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**TIP** Friendly Society

# 2024 ANNUAL REPORT

22<sup>nd</sup> ANNUAL GENERAL MEETING



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**TIP** Friendly Society

Our Mission, Vision & Values



## MISSION:

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



## VISION:

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



## CORE VALUES:

■ HONESTY

■ INTEGRITY

■ ACCOUNTABILITY

■ CREDIBILITY

■ RESPECT

■ COMMITMENT

■ DISCIPLINE

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## NOTICE OF ANNUAL GENERAL MEETING

The Committee of Management of TIP Friendly Society hereby gives notice of its **22nd Annual General Meeting (AGM)** to be held in a hybrid format (that is, both at a physical location and by live streaming) at the Jamaica Pegasus Hotel at 81 Knutsford Boulevard, Kingston 5 on **Monday August 5, 2024 starting at 10:00 am.**

Financial Members may attend and participate in the meeting via zoom conference **and a maximum of 150 persons will be hosted at the Jamaica Pegasus Hotel. No children are allowed**

The purpose of the meeting is to review and present the 2023 Audited Financial Statements and address matters relating to the operations of the Society. The electronic copy of the 2023 Annual Report will be available on TIP's website at [www.tipfriendly.com](http://www.tipfriendly.com) on **Saturday, August 3<sup>rd</sup>, 2024**

### To attend virtually:

1. Registration will be through our website [www.tipfriendly.com](http://www.tipfriendly.com) and will open **on Thursday July 25, 2024 at 8:30 am** and close on **Tuesday July 30, 2024 at 5: 00 pm**
2. Upon registration and verification, financial members will receive a confirmation email with 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

### To attend physically:

1. Registration will be through our website [www.tipfriendly.com](http://www.tipfriendly.com) and will open **on Thursday July 25, 2024 at 8:30 am** and close when we have reached the allotted quota of 150
2. Members selected to attend the physical meeting will be notified by email by July 31, 2024

BY ORDER OF THE COMMITTEE OF MANAGEMENT

Dr. LOLA BENNETT

SECRETARY

JULY 22, 2024

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## **AGENDA**

- 01**      **Ascertainment of Quorum**
- 02**      **Call to Order**
- 03**      **Opening Prayer**
- 04**      **Obituaries**
- 05**      **Apologies for Absence**
- 06**      **Welcome & Introduction**  
**President, TIP Friendly Society, Dr Garth Anderson**
  - Greetings - President, JTA, Mr. Leighton Johnson
- 07**      **Reading, Amendments & Correction of Minutes**
- 08**      **Confirmation of Minutes**
- 09**      **Matters Arising from the Minutes**
- 10**      **Rule Change: Membership Article 8**
- 11**      **Reports**
  - Committee of Management
  - Treasurer/Auditors
  - Credit Committee
  - Supervisory Committee
  - Chief Executive Officer
- 12**      **Fixing of Maximum Liability**
- 13**      **Appropriation of Surplus**
- 14**      **Report of the Nominating Committee**
- 15**      **Elections**
  - Committee of Management
  - Credit Committee
  - Supervisory Committee
- 16**      **Branch of the Year**
- 17**      **Adjournment**



**TIP** Friendly Society

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grow

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**ANCILLARY STAFF!**  
**SECRETARIES! NURSES!**

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## MINUTES OF THE 21<sup>TH</sup> ANNUAL GENERAL MEETING OF TIP FRIENDLY SOCIETY

Held on Saturday, May 27, 2023  
at the Jamaica Conference Centre,  
14 - 20 Port Royal Street, Kingston

### 1.0 Devotional Exercise

The devotional exercise was conducted by a team led by Mr. Edward Welsh, a member of staff.

### 1.1 Call To Order/Notice

The Secretary Mrs. Lola Bennett was invited by the President, Dr. Garth Anderson, to indicate whether a quorum was present. The Secretary reported that at 9:00 a.m., 144 members were present. He then invited her to read the notice convening the meeting.

### 1.2 Welcome

Chairman Anderson welcomed all to the meeting, noting that it was the first face-to-face meeting since the COVID-19 pandemic.

He extended a warm welcome to the following guests:

- ◇ Mr. Wayne Strachan and Mr. Tajay Bailey from the Auditing firm Baker Tilly.
- ◇ Mrs. Vanessa Porter Allen and Miss Nicola Scott of the Department of Co-operatives and Friendly Societies.
- ◇ Mrs. La Sonya Harrison, President of the Jamaica Teachers' Association (JTA)
- ◇ Ms. Joyce James Stenographer

### 1.3 Introduction of The Board of Management And Senior Management

President Anderson invited the members of the Board of Management seated at the head table and those in the audience to stand and be recognised.

He also invited members of the Credit and Supervisory Committees to stand and be recognised.

The President also welcomed the Management team which included:

- ◇ Mr. Wilton South, Chief Executive Officer
- ◇ Mrs. Sharon Carey, HR and Operations Manager
- ◇ Ms. Juldith Wilson, Branch Operations Manager
- ◇ Ms. Judy Miller Smith, Marketing Communication and Insurance Manager
- ◇ Mr. Roger Watson, Chief Information Technology Officer

President Anderson welcomed the new staff members to include the Financial Controller, Mr. Carlington Montgomery, and the Supervisor of the Mandeville office, Mr. Curtis Grindley.

He then invited the JTA President to bring greetings.

### 1.4 Greetings from JTA President

Mrs. Harrison extended a warm welcome to all.

She commended TIP Friendly Society for being a constant friend and supporter of teachers for 26 years and expressed gratitude for their financial support to the Association which assisted in programmes geared towards teachers' well-being.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

The President of the JTA applauded the Society for the contributions to the various national activities, especially to the Teachers' Day token and for sponsoring the JTA Sagicor National Primary Athletics to the tune of \$7.5 million. She emphasised the win-win nature of the partnership and the interconnectivity between the JTA and TIP Friendly Society.

The financial well-being of JTA members, she noted, was a priority and so they continued to lobby the government to treat with the anomalies emanating from the restructuring exercise and expressed the hope to resolve these issues which would ultimately lead to increased income for teachers and contribute to the growth and expansion of TIP Friendly Society.

She urged teachers to be cognisant of the information that would be shared during the meeting as it related to increased savings, loan arrangements, and investments in real estate as land and home ownership was a means of true wealth creation.

She saluted the TIP Friendly Society and wished them a productive Annual General Meeting.

### 1.5 Apologies for absence

No apologies were received

### 1.6 Obituary:

A minute's silence was observed for the following members who passed during the year.

- ❖ Antoinette Banton-Ellis
- ❖ Ann Robb
- ❖ Shaze-Ann Hall-Jones
- ❖ Althea Warren
- ❖ Denise Dennis
- ❖ Audrey Rowe
- ❖ Colinate Archibald-Lemon

- ❖ Karlene Daley
- ❖ Phyllis Ramsay
- ❖ Delores Branwell McFarlane
- ❖ Dawnette Park
- ❖ Shereen Henry
- ❖ Julian Murray
- ❖ Karen Maitland
- ❖ Richard Munroe
- ❖ Charmaine Fairclough
- ❖ Odette Frazer-Hyde
- ❖ Ann-Marie Golding McLeggon
- ❖ Karlene Esson
- ❖ Haidie Salmon-Swaby
- ❖ Joycelyn Cox
- ❖ Tyrone Wilburn
- ❖ Kayann Allen-Thomas
- ❖ Margaret Allen-Edwards
- ❖ Enid Bremmer
- ❖ Fayrona Freemantle
- ❖ Karleen Hall
- ❖ Jennifer Gidden
- ❖ Desrene Steer
- ❖ Sedoney Ball-Murphy
- ❖ Amosy Tomlinson
- ❖ Marsha Williams
- ❖ Samuel Nish
- ❖ Velma Brown
- ❖ Maxwell Wilson
- ❖ Dennis Edwards
- ❖ Donald Howell
- ❖ Rose Henry-Howell
- ❖ Vinette Walters
- ❖ Ann Marie Johnson-Lindo
- ❖ Andrel Gardiner
- ❖ Loy Spence
- ❖ Charmaine James



## Minutes of the 21<sup>th</sup> Annual General meeting Continued

### 1.7 Reading, Correction and Confirmation of The Minutes of The Last Annual General Meeting held on Saturday May 18, 2022

The minutes were taken as read on a motion moved by Mrs. Celia Grant Francis (retired teacher) and seconded by Mrs. Camille Davis Williams (St. Paul's Primary School).

The Secretary directed the members' attention to the minutes found on pages 7 - 22 of their booklets and took the meeting through this exercise.

Corrections to the minutes:

- **Page 7 (1.1)** '*Supervisory Committee*' should read '***Credit Committee***'.
- **Page 10 (4.1)** 4<sup>th</sup> bullet point, under "Other highlights" "***Assets***" should read '***loans to members***'.
- **Page 11 (4.2)** 5<sup>th</sup> bullet point, "***Members' loans in 2020***" should read '***Members' Loans in 2021***'.
- **Page 11 (4.2)** 6<sup>th</sup> bullet point, "***Investments***" should read '***members' loans***'.
- **Page 13 (4.2.1)** 2<sup>nd</sup> line, "***Concheta***" should read '***Panceta***' and should be so corrected throughout the document.
- **Page 16 (8.0)** 4<sup>th</sup> bullet point, "***As at April 2022***" should read '***As at April 2021***'.
- **Page 20, 'Management'** should read '***Management***'

There being no further corrections, the minutes were confirmed on a motion. Moved by Jodi-Ann Evans (Jessie Ripol Primary) and seconded by Jacqueline Hendricks-White (Middleton Primary).

### 1.8 Matters Arising:

In relation to the property situated in Portmore, Ms. Devony Chambers questioned why it had not yet been occupied when at the last AGM they were informed that it would be operational in three months. The Chairman explained that the property was meant to be an asset for generating funds, but despite interest from prospective renters and marketing efforts, it had not been rented and since then, the property had been handed over to a realtor. He expressed optimism that in short order there would be a positive result. Ms. Chambers suggested that it be used as an office for TIP, but the Chairman reminded her that it was an investment property.

In response to a question raised by Ms. Audrey Blake (Porus Primary School) as to the status of the President Scholarship as mentioned on page 10 to commemorate the 25th Anniversary, the Chairman explained that it was a one-off scholarship and had since been awarded.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

### 1.11 Reports

#### 1.11a COMMITTEE OF MANAGEMENT REPORT

##### *President Anderson shared the following:*

- ❖ A brief overview of the economy which at the end of the financial year saw the country returning to normal economic activities with some sectors experiencing growth matching or exceeding pre-COVID levels. Inflation ended the year at 9.4%. Interest rates on loans and savings increased and the Stock Market declined due to interest rate movement. The exchange rate between the Jamaican and United States dollar remained stable meandering at a high of \$157 to a low of \$148 to the US dollar.
- ❖ TIP Friendly Society was affected by the wider economic activities such as the impact of the interest rate movements and the decline in equity prices, however, the prudent management of resources maintained the organisation's viability
- ❖ TIP celebrated its 25<sup>th</sup> Anniversary during the week of September 26, 2022, under the theme "Growing Friendly with TIP." The activities included:
  - A church service held in Mandeville
  - The appearance by the CEO, Mr. Wilton South, on Smile Jamaica
  - Tree planting island-wide
  - A financial literacy webinar
  - Scholarship Awards and Prize Giving Ceremony
  - Meet and greet with volunteers
  - Extensive media coverage [television, radio, newspaper]
- The head office was named after the first Board President, Mr. Ray Howell, the Montego Bay property after the first Treasurer, Mr. Sherlock Allen, and the Mandeville property after the first Secretary, Ms. Sylvia Spence, with family and close friends invited to the unveiling ceremonies.
- ❖ Assets moved from \$5 billion in 2021 to over \$6 billion in 2022. This was due to effective management and utilisation of resources to create wealth for members.
- ❖ The apartment building at 18 Balmoral Avenue, Mona, Kingston 6 was completed, with five out of the six apartments already rented, providing an additional income stream.
- ❖ Interest rates on most loan products increased in October 2022 to ensure a reasonable return on investments.
- ❖ Interest on loans against members' savings was lowered.
- ❖ Strategic financial manoeuvres were made throughout the year to control expenses.
- ❖ Loans increased from just over \$3.4 billion to over \$3.9 billion.
- ❖ Delinquency ended the year below the international standard of 5%. The Chairman thanked the members for their efforts in paying their loans on time and made an appeal for assistance in locating non-paying members.
- ❖ TIP Friendly Society, being an active member of the International Co-operatives Alliance, assesses its compliance with the international standards to include the PEARLS ratios, monthly.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

- ❖ Members were assured that their savings were placed in secure financial instruments such as in blue chip institutions, and Government backed financial papers.
- ❖ The major insurance products were reinsured for greater protection.
- ❖ Liquid assets continued to be kept in a form that can be easily converted to cash and the best market rates were secured.
- ❖ Adherence to strict Corporate Governance and risk management was maintained.
- ❖ There was continuous training of volunteers and staff in the areas of Enterprise Risk Management, Anti-Money Laundering, and the Proceeds of Crime Act (POCA).
- ❖ Plans were afoot to conduct Corporate Governance training for all volunteers and members of the Management team in 2023.
- ❖ Going forward, volunteers and the management staff were now required to submit annual Fit and Proper documentation to the Department of Co-operatives and Friendly Societies.
- ❖ Complementing the branches located in Kingston, Montego Bay, Mandeville and Ocho Rios are the roving Development Officers and the mobile pop-up services in various parishes to service the members' needs.
- ❖ The website was now up and running and members could now conduct their business online with the introduction of online banking services. In addition to this, TIP was now on all the major social media platforms.

- ❖ Members were reminded that TIP's core business was that of providing annuity and insurance for members' income protection during times of disability and trauma, in addition to financial services such as savings and loans and were urged to upgrade their current plans to align with the tight fiscal space. The major insurance products were reinsured for greater protection.
- ❖ Over \$179 Million was paid out to settle claims compared to \$126 Million the previous year.
- ❖ The forty-three members who passed away during the year were again recognized.
- ❖ In carrying out its corporate social responsibility, TIP donated over \$5.4 Million to members and various educational institutions to include the following:

Educational institutions	\$2.4 million
Clubs and charities	\$600,000
Colleges	\$670,000+
Churches	\$106, 000
Donations to members	\$783,000
Mico University College	\$151,000
JTA	\$558,000

- ❖ Scholarships named in honour of: Judith Thompson, Livingston Allen, Wayne Mullings and Sylvia Spence, (individuals who had served the organisation with distinction), were awarded to teachers pursuing undergraduate and postgraduate studies in local universities, as well as to PEP top-performing students in each parish through the PEP Scholarship program. Support continued to be extended to top-performing PEP scholars for two years of high school education.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

A one-off scholarship termed "President's Scholarship" valued at \$250,000 was offered in September during the 25<sup>th</sup> Anniversary celebration.

- ❖ In emphasising the importance of saving money for the future, members were urged to take advantage of the organisation's products, to include the 'Lock and Key' product. Liquid assets continued to be kept in a form that can be easily converted to cash and the best market rates were secured.
- ❖ The Committee of Management held eight meetings during the administrative year instead of the usual 12 due to the Covid pandemic. It was noted that the attendance register was available for review.
- ❖ Members were invited to read the report of the delegates who attended the Co-operative Alliance AGM which TIP Friendly Society was an affiliate of and to view the photographs provided. Plans were afoot to conduct Corporate Governance training for all volunteers and members of the Management team in 2023.

The President, in closing, praised TIP Friendly Society as a beacon of growth and stability with over 25 years of existence which focuses on its fiduciary responsibility and was the largest friendly society in the English-speaking Caribbean. He extended thanks to the volunteers, members and staff on behalf of the Management Committee.

**There being no questions, the Committee of Management Report was accepted on a motion moved by Ms. Michelle Barnes (St. Catherine) seconded by Ms. Diana Campbell (St. Ann)**

### 1.11b TREASURER'S AND AUDITOR'S REPORTS

#### *President Anderson shared the following:*

The Treasurer, Mr. Clayton Hall, invited Mr. Strachan from the Auditing Firm, Baker Tilly, to present the Auditor's Report

The Auditor, Mr. Strachan, read the Auditor's Report.

The Treasurer then highlighted the following:

- ❖ The meeting's attention was drawn to the first table on the slide outlining the economic data to include the exchange rate, inflation rate, Treasury Bill 90/180-day rates, and the unemployment rates from 2018 to 2022, noting that unemployment was at its lowest in a very long time.
- ❖ Net income generated for the year was \$704 million, Expenses \$563 million, resulting in a surplus of \$141.23 million.
- ❖ A breakdown of the total expenditure showed that 46% went towards employee costs to include salaries, commissions, employer taxes, training and other welfare benefits.
- ❖ Financial expenditure moved from \$29 million in 2021 to \$86 million, due in part to the purchase of a development property. It was pointed out that investment properties had significantly increased over the last three years.
- ❖ There was a significant increase in advertising and promotion expenses of 156% which was attributed to the 25<sup>th</sup> Anniversary celebrations, and which expenditure should not recur until the 50<sup>th</sup> Anniversary.
- ❖ Members' loans increased by 16% for the period under review.
- ❖ Efforts were being made to improve the performance of the savings products to attract more members.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

- ❖ Interest paid to members increased by 29% which the Treasurer noted was significant as the overall revenue declined due to property acquisitions which would reap dividend in the future, while operational surplus decreased.
- ❖ In consultation with the Department of Co-operatives and Friendly Societies, statutory reserve moved from 20% to 27.5%, to bolster the liquidity position of the organisation.
- ❖ Members were reminded that the allowable limit for permanent shares moved from \$2,000 to a maximum of \$100,000 and were encouraged to take advantage of this offer as the interest rate was very attractive.
- ❖ Net loans to total assets was at 64% while the standard was 70-80%. TIP met and exceeded most of the PEARLS M ratios.
- ❖ “Unidentified lodgements” continued to be an issue and members were reminded to email their receipts to [accounts@tipfriendly.com](mailto:accounts@tipfriendly.com) whenever they make a deposit through the various bill payment agencies.
- ❖ The real estate subsidiary promised last year did not materialize which was attributed to delinquency. It was noted, however, that the legal hurdles had since been overcome and it was now approved and the registration process had commenced. At the end of this process, TIP Friendly Society would be the first teacher-owned real estate subsidiary in the island.

- ❖ Work was in progress to launch a digital currency loan and hope was expressed that next year TIP would launch Jamaica’s first digital currency loan.

Treasurer Hall extended thanks to all stakeholders who played a part in the success of 2022, inclusive of the External Auditors; the Department of Co-operative and Friendly Societies; the investment houses; the Chief Executive Officer and his team. He extended special thanks to the Financial Controller whose team continued 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 reports.

Questions or comments were thereafter invited.

### 1.11b(i) Questions/Comments

A member enquired as to the interest rate for the ‘Lock and Key’ product and was directed to page 50 where detailed information re interest rates could be found.

**There being no further questions or queries, the Treasurer’s and Auditor’s Reports were accepted on a motion moved by Mrs. Sheryl Bennett McIntosh (Eltham High School) and seconded by Mrs. Julie Wynter Robinson (Bethlehem Moravian College).**

The Chairman challenged members to call them if interest rates were found anywhere else that outperformed those of the entity.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

### 1.11c CREDIT COMMITTEE REPORT

The report covering the period May 2022 to 2023 was presented by Mr. Winston Smith, Chairman of the Committee.

The Committee members were introduced and Mrs. Sharon Carey, the former Credit Manager was acknowledged. The Committee thanked the Credit Department for their assistance during the year as well as the member service representatives and the Marketing Department team.

Mr. Smith then highlighted the following:

- ❖ The Committee carried out its functions in accordance with the Regulations.
  - ❖ The meeting was directed to the Attendance Record which indicated an almost 100% attendance. It was noted that absences were due to COVID-19 pandemic or the illness of a member.
  - ❖ The core functions of the Committee were to evaluate, assess and approve loans with the overarching goal of ensuring that no member was left behind during times of financial difficulty.
  - ❖ The Committee was tasked with the following responsibilities:
    - Reviewing and signing off on all loans granted between meetings
    - Make contact with delinquent members and offering essential advice.
    - Advocating on behalf of members for proper remuneration including any retroactive payments to stem delinquency.
- ❖ The Credit Committee met twice per month. During the period 2,169 loan files were reviewed.

Mr. Smith advised the members that should they make a loan application that was not approved, they should write a special request, which would be forwarded to the Credit Committee who would in turn evaluate their circumstances and thereafter make a recommendation. If the request was outside of their remit of the committee, it would be escalated to the Board for a decision as it is never the aim to leave any member behind.
  - ❖ Members were urged to take advantage of two significant loan options, TIP Mortgage Loan and TIP Home Equity Loan in the purchase or refurbishing of their homes.
  - ❖ All members of the Committee participated in a virtual training session on the Proceeds of Crime Act (POCA), which focused on financial laws and regulations.
  - ❖ The Committee for the first time presented and prepared a stellar report to the Committee of Management Retreat.
  - ❖ In closing, Mr. Smith extended thanks to the Credit Department to include the Member Service Representatives on the floor as well as the Marketing Department. Special thank was extended to Miss Daneal Reid and John 'Moses' Emery (members of staff) for their support to the Credit Committee during the period. He also thanked the members for choosing TIP Friendly Society as their preferred institution over the various lending agencies and institutions.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

### 1.11c(i) Questions/Comments

In addressing a member's concern as to the complexity of the process of accessing a mortgage loan, the Chairman explained that the processes involved were not unique to TIP Friendly Society but were regular procedures followed by other institutions. The Committee through Mr. Smith acknowledged the concern and expressed a willingness to explore simplifying the process, if it could be done, while still complying with regulatory requirements.

**There being no further questions, the Credit Committee Report was accepted on a motion moved by Mr. Rushane Morgan (Mandeville Primary School) and seconded by Ms. Tanesha Robertson (Portland)**

### 1.11d SUPERVISORY COMMITTEE REPORT

Mr. Philmore McCarthy, Chairman of the Supervisory Committee was invited to take the meeting through the report. He introduced and acknowledged the members of the Committee.

He highlighted the following:

- ❖ It was noted that the roles and responsibilities of the Supervisory Committee as outlined at page 130 of the booklet were in keeping with the Friendly Societies Act.
- ❖ The Committee carried out the following activities during the period under review:
  - Member training
  - Investigations of loan portfolio breaches
  - Visits to the head and branch offices
  - Review of the organisation's human relations process
  - Creation of an audit plan
  - Careful examination of the internal financial accounting system
  - Monthly meetings, and
  - Submission of reports to the Board of Management.
- ❖ All members participated in POCA training as well as engagement in governance-related activities.
- ❖ Interviews and examination of files were carried out randomly and the findings revealed some procedural errors which were addressed by the Board of Management and appropriate policies had since been adopted to minimize or eliminate reoccurrences.
- ❖ The attendance record showed a 90% attendance at meetings.
- ❖ Focus was placed on financial operations to include audited reports, management projections, and adherence to the strategic plan. The Committee also reviewed the results of the Customer Satisfaction Survey.
- ❖ The marketing portfolio was also examined to ensure the execution of planned activities, especially for the 25<sup>th</sup> Anniversary celebrations. The Committee expressed delight at the promotion of the TIP brand and the heightened awareness during the celebration.
- ❖ Upgrades were made to the ICT system to improve the online application and enhance digitalisation for greater efficiency, among other things. Further assessments to address connectivity issues were recommended as well as the need to explore the possibility of investing in a satellite backup facility to ensure minimal challenges with internet access at branch offices during online transactions.
- ❖ Branch visits were carried out during the period and the following concerns were noted:
  - The Committee expressed concern about security at the Mandeville branch due to the multiple entrances,

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

and recommended that the entrance behind the security guard be kept locked for better control. Management had since responded positively to the recommendation.

- o In relation to the Ocho Rios branch, concerns were expressed as it related to the privacy and confidentiality of members' information and the associated risks with the filing system and steps were being taken to address these issues.
- o Montego Bay was noted as having a smooth operation, though some minor concerns were noted.
- ❖ Management was commended for the focus placed on investment in real estate and the recent completion of the apartments located in Mona. He stated that the establishment of a commercial real estate entity within the Society would bring long-term benefits to members.
- ❖ He expressed gratitude to the Registrar, Mr. Gallimore, and his team for their guidance, which he assured, were useful in carrying out their duties.

In closing, Mr. McCarthy thanked the Department of Co-operatives and Friendly Societies for their guidance, the management team, the staff, and Board of Management for their support.

**There being no questions, the Supervisory Committee Report was accepted on a motion moved by Mrs. Jacqueline Hendricks White (St. Thomas) and seconded by Ms. Simone Pratt (Westmoreland).**

### 1.11e MANAGEMENT REPORT

***President Anderson shared the following:***

The report was presented by the CEO, Mr. Wilton South.

He expressed gratitude to the members of TIP Friendly Society, the Board, and the hardworking staff during the period of the pandemic.

- ❖ The Society ended the year with an asset base of \$6.072 Billion compared to \$3.29 billion in 2029.
- ❖ TIP Friendly Society currently operates from four locations, Kingston, Mandeville, Montego Bay, and Ocho Rios.

A Westmoreland member stated that TIP needed to establish a branch down there. The CEO stated that if enough business was generated there he would nudge the Board to establish a branch but he reminded the members of the various channels available for accessing the Society's products to include the business development officers, mobile and pop-up offices, and online banking.

- ❖ In 2022, 9 workers resigned and so far in 2023 there has been 7 resignations.
- ❖ Of the staff complement comprising 77 employees, 58 members were employed to the Kingston branch, seven to Mandeville, six to Montego Bay, and six to Ocho Rios.
- ❖ In November 2022, a job evaluation/reclassification exercise was carried out resulting in the first-ever implementation of salary scales, allowing for orderly compensation of staff. Changes were made to the organisational chart that saw a flattening of the structure of the chart and one senior position was taken out at the managerial level. The Processing Unit was incorporated in the Financial Department and that entity was named 'Member Accounts'.



## Minutes of the 21<sup>th</sup> Annual General meeting Continued

Following is the Executive Management Group as of October 1, 2022:

- o Ms Judith Wilson - Branch Operations Manager.
- o Mr. Carlington Montgomery – Chief Financial Officer
- o Roger Watson - Chief Information Technology Officer
- o Mrs. Sharon Carey - HR Operations Manager
- o Mrs. Judy Miller-Smith - Marketing, Communication and Insurance Manager.

