



# ANNUAL REPORT 2013-2014

DEVELOPING  
THE CAPACITY  
OF MSMEs



Lacey Ann Bartley  
JBDC Entrepreneur of The Year  
2013 - 2014

# MISSION STATEMENT

*“ To pursue developmental policies that foster sustainable modernization and growth in the productive sector, effective modernization of the business environment, cost-effective delivery of technical and marketing services through highly committed, competent and motivated employees.”*

JBDC

# CORPORATE PROFILE



The Jamaica Business Development Corporation (JBDC) was established in 2001 as the premier government agency providing business development services to Jamaican Micro, Small and Medium-sized Enterprises (MSMEs)... “From Concept to Market”, JBDC provides guidance for business start-ups and expansion, offering business advice and consultation, research services, business monitoring, training and capacity building, project management services, financial advice, design and product development as well as market penetration support and access. The organization which operates within the ambit of the Ministry of Industry, Investment and Commerce (MIIC), strives to continually fuel the local economy through its services and programmes designed to support the growth and development of the MSME sector.

The JBDC operates from corporate offices in Kingston and satellite locations in Mandeville, Hanover, Montego Bay, Westmoreland, St. Ann and the University of the West Indies (UWI), Mona Campus. Technical support and incubation services for start-ups and established businesses are facilitated through the organization’s Incubator and Resource Centre (IRC) located on Marcus Garvey Drive in Kingston. At this location, enterprises in the food processing and food service, fashion and accessories, and gift & craft sectors secure access to specialized technical services and utilize the IRC’s incubator equipment and office facilities as extended support for the creation and manufacture of their product lines. Qualified designers and industrial engineers who constitute a vital part of JBDC’s team of professionals are integral to the organization’s delivery of technical support services to its clients, in a range of areas such as graphic design, label and packaging design, product concept development, prototyping and packaging. Advice to new business owners in factory layout, production systems planning, energy management and other aspects vital to the creation of sustainable operations is guided by the latest industry specific research and global quality standards

JBDC’s marketing support services are delivered through its Things Jamaican retail arm which provides market access and include retailing opportunities that aim to promote and build “Brand Jamaica”. JBDC has remained committed to the development and promotion

of authentic Jamaican products, including handicrafts, eclectic gift lines, specialty foods and spa products, through its unifying 'Things Jamaican' umbrella brand, showcasing and retailing the best and highest quality products which Jamaica has to offer. JBDC is one of the largest purchasers, distributors and promoters of authentic Jamaican products, currently marketing brands for over 400 active suppliers island-wide. Its Things Jamaican stores are housed at the Norman Manley and Sangster International Airports, Errol Flynn Marina in Port Antonio, the Boardwalk Village in Negril, the historic Devon House and JBDC's Corporate Offices, and may also be found online at the e-commerce site, [www.thingsjamaicanstores.com](http://www.thingsjamaicanstores.com).

JBDC enjoys long-standing and successful relationships with a range of international and local funding agencies through which it has secured critical support in tandem with participation from the Government of Jamaica for the implementation of innovative and far-reaching business development programmes on a national scale. Strategic partnerships, including several Public-Private Partnerships (PPP) are fundamental to JBDC's approach fostering collaboration and cooperative arrangements between government agencies, the private sector as well academia and research communities. For more information:

Call: 1(876) 928-5161-5

Toll Free: 1-888-232-4357

Websites: [www.jbdc.net](http://www.jbdc.net) or [www.thingsjamaicanstores.com](http://www.thingsjamaicanstores.com)

Email: [info@jbdc.net](mailto:info@jbdc.net)

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# MINISTER'S STATEMENT

The year 2013-2014 was one marked by a transformation in the approach for capacity building and development of the Micro, Small and Medium-sized Enterprise (MSME) sector.

During this period, we saw the launch of the MSME and Entrepreneurship Policy which acts as a roadmap for the implementation of programmes and projects to remove the impediments that MSMEs face in achieving growth and development. In this regard, the Jamaica Business Development Corporation, charged as the government agency with the mandate for MSME

and entrepreneurial development, has played the lead role in the promotion of this new policy and its implementation.

The year also saw the re-orientation of initiatives geared towards MSME development such as the Small Business Expo, as well as an expansion of activities and the extension of the reach of JBDC's services through the introduction of the Global Entrepreneurship Week in November, and the conceptualization of the Mobile Business Clinic, planned to come on stream in the 2014 - 2015 financial year. There was a marked increase in JBDC's training and incubation activities designed to support capacity building for MSMEs and also in its delivery of business advisory services and monitoring, to ensure the sustainability and the growth of enterprises being supported by the organization.

I must, therefore, commend the dedicated professional team of JBDC for embracing its continually expanding

mandate and its employment of innovative approaches which have supported the further development and success of enterprises, as evidenced in the MSME sector. 'Real growth' is the maxim of the JBDC, and it is anticipated that in its expanded reach to MSMEs across the length and breadth of Jamaica, that it will spur existing and emerging enterprises towards the accomplishment of this goal in 2014 and beyond.



**Hon. Anthony Hylton, M.P.**  
Minister of Industry, Investment & Commerce

# PERMANENT SECRETARY'S MESSAGE

The Ministry of Industry, Investment and Commerce (MIIC) recognizes the important contribution the MSME sector can make to the growth of the economy. In fact, despite the gap in formal data, it has been acknowledged that the contribution, including that made to employment, has been significant.

It is against this background that during this period, the MIIC focused on the finalization of the MSME and Entrepreneurship Policy which is expected to address the gaps that exist in the support system for this sector. JBDC,

as the Ministry's premier organization charged with leading the development of MSMEs, participated in the development of the policy and became fully engaged in educating clients on its provisions. The JBDC team is also implementing a process for preparing clients to benefit according to those provisions.

The period was one presenting many challenges including that of operating within a framework of budgetary constraints. I

congratulate the JBDC team on its

commitment to steadfastly provide valuable and required support to existing and emerging entrepreneurs despite the challenges in the environment.

As we look forward, it is my expectation that the organization will continue to lead the charge of further enhancing the development of the MSME sector, while the ministry pursues its role of guiding and offering support to the JBDC in the execution of its mandate.

The MIIC encourages the sector to continue to be resilient when facing challenges and to embrace every success achieved.



Vivian Brown  
Permanent Secretary



# CEO'S OPERATIONAL REVIEW

The JBDC Team and our client, the MSME sector, experienced a year in which there was strengthened acknowledgement of the potential of this sector to participate and contribute to the economic development of the Jamaican economy. This was evidenced by the obvious and deliberate inclusion of sector representatives at the discussion table on issues related to national development - a development of great significance, as it recognizes that the sector is, indeed, a part of the “private sector”, and more precisely, its largest constituency.



**Valerie Veira, J.P.**  
Chief Executive Officer

Our team fully understands and is committed to the reality that as the lead partner in the development process of the sector, the support we provide must be focused and appropriate to the identified needs of the clients in order to support their development and growth.

Year 2013/14 was the year to focus on the development of the Logistics-Centered Economy and the Special Economic Zones Initiative which necessitated that we identify where under that big umbrella, the MSMEs could participate; to pinpoint the missing links in the chain where they could provide connection. The “Global Market” is no longer “there”, it is “here”.

The issues of achieving and maintaining quality and standards have been fundamental features of the programmes developed for our clients. This year, there was particular and increased emphasis on this area to

ensure that as entrepreneurs enter the market, standards especially related to products and processes would be understood to be “non-negotiable” and thereby in alignment with global requirements. In collaboration with partners such as the Bureau of Standards, Jamaica (BSJ) and Jamaica National Agency for Accreditation (JANAAC), the required information and technical support were provided.

The Business Advisory Services team continued to engage with organizations such as Companies Office of Jamaica, Tax Administration Jamaica and the Jamaica Intellectual Property Office, to guide clients into moving from “doing a ting” to formalizing their

businesses. It is by this action that organizations such as financial institutions and international agencies consider the business as a potential partner and beneficiary.

As we review the programmes implemented in the 2013/14 budget year and plan for 2014/15, it is confirmed by the outcomes of our interventions as outlined in this report that our intensified focus on the key aspects of our strategy, was an appropriate action:

- Offer solution-oriented services related to clients' needs
- Provide current and relevant information on policies, regulations, market access and other relevant information.
- Ensure that as a team, the assistance provided to all our clients is of the highest standard.

The international and local environment presented many challenges. However, despite this, the JBDC team was resolute in strengthening all efforts to support our clients. As the new financial year commences, it is our hope that the collaboration with our partners will be strengthened. For our clients, we anticipate even more robust engagement as we work together to identify opportunities for development.

We sincerely hope that you will find this report informative and engaging. We look forward to your continued support as we expand our outreach in 2014/15!



# DEPUTY CEO'S TECHNICAL REPORT

JBDC continues to deliver dynamic business development interventions to assist Jamaican Micro, Small and Medium-sized entities on the path to sustained international competitiveness. Our suite of services evolves as the needs of our target sector grow and expand. Indeed the sector in Jamaica is maturing and we are challenged to grow our products and services accordingly. To this end, we must highlight our performance in three key areas which represent the pillars of our service delivery: Business Advisory, Technical and Marketing Services.

Things Jamaican™, JBDC's brand for facilitating market access for our clients, achieved revenues of \$88,061,689 through our 6 retail shops. There were 41,989 consumer transactions completed in the period while 117 marketing consultancies were conducted, facilitating access for 55 new clients to the

Things Jamaican marketing programme. These initiatives led by the Marketing Services arm and the opportunities they presented resulted in Things Jamaican™ suppliers earning \$43,738,682 through this channel during the period.

We also embarked on a brand strengthening programme which sought to more closely align the Things Jamaican™ brand to "Brand Jamaica" which included the adjustment and upgrade of our logo and tag line to read "Think Jamaica, Things Jamaican - A Melting Pot of Authentic Jamaican Creations". Our Business Advisory Services (BAS) team increased its focus on the development of the entrepreneur alongside our services in developing the enterprise itself, recognizing that the success and/or the failure of an enterprise is most often determined by the person leading the business. As

such, the BAS department introduced two (2) innovative training programmes; "Developing the Entrepreneurial Mindset" and "The 3 Cs Life-Change Model". Over 800 entrepreneurs were beneficiaries of these two (2) products in the period.

The department's flagship Business Monitoring Programme worked with 189 enterprises in the financial year. In this programme a complex of focused services were provided to these enterprises to facilitate their growth in profitability, market penetration and scale; the testimonials from these clients



**Harold Davis**  
Deputy CEO



attest to the advances realized in their focus, structure, revenue and profitability.

In this period, JBDC partnered with the Development Bank of Jamaica to deliver technical assistance to 48 small businesses. This was done through the execution of three projects: Craft Biz Facility; product development for craft industry businesses. The project's highlight was the development of a catalogue "The Melting Pot" featuring collections from 25 enterprises in fashion accessories, home accessories, entertainment and souvenirs.



Recent studies indicate that energy cost as a percentage of overall production cost in micro and small entities can be as high as 70% depending on the industry. As such, for the period under review JBDC focused on the strategic promotion to the MSME sector; the gains to be achieved through the employment of good energy management practices.. The Development Bank of Jamaica (DBJ) supported MSME Energy Conservation & Efficiency Project, saw eight (8) enterprises spanning the fashion, agro-processing, tourism and BPO industries benefiting from energy audits and retrofitting to significantly improve their energy management and utilization. This project's highlights included JBDC's production, publication and distribution of an Energy Management Manual for micro and small enterprise owner/operators.

Pivotal to JBDC's delivery of our products to MSMEs are our many invaluable partnerships with both local and international organizations. Indeed networking and clustering is at the core of our corporate strategy as an organization. In this regard, we recognize partnerships with: Association of Chartered Certified Accountants International (ACCA), The National Commercial Bank (NCB), The Development Bank of Jamaica (DBJ), University of the West Indies (UWI), Ministry of Labour, the Planning Institute of Jamaica (PIOJ), Bank of Nova Scotia Jamaica, and the Yellow Pages Jamaica.

We sincerely appreciate the support of these entities and indeed our clients that we serve, without whom we would not have delivered in the way we have. This year has been truly rewarding for us at JBDC and we look forward to the future with kindled excitement as we seek to contribute even more to the development of Jamaica's entrepreneurial landscape.



# BOARD OF DIRECTORS

The organization is led by a 12-member Board made up of individuals who have a diverse range of experience from various professional disciplines, and who bring their informed perspective to the company's widespread Governance activities. In addition to its monthly meetings, the Board convenes special committees on a bi-monthly and quarterly basis to provide strategic support to the organization.

## MEMBERS OF THE BOARD



Silburn Clarke  
Acting Chairman



Valerie Veira, J.P.  
C.E.O. & Director



Shannon Guthrie  
Director



Kenyama Brown  
Director



Marva Peynado  
Director



Sheldon Smalling  
Director





Shane Alexis  
Director



Yvonne McCormack  
Director



Michael Ennis  
Director



Mark Richards  
Director



# MANAGEMENT TEAM

The key functions of the Jamaica Business Development Corporation are carried out within five (5) core areas: Business Advisory Services, Technical Services, Industrial Secretariat/Project Management & Research Services, Marketing Assistance and Financial Support Services. The operational support areas of Administration, Information Technology, Human Resources, Public Relations and Finance provide a solid foundation for the successful delivery of the JBDC's core services. With a staff compliment of approximately 100 employees, the JBDC operations are led by a highly qualified management team comprising the Chief Executive Officer, Deputy Chief Executive Officer and Senior Managers who have direct responsibility for the core areas of the organization.



**Valerie Veira**  
Chief Executive Officer



**Harold Davis**  
Deputy Chief Executive  
Officer



**Michele Cowan**  
Manager, Finance





Janine Fletcher-Taylor  
Manager, Things Jamaican  
Corporate



Ryan Peralto  
Director, Incubator &  
Resource Centre



Colin Porter  
Manager, Technical Services



Kenesha Nooks  
Manager, Corporate  
Communications



Mervelyn Dougherty  
Manager, Human Resource  
Management & Development



Paul Chin  
Manager, Financial Services





Althea West-Myers  
Manager, Business Advisory  
Services



Lisa Taylor-Stone  
Manager, Project Management  
& Resource



Ann-Marie Brown  
Manager, Administration



Neville Grant  
Manager  
Information Technology

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# SUMMARY OF CORE FUNCTION AREAS

Business Advisory Services	Technical Services	Industrial Secretariat Services/ Project Management & Research Development	Marketing Assistance	Financial Services
<p>Offers business advice and mentoring, business plan preparation and analysis, programme and project management, business training, assessment of entities and preparing clients to access financing and technical support.</p>	<p>Provides a wide range of technical assistance including: product design and development including prototyping, business incubation management, plant and production engineering, food technology, customised hands-on workshops, branding, fashion collection development and patternmaking, graphic design, packaging and labelling services.</p>	<p>Provide guidance for programme strategies, with the analysis and interpretation of industry statistics and MSME resource materials. Through strategic alliances, source local and international funding to support programmes that allow stakeholders to access training and technical upgrading; project / programme development and management including monitoring &amp; evaluation.</p>	<p>With six (6) strategically located Things Jamaican retail stores, clients have the opportunity to promote and sell their products to a wider market. Further marketing is provided through JBDC's participation in local and international trade fairs and expos. For this process the Clients' products are screened and recommendations given to improve viability.</p>	<p>Business development loans are offered to eligible MSME applicants within the productive sector. This division also administers loans and grant funds on behalf of other agencies.</p>





# OPERATIONAL DISCUSSION AND ANALYSIS

Financial year 2013-2014 proved to be one of the most challenging for the organization to date. With an economic climate which saw dramatic slippage in the value of the Jamaican currency and escalating prices, especially, in fuel and energy costs, the JBDC witnessed some fall-out in the demand for its services from its target client group. In addition, GOJ budgetary constraints necessitated the re-shaping of certain activities to fit with reduced resources and in some instances their cancellation (e.g. Kumba Mi Yabba) making it a challenging year for the sector.

