	7,770	7,899
Other administrative expenses	11,266	5,077
	<u>129,405</u>	<u>92,770</u>
Establishment		
Building and ground maintenance	372	7,212
Rental of premises	1,915	1,566
Property tax	317	326
Utilities	227	722
	<u>2,831</u>	<u>9,826</u>
Balance carried forward	<u>145,240</u>	<u>118,967</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****22. Operating expenses (continued)**

	2021	2020
	\$'000	\$'000
Balance brought forward	145,240	118,967
Financial costs		
Bank charges	4,583	502
Return on premium expense account	710	1,308
Interest on external credits	24,556	-
	<u>29,849</u>	<u>1,810</u>
Representation and affiliation		
Affiliation expenses	6,323	1,544
Annual general meeting	4,605	7,335
Board and committee expenses	25,707	21,301
	<u>36,635</u>	<u>30,180</u>
Personnel expenses		
Staff costs (Note 23)	246,323	214,145
	<u>458,047</u>	<u>365,102</u>
Total operating expenses		
	<u>458,047</u>	<u>365,102</u>

TIP FRIENDLY SOCIETY

(A Society Registered Under the Friendly Societies Act)

Notes to the Financial Statements**31 December 2021****23. Staff costs**

	2021	2020
	\$'000	\$'000
Salaries and wages	186,122	170,457
Statutory contributions	20,462	17,758
Staff welfare	25,008	10,386
Pension	4,982	4,173
Health insurance	8,142	6,945
Casual labour	1,607	4,426
	<u>246,323</u>	<u>214,145</u>
	2021	2020
Number of staff:		
Permanent	76	79
Temporary	8	4
	<u>84</u>	<u>83</u>

24. 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 2021 the Society's contributions amounted to \$4,981,864 (2020 - \$4,172,692).

25. Comparison of ledger balances

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

	Loans to members	Member's deposit
	\$'000	\$'000
December 31, 2021		
General ledger	3,464,933	2,704,508
Personal ledger	<u>3,465,891</u>	<u>2,704,575</u>
Difference	<u>(958)</u>	<u>(67)</u>
December 31, 2020		
General ledger	2,598,534	2,362,137
Personal ledger	<u>2,598,241</u>	<u>2,362,214</u>
Difference	<u>293</u>	<u>(77)</u>

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****26. Related party transactions**

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

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

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

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

	2021	2020
	\$'000	\$'000
(i) Loan balances (including interest)		
Board and committee members	88,682	61,985
Staff members	164,933	109,776
(ii) Deposits (including interest)		
Board and committee members	28,175	14,717
Staff members	4,916	5,488
(c) Share balances		
Board and committee members	462	164
Staff members	475	248

No waivers were granted in respect of these loans. At 31 December 2021, all loans owing by directors, committee members and staff were being repaid in accordance with their loan agreements.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021****26. Related party transactions (continued)**

Amounts charged to the statement of comprehensive income: -

	2021	2020
	\$'000	\$'000
Key management compensation:		
Salaries and other short-term benefits (included in staff costs)	51,067	48,150
Post employment benefits	15,238	6,138
	66,305	54,288

27. Contingency**Coronavirus (Covid-19)**

Following the March 2020 introduction of the Covid-19 global pandemic in Jamaica, one year and a few variants later, we have now made the virus a way of living by incorporating the precautionary measures into our day-to-day life and encouraging persons to be vaccinated. There were continued curfews and the DRMA dictates that we obey the physical distancing rules, wearing of masks, curfews, lockdowns, mass quarantines, and stay at home orders for nonessential services. This has negatively affected economic activities and business operations worldwide. TIP was not significantly exposed to an elevated level of credit risk as the organization's members consist of persons employed in the education sector, most of whom are the nation's educators and they remained employed, albeit experiencing a shift to the virtual space vs the physical classroom.

In our continued response to the pandemic, and as part of its Business Continuity Plan (BCP), the Board and Management of TIP continually revises the measures in place that will reduce the possible negative financial impact of Covid-19 on its operations. These measures include:

- (i) Ensuring that the workplace is safe by deep-cleaning the offices regularly; providing sanitization stations for members and staff; making workstations safe by providing the required physical distancing between staff and their colleagues, and between staff and members; enabling staff to work from home during lockdowns; funding the required Covid-19 tests for staff as needed. The wearing of masks has been made mandatory for both staff and members.

TIP FRIENDLY SOCIETY**(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2021**

27. Contingency (continued)**Coronavirus (Covid-19) (continued)**

- (ii) Continued upgrading of our BCP
- (iii) We continue to implement measures to assist members during the Covid–19 pandemic:
 - a. Interest rate reduction on loans from a high of 21% to 15% per annum. Motor vehicle loans remain at 6.99% - 8.5% per annum and mortgage loans remain at 7.5% per annum.
 - b. Reduction of processing fees from 2.75% to 1.5%.
 - c. The continuation of a Covid–19 loan valued at Two Hundred Thousand dollars (\$200,000) at a special interest rate at 15% per annum.
 - d. The continuation of a technology loan valued at One Hundred and Fifty Thousand dollars (\$150,000) at interest rate at 13% per annum.
 - e. The re-financing of some existing loans for our members as well as consolidation of their loans from other lending institutions.
 - f. The greater use of technology in doing business – waiving some processing requirements to allow members to transact business virtually, ensuring their safety, and reducing members in the banking hall.
 - g. A much more active social media presence across all platforms to communicate with our membership.
- (iv) Extensive development work to officially roll out the TIP Online Banking platform and the TIP Lifeline Mastercard product.
- (v) Business Development Officers' facilitation of our membership island-wide by visiting members who otherwise are not able to physically visit our offices.



TIP Friendly Society

**KEEP THOSE WHO
MATTER SMILING**



TIP for LIFE

Jamaica's leading Group Life and Accidental Insurance, offering:



- Protection for your family



- Personal Accident Protection
- Group Life Insurance



- 40% of the premium paid monthly is saved and accessible when needed



- Retirement Benefit Bonus

Find out more about your policy or sign up today!



HALF WAY TREE
876-618-1914

MANDEVILLE
876-877-5268

OCHO RIOS
876-877-5267

MONTEGO BAY
876-382-7289



www.tipfriendly.com

www.facebook.com/tipfriendlysociety

www.instagram.com/tipfriendlysociety

CREDIT COMMITTEE REPORT FINANCIAL YEAR JANUARY – DECEMBER 2021

The Credit Committee of TIP Friendly Society currently comprises five volunteers who were nominated and elected at the 2021 Annual General Meeting. The members are as follows:

Mr. Leanon Nash	-	Chairman
Dr. Janette A. Williams	-	Secretary
Mrs. Erica Ewbanks	-	Member
Mr. Rohan Johnson	-	Member
Miss Kaydian Scott	-	Member

Mrs. Sharon Carey, Manager of TIP's Credit Department has oversight of the operational function and role of the committee. Miss Khadine Clarke TIP Credit Supervisor and Miss Damarley Facey, Loan Service Representative have interchangeably functioned as designates during the Credit Manager's vacation leave. The Committee maintains a close relationship with the Delinquency Unit and the Customer Service Department which facilitates and strengthens mutual performance yields for members and the organization.

Acknowledgement

The Committee through Mrs. Bramwell Shakes, Chairman, prior to her exit at the Annual General Meeting (AGM) held in October 2021, welcomed Mrs. Erica Ewbanks, the returning member to the Committee. Mr. Terrence Brown who had been serving as volunteer member to the committee was relieved of his service to the committee to allow for the return of Mrs. Erica Ewbanks in April 2021, based on the Ruling of the Court. The committee acknowledged and lauded Mr. Brown, in absentia for his committed, unwavering service and support to the committee. The Committee members also reciprocated their gratitude and appreciation to Mrs. Shakes for her commitment, guidance, diligence, and professionalism in executing her duties in the capacity of Chairman of the Committee having served the requisite number of years, stipulated by the policies of TIP.