New staff members were employed to replace those persons who left the organization.

- ❖ At the Strategic Planning Retreat held in Westmoreland in December 2022, the strategic goals as listed in the booklet were adopted by the Committee of Management with an implementation date of December 31, 2023.
- ❖ As of December 31, 2022, the loan portfolio stood at approximately \$3.9 billion, while surplus stood at approximately \$141 million.
- ❖ The delinquency rate for the year under review was 4.12%
- ❖ The CEO commended the Marketing, Communication and Insurance Department under the leadership of Mrs. Judy Miller-Smith and ably assisted by the Insurance Supervisor Mrs. Patricia Williams-Coore and the dedicated team of specialists for the continued promotion of the TIP brand in the education sector.
- ❖ The Society continued to carry out its corporate social responsibility through donations and sponsoring of fundraising activities to educational institutions, charities and churches. Of the \$6 Million approved for donations, \$5.4 Million was distributed.

- ❖ Going forward, amidst the challenges envisaged for the coming year and beyond, exceeding the needs of members, growing the value of TIP Friendly Society, and increasing the use of social media as well as traditional media to enhance communication were among the primary goals of the organization backed by the skilful use of cutting-edge technology as the driver. The CEO noted that TIP had built over the years an enviable record of good customer service which they intended to move the bar even further to be ahead in satisfying members' needs.

- ❖ TIP was in the process of establishing a new company to manage the real estate and investment businesses. This entity would enable TIP to leverage its insurance knowledge and experience by entering the general insurance market offering brokerage service to its members.

- ❖ Work have been completed on the Cookson Pen project in Portmore, the apartment complex in Mona, and the renovation of the head office, providing significant revenues to the Society to complement its existing income streams.

- ❖ Condolences were extended to the families and friends of the members who passed away in 2022

In conclusion, the CEO thanked the members for their continued patronage of the TIP Friendly Society, and the dedicated and hardworking volunteers and staff for putting TIP Friendly Society first.

### **1.11e(i) Questions/Comments/Concerns**

Mr. Eaton McNamee bemoaned the high level of resignation/rate of attrition and stated that its occurrence would ultimately pose challenges in getting things done.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

The Chairman noted that the reasons for the resignations as captured in exit interviews ranged from finding better opportunities or migration and emphasised that TIP cannot hold people back if they wish to leave. He further stated that he looked at these departures as an opportunity for new individuals to bring fresh energy and vitality to the organisation.

In answer to a question as to whether any of the resigning employees were delinquent, the CEO explained that once an employee leaves the Society, their special loans rates are converted to regular loan rates, and while most ex-staff members continued to pay their loans, there were a few who were not, and the Society was actively pursuing them through different means.

Ms. Stewart queried whether members were privy to the new salary scales whereupon she was informed that the salary scale was not a secret and could be shown to members upon request.

Asked if consideration was being given to publishing the names of delinquent members in the Gleaner, the Chairman stated that it had been done in the past in addition to the social media platform such as Facebook, and assured the members that all the different avenues would be explored to ensure that delinquent members are found.

Mr. McNamee stated that members ought to benefit from the high surplus, and that in the past, he had advocated for more of the surplus to be distributed among members. The Chairman advised him to await the Appropriation of Surplus where he would learn how much would be distributed to the members.

### 1.11f FIXING OF MAXIMUM LIABILITY

The Treasurer, Mr. Hall, proposed that the maximum liability be set at \$60 billion, being 10 times the asset base.

He gave a brief explanation of what this meant after a request for same by a member.

**This was approved on a motion moved by the Treasurer, Mr. Hall, and seconded by Devony Chambers, (Greater Portmore High School) The motion carried unanimously.**

### 1.11g APPROPRIATION OF SURPLUS

The Board of Management proposed a dividend of 4% on voluntary shares and 10% on permanent shares and that donations be increased from \$6 million to \$7 million. Social Outreach (Donations) \$ 6,000,000.

#### 1.11g(i) Questions/Comments/Concerns

Mr. McNamee stated that he was proposing that a 10% dividend on voluntary shares and 4% dividend on permanent shares be considered. The Chairman asked that prudence be exercised as last year a dividend of 3% was declared on voluntary shares and 5% on permanent shares and pointed out that this suggestion could lead to a liability at the end of the day. The current proposal, he noted, was well ahead of the market with the payout being \$120 million for the 4% and \$60 million for the 10%, and that the aim of the distribution was to encourage more people to invest in permanent shares, as it would benefit the organisation in the long term.

Asked by Ms. Mitzie Pearce as to what the individual payout would be for each member, Mr. Hall explained that the amount each member receive would depend on their balance. He however stated that for every \$100 a member has in voluntary shares, they would receive \$4, and for every \$100 in permanent shares they would receive \$10.

**This was thereafter approved on a motion moved by Mr. Clayton Hall, Treasurer, and seconded by Ms. Audrey Blake, (Porus High School).**

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

### 1.1h NOMINATING COMMITTEE REPORT AND ELECTIONS

Chairman of the Nominating Committee, Mr. Howard Isaacs, was invited to present his report.

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

Mr. Isaacs posited that the Committee held one meeting where they selected the nominees for the Board of Management and Committees after taking into consideration criteria such as relevant skills, knowledge of financial matters, willingness to serve and being fit and proper. He pointed out that the nominees stated below represented the various sectors in education, including tertiary, secondary, primary, and early childhood.

#### 1.9h(i) Committee of Management

RETIRING	RECOMMENDED	TERM
Ms. Tamashella Smith (St. Andrew) Principal, Mount Fletcher Primary	Ms. Tamashella Smith	3 years
Mr. Gregory King (St. Elizabeth) Education Officer	Mr. Gregory King	3 years
Ms. Nadienne Crossman (Hanover) Principal, Mt. Peto Primary	Ms. Nadienne Crossman	3 years
Mr. Norman Allen (Westmoreland) Regional Officer, JTA-West	Mr. Norman Allen	3 years
Mrs. Cecelia Grant-Francis (Manchester) Retired Principal, Porus Primary	Ms. Kaydian Scott, Teacher, Christiana Moravian Primary	3 years

The Youth Representative, Ms. Jodi-Ann Evans, Teacher, Jessie Ripoll Primary School, was recommended to serve for another year.

#### 1.11h(ii) Credit Committee

RETIRING	RECOMMENDED	TERM
Ms. Erica Eubanks Principal, Garvey Maceo High School	Ms. Erica Eubanks	2 years
Ms. Kaydian Scott Teacher, Christiana Moravian Primary School	Ms. Cecelia Grant Francis Retired Principal, Porus Primary	-

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

### 1.11h(ii) Supervisory Committee

Mr. Isaacs noted that all members of this Committee retire annually.

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

#### 1.11i Election:

The Registrar's representative, Ms. Scott was asked to conduct the elections.

She laid out the ground rules that would govern the elections and opened the floor for nominations for the Committee of Management.

She then asked for nominations from the floor three times.

A question was raised by Mr. McNamee as to the requirements for nominated individuals to be present, where he was informed that this applied to nominations from the floor and not the recommended candidates as the nominees would have already expressed their interest to serve.

There being no nominations from the floor, the persons recommended to serve were duly elected to serve on the Board of Management for a term of three years.

#### 1.11i(i) Credit Committee

Nominations sought from the floor resulted in the following persons expressing their willingness to serve:

**Mr. Eaton McNamee** – nominated by Mrs. Violet Thomas-Thompson (Clarendon) seconded by Mr. Howard Salmon.

**Ms. Devony Chambers** – nominated by Ms. Michelle Barnes (Braeton Primary) seconded by Mr. Orville Hibbert (Greater Portmore High School)

She then declared nominations closed after the third call.

#### 1.11i(ii) Supervisory Committee

Nominations, having been asked from the floor, resulted in the following nominees who all expressed their willingness to serve:

**Dr. Janet Williams** – nominated by Ms. Natalee Robinson (Shortwood Teachers College) seconded by Mr. Antonio Daley, (Portmore Community College)

**Mr. Douglas Grant** – nominated by Mrs. Joseth Smith Atkinson (Iris Gelly Primary School) seconded by Ms. Sherene Marshall (Mountain View Primary)

**Mr. Rushane Morgan** – nominated by Mrs. Simone Green Johnson (Zion Hill Primary) seconded by Audrey Blake (Porus High School)

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

**Ms. Veta Davis** (Spanish Town Primary) nominated Mrs. Julie Winter-Robinson, who accepted. The seconder was Ms. Francine Barrett from Spanish Town Primary.

Nominations were declared closed on the final call and nominees for both Committees were asked to come to the front and give brief profiles of themselves.

Ms. Scott advised that voting would be done by ballots for those present and the raised hand feature would be used for voting online and explained the procedure. The names of all the nominees to both committees were projected on screen.

Ballots were thereafter handed out to members present and direction given as to the voting. She noted that they would return with the result after the counting of the ballots and handed back the meeting to the Chairman.

The Chairman then invited the GM to announce the winning branch of a recently concluded competition for the most productive branch.

The GM, Mr. South, stated that for the first time all four branches of TIP Friendly Society had a competition with a set of criteria to measure each branch's productivity with the winning branch receiving a trophy as well as \$20,000 spending money. He revealed that Montego Bay was the winning branch and invited the team members of that branch to come on stage and receive their prize.

It was also announced that a competition was established for the contact teachers that would award monthly prizes to those who settle 10 new cases monthly and five savings products and quarterly, the winners would be entered into the grand prize draw for a weekend for two at an all-inclusive resort, and the overall winner would be selected on September 29, 2023. The competition commenced June 1, 2023.

**A motion was moved for the suspension of the Standing Orders to break for lunch by Ms. Audrey Blake and seconded by Ms. Simone Pratt from Westmoreland.**

### 1.12 Luncheon break

### 1.13 On resumption

The Standing Order was resumed on a motion moved by Ms. Nikeisha Griffiths, and seconded by Mrs. Joycelyn Gordon-Brown

The Chairman announced that the ballots were still being counted and took the meeting through the next agenda item, Any Other Business.

### 1.14 Any other business

An impassioned plea was made for all past contact teachers to be recognised especially during the 25<sup>th</sup> Anniversary celebrations, a sentiment echoed by majority of the members. The Chairman assured the meeting that efforts were being made to increase the robustness of communication between that group and TIP and asked contact teachers present, who TIP had not yet reached out to, to talk to a team member to have their name placed on the listing.

A member queried as to why tokens are not given out by TIP to all teachers on Teachers' Day as done by the JTA sparking a lengthy discussion on the issue of tokens as members felt that not only teachers receive tokens but the entire membership. Mr. Hall stated that it was financially impossible to give each member a token but noted that they do collaborate with JTA on Teachers' Day in the giving out of tokens. He further stated that taking on the responsibility of providing tokens to members would significantly impact the declaration of dividends, as the associated costs would consume the entire dividend amount.

## Minutes of the 21<sup>th</sup> Annual General meeting Continued

The Chairman explained that the JTA had approached them, and the Board took the decision to sponsor or partially sponsor the tokens due to the inability of TIP to reach all its members on Teachers' Day. A member reminded the meeting that TIP caters to other members outside of teachers and that they are joining with the JTA to give out tokens on Teachers' Day was a smack of plantocracy as only a select few reap certain benefits. The Chair acknowledged the existence of non-JTA members and expressed sincere apology for any misunderstanding as collaborating with JTA was only to reach a larger number of members than before. He however gave the commitment that the issue would be assessed.

At this juncture, Mr. Tajay Bailey was invited to present the results of the election.

In relation to the Credit Committee, he noted that there were two vacancies and four nominees and outlined the votes allotted to each nominee.

Nominees	Votes
Devony Chambers	55
Cecelia Grant-Francis	91
Erica Eubanks	97
Eaton McNamee	110

He then declared Eaton McNamee and Erica Eubanks duly elected for a term of two years to the Credit Committee.

He outlined the following votes allotted to each nominee to the Supervisory Committee noting that there were five vacancies and nine nominees:

Nominees	Votes
Julie Winter Robertson	23
Douglas Grant	58
Janet Williams	64
Rushane Morgan	69
Colin Spence	112
Camille Davis-Williams	117
Lou-Ann Bramwell Shakes	108
Philmore McCarthy	121
Leaon Nash	130

He then declared Mrs. Camille Davis Williams, Mr. Philmore McCarthy, Mr. Colin Spence, Mrs. Lou-Ann Bramwell Shakes and Mr. Leaon Nash duly elected to serve for a term of one year on the Supervisory Committee.

These nominations to the Board of Management, Credit and Supervisory Committees were accepted on a motion moved by Ms. Diana Campbell (Ferncourt High) and seconded by Ms. Nickeisha Griffiths (Portmore Primary and Infant School)

In conclusion, the Chairman thanked all the attendees to include the Registrar's reps, the management team, former Board members, and everyone who contributed to the success of the meeting.

He expressed TIP's commitment to serving its members and encouraged them to provide ideas for the Society's growth and improvement.

He expressed confidence in TIP's ability to navigate the financial challenges that lie ahead.

### 1.15 Termination

There being no other matter for discussion, the meeting was terminated at 4:02 p.m.

## AMENDMENT TO TIP FRIENDLY SOCIETY'S RULES

WHEREAS Section 11 of the Friendly Societies Act provides for the amendment of the Rules;

WHEREAS Article 42 allows for amendments of the Rules of TIP Friendly Society

WHEREAS Article 8, Sections I, II, III and IV are being proposed for amendments in the Rules of TIP Friendly Society.

### Rule Change – Membership (Existing)

#### 1.9 ARTICLE 8: MEMBERSHIP

##### Section I

The membership of the Society shall be open to all employed persons in the field of education and Student Teachers in registered Teacher Training Institutions in Jamaica, provided that members who have retired from full time employment may continue to hold their membership, subject to the Board of Directors' approval. All persons admitted as members shall be of good character, good health and are in agreement with the aims and objects of the Society.

Members between the ages 18 and 35 will be designated youth members with all the benefits and obligations as under this Article.

- a) Minors and dependents in regular attendance at school up to age 23 may benefit from membership through their parents or guardians.
- b) The Society may invite as honorary members, persons who have contributed to the advancement of the Society. Honorary members are not required to pay dues and are privileged to sit at Committee of Management Meetings as ex officio members but shall not have voting rights.
- c) Members who retire from their jobs, and are in good health and standing at retirement, may continue to hold membership up to the stipulated age of 70 years.

##### Section II

Applicants for membership shall state age, sex, occupation, residence, name of employer and state of health.

##### Section III

Every member of the Society shall be subject to the following Rules and have an equal voice in all the affairs of the Society and in the administration of all the properties thereof.

- a) Every applicant for membership shall submit his application in the manner on the form prescribed by the Society, accompanied by an entrance fee of One Hundred Dollars (\$100.00).  
  
The application must be signed by the applicant and be proposed and seconded by members of the Society in good financial standing.
- b) Members shall not propose for membership individuals who they know to be of questionable character and are not favourably disposed to the tenets of the Society.
- c) All applications for membership shall be submitted to the Society for approval by the Committee of Management.
- d) Each new member shall be required to subscribe to shares in accordance with Section I of Article 4.

## Amendment To Tip Friendly Society's Rules Continued

- e) A member of the Society shall not be entitled to receive benefits for himself or his dependents, unless a declaration was made by such member, within six (6) months of becoming a member of the Society that he and his dependents are in good health.
- f) A member who is absent for three (3) consecutive general meetings without being ill or being away from the island and not sending a written reasonable excuse that is liable to fines or forfeitures as determined by the Committee of Management.
- g) The Society shall exercise its powers to enforce discipline or expulsion of its members in cases where it can be proven that any member use obscene language in public or is guilty of misconduct or any act determined by the Committee of Management to be inimical to the interest of the Society or is convicted in a Court of Law for any offence prejudicial to the interest of the Society. During a period of suspension a member shall forfeit his rights to membership.
- h) A member shall be entitled to be fully informed of any charges against him in writing with the opportunity to be heard in his own defence before he is lawfully suspended or deprived of membership (see Regulation 21). Provided that members may reserve the right to appeal to the Registrar for a final decision.
- i) A member shall advise the Society in writing at its Registered Office of any change of his or her address. This shall be done within thirty (30) days of the change.
- j) All communications shall be sent or be delivered at the last address recorded in the Society's Register of Members and in the failure of any members to notify the Secretary of any change of his address, he shall be deemed to have received the communication when sent to the last address recorded in the Register of Members.
- k) Under no condition whatsoever shall a member of the Committee responsible for investigating applicants be a proposer or seconder of any application.
- l) Every prospective member must be employed and in good health, financially stable and of sound character.
- m) All rejected applicants shall be refunded their shares and contributions, provided that entrance fees shall be non-refundable.
- n) Any member who fraudulently procure or assist in fraudulently procuring such certificate proposing to be from a Medical Practitioner with a view of deceiving the Society shall be expelled from the said Society.
- o) No member may resign while being indebted to the Society. A member who transfers his Permanent Shares leaving a balance of less than two thousand (2,000) shares ceases to be a member.
- p) Withdrawn or expelled members shall have no further rights in the Society but are not by such withdrawals or expulsions released from any liability of the Society existing at the date such withdrawal or expulsion. Such liability shall continue for a period of two (2) years from the date of withdrawal or expulsion.



A person shall not, by reason of his enrolment or service as a member of any police, military, naval or air force, lose or forfeit any interest in the Society which he possesses at the time of his being so enrolled, or to be fined or otherwise penalised for absence from or non-attendance at any meeting of the Society; if his absence or non-attendance is occasioned by the discharge of his police, military, naval or air force duty as certified by his Commanding Officer, any Rules of the Society to the contrary notwithstanding.

#### Section IV

A person ceases to be a member:

- i. On death.
- ii. On ceasing to hold Two Thousand (2,000) Permanent Shares.
- iii. On being found to be of unsound mind.
- iv. On expulsion from the Society.
- v. On resignation.

### Rule Change – Membership (New)

#### 1.10 ARTICLE 8: MEMBERSHIP

##### Section I

Guided by section 2 of the friendly Society's Act

The membership of the Society shall be open to:

- all employed persons in the field of education in Jamaica
- student-teachers in registered Teacher Training Institutions in Jamaica
- members who have retired from full time employment in Jamaica. These individuals may continue to hold their membership, subject to the Board of Directors' approval.
- members who have resigned from full time employment in Jamaica and continue to serve in the field of education overseas. They may continue to hold their membership, subject to the Board of Directors' approval.

All eligible persons admitted as members shall be of good character, good health and are in agreement with the aims and objects of the Society.

Members between the ages 18 and 35 will be designated youth members with all the benefits and obligations as under this Article.

- a) Minors and dependents in regular attendance at school up to age 23 may benefit from membership through their parents or guardians.
- b) The Society may invite as honorary members, persons who have contributed to the advancement of the Society. Honorary members are not required to pay dues and are privileged to sit at Committee of Management Meetings as ex officio members but shall not have voting rights.
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##### Section II

Applicants for membership shall state age, sex, occupation, residence, name of employer and state of health.

## Amendment To Tip Friendly Society's Rules Continued

### Section III

Every member of the Society shall be subject to the following Rules and have an equal voice in all the affairs of the Society and in the administration of all the properties thereof.

- a) Every applicant for membership shall submit his application in the manner on the form prescribed by the Society, accompanied by an entrance fee of One Hundred Dollars (\$100.00).

The application must be signed by the applicant and be proposed and seconded by members of the Society in good financial standing.

- b) Members shall not propose for membership individuals who they know to be of questionable character and are not favourably disposed to the tenets of the Society.
- c) All applications for membership shall be submitted to the Society for approval by the Committee of Management.
- d) Each new member shall be required to subscribe to shares in accordance with Section I of Article 4.
- e) A member of the Society shall not be entitled to receive benefits for himself or his dependents, unless a declaration was made by such member, within six (6) months of becoming a member of the Society that he and his dependents are in good health.
- f) A member who is absent for three (3) consecutive general meetings without being ill or being away from the island and not sending a written reasonable excuse that is liable to

finer or forfeitures as determined by the Committee of Management.

- g) The Society shall exercise its powers to enforce discipline or expulsion of its members in cases where it can be proven that any member use obscene language in public or is guilty of misconduct or any act determined by the Committee of Management to be inimical to the interest of the Society or is convicted in a Court of Law for any offence prejudicial to the interest of the Society. During a period of suspension a member shall forfeit his rights to membership.
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## Amendment To Tip Friendly Society's Rules Continued

- k) Under no condition whatsoever shall a member of the Committee responsible for investigating applicants be a proposer or seconder of any application.
- l) Every prospective member must be employed and in good health, financially stable and of sound character.
- m) All rejected applicants shall be refunded their shares and contributions, provided that entrance fees shall be non-refundable.
- n) Any member who fraudulently procure or assist in fraudulently procuring such certificate proposing to be from a Medical Practitioner with a view of deceiving the Society shall be expelled from the said Society.
- o) No member may resign while being indebted to the Society. A member who transfers his Permanent Shares leaving a balance of less than two thousand (2,000) shares ceases to be a member.
- p) Withdrawn or expelled members shall have no further rights in the Society but are not by such withdrawals or expulsions released from any liability of the Society existing at the date such withdrawal or expulsion. Such liability shall continue for a period of two (2) years from the date of withdrawal or expulsion.

A person shall not, by reason of his enrolment or service as a member of any police, military, naval or air force, lose or forfeit any interest in the Society which he possesses at the time of his being so enrolled, or to be fined or otherwise penalised for absence from or non-attendance at any meeting of the Society; if his absence or non-attendance is occasioned by the discharge of his police, military, naval or air force duty as certified by his Commanding Officer, any Rules of the Society to the contrary notwithstanding.

### Section IV

A person ceases to be a member:

- i. On death.
- ii. On ceasing to hold Two Thousand (2,000) Permanent Shares.
- iii. On being found to be of unsound mind.
- iv. On expulsion from the Society.
- v. On resignation.

Date of Approval by the Board

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**TIP** Friendly Society

# SCHOOL & COLLEGE PLANS

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## TIP SCHOOL PLAN

- Premium as low as \$325
- Life Insurance
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CONTACT your TIP Business Development Officers:

Kgn., St. Andrew – Cadiann 876-281-0245 St. Mary, St. Ann, Portland – Richard 876-281-0258  
 St. James, Hanover, West. – Kajha 876-550-6748 St. Elizabeth, Manchester, & Parts of Trelawny –  
 Marquez 876-550-6747 St. Catherine & St. Thomas – Sheldon 876-278-6214  
 Clarendon, Parts of Manchester & Parts of Trelawny – Leon 876-364-7331  
 Visit our Website at <http://www.tipfriendly.com> or Email us at [tipstudentplan@tipfriendly.com](mailto:tipstudentplan@tipfriendly.com)

## COMMITTEE OF MANAGEMENT REPORT

For the year ended December 31, 2023

In 2023, the Jamaican economy fully recovered from the COVID-19 Corona Virus, and this was the case for most, if not all, countries across the globe. Prices across the world stabilized as we became accustomed to the Russia/Ukraine war. During the latter part of the year there were jitters surrounding an increase in oil prices because of the Hamas/Israel war in the middle east. Thankfully, the expected price increases were temporary.

Jamaica's inflation for 2023 was 6.47%, just marginally outside of the Bank of Jamaica's (BoJ's) projected rate of 4-6%. The All-Jamaica CPI point-to-point inflation for the period December 2022 to December 2023 was 6.9 per cent. This was 0.6 percentage points higher than the 6.3 per cent for the period ending November 2023.

The BoJ employed monetary policy strategies to combat inflation. For most of the year under review the policy interest rate on overnight placements with Bank of Jamaica stood at 7.0 per cent, which the BoJ has maintained up to May 2024. The Central Bank Governor lamented that commercial banks were not moving interest rates upwards fast enough, however, he continued to use moral suasion to get them to do. During 2023 the average exchange rate of the Jamaican Dollar to the US Dollar was J\$154 to US\$1.00.

The Jamaican stock market continued its downward trend during 2023. This was

due in part to high savings rates in the market. The stock market tends to move in the opposite direction to savings rates.

All the foregoing had some impact on TIP Friendly Society. We purchase technology services in US\$, we invest and borrow in local currency, and we invest in variable securities. Being prudent managers of your funds, we adjusted our financial assets to keep the organisation on a viable path.

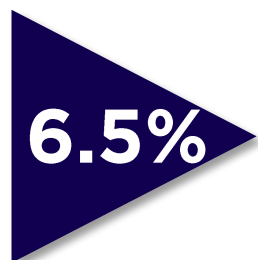
The organisation celebrated its 26th Anniversary during the week of September 26, 2023. TIP Friendly Society had its anniversary church service at the Portmore New Testament Church of God. To commemorate our birthday on September 26, we released 26 balloons at each branch location. We had social activities, including refreshments, at all locations.

During our 26th anniversary week of celebration TIP also had its scholarship awards and prize giving ceremony. Through our benevolence \$3.81 Million Dollars in Scholarships for students from the PEP level to the post graduate level were disbursed. TIP'S corporate social responsibility was truly in focus at the awards.

In May 2023 at our Annual General Meeting (AGM) it was reported that TIP Friendly Society was a \$6.25 billion dollar company. I am reporting today that as of December 2023 our assets have grown to \$6.689 billion dollar covering insurance, savings, loans and real estate.