Nevertheless, through the nurturance of its long-standing as well as fresh strategic partnerships, the organization was able to weather the storm, securing funding support for specific programmes. These included the Ministry of Labour & Social Security Steps-to-Work, CaribSave CFish, JSIF-REDI, DBJ CraftBiz, Small Business Linkages and Energy Projects and the TEF North Coast Craft Revitalization Project (NCCRP) among others.

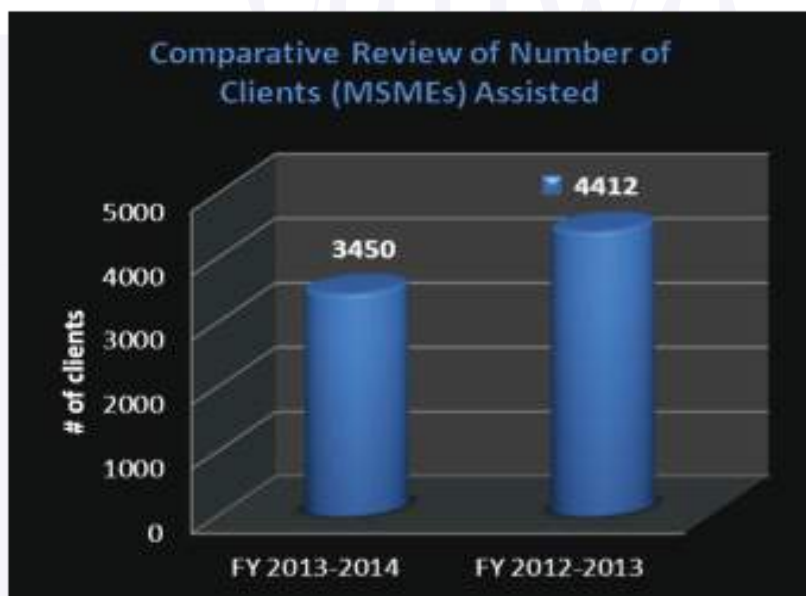
## Client Overview and Demographics

### TOTAL CLIENTS

For the financial year 2013-2014, the JBDC assisted 3450 MSMEs, representing a 21.8% decrease from the previous fiscal year during which 4412 MSMEs were assisted. Assistance was provided through approximately 8646 interventions across the broad spectrum of the JBDC's services including business advice & consultation, financial

advice, product development and marketing support. Clients included representatives of the fashion, gift and craft, food and agro-processing, agriculture and service sectors.

Figure 1:



## NEW AND RETURNING CLIENTS

It is interesting to note that although the JBDC experienced a slight decrease in Returning Clients of just under 3% during the financial year compared to the previous (FY 2012-2013), there were 10.5% more returning clients than new. New clients have traditionally outnumbered returning clients, and significantly so by 37% in 2012/13 and 103% in 2011/12. This suggests that while there was fall off (35.6%) with the number of new clients accessing the services of the organization in the current period in comparison to the previous year (which as indicated earlier was considered to be symptomatic of the operating environment and the challenges for MSMEs to stay afloat), the same outcome was not observed with returning clients. With the marginal decrease of 3% in returning clients (and with their numbers exceeding those of new clients), it suggests that the JBDC's services were highly valued by them and provided a true anchor in a turbulent environment. The JBDC does hold the view that fostering ongoing relationships with its clients often consisting of several strategic interventions over the medium to long-term augur well for their stability and growth. JBDC's reach continues to grow, evidenced by the fact that 1639 new clients accessed the services of the company, which is still 47.8 % higher than the 1109 new clients who sought our services in 2011-12.

Table 1: Comparative Review Percentage Change of Client In-Flow

	FY 2012-2013	FY 2013-2014	% Change
Returning Clients	1859	1811	-2.58%
New Clients	2553	1639	-35.80%



## CLIENTS BY GENDER

In the current period (FY 2013-14), client break down by gender resulted in an approximate fifty-fifty split of male (1734) to female (1716) clients, reflecting an almost identical segmentation to the previous year.

Figure 2:

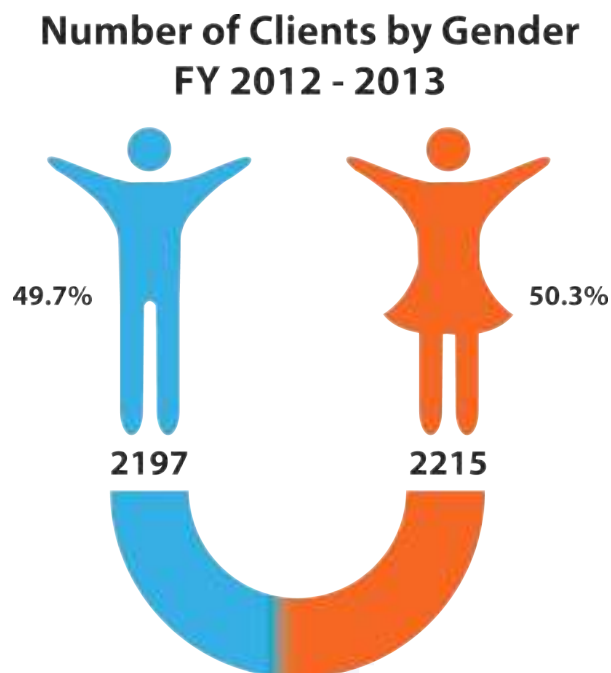
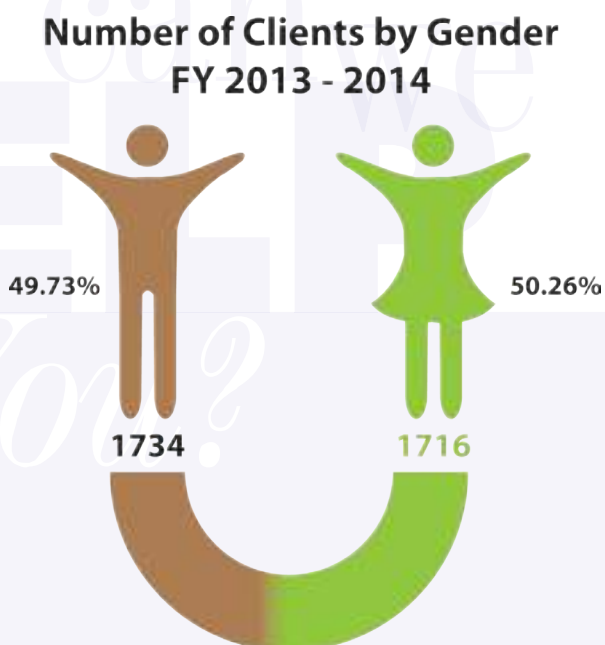


Figure 3:



## CLIENTS' REPORTED WORKFORCE VOLUME

One of the indicators tracked by the organization as clear evidence of growth is the level of employment recorded by MSMEs in their individual operations. Figure 4 presents a comparative overview of the number of employees as reported by clients for FYs 2012-13

Figure 4:



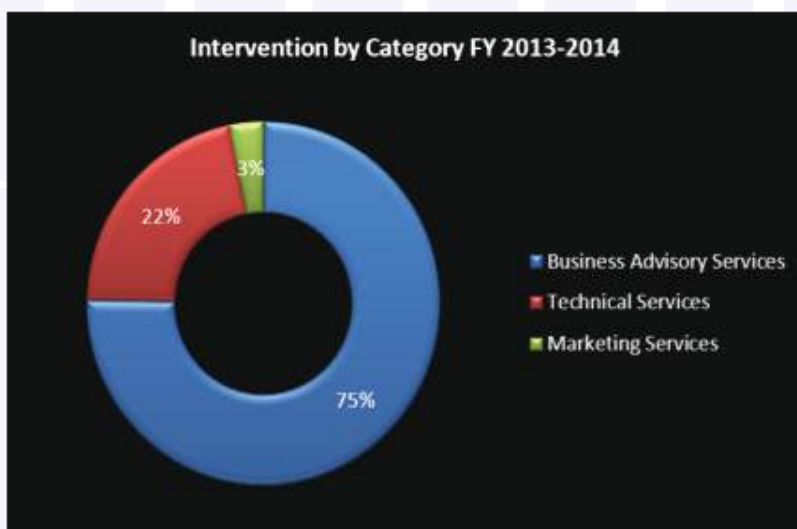
and 2013-14. In the previous period (2012-13), JBDC clients reported 2698 employees, while for 2013-14, this figure dropped to 2219 employees. While this represents a 17.75% decrease in the number of reported employees, this decrease is just about one-half of that which was recorded for total clients served. This would suggest that there was actually a marginal increase (estimated at 0.03%) in the number of persons being employed by MSMEs, a positive sign. As expected, in both review periods, the reported number of employees peaked at the beginning

of the 3rd quarter (leading into the Christmas season) and gradually declined in the last month of that same quarter. Another rise and rapid fall in employment was observed in the last quarter.

## INTERVENTION OVERVIEW

The majority of the JBDC's service interventions were led by its Business Advisory, Technical and Marketing Services arms.

Figure 5:



### Business Advisory Services

This division accounted for the majority (75 %) of interventions administered by JBDC for the review period. This represents an increase of 6% in comparison to the previous period. Core business advisory services include: business consultation, business development training, business planning, business monitoring and mentorship.

## Technical Services

The focus of the JBDC's Technical Services Department is product development, inclusive of packaging design, product design and general product and process enhancement. In this regard, JBDC facilitated a total of 1868 technical assistance interventions during the review period, which accounted for 22 % of the organization's total interventions.

## Marketing

Through strategic marketing, clients were provided with local and international market access via in-store and electronic promotion and participation in local and international trade shows provided by Things Jamaican; JBDC's Marketing Unit. A total of 270 interventions were facilitated which accounted for 4.1% of the total interventions.

## Project Management and Research

The JBDC conducted a series of training sessions island-wide focusing on business and technical development. Through the Project Management and Research Department (PMRD; formerly the Industrial Secretariat), JBDC commenced a series of proposal writing workshops to build capacity for MSMEs and institutional clients e.g. social enterprises, foundations and NGOs to access funding which resulted in over \$17 million being awarded in grant funding to workshop participants within the four-month period leading to the close of the 2013/2014 period.

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## TRAINING INTERVENTIONS (VOLUME)

Table 2

Business Development Training			
	FY 2012-2013	FY 2013-2014	% Change
No. of Training Sessions	119	91	24 % ▼
No. of Participants	3529	1983	44 % ▲

The table above illustrates a comparative review of business development training sessions organized and convened by the JBDC for the FY 2013-2014 and FY 2012-2013. In keeping with the general trend, there was a decrease in the total number of training sessions and participants of 24% and 44% respectively.

Table 3

Technical Development Training			
	FY 2012-2013	FY 2013-2014	% Change
No. of Training Sessions	36	51	42% ▼
No. of Participants	402	436	8% ▲

The table above illustrates a comparative review of technical development training sessions organized and convened by the JBDC for the FY 2013-2014 and FY 2012-2013. In contrast to the decline in the level of activity and participation in business development training sessions, technical development training sessions recorded growth both in the number of sessions held – a significant 42% increase – and level of participation – up by 8%.

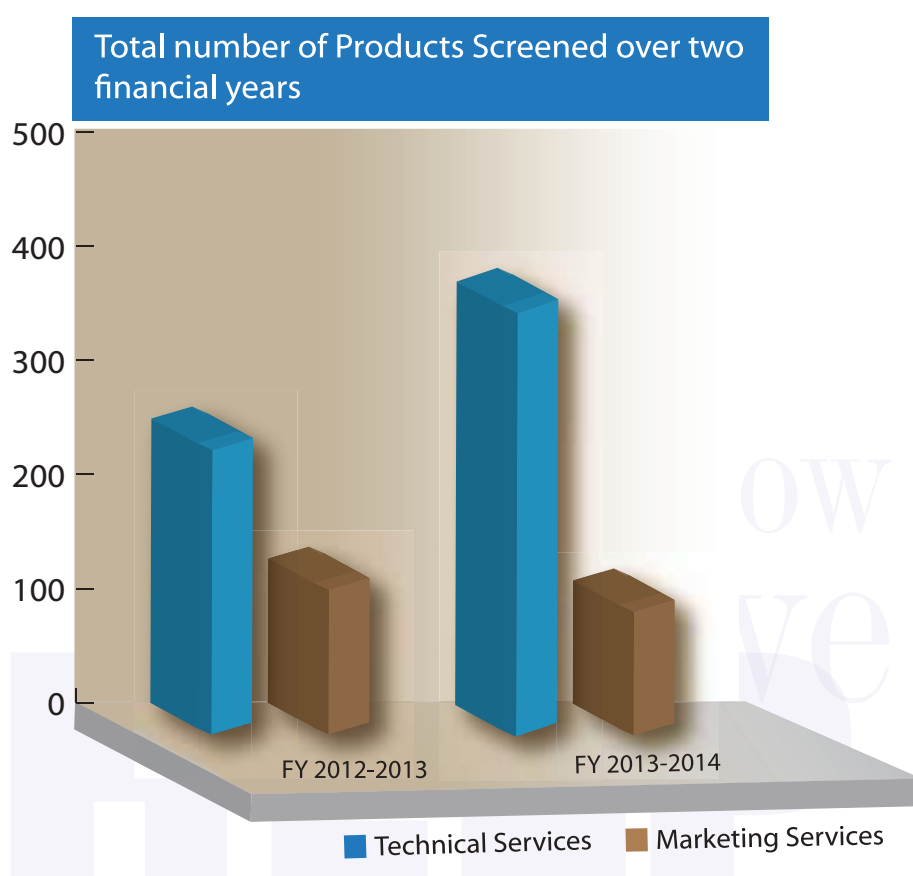


## PRODUCT SCREENING

Product Screening to assess the integrity of the overall design of a product, its quality and marketability is undertaken for the client group by the Technical Services and Marketing Services Units. Products screened during the period include gift & craft, home accessories, entertainment, specialty foods, fashion and fashion accessories. The graph illustrates the number of product screenings carried out by these two units for both FY2012-13 and FY2013-2014. The Technical Services Unit recorded a significant increase of 49% during the period under review, when compared to the previous financial year 2012-2013; the Marketing Services Unit experienced

a decrease of 15% when compared to screenings done by the unit in the FY 2012-2013.

Figure 6:



It should be noted that the increase in product screenings for the Technical Services arm was as a result of special project/programme interventions undertaken by the unit during the period.

As far as the decrease in screenings by the Marketing Services unit is concerned, most clients seeking this service would normally have benefitted from the services of other departments before achieving a state of readiness to have their product collections considered for merchandising in Things Jamaican, which is the primary focus

of screening activities undertaken by the Marketing Services arm. Given the 35% decrease in the number of new clients seeking JBDC's services in general, it would be expected that there would have been an impact on the numbers who would eventually reach a stage to have their products assessed for market readiness.

# PROJECTS & PROGRAMMES

## North Coast Craft Revitalization Project

The North Coast Craft Revitalization Project (NCCRP) is a collaborative effort between the JBDC and the Tourism Enhancement Fund. The Project is aimed at improving the competitiveness and income generating capabilities of craft producers in the North Coast Region of the island and specifically in the parishes of St. Ann, St. James and Trelawny. The project objectives are to:

1. Improve the business and technical competencies of the beneficiaries through training and technical support.
2. Develop and strengthen the quality of products being offered by the beneficiaries
3. Increase market access and promotion of beneficiary products

## Significant Achievements

- Baseline Study Completed and submitted to TEF
- Business development training sessions in progress
- Product development training in progress
- Development of 20 new products- in progress

## The International Fashion Showcase, London

Although not a programmed activity for the period under review, in the third quarter, JBDC was approached by H. E. Aloun Ndombet Assamba to



partner with the Jamaican High Commission in London for Jamaica's participation in the third staging of the British Council/British Fashion Council International Fashion Showcase in London in February 2014. JBDC managed the entire process in a 5-month period from conceptualizing Jamaica's theme and static showcase through identification and selection of designers to the creation of the showcase on Dover Street in the trendy Mayfair district of London. Funding was sought for this initiative from the Tourism Enhancement Fund (TEF)

and in-kind sponsorship was secured from the JTB, British Airways, the Jamaica Observer, 360 Degrees and Quintessentially Art.