The Committee acknowledged and congratulated the TIP Marketing Committee for the establishment of its Bill Express Payment platform in March 2021. It has been observed that this product has enabled members to respond quickly to making payments in a bid in some cases to pay up their arrears and have their loans regularized. A review of the impact of the COVID-19 pandemic on the membership of TIP Friendly Society, revealed an increase in the membership utilizing the Bill Express Payment Platform. This was beneficial to them as well as to the Society as more funds would be repaid using this method.

Functions of the Committee

The following core functions are executed by Committee members who have volunteered to serve and represent TIP Friendly Society:

- Examine and approve loans within a 10:1 ratio or other loan applications that seek the approval of the committee based on the nature of the loan.
- Review and sign-off on loan applications monthly.
- Ensure that the supporting documents for loan applications are properly aligned to the stipulated guidelines of the Society.
- Contact delinquent customers and their references
- Assist in the reduction of delinquent loans and to determine whether the loan underwriting process is being maintained according to established standards.
- Ratify loans as granted by the Society.
- Any three (3) of the five members' signature are utilized to determine the decision of the committee.
- Prepare and submit monthly reports to TIP Friendly Society's Board of Management.

Loans that require the Committee's approval fall in one or more of the categories below:

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

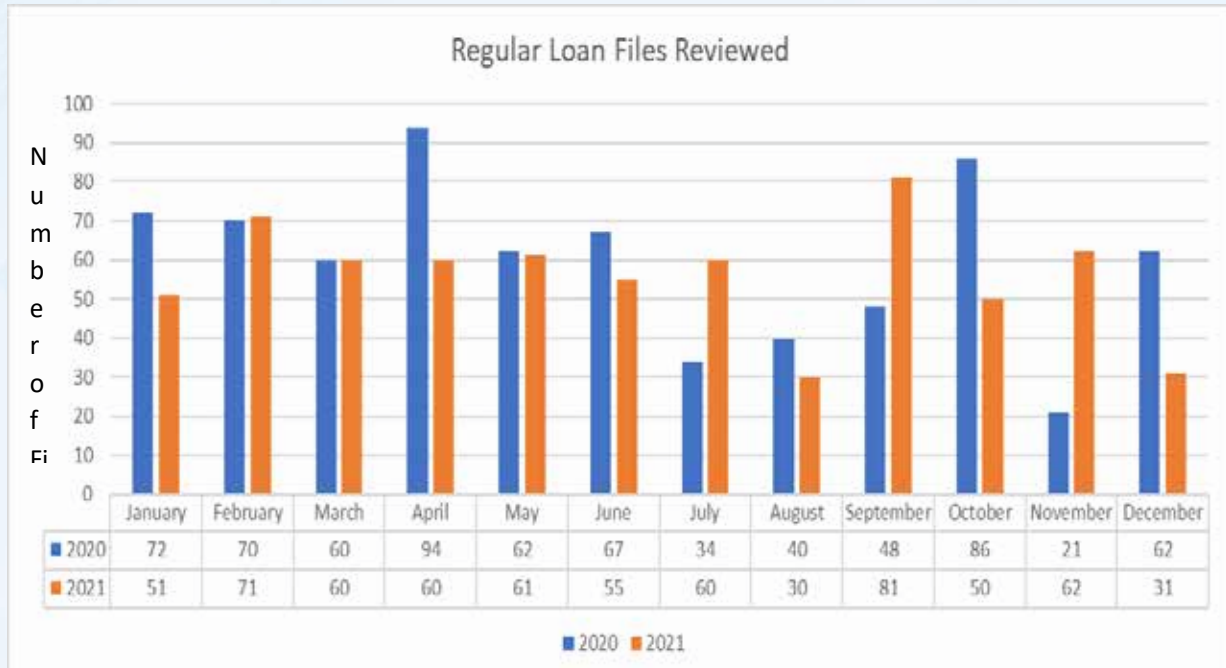
Loans Processed

TIP's sensitivity, recognition and appreciation of its members' value along with their dynamic fiscal needs enabled the continuance of its 10:1 provision of financial assistance. Consequently, members continue to access loans to their savings at the ratio 10:1. This implies that members can be approved for loans up to ten times their saving by the customer service team, thereby eliminating the need for referral to the committee.

Loan files reviewed for the period January to December 2021

The review of the loan files was executed twice monthly. The basis for such review is to improve the loan application process by providing the assessment and recommendation for loan disbursement. For the reporting period ending December 2021, approximately six hundred and seventy-five (675) Pre-Approved Loan files were received and reviewed. This representative sum when compared to the same period in the year 2020, displays a 6% marginal decrease which amounts to forty-one (41) loan files, examined by the committee. Observation of the loan files processed revealed that the loans approved are aligned, and are consistent with, and do adhere to the loan policies and guidelines of the Society. Additionally, the loan files contained the requisite supporting documents for the respective loan types. The schedule below displays the distribution of the review process for the two meetings held per month.

**Table 1: Number of Regular Loan files reviewed |
for the period January – December 2021**



2020 Total: 716

2021 Total: 675

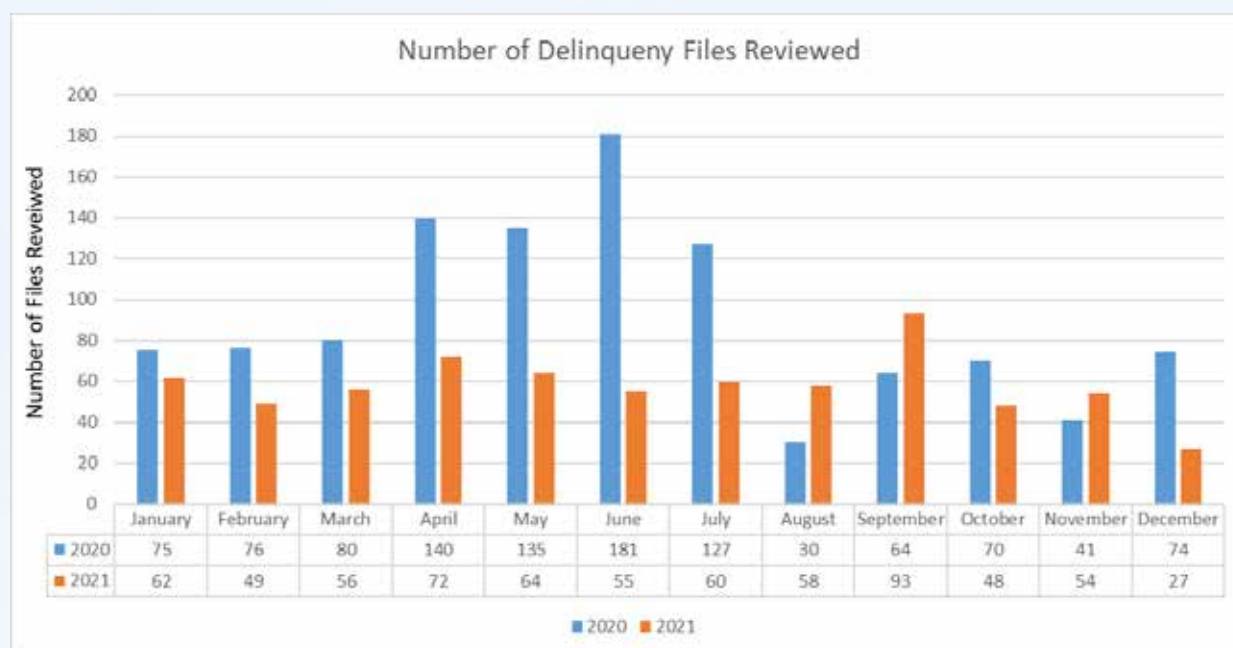
Delinquency files reviewed for the period January – December 2021

Approximately six hundred and ninety-eight (698) delinquency files were assessed for the period under review, comparable to one thousand and ninety-three (1,093) for the fiscal year 2021. This number also represents a decrease of three hundred and ninety-five 395 files, correlated to a 36% in the number of members' loan files perused, that have fallen into delinquency status.