### OPERATING RESULTS

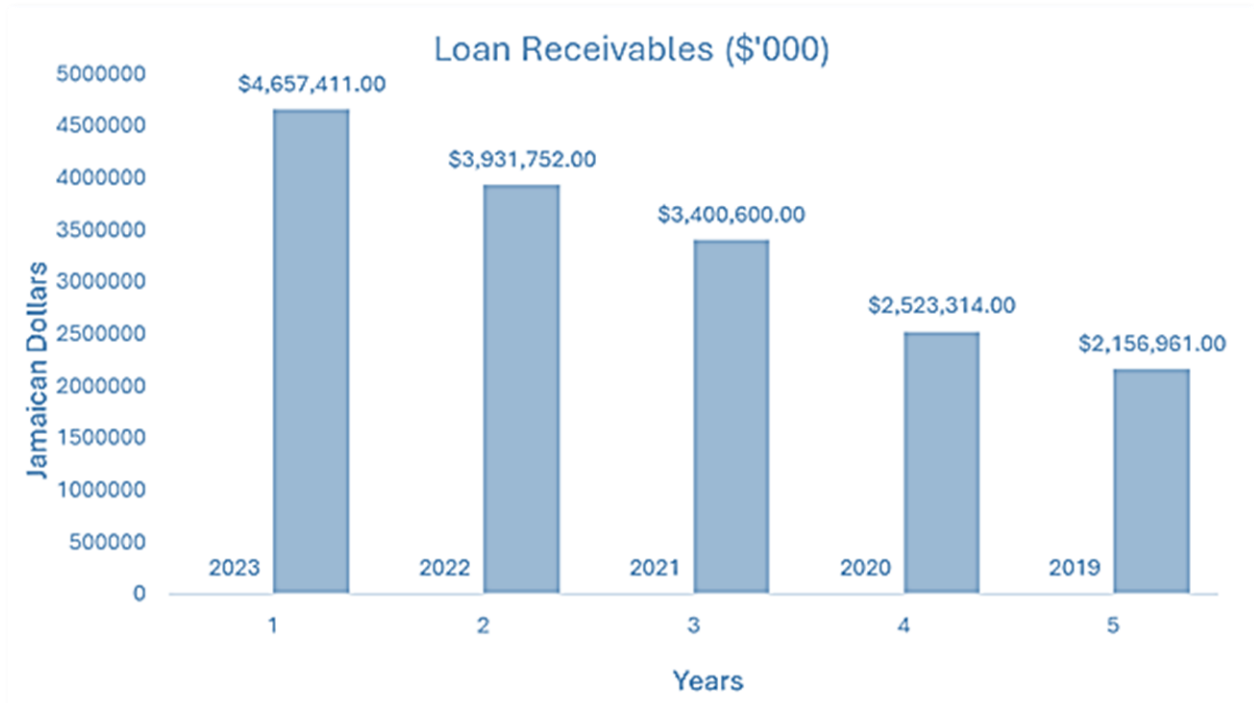
Since October 2022 we have not increase our lending rates, however, we have increased our savings rates to be one of the most competitive entities among our peers. TIP is offering up to 6.5% per annum on some savings products. We encourage you to take up these offerings when seeking savings options. In looking at our financial performance Year over year, net surplus grew from \$128.169M to \$216.622M or 69.01%. This, ladies and gentlemen, is a phenomenal performance in a year when we were again negatively impacted by the mass migration of teachers.



**LOANS**

We carefully manage our liquidity by ensuring that our risk remains within tolerable and viable bands as is dictated by our regulators via the PEARLS Ratio. We ensured that you were able to access loans and withdrawals when needed. Our customer service is amongst the best in the industry, and we are very proud of this. An analysis for the last 5-years shows that the loan portfolio has more than doubled, moving from \$2.157B in 2019 to \$4.657B in 2023, a growth of 115.90%.

The diagram below offers a pictorial view of our progress over the period



**INVESTMENTS**

TIP Friendly Society has liquid investments ranging in the form of preference shares, unit trust, deferred shares and bonds. The deferred shares, preference shares and bonds earn attractive fixed interest rates ranging from 6.5% to as high as 11%. On the other hand, our unit trust portfolio moves in tandem with market trends. The combined portfolio has performed well with average returns of approximately 10% for the year under review.

**PROBITY AND PRUDENCE**

TIP Friendly Society is an active member of the International Cooperatives Alliance (ICA). Although we are in Jamaica, we are impacted by what happens in the global sphere.

TIP measures itself against international standards by which other similar 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).

In keeping with the dictates of our monitoring government agency, the Department of Cooperatives and Friendly Societies (DCFS), 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 by the Board and management. All of our major insurance products are reinsured for greater protection.

**Committee of Management Report Continued**

Liquid Assets are kept in a form that is easily converted to cash to meet your needs. We negotiate the best secured rates in the market and the Society has adequate liquid reserves to meet your financial needs.

TIP places a high value on the training of all our volunteers and staff. It is through training that up-to-date skills are acquired, and reminders are provided for routine activities. We continue to expose our volunteers and staff to the tenets of good corporate governance via training in Anti-Money Laundering (AML) and the Proceeds of Crime Act (POCA). All volunteers and management staff are now required to submit annual Fit and Proper documentation to our regulators, the Department of Cooperatives and Friendly Societies.

**REGIONAL SERVICES**

Our branches are in strategic and easily accessible locations. You can visit us at The Annex in Fairview, Montego Bay; 24C, Lot #3 Caledonia Road, Mandeville; Shop 8, Ocho Rios Commercial Centre, Ocean Village Shopping Centre, Main Street, Ocho Rios, St. Ann and our Head Office located at 80 Half Way Tree Road, Kingston 10. The block and steel offices are complemented by our roving Business Development Officers and mobile and pop-up services in several parishes.

To ensure that we can be reached at any time, and from anywhere, we have introduced online banking services. We also encourage you to utilise our website and social media platforms.

**MEMBERS’ CONTRIBUTION/INSURANCE PREMIUM**

TIP’s core business remains, providing annuity/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. We are cognizant of 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. You are therefore, urged 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.

Below is a table that provides you with a better understanding of how the money you spend on TIP insurance products has benefitted your families over the last three (3) years with over \$164.716M million when compared to the prior three years of \$179.54 million, used to settle claims. This includes money paid to reinsurers.

TIP FRIENDLY SOCIETY SUMMARY CLAIMS REPORT JANUARY TO DECEMBER 2023			
TYPE OF CLAIMS	2023 \$	2022 \$	2021 \$
ACCIDENT	1,749,313.72	2,203,139.11	802,235.73
SICKNESS	9,361,171.17	10,406,620.16	5,638,602.82
MATERNITY	439,000.00	830,000.00	582,500.00
DEATH CLAIMS-SELF-INSURANCE	11,791,176.04	22,045,517.60	14,799,470.16
STUDENT PLAN- SELF INSURANCE	2,671,873.53	6,274,978.22	2,011,170.29
<b>TOTAL PAID</b>	<b>26,012,534.46</b>	<b>41,762,277.09</b>	<b>23,386,000.00</b>

**TIP FRIENDLY SOCIETY  
SUMMARY CLAIMS REPORT  
JANUARY TO DECEMBER 2023**

EXGRATIA	10,000.00	0.00	0.00
GRAND TOTAL	26,022,534.46	41,762,277.09	23,836,000.00
TOTAL COUNT	440	459	343

**REINSURERS EXPENSES**

	2023 \$	2022 \$	2021 \$
PERSONAL ACCIDENT	5,041,138.58	5,123,870.04	8,762,664.88
GROUP LIFE	19,583,535.00	13,291,263.92	21,293,181.54
TOTAL PAYOUT TO REINSURERS	24,624,673.58	18,415,133.96	30,055,846.42

**OBITUARIES**

(see inside back cover of the AGM magazine)

It is with deep sadness that we report the deaths of sixty (60) of our members during the year 2023. May their souls rest in peace. Kindly find a listing at the back of the magazine.

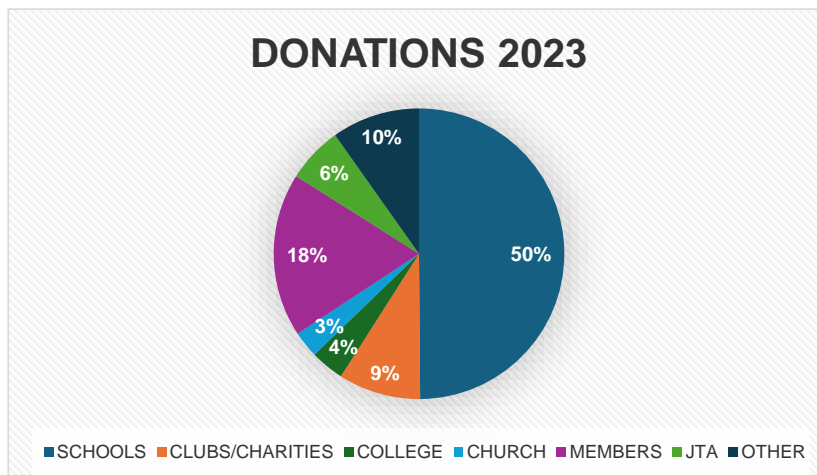
**CORPORATE SOCIAL RESPONSIBILITY**

TIP continues to expand our social community outreach throughout Jamaica,

for the benefit of our stakeholders, by giving back to the community throughout the years.

SCHOOL	\$	2,801,842.23
CLUBS/ GROUPS/ CHARITIES	\$	514,400.00
COLLEGE	\$	210,895.00
CHURCH	\$	165,000.00
MEMBERS	\$	1,025,000.00
JTA	\$	350,000.00
OTHER	\$	550,500.00
TOTAL	\$	5,617,637.23

**DONATIONS 2023**





## Committee of Management Report Continued

### SCHOLARSHIPS

#### MEMBERSHIP DEVELOPMENT

##### TIP Scholarship Programme

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

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

We extend heartfelt congratulations to all the scholarship recipients for 2023 listed in the table below. We wish them every success in their studies:

<b>TIP FRIENDLY SOCIETY 2023 SCHOLARSHIP AWARDEES 2023 P.E.P. SCHOLARSHIP AWARDEES</b>			
<b>NAME OF STUDENT</b>	<b>TIP MEMBER (PARENT)</b>	<b>PARISH</b>	
Abby-gayle Hanna Atkins	Richard Mark Anthony Atkins	Clarendon	\$40,000.00
Tawaina Kavelle Marston	Kawana Testisie Lindsay	Clarendon	\$40,000.00
Izaiyah Alejandro Ferrari	Shirlette Nadine Kelly Ferrari	Clarendon	\$40,000.00
Shanoya Jhadae Walker	Peta-gay Marie Craigie	Hanover	\$40,000.00
Krishanae Harding	Annakay Pheushia Martin	Hanover	\$40,000.00
Eliana Naysa Mcgregor	Suzette Hyacinth Gayle-Mcgregory	Kingston	\$40,000.00
Keandra Alannah King	Maxine Camille Dobson-King	Kingston	\$40,000.00
Annabel Stacy Marie Ramtulla	Marie Stacy-ann Bell-Ramtulla	Portland	\$40,000.00
A'vondre Amara Nia Taylor	Yolande Melissa Gibson-Taylor	St Ann	\$40,000.00
O-kya Evangeline Kalifa Hanson	Cordella Cassandra West	St Ann	\$40,000.00
Liam Aiden Dominic Noble	Julaine Joy Hibbert-Noble	St Ann	\$40,000.00
Gian Ashleigh Nesbeth	Kaon Karrian Smith	St Elizabeth	\$40,000.00
Shamore Akeno Rowe	Marian Thomas Turner	St Elizabeth	\$40,000.00
Mickel Simon-Leon Graham	Shelly-Ann Leonie Stewart- Graham	St. James	\$40,000.00
Cordel Lucas Williams	Gillian Brown Evadine Brown	St. James	\$40,000.00
Aliana Gena-Mae McIntosh	Grace Angella Blake Mcintosh	St. James	\$40,000.00
Tahjay Daniel Mcqueen	Debbie-Ann Alecia Edwards-Mcqueen	St. Mary	\$40,000.00

## Committee of Management Report Continued

### TIP FRIENDLY SOCIETY 2023 SCHOLARSHIP AWARDEES 2023 P.E.P. SCHOLARSHIP AWARDEES

NAME OF STUDENT	TIP MEMBER (Parent)	PARISH	
Dajhana Macy-Jae Campbell	Donette Michelle Cousins	St. Mary	\$40,000.00
Nathan Jayden Barnes	Arlene Denise Callender-Barnes	St Thomas	\$40,000.00
Nataeja Nashaunte Spencer	Heada Larose Felona Nichallis-Spencer	St. Thomas	\$40,000.00
Horace-Jayden Karson Mckellop	Allecia Nadesha Mason-Mckellop	Trelawny	\$40,000.00
Leonordia Payton Reid	Nordia Nicola Pinnock	Trelawny	\$40,000.00

### 2023 JUDITH THOMPSON P.E.P. AWARDEES (Manchester Recipients)

O'neillia Jadanae Jones	Sylvia Angella Morris-Jones	Manchester	\$45,000.00
Jathan Joshneil Haughton	Kerry Ann Tamara Foster-Haughton	Manchester	\$45,000.00

### 2023 LIVINGSTON ALLEN P.E.P. AWARDEES (St. Catherine Recipients)

Austin Luke Surgeon	Tammika Fiona Clarke Surgeon	St Catherine	\$45,000.00
Nyalah Thalia Mckenzie	Natalee Terrisa Foster Harris Mckenzie	St Catherine	\$45,000.00

### 2023 WAYNE MULLINGS P.E.P. AWARDEES (St. Andrew Recipients)

Nero St. Paul Christian	Sherone Christian	St Andrew	\$45,000.00
Chevoyae Arrianna Gibson	Lavern Latusha Brown-gibson	St Andrew	\$45,000.00

### 2023 STAFFORD BLAKE P.E.P. AWARDEES (Westmoreland Recipients)

Javari Taejon Green	Alethia Arlene Godfrey	Westmoreland	\$45,000.00
Mikayla Alyssa Allen	Claudette Nerissa Bremmer	Westmoreland	\$45,000.00

### 2023 P.E.P. SCHOLARSHIP AWARDEES

NAME OF STUDENT	TIP STAFF (Parent)		
Shemar Bernard	Daneal Reid	Kingston Branch	\$40,000.00
Dur-Anthony Walters	Cha-ann Freeman-Wilson	Kingston Branch	\$40,000.00

### REPEAT P.E.P. AWARDEES FROM 2022 (Past awardees who excelled in 1st form)

NAME OF STUDENT	TIP MEMBER (Parent)	PARISH	
Keleicia Hoilett	Kemisha Mccurrie-Hoilett	Clarendon	\$40,000.00
Janoi Thompson	Marshalae Brown	Kingston	\$40,000.00
Ritannia Williams	Latoya Calvin-Williams	St. James	\$40,000.00
Zoey Davis	Caveen Khan	Manchester	\$45,000.00

## Committee of Management Report Continued

### REPEAT P.E.P AWARDEES FROM 2021 (Past awardees who excelled in 1st and 2nd form) - Final award

NAME OF STUDENT	TIP MEMBER (Parent)	PARISH	
Altania Lawrence	Trevine Donaldson-Lawrence	Hanover	\$40,000.00
Quinalia Williams	Michelle Gooden-Williams	Kingston	\$40,000.00
Kaylie Gordon	Kadian Scott	Manchester	\$45,000.00

### 2023 SYLVIA SPENCE SCHOLARSHIP AWARDEES (Undergraduates)

NAME OF TIP MEMBER	PARISH	
Marshalee Kasandra Whorms	St. James	\$150,000.00
Annalise Annakay Palmer-thomas	St. Andrew	\$150,000.00
Ardene Munroe-stewart	Manchester	\$150,000.00
Monique Bailey-solan	St. Ann	\$150,000.00
Sherice Troupe-edwards	St. Elizabeth	\$150,000.00
Winsworth Mccatty	Manchester	\$150,000.00

### 2023 VILMA LAWES-MUNROE SCHOLARSHIP AWARDEES (Post-graduates)

Rohan Jason Lawrence	St Ann	\$200,000.00
Allecia Nadesha Mason- Mckellop	Trelawny	\$200,000.00
Joan Elizabeth Hewitt	Manchester	\$200,000.00
Deborah Pauline Richards-taylor	St Catherine	\$200,000.00

### 2023 SHERLOCK ALLEN SCHOLARSHIP AWARDEES (Principal And Vice Principal Post-graduates)

Darien George Henry	St James	\$200,000.00
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### 2023 NON-TEACHING STAFF SCHOLARSHIP AWARDEES (Under Graduates)

Kimberley Nastasia Smikle		Machester	\$100,000.00
Minerva Latoya Fullerton-ennis		St. Catherine	\$100,000.00
Shantel Melisa Green Roberts	Grant	St. Ann	\$50,000.00
Deanna Rosetta Samuels	Grant	Manchester	\$50,000.00

<b>TOTAL</b>			<b>\$3,810,000.00</b>
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**SCHOLARSHIPS**

**MEMBERSHIP DEVELOPMENT**

TIP sponsors the Secondary School Girls Football Competition through cash and kind (\$5M and personal accident insurance for all schools that took part in the competition)

**FINANCIAL AND INSURANCE OFFERINGS**

We are pleased to remind you of the products offered.

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

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

## Committee of Management Report Continued

### BOARD MEETINGS /FIDUCIARY RESPONSIBILITY/ SUSTAINABILITY

For the administrative year 2023, the Committee of Management held its normal sleight of meetings.

Each month the Committee of Management received detailed reports of financial and operational activities from the management of the Society. Reports of the Credit and Supervisory Committees, as well as ad-hoc 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.

Board Register 2023												
NAME	MONTH											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Audrey Williams	√	√	√	√	√	√	√	√	√	√	√	√
Ray Howell	√	√	√	√	√	√	√	√	√	√	√	√
Lola Bennett	√	√	√	√	√	√	√	√	√	√	√	√
Norman Allen	√	√	√	√	√	√	√	√	√	√	√	√
Tamashella Smith	√	√	√	√	√	√	√	√	√	√	√	√
Claudia McLean	√	√	√	√	√	√	√	√	√	√	√	√
Maureen Cunningham Johnson	√	√	√	√	√	√	√	√	√	√	√	√
Howard Isaacs	√	√	√	√	√	√	√	√	√	√	√	√
Mona Ennis	√	√	√	√	√	√	√	√	√	√	√	√
Kaydian Scott						√	√	√	√	√	√	√
Cecelia Grant- Francis	√	√	√	√	√							
Gregory King	√	√	ab	√	√	√	√	√	√	√	√	√
Jodi-Ann Evans	√	√	ab	√	√	√	√	√	√	ab	ab	ab
Garth Anderson	√	√	√	√	√	√	√	√	√	√	√	√
Nadienne Crossman	√	√	√	√	√	√	√	√	√	√	√	√
Mona Ennis	√	√	√	√	√	√	√	√	√	√	√	√
Claudia McLean	√	√	√	√	√	√	√	√	√	√	√	√
Clayton Hall	√	√	√	√	√	√						
Jacqueline Hendricks-White	√	√	√	√	√	√	√	√	√	√	√	√
Robert Anderson									√	√	√	√
Sheron Matheson	√	√	√	√	√	√	√	√	√	√	√	√

### AFFILIATION - INTERNATIONAL COOPERATIVES ALLIANCE (ICA)

#### REPORT ON THE WORLD COOPERATIVE ASSEMBLY HELD IN BRUSSELS, BELGIUM JUNE 2023

President Ariel Guarcho called the meeting to order and made his opening remarks. The first order of business was to vote on the constitution of the Secretariat. The same was done and the General Assembly approved the Secretariat unanimously. Next, the delegates voted unanimously to accept the agenda. The Minutes for the 2022 Congress was also approved unanimously.

The audience was informed that some modification of the articles of association was done by the legal team. According to Belgian Law, where the ICA is headquartered, some modifications of the laws and by-laws governing the ICA had to take place. The attorney that led the team of lawyers who worked on the modifications of the law and by-laws gave his report. The legal team was praised for the detailed analysis and subsequent modifications they did. They were applauded for a job well done. ICA BY-LAWS are now renamed the Internal Rules. All revised Internal Rules were unanimously approved.

Changes must be made to some ICA laws and by-laws from time to time. Two thirds of the delegates must vote for some changes while a simple majority is required for others. Some votes were carried unanimously while others received majority votes. The governance matters were dealt with quite speedily. All laws and by-laws now meet the Belgian legal requirement.

On the ICA website anyone can write in his/her language & others can read/reply in 37 other languages (automatic translation).

The President thanked the staff of the ICA for the work they've done over the last year.

In looking at the Global Activity Report, attention was paid to cooperative identify activities. The audience was advised that representatives from the ICA Secretariat visited 136 countries. All presidents of regional boards are now vice presidents of the ICA Board. A presentation of a financial gift from the President of a Korean cooperative was done.

The impact of the Ukrainian war was given some level of attention. A Ukrainian cooperative member took the stage to loud applause. He denounced the war in his country and asked that the world press for a swift end to the war. The President thanked him for making the effort to come here to speak on the atrocities that were taking place in his country.

The audit report was tabled, thoroughly discussed and unanimously approved. The 2023 budget was discussed, voted on and approved.

In looking at the future work plan for the ICA the following items were discussed:

- ◊ Work Plan-Promotion of the cooperative identify
- ◊ Growth of cooperative
- ◊ Knowledge sharing
- ◊ Impact of the cooperative movement
- ◊ Sustainable development
- ◊ he strategic plan

**AFFILIATION - INTERNATIONAL COOPERATIVES ALLIANCE (ICA)**

**REPORT ON THE WORLD COOPERATIVE ASSEMBLY HELD IN BRUSSELS, BELGIUM JUNE 2023**



Participants from TIP Friendly Society:

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

**AFFILIATION – INTERNATIONAL COOPERATIVES ALLIANCE (ICA)**

**REPORT ON THE WORLD COOPERATIVE ASSEMBLY HELD IN COMAYAGUA, HONDURAS NOVEMBER 2023**

Report on the 23rd regional conference of cooperatives of the Americas held in Comayagua, Honduras, November 29 – 30, 2023.

The aim of the conference was to address the economic, social, and environmental perspectives for future cooperatives in the Americas. The conference was opened and closed by Dr. Graciela Fernandez Quintas the president of the Cooperatives of the Americas.

The conference saw numerous presentations from countries such as Brazil, Uruguay, Spain, Puerto Rico, Chile, Honduras, Costa Rica, Mexico, Dominican Republic and North America. The topics discussed were diverse, some of which included the following:

- Cooperativizing food systems, namely agriculture and livestock, boosting fresh produce and better pricing. Developing suppliers that can supply within the region.
- Cooperative finance engine of alliances, inclusion and integration opportunities.

- Empowering cooperatives with the local government.
- Generating decent work, contributing to social development and sustainability from the territories.
- Investing in the knowledge of young people and women to overcome regional gaps and inequalities.
- Social Economy – Channeling development and reducing inequalities.
- Advocacy and public policies for the cooperative impact on the real economy.
- Cooperativism an essential public service for local development.
- Looking to the future: an Economy at the service of people and communities. From the Americas to the

A common message throughout the presentations was there is widespread inequality within the region and the need to not have only economic growth, but to also have environmental and social growth. This will require reforms in governments and financial sectors. The cooperatives model will achieve this balance.



**AFFILIATION - INTERNATIONAL COOPERATIVES ALLIANCE (ICA)**

**REPORT ON THE WORLD COOPERATIVE ASSEMBLY HELD IN COMAYAGUA, HONDURAS  
NOVEMBER 2023**



The cohort from TIP Friendly Society at the conference were:

1. Dr. Garth Anderson, *President*
2. Mr. Norman Allen, *Treasurer*
3. Mr. Winston Smith, *Chairman – Credit Committee*
4. Mrs. Jacqueline Hendrick-White, *Board representative for St. Thomas*
5. Mr. Roger Watson, *Chief Information Technology Officer*

## **AFFILIATION – INTERNATIONAL COOPERATIVES ALLIANCE (ICA)**

### **REPORT ON THE WORLD COOPERATIVE ASSEMBLY HELD IN COMAYAGUA, HONDURAS NOVEMBER 2023**

#### **SUMMARY**

Fiscal 2023 was another good year's performance for TIP Friendly Society. There were year-over-year increases in surplus, loans and savings. Our asset base continues to grow and is now over \$7.0B. We continue to give generously via scholarships, donations and sponsorship. It is of note that TIP continues to sponsor the School Girl's Football competition. We maintained a strong presence in the market with both traditional and social media advertising. We want to thank all volunteers, management and staff for their unwavering commitment and support during the year. We also extend a big thank you to you, our members and all stakeholders. Regrettably, approximately 60 members died during the year. May their souls rest in peace.

Dr. Garth Anderson  
PRESIDENT

## TREASURER'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

### MACRO ECONOMIC ENVIRONMENT

The Bank of Jamaica (BOJ) is currently employing a strategy to keep the USD to JMD rate at relative stability. A stable exchange rate minimizes the fluctuations in prices of goods and services purchased in USD and allows for better planning. As such the BOJ makes necessary interventions in the foreign exchange market to achieve this goal. The average exchange rate of the Jamaican Dollar to the US\$ was J\$154.00 : US\$1.00.

Target inflation rate for 2023 was 4% – 6%. However, the actual rate for the calendar year was 6.47% reflecting higher prices for goods and services. The BOJ is using various measures to pull back the rate within targeted levels.

Treasury Bills rates of 8.10% and 8.18% for 90-day and 180-day respectively in 2023 are the highest for the last five (5) years. These rates are used to benchmark short term investments and used as a tool to manage inflation by making credit more expensive.

According to the Statistical Institute of Jamaica, the country is currently enjoying its lowest unemployment numbers for decades. Unemployment is reported to be below 5%.

**TABLE 1: ECONOMIC DATA**

MEASURE	2023	2022	2021	2020	2019
USD to JMD	\$ 154.00	\$ 152.60	\$ 150.63	\$ 143.27	\$ 131.18
Inflation rate	6.47%	9.36%	7.30%	5.21%	3.91%
Treasury Bill- 90/180 Day Rate	8.10% /8.46%	8.04% /8.18%	4.09% /4.33%	0.77% /0.86%	1.32% /1.59%
Unemployment Rate	4.50%	6.60%	7.10%	8.40%	7.72%

### OPERATIONAL PERFORMANCE

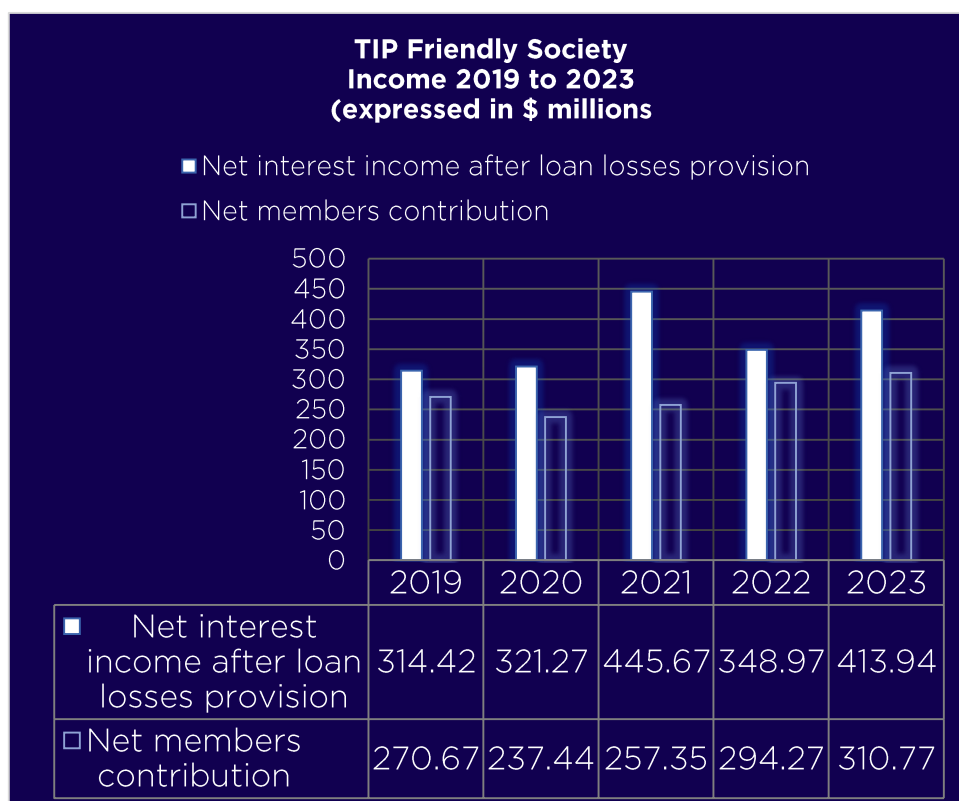
Surplus before honoraria and other payments for 2023 saw a significant improvement over the prior year. It moved from \$141 to 231.470 million, a 63.90% increase year over year.