“Thread Bare” as the showcase was themed featured prominent speakers such as London-based shoe designer, Marc Hare of ‘Mr. Hare’ and social media maven and fashion blogger Claire Sulmers.



Four (4) emerging designers selected for the programme travelled to London and participated in an intensive itinerary of promotional and capacity-building activities organized by the BC/BFC and JBDC as well as interviews with fashion magazines and popular internet television Arise-TV. JBDC also had private meetings with organizations keen to provide support for the further development of Jamaica’s fashion industry and its emerging talent.

Jamaican contingent at the IFS 2014 showcase in London



UK Designer and Consultant Avis Charles reviews Abenah Gonzalez’s collection



Designers visit the atelier of London couturier Clariscia in London





Ayanna Dixon



# Abenah Gonzalez







Dexter Huxtable



# Claire Requa





Simone Michelle





## CARIBSAVE C-FISH

### Alternative livelihood Product Development Initiative

JBDC was contracted by Caribsave/Intasave to implement the alternative livelihood component of the Caribbean Fish Sanctuary Partnership Initiative (C-FISH). JBDC's intervention objective is to assist in identifying, establishing and supporting alternative livelihoods in areas around fish sanctuaries that are suitable both to the environment, the local community and to the individual. The beneficiaries of the project were fishermen and associated community members involved in craft production, or trading in the communities of Bluefield's Bay in Westmoreland and Oracabessa/Boscobel Fishing Communities in St. Mary.

### Significant Achievements

- Two (2) Baseline Studies completed for the beneficiary communities
- Product development workshops conducted in both communities. For the Bluefield's Bay Community in Westmoreland, sessions were geared towards the development of tote bags and greeting cards for the participants. For the Boscobel Community in St. Mary, workshops were held for the development of jewellery.
- Five (5) product categories were completed, including: Lino block printed cards with various designs, Souvenir items (Key rings & Fridge magnets with photo transfers), Screenprinted tote bags & tablet cases, Sand Bead bracelets, Macramé bracelets, Charm bracelets using shells and other natural materials such as coconut.

## PROPOSAL WRITING INTERVENTION

The intervention was conceptualized out of the need to increase access to funding to plug the financial gap of many businesses. The aim was to increase and enhance the capacity of participants to develop high-potential proposals to solicit assistance for business and developmental purposes.

### Significant Achievements

- Two workshops attended by 51 participants representing



Government (agencies and departments involved in MSME and developmental work); Private Sector (MSMEs) and Civil Society (developmental organizations).

- Over 500 hours of coaching and mentoring delivered to participants to aid in the development of project proposals.
- Development of the Donor Registry; a publication that provides information on grant funding resources (locally and internationally). This publication was distributed to all participants of the Proposal Writing Workshop.
- Over \$17 million awarded in grant funding for organizations which participated in the workshops .

### **JSIF-REDI – Business Development Consultancy**

JBDC has been contracted by the Jamaica Social Investment Fund to provide business consultancy services for their Rural Economic Development Initiative (REDI) project. The project beneficiaries are community groups located in rural Jamaica who are involved in Agri-based businesses. The scope of work of this assignment comprises three (3) main deliverables:

1. Preparation of pre-feasibility assessments for ten (10) rural groups
2. Preparation of business plans for a maximum of ten (10) rural groups
3. Provision of Business Advisory and Mentorship support services for a period of twelve (12) months.

Project Duration: December 2013 – February 2015 (14 months)

### **Significant Achievements:**

- Pre-feasibility assessments for ten (10) rural groups submitted to JSIF; feedback given and final draft of reports to be submitted.
- Business Plans developed and submitted to JSIF for eight (8) groups



## DBJ Craft Biz Project

\$5.5 million

18 months

Business Support Training, Hand-holding & Support, Business Formalisation, Business Planning, Product Development and Branding, Market Testing & Promotion

30 active beneficiaries on the project, 8 workshops held, 25 existing products enhanced, 2 new products developed, 11 businesses formalised, 7 business plans developed, 2 promotional activities undertaken and 4 market contracts established

## DBJ Small Business Linkages Project

\$5 million

18 months

Technical and Production Assessments  
Product Development and Support  
Business & Market Readiness and Linkages Support  
Market Testing & Promotion

Market Testing and Promotion was conducted in Europe  
A consultant was engaged to develop a unified packaging concept for the Spa Jamaica Line of products  
Several Products were brought to market-ready status and are currently being sold in the TJ Stores



## DBJ Energy Project




\$4.95million



18 months



Energy Management Workshops  
Energy Manual  
Energy Audits  
Certified Energy Auditors  
Acquisition of Renewable Energy Solutions  
Acquisition of Energy Monitoring Tools



6 Energy Audits completed  
1 Energy Management Workshop conducted  
1 Energy Manual completed  
3 Sensitisation on energy efficiency and conservation undertaken  
7 Energy Audits conducted


## CRP Project – Phase 1



\$1.7 million



12 months




Train 150 persons per module (module includes: entrepreneurship, business idea generation and goal setting)




155 persons trained in Entrepreneurship  
144 persons trained in Business Idea Generation  
88 persons trained in Goal Setting




## MLSF Steps-to-Work



\$22.8 million



October 2013 - March 2014



Training - conduct 30 training sessions for Business Start-ups; 24 training sessions for grant recipients and 4 sessions for members of staff of the MLSS  
Conduct Monitoring and hand-holding for project beneficiaries

The **Steps to Work Programme** is an initiative of the Planning Institute of Jamaica (PIOJ) with the objective of raising the economic self-sufficiency of Jamaicans on welfare through entrepreneurship. Administered by the Ministry of Labour and Social Security, the US\$2.1 million World Bank-funded Steps-to-Work project, which was initiated in 2008, aims to provide eligible beneficiaries of the Programme of Advancement Through Health and Education (PATH ) with the training, entrepreneurial and job readiness skills to become self-reliant, so that they will no longer require state assistance. The project is designed to deliver interventions to approximately 5,000 clients, 15 to 64 years, who are beneficiaries of PATH with the aim of weaning them from PATH, to becoming economically self-sufficient and capable of providing for themselves and their families. JBDC's role is to provide business development training to ensure that entrepreneurship becomes an economic alternative for these households.





### Programme Objectives:

- a. To develop, among participants, the entrepreneurial competence and motivation
- b. To develop, in participants, appropriate business planning competencies
- c. To develop knowledge and understanding of the nature and importance of business activity
- d. To develop knowledge and understanding of the processes involved in business formation and development.

For the financial year 2013-2014, the Steps-to-Work Project was implemented by JBDC's Business Advisory Services team over the final quarter only, January – March 2014. Twelve (12) training sessions were held for a total of three hundred and nineteen (319) PATH beneficiaries. See table 4 below which indicates the number of trainees by parish:

Table 4

STW TRAINING PARTICIPANTS (January-March 2014)				
No.	Parish	Total Trained	Male	Female
1	St. Catherine	27	2	25
2	Kingston & St. Andrew	33	2	31
3	St. James	28	3	25
4	Clarendon	25	4	21
5	St. Elizabeth (1)	25	2	23
6	Trelawny	22	1	21
7	St. Mary	25	2	23
8	Westmoreland	26	1	25
9	St. Ann	25	1	24
10	St. Elizabeth (2)	29	1	28
11	Manchester	30	3	27
12	St. Thomas	24	1	23
Total		319	23	296

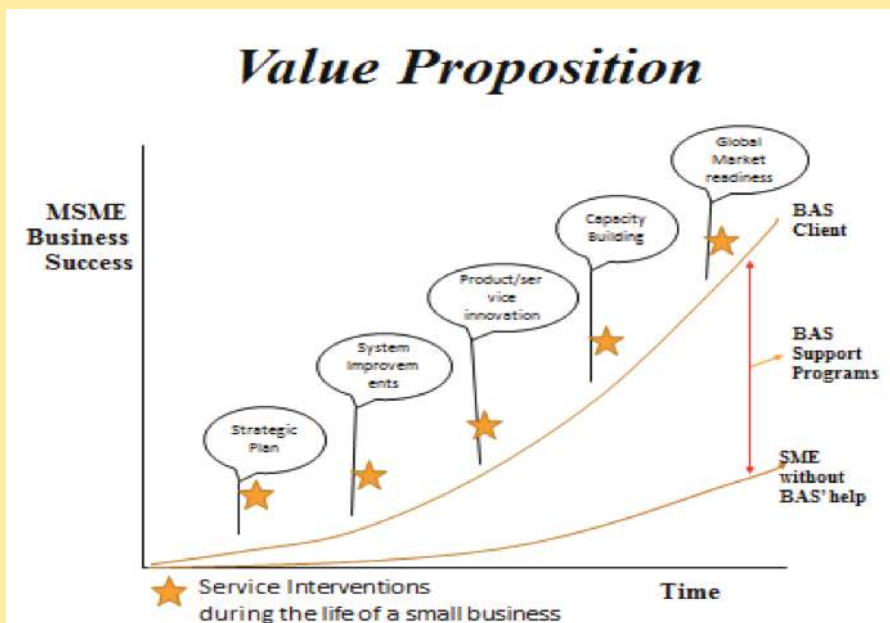


## ENTERPRISE INTERVENTIONS

JBDC's Business Advisory Services Department provides unique programmes and services to entrepreneurs at all stages of business development, ensuring entrepreneurs are supported through opportunities for personal and business growth and establishing a network of shared passion for entrepreneurship.

With the clear understanding that the difference between success and failure in business is most often the person behind the business, the BAS department's strategy for the financial year included a focus on developing the people behind the

Figure 6



ventures. The strategies were designed to help business owners to view entrepreneurship as a lifestyle and not simply a career. As such the department implemented two innovative training programmes. These were entitled "Developing the Entrepreneurial Mindset" and "The 3Cs Life-Change Model." The 'Developing the Entrepreneurial Mindset' programme which has been offered over a two year period, is a precursor to entrepreneurial training for start-up enterprises and includes an examination of the

difference between self-employment and entrepreneurship, leadership skills development, honing and leveraging latent entrepreneurial abilities, management skills as well as personal growth and development. The '3Cs Life-Change Model' specifically targets necessity-driven entrepreneurs and introduces topics such as entrepreneurial motivation, calculated risk-taking, opportunity seeking and seizing and how to adopt a disciplined approach to income generation. Over 800 entrepreneurs were trained over a two-year period through the Community Renewal Programme (CRP) and the Steps to Work Project.

Entrepreneurs who seek business support from the JBDC are

assisted in starting, managing and growing successful, profitable enterprises that contribute to nation building.

Over the years, the Business Advisory Services Department has

worked successfully with enterprises such as Totally Male and Reve Jewelers which are now quite well-known on the local landscape. During the 2013-2014 financial year, the BAS department's flagship monitoring programme assisted some 189 enterprises.

The 18-month monitoring programme was effective in achieving significant up-scaling of enterprises since its formal inception just under two years ago. Highlighted are a few of the enterprises supported by the BAS department during 2013-2014 and the preliminary results.

ENTERPRISES	INTERVENTIONS
<b>Caribbean Latin Travel Consultant Ltd.</b>  Travel Agency. Sole agent for Aerogaviota Airlines (only Cuban Airline operating in Jamaica). Three years old at time of entry. On growth path but had limited management capabilities and marketing experience.	<ul style="list-style-type: none"> <li>• Business Process Redesign</li> <li>• Business Plan Development (for operational guidance)</li> <li>• Business Mentoring</li> <li>• Monitoring</li> </ul>
<b>The Juice Man</b>  Jonathan Kelly came in with well-developed concepts and some prototypes for a line of children's products. No business model, no strategic focus, unable to implement concepts. Needed help devising a strategy and determining which product/s to launch.	<ul style="list-style-type: none"> <li>• Product development: design and production of book</li> <li>• Business monitoring and mentoring: promotional and distribution strategies</li> <li>• Guidance in development of the concept for an app for book. App now being sold via Amazon</li> <li>• Facilitated grant funding for book publication and launch</li> <li>• Book was launched August 2013</li> <li>• Now looking to develop animation concepts that he has</li> </ul>
<b>Hair by Dawn</b>  Entered the system in 2012. Had no business savvy; was having major cash flow problems and business on the verge of closure.	<ul style="list-style-type: none"> <li>• Developed a record-keeping system</li> <li>• Taught budget management</li> <li>• Financial planning and analysis</li> <li>• Worked with client on developing the entrepreneurial mindset (making the links between strategy, operations and finance)</li> <li>• Working with client now on developing a line of hair products – researching suppliers, relevant costs etc.</li> <li>• Business plan now being written</li> </ul>



The BAS department also continued its work with communities throughout the financial year. One of the significant projects it undertook is directly related to the Planning Institute of Jamaica's Vision 2030 strategic plan. The entrepreneurship element of the Community Renewal Programme completed its pilot run in the Majesty Gardens Community. The objective of JBDC's intervention was to increase the economic viability of the community by teaching its members to see enterprise development as a means to economic independence. JBDC's intervention was intended to be transformative and as such was titled "Transforming Lives Through Enterprise."

Three training modules were completed under the MOU signed in February 2014. The three modules conducted were:

- Business Formalisation
- Financial Management
- Promotions and sales strategies for micro-small enterprises

Each module was designed using the participatory CEFE methodology and delivered over eight hours. A combination of individual and group activities, discussions, and assignments are employed in the delivery.

One hundred and fifty (150) residents between the ages of 16 to 60 years were targeted to complete the Business Development Training (BDT). This target was met with some level of success. However there were challenges militating against the one hundred per cent attainment of this goal. Overall there were one hundred and fifty nine (159) residents who attended at least one session; eighty one (81) residents completed at least three units and seventy one (71) residents completed all six (6) modules over the two year period 2012-2014.



# JOURNEYS IN ENTREPRENEURSHIP



## BARTLEY'S ALL IN WOOD



***"Quality is key! Listen to your customers and design products around their needs." - Lacey Ann Bartley, Managing Director, Bartley's All in Wood***

JBDC provides a suite of services to its clients "From Concept to Market" © to fulfil its mandate of ensuring growth, development and sustainability of MSMEs in Jamaica. In the fiscal year

2013 – 2014 after various levels and types of interventions, the most outstanding performance and achievements were recorded by Bartley's All in Wood.

Bartley's All in Wood was established in 2011 by Lacey-Ann Bartley as a fair trade, community-based wood products business catering to the tourist, corporate, domestic and export markets. The social aim of Bartley's includes the training and empowerment







of young men and the reduction of the Jamaican carbon footprint. The company has pursued these goals through the creation of an Apprenticeship Programme and the launching of a “Go-Green” Campaign which entails tree planting and the use of the off-cuts from furniture production to make its wide-ranging collection of accessory pieces. While the company commenced operations with design-led accessory items, its growth plans include expansion into furniture manufacturing and other décor services utilizing wood.

Recorded among the company’s major achievements for the year was its qualifying for the award of a grant from the JBDC Craft Biz Project through which a 10” Contractor Saw was purchased. This single piece of equipment was instrumental in the development and successful manufacture of the Bartley’s “Rum Box”.

The family-owned business was further supported by training interventions for its staff, which includes family members, who also received specialized training in “Factory Management” through JBDC’s Mandeville Office. An ongoing series of site visits, design consultations, quality checks, coaching and motivational talks with JBDC’s Business Advisory, Technical Services and Marketing (Things Jamaican) teams equipped Lacey-Ann Bartley and her staff to improve the micro-enterprise’s quality, quantity and consistency of output.