Delinquent Loan Files reviewed by the Committee were sometimes recalled for a clinical review and follow-up on the recommendations made. The findings revealed that most of the follow ups and recommendations were made and or implemented by the organization. Some of the recommendations, though not limited to, included sending Demand Letters to those members, who are in delinquent status, and are non-responsive to the varied TIP channels of communication used to contact them.

The committee contacted most of those members and their references and was successful in having most of them fulfil promises to settle their arrears and have their accounts regularised. It was discovered that members who became delinquent in their payments due to job loss, resultant of the negative impact of COVID-19, have been making an effort to make payments, though inconsistent at times. The committee remains impartial and resolute in serving TIP Friendly Society and continues to intervene in instances where clients are unable to make payments. The refinancing of loans remains an option provided by TIP for its clients to be alleviated from the financial burden.

Table 2: Number of delinquency files reviewed for the period January - December 2021.



2020 Total: 1093

2021 Total: 698

The information provided by the Credit Information Bureau, is analysed, and used by the Credit Committee as a guide in offering financial guidance to our members. Members are sometimes unaware and surprised by the information on their Credit Report. Sometimes inaccuracies are identified, and in such instance, members usually act speedily to have the matters corrected by the relevant companies.

Attendance at meetings

The Committee met twice per month. Attendance is reflected below.

Table 4: Committee members' attendance to meeting January-December

MEMBERS	NUMBER OF POSSIBLE MEETINGS	NUMBER OF MEETINGS ATTENDED
LouAnn Bramwell-Shakes	18	18
Terrence Brown	6	5
Rohan Johnson	24	24
Leaon Nash	24	22
Kaydian Scott	5	5
Janette A Williams	24	23
Erica Wilson-Ewbanks	18	18

**JANETTE WILLIAMS****LEAON NASH****Erica Wilson-Ewbanks****ROHAN JOHNSON****KAYDIAN SCOTT**

Mrs. Bramwell-Shakes served the committee in the capacity of Chair January 2021 through to October 13, 2021, leading up to the AGM in October 2021. Mr Terrence Brown served from January 2021 through to March 18, 2021. Subsequent to the Ruling of the Court, Mrs Erica Ewbanks was returned to the Committee April 08, 2021. Three members were re-elected to serve the committee following the AGM in October 2021. Miss Kaydian Scott is the new member elected to serve on the committee. Education and training for members were provided by personnel at TIP. These included: Mrs. Sharon Carey, Credit Manager and Miss Khadine Clarke, Credit Supervisor. As part of the committee's thrust to ensure conformity with the society's operations, four of five committee members also visited the TIP Branch located in Montego Bay, St. James on Friday 16th July, 2021.

Proceeds of Crime Act (POCA) Training

Members of the Committee received Virtual Training in the Proceeds of Crime Act (POCA). This training was compulsory; members were educated on the indicators of money laundering, terrorism prevention and regulations and strategies to counter them. These areas of the training were in addition to customer and employee due diligence.

General Comments

The Credit Committee is aware that many options are available for members to access loans and other services. We are therefore, committed to ratifying and approving the loans and other requests that will meet their fiscal demands. We wish to remind our valued and committed members that TIP Friendly Society remains safe, solid, secure, and strong in its resolve to protect members' income and ultimately that of the Society. The Credit committee is satisfied that it has been impartial in the execution of TIP Friendly Society's mandate. We applaud the Board of Management, staff, and stakeholders for providing the guidance, hope, strengthening resolve, and charting new frontiers for greater success. Gratitude and appreciation are expressed to all members for their contribution, demonstration of faith and trust in the committee to meet their dynamic needs.

Sincerely,

TIP Friendly Society Credit Committee



Janette A. Williams, Ph.D
Secretary

Leaon Nash, JP
Chairman

SUPERVISORY COMMITTEE'S REPORT

THE STARTING TEAM

The following persons were elected at the TIP Friendly Society's 2021 Annual General Meeting (October 2021) to the Supervisory Committee to serve for one (1) year:

Miss Veniese A. Brennan (Chairman)

Mrs. Viris V. Clarke-Ellis (Secretary)

Mr. Winston Smith

Miss Anieta R. Bailey

Mrs. Camille Davis-Williams

Mission Focus/ Roles and Functions of the Supervisory Committee

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

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

Mission Focus/ Roles and Functions of the Supervisory Committee

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

- Ensuring that the financial statements accurately and fairly represent the financial condition of the Society.

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

ATTENDANCE RECORD/ SEASON BEST TIMES

The attendance record for the Committee members at meetings and visits is displayed on the table below.

TABLE 1. ATTENDANCE REPORT - SUPERVISORY COMMITTEE			
NAMES	8 REGULAR MEETINGS	4 BRANCH VISITS	2 TRAINING SESSIONS
VENIESE BRENNAN	8	4	POCA & REGISTRAR
VIRIS V. CLARKE- ELLIS	8	4	POCA & REGISTRAR
WINSTON SMITH	6	2	POCA
CAMILLE DAVIS - WILLIAMS	7	3	POCA & REGISTRAR
ANIETA R. BAILEY	8	4	POCA & REGISTRAR

MISSION CRITICAL ACTIVITIES

Activities for the period

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

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

Training

TIP Friendly Society is regulated by the Department of Co-operatives and Friendly Societies (DCFS) to ensure that the Committee is aware of its remit. Each year the DCFS trains the members of this committee. The training took place on Saturday February 12, 2022. The DCFS facilitated the training with four Committee members in a session entitled “Introducing the Supervisory Committee: TIP Friendly Society Limited”.

The training relating to the Proceeds of Crime Act (POCA) was held on November 18, 2021. All the members of our committee attended. Training familiarized us with the UN Security Council Resolutions Act (2013), information relating to Corporate Governance as well as other regulatory controls.

Both training sessions were of tremendous benefit to the team.

Meetings & Branch Visits

At the start of our tenure meetings were conducted in the virtual space. The team created a two-year Audit Plan to better streamline the activities of the Committee for proper functioning, sustainability and succession planning. To execute our planned activities eight (8) meetings and four (4) branch visits were conducted. Due mostly to a limited

time frame the team was unable to visit the residential and commercial properties. The Supervisory Committee reported on the findings/observations to the Board after each visit was conducted; commendations were proffered and recommendations made, as necessary.

To better structure our inspection and to better ensure transparency of the branch audits, an operational checklist was created for each of the following area/ headings:

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

From the checklists the members generated a report which was presented to Management after each visit. The review included record keeping, staff attendance registers, customer's files, staff files, inventory, security and customer service among others. (See Appendix 2 for sample of Physical Plant Checklist)

BRANCH OPERATIONS

Ocho Rios

GENERAL

COMMENTS

The consensus is that the branch is managed by a knowledgeable highly organized supervisor. Members of staff were working as a cohesive work force to ensure that the office runs effectively. The office space is organized, neat and clean.