**Table 2: OPERATIONAL PERFORMANCE**

DESCRIPTION	2023	2022	2021	2020	2019
	\$m	\$m	\$m	\$m	\$m
Net Income	859.30	704.34	780.15	604.53	585.08
Expenses	627.83	563.11	458.05	365.10	377.30
Surplus	231.47	141.23	322.10	239.43	207.78

## INCOME

There was an 18% overall increase on net income for the period moving from \$704.34 million in 2022 to \$859.30 million for 2023. This was due to greater market visibility involving mobile and pop-up offices as well as a greater level of cross-selling and up-selling by our MSR'S.



## EXPENDITURE

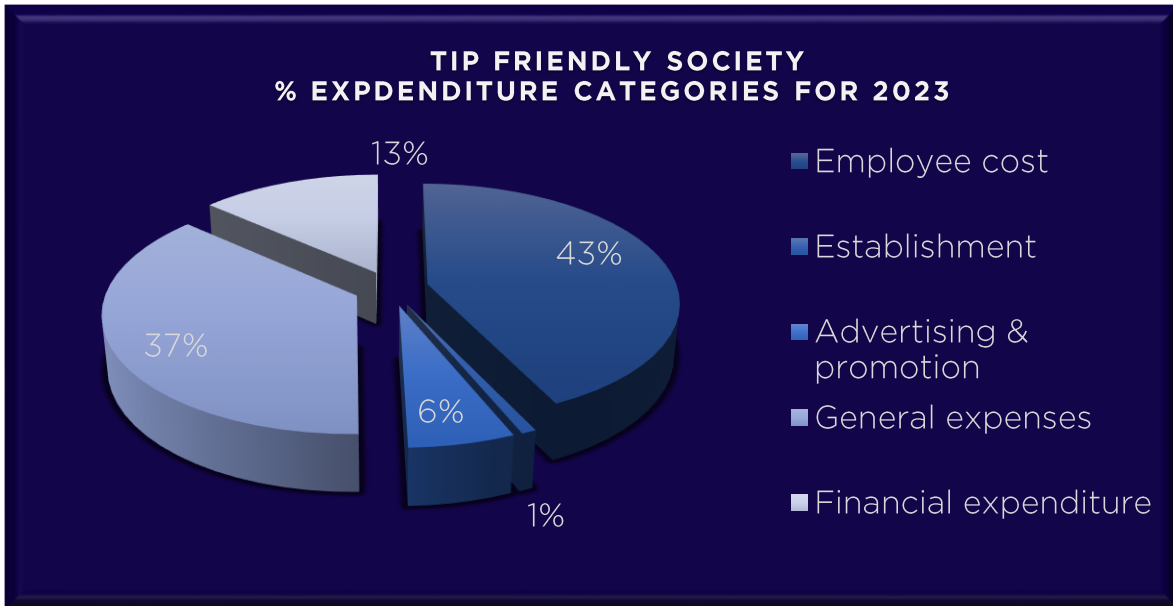
Total expenditure decreased by 27% over prior year largely due to better management of expenses and an overall improvement in efficiency.

**TABLE 3: EXPENDITURE BY EXPENSE GROUP**

OPERATING EXPENSES	2023 \$m	2022 \$m	2021 \$m	2020 \$m	2019 \$m
Employee cost	269.33	258.96	246.32	214.15	216.00
Establishment	5.20	2.77	2.83	12.07	11.49
Advertising & promotion	36.85	33.26	13.00	16.02	23.13
General expenses	231.76	182.03	166.04	119.84	122.93
Financial expenditure	84.70	86.08	29.85	3.03	3.76
<b>TOTAL EXPENDITURE</b>	<b>627.83</b>	<b>563.11</b>	<b>458.05</b>	<b>365.10</b>	<b>377.30</b>

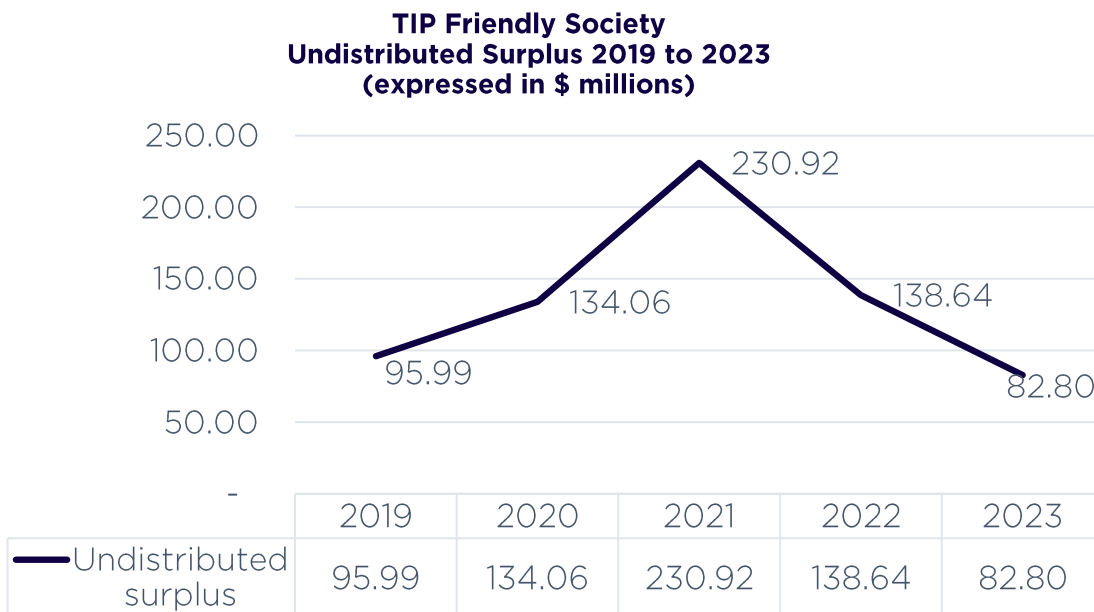
- 43% or \$269.3 million of the total expenditure related to staff costs which includes salaries, commissions, employer taxes, training and other welfare benefits.
- Financial Expenditure moved from \$86.1 million in 2022 to \$84.70 million in 2023. This decrease was due to a reduction in the financing of loans used for purchase and development of property during the period.
- General expenses largely reflected inflationary decrease.

See pie chart showing a pictorial breakdown of the expenses:



**UNDISTRIBUTED SURPLUS**

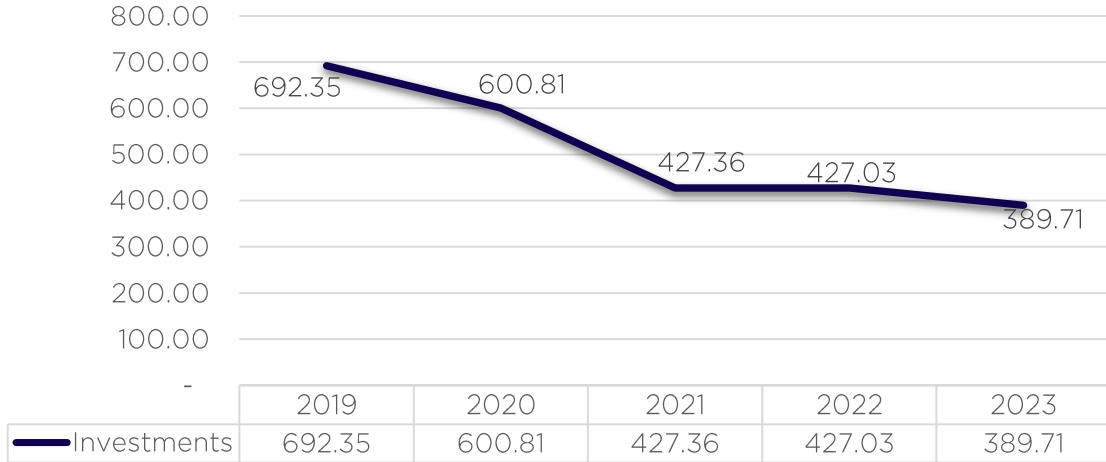
Undistributed surplus trend downward as shown in the graph below:



## INVESTMENTS

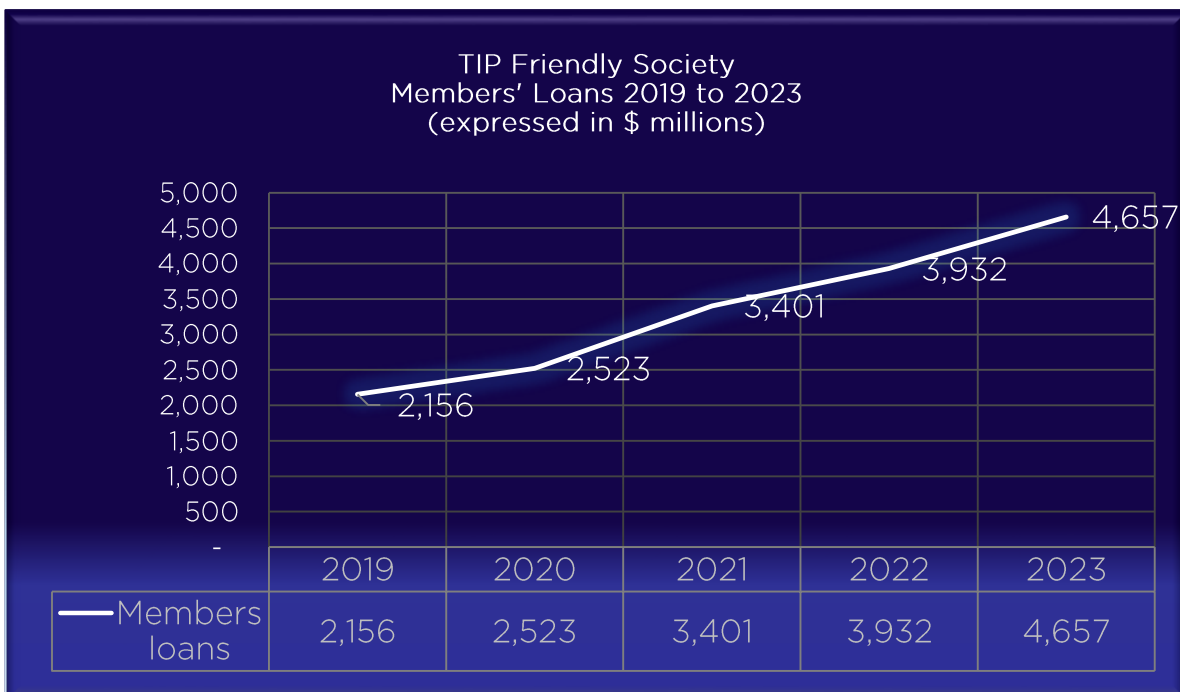
There has been a steep decline in investments over the last 2 years largely due to the financing of property development projects during the periods. Investments must be maintained at a certain level however as stipulated by statute for financial institutions. The Society is compliant with that requirement.

**TIP Friendly Society  
Investments 2019 to 2023  
(expressed in \$ millions)**



## MEMBERS LOANS

Members loans are the largest income contributor for the Society and all efforts must continue to grow this stream. The graph below shows a constant increase in member's loans over the past 5 years, moving from \$3.9 billion to \$4.6 billion.



## DELINQUENCY

Our delinquency rate as at December 31, 2023 was 5.84% as outlined below. We have implemented strategies to monitor the ratio to keep it below the international standard of 5%.

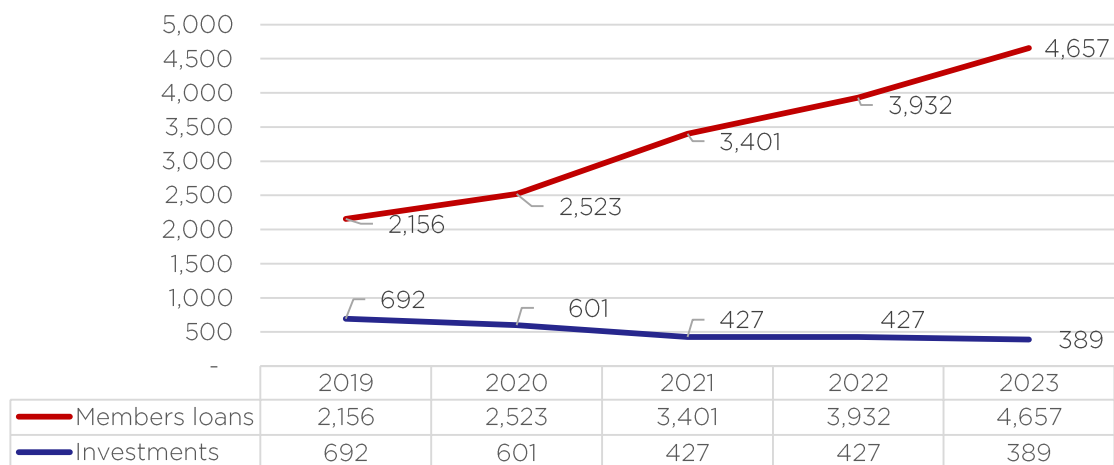
### 5-year Delinquency Table

	DELINQUENCY TREND ANALYSIS				
	2023	2022	2021	2020	2019
JANUARY	6.00%	3.99%	3.78%	6.61%	4.00%
FEBRUARY	6.40%	3.95%	3.51%	6.03%	4.36%
MARCH	6.49%	4.55%	3.76%	6.48%	4.31%
APRIL	5.37%	3.62%	3.77%	6.26%	4.57%
MAY	6.74%	3.82%	3.51%	5.85%	4.65%
JUNE	6.28%	4.08%	4.18%	5.69%	5.16%
JULY	6.13%	3.40%	3.04%	5.49%	5.52%
AUGUST	5.62%	4.17%	3.27%	5.21%	5.37%
SEPTEMBER	5.10%	4.41%	3.08%	5.07%	5.08%
OCTOBER	7.64%	4.41%	2.65%	4.20%	5.00%
NOVEMBER	6.58%	5.06%	3.89%	4.34%	5.42%
DECEMBER	5.84%	4.12%	4.23%	4.48%	5.95%

## RELATIONSHIP BETWEEN INVESTMENTS AND MEMBERS LOANS

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

**TIP Friendly Society  
Investments vs Loans 2019 to 2023  
(expressed in \$ millions)**

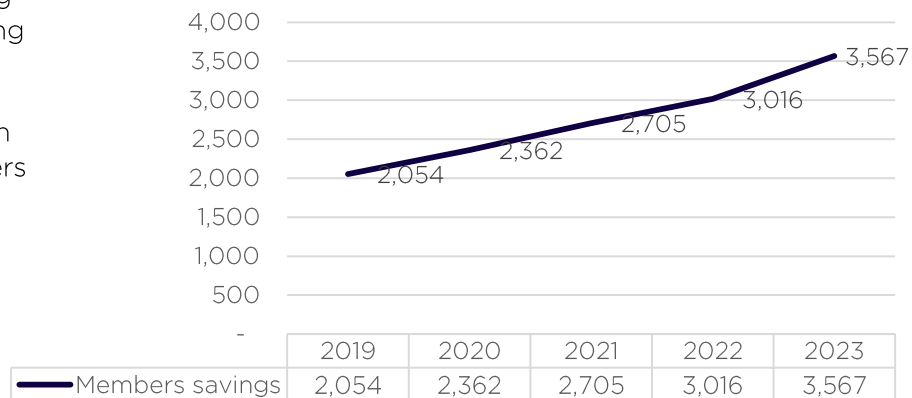


## MEMBERS SAVINGS

The Society provides a basket of competitive products to encourage both long term and short term savings with competitive interest rates. There is an increase of 15.44% between 2022 and 2023. The table below shows the total amount of funds we hold for our members. The consistent growth in savings can be attributed to

- Compulsory savings requirement for most loans.
- An increase in long-term savings arising from promotions held.
- General increase in savings as members become more financially savvy.
- Growth in new membership.
- Attractive savings rates

**TIP Friendly Society  
Members' Savings 2019 to 2023  
(expressed in \$ millions)**

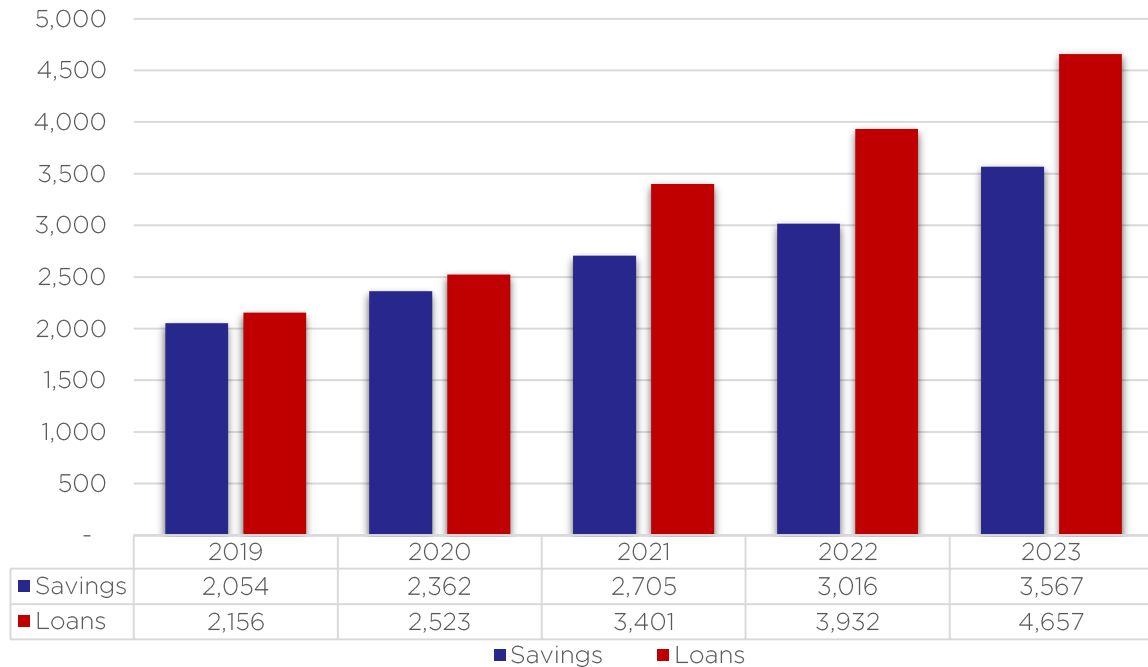




## MEMBERS LOANS AND MEMBERS SAVINGS

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

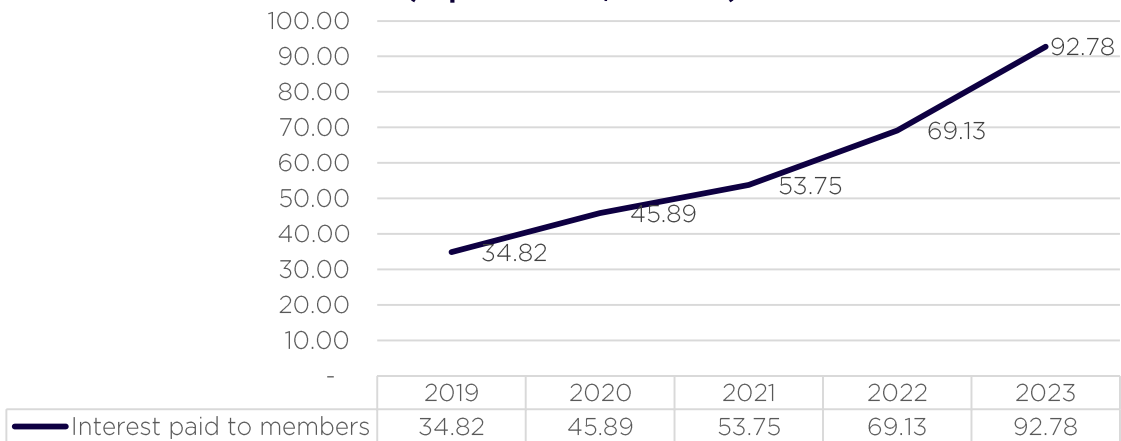
**TIP Friendly Society  
Savings vs Loans 2019 to 2023  
(expressed in \$millions)**



## INTEREST PAID TO MEMBERS

Interest earned by members was \$92.78 million in 2023, a 25% increase over the prior year. The interest rates paid are guided by the prevailing Treasury Bill rates as well as the level of savings by our members. Dividends are also declared and paid annually based on members' savings. The table below shows the trend for the past 5 years which is a significant growth from 34.82M to 92.78M

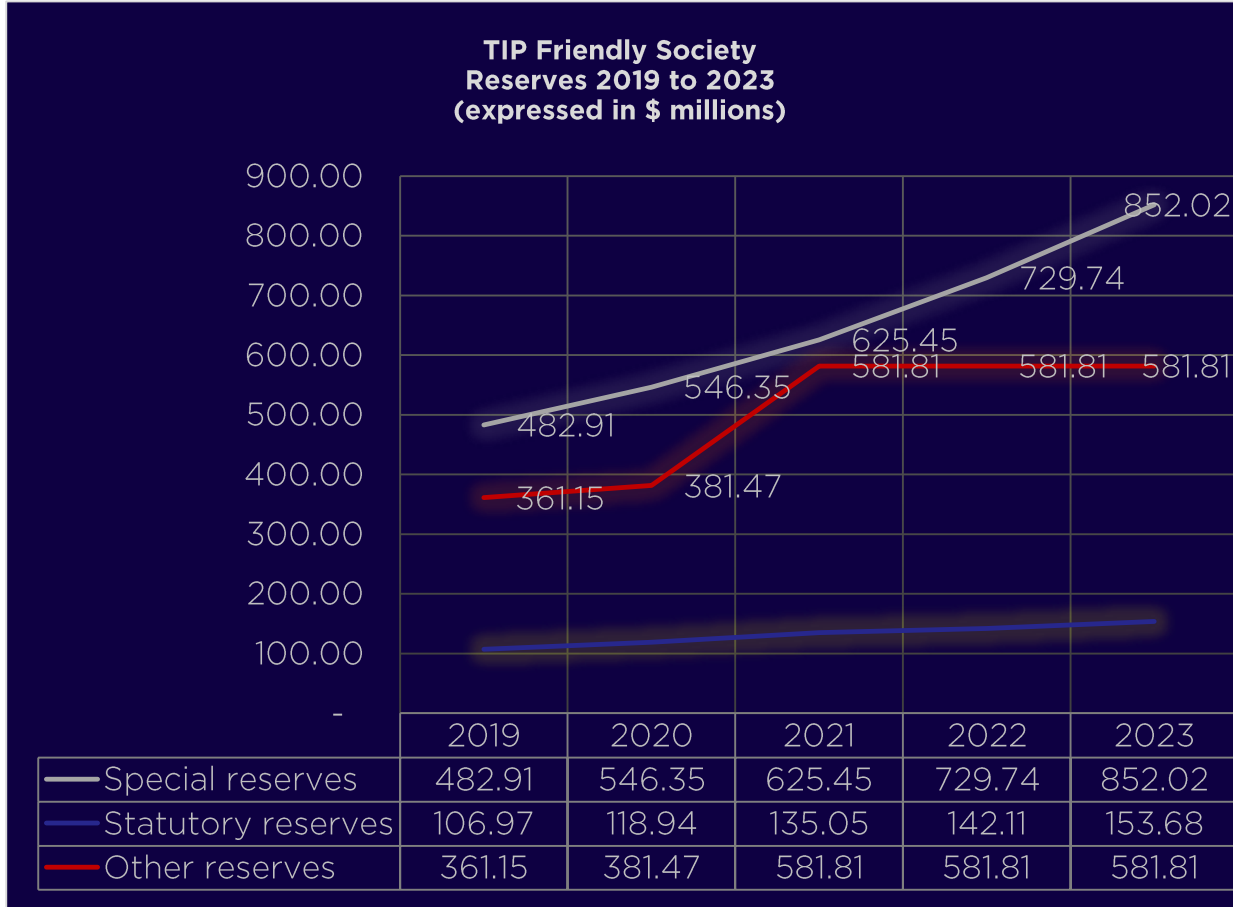
**TIP Friendly Society  
Interest paid to Members 2019 to 2023  
(expressed in \$ millions)**



## RESERVES

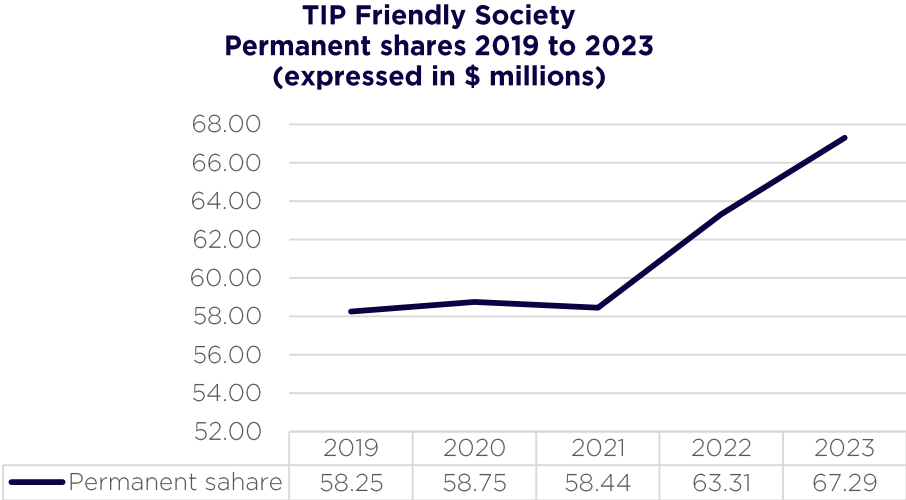
Section 68 of the Friendly Societies Act requires that every registered Society “shall establish and maintain a reserve fund”. Our Reserves are:

- Statutory reserve - 5% of surplus
- Special reserve - 27.5% of net contributions
- Other reserve - 20% of net contributions. Although this is not requirement by regulations however TIP sets aside this amount for added security.