Through JBDC’s training, hand-holding, practical lessons, in-store promotions, partnerships and close monitoring of operations and outputs, Bartley’s All in Wood achieved a 46.3% increase in sales at JBDC’s Things Jamaican stores during the current period. This increase was reflected further by the company reporting an estimated increase of just over 50% in overall business when compared to the previous financial year. The number of collections increased, as did the number of products being output by the factory. Hence in the financial year 2013 - 2014 Lacey-Ann Bartley was able to look forward to negotiating orders, forging partnerships and customizing products.



Bartley's All in Wood was among those JBDC client enterprises recommended to Continental Baking Company and which was selected as one of the eight (8) finalists for its Bold Ones 2014 programme. All 8 finalists were JBDC clients! Further, it should be noted that in order to qualify for selection for CBC's coveted multi-million dollar "Bold Ones" promotional programme, companies must be no more than 7 years old, employ at least 5 persons and utilise indigenous raw materials; in addition to this all 8 Bold Ones finalists were tax compliant. Bartley's All in Wood also entered the inaugural JIPO /MTE Authentic Jamaican Design and Craft Competition and had its entry ranked in the top six (6).

Lacey-Ann Bartley then placed fourth (4th) in the "Pitch to Rich" competition organised by (Sir Richard Branson's) Branson Centre for Entrepreneurship - Caribbean. These three initiatives were facilitated through JBDC's strategic linkages with public and private partners.

Rounding out her outstanding achievements for the year, twenty-six-year old Lacey-Ann Bartley's crowning moment was being awarded the title of "Entrepreneur of the Year 2013-14" by JBDC at a function presided over by Hon. Anthony Hylton at the Ministry of Industry, Investment & Commerce. Bartley has successfully built and continues to maintain a working partnership with major contract manufacturers in the craft sector. Future prospects for the company which were facilitated by JBDC include assistance in securing orders from Hyatt Hotel and negotiating contracts with Appleton Rum, Jamaica Rum and Golden Eye's Chris Blackwell.

Lacey- Ann shared that her greatest lessons learnt were firstly that "Quality is key!" and secondly, that "Networking is your net worth!" Her advice to aspiring young entrepreneurs like herself is "do not be afraid to seek assistance or to reach out to those around you. It is important to surround yourself with experts in the field". She added that another important lesson is that it is vital to "listen to your customers and design products around their needs. Do not be daunted by criticisms...learn from them. Take them as a challenge not as an offence."

*To recap her experience with JBDC and in particular the organization's marketing service, Lacey-Ann reiterated that JBDC has an excellent programme to assist young entrepreneurs who are willing to work. "There is a lot to learn from the practical and hand holding sessions with JBDC to take you from concept to market!"*



HELP  
You?







During 2013 – 2014 several energy audits were executed by the JBDC for companies that applied for funding for this purpose under a programme sponsored by the Development Bank of Jamaica (DBJ). These companies included Designs by Marc, Southern Fruits and Foods, Jamaica Exotic Flavours and Essences, Jakes Hotel and Spa, Sunset Resort, Unique Upholstering and Innovative Outsourcing Limited. These companies span the manufacturing, agro-processing, business process outsourcing (BPO) and hotel sectors.

The Energy Audits assisted the enterprises in pinpointing areas in which they could improve profitability as the audits revealed several issues with the operations of their electrical equipment. These issues included general low voltage at nights in some areas like St. Elizabeth which caused damage to certain equipment, malfunctioning machines that wasted LPG fuel and electricity, solar water heaters that were misplaced and badly oriented resulting in the overuse of the electricity backup, steam from boilers being sent to drain instead of being used in heat recovery, malfunctioning refrigeration units wasting energy due to improper installation and even cooling tower fans spinning in the wrong direction causing the waste of energy and treated water.



Some of these enterprises were able to realise early benefits as with JBDC's assistance they implemented corrective actions almost immediately. Others were slow to implement recommended measures as they required new investment. However some applied and were successful in securing loans through DBJ.

Jake's Holdings is based in Treasure Beach, St. Elizabeth. The energy audit conducted for Jake's Holdings Limited, included two businesses on the same complex: Jake's Hotel and Spa and Jack Sprat Restaurant. The facility spans approximately 420,000 square feet and operates on JPS's Rate 40 Tariff.

#### Findings from the Audit:

1. An unbalanced three (3) phase system
2. Random low voltage problems especially in the nights (JPS issues)
3. Solar water heaters that were using the electrical backup heater most of the time
4. Pipe connection fittings that leaked hot water from the water heater and thermostat issues



5. Refrigeration condenser units damaged by salt water in the air decreasing its efficiency as well as uninsulated cold lines
6. LED bulbs that were placed in very low usage areas and heavy use of incandescent bulbs
7. Specialized laundry equipment whose digital configuration parameters were inefficient and wasted LPG Gas.
8. Issues with the building envelope of air conditioned space leaking cold air to the outside
9. Other minor issues including incorrect lamp coverings, old equipment, kettles mistakenly left on in rooms and so on.



## Inefficient Practices Found (Prior to Audit)



Corroded condenser fins



Uninsulated cold line

## II



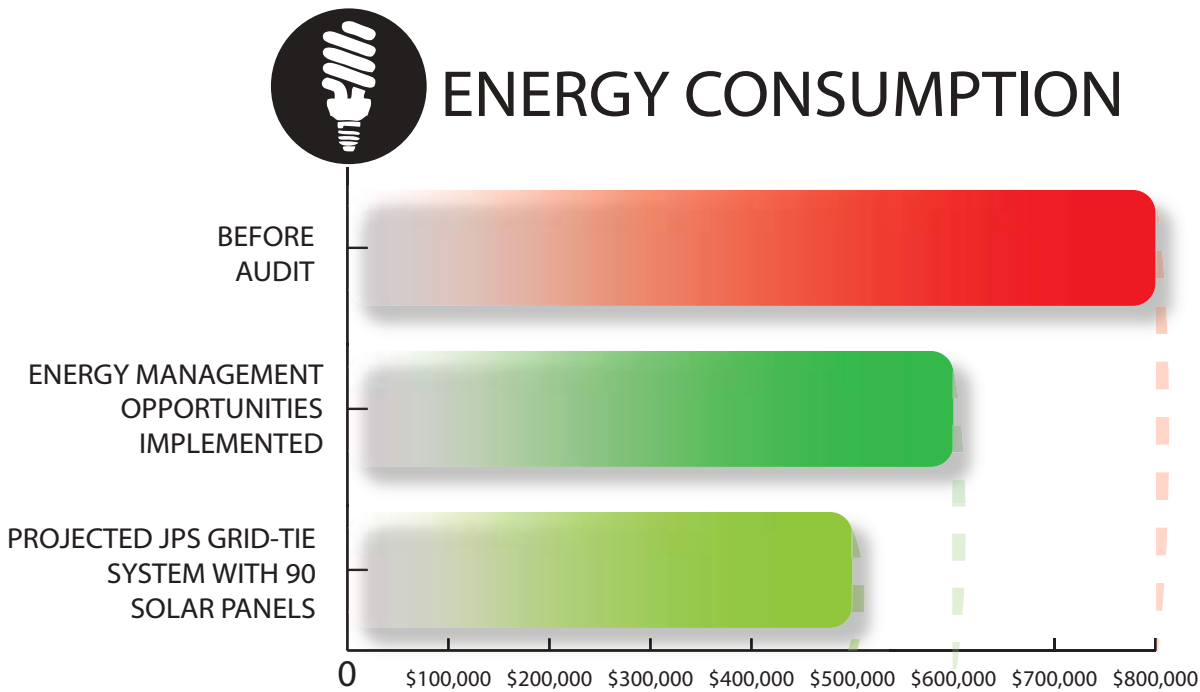
Leaking hot water system



Problems closing windows  
in air conditioned spaces

With these issues Jakes Hotel spent in excess of \$800,000.00 on average per month in energy bills. The Management Team was overwhelmed by the findings, and has since implemented several measures using the guidelines of the audit report:

Figure 7



1. Some pumps and specialized laundry equipment placed on three phase system
2. Specialized laundry equipment configuration was corrected resulting in LPG Fuel Savings
3. LED Bulbs moved to more high usage areas
4. The electrical backup on the Solar Water heaters was removed, making the system fully solar powered.

With these measures enacted, Jakes Hotel reported that they saw savings, of approximately \$200,000.00 per month. Excited by these savings they secured a grid-tie contract with JPS and installed a solar system of 90 panels. With this additional change, Jakes Hotel realized increased savings of \$100,000.00 per month. Jakes expects to maximize these savings further through the installation of 250 solar panels.

## KIMROY BAILEY FOUNDATION TAPPING INTO DONOR FUNDS ©



As part of JBDC's mandate to be responsive to the changing needs of our clients and the MSME sector at large, it is noted that the MSME sector as well as other developmental organizations and groups are challenged by financial constraints.

These constraints prevent them from gaining access to monetary capital; a key requirement needed for improvement, enhancement and sustainability of their projects, businesses or ventures. In essence, access to funding and the low capacity to develop winning proposals that will successfully tap into donor funds to plug the financial gap remains an area of difficulty.

The proposed intervention was conceptualized out of this need and it aims to increase and enhance the capacity of participants to develop high-potential proposals to solicit assistance for business and developmental purposes. Indications from the first hosting of the proposal writing workshop are that the need for this type of capacity building initiative is great, especially given the major problem which it tackles in terms of providing a possibility for financial solution for organizations.

The intervention was rolled out on a phased basis:

### Phase 1

This phase includes a 20-hour workshop that is delivered over three days. During days 1 & 2, participants are exposed to the components of a proposal backed by theoretical underpinnings and supported by practical activities. At the end of the session, participants will be equipped with fundamental knowledge of key concepts and processes in proposal writing. Day 3 consists of two sessions which are delivered by representatives of the local and international donor community. The first session will feature international and local donors making presentations on key challenges that are being experienced with proposals that are submitted for funding.



Subsequent to the presentations is the panel discussion session etched with the theme: “Writing Winning Proposals and Avoiding Pitfalls.” During this session, donors will provide useful first hand insights relating to this topic which will assist participants in developing more successful proposals. A superb value added for Day 3, is the provision for select participants to make a project pitch directly to the Donors.

## Phase 2

A post-Workshop Mentoring and Coaching segment: This phase of the workshop normally commences 1-2 weeks after phase 1. The sessions are conducted with

small groups of participants (4-5) benefiting from a minimum of 4 hours of coaching and mentoring support geared towards finalizing one proposal (per participant) that will be submitted for funding.

The Kimroy Bailey Foundation in partnership with Gennex Blueprint collaborated to secure US\$5,000 for the execution of a Rural Solar Training initiative. Funds were secured from a combination of local donors: Jamaica National Foundation and Digicel Foundation. Access to classrooms for training sessions were provided by the University of Technology, Jamaica.



## MARKETING CONSULTATION

Approximately one hundred and seventeen (117) marketing consultations were conducted to determine market readiness and market access opportunities of clients. Of these consultations, 47% or 55 clients were deemed market ready and given access to the Things Jamaican marketing programme.

### Increase producer market exposure

- a) Market introduction, penetration and expansion activities were primarily facilitated through Retail activities and Events participation and hosting:
  - 19 Local Events
  - 58 Supplier-led promotion events
  - 21 In-store promotions
- b) Through various market channels Things Jamaican completed transactions with approximately 41,989 consumers
- c) Total Revenues for the fiscal period was \$88,061,689
- d) Contraction of Retail outlets
  - Closure of the Negril and Port Antonio locations
  - Reduction of the Devon House operations
  - MBJ Store closure
- e) Four (4) distribution contracts were signed.

Statistics		
Industry	# Number of	Supplier
	Products Accessing Consumers	Earnings
Wellness & Aromatherapys	426	\$ 2,766,827
Gift & Craft	1070	\$8,050,744
Fashion / Accessories	567	\$4,719,593
Agro Processing	629	\$28,201,518
<b>TOTAL</b>	<b>2,692</b>	<b>\$43,738,682</b>

Table 5



Figure 8

## Product Categories

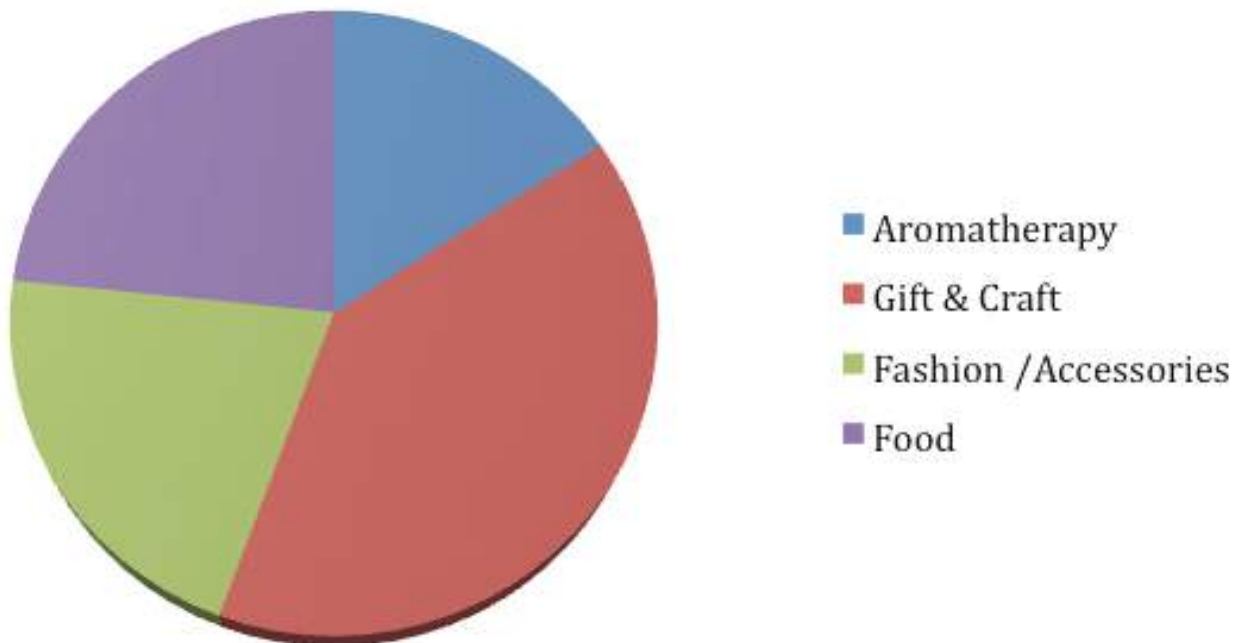
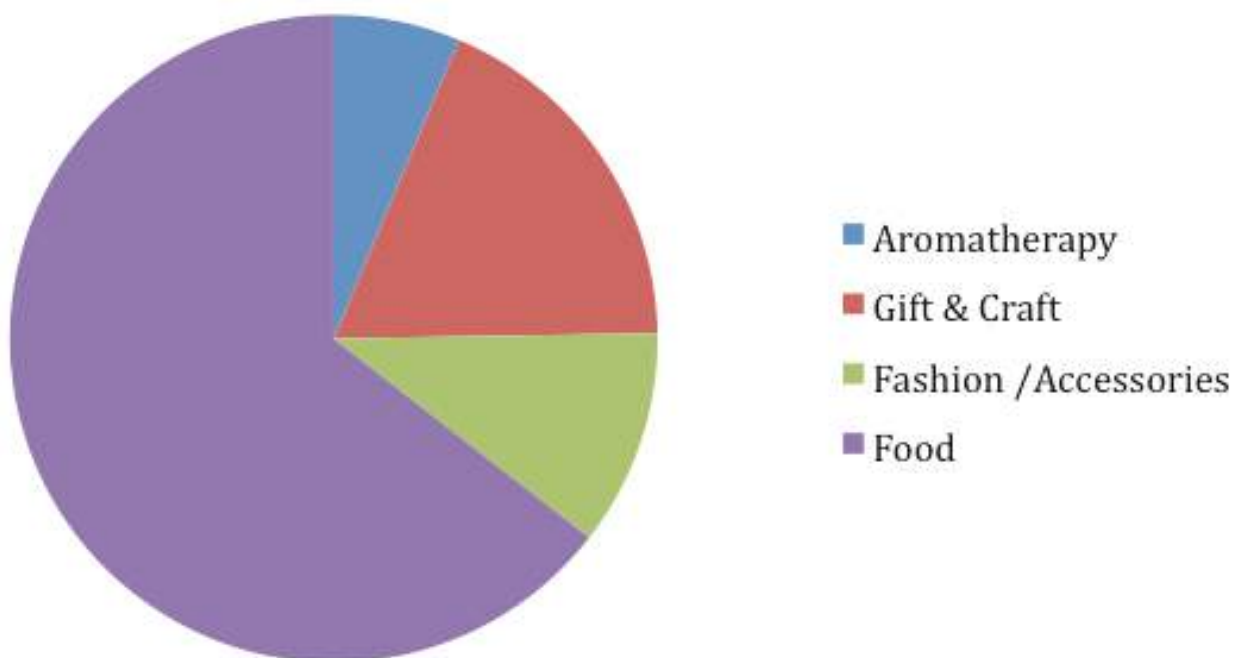


Figure9

## Supplier Earnings



## Market Research and Testing

- Five (5) research reports were completed giving consumer feedback and recommendation on products being supported in the retail stores and at trade events.
- Implementation of TEF North Coast Craft Development project geared at providing capacity building and marketing support to craft producers located in the North Coast region of the Island.
- Collaborated in hosting the Craft Biz Marketing seminar with launch exhibition of beneficiary products, complete with catalogue, producer profiles, etc. Products will be sold in all locations as soon as production batches are completed.