Concerns

The following are situations needing improvement:

The marketing space is not being maximized.

Recommendations

The Supervisory Committee is recommending that:

- Promotional items be displayed in the banking hall
- Fliers be conspicuously placed so members can see and access them

Mandeville

Based on recommendations from the committee the following were implemented:

Sale of Items:

Only TIP's products should be sold throughout its network. All locations have been notified on this matter and we expect compliance.

Storage of files:

Two 2 filing cabinets were provided to the Mandeville to accommodate files that were not properly stored.

Security Issues:

Additional security cameras were promised

The Customer Service area:

The glass on the customer service desks will be lightly tinted to give the appearance of privacy to members sitting before the reps.

The Server Room:

The server room door will be kept closed to optimize function.

Montego Bay

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

Recommendations

The following recommendations are being made:

1. More filing cabinets are needed to store members files. (The picture below shows files piled on top of cabinets posing a real challenge to retrieve and properly sort them)
2. More space is needed. The server room that doubles as storage space is crammed.
3. We still feel the Supervisor's office would be better placed at the back of the room rather than the first thing you see when you enter the room.
4. The Supervisory Committee is asking the Marketing department to sensitize the committee of new products and to invite them to product launch (this in light of the fact that we saw some new brochures we were not even aware of).



CHECKS AND BALANCES - AUDITS

An internal review of the financial accounts of the organization was carried out on April 1 and 8, 2022. Areas of concern were dormant accounts, commercial property acquisition, expense accounts, staff car loans, personnel files, head office construction expenses and expenses incurred by the Board. For the most part the expenses incurred are in keeping with normal operation of the company.

A broad over view is that expenses are being managed according to budget and the financial affairs of the company is in capable hands. We are satisfied that the accounting system being used is optimizing the functions and the future looks good. We were able to locate supporting documents for transactions and with ease as the process is being simplified and optimized.

The review of the staff car loans revealed compliance with standards. All loans are satisfactorily serviced by salary deductions. The Committee was a bit concerned that the Credit Information Report was not placed on some of the files reviewed and made the necessary recommendations that this be rectified.

The Committee is happy to report that there have been marked improvements in the storage, handling and documentation on staff files; and pertinent information for staff is much more accessible and complete.

The construction/upgrade of Head Office is over 90% complete. The Committee as well as TIP members welcome the new more spacious surroundings. The overall expenditure of eighteen million dollars (\$18M) includes: upgrade of elevator system, expansion of the customer service areas, expansion of the waiting areas, upgrade of the staircase and painting and landscaping of the external facility

CONCLUSION

The Supervisory Committee celebrates the fact that despite prevailing conditions TIP Friendly Society continues to grow robustly.

This Supervisory Committee is grateful for the confidence placed in it by TIP's membership. The Committee members were empowered by your faith in us and your confidence in our abilities. Please note that we served you with humility and pride.

Thanks to the members of staff for your cooperation with the Committee during the past few months by making yourselves available for our requests, interviews and for various other matters. We appreciate your willingness to work cohesively with us as we sought to fulfill the mandate to which we have been blessed to be assigned.

**ANIETA BAILEY****CAMILLE DAVIS-WILLIAMS****VENIESE BRENNAN****VIRIS CLARKE-ELLIS****WINSTON SMITH**

Expressions of Gratitude

We were extremely grateful for the cooperation proffered to us by the Board of Management and the Management and staff, in the execution of our work. This committee would like to publicly commend you for your insight and confidence in us. Our team was satisfied that generally, TIP's operations are in keeping with the Friendly Society's Act. We are fully cognizant that there are challenges, but we know that they are not insurmountable and that if we work together, the re-imaging of TIP's identity will continue to be sustainably developed.

VenieseBrennan
Chairman

May 2022

A handwritten signature in blue ink that reads "VClarke-Ellis".

Viris Clarke-Ellis
Secretary

May 2022



TIP ONLINE BANKING

SIGN UP TODAY!

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

That's it!

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

Features:

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

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

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

 www.tipfriendly.com

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

* Conditions Apply

GENERAL MANAGER'S REPORT

I must express profound gratitude to the following stakeholders, without whom the last 2 years would have been unbearable:

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

We have grown into an organization that has solidified our offerings to our membership as our assets continue to grow tremendously. Our strategic direction is to ensure a bright future that is full of continuous growth and potential for the Society.

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

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

The staff complement is as detailed below

LOCATIONS	STAFF COMPLEMENT		
	Permanent	Contract	Total
Head Office	53	9	62
Mandeville	5	2	7
Montego Bay	5	1	6
Ocho Rios	5	1	6
TOTAL			81

RESIGNATIONS/TERMINATIONS

NAME	POSITION HELD	YEARS OF SERVICE	REASON FOR DEPARTURE
Raul Lindsay	Business Development Officer	2	Resigned
Garey Simms	Processing Clerk	2.3	Resigned
Shirlet Haffenden	Office Attendant	15	Resigned

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 Iberostar Hotel, Montego Bay, St. James December 17 – 20, 2021. The implementation of the strategies by the Management Team, started in January 2021.

KEY STRATEGIES	IMPLEMENTATION DATES 2022
Reduction in turnaround time for internal claims	By the end of quarter 4
To update HR policies to meet business needs	By the end of quarter 4
To reduce delinquency below 4 percent	By the end of quarter 4
To improve customer service experience	By the end of quarter 3
To leverage the TIP Brand to meet annual sales objectives	By the end of quarter 4
To hold unidentified deposits at their December 31, 2021, level.	By the end of quarter 4
To improve efficiency via digital process flow	By the end of quarter 4

PERFORMANCE

The Society experienced significant growth in its

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

Our asset base is over \$5 Billion, while our loan portfolio has surpassed \$3.5 billion, and we recorded a surplus of \$312M. This was \$82.672M more than 2020. These increases make us proud as we strive to make you, our owners, more successful.

We ended the year 2021 with our delinquency at 4.23% (see delinquency table). We have put strategies in place to monitor this ratio to keep it in line with the international standards of 5%. At the end of April 2022, our delinquency rate stood at 3.62%.

5-year Delinquency Table

	DELINQUENCY TREND ANALYSIS					
	2021	2020	2019	2018	2017	2016
JANUARY	3.78%	6.61%	4.00%	4.65%	5.12%	4.48%
FEBRUARY	3.51%	6.03%	4.36%	4.98%	5.57%	3.69%
MARCH	3.76%	6.48%	4.31%	5.35%	4.72%	3.69%
APRIL	3.77%	6.26%	4.57%	4.35%	4.23%	3.13%
MAY	3.51%	5.85%	4.65%	4.28%	3.57%	3.01%
JUNE	4.18%	5.69%	5.16%	4.15%	3.62%	2.78%
JULY	3.04%	5.49%	5.52%	4.03%	3.97%	2.68%
AUGUST	3.27%	5.21%	5.37%	3.57%	3.85%	2.49%
SEPTEMBER	3.08%	5.07%	5.08%	3.66%	3.54%	3.56%
OCTOBER	2.65%	4.20%	5.00%	3.81%	3.64%	3.47%
NOVEMBER	3.89%	4.34%	5.42%	4.14%	4.33%	3.30%
DECEMBER	4.23%	4.48%	5.95%	4.26%	4.62%	4.97%

MARKETING AND SALES

This department continues to promote and bring greater awareness to the TIP brand within the Education Sector. September 26, 2021 marked 24 years of operations for TIP Friendly Society and we started our celebrations with a church service, at Boulevard Baptist Church. The President, Treasurer, GM and other members of the Board were in attendance. This was streamed virtually through our Facebook and YouTube pages. There were five hundred and sixty (560) members who viewed the presentation online.