**PERMANENT SHARES**

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



**PEARLS RATIO**

The Prudential Financial Standard – Protection, Effective Management Structure, Asset Quality and Rate of Return and Cost, Liquidity and Signs of Growth Standard – PEARLS – which is acceptable by the Jamaica Co-Operative Credit Union League (JCCU), the World Confederation of Co-Operative Credit Unions (WCCU) and the International Co-Operative Alliance (ICA), is used below to report on the performance of TIP Friendly Society for 2019 to 2023. See table 4 :

INDICATOR	STANDARD	2023	2022	2021	2020	2019
Net Loans/Total Assets	70-80%	69.21%	64.76%	65.96%	65.68%	64.51%
Total Savings/Total Assets	70-80%	53.97%	49.67%	52.68%	63.56%	62.61%
Liquidity Reserve/Savings & Deposits	>10%	19.94%	24.20%	20.94%	20.45%	23.49%
Delinquency Rate	<5%	5.84%	4.12%	4.23%	4.48%	5.95%
Non-Earning Assets/Total Assets	<7%	12.10%	15.40%	15.77%	12.10%	9.21%
Operating Expense/Average Assets	<8%	1.29%	8.36%	1.73%	16.06%	25.22%
Net Income/Average Assets	>5%	2.76%	2.51%	0.80%	4.63%	(4.28%)
Growth in Total Assets	>7.1%	11.67%	17.22%	28%	22.67%	7.03%
Growth in Members Savings	>10.2%	21.35%	11.50%	14.98%	8.32%	-2.74%

## **Unallocated Lodgments**

As at December 31, 2023 unallocated lodgments stood at \$38.778M, moving from \$47.118M. This significant decline was achieved through rigorous and timely bank reconciliation efforts by the Finance team.

We continue to encourage our membership that once payment is made through the any of our collection agencies, including Banks and Money Transfer Agencies, that an email be sent with evidence of payment including name on account, amount paid and TRN to [tipbursar@tipfriendly.com](mailto:tipbursar@tipfriendly.com)

## **ACKNOWLEDGEMENTS**

On behalf of the Finance Committee, I would like to thank my fellow members of the Board and our members for giving me an opportunity to serve as Treasurer.

We would like to thank all stakeholders who played a part in a successful 2023 for the Society:

- Chief Executive Officer and his team for their efficient handling of the strategic and operational aspects of the business
- External Auditors for their observations and recommendations as they diligently give a third eye to our controls and efficiencies.
- Department of Co-operatives and friendly Societies for their guidance and strong regulatory oversight.
- Our financial partners, Banks, Investment Houses and our Reinsurers

Finally, our sincere appreciation to the TIP Finance Department that 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.

We look forward to serving you even better in 2024 and beyond.

Norman Allen

Treasurer



TIP Friendly Society

# TIP 2024

# SCHOLARSHIPS

@tipfriendlysociety



## We are offering:

### TIP P.E.P Scholarships:

**TIP Members' Dependent who are 2024 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.**



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

## APPLICATION DEADLINE JULY 31, 2024

Half Way Tree  
(876)618-1914

Montego Bay  
(876)382-7289

Mandeville  
(876)877-5268

Ocho Rios  
(876)877-5267





**TIP** Friendly Society

## **TIP Friendly Society**

(A Society Registered Under the Friendly Societies Act)

### **Financial Statements 31 December 2023**



Ministry of Industry  
Investment & Commerce

Jamaica's **Business** Ministry



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

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

**S1**

**F547- 510/07/24**

**July 22, 2024**

The Secretary  
**TIP Friendly Society Limited**  
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, 2023.

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 for the Annual General Meeting, so that arrangements can be made for representation.

Yours truly,

.....  
**Vanessa Porter-Allen (Mrs.)**  
**(FOR) REGISTRAR OF CO-OPERATIVE SOCIETIES**  
**AND FRIENDLY SOCIETIES.**

**HEAD OFFICE**  
2 Musgrave Avenue  
Kingston 10  
Jamaica, W. I.  
(876) 927-4912 | 927-6572  
978-1946

**HOPE GARDENS**  
Hope Gardens  
Kingston 6  
(876) 648-6870

**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

[info@dcfs.gov.jm](mailto:info@dcfs.gov.jm)

[www.dcfs.gov.jm](http://www.dcfs.gov.jm)

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Index**  
**31 December 2023**

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<b>Financial Statements</b>	
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Statement of changes in equity	3
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## **INDEPENDENT AUDITORS' REPORT**

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

9 Cargill Avenue  
Kingston 10  
Jamaica

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

### **Report on the audit of the Financial Statements**

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

#### *Opinion*

We have audited the financial statements of TIP Friendly Society (“the Society”) set out on pages 1 to 66, which comprise the statement of financial position at 31 December 2023, 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 2023, 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.

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

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

## **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 (continued)*

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.

**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 Committee of Management 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.


  
**Chartered Accountants**  
Kingston, Jamaica  
15 July 2024


**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Statement of Financial Position**  
**As at 31 December 2023**

	Note	2023 \$'000	2022 \$'000
<b>ASSETS</b>			
<b>Earning Assets</b>			
Investment properties	6	1,026,728	777,732
Investment securities	7	389,707	427,027
Loan receivables	8	4,657,411	3,931,752
<b>Total Earning Assets</b>		<b>6,073,846</b>	<b>5,136,511</b>
<b>Non-Earning Assets</b>			
Cash and cash equivalents	9	164,227	168,450
Other assets	10	141,802	166,215
Property, plant and equipment	11	307,236	599,426
Right-of-use-asset	12	2,530	1,080
<b>Total Non-Earning Assets</b>		<b>615,795</b>	<b>935,171</b>
<b>TOTAL ASSETS</b>		<b>6,689,641</b>	<b>6,071,682</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Permanent shares	14	67,295	63,306
Institutional capital	15	1,005,705	871,851
Non-institutional capital	16	664,603	720,441
<b>Total Capital and Reserves</b>		<b>1,737,603</b>	<b>1,655,598</b>
<b>LIABILITIES</b>			
<b>Interest Bearing Liabilities</b>			
Members' savings	17	3,567,817	3,015,581
External credits	18	1,107,324	1,221,207
Lease liability	12	3,749	1,155
<b>Total Interest Bearing Liabilities</b>		<b>4,678,890</b>	<b>4,237,943</b>
<b>Non-Interest Bearing Liabilities</b>			
Payables	19	273,148	178,141
<b>Total Non-Interest Bearing Liabilities</b>		<b>273,148</b>	<b>178,141</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,689,641</b>	<b>6,071,682</b>

Approved for issue by the Committee of Management on 15 July 2024 and signed on its behalf by:

  
\_\_\_\_\_  
Dr. Garth Anderson President

  
\_\_\_\_\_  
Norman Allen Treasurer

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Statement of Comprehensive Income**  
Year ended 31 December 2023

	Note	<u>2023</u> \$'000	<u>2022</u> \$'000
<b>Interest income</b>			
Interest on loans	20	656,145	521,100
Interest on investment securities	21	36,340	18,270
		<u>692,485</u>	<u>539,370</u>
<b>Interest expense</b>			
Interest on members' savings		(92,789)	(69,125)
Finance costs, net	22	(84,695)	(83,698)
		<u>515,001</u>	<u>386,547</u>
<b>Net interest income</b>			
Increase in impairment losses on loans	4(a)(iii)	(101,055)	(121,274)
		<u>413,946</u>	<u>265,273</u>
<b>Net interest income after provision for loan losses</b>			
<b>Non-interest income/(expenses)</b>			
Insurance premiums contributed by members	23	334,602	311,692
Reinsurance premiums	23	(23,825)	(17,420)
		<u>310,777</u>	<u>294,272</u>
Other income	24	49,880	61,098
		<u>360,657</u>	<u>355,370</u>
<b>Net non-interest income</b>			
		<u>774,603</u>	<u>620,643</u>
<b>Gross income</b>			
Operating expenses	25	(543,133)	(479,412)
		<u>231,470</u>	<u>141,231</u>
<b>Surplus before honoraria and other payment</b>			
Honoraria		(7,000)	(6,000)
Write back of honoraria underutilized in prior year		3,726	-
Errol Henry Fund	26	(11,574)	(7,062)
		<u>216,622</u>	<u>128,169</u>
<b>Surplus for the year</b>			
		<u>191,283</u>	<u>92,683</u>
<b>Other comprehensive income:</b>			
Items that will never be reclassified to profit or loss:			
Claims payments		(25,339)	(35,486)
<b>Total comprehensive income</b>		<u>191,283</u>	<u>92,683</u>

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act****Statement of Changes in Equity  
Year ended 31 December 2023**

	Institutional Capital			Non-institutional Capital		
	Permanent Shares	Statutory Reserve	Special Reserve	Other Reserve	Undistributed Surplus	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 31 December 2021</b>	58,438	135,046	625,451	581,806	230,916	1,631,657
Transactions with members:						
Increase in permanent shares	4,868	-	-	-	-	4,868
Dividends	-	-	-	-	(73,610)	(73,610)
	4,868	-	-	-	(73,610)	(68,742)
Transfers between reserves:						
5% transfer to statutory reserve	-	7,062	-	-	(7,062)	-
20% transfer to special reserve	-	-	58,854	-	(58,854)	-
27.5% transfer to special reserve	-	-	80,924	-	(80,924)	-
	-	7,062	139,778	-	(146,840)	-
Total comprehensive income:						
Surplus for the year	-	-	-	-	128,169	128,169
Other comprehensive income	-	-	(35,486)	-	-	(35,486)
	-	-	(35,486)	-	128,169	92,683
<b>Balance at 31 December 2022</b>	63,306	142,108	729,743	581,806	138,635	1,655,598
Transactions with members:						
Increase in permanent shares	3,989	-	-	-	-	3,989
Dividends	-	-	-	-	(113,267)	(113,267)
	3,989	-	-	-	(113,267)	(109,278)
Transfers between reserves:						
5% transfer to statutory reserve	-	11,574	-	-	(11,574)	-
20% transfer to special reserve	-	-	62,155	-	(62,155)	-
27.5% transfer to special reserve	-	-	85,464	-	(85,464)	-
	-	11,574	147,619	-	(159,193)	-
Total comprehensive income:						
Surplus for the year	-	-	-	-	216,622	216,622
Other comprehensive income	-	-	(25,339)	-	-	(25,339)
	-	-	(25,339)	-	216,622	191,283
<b>Balance at 31 December 2023</b>	67,295	153,682	852,023	581,806	82,797	1,737,603

**TIP FRIENDLY SOCIETY**  
**(A Society Registered Under the Friendly Societies Act)**

**Statement of Cash Flows**  
**Year ended 31 December 2023**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>CASH RESOURCES WERE (USED IN)/PROVIDED BY</b>		
<b>Cash Flows from Operating Activities</b>		
Net surplus for year	216,622	128,169
Adjustments for:		-
Amortization of intangible assets	-	4,904
Amortization of right-of-use asset	1,238	360
Bad debt written off	28,735	18,279
Depreciation	49,817	42,014
Impairment losses on loans	101,055	121,274
Fair value gains on investment securities	(23,545)	(12,027)
Interest income	(656,145)	(521,100)
Interest expense	175,783	151,219
Lease interest expense	517	99
Gain on disposal of property, plant and equipment	(56)	-
Foreign exchange (gains)/losses	(31)	40
	<u>(106,010)</u>	<u>(66,769)</u>
Changes in operating assets and liabilities:		
Increase loan receivables	(864,426)	(653,764)
Decrease in other assets	24,413	2,640
Increase in members' savings	552,236	311,073
Decrease in payables	84,079	(109,237)
Cash used in operating activities	<u>(309,708)</u>	<u>(516,057)</u>
Interest received	665,122	504,159
Interest paid	(163,585)	(140,024)
Lease interest paid	(517)	(99)
Net cash provided by/(used in) operating activities	<u>191,312</u>	<u>(152,021)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(7,893)	(12,375)
Purchase of investment property	-	(370,385)
Proceed on sale of property, plant and equipment	56	-
Investment securities, net	<u>60,865</u>	<u>12,360</u>
Net cash provided by/(used in) investing activities	<u>53,028</u>	<u>(370,400)</u>
<b>Cash flows from Financing Activities</b>		
External credits, net	(113,883)	653,929
Permanent shares	3,989	4,868
Claims payments	(25,339)	(35,486)
Lease principal payments	(94)	(285)
Dividends paid	<u>(113,267)</u>	<u>(73,610)</u>
Net cash (used in)/provided by financing activities	<u>(248,594)</u>	<u>549,416</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(4,254)	26,995
Effects of foreign exchange on cash and cash equivalents	31	(40)
<b>Cash and cash equivalents at the beginning of the year</b>	<u>168,450</u>	<u>141,495</u>
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	<u>164,227</u>	<u>168,450</u>
<b>Represented by:</b>		
Cash at bank and in hand	<u>164,227</u>	<u>168,450</u>

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)**

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**Notes to the Financial Statements****31 December 2023****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 cover all parishes with offices in Kingston and St. Andrew, Manchester, St. James and St. Ann.

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

The Capital of the Society is unlimited. The liability of each member, in case of liquidation, shall be limited to the nominal value of permanent shares held by the member.

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 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.

Section 68 of 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 reserve fund and a special reserve fund, respectively.

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

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



**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2023**

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**2. Summary of significant accounting policies**

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

**(a) Basis of preparation**

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

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

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

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

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

**(a) Basis of preparation (continued)**

**Standards, interpretations, and amendments to published standards effective in the current year**

The following amendments to standards have been adopted by the Society for the first time which have been issued and are effective for mandatory adoption for the financial year beginning on or after 1 January 2023:

**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.

The amendments did not result in any material effect on the Society's financial statements.

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2023**

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**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**

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.

**The amendments in Classification of Liabilities as Current or Non-current – Amendments to IAS 1** (effective for annual periods beginning on or after 1 January 2024) affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability, income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

**Leases on sale and leaseback (Amendments to IFRS 16)** (effective for annual periods beginning on or after 1 January 2024). These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

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 2023**

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**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 2023****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, rather than for the Society's own use or for sale in the ordinary course of business.

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

**(d) Intangible assets**

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

Computer software

33 1/3 %

An intangible asset is authorization 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 authorization in profit or loss when the asset is authorization.

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

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

**(e) Financial instruments**

**Classification**

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

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

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

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

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

**Recognition and derecognition**

Regular way purchases and sales of financial assets are authorization on trade-date, the date on which the Society commits to purchase or sell the asset. Financial assets are authorization 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 2023**

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

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

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

**Impairment**

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

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)**

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**Notes to the Financial Statements****31 December 2023****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)**

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**Notes to the Financial Statements****31 December 2023****2. Summary of significant accounting policies (continued)****(j) Members' shares****(i) 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.

**(ii) Members savings**

Members savings represents 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 are immediately available for withdrawal, are 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.

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**Notes to the Financial Statements**  
**31 December 2023**

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

**(l) Borrowings**

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

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

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are 15a 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 authorization 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.

**Notes to the Financial Statements**  
**31 December 2023****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 authorization in the statement of comprehensive income using the effective yield method.

Interest income is authorization 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.

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**Notes to the Financial Statements**  
**31 December 2023**

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

**(q) Related party transactions**

A party is related to the Society, if:

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

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

**(r) Employee benefits**

**Post employment benefit costs**

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

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

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**Notes to the Financial Statements**

**31 December 2023**

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

**(s) Employee benefits (continued)**

**Leave accruals**

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

**(t) Financial liabilities**

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

**(u) Repurchase agreements**

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

**(v) Members' saving**

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

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

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

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

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

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

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

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

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

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

To determine the incremental borrowing rate, the Society:

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

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

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

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

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

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements  
31 December 2023**

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

## Extension and termination options

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

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

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

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

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

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

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**3. Effect of changes in accounting policies**

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

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

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

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

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



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**4. Financial Risk Management**

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

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

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

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

**(1) Supervisory Committee**

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

**(2) Credit Committee**

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

**(3) Finance Committee**

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

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

**TIP FRIENDLY SOCIETY**

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**Notes to the Financial Statements****31 December 2023****4. Financial Risk Management (continued)****(a) Financial instruments**

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

**(i) Principal financial instruments**

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

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

**(ii) Financial instruments by category**Financial assets

	Assets at amortized cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
<b>As at 31 December 2023:</b>			
Cash and cash equivalents	164,227	-	164,227
Financial investments	225,000	164,707	389,707
Loan receivables	4,657,411	-	4,657,411
	5,046,638	164,707	5,211,345
	Assets at amortized cost	Assets at fair value through profit or loss	Total
	\$'000	\$'000	\$'000
<b>As at 31 December 2022:</b>			
Cash and cash equivalents	168,450	-	168,450
Financial investments	275,000	152,027	427,027
Loan receivables	3,931,752	-	3,931,752
	4,375,202	152,027	4,527,229

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**Notes to the Financial Statements**  
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**4. Financial Risk Management (continued)**

**(a) Financial instruments (continued)**

**(ii) Financial instruments by category (continued)**

Financial liabilities at amortized cost

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Payables	273,148	178,141
Members' savings	3,567,817	3,015,581
External credits	<u>1,107,324</u>	<u>1,221,207</u>
	<u>4,948,289</u>	<u>4,414,929</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 authorization 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.

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**Notes to the Financial Statements**  
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**4. Financial Risk Management (continued)**

**(a) Financial instruments (continued)**

**(iii) Fair value estimates (continued)**

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

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

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

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>2023</b>			
Financial assets measured at:				
Fair value through profit and loss	-	164,707	-	164,707
Amortized cost	-	225,000	-	225,000
	-	389,707	-	389,707
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>2022</b>			
Financial assets measured at:				
Fair value through profit and loss	-	152,027	-	152,027
Amortized cost	-	275,000	-	275,000
	-	427,027	-	427,027

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**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial risk management (continued)**

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

**(b) Credit Risk.**

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

**(i) Loans to members**

*Management of risk*

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

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

*Credit review process*

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

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

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**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(i) Loans to members (continued)**

*Collateral*

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

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

*Write-off policy*

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

**(ii) Liquid assets and investment securities**

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

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

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**Notes to the Financial Statements**  
**31 December 2023**

**4. Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(iii) Maximum exposure to credit risk and credit quality analysis**

*Maximum exposure to credit risk*

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

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

*Credit quality*

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

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

31 December 2023	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	4,639,417	143,005	-	4,782,422
Non-performing	-	-	197,044	197,044
	4,639,417	143,005	197,044	4,979,466
Loss allowance	(110,144)	(14,867)	(197,044)	(322,055)
	4,529,273	128,138	-	4,657,411
<hr/>				
31 December 2022	Stage 1	Stage 2	Stage 3	Total
	\$'000	\$'000	\$'000	\$'000
Performing	3,900,019	131,850	-	4,031,869
Non-performing	-	-	120,883	120,883
	3,900,019	131,850	120,883	4,152,752
Loss allowance	(87,081)	(13,036)	(120,883)	(221,000)
	3,812,938	118,814	-	3,931,752

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**Notes to the Financial Statements**  
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**4. Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(iii) Maximum exposure to credit risk and credit quality analysis (continued)**

*Concentration of risk*

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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Real estate	73,628	72,662
Unsecured	2,359,734	2,533,972
Cash secured	1,930,755	809,890
Motor vehicle	<u>615,349</u>	<u>736,228</u>
	4,979,466	4,152,752
Less: Allowance for impairment losses	<u>(322,055)</u>	<u>(221,000)</u>
	<u>4,657,411</u>	<u>3,931,752</u>

The closing loss allowances for loans receivables as at 31 December 2023 and 31 December 2022 reconcile to the opening loss allowances is as follows:

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of the year	221,000	99,726
Increase in loss allowance recognised in profit or loss during the year	<u>101,055</u>	<u>121,274</u>
Balance at year end	<u>322,055</u>	<u>221,000</u>



**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(iv) Impairment**

Inputs, assumptions and techniques used for estimating impairment

*(a) Significant increase in credit risk*

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

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

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

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

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

Credit risk grades:

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

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements  
31 December 2023**

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

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

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

Determining whether credit risk has been increased significantly:

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

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

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

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements  
31 December 2023**

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

Determining whether credit risk has been increased significantly (continued)

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

**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(iv) Impairment (continued)**

*(a) Significant increase in credit risk (continued)*

Determining whether credit risk has been increased significantly (continued)

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

- the borrower is unlikely to pay its credit obligations to the Society in full, without recourse by the Society to actions such as authorization 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**  
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**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial Risk Management (continued)**

**(b) Credit Risk (continued)**

**(iv) Impairment (continued)**

*(b) Incorporation of forward-looking information (continued)*

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

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

The economic scenarios used as at 31 December 2023 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 2023**

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

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

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

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

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

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

**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial Risk Management (continued)**

**(c) Liquidity risk:**

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

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

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

**Liquidity risk management process**

The Society's liquidity management process includes:

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

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

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

**TIP FRIENDLY SOCIETY**

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**Notes to the Financial Statements****31 December 2023****4. Financial Risk Management (continued)****(c) Liquidity risk (continued)****Undiscounted cash flows of financial liabilities**

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

	<b>Within 1 month \$'000</b>	<b>1 to 3 months \$'000</b>	<b>3 to 12 months \$'000</b>	<b>1 – 8 years \$'000</b>	<b>Total \$'000</b>	<b>Carrying amount \$'000</b>
<b>2023</b>						
Payables	144,624	68,454	60,070	-	273,148	273,148
Members' savings	-	3,567,817	-	-	3,567,817	3,567,817
External credits	13,914	36,906	316,393	1,076,634	1,443,847	1,107,324
Lease Liability	67	939	1400	1864	4,270	3,749
	<b>158,605</b>	<b>3,674,116</b>	<b>377,862</b>	<b>1,078,498</b>	<b>5,289,082</b>	<b>4,952,038</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2022</b>						
Payables	101,183	58,482	18,476	-	178,141	178,141
Members' savings	-	3,015,581	-	-	3,015,581	3,015,581
External credits	10,356	39,708	281,900	1,216,034	1,547,998	1,221,207
Lease Liability	35	69	311	878	1,293	1,155
	<b>111,574</b>	<b>3,113,840</b>	<b>300,687</b>	<b>1,216,912</b>	<b>4,743,013</b>	<b>4,416,084</b>

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

**(d) Market risk**

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



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**Notes to the Financial Statements**  
**31 December 2023**

**4. Financial Risk Management (continued)**

**(d) Market risk (continued)**

**(i) Currency risk (continued)**

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

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

	<b>2023</b>	<b>2022</b>
	<b>US\$</b>	<b>US\$</b>
Cash at bank	13,207	10,982
	<u>13,207</u>	<u>10,982</u>
	<b>2023</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Currency		
Rate of exchange	153.59	149.96
Jamaican equivalent	<u>2,028</u>	<u>1,647</u>

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

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<b>Effect on Profit and loss and equity</b>			
	Devaluation	Revaluation	Devaluation	Revaluation
	-4%	1%	-4%	1%
<b>Currency:</b>				
USD	<u>(81)</u>	<u>20</u>	<u>(66)</u>	<u>16</u>

**TIP FRIENDLY SOCIETY**

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements  
31 December 2023****4. Financial Risk Management (continued)****(d) Market risk (continued)****(ii) Interest rate risk**

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

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

At the reporting date, financial liabilities subject to interest rates aggregated \$4,675,140,824; (2022: \$4,236,787,540). The Society contracts financial liability at a fixed interest rate, hence, changes in the market interest rate will not affect the cash flow nor the carrying amount of the instruments.

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

	<b>Within 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>Over 5 years</b>	<b>Non-interest bearing</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>2023</b>					
<b>Assets</b>						
Investment						
Securities	24,707	75,000	155,000	135,000	-	389,707
Loans receivables	23,880	70,410	2,157,160	2,405,944	17	4,657,411
Cash and cash equivalents	161,031	-	-	-	3,196	164,227
<b>Total financial assets</b>	<b>209,618</b>	<b>145,410</b>	<b>2,312,160</b>	<b>2,540,944</b>	<b>3,213</b>	<b>5,211,345</b>
<b>Liabilities</b>						
Members' savings	3,567,817	-	-	-	-	3,567,817
External credits	24,960	263,099	391,323	427,942	-	1,107,324
Payables	-	-	-	-	273,148	273,148
Lease liability	132	613	1,216	1,788	-	3,749
<b>Total financial liabilities</b>	<b>3,592,909</b>	<b>263,712</b>	<b>392,539</b>	<b>429,730</b>	<b>273,148</b>	<b>4,952,038</b>
<b>Total interest re-pricing gap</b>	<b>(3,383,291)</b>	<b>(118,302)</b>	<b>1,919,621</b>	<b>2,111,214</b>	<b>(269,935)</b>	<b>259,307</b>

**TIP FRIENDLY SOCIETY**

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**Notes to the Financial Statements  
31 December 2023****4. Financial risk management (continued)****(d) Market risk (continued)****(ii) Interest rate risk (continued)**

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

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.

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**Notes to the Financial Statements****31 December 2023****4. Financial risk management (continued)****(d) Market risk (continued)****(iii) Price risk**

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

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

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

2023	2023	2022	2022
<b>Effect on Profit and loss and equity</b>			
Increase	Decrease	Increase	Decrease
6%	3%	6%	6%
9,000	(4,500)	12,000	(12,000)

**TIP FRIENDLY SOCIETY**  
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**Notes to the Financial Statements**  
**31 December 2023**

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**4. Financial Risk Management (continued)**

**(e) Operational risk**

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

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

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

- Requirement for appropriate segregation of duties, including the independent authorization 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.