## Brand Promotion of Things Jamaican and its Alignment with Brand Jamaica

This year marked the beginning of a Things Jamaican rebranding strategy that would attempt to align the brand to what is dubbed locally as “Brand Jamaica”. There is undeniable recognition that this Nation brand is strongly correlated to commercial interpretations of brand Jamaica. The campaign therefore seeks to communicate to a diverse audience and stakeholder grouping to solicit increased market receptiveness and loyalty to Jamaican product brands.

- The first phase of this initiative saw a refreshing of the Things Jamaican brand and a creation of a re-branding slogan.
- Utilisation of Market opportunities to promote exhibitions of brand Jamaica displays highlighting locally made products
- Ministry of Tourism & Entertainment/RADA for Farmers Market
- Planning Institute of Jamaica – Trench Town Exhibition
- Jamaica Stock Exchange Forum
- JCDC/RJR partnership re Kumba Mi Yabba Christmas fair/ Ministry of Youth and Culture



OBJECTIVES	STRATEGIES	TARGETS	OUTPUT
Expand and improve marketing support for MSMEs in the productive sector.  9 point strategic plan.	1. Marketing consultation/screenings	<ul style="list-style-type: none"> <li>At least 5 new suppliers from each of the 8 selected parishes.</li> <li>At least 25% of new suppliers benefiting from development strategies.</li> </ul>	<ul style="list-style-type: none"> <li>Total Number of clients screened 117</li> <li>Total New Suppliers - 55</li> </ul>
	2. Market introduction, penetration and expansion.	<ul style="list-style-type: none"> <li>At least 2 Int'l Trade Event</li> </ul>	<ul style="list-style-type: none"> <li>See Events Listing Below</li> </ul>
	a) Increase producer market exposure of the Things Jamaican Brands and products of clients, both locally and internationally.  b) Explore potential chain expansion  c) Reposition Devon House store concept to a Gourmet Food Specialty	<ul style="list-style-type: none"> <li>At least 1 local event per qtr.</li> <li>At least 7 in-store promotions per quarter.</li> </ul> <ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>No International Events due to lack of funding</li> <li>19 Local Events</li> <li>58 Supplier led promotion events</li> <li>21 In-store promotions</li> </ul> </li> <li>Contraction of Retail outlets               <ul style="list-style-type: none"> <li>Based on board directive the closure of two locations within the chain that have been deemed as non-performing and loss making. These were the Negril and Port Antonio locations.</li> <li>Reduction of the Devon House location.</li> <li>MBJ Store closure due to non-renewal of lease</li> </ul> </li> <li>Devon House merchandised with product mix adjustments for Gourmet Food Store. (process is on-going)               <ul style="list-style-type: none"> <li>Development of Jamaica Harvest product line.</li> <li>Fulfilling legal requirements for brand protection.</li> <li>Procurement of products to support positioning and store image.</li> <li>Implement branding strategies.</li> <li>Location promotional plan developed.</li> </ul> </li> </ul>	
	3. Influence new product introduction from targeted sectors to capitalize on "Brand Jamaica" market opportunities and increase product offering in the market place Market Research and Testing.	<ul style="list-style-type: none"> <li>Quarterly market research reports.</li> <li>Project implementation</li> </ul>	<ul style="list-style-type: none"> <li>Five (5) research reports completed.</li> <li>Implementation of TEF North Coast Craft Development project.</li> <li>Collaborated in hosting the Craft Biz Marketing seminar with launch exhibition of beneficiary products, complete with catalogue, producer profiles, etc. Products will be sold in all locations as soon as production batches are completed. Remaining Activity Areas:- Proposal and implementation of in-store activities.</li> <li>Baseline studies currently underway for the C-Fish project geared at promoting alternative livelihoods for fish farming community, by developing and marketing craft products. Next phase will be a brainstorming session with donor CARBSAVE and partner Sandals Foundation.</li> </ul>

OBJECTIVES	STRATEGIES	TARGETS	OUTPUT
			<ul style="list-style-type: none"> <li>Remaining Activity Areas:-                             <ol style="list-style-type: none"> <li>Conduct In-store Market/Consumer Research</li> <li>Develop Marketing Plan Outline of logistics for product to reach shelves</li> <li>In-Store Promotions</li> <li>Development of suitable branding &amp; package solution for products</li> <li>Facilitation of sale of products through Things Jamaica and other stores</li> </ol> </li> </ul>
4.	Supplier Management Program providing guidance and engaging potential marketing activities that should enable suppliers to promote the market expansion of their brands and business enterprises.	<ul style="list-style-type: none"> <li>At least 10 distribution contracts</li> <li>At least J\$3M generated from distribution activities</li> <li>5% increased supplier earnings for at least 20% of active suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Approximately four (4) distribution contracts were signed.</li> </ul>
5.	Plan and implement Brand Jamaica marketing campaign with a bid to generate increased market receptiveness and loyalty to Jamaican brands.		<p><b>Think Jamaican Campaign – Implementation Areas</b></p> <ul style="list-style-type: none"> <li>Public Awareness/Education Advertisement “New Look” through various media. – Formats: Print Ad., Fliers, Electronic blasts, Social Media, etc.</li> </ul>



- Packaging – Branded Shopping Bags
- Uniforms Branded



OBJECTIVES	STRATEGIES	TARGETS	OUTPUT
			<ul style="list-style-type: none"> <li>Rebranded Marketing collateral materials – Brochure, Gift Certificates, Business Cards, Coupons,</li> <li>Launch – Proposed Period : 2014</li> </ul> <p>Brand Jamaica Exhibits</p> <ul style="list-style-type: none"> <li>Ministry of Tourism &amp; Entertainment/RADA for Farmers Market.</li> <li>Planning Institute of Jamaica – Trench Twn Exhibition.</li> <li>Jamaica Stock Exchange Forum</li> <li>JCDC/RJR partnership re Kumba Mi Yabba/Ministry of Youth and Culture.</li> </ul>
6. Provide Umbrella branding and marketing, support to suppliers to enable export market penetration and economies of scale under JBDC registered product			<ul style="list-style-type: none"> <li>Developed 5 major brands to support product development initiatives:- a) Spa Jamaica, b) Jamaica Harvest, c) Irie Magic d) Bird of Paradise, e) Kreacha collection f) Man a Yaad and Jah Mek Yah.</li> <li>Brand design concepts tabled through the board sub-committee.</li> <li>Product development process on-going but retarded by lack of supportive financial resources.</li> <li>Project proposal to support activities submitted to TEF.</li> <li>Packaging and labeling activities in advanced stage of development.</li> </ul>
7. Develop distribution support capacity. a) Implement distribution arm of Things Jamaican			<ul style="list-style-type: none"> <li>Program will be modified in the next fiscal year to create a supply chain development strategy. Suppliers indicated that their margins were too low to utilise a distribution program, while others indicated they were already utilising a distributor.</li> <li>Consignment inventory management implemented to enhance product volumes in market while reducing JBDC/TJ financial risk.</li> </ul>
8. Actively seek out funded projects, (both nationally and internationally) that will aid in the provision of marketing assistance to MSMEs			<ul style="list-style-type: none"> <li>Three (3) project proposals submitted through projects department. None were approved.</li> </ul>
9. Identify and develop alternative marketing initiatives that are consistent with MSME marketing.			<ul style="list-style-type: none"> <li>Strategic plan developed to reflect the repositioning of the unit to encompass the following: <ul style="list-style-type: none"> <li>a) Events Marketing</li> <li>b) Promote inter-industrial linkages to support access and growth in the global value chain. Specific focus on Manufacturing, Agriculture and Agro-processing and the Cultural and Creative Industries.</li> </ul> </li> </ul>

## OBJECTIVES

## STRATEGIES

## TARGETS

## OUTPUT

- c) Provide Cluster branding and marketing support to suppliers to enable export market penetration and economies of scale under JBDC registered product brands
- d) Collaborate and promote the utilization of digital marketing and e-commerce market access opportunities.
- The model seeks to tap into new markets through activities such as:-
- ✓ Pop-up stores
  - ✓ Distribution channels
  - ✓ Market agents
  - ✓ Business to Business negotiations/partnerships,
  - ✓ International market promotions
  - ✓ Franchising
- Proposals to be developed in the coming fiscal year

## Events Marketing (Brand Exposure) for FY April 2013 to March 2014

1. JBDC Small Business Expo	May 21	Jamaica Pegasus Hotel	<p>The focus was on Market introduction - launching and promoting the Things Jamaican's Bird of Paradise Wedding Centre and Gift Registry. This Centre will provide authentic Jamaican wedding souvenirs and favours and Jamaican gift solutions for bridal registries</p> <p>* Approximately 8 suppliers of souvenirs/favours were featured, with 1 being a new supplier to TJ.</p> <p>* Approximately 9 suppliers of bridal registry gift items were featured.</p> <p>* Contact information was obtained from 8 prospective customers</p>
2. Diaspora Conference 2013	June 16 to 19	Montego Bay Convention Centre	<p>The 5<sup>th</sup> biennial Jamaica Diaspora Conference sought to bring together Jamaicans from home and abroad, with the aim of creating and strengthening business linkages and networks.</p> <p>Things Jamaican (TJ), under the auspices of the EXIM Bank, participated to showcase Brand Jamaica and some of its various elements such as food, art and music.</p> <p>Forty one (41) regular TJ suppliers and other local producers received supplier exposure and further market access through this event. This included: 6 from the Artist Guild, 2 which were not TJ suppliers and the others being regular and irregular TJ suppliers.</p> <p>In addition, four (4) EXIM Bank Clients were represented – Goshen Distr., SN Kraft, Canco Products and Stellar Ltd.</p> <p>Sales totalling \$178,781 was garnered</p>

3. VMBS Marriage & The Family Series	July 7	Emancipation Park	Things Jamaican participated in the Victoria Mutual Building Society's Marriage & the Family Series 2013 event, held at the Emancipation Park on July 7, 2013 at 4pm. Participation in this event was geared at showcasing Things Jamaican's newly launched Bird of Paradise Wedding Center & Gift Registry. The booth space was accessorized with a wide range of souvenir- and gift-options, wedding stationary and accent pieces. * Approximately sixty four (64) patrons visited the booth. Information on the services and locations were disseminated. * Approximately 8 suppliers of souvenirs/favours were featured * Approximately 5 TJ suppliers of gift registry gift-options were represented
4. Kingston Bridal Week – Bridal Marketplace	September 27 to 29	Pegasus Hotel	The Bird of Paradise Wedding Centre and Gift Registry was promoted at this event. Approximately 75 products were promoted, from twenty five (25) suppliers of Wedding souvenirs, favours and gifts and crafts
5. Jamaica Bridal Expo	October 19 & 20	Montego Bay Convention Centre	TJ's participation cancelled
6. Negril Farmer's Market Launch	October 30	Negril	
7. JBDC's Project Management & Research Department's Proposal Writing Workshop	November 5 to 7	Four Seasons Hotel	Approximately 10 suppliers' products were promoted o Small set-up o Information on TJ was disseminated to workshop participants o Two orders were received o Interest was shown in products for future purchase
8. Trench Town Trade & Investment Fair	November 16	Emancipation Park	Approximately 139 products were promoted, from sixteen (16) suppliers of predominantly craft, food and home products The exposition was aimed at creating meaningful economic opportunities for the exhibitors, most of whom hail from Trench Town. o Information on TJ was disseminated. o An order was received from The National Certification Body of Jamaica (NCBJ)
9. Global Entrepreneurial Week (GEW) Open House	November 20	IRC	Approximately 30 suppliers were represented in 6 categories TJ products were highlighted as direct output by Jamaican entrepreneurs and producers o Information on TJ was disseminated. o Sales of \$9,152.61 were garnered
10. GEW Business start-up Expo	November 22	Terra Nova Hotel,	



Kingston				
12. Negril Farmers Market	November 27	Negril	Sales \$20,541	
13. Christmas Fair	December 7	Sts. Peter & Paul Prep School	Assorted Merchandise from approximately 30 suppliers. A total amount of \$3,174.62 was generated. TJ DH was promoted	
Negril Farmers Market	December 18	Negril	Assorted Merchandise from 45 Suppliers in the category of Food, Home, Fashion Accessories, Aromatherapy and Entertainment. From the 28 persons who entered the booth, 13 tickets were generated for total revenue of \$7,860.00	
UWI Regional Headquarters Craft Fair	December 18	Regional Headquarters, UWI, Mona	From the 30 persons entering the display area 15 tickets generating \$14,863.00.	
Kumba Mi Yabba 2013	December 22	Ranny Williams Entertainment Centre	Assorted Merchandise from 18 NCCRP – TEP Project (1 group and 6 other individual artisans) Total revenue for the NCCRP participants was \$281,580.00. It is to be noted that JAMIA group netted \$151,400.00 of the revenue amount. Things Jamaican – Devon House Concept. 55 tickets were generated for revenue amount of \$47,675.80 in the Things Jamaican 10' X 10'	
Jamaica Stock Exchange Conference 2014	January 21 to 23	Pegasus	TJ facilitated market access opportunities for 11 existing TJ suppliers. TJ set up and managed a pavilion-like space where 7 Arts suppliers and 4 Food suppliers were able to display and sell their products to conference attendees.	
JIPO/WIPO Regional Conference	February 10 to 12	UWI Regional Headquarters	Things Jamaican (TJ) was invited to participate by organizing a retail environment for attendees of the conference. Nine (9) suppliers were selected to participate and these received direct market exposure for their businesses.	
			Assorted products such as jewelry, carvings, fine arts, clothing etc.	
Arts in the Park	February 16	Devon House East Lawns	<i>Arts in the Park</i> is a series of entertainment events staged annually, hosted by The Ministry of Tourism & Entertainment. The focus is usually on music and the spoken word. TJ was invited to add an artisanal art component to the event thus creating and managing an artisanal art shopping area. Twenty five (25) suppliers were carefully selected to participate and these received direct market exposure for their businesses.	
			TJ Devon House was also promoted. Five (5) TJ suppliers received direct market exposure and were on hand to promote their products	



Blues on the Green,	February 28	Emancipation Park	TJ was again invited to be a sponsor of the annual US Embassy Black History Month Concert, Blues on the Green. The main focus of TJ's participation was the promotion of the Devon House location as a Specialty store. Products from 21 suppliers were promoted.
St. James Farmers Market	March 26	Montego Bay	Assorted products such as jewellery, carvings, fine arts, clothing etc. from approximately 29 suppliers under the TJ booth and 7 individual suppliers representing themselves. Things Jamaican (TJ) was invited to participate. Approximately 29 suppliers were represented under the TJ umbrella. Sales realized from this event was minimal; \$8,115.
			Seven (7) suppliers were also selected to participate and these received direct market exposure for their businesses. These were producers of leather craft, jewelry, paintings, bags, baskets etc.