- September 27 Monday, our Treasurer and GM were featured on Smile Jamaica TVJ. We had an impromptu presentation to our 24th member in head office on Facebook live. This generated 416 views on Facebook
- September 28 Tuesday, we hosted our first webinar 172 members viewed on Facebook
- September 29, Wednesday Tree planting exercise took place across the island Business Development Officers and Board Members participated in each parish.
- September 30, Thursday, Scholarship Awards Function held virtually. 325 persons viewed on Facebook live.

We encourage our members to take note of the Business Development Officers assigned to your region :

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

OUR CORPORATE SOCIAL RESPONSIBILITY

“Creating a strong business and building a better world are not conflicting goals - they are both essential ingredients for long term success.”

-Bill Ford-

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

THE FUTURE

While we cannot predict the future, we are not daunted by the uncertainties that lie ahead; we will continue to forge ahead with resilience to achieve our targets.

The Society is very conscious of the critical role of technology in sustainable development. Therefore, we have been maximizing the use of cutting-edge technology to drive our operations.

Our Real Estate inventory is impressive. Last year we told you all about:

- Cookson Pen, Braeton, St. Catherine: A commercial investment - We are adding the finishing touches and getting ready for rental.
- The Drax Hall Property, which is now a reality.
- The apartment complex in Mona is still under construction
- The Head Office is still being renovated to make your visits with us more comfortable.

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

CONDOLENCE

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

CONCLUSION

Again, a huge thank you to you our members, volunteers, and staff for always putting TIP Friendly Society first. Your tireless and invaluable service has helped us to increase the status of the Society.

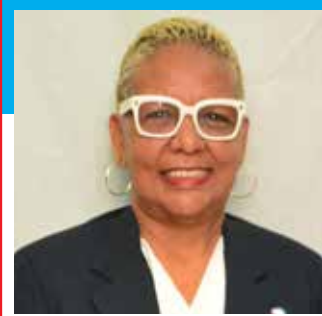
We remain committed to working unstintingly to ensure that you will always know that – “serving you is our pleasure!”

MANAGEMENT TEAM

WILTON SOUTH
GENERAL MANAGER



JUDITH WILSON
ASST. GENERAL MANAGER



DAWN EBANKS
FINANCIAL CONTROLLER



ROGER WATSON
CHIEF INFORMATION
TECHNOLOGY OFFICER



SHARON CAREY
CREDIT MANAGER



JUDY MILLER-SMITH
MARKETING MANAGER



TIP Friendly
Society



TIP LOCK AND KEY

**LONG TERM
SAVING GOAL...**

**TIP Lock and Key
is the solution!**



Long term savings account with a minimum deduction of Ten Thousand Dollars (\$10,000.00) monthly for members.

• **Option 1**

Savings locked in for at least 24 months at an interest rate of 4% per annum

• **Option 2**

Savings locked in for at least 36 months at an interest rate of 4.5% per annum.

• **Option 3**

Savings locked in for at least 48 months at an interest rate of 5% per annum.

• **Option 4**

Savings locked in for at least 60 months at an interest rate of 5.5% per annum.

HEAD OFFICE

80 Half Way Tree Road, St. Andrew
Tel: 876-618-1914, 876-920-8399, 876-929-1710

MONTEGO BAY

The Annex, Shop 27A, Fairview, Montego Bay,
St James | Tel: 876-382-7289

MANDEVILLE

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

OCHO RIOS

Shop 8, Ocho Rios Commercial Centre,
Ocean Village Shopping Centre, Main Street, Ocho Rios,
St. Ann | Tel: 876-877-5267



www.tipfriendly.com



@tipfriendlysociety



@tipfriendlysociety



@TIP Friendly Society



@tipfs

NOMINATING COMMITTEE REPORT

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

Mr. Norman Allen	-	Chairman
Miss Rhamona Bromfield	-	Member
Mr. Wilton South	-	General Manager

The Committee last met on April 28, 2022.

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

Members of the Committee of Management

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

Parish Represented	Retiring	Recommended	Term in Office
St. Andrew		Ms. Tamashella Smith, Principal, Mt. Fletcher Primary, St. Andrew	1
Clarendon	Beverley Green-Miller, Retired Teacher – Central High (Resigned)	Mr. Gregory King, Education Officer, Region 5.	1
Hanover		Ms. Nadienne Crossman Principal, Mt. Peto Primary	1
Westmoreland		Mr. Norman Allen Principal, Frome Technical High School	1

Parish Represented	Retiring	Recommended	Term in Office
Manchester		Mrs. Cecelia Grant - Francis, Retired Principal Porus Primary	1
Trelawny		Mrs. Mona Ennis Principal, Falmouth Infant	2
St. Mary		Ms. Maureen Cunningham- Johnson, Retired Education Officer, Ministry of Education	2
St. Thomas		Mrs. Jacqueline Hendricks-Whyte, Principal Lyssons Centre of Excellence	2
At Large		Dr. Garth Anderson, Principal, Church Teachers College	2
At Large		Mr. Ray Howell, Retired Principal Edith Dalton James High	2
Kingston	Ms. Audrey Williams Retired Principal Denham Town High	Ms. Audrey Williams Retired Principal Denham Town High	2
Youth Representative	Mr. Rushane Morgan, Teacher, Mandeville Primary	Miss Jodi-Ann Evans Teacher, Jessie Ripoll Primary School	1
St. Catherine	Clayton Hall, Deputy Secretary General, Member Services and Industrial Relations, Jamaica Teachers' Association (JTA)	Clayton Hall, Deputy Secretary General, Member Services and Industrial Relations, Jamaica Teachers' Association.	3
St. Elizabeth	Ms. Lola Bennett, Senior Lecturer, Church Teachers College	Ms. Lola Bennett, Senior Lecturer, Church Teachers College	3

Parish Represented	Retiring	Recommended	Term in Office
St. James	Mrs. Sheron Matheson Principal Lecturer, Sam Sharpe Teachers College	Mrs. Sheron Matheson Principal Lecturer, Sam Sharpe Teachers College	3
St. Ann	Ms. Estorine Brown, Retired Teacher, Clarksonville All Age	Ms. Estorine Brown, Retired Teacher, Clarksonville All Age	3
Portland	Ms. Claudia McLean, Principal, Norwich Primary, Portland	Ms. Claudia McLean, Principal, Norwich Primary, Portland	3

Members of the Credit Committee

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

Retiring	Recommended	Term
Mr. Leanon Nash Administrative Officer, Communication and Public Relations JTA	Ms. Sandra Hunter, Lecturer, G C Foster for Physical Education	2
	Mrs. Erica Ewbanks Principal, Garvey Maceo High	1
	Miss Kaydian Scott Principal, Avocat Primary School	1
Ms. Janette Williams (Ph.D) Director of Marketing and Communication, Shortwood Teachers College	Mr. Winston Smith Principal, Golden Spring Primary	2
Mr. Rohan Johnson Senior Teacher Denham Town High	Mr. Rohan Johnson Senior Teacher Denham Town High	2

Members of the Supervisory Committee

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

Retiring	Recommended	Term
Mrs. Camille Davis-Williams Principal St. Paul's Primary School	Mrs. Camille Davis- Williams Principal St. Paul's Primary School	1
Mr. Winston Smith Principal, Golden Spring Primary	Mr. Philmore McCarthy Principal, Exed Community College	1
Mrs. Viris Clarke-Ellis, Retired Education Officer	Mr. Colin Spence, Principal, Mount Moreland Primary and Junior High	
Ms Aneita R. Bailey, Community Relations Officer, Ministry of Education, Region 5	Mrs. Lou-Ann Bramwell Shakes, Teacher Hayes Primary and Junior High School	
Miss Veniese Brennan, Teacher, Old Harbour High School	Mr. Leاون Nash, Administrative Officer, Communication and Public Relations, JTA	



Mr. Norman Allen
Chairman



PROFILE: GREGORY KING

An educator for 20 years, possess a rich distinctive background and inner zeal for facilitating leadership.