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**Notes to the Financial Statements**  
**31 December 2023**

**4. Financial Risk Management (continued)**

**(f) Capital management**

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

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

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

The composition of regulatory capital and the ratios of the Society as at 31 December 2023 and 31 December 2022 are as follows:

	2023		2022	
	Actual	Required	Actual	Required
	\$'000	\$'000	\$'000	\$'000
Total regulatory capital	1,073,000	535,171	935,157	485,735
Total capital ratio	16%	8%	15%	8%

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements  
31 December 2023**

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**5. Critical accounting estimates and judgements in applying accounting policies**

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

**(i) Impairment of financial assets**

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

**(ii) Depreciable assets**

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

**(iii) Fair value of financial assets**

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

**TIP FRIENDLY SOCIETY**

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**Notes to the Financial Statements****31 December 2023****6. Investment properties**

	Land – Drax Hall	Palmoral Avenue - Mona	Bogue Estate - Montego Bay	Caledonia - Kent Avenue Mandeville Portmore	Cookson Pen - Portmore	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>At cost -</b>							
1 January 2022	-	20,500	-	-	22,000	-	42,500
Additions	-	-	121,550	49,902	-	198,933	370,385
Transfer from property, plant, and equipment	-	-	-	-	-	375,057	375,057
31 December 2022	-	20,500	121,550	49,902	22,000	573,990	787,942
Transfer from property, plant, and equipment	191,156	89,977	-	-	-	(10,450)	270,683
31 December 2023	191,156	110,477	121,550	49,902	22,000	563,540	1,058,625
<b>Depreciation -</b>							
1 January 2022	-	-	-	-	-	-	-
Charge for year	-	512	3,038	1,248	550	4,863	10,210
31 December 2022	-	512	3,038	1,248	550	4,863	10,210
Charge for the year	-	2,762	3,038	1,248	550	14,089	21,687
31 December 2023	-	3,274	6,076	2,496	1,100	18,952	31,897
<b>Net book value -</b>							
31 December 2023	191,156	107,203	115,474	47,406	20,900	544,589	1,026,728
31 December 2022	-	19,988	118,512	48,654	21,450	569,128	777,732

- (i) The Montego Bay property is pledged as security for a loan from JMMB Bank (Jamaica) Limited. (See Note 18)
- (ii) The Mandeville property, which is a commercial building, is located at Lot 3, Caledonia, Mandeville, Manchester, was purchased during 2021 for the sum of \$60,000,000.
- (iii) The Drax Hall property, which is land located at Lot 17B, Drax Hall Estate, St. Ann's Bay, St. Ann, was purchased during 2022 and is pledged as security for a loan from Victoria Mutual Building Society. (See Note 18)



**TIP FRIENDLY SOCIETY**

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**Notes to the Financial Statements****31 December 2023****6. Investment properties (continued)**

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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental income	13,178	10,578
Direct operating expenses (Note 25)	<u>(5,198)</u>	<u>(3,604)</u>
	<u>7,980</u>	<u>6,974</u>

**7. Financial investments**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Investment securities at amortized cost</b>		
<b>Deferred shares:</b>		
6.75%-7.00% Victoria Mutual Building Society – Deferred shares	<u>-</u>	<u>200,000</u>
<b>Preference shares:</b>		
VM Financial Group Limited – Cumulative Redeemable Preference shares (Class B) due March 31, 2025	<u>150,000</u>	<u>-</u>
<b>Corporate Bond:</b>		
9.5% (2022: 6%) Victoria Mutual Wealth Management Unit Trust – Property Fund, maturing October 2024	<u>75,000</u>	<u>75,000</u>
<b>Investment securities at fair value through profit or loss</b>		
Unit in unit trust funds:		
Victoria Mutual Wealth Management Fund	159,860	147,247
CUMAX Investment Fund	<u>4,847</u>	<u>4,780</u>
	<u>164,707</u>	<u>152,027</u>
	<u>389,707</u>	<u>427,027</u>

**TIP FRIENDLY SOCIETY**  
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**Notes to the Financial Statements**  
**31 December 2023**

**7. Financial investments (continued)**

The movement in investment securities is as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
Balance at beginning of year	427,027	427,360
Fair value (losses)/gains	12,680	(333)
Additions to investment securities	150,000	-
Disposal of investment securities	<u>(200,000)</u>	<u>-</u>
Balance at end of year	<u>389,707</u>	<u>427,027</u>

Dividend on the preference shares is paid quarterly and is calculated at rate of 300 basis point above the weighted average yield rate applicable to the Government of Jamaica Treasury Bill Tender.

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

**8. Loan receivables**

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Balance at beginning of year	4,100,576	3,464,933
Loans granted	<u>2,028,843</u>	<u>1,768,831</u>
	6,129,419	5,233,764
Less: Repayments	<u>(1,193,152)</u>	<u>(1,133,188)</u>
	4,936,267	4,100,576
Less: Impairment loss allowance	<u>(322,055)</u>	<u>(221,000)</u>
	4,614,212	3,879,576
Interest receivable	<u>43,199</u>	<u>52,176</u>
Balance at end of year	<u>4,657,411</u>	<u>3,931,752</u>

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

**Loans to members, before impairment loss allowance, comprise:**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Motor vehicle loans	615,349	736,228
Mortgage loans	73,629	61,886
Regular loans	3,278,331	2,623,316
Other loans	<u>968,958</u>	<u>679,146</u>
	<u>4,936,267</u>	<u>4,100,576</u>

**Movement of the expected credit loss provision is as follows:**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	221,000	99,726
Increase in expected credit loss provision	129,790	139,553
Bad debt written off	<u>(28,735)</u>	<u>(18,279)</u>
Balance at end of year	<u>322,055</u>	<u>221,000</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**  
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**Notes to the Financial Statements**  
**31 December 2023**

**8. Loan receivables (continued)**

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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	4,640,283	3,782,495
30 days	103,084	120,520
60 days	41,580	92,632
60 - 90 days	25,064	40,183
91 - 180 days	61,258	42,917
181 - 365 days	80,327	31,690
Over 365 days	<u>27,870</u>	<u>42,315</u>
	4,979,466	4,152,752
Less: Impairment loss allowance	<u>(322,055)</u>	<u>(221,000)</u>
Balance at end of year	<u>4,657,411</u>	<u>3,931,752</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
			<b>2023</b>		
Less than 2	12	8,168	-	8,168	341
2 - 3	52	25,064	7,735	30,030	1,868
4 - 6	67	61,258	14,182	30,222	1,943
7 - 12	147	80,327	432	118,270	11,529
Over 12	60	27,870	2,525	28,454	6,975
	<u>338</u>	<u>202,687</u>	<u>24,874</u>	<u>215,144</u>	<u>22,656</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
			<b>2022</b>		
Less than 2	9	5,210	2,165	3,045	153
2 - 3	46	40,183	461	39,722	1,890
4 - 6	80	42,917	6,464	36,453	2,284
7 - 12	91	31,690	2,261	29,429	4,756
Over 12	78	42,315	888	41,428	11,014
	<u>304</u>	<u>162,315</u>	<u>12,239</u>	<u>150,077</u>	<u>20,097</u>

**TIP FRIENDLY SOCIETY**  
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**Notes to the Financial Statements**  
**31 December 2023**

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**9. Cash and cash equivalents**

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Cash at bank and other deposit-taking institutions:		
National Commercial Bank Jamaica Limited	151,801	151,657
First Caribbean International Bank (Jamaica) Limited	3,123	1,717
JMMB Bank (Jamaica) Limited	1,761	8,743
Victoria Mutual Building Society	<u>7,470</u>	<u>6,148</u>
	164,155	168,265
Cash on hand	<u>72</u>	<u>185</u>
	<u>164,227</u>	<u>168,450</u>

Cash at bank substantially comprise savings and operating accounts at licensed deposit-taking institutions in Jamaica.

The rate of interest earned on the Society's savings accounts range from 0.01% to 1.75% (2022: 0.02% to 1.75%) for those that are denominated in Jamaican Dollars.

Included in cash at bank is an amount of \$10.4 million (2022: \$4.8 million) in a debt service reserve account (DSRA) being maintained under the terms of a borrowing agreement. (See note 18)

**TIP FRIENDLY SOCIETY**  
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**Notes to the Financial Statements**  
**31 December 2023**

**9. Cash and cash equivalents (continued)**

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

	<u>2023</u>	<u>2022</u>
	US\$	US\$
United States Dollars	<u>13,207</u>	<u>10,982</u>

**10. Other assets**

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
General consumption tax	7,437	4,444
Interest receivable	7,039	3,711
Prepayments	4,087	1,487
Rent receivable	3,196	5,002
Staff loans	119,392	151,032
Telephone deposit	43	43
Utilities deposit	311	311
Other receivables	<u>297</u>	<u>185</u>
	<u>141,802</u>	<u>166,215</u>

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**Notes to the Financial Statements**  
**31 December 2023**

11. Property, plant, and equipment	Land & Building	Motor Bike	Furniture & Fixtures	Computer & Equipment	Leasehold Improvement	Work-in-Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Cost/Valuation -</b>							
1 January 2022	474,926	270	23,982	96,543	7,770	490,911	1,094,402
Additions	-	-	1,215	11,160	-	-	12,375
Transfer to investment property	(171,452)	-	-	-	-	(206,334)	(377,786)
31 December 2022	303,474	270	25,197	107,703	7,770	284,577	728,991
Additions	-	-	1,654	5,363	-	876	7,893
Disposal	-	(270)	-	-	-	-	(270)
Transfer from work in progress	13,500	-	-	-	-	(13,500)	-
Adjustment	-	-	-	-	-	(1,270)	(1,270)
Transfer to investment property	-	-	-	-	-	(270,683)	(270,683)
31 December 2023	316,974	-	26,851	113,066	7,770	-	464,661
<b>Depreciation -</b>							
1 January 2022	6,841	270	21,005	64,917	7,456	-	100,489
Charge for year	7,587	-	1,453	22,450	314	-	31,804
Revaluation adjustment	(2,728)	-	-	-	-	-	(2,728)
31 December 2022	11,700	270	22,458	87,367	7,770	-	129,565
Charge for the year	7,924	-	1,124	19,082	-	-	28,130
Relieved on disposal	-	(270)	-	-	-	-	(270)
31 December 2023	19,624	-	23,582	106,449	7,770	-	157,425
<b>Net book value -</b>							
31 December 2023	297,350	-	3,269	6,617	-	-	307,236
31 December 2022	291,774	-	2,739	20,336	-	284,577	599,426

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements  
31 December 2023**

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**11. Property, plant, and equipment (continued)**

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

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

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

- (iii) During the year 2021, the Society purchased building located at Lot 3, Caledonia, Mandeville, Manchester for the sum of \$60,000,000.
- (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. These were completed and transferred to investment properties in 2022 and 2023.
- (v) During 2022, the Society transferred property from property, plant and equipment to investment properties for building located in St. James and Manchester.
- (vi) All of the Society's properties (as stated in ii, iii, and iv above) have been pledged as security for the borrowings of loans from Victoria Mutual Building Society, CUMAX Wealth Management and JMMB Bank (Jamaica) Limited. See Note 7.



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**Notes to the Financial Statements**  
**31 December 2023**

**12. Right-of use asset and related lease liability**

**(i) Amounts recognised in the balance sheet**

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

**Right-of-use asset**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of the year	1,080	-
Additions	-	1,440
Amortization	(1,238)	(360)
Remeasurement	<u>2,688</u>	<u>-</u>
Balance as at end of year	<u>2,530</u>	<u>1,080</u>

**Lease liability**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance as at beginning of the year	1,155	-
Additions	-	1,440
Lease payments	(611)	(384)
Interest expense	517	99
Remeasurement	<u>2,688</u>	<u>-</u>
Balance as at end of year	<u>3,749</u>	<u>1,155</u>

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Current	745	340
Non-current	<u>3,004</u>	<u>815</u>
Balance as at end of year	<u>3,749</u>	<u>1,155</u>

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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Amortization of right-of-use assets (included in administrative expenses, note 25)	1,238	360
Interest expense (included in finance costs, note 22)	<u>517</u>	<u>99</u>

**(iii) Amounts recognised in the statement of cash flows**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Total cash outflows for leases	<u>611</u>	<u>384</u>

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

**13. Intangible assets**

**(a) Software**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Cost</b>		
Balance at beginning and end of year	45,793	45,793
<b>Amortization</b>		
Balance at beginning of year	45,793	40,889
Charge for the year	-	4,904
Balance at the end of year	45,793	45,793
<b>Net book value</b>	-	-

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

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

**14. Permanent shares**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	63,306	58,438
Increase in shares	3,989	4,868
Balance at end of year	67,295	63,306

Each member is required to subscribe to a minimum of two thousand (2,000) shares, but up to a maximum of one hundred thousand (100,000) shares, at par value of one dollar (\$1) each, or at a selling price per share which prevails at the time of subscription. These shares cannot be withdrawn but may be subject to sale, transfer or repurchase by the Society.

Dividends may be distributed and paid on permanent shares subject to the profitability of the Society.

**TIP FRIENDLY SOCIETY**  
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**Notes to the Financial Statements**  
**31 December 2023**

**15. Institutional capital**

		<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>
Statutory reserve	(a)	153,682	142,108
Special reserve	(b)	<u>852,023</u>	<u>729,743</u>
		<u>1,005,705</u>	<u>871,851</u>

**(a) Statutory reserve**

		<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year		142,108	135,046
Transfer to statutory reserve		<u>11,574</u>	<u>7,062</u>
Balance at end of year		<u>153,682</u>	<u>142,108</u>

This reserve is established out of the excess of revenue over expenditure each year and represents 5% of such excess. During the year, transfers from surplus amounted to \$11,574,000 (2022: \$7,062,000). This is used to assist with the strengthening of the capital base of the Society.

**(b) Special reserve**

		<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year		729,743	625,451
Mandatory transfer to special reserve at 20% (2022: 20%)		62,155	58,854
Additional transfer to special reserve at 27.5%; (2022: 27.5%)		85,464	80,924
Claim payments		<u>(25,339)</u>	<u>(35,486)</u>
Balance at end of year		<u>852,023</u>	<u>729,743</u>

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

In addition to the mandatory 20% transfer to special reserve, the Society has decided to make an additional transfer to reserve. On May 18, 2023, the Committee of Management passed an ordinary resolution to increase the additional transfer to special reserve from 20% to 27.5%.

**TIP FRIENDLY SOCIETY**

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements  
31 December 2023****16. Non-institutional capital**

		<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>
General reserve	(a)	314,857	314,857
Property revaluation reserve	(b)	266,949	266,949
Undistributed surplus		<u>82,797</u>	<u>138,635</u>
		<u>664,603</u>	<u>720,441</u>

**(a) General reserve**

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

**(b) Property revaluation reserve**

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

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning and end of year	<u>266,949</u>	<u>266,949</u>

**17. Members' savings**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at beginning of year	3,015,581	2,704,504
Savings and interest	1,521,758	1,368,253
	<u>4,537,339</u>	<u>4,072,757</u>
Withdrawals and transfers	(969,522)	(1,057,176)
Balance at end of year	<u>3,567,817</u>	<u>3,015,581</u>

Members' savings represents voluntary shares which are issued at a par value of \$1 per share, or at a selling price per share which prevails at the time of subscription.

Interest is paid at a rate ranging between 3.5% and 5% per annum, and, subject to the profitability of the Society, the Committee of Management may recommend the declaration and payment of dividend on voluntary shares in amounts and at times as it may determine.

**TIP FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

**18. External credits**

		<u>2023</u>	<u>2022</u>
		<u>\$'000</u>	<u>\$'000</u>
Victoria Mutual Building Society	(a)	157,380	174,152
Victoria Mutual Building Society	(b)	120,553	125,895
Victoria Mutual Building Society	(c)	133,727	139,335
CUMAX Wealth Management	(d)	-	21,682
JMMB Bank (Jamaica) Limited	(e)	138,171	139,500
JMMB Bank (Jamaica) Limited	(f)	52,957	54,500
JMMB Bank (Jamaica) Limited	(g)	81,536	96,143
National Commercial Bank Jamaica Limited	(h)	<u>423,000</u>	<u>470,000</u>
		1,107,324	1,221,207
Less: Current portion		<u>(288,059)</u>	<u>(307,535)</u>
		<u>819,265</u>	<u>913,672</u>

- (a) This loan of \$200 million, which was received in April 2021, attracts interest at 5.75% per annum and is repayable over 120 equal monthly instalments. The loan is secured by Hypothecation of securities held at Victoria Mutual Wealth Management Limited in the name of TIP Friendly Society in the amount of \$210 million.
- (b) This loan of \$132 million, which was received in September 2021, attracts interest rate of 6.90% per annum and is repayable over 180 equal monthly instalments. The loan is secured by First Legal Mortgage to be stamped to cover \$132 million over commercial property located at Strata 1-3, 80 Half Way Tree Road, Kingston 10. Registered at Volume 1201 Folio 712-714.
- (c) This loan of \$144 million, which was received in February 2022, attracts interest rate of 7.00% per annum and is repayable over 180 equal monthly instalments. The loan is secured against first legal mortgage Lot 17B, Drax Hall Estate, Drax Hall, St. Ann. Registered at Volume 1490 Folio 932.
- (d) This loan of \$50 million, which was received in October 2021, attracted interest at a rate of 6.50% and was repaid during the year. The loan was secured against first legal mortgage over property located at Caledonia Mandeville, Manchester, with title registered at Volume 1417 Folio 425, stamped to cover \$50 million.
- (e) This loan is a Revolving Line of Credit, which was received in October 2021, attracts interest rate of 10.20% (2022: 7.95% and is repayable over 12 equal monthly instalments.

**TIP FRIENDLY SOCIETY****(A Society Registered Under the Friendly Societies Act)****Notes to the Financial Statements****31 December 2023**

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**18. External credits (continued)**

- (f) This loan is a Revolving Line of Credit, which was received in October 2021, attracts interest rate of 10.75% (2022: 8.50%) and is repayable over 12 equal monthly instalments.
- (g) This loan of \$100 million, was received in September 2022, attracts interest at a rate of 10.50% and is repayable over 60 equal monthly instalments.
- (h) This loan of \$470 million, was received in January 2022, attracts interest at a rate of 6.25% during the moratorium period of 12 months and 5.75% thereafter. The loan is repayable over 32 equal monthly instalments of \$11,750,000 commencing after the moratorium period and payable quarterly and one final payment of \$94,000,000 at maturity.

Loans (e) to (g) are secured by a first Legal Mortgage to be stamped to cover \$144 million over commercial property located at Lot No. 27, Bogue Estate, St. James registered at Volume 1522 Folio 915.

Loan (h) is secured by the following:-

- (i) First legal mortgage over property located at Lot 1, 6E Cookson Pen, Greater Portmore, registered at volume 1333 Folio 914, stamped to cover \$470 million. Valuation dated 1 July 2021 by Thomas Forbes & Associates Limited reflecting current market value of \$755.5 million and forced sale value \$680 million.
- (ii) Debt service reserve account (DSRA) is to be established with an amount of J\$2.45 million initially, and thereafter built up at a rate of J\$592,000 monthly over twenty-four (24) months until the sum of J\$16.66 million is achieved. A lien will be placed on this account. (See note 9)

**TIP FRIENDLY SOCIETY**

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements  
31 December 2023****19. Payables**

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Accruals	48,705	42,511
Accrued vacation leave	951	7,010
Audit fee	4,450	2,900
Dividend payable	60,260	18,476
Due to Errol Henry Fund (Note 26)	13,393	7,062
Members interest account	90,000	20,000
Rental deposits	2,094	1,058
Statutory contributions	5,581	7,266
Student self insurance fund	2,711	6,275
Unallocated lodgments	38,778	47,118
Withholding tax	59	9,556
Other payables	6,166	8,909
	<u>273,148</u>	<u>178,141</u>

**20. Interest income - loans**

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Motor vehicle loans	53,590	63,278
Regular loans	585,889	437,170
Other loans	16,666	20,652
	<u>656,145</u>	<u>521,100</u>

**21. Interest income - investment securities**

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Deferred shares	5,945	13,926
Preference shares	10,512	-
Bonds and unit trust funds	19,883	4,344
	<u>36,340</u>	<u>18,270</u>

**TIP) FRIENDLY SOCIETY**  
(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements**  
**31 December 2023**

**22. Finance costs, net**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Return on premium expense account	1,215	1,465
Interest on external credits	82,994	82,094
Foreign exchange (gains)/losses	(31)	40
Lease interest expense [Note 12(ii)]	517	99
	<u>84,695</u>	<u>83,698</u>

**23. Insurance premium**

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

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

The premium covers mortality, interest and administrative expenses.

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

**24. Other income**

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Gain on sale of property, plant, and equipment Jamaica Co-operative Insurance Agency Limited	56	-
income	3,558	3,883
Rental income	13,178	10,578
Loan application fees	33,087	30,302
Other income	1	16,335
	<u>49,880</u>	<u>61,098</u>



**TIP FRIENDLY SOCIETY**

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**Notes to the Financial Statements  
31 December 2023****25. Operating expenses**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Advertising and promotion</b>		
Scholarships	4,932	5,213
Promotional	31,914	28,048
	<u>36,846</u>	<u>33,261</u>
<b>Administrative expenses</b>		
Amortization of intangible assets	-	4,904
Amortization of right-of-use asset [note 12(ii)]	1,238	360
Audit fee	4,450	2,900
Bad debts	42,525	18,279
Bank charges	4,506	2,387
Depreciation	49,817	42,015
Donation	-	5,415
Insurance	9,040	4,519
Interest and penalty	12	-
Irrecoverable GCT	8,347	-
Legal and professional fees	3,912	3,988
Motor vehicle expenses	34	110
Office and general expenses	4,104	5,395
Postage and courier	853	683
Printing and stationery expenses	3,504	4,041
Repairs and maintenance	6,543	3,623
Security	10,527	5,632
Software maintenance	10,662	11,688
Student plan insurance expenses	1,041	731
Telecommunications	9,773	9,815
Utilities	9,188	10,090
Other administrative expenses	1,593	2,233
	<u>181,669</u>	<u>143,126</u>
Balance carried forward	<u>218,515</u>	<u>179,161</u>

**Notes to the Financial Statements**  
**31 December 2023**

**25. Operating expenses (continued)**

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance brought forward	218,515	179,161
<b>Establishment</b>		
Building and ground maintenance	3,484	957
Rental of premises	480	1,692
Property tax	405	317
Utilities	829	638
	<u>5,198</u>	<u>3,604</u>
<b>Representation and affiliation</b>		
Affiliation expenses	9,979	12,347
Annual general meeting	7,727	3,727
Board and committee expenses	32,385	28,708
	<u>50,091</u>	<u>44,782</u>
<b>Personnel expenses</b>		
Salaries and wages	164,705	164,950
Statutory contributions	23,902	21,899
Staff welfare	52,649	48,694
Pension (note 28)	4,613	5,043
Health insurance	5,015	5,364
Casual labour	4,275	2,153
Other staff related costs	14,170	10,854
	<u>269,329</u>	<u>258,957</u>
<b>Total operating expenses</b>	<u>543,133</u>	<u>479,412</u>
	<b>2023</b>	<b>2022</b>
<b>Number of staff:</b>		
Permanent	66	81
Temporary	15	1
	<u>81</u>	<u>82</u>

**TIP FRIENDLY SOCIETY**

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements****31 December 2023****26. Errol Henry Fund**

By virtue of an agreement dated 1 February 2004 between the Society and Errol Henry, founding member of TIP Friendly Society, whereby a payment equivalent to 5% of the annual net surplus be paid to him over a period of Twenty (25) years ending 1 February 2029. At year end, the amount of \$11,574,000; (2022: \$7,062,000) was charged to the Statement of Comprehensive Income. (Note 19).

**27. Dividends**

In a meeting of the Committee of Management held on May 27, 2023 (May 28, 2022) a dividend of \$113,267,000 (2022: \$73,610,000) representing approximately 4% (2022: 3%) of voluntary shares and 10% (2022: 6%) of permanent shares was declared, as follows:

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
Permanent shares	5,614	3,252
Voluntary shares	<u>107,653</u>	<u>70,358</u>
	<u>113,267</u>	<u>73,610</u>

**28. Pension Scheme**

The Society is a participant in a contributory pension scheme operated and managed by Sagicor Life Jamaica Limited. The Society's liability to the contributory pension scheme is limited to the contributions. During the year, the Society's contributions amounted to \$4,612,838 (2022: \$5,042,689).

**29. Comparison of ledger balances**

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

	<u>Loans to members</u>	<u>Members' savings</u>	<u>Members' shares</u>
<b>December 31, 2023</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
General ledger	4,936,267	2,708,999	67,295
Personal ledger	<u>4,938,062</u>	<u>2,708,810</u>	<u>67,295</u>
Difference	<u>(1,795)</u>	<u>189</u>	<u>-</u>
<b>December 31, 2022</b>			
General ledger	4,100,576	2,220,610	63,306
Personal ledger	<u>4,101,406</u>	<u>2,220,611</u>	<u>63,306</u>
Difference	<u>(830)</u>	<u>(1)</u>	<u>-</u>

**TIP FRIENDLY SOCIETY**

(A Society Registered Under the Friendly Societies Act)

**Notes to the Financial Statements  
31 December 2023****30. Related party transactions**

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

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

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

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

	<u>2023</u>	<u>2022</u>
	\$'000	\$'000
<b>(i) Loan balances (including interest)</b>		
Board and committee members	98,898	84,377
Staff members	146,994	196,608
<b>(ii) Deposits (including interest)</b>		
Board and committee members	23,357	21,787
Staff members	4,021	8,726
<b>(i) Share balances</b>		
Board and committee members	533	592
Staff members	419	492

No waivers were granted in respect of these loans. At 31 December 2023, 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 2023**

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**30. Related party transactions (continued)**

Amounts charged to the statement of comprehensive income: -

	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<b>Scholarship</b>	-	500
<b>Key management compensation:</b>		
Salaries and other short-term benefits (included in staff costs)	50,023	49,116
Post employment benefits	<u>389</u>	<u>7,388</u>
	<u>50,412</u>	<u>57,004</u>



**TIP** Friendly Society

# TIP EDUCATOR PLAN

*Secure your children's future!*



**Education Purposes Only**



**Minimum payment \$3,500**



**Savings option : 3 years, 4 years, & 5 years**



**NO withdrawals allowed**



*\*Conditions Apply*

**Follow us today!**



**CONTACT your TIP Business Development Officers:**

Kingston & St. Andrew – Cadiann Calvert-Jackson 876-281-0245

St. Mary, St. Ann & Portland – Richard Mollison 876-281-0258

St. James, Hanover & Westmoreland – Kajha Cunningham 876-550-6748

St. Elizabeth, Manchester, & Trelawny – Marquez Cole 876-550-6747

St. Catherine & St. Thomas – Sheldon Samuels 876-278-6214

Clarendon, Manchester & Trelawny – Leon Barnaby 876-364-7331

SCAN ME



# REPORT OF THE CREDIT COMMITTEE

June 2023-2024

The dynamic Credit Committee of TIP Friendly Society consist of five dedicated, fit and proper volunteers who were nominated and elected at the 2023 Annual General Meeting (AGM) of the Friendly Society. These committed volunteers are:

Volunteers	Positions
Mr. Winston R. Smith, JP	Chairman
Mrs. Erica Ewbanks	Secretary
Mr. Rohan Johnson	Member
Ms. Sandra Hunter	Member
Mr. Eaton McNamee	Member

The committee started the year with under the watchful eye of Miss Judith Wilson, Manager Branch Operations, of TIP Friendly Society, who continued to give much needed support to the committee.