#### Public Relations opportunities for FY April 2013 to March 2014

TJ advertisement	June	Negril International Wellness Hospital Fundraiser	TJ placed a quarter page advertisement in the Negril International Journal, which was distributed at the 2 <sup>nd</sup> annual fundraising Gala on June 22 to members of the Diplomatic Corps, Heads of Government and distinguished industry leaders and specially invited guests
Diaspora Feature Awards	June July	Jamaica Gleaner Jamaica Association of Intellectual Disabilities (JAID)	Highlights of the TJ/JBDC participation at the Diaspora Conference were featured TJ was the proud recipient of awards from JAID – Four (4) plaques were received for TJ's marketing support of the organization's "Chups" line of jewellery. Plaques were received for TJ Port Antonio, Norman Manley, Donald Sangster and Devon House.
Recognition	July	Certificate of Appreciation from Ministry of Foreign Affairs	TJ received a certificate of appreciation in recognition of TJ's contribution to the staging of the 5 <sup>th</sup> Biennial Jamaica Diaspora Conference
Island Buzz Blog	November / October		TJ's Bird of Paradise was featured on Island Buzz Jamaica, the official blog site for Destination Jamaica by the Jamaica Tourist Board
Riu Handbook	November		The Boardwalk Village's advertisement in the Riu Handbook included the TJ Negril store
Jamaica Agricultural Society's (JAS) "Eat what we grow" Campaign – Smile Jamaica Interview	November 27		As November is being celebrated as "Eat Jamaican" month, The Ministry of Agriculture, JAS and RADA earmarked several activities to celebrate the campaign. TJ was included in a live interview on the Smile Jamaica programme on Wednesday, November 27, to highlight the Agro-Processed foods currently being carried and their link to agriculture.
12 Days of Christmas Promotion Flyer	December		
Egbert Hamilton's (Alabaster Craft) Smile	December 5	Smile Jamaica	He mentioned that the "JBDC has 3 shops" in which he sells his products.





## MARKETING SUPPORT SERVICES UNIT RECAP

2013 - 2014

Jamaica Interview			
Bartley's Craft's video shoot	February 6	TJ DH	Bartley's Craft's video shoot at the TJ DH store, promoting that company as one of National Bakery's The Bold Ones and promoting the products through TJ. (She has been directing persons to buy her products at our Devon House store)
Ital Blends' TVJ Smile Jamaica Interview	March 4	Smile Jamaica	TJ was mentioned as an outlet for these products
Donation of 2 gift baskets	March 4	Psychology Conference	TJ donated 2 baskets in exchange for branding (our logo being used on their conference material)



# HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

With a staff complement of approximately 110, the JBDC endeavours to create a work environment that provides interesting and challenging work, supports innovations and diversity, enables individuals to take responsibility for their performance, promotes professional development and recognizes and rewards excellence. Our aim is to attract and retain a highly trained and motivated workforce to ensure that the JBDC's mandate to deliver quality business development services to the MSME sector is achieved.

The Human Resource Management & Development department coordinated and executed a wide range of initiatives, the high points of which are as follows:

- A Management Retreat under the theme "Re-energizing for greater impact". The event was held on June 14, 2013 at the Courtleigh Hotel & Suites. A follow-up strategy meeting was convened on July 5, 2013 to plan the way forward.
- Documentation outlining the development of nine procedures in accordance with ISO 9001:2008 standards. Other policies and procedures were developed and/or revised as necessary, in keeping with HR best practices.
- Development and implementation of thirteen (13) training programmes to equip employees with the requisite skills to carry out the organization's strategic objectives. Additionally, three (3) external local programmes and three (3) overseas programmes were identified and employees were strategically selected to participate in these programmes based on their functions.
- The annual performance management system was executed organization-wide. Employees were rewarded in accordance with their performance.



- Facilitation of a special staff meeting with the Honourable Minister of Industry, Investment & Commerce on August 23, 2013. The objectives of this meeting were to: (1) discuss the details of the Logistics Hub (2) clarify the JBDC's role in this project and, (3) to facilitate feedback. Subsequent to this meeting a partnership was developed with the Jamaica Maritime Institute who provided certified training in Logistics to all JBDC employees. Quarterly general staff meetings were also held as part of the department's objective to provide a forum for staff to be informed of the operations of the organization, and for general feedback from both the employees and management.

In response to a circular from the Ministry of Finance and Planning regarding tertiary grant benefits to children of Public Sector employees, two (2) applications along with the requisite documentation were submitted to the Ministry for processing. A grant of J\$150,000 was awarded to one employee's child. Development and administration of an employee satisfaction survey to staff during the period. A report of the findings was prepared and submitted to Executive Management. Based on the findings of the survey, a special meeting was convened with the general staff for them to express their concerns freely. Discussion points and recommendations were documented for action to be taken going forward.



# CORPORATE COMMUNICATIONS

The Corporate Communications Unit continued its mandate of providing support to the organization's overall marketing and public relations effort through key collaborations and partnerships during the reporting period 2013-2014.

These strategic partnerships resulted in a significant increase in awareness and brand recognition for the organization for its work within the wider society.

As has become customary, the unit utilized an Integrated Marketing Communications (IMC) approach to form strategic alliances and align itself with key public and private sector partners to further the mandate of 'supporting MSMEs in Jamaica.' The IMC approach also included an online component which sought to engage a growing community of clients who only utilize online portals for communication purposes.

For the reporting period, the Unit partnered with projects such as Jamaica Diaspora Conference (partnership with EXIM Bank and JAMPRO), Blues on the Green (US Embassy), the Innovators (aired on TVJ), the National Commercial Bank (NCB) Nation Builder's Awards and the Rex Nettleford Arts Conference (Edna Manley College).





To bolster the partnerships, the Unit ensured that the organization's voice was also heard on particular key issues affecting the MSME sector. Hence, our CEO and Deputy CEO were called on to participate in media activities including the Gleaner's Editors Forum, Issues & Answers (JIS TV) the Business Review (TV)) and the Monday Exchange (Jamaica Observer).

The Corporation's staple business event, the Annual Small Business Expo & Conference recorded noted increases in corporate sponsorship and client participation in 2013. A grand total of 850 attendees, 35 corporate exhibitors and 30 local and international speakers participated in the event held under the theme 'Taking Business to the next level... From Self-Employment to Entrepreneurship'.



Also in the 2013-14 period, the Unit launched the MSME Entrepreneurship Policy and introduced Global Entrepreneurship Week celebrations to Jamaica. Again, significant mileage was received by the organization from both interventions.

The Unit continues to seek appropriate outlets to support empowerment driven and socially positive programmes within the society, in general and amongst our client group, in particular.

JBDC's commitment to offering support to programmes in the area of entrepreneurship, creative industries, the productive and manufacturing sectors and business development is renowned. The Corporate Communications Unit exists to provide exposure for the organization in these areas as well as identifying opportunities for the continued growth and expansion of the MSME sector.

# AUDITED FINANCIALS



Jamaica Business Development Corporation  
Financial Statements  
31 March 2014  
(Expressed in Jamaican dollars unless otherwise indicated)

JBDC



# Jamaica Business Development Corporation

Index

31 March 2014

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## INDEPENDENT AUDITORS' REPORT

To the Shareholder of Jamaica Business Development Corporation

### Report on the Financial Statements

We have audited the accompanying financial statements of Jamaica Business Development Corporation ('the Corporation'), which comprise the statement of financial position as of 31 March 2014 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### To the Shareholder of Jamaica Business Development Corporation (Continued)

#### Report on the Financial Statements (Continued)

##### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Corporation as of 31 March 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

##### *Emphasis of Matter*

Without qualifying our opinion and as more fully described in Note 2(b)), we draw attention to the fact that the Corporation recorded accumulated losses of \$110 million and losses before tax of \$58 million. The deficiency in working capital of \$144 million reflects the significant cashflow constraints impacting on the ability of the Corporation to meet its recurring operating expenses.

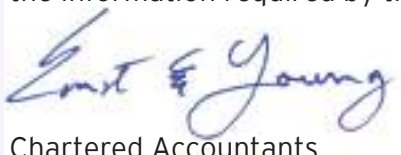
The basis of preparation presumes that the Corporation will continue to receive the financial support of the Government of Jamaica and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Corporation represents the vehicle through which the government intends to stimulate economic growth through the Micro, Small and Medium-sized Enterprise Sector which is a high priority on the government's agenda.

##### *Other Matter*

The financial statements of the Corporation for the financial year ended 31 March 2013 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 January 2014.

#### Report on Additional Requirements of the Jamaican Companies 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 and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.



Chartered Accountants  
Kingston, Jamaica

28 May 2015

# Jamaica Business Development Corporation

## Statement of Comprehensive Income

Year ended 31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2014 \$'000	(Restated) 2013 \$'000
<b>Subvention income</b>	5	241,968	273,698
Other income	6, 26	63,247	92,953
<b>Gross profit</b>	26	305,215	366,651
Selling and distribution expenses	7	(16,616)	(23,530)
Administrative expenses	7	(337,371)	(345,783)
Operating loss	26	(48,772)	(2,662)
Finance expense	9	(9,080)	(12,127)
<b>Loss before taxation</b>	26	(57,852)	(14,789)
Taxation	10	(19,028)	14,808
<b>(Loss)/profit after taxation</b>	26	(76,880)	19
<b>Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent period</b>			
Actuarial re-measurement (loss)/gain on defined benefit plans, net of tax	13, 26	(57,083)	44,423
<b>Total comprehensive (loss)/income attributable to shareholders</b>	26	(133,963)	44,442

The accompanying notes form an integral part of these financial statements.



# Jamaica Business Development Corporation

## Statement of Financial Position

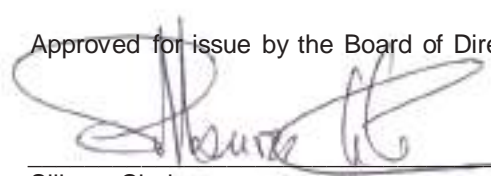
As at 31 March 2014

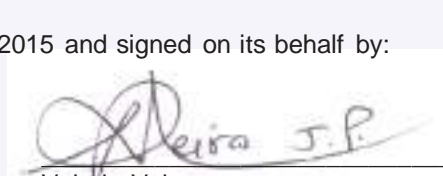
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2014 \$'000	(Restated) 31 March 2013 \$'000	(Restated) 1 April 2012 \$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	11	28,252	31,370	33,952
Intangible asset	12	46	74	161
Retirement benefit asset	13	81,482	146,849	79,561
Loans receivable	14	469	20,910	31,601
		<u>110,249</u>	<u>199,203</u>	<u>145,275</u>
<b>Current Assets</b>				
Inventories	15	797	3,653	7,272
Taxation recoverable		9,154	9,035	8,493
Receivables	16	10,857	18,410	9,650
Current portion of loans receivable	14	13,742	29,587	29,740
Cash and cash equivalents	17	25,767	42,124	111,713
		<u>60,317</u>	<u>102,809</u>	<u>166,868</u>
<b>Total Assets</b>		<u>170,566</u>	<u>302,012</u>	<u>312,143</u>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY AND LIABILITIES</b>				
Share capital	21	1	1	1
(Accumulated deficit)/retained earnings		(110,011)	23,952	(20,490)
Capital reserve	21,26	23,395	23,395	23,395
		<u>(86,615)</u>	<u>47,348</u>	<u>2,906</u>
<b>Non-current Liabilities</b>				
Long term loans	20	52,857	97,747	150,245
Deferred tax liabilities	23,26	-	-	-
Long term portion-Deferred income	22,26	-	1,288	3,134
		<u>52,857</u>	<u>99,035</u>	<u>153,379</u>
<b>Current Liabilities</b>				
Payables	18	91,913	55,633	44,688
Project liabilities	19	14,700	15,417	22,023
Borrowings	20	79,397	60,989	59,137
Taxation payable		14,923	14,923	14,923
Current portion-Deferred income	22,26	1,288	1,846	2,764
Bank overdraft	17	2,103	6,821	12,323
		<u>204,324</u>	<u>155,629</u>	<u>155,858</u>
<b>Total Shareholders' (Deficiency) Equity and Liabilities</b>		<u>170,566</u>	<u>302,012</u>	<u>312,143</u>

The accompanying notes form an integral part of these financial statements.

Approved for issue by the Board of Directors on 12 May 2015 and signed on its behalf by:

  
Silburn Clarke Director

  
Valerie Veira Director

# Jamaica Business Development Corporation

## Statement of Changes in Equity

Year ended 31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	Number Of Shares	Share Capital \$'000	Retained Earnings/ (Accumulated Deficit) \$'000	Fixed Asset Reserve \$'000	Capital Reserves \$'000	Total \$'000
<b>Balance at 31 March 2012, as previously reported</b>	26	100	1	(49,202)	43,104	-	(6,097)
Prior year adjustments	26	-	-	28,712	(43,104)	23,395	9,003
Net profit, as restated	26	-	-	19	-	-	19
Other comprehensive income, as restated	26	-	-	44,423	-	-	44,423
Total comprehensive income attributable to shareholders, as restated	26		-	44,442	-	-	44,442
<b>Balance at 31 March 2013, as restated</b>	26	100	1	23,952	-	23,395	47,348
Net loss		-	-	(76,880)	-	-	(76,880)
Other comprehensive loss		-	-	(57,083)	-	-	(57,083)
Total comprehensive loss attributable to shareholders		-	-	(133,963)	-	-	(133,963)
<b>Balance at March 31 2014</b>		100	1	(110,011)	-	23,395	(86,615)

The accompanying notes form an integral part of these financial statements.



# Jamaica Business Development Corporation

Statement of Cash Flows

Year ended 31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2014 \$'000	(Restated) 2013 \$'000
<b>CASH RESOURCES WERE PROVIDED BY:</b>			
<b>Cash flows provided by (used in)/operating activities</b>	25	19,860	(7,192)
<b>Cash flows from financing activities</b>			
Long term loans repaid		(29,450)	(54,998)
Short term loan		-	5,000
Interest paid		(8,969)	(15,574)
<b>Cash used in financing activities</b>		(38,419)	(65,572)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	11	(354)	(2,314)
Purchases of intangible asset	12	(35)	-
Interest received		7,309	10,991
<b>Cash provided by investing activities</b>		6,920	8,677
Decrease in cash and cash equivalents		(11,639)	(64,087)
Cash and cash equivalents at beginning of year		35,303	99,390
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	17	23,664	35,303

The accompanying notes form an integral part of these financial statements.





# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 1. Identification and Activities

Jamaica Business Development Corporation (the "Corporation") is a limited liability entity which was incorporated in Jamaica on 3 May 2001. The Corporation is domiciled in Jamaica and its registered office is located at 14 Camp Road, Kingston.

The Corporation commenced trading in May 2001 and its principal activities comprise the provision of consultancy, technical and managerial services to producers of goods and services and the sale of craft items. The Corporation's operations are substantially dependent on subvention income received from the Government of Jamaica.

The shares of the Corporation are held by the Accountant General of Jamaica, a Corporation sole pursuant to the Crown Property (Vesting) Act, 1960.