Personal Philosophy:

Strongly believes that children are the future and the quality of our workforce correlates to the quality investments in children.

Principal/Labour Relations Officer

Transformational Leader

Proven track record as Education Officer for 9 years, Principal in leadership and marketing new ideas; Proficiency in communications, organizational and coordination skills. I have 23 extensive years of experience working in the education system, school leadership, teaching, learning, supervision and facilitating workshops and seminars.

In addition, I have proven record of accomplishment in working with organisations, groups, departments on various successful school and community projects. Initiate and implement changes that facilitate and enhance organizational, institutional, educational and professional development.

Strength lies in planning, assessment, coordinating, marketing and administration. An avid child-nurturing enthusiast; enjoy public speaking, travelling and reading. Energetic and instructional leader and mentor; able to influence and build team cohesion for a common goal; communicate and interface easily at the top management level; solid background in oral communication;

Areas of Expertise

Quality Assurance and Accountability Education Officer

Strategic Planning and Execution Principal

Team building and Leadership President/Co-ordinator

Management and Supervision Chairmanship

Communication and Documentation Research

Professional Experience

Past Principal of Chandler's Pen Primary and Junior High, and Turnberry Primary Schools.

- Duties include Chief Accountable Officer; Leadership, Management, Planning, Implementing, Assessment, Co-ordinating, Discipline, Data and Financial Management, Instructing, Record keeping, research, behaviour modification, Data Analysis, procurement, and Reporting, in addition to organising workshops and seminars for professional development.
- Past teacher at Mocho Primary and Infant and Mt. Airey Primary and Infant School

Community Involvement

President (Past)	-	Jamaica Teachers' Association (JTA); Clarendon Parish, Mocho, Moneague and May Pen District Associations
Chairman: (Past)	-	TIP Friendly Society' Credit and Supervisory Committees
	-	Education and Research Committee (JTA),
	-	Mocho Area Development Committee,
	-	QEC 40, North East St Elizabeth Constituency
	-	Friends of Old Harbour Regional Office Awards Committee, Region Six Ministry of Education Youth & Information,
Founder:	-	Middlesex Area Primary Football Competition in Blackstonedged, St. Ann
Member:	-	Church, Community Clubs.

Education and Training

2021	Level 5 Certification in Human Resource Management -HEART TRUST & NTA - (Pending)
2019	Masters in Educational Administration and Leadership, International University of the Caribbean.
2019	Certificate in Project Management; University of the West Indies(UWI)

2018	Certificate of Participation in Exemplary Leadership for Improved Outcomes; National College of Educational Leadership (NCEL)
2017	Certificate in Anti- Money Laundering (AML) & Counter-Financing of Terrorism (CFT). Jamaica Cooperative Credit Union League
2007	Diploma in Leadership and Management, Nova South Eastern University through St. Joseph TeachersCollege
2006	Bachelor's Degree in Primary Education, University of the West Indies (UWI)
1999	Diploma in Teaching, Mico Teachers' College.



PROFILE: MISS SANDRA HUNTER

Miss Sandra Hunter has an exemplary career of pedagogical experience spanning more than two decades; as a result of which she possesses extensive knowledge of working and relating to people. She is a result-oriented individual who has completed a Bachelor and a Masters' Degree and is engaged on another educational journey. She currently lectures at the G.C. Foster College of Physical Education and Sport.

Miss Hunter is adept at logistics planning and has worked collaboratively as a team member on a myriad of projects that have realized positive outcomes. She is flexible, dependable, and motivated to succeed at facilitating her growth and that of others. As an individual who is interested in acquiring "new" knowledge, truthfulness, accuracy and solving problems; she is an avid reader and researcher, a skill strengthened by strong communication abilities.

As a lifelong learner she is able to adapt as life evolves, she rapidly assimilates and learns as changes becomes imperative. She is a pleasant and approachable individual who generously shares the benefits to be accrued from knowledge acquisition as one seeks to empower self.

Reflective quote: “We are what we repeatedly do. Excellence, then, is not an act, but a habit”
– Aristotle



PROFILE: PHILMORE A. McCARTHY

PHILMORE A. McCARTHY Philmore Anthony McCarthy, Justice of the Peace, Principal and Team Leader at the Excelsior Community College (ECC) with over thirty (30) years experience in educational management and administration. He obtained his Teacher Education Certification from the Excelsior Community College\ former Teacher Education Division in association with the Joint Board of Teacher Education, Faculty of Education & Humanities; and a Bachelor of Science (Hon.) in Electronics, Mathematics, and Computer Science from the Faculty of Natural Sciences; both from the University of the West Indies, Mona. He obtained a Master of Business Administration from Barry University, Miami Florida, USA. He is currently pursuing doctoral studies at Northern Caribbean University (NCU), Mandeville, specializing in Leadership and Educational Administration. This area of focus is reflective of Mr. McCarthy’s enduring interest experience in educational management. He has received advance management certifications in educational administration and corporate governance at a variety of institutions including the Saskatchewan Institute of Applied Science and Technology, the Seneca College of Applied Arts and Technology, both in Canada, and the Management Institute for National Development (MIND) in Kingston, Jamaica.

Former Head of the School of Computer Studies, Vice-Principal of Academics and Institutional Advancement, and currently as Principal, Philmore McCarthy stewardship of the ECC Executive Management team has resulted in significant innovations in the quality and variety of programmes, ICT and Infrastructure improvement at the Excelsior Community Colleges. He was instrumental in the establishment of a robust Internal Quality Assurance Unit which conducts academic audits of schools and departments as well as pursuing the International Standard Organization (ISO) 9001:2015 Quality Management Systems certification. 143 During this period, the College’s Academic Advisory Board was also reorganized to ensure academic integrity and promote an effective teaching and learning environment, as such the College obtained Candidacy for Institutional Accreditation from the University Council of Jamaica (UCJ) during March 2019.

Mr. McCarthy has championed the development of Excelsior Community College as a research-driven institution. To this end, he has overseen the development of a Research and Innovation Division that conduct annual institutional research activities that has supported the successful implementation of the College's Annual Research Day. Also participated and presented publications at numerous conferences/seminars to include "Resilience through Strategic Planning: Experience of a Community College towards Meeting Labour Market Needs" presented at the 1st International Conference on Quality Assurance in Higher Education, The Accreditation Council of Trinidad and Tobago (ACTT) Port of Spain, Trinidad and Tobago.

Mr. McCarthy believes in the importance of institutional linkages as a vehicle of capacity-building as well as a way of maintaining the relevance and currency of programme offerings. He was Project Manager for the successful implementation of the Caribbean Institute of Technology (CIT) training programme at ECC in association with the HEART Trust/NTA. He served as ECC Coordinator of the Government of India and Government of Jamaica (GOI/GOJ) Information Communications Technology (ICT) capacity building project, undertaken in partnership with the HEART Trust/NTA, which focused on providing ICT training for at-risk youth. Most recently, he spearheaded the formation of a partnership between Excelsior Community College and Niagara College, Canada which has seen the development of joint programmes in the areas of Logistics Management.