It is with a heart of gratitude that the committee say thanks to Miss. Wilson for her invaluable contribution to the Committee during the year as we worked to ensure that quality services is provided to every member of TIP Friendly Society.

## Acknowledgement

The Committee takes great pride in acknowledging our members who continues to see TIP as the place of choice to conduct business and as such, continue to take loans, service their loans as well as responding to our calls whenever such calls become necessary. Furthermore, we acknowledge the work of the Credit Department of the Society to include all the Client Services Representatives on the floor as well as the team of the Marketing Department. Additionally, the committee extends a special thank you to Mr. John 'Moses' Emery, who was always willing and ready to go beyond the call of duty to ensure that we the members of the committee were well taken care of on days when we meet to execute our duties.

## Committee functions as per the Regulations

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

- ❑ Examine and approve loans within a 10:1 ratio or other loan applications that seek the approval of the committee based on the nature of the loan.
- ❑ Review and sign off on loan applications on a monthly basis.
- ❑ Review all loans to ensure that all supporting documents are properly aligned to the stipulated guidelines of the Society
- ❑ Make contact with delinquent customers and their references.
- ❑ Assist with the reduction of delinquency by making contact with members whose loan are in arrears for sixty days.
- ❑ Prepare and submit monthly reports to the Board of Management of TIP Friendly Society.
- ❑ The quorum is three (3) and as such at least three members are required to sign on documents representing the decision of the Committee.

## Meeting attendance of the Committee

Meetings were held once per month for the entire period under review, that is from June 2023- June 2024. Additionally, the committee was exposed to trainings sessions which has contributed significantly to the members being able to execute the mandate assigned to the committee. The chart below outlines the attendance of members of the committee to meetings as well as the aforementioned training sessions.

## REPORT OF THE CREDIT COMMITTEE

June 2023-2024 (Continued)

Members	POCA Training	Board Retreat	Governance Training	Possible Meetings	Present	Absent	Percentage Attendance
Winston Smith (Chairman)	✓	✓	✓	14	13	1	93%
Erica Ewbanks (Secretary)	✓	✓	✓	14	13	1	93%
Sandra Hunter	✓	✓	✓	14	14	0	100%
Rohan Johnson	✓	✓	✓	14	14	0	100%
Eaton McNamee	✓	✓	✓	14	13	1	93%

The scheduled meetings of the committee were held under the watchful eyes of Miss Judith Wilson (Branch Operations Manager) from the rise of the Committee up to the time of this report. In addition, the Committee had the support of Miss Charmaine Campbell, Branch Supervisor and Miss Rikane McDaniel, Senior Delinquency Officer who provided support whenever Miss Wilson was unavailable

### Loans

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

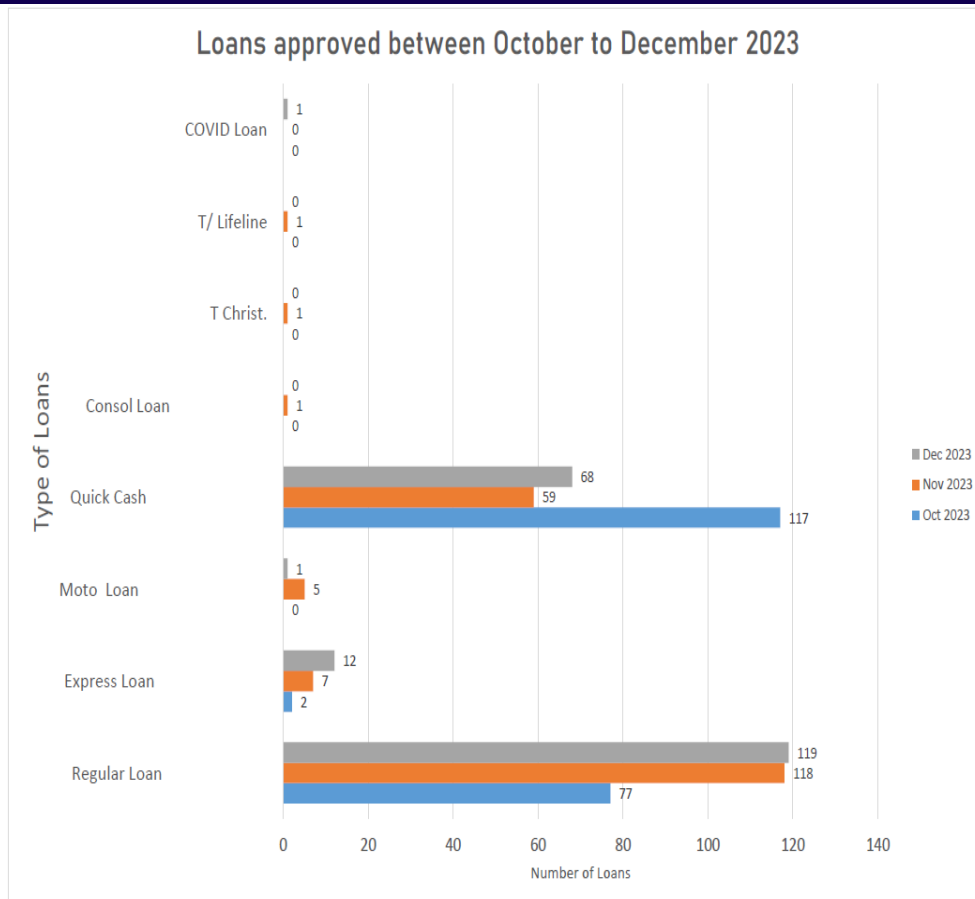
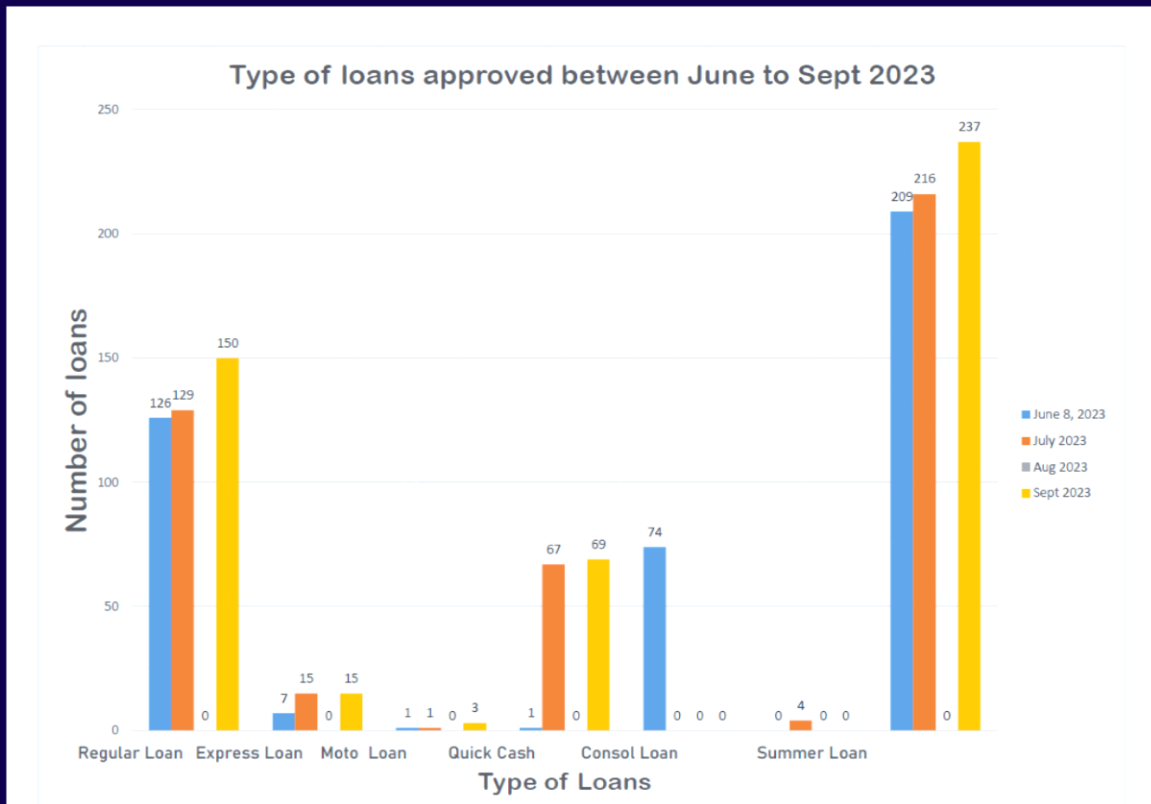
- Evaluating and approving loans outside of the specified ration.
- Assessing with the view to approve loans that require special interventions.
- Assessing loan request where members last accessed a loan under 90 days.
- Review and sign off on all loans granted during the periods between meetings.
-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

### Loan Files reviewed for the period June 2023 to June 2024

The Credit Committee in fulfilling its mandate met monthly from the assembling of the committee following our Annual General Meeting (AGM), June 2023 to June 2024, with the multipurpose function as prescribed in its mandate. In so doing, the committee examine all loan files to ensure that the requisite documentations are in place for the granting of the specified loan. Furthermore, the committee assess the loan process and make recommendations where necessary to the Board of Management. In addition, where documentations are missing and or not visible, such information is passed on to the Management by way of the Managerial Staff who provides support to the committee. In so doing, the committee ensures that all processes are followed thus safeguarding the funds of all members of TIP Friendly Society. The graphs below indicate the number of files viewed, the types of loans as well as delinquency loans reviewed during the reporting period.

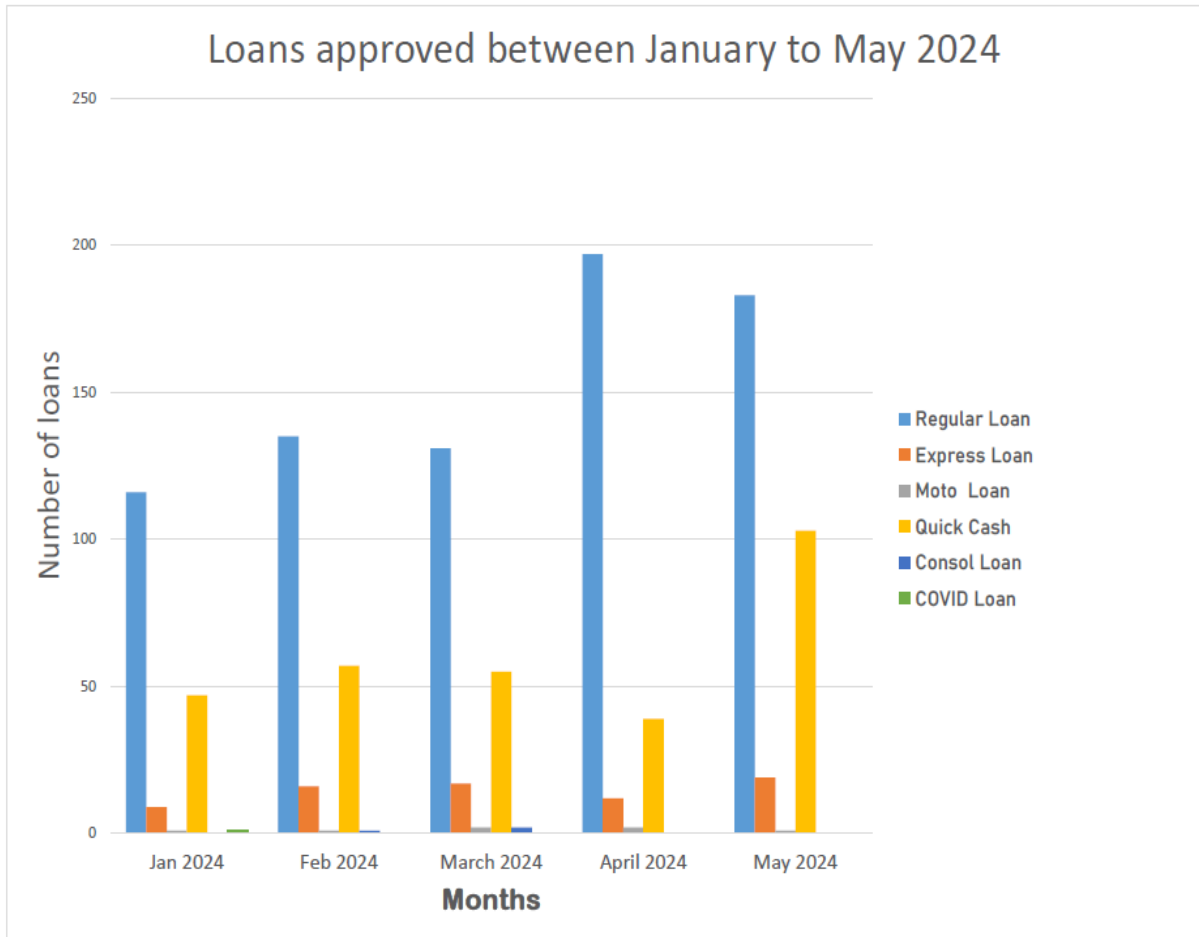


**REPORT OF THE CREDIT COMMITTEE**  
June 2023-2024 (Continued)



**REPORT OF THE CREDIT COMMITTEE**

June 2023-2024 (Continued)



**Proceeds of Crime Act (POCA) Training**

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

**General Remarks**

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

## REPORT OF THE CREDIT COMMITTEE

June 2023-2024 (Continued)

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

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

Sincerely,

TIP Friendly Society Credit Committee

Erica Ewbanks  
Secretary



Winston. R. Smith, JP  
Chairman

## SUPERVISORY COMMITTEE'S ANNUAL REPORT

### The Starting Team

The Supervisory Committee comprises five volunteers who were elected to serve for one (1) year as per article 29, Section 1 (i) at the TIP Friendly Society's Annual General Meeting on Saturday May 27, 2023.

Mr. Philmore McCarthy (**Chairman**)  
Mrs. LouAnn Bramwell-Shakes (**Secretary**)  
Mrs. Camille Davis-Williams  
Mr. Colin Spence  
Mr. Leاون Nash

### 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 for the purpose of monitoring and auditing the operations of the organization to ensure compliance with the rules and documented industry standards.

The Committee's goals and responsibilities include:

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

### Mission Critical Activities

The activities for the period have been summarized below:

1. Training of the Committee members on their roles and functions
2. Investigation matters relating to governance concerns
3. Auditing of the Head Office and Branch Offices.
4. Review Auditor's Financial Management Report (2023)
5. Review of Human Relations process within the organization
6. Review related party transactions, random loan files and insurance claims
7. Examine Policies and Authorities Schedule.
8. Careful overview of Investment portfolio and risk management controls
9. Conduct monthly meetings and submit reports to the Board of Management
10. Creation of an Audit Plan for successive use

### Training: Regulatory/ POCA

TIP Friendly Society is regulated by the Department of Co-operatives and Friendly Societies (DCFS). This department commissioned a special training for the five member committee on Friday October 20, 2023, to strengthen the discharge of functions and aid our independent role as watchdogs at TIP. The training also provided an overview of the regulatory functions in ensuring that the internal control systems employed by the Society are effective in achieving its objective.

The training relating to the Proceeds of Crime Act (POCA) was held on August 17, 2023 via the Teams platform. All the members of our committee were represented. Training familiarized us with information relating to Corporate Governance as well as other regulatory controls. Both training sessions proved beneficial to the team and empowered us in the execution of our duties.

## Supervisory Committee’s Annual Report Continued

In ensuring compliance, all members completed Regulatory Sandbox Fit and Proper document in June 2023.

### Investigation of Governance Concerns

The committee was tasked by our regulators to investigate matters relating to governance concerns. This office sought to get a better appreciation of how matters were treated by the committee and if our functions were being discharged effectively, given our independent authority and mandate under the rules. The matter was ventilated and concerns discussed extensively. TIP’s bylaws were referenced

and its operation as a Friendly Society emphasized. The Registrar’s disquiet was a clinical supervision toward the improvement of TIP to mitigate any issues going forward. Defining the need for prudent and fiscal management, the committee underwent training to better understand how effective governance helps to aid our independent role.

### Meetings & Branch Visits

Committee meetings were conducted face to face and Hybrid/ virtual in a few instances to facilitate members. To execute our planned activities twelve (12) meetings, four (4) branch visits and two (2) site visits were conducted.

## ATTENDANCE RECORD

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

Member	Regular/ Special Meetings(13)	Branch Visits (4)	Site Visits (2)	Training Sessions (2)
Philmore McCarthy	12	4	1	2
LouAnn Bramwell-Shakes	12	4	2	2
Camille Davis-Williams	12	4	2	2
Leaon Nash	11	4	3	2
Colin Spence	11	4	1	2

### Internal Assessment of Management Operations

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

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

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

- ❖ Workers received a new compensation structure, which gave them increased benefits.
- ❖ Staff members have training sessions to keep abreast with current standards and practices.

### Customer Satisfaction Survey

As it relates to customer satisfaction survey conducted in the various branches, this is automated and the information is sent directly to the Head Office.

The Committee is of the view that the current system can hamper local response to customer complaints, some of which are outlined below.

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

**Marketing Portfolio**

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

- I. I. Maintain the organization's image and presence in the market. Involved in several activities to enhance same.
- II. II. Observations made indicate that both print and electronic information is evident in branch offices.
- III. III. Employ strategies such as:- Use of all social media platforms , the youth representative, contact teachers, Mobile unit, traditional and print media for sensitization, especially with promotion of products and services.

**ICT**

- Improve online application
- Commendations are in order as it relates to the housing of ICT equipment and Security monitoring display. These situations have been addressed in a timely manner and are now more operative.
- There is evidence of maintenance system to deal with day-to-day computer and technology challenges.
- Digitization has begun to ensure greater efficiency in the organisation.

**BRANCH OPERATIONS**

**Mandeville**



This building which houses the Mandeville branch, is an ideal revenue earner with excellent open concept office layout. The property is clearly visible from all angles and has the TIP name proudly standing tall.

The new branch Supervisor, Mr. Curtis Grindley, and his team were very accommodating and executed their duties with diligence.

- ✓ Marketing material expertly displayed
- ✓ Additional file storage capacity provided for Customer Service Representative.
- ✓ Compliance with promoting TIP brand
- ✓ Security concerns: outstanding matters to be address

## Supervisory Committee's Annual Report Continued

### Ocho Rios

The consensus is that the branch is managed by a knowledgeable highly organized supervisor.



- ✓ Members of staff are working as a cohesive force to ensure that the office runs effectively.
- ✓ The office space is organized featuring excellent layout of information.

There has been marked improvement in the following for both the Ocho Rios and Montego Bay branches:

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

### Montego Bay



The committee was introduced to the newly minted Office Manager, Mr. Mark Bowen. The staff in general, was alert, flexible, and knowledgeable in how they treated their job functions. Noticeable, was the Staff shortage at branch. The commitment and cross-function of office staff observed was really commendable. The plant seemed adequately secured and in relatively good condition. However, it was alarming that termite infestation is already plaguing the facility.

### SITE/PROPERTY VISITS

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

### Mona Rental Property





This property, owned by TIP, boasts six one-bedroom apartments with full occupancy. As seen in the photographs, these are very exquisite apartments with air conditioned rooms and beautiful landscaping. This gives credence to a worthwhile investment with value appreciation for which TIP should be commended.. The committee conducted a Property inspection and note minor repairs to the entrance gate. The front wall fence interior and exterior showed signs of cracks. A contractor maintenance team has been working to fix the fencing.

#### Portmore Commercial Property



The Portmore property/ Business Center is not rented. Although there is business interest, this presents a loss of revenue opportunities since it is currently unoccupied. Nevertheless the following were highlighted:

- ✓ Excellent Commercial Investment property
- ✓ Ideally located in a growing population centre
- ✓ Revenue Earner – Excellent concept.

#### Portmore Residential Property



- ✓ Property is not currently occupied
- ✓ The house was recently renovated and the Realtor is in the process of having it tenanted.

#### Drax Hall Property - St. Ann



TIP must be commended for having acquired this property in a developing corridor as Drax Hall is evolving into a commercial hub with Starbucks, KFC and Knutsford Express strategically positioned. However, the committee is of the view that TIP is not currently capitalizing on this reality as property development is inadequate.



## Supervisory Committee's Annual Report Continued

### Recommendations:

- TIP is encouraged to increase efforts to occupy, rent or lease properties owned.
- Explore engaging a property management company to enhance greater level of efficiency of property management.
- Rapid Response system to be implemented in all branches.
- Schools with untapped potential be inundated and closer partnership with BDO could strengthen this position.
- Dire need for a multiple numbering system that can differentiate service requirements and links kiosk to system for efficiency.
- Need interface between customer registration and the HR Management system.
- Continuous opportunities be provided for cross training of staff.
- Data driven decision making to established performance targets
- Address the termite situation at branch location with immediate effect.
- The company's Mission and Vision statements need to be visible in all offices.

### Checks and Balances – Audits

Internal review of the financial accounts of the organization has been ongoing. An extensive audit was executed in February and March 2024. Areas of focus were member's accounts, staff/ex-staff loans, related party transactions, investment portfolio and insurance claims. Generally, operations were in compliance with normal company procedures and established protocols.

In examining the Strategic focus, the committee was satisfied that expenses were being managed according to budget and the financial affairs of the company are in capable hands. Financial statements examined, accurately represented the fiscal condition of the Society and management-practices safeguard members' assets while maintaining effective internal controls.

Notably, the proposal of Delinquency Management "To decrease the rate of delinquency on loans to under 4%" is laudable. However, as at April 2024 management has not been able to realize the goal. The committee believes that more robust strategies need to be employed to constrain and curtail an upward spiral. It was commendable that none of the volunteers or current staff was found to be delinquent. The ex-staff loans were a concern for the committee. However steps are being taken to address the matter in a fulsome way.

The review of random loan files revealed acquiescence with standards. As per the loan policy, loans are satisfactorily serviced by salary deductions. The Committee is pleased to report that there have been marked improvements in the storage, handling and documentation of files and pertinent information is much more accessible.

### Review related party transactions, random loan files and insurance claims

The committee examined related party transactions and random files. Based on comprehensive analysis, the committee was satisfied that appropriate approval policies and practices were observed.

## Supervisory Committee's Annual Report Continued

### General recommendations for consideration

- Downtime for immortelle system must be minimized to avoid disruptions
- Update and disseminate information on the Society's Policy documents
- Pay keen attention to risk management and minimize any potential threat to the operation of the society
- Employ and cross-train an individual who will be able to adequately treat with complaints and enquiries.
- Synchronization with branch and automated sign in to better manage internal flow
- Membership data/ Potential clientele should be ascertained to facilitate effective
- E-marketing.
- Member education must be continuous

### Expressions of Gratitude

Commendations to the Registrar, Mr. Gallimore and his team of regulators for their incisive guidance. Their judicious supervision of TIP's operation enabled the success of our work.

We are particularly indebted to the members of staff for their support of the Committee during our tenure as they made themselves available for our requests, documentations, interviews and various other matters. Heartfelt appreciation to the Board of Management for the vision demonstrated and the cooperation extended to us in the execution of our duties.

### Conclusion

The Committee stands in gratitude of the confidence vested in us by TIP's membership. We have operated unremittingly to maintain the standards of supervision to ensure that the organization achieves its mandate and satisfies obligations.

We are mindful that there are challenges, but TIP is morphing to keep abreast of advances and facilitate seamless transitions. We are confident that together the success and sustainability of TIP Friendly Society will be accomplished.



LouAnn Bramwell-Shakes  
Secretary

Philmore McCarthy  
Chairman

# Campus VISITS



**We do:**

- ✓ Mobile Offices
- ✓ Pop - up Shops
- ✓ PTA Meetings
- ✓ School Events
- ✓ and much more!

**Follow us today!**

## CONTACT your TIP Business Development Officers:

Kingston & St. Andrew – Cadiann Calvert-Jackson 876-281-0245

St. Mary, St. Ann & Portland – Richard Mollison 876-281-0258

St. James, Hanover & Westmoreland – Kajha Cunningham 876-550-6748

St. Elizabeth, Manchester, & Trelawny – Marquez Cole 876-550-6747

St. Catherine & St. Thomas – Sheldon Samuels 876-278-6214

Clarendon, Manchester & Trelawny – Leon Barnaby 876-364-7331

## MANAGEMENT PROGRESS REPORT

We are profoundly grateful to the following groups that went beyond the call of duty to ensure that the organization prospered during challenging times:

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

The growth of our organization during the last year has been phenomenal. At the end of fiscal 2023 we had an asset base of \$6.689 billion and six months later (June 31, 2024) our asset base stood at \$7.219 billion. We have continued to entice our membership with our market driven product offerings and the best service offerings among our peers. Our strategic direction is to ensure a bright future that is full of continuous growth and potential for our members and ultimately TIP Friendly Society.

We continue to operate from our four (4) locations

- 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.

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

### HUMAN CAPITAL

TIP Friendly Society through a competent and committed team continues to provide our members with a wide range of services to meet their financial needs and aspirations and maintain the financial success of TIP.

We recognize the importance of personal development through training and have committed significant expenditure towards staff training to guarantee an even greater level of service.