### 2. Significant Accounting Policies

#### (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Corporation's accounting policies. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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

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

#### **New and amended standards applicable in the current financial year**

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS that became effective during the year:

#### **IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7 (effective for periods beginning on or after 1 January 2013)**

The amendments require an entity to disclose information about rights of set-off and related arrangements (e.g., collateral agreements). The disclosures will provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set off in accordance with IAS 32. The amendment had no material impact on the Corporation's financial statements.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (a) Basis of preparation (continued)

#### New and amended standards applicable in the current financial year (continued)

#### IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 does not change when fair value is used, but rather describes how to measure and disclose fair value when fair value is required or permitted by IFRS. Fair value under IFRS 13 is defined as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date” (i.e., an exit price). Fair value measurements recognised in the financial statements may change upon implementation of IFRS 13. The extent of this change will vary depending on the type of asset or liability being measured and the previous fair value measurement requirements to which they were subject. The standard had no material impact on the Corporation's financial statements.

#### IAS 19 Employee Benefits (Revised) (effective for annual periods beginning on or after 1 January 2013)

The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The more significant changes include the following:

- For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses, are recognised in OCI with no subsequent recycling to profit or loss.
- Expected returns on plan assets will no longer be recognised in profit or loss. Expected returns are replaced by recording interest income in profit or loss, which is calculated using the discount rate used to measure the pension obligation.
- Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new and revised disclosure requirements. These new disclosures include quantitative information about the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.
- Termination benefits are recognised at the earlier of when the offer of termination cannot be withdrawn, or when the related restructuring costs are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.
- The distinction between short-term and other long-term employee benefits is based on the expected timing of settlement rather than the employee's entitlement to the benefits.

These changes represent a significant further step in reporting gains and losses outside of profit or loss, with no subsequent recycling. Actuarial gains and losses will be excluded permanently from profit or loss.

This revision has resulted in a material impact on the Corporation's financial statements (See Note 26).



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (a) Basis of preparation (continued)

**Improvements to IFRS applicable to annual periods beginning on or after 1 January 2013 are as follows:**

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards resulting in changes to accounting policies but did not have any impact on the financial position or performance of the Corporation.

#### **IFRS 1 First-time Adoption of International Financial Reporting Standards**

The amendment clarifies that, upon adoption of IFRS, an entity that capitalised borrowing costs in accordance with its previous GAAP, may carry forward, without adjustment, the amount previously capitalised in its opening statement of financial position at the date of transition. Once an entity adopts IFRS, borrowing costs, including those incurred on qualifying assets under construction, are recognised in accordance with IAS 23.

#### **IAS 1 Presentation of Financial Statements**

The amendment clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.

#### **IAS 16 Property Plant and Equipment**

The amendment clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

#### **IAS 32 Financial Instruments; Presentation**

The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders.

#### **IAS 34 Interim Financial Reporting**

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments.

#### **Standards and Interpretation that are effective and considered not applicable**

#### **IFRS 1 Government Loans — Amendments to IFRS 1 (effective for annual periods beginning on or after 1 January 2013)**

These amendments require first-time adopters to apply the requirements of IAS 20 prospectively to government loans existing at the date of transition to IFRS. However, entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for those loans.

# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (a) Basis of preparation (continued)

#### Standards and Interpretation that are effective and considered not applicable (continued)

#### **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements (effective for annual periods beginning on or after 1 January 2013)**

IFRS 10 replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities, which resulted in SIC-12 being withdrawn. IAS 27, as revised, is limited to the accounting for investments in subsidiaries, joint ventures, and associates in separate financial statements.

IFRS 10 does not change consolidation procedures (i.e., how to consolidate an entity). Rather, IFRS 10 changes whether an entity is consolidated by revising the definition of control.

#### **IFRS 11 Joint Arrangements, IAS 28 Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2013)**

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. Joint control under IFRS 11 is defined as the contractually agreed sharing of control of an arrangement, which exists only when the decisions about the relevant activities require the unanimous consent of the parties sharing control. 'Control' in 'joint control' refers to the definition of 'control' in IFRS 10.

#### **IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013)**

IFRS 12 applies to an entity that has an interest in subsidiaries, joint arrangements, associates and/or structured entities. Many of the disclosure requirements of IFRS 12 were previously included in IAS 27, IAS 31, and IAS 28, while others are new.

The objective of the IFRS 12 disclosure requirements is to help the users of financial statements understand the following:

- The effects of an entity's interests in other entities on its financial position, financial performance and cash flows
- The nature of, and the risks associated with, the entity's interest in other entities

#### **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after 1 January 2013)**

IFRIC 20 applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. IFRIC 20 represents a change from the current life of mine average strip ratio approach used by many mining and metals entities. Depending on the specific facts and circumstances of an entity's mines, these changes may impact both financial position and profit or loss. In addition, changes may also be required to processes, procedures and systems of the reporting entity.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (a) Basis of preparation (continued)

#### New and amended standards in issue but not yet effective

New standards and interpretations and amendments to existing standards that were issued, but not yet effective, up to the date of issuance of the Corporation's financial statements are disclosed below. The Corporation intends to adopt these standards, if applicable, when they become effective.

- IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
- IFRS 10, IFRS 12 and IAS 27 Investment Entities (Amendments) (effective for annual periods beginning on or after 1 January 2014)
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 (effective for annual periods beginning on or after 1 January 2016)
- IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (effective for annual periods beginning on or after 1 January 2016)
- IAS 16 and IAS 41 Agriculture: Bearer Plants – Amendments to IAS 16 and IAS 41 (effective for annual periods beginning on or after 1 January 2016)
- IAS 19 Defined Benefit Plans: Employee Contributions — Amendments to IAS 19 (effective for annual periods beginning on or after 1 July 2014)
- IAS 27 Equity Method in Separate Financial Statements – Amendments to IAS 27 (effective for annual periods beginning on or after 1 January 2016)
- IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32 (effective for annual periods beginning on or after 1 January 2014)
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets — Amendments to IAS 36 (effective for annual periods beginning on or after 1 January 2014)
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting — Amendments to IAS 39 (effective for annual periods beginning on or after 1 January 2014)
- IFRIC 21 Levies (effective for annual periods beginning on or after 1 January 2014)

**Improvements to IFRS applicable to annual periods beginning on or after 1 July 2014 are as follows:**

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IFRS 2 Share-based Payment
- IFRS 3 Business Combinations
- IFRS 8 Operating Segments
- IFRS 13 Fair Value Measurement
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets
- IAS 24 Related Party Disclosures
- IAS 40 Investment Property





# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (b) Going concern

The Corporation recorded accumulated losses of \$110 million (2013 – retained earnings of \$24 million) and losses before tax of \$58 million (2013 - \$15 million). The deficiency in working capital of \$144 million (2013 - \$53 million) reflects the significant cashflow constraints which exist and inability to meet its recurring operating expenses.

The operational plan demonstrates the Corporation's ability to continue to meet its recurring expenses and operate as a going concern within the confines of the available financial resources. The basis of preparation presumes that the Corporation will continue to receive the financial support of the Government of Jamaica and will be able to realize its assets and discharge its liabilities in the ordinary course of business.

The management and the directors are firmly of the view that the Corporation will continue as a going concern in the foreseeable future and have prepared these financial statements on the going concern basis. Management has developed certain initiatives to grow its business through strategic partnership with multilaterals, restructuring its resources including cost reduction and only undertaking expenses if cost will be covered by the Government of Jamaica funding unless alternate source of funding is firstly established, developing new projects and relevant consultancy services and revisit the pricing mechanism of said service to ensure surplus generation. The Corporation has also presented to the government a proposal to retain 80% of its "other income" to reinvest into programmes under its operational plan instead of contributing to the consolidated fund.

The Corporation represents the vehicle through which the government intends to stimulate economic growth through the Micro, Small and Medium-sized Enterprise Sector (MSMEs) which is a high priority on the government's agenda.

### (c) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

Foreign currency transactions during the year are converted at the rates of exchange prevailing at the dates of the transactions. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the statement of financial position date. Foreign exchange gains and losses arising from the settlement of such transactions and from the translation at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

### (d) Intangible asset

Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software. It is being amortised on the basis of the expected useful lives (3 years).



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (e) Property, plant and equipment

Property, plant and equipment are recorded at deemed cost less accumulated depreciation and impairment losses, if any. These assets are depreciated on the straight-line basis at annual rates estimated to write off the carrying value of the assets less the residual values over their estimated useful lives as follows:

Building	2.5%
Leasehold improvements	20%
Computer equipment	25%
Furniture and fixtures	12.5%
Office equipment	16.67%
Motor vehicles	20%

Land is not depreciated.

Repairs and maintenance expenses are charged to the statement of comprehensive income during the financial period in which they are incurred. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining the operating profit.

The residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

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

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

### (g) Taxation

Taxation on the profit and loss for the year comprises current and deferred tax. Current and deferred taxes are recognised as income tax expense or benefit in the statement of comprehensive income except, where they relate to items recorded in shareholders' equity, they are also charged or credited to shareholders' equity.

#### (i) Current taxation

Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable and tax losses in respect of the previous years.

#### (ii) Deferred income taxes

Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised. Unrecognised deferred tax assets are re-assessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable profits will allow this deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on enacted rates.

Tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (h) Employee benefits

#### (i) Pension assets

The Corporation operates a defined benefit retirement plan, the assets are generally held in separate trustee-administered fund. The pension plan is funded by payments from employees and by the Corporation, taking into account the recommendations of independent qualified actuaries.

The net benefit liability or assets of the Corporation is measured by an actuarial valuation method, the attribution of benefits to periods of service and the use of actuarial assumptions. The fair value of the plan assets is deducted from the present value of the defined benefit obligation to determine the net deficit or surplus.

The fair value of the plan assets and related service costs is calculated using the Projected Unit Credit Method. This method assumes that each period of service gives rise to an additional unit of benefit entitlement. It measures each unit separately in calculating the final obligation. All actuarial gains or losses are recognised immediately in Other Comprehensive Income (OCI).

#### (ii) Annual leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

#### (iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Corporation recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve (12) months after the statement of financial position date are discounted to present value.

### (i) Loans receivable

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

An allowance for impairment is established if there is objective evidence that the Corporation will not be able to collect all amounts outstanding according to the original contractual terms of the loan. The amount of the allowance is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loans.

A loan is classified as impaired when, in management's opinion, there has been deterioration in credit quality to the extent that there is no longer reasonable assurance of timely collection of the full amount of principal and interest. If a payment on a loan is contractually three months in arrears, the loan will be classified as impaired if not already classified as such.

Write-offs are made when all or part of a loan is deemed uncollectible. Write-offs are charged against previously established provisions for impairment losses and reduce the principal amount of the loan. Recoveries, in part or in full, of amounts previously written-off are credited to bad debt recoveries in the statement of comprehensive income.

# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (j) Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on a weighted average basis. Net realisable value is the estimate of selling price in the ordinary course of business.

### (k) Trade receivables

Trade receivables are carried at original invoice amount less provision for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows. Bad debts are written off during the year in which they are identified.

### (l) Trade payables

Payables are stated at historical cost.

### (m) Borrowings

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

### (n) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short term deposits with less than 90 days maturity from acquisition date, net of bank overdraft.

### (o) Revenue recognition

#### *Subvention income*

Subvention income for recurrent expenditure is recognised on the accrual basis.

#### *Sales of goods – retail*

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognised when the customer is invoiced and has taken delivery of the items.

#### *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method which is the rate at which the cash flows are discounted.

### (p) Government subventions relating to the purchase of property, plant and equipment

Subventions received and used for the purchase of property, plant and equipment are credited to fixed asset reserve and transferred to income on a straight-line basis over the expected useful lives of the related assets.

# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 2. Significant Accounting Policies (Continued)

#### (q) Project liabilities

Project liabilities are stated at historical cost.

#### (r) Financial instruments

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

##### *Financial assets*

The Corporation classifies its financial assets in the following categories: Loans and receivables, and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

##### *Financial assets*

All regular way purchases or sales of financial assets are recognized or derecognized on a trade basis. At statement of financial position date, loans to customers and trade and other receivables were classified as loans and receivables and cash and short term deposits were classified as financial assets at fair value through profit or loss.

##### *Financial liabilities*

The Corporation's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At statement of financial position date, the following items were classified as financial liabilities: Trade and other payables, project liabilities and borrowings.

#### (s) Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Corporation's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and loans receivables, where the carrying amount is reduced through the use of an allowance account. When a trade or loan receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognised in profit or loss.





# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management

The Corporation's activities expose it to a variety of financial risks: market risk (including currency risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Corporation's financial performance.

The Corporation's 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 Corporation 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 Corporation's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas.

### (a) Credit risk

The Corporation takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Corporation by failing to discharge their contractual obligations.

Credit exposures arise principally from cash and short term deposits, receivables from customers and loans disbursed. The Corporation monitors its exposure to credit risk by placing credit limits on its customer's balances and setting a credit period.

#### *Credit review process*

##### (i) Trade and other receivables

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analysed individually for creditworthiness prior to the Corporation offering them a credit facility. Credit limits are assigned to each customer and these limits are reviewed on an ongoing basis. Customers that fail to meet the Corporation's benchmark creditworthiness may transact with the Corporation on a cash basis.

The Corporation's average credit period on the sale of services is 15 days and 30 days for the sale of goods. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows.

##### (ii) Cash and short term deposits

Cash and short term deposits transactions are limited to high credit quality financial institutions.

##### (iii) Loans

The Corporation has established a credit quality review process involving regular analysis of the ability of borrowers to meet interest and capital repayment obligations.

The Corporation assesses the probability of default of borrowers on an individual basis. The Corporation assesses each borrower on four critical factors. These factors are the customer's credit history, ability to pay linked to the debt service ratio of 75%, character profile and the customer's economic stability, based on employment and place of abode.

The Corporation manages concentrations of credit risk by placing limits on the amount of risk accepted



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

The maximum amount to be lent to each borrower is set at \$5,000,000.

#### *Collateral*

Exposure to credit risk is managed, in part, by obtaining collateral and personal guarantees. The amount and type of collateral required depend on an assessment of the credit risk of the borrower. Guidelines are implemented regarding the acceptability of different types of collateral. The principal collateral type provided for loans are bills of sale on items that were purchased from the proceeds of the loan.

#### *Impairment*

The main considerations for the loan impairment assessment include whether any payments of principal or interest are overdue by more than 90 days or whether there are any known difficulties in the cash flows of counterparties, credit rating downgrades or infringement of the original terms of the contract.

The Corporation performs impairment assessment on individual balances.

Individually assessed allowances are provided for financial assets based on a review conducted at least annually or more regularly when individual circumstances require such reviews. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at statement of financial position date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held and the anticipated receipts for that individual account.

The internal rating systems described above focus more on credit-quality mapping from the inception of lending activities. In contrast, impairment provisions are recognised for financial reporting purposes only for losses that have been incurred at the statement of financial position date based on objective evidence of impairment. Due to the different methodologies applied, the amount of incurred credit losses provided for in the financial statements is usually lower than the amount determined from the expected loss model that is used for internal operational management purposes.

The internal rating tool assists management to determine whether objective evidence of impairment exists under IAS 39, based on the following criteria set out by the Corporation:

- (i) Delinquency in contractual payments of principal or interest;
- (ii) Cash flow difficulties experienced by the borrower;
- (iii) Breach of loan covenants or conditions;
- (iv) Initiation of bankruptcy proceedings;
- (v) Deterioration of the borrower's competitive position; and
- (vi) Deterioration in the value of collateral.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

#### *Maximum exposure to credit risk*

The Corporation's maximum exposure to credit risk before collateral held or other credit enhancements at year end was as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Loans receivable (Note 14)	14,211	50,497
Trade receivables (Note 16)	1,200	6,669
Other receivables (Note 16)	1,412	6,196
Cash & cash equivalents (Note 17)	25,767	42,124
	<u>42,590</u>	<u>105,486</u>

The table above represents a worst case scenario of credit risk exposure to the Corporation at 31 March 2014 and 2013, without taking account of any collateral held or other credit enhancements.