In keeping with his strong commitment to servant leadership, Mr. McCarthy serves on many boards such as the Council of the University of Technology, Jamaica (Utech), the University Council of Jamaica (UCJ), the Joint Committee of Tertiary Education (JCTE), the General Council and Central Executive of Jamaica Teachers' Association (JTA), Executive member the Association of Caribbean Tertiary Institutions (ACTI), the Association of Principals of Community Colleges in Jamaica (APCCJ) and the Council of Community Colleges of Jamaica (CCCJ) where he chairs the Curriculum Development Subcommittee and is a member of the Governance Subcommittee. He is a member of the League for Innovation in Community Colleges, USA.

Mr. McCarthy business accruements include being the founder and senior partner of SAUCE Communication Networks Limited, subsequently acquired by Columbus Communication Limited (FLOW), and the 2030 Caribbean Marketing Place (2030CMP) Limited providing ICT and Telecommunications Consultancy Services.



PROFILE: JODI-ANN EVANS B. E. D. SPECIAL EDUCATION

Founder of Apple to Primary
Educational Technology Trainer
Trained Teacher Mentor

Jodi-Ann is an educator driven by passion and dedication to the craft and has served in a myriad of capacities within Jamaica's educational system. A proud product of The Mico University College, Jodi-Ann became a certified Reading Specialist as well as a certified First Aider during her tenure at the reputable institution. She is now a trained Special Educator and the Information and Communications Technology facilitator at the Jessie Ripoll Primary School. As a trained mentor under the Jamaica Teaching Council,

Ms. Evans has conducted and led nationwide training and mentorship programs for emerging and practicing teachers in areas such as mentorship and educational technology. She also currently serves as the Social Media Manager of the Mentors' Association of Jamaica Ltd. Jodi-Ann is also the Founder of Apple to Primary, an educational content platform that aims to make local and relatable content accessible to all educational stakeholders for use in and outside the classroom; promoting the Civics and extra-curricular curriculum through varied media.

Jodi-Ann has self-defined her position as one where she is student-focused, driven and dynamic teacher who is deeply committed to improving student's lives and has the ability to lead by example and stimulate the minds of students to further their academic and emotional development

**PROFILE: COLIN SPENCE**

Colin Spence is an Educator with almost 30 years experience in the educational sector. He currently serves as the JTA/MOEY Liaison Officer. However his substantive post is principal of Mount Moreland Primary and Infant. He is an ambitious, trustworthy and committed person who has developed a mature and responsible approach to any task he undertakes. He lives by the mantra “prayer and work conquers all”

He is a graduate of the Mico College and the University of the West Indies. As a graduate with over 20 years of experience in management, he is exceptional in working with others to achieve a certain objective on time and with excellence.

Mr. Spence rose through the ranks of the JTA as member of General Council from 2009 to present, Chairman of National Sports Committee from 2014 to 2017 and Liaison Officer responsible for the committee since 2020. He also rose through the ranks of the public school system, as he progressed from being a classroom teacher to becoming the principal of Mount Moreland Primary School.

He is the current Vice President of the Kiwanis Club of Young Professional in St. Catherine. Mr. Spence is married to Elaine and is blessed with daughter Amoi and son Justin.

BOARD MEMBERS



DR. GARTH ANDERSON
PRESIDENT
MEMBER-AT-LARGE



CLAUDIA MCLEAN
VICE PRESIDENT
PORTLAND



CLAYTON HALL
TREASURER
ST. CATHERINE



LOLA BENNETT
SECRETARY
ST. ELIZABETH



NORMAN ALLEN
ASST. TREASURER
WESTMORELAND



SHERON MATHESON
ASSISTANT SECRETARY
ST. JAMES



TAMASHELLA SMITH
EXECUTIVE MEMBER
ST. ANDREW



AUDREY WILLIAMS
KINGSTON



BEVERLEY GREEN-MILLER
CLARENDON



MS. NADIENNE CROSSMAN
HANOVER



MONA ENNIS
TRELAWNY



RAY HOWELL
MEMBER-AT-LARGE



CECELIA GRANT-FRANCIS
MANCHESTER



JACQUELINE HENDRICKS
ST. THOMAS



MAUREEN CUNNINGHAM-JOHNSON
ST. MARY

BUSINESS DEVELOPMENT OFFICERS



RUSHANE MORGAN
YOUTH MEMBER



SHELDON SAMUELS
ST. ANDREW, PORTLAND &
ST. THOMAS



CADIANN CALVERT-JACKSON,
KINGSTON & ST. ANDREW



KAJHA CUNNINGHAM
ST. JAMES, HANOVER &
WESTMORELAND



ESTORINE BROWN
ST. ANN



RICHARD MOLLISON
ST. MARY, ST. ANN & TRELAWNY



NECOLA WILSON
ST. CATHERINE



LEON BARNABY
MANDEVILLE & CLARENDON



MARQUEZ COLE- MANCHESTER &
ST. ELIZABETH

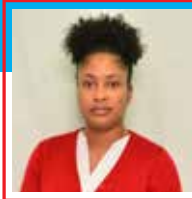
HEAD OFFICE



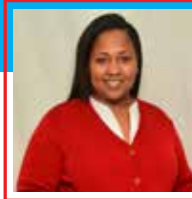
AMANDA HARRIS
ACCOUNTING CLERK



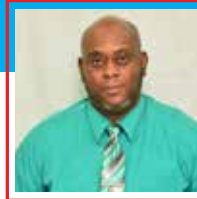
ANNETTE ADAIR
ACCOUNTING SUPERVISOR



BRITTANY KNOTT
ACCOUNTING CLERK



CAMOY BERRY
ACCOUNTIN CLERK



POVELL COUBRIE
ACCOUNTING CLERK



SELENE SAMUELS
CASHIER



TOSHEBA GORDON
FINANCIAL ACCOUNTANT



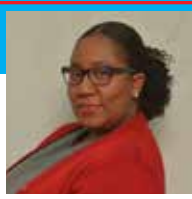
YANIQUE JOHNSON
ACCOUNTING CLERK



ACKEEM MITCHELL
CLAIMS & UNDERWRITING
CLERK



BRYAN MURRAY
CLAIMS & UNDERWRITING
CLERK



KERRION JACKSON-COUSINS
CLAIMS & UNDERWRITING
OFFICER



MOESHA WALTERS
CLAIMS & UNDERWRITING
CLERK



ORLANDO BRYAN
CLAIMS & UNDERWRITING
CLERK



PATRICIA WILLIAMS-COORE,
CLAIMS & UNDERWRITING
SUPERVISOR



LOY GRANT
CUSTOMER SERVICE REP.



NOVELETTE MYTON
CUSTOMER SERVICE REP.



ZARIFA ROBERTS
CUSTOMER SERVICE REP.



CAMILLE CRANSTON
CUSTOMER SERVICE REP.



CHA-ANN FREEMAN-WILSON
CUSTOMER SERVICE REP.



JERMAINE EVANS
SENIOR CUSTOMER SERVICE REP.



KHDINE CLARKE
CUSTOMER SERVICE
SUPERVISOR



MARION WILLIAMS-BROWN
SENIOR CUSTOMER SERVICE
REP.



MARK SHAW
CUSTOMER SERVICE REP.



NATALEE PALMER
CUSTOMER SERVICE REP.



RIKANE MCDANIEL
CUSTOMER SERVICE REP.

HEAD OFFICE



ROXANNE BROWN-POWELL
CUSTOMER SERVICE REP.