During the year, employees at all levels were provided with training opportunities in over twenty (20) seminars/ webinars and workshops. All staff successfully completed the required modules of the Proceeds of Crime Act (POCA)/Anti-Money Laundering Act. We continue to build staff morale and camaraderie with our monthly initiatives. We bade farewell to ten team members during 2023. We extend welcome to the new staff members who joined the team.

The current staff complement is as detailed below:

LOCATIONS	STAFF COMPLEMENT	
	Permanent	Contract
Head Office	65	14
Mandeville	7	1
Montego Bay	7	1
Ocho Rios	7	0
<b>Total</b>	<b>86</b>	<b>16</b>

## Management Progress Report Continued

### PERFORMANCE

Year over year the Society experienced significant growth in its

1. Asset Base
2. Loan Portfolio
3. Surplus

Our asset base as at December 31, 2023 was \$6.689 billion, while our loan portfolio surpassed \$4.657 billion, and we recorded a surplus of \$231.5M.

We ended the year 2023 with a delinquency rate of 5.84% as outlined below. We have put strategies in place to monitor the ratio to keep it below the international standard of 5%.

### 5-year Delinquency Table

DELINQUENCY TREND ANALYSIS					
	2023	2022	2021	2020	2019
JANUARY	6.00%	3.99%	3.78%	6.61%	4.00%
FEBRUARY	6.40%	3.95%	3.51%	6.03%	4.36%
MARCH	6.49%	4.55%	3.76%	6.48%	4.31%
APRIL	5.37%	3.62%	3.77%	6.26%	4.57%
MAY	6.74%	3.82%	3.51%	5.85%	4.65%
JUNE	6.28%	4.08%	4.18%	5.69%	5.16%
JULY	6.13%	3.40%	3.04%	5.49%	5.52%
AUGUST	5.62%	4.17%	3.27%	5.21%	5.37%
SEPTEMBER	5.10%	4.41%	3.08%	5.07%	5.08%
OCTOBER	7.64%	4.41%	2.65%	4.20%	5.00%
NOVEMBER	6.58%	5.06%	3.89%	4.34%	5.42%
DECEMBER	5.84%	4.12%	4.23%	4.48%	5.95%

### INFORMATION AND COMMUNICATION TECHNOLOGY

Technology drives innovation and transformation and management has stayed committed to ensuring that our electronic infrastructure is safe, efficient, and future-ready. Ensuring system stability and security were the top priority activities during 2023. The upgrading of our equipment and software allowed us to maintain a stable and resilient technologically safe environment. We continue to utilize data analytics to serve our members.

Our Disaster Risk Management and Business Continuity Policy was also reviewed to ensure that your friendly society continue business operation with little or no disruption in the event of a disaster.

Ensuring the availability of our network was paramount in all our activities. We are committed to remaining at the forefront of technological innovations in order to provide our members with cutting technology.

### MARKETING COMMUNICATION AND INSURANCE

Brand recognition is critical for development and sustainability in today's digital era. Recognizing the importance of reaching out to the younger audience, we worked on enhancing our brand visibility. We successfully increased our online presence and effectively interacted with our target audience by embracing digital media. This effort has not only brought in new members but also reinforced our bond with current ones. In addition, we continue to execute our pop-up office and visits to all institutions that we serve with our hardworking Business Development Officers outlined below:

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

### OUR CORPORATE SOCIAL RESPONSIBILITY

According to a well-known economist, Milton Friedman, *“There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”*. We employ corporate social responsibilities while at the same time upholding the core values of **TIP**.

With the annual allocation of \$7.0 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. We have been the major sponsor of the TIP /ISSA School girl's football competition with a combination of cash and personal accident insurance. TIP has been able to assist our various stakeholders despite the challenging financial climate in which we operate.

**STRATEGIC PLANNING**

The following strategic goals were adopted by the Committee of Management at the Strategic Planning Retreat held at the Couples San Souci Hotel in Ocho Rios, St. Ann from December 15 – 18, 2023. The implementation of the strategies by the Management Team began in January 2024.



KEY STRATEGIES FOR 2024	IMPLEMENTATION DATES 2024
• To Increase student plan insurance to 500 schools	By the end of quarter 4
• Develop Staff recruitment, training and Retention Strategy	By the end of quarter 4
• Revamp of our contact members	By the end of quarter 4
• To enrol 10 schools per month to use the Bursar Admin Portal	By the end of quarter 4
• Update online loan application form to be more user friendly	By the end of quarter 4
• Product Development:	By the end of quarter 4
• To increase the # of young members from 5,503 to 5,550	By the end of quarter 4
• Provide supervisory training, POCA, Prospecting, first aid, disaster risk management and corporate governance.	By the end of quarter 4
• To achieve budgeted surplus of \$300M for 2024	By the end of quarter 4
• To earn \$26.5M in investment income from the investment portfolio	By the end of quarter 4
• Implementation of Data Protection Act 2024	By the end of quarter 4
• Membership growth	By the end of quarter 4

## 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.

Ms. Tamashella Smith	-	Chairman
Mrs. Andrea Bryan - Hughes	-	Member
Mr. Wilton South	-	Chief Executive Officer

### The Committee met on May 27, 2024.

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

### Members of the Committee of Management

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

PARISH REPRESENTED	RETIRING	RECOMMENDED	TERM IN OFFICE
Trelawny	Mrs. Mona Ennis Principal, Falmouth Infant	Mrs. Mona Ennis Principal, Falmouth Infant	3
St. Mary	Ms. Maureen Cunningham- Johnson, Retired Education Officer, Ministry of Education	Dr. Kasia Archer- Howell, Education Officer, Early Childhood Commission	3
St. Thomas	Mrs. Jacqueline Hendricks- Whyte, Principal, Lyssons Centre of Excellence	Mrs. Jacqueline Hendricks- Whyte, Principal, Lyssons Centre of Excellence	3
At Large	Dr. Garth Anderson, Principal, Church Teachers' College	Dr. Garth Anderson, Principal, Church Teachers' College	3
At Large	Mr. Ray Howell, Retired Principal, Edith Dalton James High	Clayton Hall, Deputy Secretary General, Jamaica Teachers' Association	3
Kingston	Ms. Audrey Williams, Retired Retired Principal, Denham Town High	Ms. Audrey Williams, Retired Retired Principal, Denham Town High	3
St. Andrew		Ms. Tamashella Smith, Principal, Rosseau Primary School	2



## Nominating Committee Report Continued

PARISH REPRESENTED	RESIGNED	RETIRING	RECOMMENDED	TERM IN OFFICE
Clarendon			Mr. Gregory King, Education Officer, St. Elizabeth	2
Hanover			Ms. Nadienne Crossman Principal, Mt. Peto Primary School	2
Westmoreland			Mr. Norman Allen Regional Officer, Western Region, Jamaica Teachers Association	2
Manchester			Ms. Kadiann Scott Senior Teacher, Belair High School	2
St. Catherine	Mr. Clayton Hall Deputy Secretary General, Jamaica Teachers' Association Member Service and Industrial Relations Jamaica Teachers Association		Mr. Robert Anderson Bursar, Tacius Golding High School	1
St. Elizabeth			Dr. Lola Bennett Senior Lecturer, Church Teachers' College	1
St. James			Mrs. Sheron Matheson Principal Lecturer, Sam Sharpe Teachers' College	1
St. Ann			Mr. Howard Isaacs Principal, Moneague College	1
Portland			Ms. Claudia McLean Retired Principal, Norwich Primary	1
Youth Representative		Miss Jodi-Ann Evans, Teacher, Jessie Ripoll Primary School	Ms. Shanice Dennis, Teacher, Rosseau Primary School	1

## Nominating Committee Report Continued

### Members of the Credit Committee

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

RETIRING	RECOMMENDED	TERM
	Ms. Erica Ewbanks Principal, Garvey Maceo High School	1
	Mr. Eaton McNamee Principal, Broadleaf Primary and Infant School	1
Ms. Sandra Hunter, Lecturer, GC Foster College for Physical Education	Mrs. Camille Davis-Williams Principal, St. Paul's Primary School	2
	Mr. Winston Smith Principal, Golden Spring Primary School	1
Mr. Rohan Johnson, Senior Teacher, Denham Town High School	Mr. Colin Spence Principal, Mount Moreland Primary and Junior High School	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 to the Committee.

RETIRING	RECOMMENDED	TERM
Mrs. Camille Davis-Williams, Principal, St. Paul's Primary School	Ms. Sandra Hunter, Lecturer, GC Foster College for Physical Education	1
Mr. Philmore McCarthy, Principal, Excelsior Community College	Mr. Philmore McCarthy Principal, Excelsior Community College	1
Mr. Colin Spence, Principal, Mount Moreland Primary and Junior High School	Mr. Rohan Johnson Senior Teacher, Denham Town High School	1
Mrs. Lou-Ann Bramwell-Shakes, Teacher, Hayes Primary and Junior High School	Mrs. Lou-Ann Bramwell-Shakes Teacher, Hayes Primary and Junior High School	1
Mr. Leason Nash, Administrative Officer, Communication and Public Relations, JTA	Mr. Leason Nash Administrative Officer, Communication and Public Relations, JTA	1

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Tamashella Smith  
Chairperson  
Nomination Committee

# PROFILE

## 2024

### Shanice Dennis

B. ED. Early Childhood Education

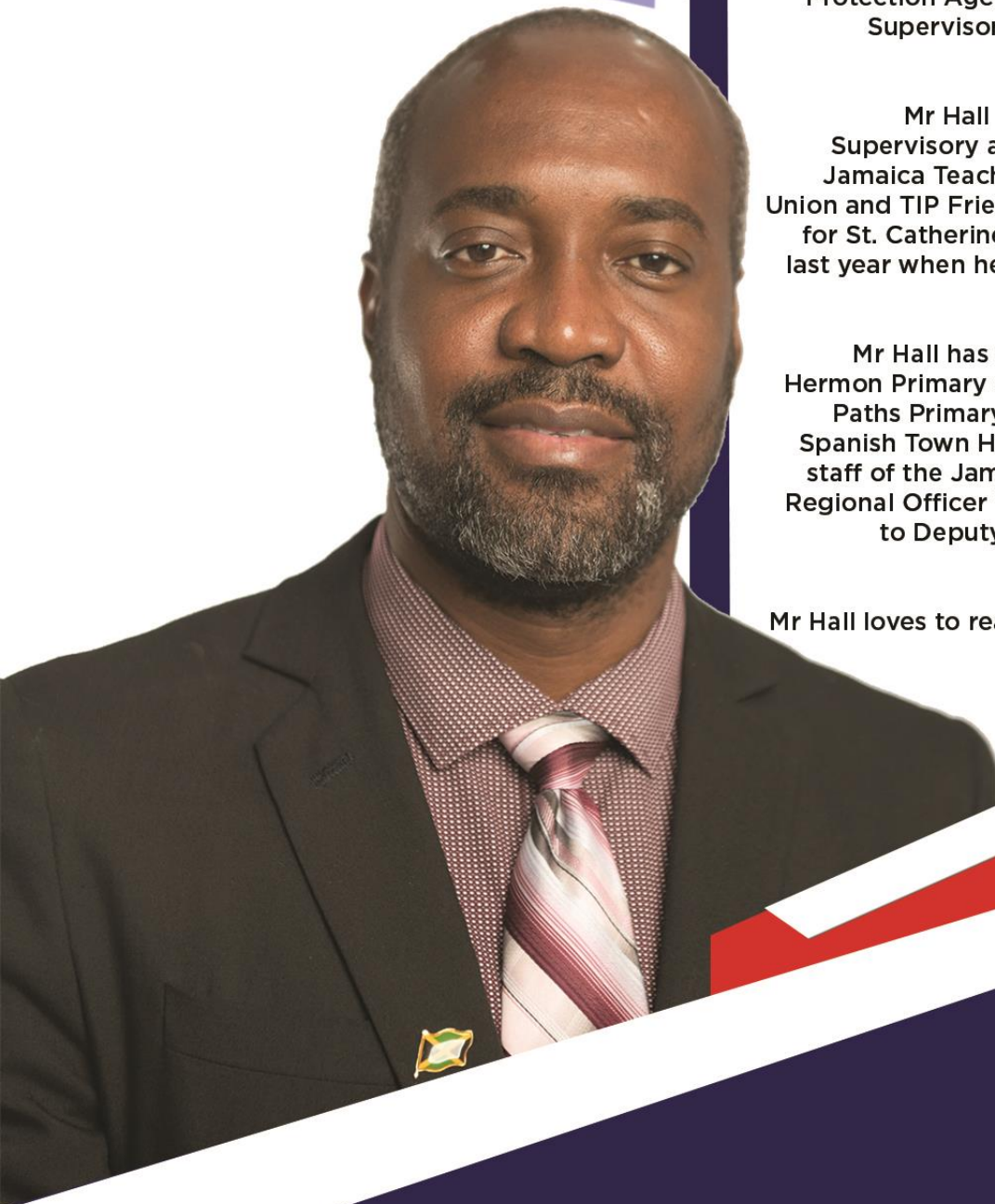


- + Media Coordinator
- + AI for IT and Non-IT
- + Trained Media Literacy Trainer

Shanice is an early childhood educator who is capable of doing well in any capacity. She is a trustworthy, gregarious individual who enjoys lending a hand to others and finds great satisfaction in achieving various tasks. A proud product of the prestigious Shortwood Teachers' College, Ms. Dennis was awarded Top Research Student, a certified Early Childhood practitioner and First Aider. She now spends her time engaging her students in various teaching and learning tasks to develop their holistic beings at the Rousseau Primary School where she is also the Media Coordinator, member of the Information Technology team, and the Robotics team. She views her role as an educator is best carried out through engaging children in mind-stimulating activities that are child-centred and allows for their expression of individual creativity through diverse vehicles such as the Arts, Music and Technology. As such, she believes in providing a safe, caring, loving and encouraging atmosphere where all children feel comfortable expressing themselves and communicating with her and peers.

Ms. Dennis has dedicated her time to volunteering and helping others with a range of difficulties, such as reading and creating various flyers and other materials. In addition, Shanice has been volunteering for over ten years and takes great delight in it. It all began when she was elected the president of the Uplifters Youth Club in her hometown of St. Mary. From there, she volunteered at Carron Hall Infant School, where she played netball for the Parent Teachers Association and served as the principal's teacher assistant. Shanice developed an intense passion for teaching and working with young children while volunteering at the Carron Hall Infant School. This led her to the realization that teaching allowed her to pursue her interests, like creating art and crafts (decorating, marking charts, etc.) and, above all, providing care for other people. She was also volunteered for the 2016 RJR Cross Country Invasion Road Tour. As an esteemed Shortwoodite Shanice continued to volunteer in a variety of capacities, including managing the track and field team from 2018 to 2023, assistant managing the netball team from 2019 to 2021, and playing a vital role in the organization of the school's yearly 5k/6k run walk as well as assisting in the Aesthetics department as needed during her tenure at the institution. Shanice is currently an active participant in several teams at her school, including the staff netball team, the track and field teaching assistant team, and more.

Shanice posits that she has learned a lot about herself, other people, and doing good because of volunteering, including how to respect, value, and comprehend everyone's narrative, how little actions may have a large impact, how smiles are contagious, and much more. She believes that volunteering has showed her the value of empathy and how one's special abilities may benefit one's community. Equally important is her belief that no child should be left behind. As such, Ms. Dennis takes great care to know her students and cater to their different needs, interests, and learning styles by providing the requisite resources to meet their needs, embrace their abilities and appreciate diversities as holistic beings.



Mr Clayton Hall is a lifelong educator, administrator and teacher advocate with over 28 years of service in the Jamaican Education Sector. He has made philanthropy and volunteerism the hallmark of his professional sojourn and is a lover of people.

Mr Hall has served as President of the Jamaica Teachers Association, Charter Vice President of the Optimist Club of Western Portland and Director of the Portland Environmental Protection Agency as well as member of the Supervisory Committee of the Portland Coop-Credit Union.

Mr Hall has served as member of the Supervisory and Credit Committees of the Jamaica Teachers Association Coop-Credit Union and TIP Friendly Society then as Director for St. Catherine and Treasurer up to June of last year when he took a break to concentrate on doctoral studies.

Mr Hall has served as principal of the Mt. Hermon Primary and Junior High School, Four Paths Primary and Junior High School and Spanish Town High School before joining the staff of the Jamaica Teachers Association as Regional Officer West before being promoted to Deputy Secretary General a post he currently occupies.

Mr Hall loves to read, travel and explore nature.

Mr Clayton Hall

**PROFILE**  
**2024**



## Dr. Kasia Archer-Howell **PROFILE** 2024

Dr. Kasia Archer- Howell has been in the education field for over 20 years, receiving a diploma in education from the College of Agriculture Science and Education. She holds a bachelor's degree in education from the International University of the Caribbean and a master's degree from the University of the West Indies in educational administration. She also earned a doctoral degree in education from Walden University graduating with a 4.0 GPA.

Dr. Archer- Howell currently works with young children and their caregivers monitoring and supporting their learning and development. She is a lifelong learner who remains motivated in the pursuit of knowledge as she believes gaining new skills is necessary for personal and professional growth. As such, she subscribes to academic journals and participates in yearly professional development sessions locally and internationally. Her commitment to excellence landed her an invitation to the National Society of Leadership and Success, becoming an inducted member in 2020. Dr. Archer-Howell lives by the philosophy of impacting positive social change daily.

It has been said that an investment in financial literacy and the right action plan pays the best interest. Throughout my professional life I have been an advocate of financial success for each institution I have had the opportunity to direct financially. On numerous occasions I have been tasked to manage financial systems, direct training, planning, analytics, building teams, formulating projects and its execution. Which over the years has made a credible and successful track record profession.

Offering almost two decades of senior financial support under the Ministry of Education, I have successfully revived financially challenged institutions and increased profitability and revenue for others driven by my passion for financial success. Earning a degree in government accounting coupled with starting out early in my desired career propelled me to acquire an in depth knowledge and skill set in areas of finance, auditing and operations. These rare and invaluable blend of executive leadership skills, business acumen and operational excellence as placed where I am today a proud member of TIP board of directors, Business executive and philanthropist within my community.



Mr. Robert Anderson  
**PROFILE**  
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Chief Executive Officer



Dwight Sommers  
Internal Auditor

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Judith Wilson (*Branch Operations Manager*), Selene Samuels  
Marion Williams-Brown, Renae Morrison, Kashena Allen  
Missing: Cha-ann Freeman-Wilson, Jermaine Evans

**ACCOUNTS**

▶ Annette Adair, Antonette Mckenzie, Keana Samuels,  
Renelle Lovelace, Sandrine Martin  
Missing: Povell Coubrie and Brittany Knott

▶ **HUMAN RESOURCE DEPARTMENT**  
Chamalie Bahadur, Edward Welsh  
Sharon Carey

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Omario Allen, Tashema Drummond, Donnaley Drummond-Mills

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**MONTEGO BAY BRANCH**

Nellie Gooden, Kajha Cunningham, Tashay Anderson, Ariel Simon, Annmarie Hastings, Olive Garel, Kareen Robinson-Linton, **Missing:** Mark Bowen (*Supervisor*)



**OCHO RIOS BRANCH**

Allison White, Judith Cooper (*Branch Supervisor*), Orville Bailey, Paulette Cooper, Moya-Lee Dickenson-Harvey



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### MANDEVILLE BRANCH

▼ Curtis Grindley (*Branch Supervisor*), Gregrian Surtherland, Ashadeen Welsh, Brianna Adamson, Leon Barnaby, Kerry Ann Gayle-Bird, Marquez Cole



### RECORDS MANAGEMENT

▼ Sharon Carey (*HR/ Operations Manager*), Shanya Wynters, Shania Vickers, Loy Grant, Edward Welsh

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▼ **DELINQUENCY UNIT**  
Sharon Carey, Derisa Robinson



▼ **MARKETING DEPARTMENT**  
Devontte Dennis, Judy Miller-Smith (*Manager*)  
Derron Brown, Missing: Necola Wilson



▼ **Roger Watson** (*Chief Information Technology Officer*)  
Rashida Nelson & Khadeem Nelson

## OBITUARIES 2023

COUNT	SURNAME	CHRISTIAN	NAME OF SCHOOL	SCHOOLS/PARISHES
1	LENNARD JOHNSON	AUDREY	SCOTTS PASS PRIMARY & INFANT	CLARENDON
2	ALLEN	GLANSTON	CLARENDON PARISH LIBRARY	CLARENDON
3	SPENCE-HALL	LORINE	BUSTAMANTE HIGH	CLARENDON
4	GAYLE-JONES	NICELE	BUSTAMANTE HIGH	CLARENDON
5	POWELL	CHOICE	SPALDING PRIMARY	CLARENDON
6	ROSE	KAREN	MILK RIVER PRIMARY	CLARENDON
7	EDWARDS	KEISHA	MONEAQUE TEACHERS COLLEGE	CLARENDON
8	SAMUELS	PAUL	GEORGES PLAIN PRIMARY	KINGSTON
9	MAYE	GLENFORD	HAILE SELASSIE COMPREHENSIVE HIGH	KINGSTON
10	WITTER	DONNETTE	JACKS HILL PRIMARY	KINGSTON
11	TAYLOR	ACKMAN	MERL GROVE HIGH	KINGSTON
12	BLACK	PEARL	ST.FRANCIS PRIMARY&INFANT(RETIRED)	KINGSTON
13	HENRY	ISMAY	NORMAN GARDON ALL-AGE	KINGSTON
14	SAMUELS	PAUL	DRAW AVENUE PRIMARY	KINGSTON
15	WALTERS	LLOYD	DUHANEY PARK	KINGSTON
16	BOXX	DONNA	OLD HARBOUR PRIAMRY	MANCHESTER
17	WILBURN	TYRONE	WOODLAWN SCHOOL OF SPECIAL ED	MANCHESTER
18	ARCHIBALD-LEMON	COLINATE	CHURCH TEACHERS COLLEGE	MANCHESTER
19	BORELAND	KENESHA	BEERSHEBA ALL-AGE	MANCHESTER
20	REID	YOLAND	WOODLAWN SCHOOL OF SPECIAL ED	MANCHESTER
21	MATTHEWS	TASHINA-GAY	BELAIR PREPARATORY	MANCHESTER
22	ALLEN-EDWARDS	MARGARET	BUFF BAY COMPREHENSIVE HIGH	PORTLAND
23	JOHNSON	DAWNETTE	CASE	PORTLAND
24	COLE	ABBIGAYLE	FORT GEORGE PRIMARY	ST. ANN
25	WALLEN	MARJORIE	CLIFTON ALL-AGE	ST.ANDREW
26	BRAMWELL-MCFARLANE	DELORIS	DISCOVERY BAY ALL-AGE	ST.ANN
27	GRANT	ANDRE	MONEAQUE TEACHERS COLLEGE	ST.ANN
28	EDWARDS	KEISHA	MONEAQUE TEACHERS COLLEGE	ST.ANN
29	THOMPSON-SIMPSON	CHELSEA	ST.ANNS BAY PRIMARY	ST.ANN
30	FREEMANTLE	FAYRONA	BREADNUT HILL PRIMARY	ST.ANN
31	GORDON	REMI	PEAR TREE RIVER PRIMARY AND INFANT	ST.ANN
32	ALLISON	MORINE	OLD HARBOUR PRIAMRY	ST.CATHERINE
33	CUNNINGHAM	SHENALEE	EARLY CHILDHOOD COMMISSION	ST.CATHERINE
34	WILLIAMS	GIBBS	GC FOSTER COLLEGE OF PHYSICAL ED	ST.CATHERINE
35	GIDDEN	JENNIFER	CHARLEMONT HIGH	ST.CATHERINE
36	BROWN	ROSE	FRIENDSHIP PRIMARY	ST.CATHERINE
37	DOYLE	KERRY-ANN	WATERFORD HGIH	ST.CATHERINE
38	WILLIAMS-GORDON	MICHELLE	NAGGO HEAD INFANT	ST.CATHERINE
39	PARKE	DAWNETTE	BREATON ALL-AGE	ST.CATHERINE
40	SMITH	ALDITH	ASCOT COMPERHENSIVE HIGH	ST.CATHERINE
41	SALMON-SWABY	HADIE	ORMSBY PRIMARY	ST.CATHERINE
42	CUNNINGHAM	SHENALEE	EARLY CHILDHOOD COMMISSION	ST.CATHERINE
43	CLARKE-LAING	MARGARET	SILOAH PRIMARY	ST.ELIZABETH

## OBITUARIES 2023

COUNT	SURNAME	CHRISTIAN	NAME OF SCHOOL	SCHOOLS/PARISHES
44	RUSSELL	ANGELLA	MIDDLESEX INFANT	ST.ELIZABETH
45	PATRICK-ROWE	TISHA	FULLERWOOD ALL-AGE	ST.ELIZABETH
46	JOHNSON	VANESSA	CHATSWORTH ALL-AGE	ST.JAMES
47	FINDLATER	ANGELA	ST.JAMES HIGH	ST.JAMES
48	HAUGHTON	LOIS	TRIUMPHANT BAIS	ST.JAMES
49	MORRISON	BERRISFORD	ANCHOVY COMPREHENSIVE HIGH	ST.JAMES
50	ROBINSON-BENJAMIN	SONIA	RETREAT PRIMARY JUNIOR HIGH	ST.MARY
51	HOWELL	DONALD	ST.MARY TECHNICAL HIGH	ST.MARY
52	HOWELL	JENNIFER	ST.MARY TECHNICAL HIGH	ST.MARY
53	SINCLAIR	CHRISTOPHER	DUCKENFIELD PRIMARY	ST.THOMAS
54	KERR	MERGIANA	DUNCANS ALL-AGE	TRELAWNY
55	WALTERS, VINETTE	VINETTE	WAKEFEILD PRIMARY	TRELAWNY
56	BROOKS	SONIA	LOWE RIVER ALL-AGE	TRELAWNY
57	WOOLERY	CAROL	LITTLE LONDON SECONDARY	WESTMORLAND
58	HONEYGHAN	CARL	LLANDILO SCHOOL OF EDUCATION	WESTMORLAND
59	MURDOCK	NAKESHIA	GEORGES PLAIN PRIMARY	WESTMORLAND
60	RICHARDSON-GOLAUB	SHERIEKA	UNITY PRIMARY	WESTMORLAND
<b>Total</b>				<b>60</b>



**TIP** Friendly Society