SHARMAINE
CAMPBELLSENIOR
SECURITIES CLERK



DAMARLEY FACEY
DELINQUENCY OFFICER



DERISA ROBINSON
DELINQUENCY CLERK



DONYA JONES
DELINQUENCY CLERK



LEVAR PEARSON
DELINQUENCY CLERK



RENEE DAVIS
FILING CLERK



SHANNON MCKENZIE
FILING CLERK



EDWARD WELSH
TRAINING & WELFARE
OFFICER



TERRY-ANN JARRETT
HUMAN RESOURCE CLERK



KHADEEM NELSON
BUSINESS SUPPORT
SPECIALIST



ASTLEY MONTAGUE
SECURITY OFFICER



GERONIMO ROBINSON
BEARER



JOHN HENRY
OFFICE ATTENDANT



KEBRA GAYLE
OFFICE ATTENDANT



SHANTEL HENRY
OFFICE ATTENDANT



ALYSSA ADAMS
MARKETING CLERK



CAMILLE ARCHIBALD
MARKETING SUPERVISOR



DANEAL REID
MARKETING CLERK



CHARMANE COLLINS-GORDON
PROCESSING SUPERVISOR



DAHLIA REID JOHNSON
PROCESSING CLERK



DONNALEY DRUMONDS-MILLS
PROCESSING CLERK



KIMBERLY BYRCE
PROCESSING CLERK



OMARIO ALLEN
PROCESSING CLERK



SHANNA TYRELL
PROCESSING CLERK

MANDEVILLE BRANCH



CHRISTOPHER CARR
CASHIER



GREGRIAN SUTHERLAND
CUSTOMER SERVICE REP.



KEMOY REID
OFFICE ATTENDANT



SHARON SLOWLYBRANCH
SUPERVISOR



BRITNIE TULLOCH
CUSTOMER SERVICE REP.

MONTEGO BAY BRANCH



ANN-MARIE HASTINGS
OFFICE ATTENDANT



ANTONETTE HEWITT
BRANCH SUPERVISOR



KAREEN ROBINSON-LINTON,
CUSTOMER SERVICE REP.



OLIVE GARE
SENIOR CUSTOMER SERVICE REP.



TRESAN THOMAS
CASHIER

OCHO RIOS BRANCH



MOYA-LEE DICKENSON,
CUSTOMER SERVICE REP.



ORVILLE BAILEY
SENIOR CUSTOMER SERVICE REP



PAULETTE COOPER
OFFICE ATTENDANT



SIMONE ROWE
CASHIER



JUDITH COOPER
BRANCH SUPERVISOR

[illegible]

TIP FRIENDLY SOCIETY DECEASED MEMBERS' LISTING 2021

COUNT	DECEASED		NAME OF SCHOOL	PARISHES
	SURNAME	CHRISTIAN		
1	ABLE-SIMPSON	JANET	CENTRAL BRANCH ALL AGE (RETIRED)	ST. ANDREW
2	ALLEN	GEORGIA	DUCKENFIELD PRIMARY	ST. THOMAS
3	ALLEN	ALICIA	ASCOTT HIGH SCHOOL	ST. CATHERINE
4	BAKER	CLIVE	MAGOTTY HIGH SCHOOL	ST ELIZABETH
5	BAKER	PAUL	CHRISTIANA PRIMARY & INFANT	MANCHESTER
6	BANNISTER	LURLINE	HEART ACADEMY (RETIRED)	ST. ANDREW
7	BARRETT	SEAN	ANCHOVY HIGH	ST. JAMES
8	BENNETT	ANN	GEORGE HEADLEY PRIMARY	ST. ANDREW
9	BLAIR	DOWEN	MULGRAVE PRIMARY	ST. ELIZABETH
10	COOTE	PATRICIA	MANDEVILLE INFANT	MANCHESTER
11	COWARD-BURKE	PEACHES	GEORGE HEADLEY PRIMARY	ST. ANDREW
12	CRAWFORD-STEWART	LORNA	WINSTON JONES HIGH	MANCHESTER
13	DAVIS	CAROLE	OCHO RIOS HIGH	ST. ANN
14	DAWKINS	NATTALLIE	FOUR PATHS PRIMARY & JNR. HIGH	CLARENDON
15	DIXON-CROOKS	ELAINE	GREEN ISLAND HIGH	HANNOVER
16	DOUGLAS	JACKLYN	ELIOTT PRIMARY & INFANT	ST. MARY
17	DUNKLEY	CLAUDETTE	LACOVIA HIGH SCHOOL	ST. ELIZABETH
18	EDWARDS	VELORA	CORNWALL COLLEGE	ST. JAMES
19	GOODEN-WELLINGTON	ORLENE	ENFIELD PRIMARY & JUNIOR HIGH SCHOOL	ST. MARY
20	GREEN	SHIRLEY	ROCK ALL AGE	CLARENDON
21	HENRY-COUSINS	SOPHIA	TACKY HIGH	ST. MARY
22	HINDS	MARK	ST. JUDE'S PRIMARY	ST. ANDREW
23	HONEYGHAN	CARL	LLANDILO SCHOOL OF SPECIAL EDUCATION	WESTMORELAND
24	HUNTER	NOEL	BONNET PRIMARY	ST. MARY
25	JARRETT	AVIANN	WATFORD HILL PRIMARY	HANOVER
26	JOHNSON	NICHARA	ST. ALOYSIUS PRIMARY	KINGSTON
27	JOHNSON-WATSON	HOPE	NEW DAY PRIMARY & JUNIOR HIGH	ST. ANDREW
28	LARGIE	FABIAN	CALABAR HIGH SCHOOL	ST. ANDREW
29	LEACH	HOPE	MALDON HIGH SCHOOL	ST. JAMES
30	MCCALLA	MARION	WOODLAWN SCHOOL OF SPECIAL EDUCATION	MANCHESTER
31	MCKENZIE	PAULETTE	RITCHES PRIMARY	CLARENDON
32	MINTO	FRANCIS	MUIRHOUSE PRIMARY JUNIOR HIGH SCHOOL	ST. ANN
33	MORGAN	KAYON	HOMESTEAD PRIMARY	ST. CATHERINE
34	MULLINGS	HENRY	CROSS ALL AGE	CLARENDON
35	MURRAY	ALICE	RETIRED	ST. THOMAS
36	NELSON-THOMAS	ANDREA	MAVISVILLE PREPARATORY	ST. ANDREW
37	ROBINSON-JOHNSON	HYACINTH	PEGGY BARRY PRIMARY	WESTMORELAND
38	SAMUELS-ROBINSON	ROSEMARIE	NEW ROADS ALL AGE	WESTMORELAND
39	SHAE	BEVERLEY	KINGSTON COLLEGE (RETIRED)	KINGSTON
40	SHIPPY	MELVA	SUCCESS PRIMARY	HANOVER
41	SINCLAIR	SHARON	ST. ANDREW COLLEGE	ST. ANDREW
42	SMITH	ALBERT	TITCHFIELD HIGH SCHOOL	PORTLAND
43	TRACEY-CHANCE	NATALIE	BOSCOBELL PRIMARY	ST. MARY
44	TURNER	BERNICE	AVOCAT PRIMARY	PORTLAND
45	TURNER	CYNTHIA	CALEDONIA ALL AGE & INFANT	WESTMORELAND
46	WALKER-JACKSON	JOAN	WINDWARD ROAD ALL AGE	KINGSTON
47	WARBURTON-OTTAR	YVONNE	BROWNS HALL PRIMARY	ST. CATHERINE
48	WILLIAMS	MELINDA	SHARON E.C.I./ ALBION PRIMARY	MANCHESTER
49	WILLIAMS	EUGUNANDO	CLARENDON COLLEGE	CLARENDON
50	WILLIAMS-HARRISON	REMONA	SEAVIEW GARDENS PRIMARY	ST. ANDREW
51	WRIGHT	TRECIA	WARSOP ALL AGE	MANCHESTER