#### *Exposure to credit risk for short term deposits*

The following table summarises the Corporation's credit exposure for short term deposits at their carrying amounts, as categorised by issuer:

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
GOJ Securities	<u>15,010</u>	<u>6,155</u>

#### *Exposure to credit risk for trade receivables*

The following table summarises the Corporation's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Shops	989	777
Service income	211	4,186
Other	-	1,978
	<u>1,200</u>	<u>6,941</u>
Less: Provision for credit losses	-	(272)
	<u>1,200</u>	<u>6,669</u>

# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

#### *Ageing analysis of trade receivables that are past due but not impaired*

Trade receivables that are less than three months past due are not considered impaired. As of 31 March 2014, trade receivables of \$816,000 (2013 - \$6,589,000) of the Corporation were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of trade receivables that are past due but not impaired was as follows:

	2014 \$'000	2013 \$'000
1-30 days	267	4,358
31-60 days	503	187
61-90 days	46	2,044
	<u>816</u>	<u>6,589</u>

#### *Movement in provision for impairment of trade receivables*

Certain trade receivables greater than 90 days are considered impaired and have been fully provided for. The movement in the provision for these trade receivables is as follows:

	2014 \$'000	2013 \$'000
At April 1	272	237
(Write back) provision for impairment	<u>(272)</u>	<u>35</u>
	<u>-</u>	<u>272</u>

#### *Exposure to credit risk for loans receivable*

The following table summarises the Corporation's credit exposure for loans at their carrying amounts, as categorised by industry sector:

	2014 \$'000	2013 \$'000
Agriculture	11,957	15,878
Agro-Processing	3,076	4,900
Manufacturing	50,422	63,287
Service	<u>24,786</u>	<u>33,722</u>
	90,241	117,787
Less: Provisions for impairment	<u>(76,030)</u>	<u>(67,290)</u>
	<u>14,211</u>	<u>50,497</u>

# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (a) Credit risk (continued)

#### *Credit quality of loans*

Credit quality of loans is summarised as follows:

	2014 \$'000	2013 \$'000
Neither past due nor impaired	4,713	21,508
Past due but not impaired	9,498	24,030
Impaired	76,030	72,249
	<u>90,241</u>	<u>117,787</u>
Less: Provisions for impairment	<u>(76,030)</u>	<u>(67,290)</u>
	<u>14,211</u>	<u>50,497</u>

#### *Aged analysis of past due but not impaired loans*

	2014 \$'000	2013 \$'000
31 to 60 days	2,646	16,121
61 to 90 days	6,852	7,909
	<u>9,498</u>	<u>24,030</u>

### (b) Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets, and maintaining the availability of funding through an adequate amount of committed credit facilities.

#### *Liquidity risk management process*

The Corporation's liquidity management process includes:

- (i) Maintaining committed lines of credit; and
- (ii) Optimising cash returns on investment.

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





# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (b) Liquidity risk (continued)

*Undiscounted cash flows of financial liabilities*

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

	2014			Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	2 to 5 Years \$'000	
Borrowings	57,624	27,979	61,405	147,008
Project liabilities	14,700	-	-	14,700
Payables	24,748	-	-	24,748
Other payables	67,165	-	-	67,165
Bank overdraft	2,103	-	-	2,103
	166,340	27,979	61,405	255,724
	2013			Total \$'000
	1 to 3 Months \$'000	4 to 12 Months \$'000	2 to 5 Years \$'000	
Borrowings	33,953	30,377	100,227	164,557
Project liabilities	15,417	-	-	15,417
Payables	22,468	-	-	22,468
Other payables	33,165	-	-	33,165
Bank overdraft	6,821	-	-	6,821
	111,824	30,377	100,227	242,428

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term deposits.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk

The Corporation 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 and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Corporation's exposure to market risks or the manner in which it manages and measures the risk.

#### *Currency risk*

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

The Corporation manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Corporation further manages this risk by maximising foreign currency earnings and holding foreign currency balances.

The Corporation does not have significant international operations and, accordingly does not have significant exposure to foreign exchange risk. Changes in foreign currency rates are not expected to have a significant impact on the Corporation. Foreign exchange risk arises primarily from investment transactions. At 31 March 2014, the Corporation had net United States dollar denominated monetary assets carried at a Jamaican dollar equivalent of \$8,602,000 (2013-\$8,623,000).

The change in currency below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at year end for a reasonable expected change in foreign currency rates. This analysis includes cash and short term deposits. It should be noted that movements in these variables are non-linear.

	%Change in Currency Rate 2014	Effect on Net Loss 2014 \$'000	%Change in Currency Rate 2013	Effect on Net Loss 2013 '000
Currency:				
USD	+1	(86)	+1	(86)
USD	-10	860	-10	862

# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (c) Market risk (continued)

##### *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.

The Corporation's policy requires it to manage the maturity of interest bearing financial assets and interest bearing financial liabilities.

The following tables summarise the Corporation's exposure to interest rate risk. It includes the Corporation's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

Interest rate risk	2014				
	1 to 3 Months \$'000	4 to 12 Months \$'000	2 to 5 Years \$'000	Non-Interest Bearing \$'000	Total \$'000
<b>Financial assets</b>					
Loans receivables	3,772	9,881	469	89	14,211
Cash and cash equivalents	17,682	-	-	8,085	25,767
Total financial assets	21,454	9,881	469	8,174	39,978
<b>Financial liabilities</b>					
Borrowings	46,378	24,063	56,813	5,000	132,254
Project liabilities	-	-	-	14,700	14,700
Bank overdraft	-	-	-	2,103	2,103
Financial liabilities	46,378	24,063	56,813	21,803	149,057
Total interest repricing gap	(24,924)	(14,182)	(56,344)	(13,629)	(109,079)

# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (c) Market risk (continued)

#### Interest rate risk (continued)

	2013				
	1 to 3 Months \$'000	4 to 12 Months \$'000	2 to 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
<b>Financial assets</b>					
Loans receivables	6,310	18,082	20,910	5,195	50,497
Cash and cash equivalents	13,343	-	-	28,781	42,124
Total financial assets	19,653	18,082	20,910	33,976	92,621
<b>Financial liabilities</b>					
Borrowings	26,250	36,559	89,938	5,989	158,736
Project liabilities	-	-	-	15,417	15,417
Bank overdraft	-	-	-	6,821	6,821
Financial liabilities	26,250	36,559	89,938	28,227	180,974
Total interest repricing gap	(6,597)	(18,477)	(69,028)	5,749	(88,353)

The Corporation's interest-bearing financial assets include loans receivables and cash and short-term investments. Interest-bearing financial liabilities include loan payable. The Corporation has little exposure to interest rate risk on these financial instruments as they attract fixed rates of interest. The Corporation has no other financial instruments at year end that are subject to interest fluctuation in the next 12 months. Interest-bearing financial assets and liabilities are disclosed in Notes 14, 17 and 20.

### (d) Capital management

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the Corporation defines as net operating income divided by total equity.

The Corporation has no specific capital management strategy and is not exposed to externally imposed capital requirements.

# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 3. Financial Risk Management (Continued)

### (e) Fair values of financial instruments

In assessing the fair value of financial instruments, the Corporation uses a variety of methods and makes assumptions that are based on market conditions existing at the statement of financial position date.

The estimated fair values have been determined using available market information and appropriate valuation methodologies. However, considerable judgement is necessarily required in interpreting market data to develop estimates of fair values. Accordingly, the estimates presented below are not necessarily indicative of the amounts that the Corporation would realise in a current market exchange. The fair value of financial instruments is determined as follows:

- (i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include receivables, cash and short term deposits, bank overdraft, payables and short term loans.
- (ii) Long term loans incur interest at prevailing market rates and reflect the Corporation's contractual obligations. The carrying values of these liabilities closely approximate amortised cost, and are deemed to be the fair values of such liabilities as they attract terms and conditions available in the market for similar transactions.
- (iii) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.

The estimated fair value on the loans held by the Corporation includes:

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
<b>Financial liability</b>				
DBJ Loan1	59,315	61,839	69,000	74,579
DBJ Loan2	55,644	62,445	75,000	86,321
MIDA Loan	16,250	18,272	21,248	24,645
<b>Total</b>	<b>131,209</b>	<b>142,556</b>	<b>165,248</b>	<b>185,545</b>

## 4. Critical Accounting Estimates and Judgments in Applying Accounting Policies

The Corporation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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.

### (a) Critical judgements in applying the Corporation's accounting policies

In the process of applying the Corporation's accounting policies, management believes it has made no significant judgments on the amounts recognised in the financial statements.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 4. Critical Accounting Estimates and Judgements in Applying Accounting Policies (Continued)

### (b) Critical accounting estimates and assumptions

The Corporation makes estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### (i) Income taxes

Estimates are required in determining the provision for income taxes. There are some transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Corporation recognises liabilities for possible tax issues based on estimates of whether additional taxes will be due. Where the tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (ii) Pension plan assets

The cost of these benefits and the present value of the pension depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost/(income) for pension and post employment benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost/(income) recorded for pension and post employment benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The Corporation determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-employment benefit obligations.

In determining the appropriate discount rate, the Corporation considered interest rate of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related pension liability. Other key assumptions for the pension and post employment benefit cost and credits are based in part on current market conditions.

## 5. Subvention income

This represents operational subventions received from the Ministry of Industry, Investment and Commerce.

## 6. Other income

	(Restated)	
	2014	2013
	\$'000	\$'000
Miscellaneous income	826	10,338
Gross profit-Shops	42,444	38,995
Services income	15,928	27,554
Interest income	2,203	13,302
Amortisation of government grant (Note 22)	1,846	2,764
	<u>63,247</u>	<u>92,953</u>



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 7. Expenses by nature

	2014	(Restated) 2013
	\$'000	\$'000
Advertising and promotion	5,698	5,960
Auditors' remuneration	1,350	1,500
Bad debt expense	8,514	11,869
Depreciation and amortisation	3,535	4,983
Insurance	2,226	3,020
Other	14,100	27,290
Professional fees	3,257	3,563
Rental expenses	35,782	37,174
Repairs and maintenance	9,242	7,224
Security	4,237	5,497
Staff costs(Note 8)	248,464	239,192
Utilities and telecommunications	17,582	22,041
	<u>353,987</u>	<u>369,313</u>

## 8. Staff costs

	2014	(Restated) 2013
	\$'000	\$'000
Wages and salaries	220,689	209,488
Payroll costs-Employers' portion	15,135	12,813
Pension income (Note 13)	(4,307)	(1,730)
Other	16,947	18,621
	<u>248,464</u>	<u>239,192</u>

## 9. Finance expense

	2014	(Restated) 2013
	\$'000	\$'000
Net foreign exchange gains	2,857	2,799
Interest expense	(11,937)	(14,926)
	<u>(9,080)</u>	<u>(12,127)</u>



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 10. Taxation

The taxation charge for the year is comprised of:

	2014 \$'000	(Restated) 2013 \$'000
Deferred tax (credit) charge (Note 23)	(19,028)	14,808
	2014 \$'000	(Restated) 2013 \$'000
Loss before tax	(57,852)	(14,789)
Tax calculated @ 25%	(14,463)	(3,697)
Adjusted for the effect of:		
Tax on non-allowable expenses	692	-
Income not subject to tax	(461)	(106)
Valuation allowance	15,733	3,915
Other charges and credits	(1,501)	(112)
	-	-

Subject to agreement with the Commissioner of Taxpayer Audit and Assessment Department, the Corporation has accumulated losses available for offset against future taxable profits, amounting to approximately \$201,303,890 (2013- \$150,856,000) and may be carried forward indefinitely.

Unutilised deferred tax assets on these tax losses have not been recorded in these financial statements, on the basis that it is not probable that the taxable profits will be available in the foreseeable future against which the differences can be utilised.

During the 2012/13 budget presentation, the Government of Jamaica announced a reduction in the corporate income tax rate for unregulated entities, from 33⅓% to 25%, effective 1 January 2013. The change in the tax rate was signed into law on 28 December 2012. On 12 February 2013, the Government further announced that a surtax of 5% will be imposed on the taxable income of large unregulated entities. This additional tax was signed into law on 28 March 2013 and defined large entities as companies with revenue equal to or greater than \$500,000,000. As the Corporation's revenue was below the threshold of \$500,000,000 set for large unregulated entities, the 30% tax rate has not been applied in determining the amounts for current and deferred taxation in these financial statements.



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 11. Property, plant and equipment

	Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost -					
At 1 April 2012	27,988	21,085	26,861	6,550	82,484
Additions	-	-	2,314	-	2,314
At 31 March 2013	27,988	21,085	29,175	6,550	84,798
Additions	-	-	354	-	354
At 31 March 2014	27,988	21,085	29,529	6,550	85,152
Depreciation-					
At 1 April 2012	3,017	16,015	23,960	5,540	48,532
Charge for the year	400	2,077	1,632	787	4,896
At 31 March 2013	3,417	18,092	25,592	6,327	53,428
Charge for the year	422	1,813	1,127	110	3,472
At 31 March 2014	3,839	19,905	26,719	6,437	56,900
Net Book Value -					
31 March 2014	24,149	1,180	2,810	113	28,252
31 March 2013	24,571	2,993	3,583	223	31,370

### 12. Intangible asset

	Computer Software \$'000
At Cost -	
At 1 April 2012 and 31 March 2013	2,835
Additions	35
At 31 March 2014	2,870
Depreciation-	
At 1 April 2012	2,674
Charge for the year	87
At 31 March 2013	2,761
Charge for the year	63
At 31 March 2014	2,824
Net Book Value -	
31 March 2014	46
31 March 2013	74



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 13. Retirement benefits

	2014 \$'000	(Restated) 2013 \$'000
Asset recognised in the statement of financial position - Pension Scheme	81,482	146,849
Asset recognised in the statement of comprehensive income Pension Scheme	(57,083)	44,423

The amounts recognised in the statement of financial position are determined as follows:

	2014 \$'000	(Restated) 2013 \$'000
Present value of funded obligations	(134,420)	(128,987)
Fair value of plan assets	378,907	308,308
	244,487	179,321
Unrecognised asset	(163,005)	(32,472)
	81,842	146,849

Changes in the defined benefit obligations	2014 \$'000	(Restated) 2013 \$'000
Present value at beginning of year	128,987	97,340
Service cost	8,806	5,666
Interest cost	10,798	8,192
Contribution	8,725	8,879
Benefits paid	(7,289)	(1,966)
Annuities purchased	3,308	-
Remeasurement changes in demographics assumptions	14,020	-
Remeasurement changes in financial assumptions	13,334	-
Remeasurement experience adjustment	(46,269)	10,876
At end of year	134,420	128,987

Changes in the fair value of plan assets

	2014 \$'000	2013 \$'000
At beginning of year	308,308	276,865
Values of annuities purchased	3,308	-
Actuarial gains on plan assets	59,418	18,203
Employer contributions	6,437	6,327
Employee contributions	8,725	8,879
Benefits paid	(7,289)	(1,966)
At end of year	378,907	308,308





# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 13. Retirement benefits (Continued)

Movements in the amounts recognised in the statement of financial position

	<b>2014</b>	<b>(Restated)</b>
	<b>\$'000</b>	<b>2013</b>
		<b>\$'000</b>
Asset at beginning of year	146,849	79,561
Total income	4,307	1,730
Remeasurements recognised in OCI (expense)/income	(76,111)	59,231
Contributions paid	6,437	6,327
Retirement benefit asset at end of year	<u>81,482</u>	<u>146,849</u>

The amounts recognised in the statement of comprehensive income are as follows:

	<b>2014</b>	<b>(Restated)</b>
	<b>\$'000</b>	<b>2013</b>
		<b>\$'000</b>
Current service cost	(8,806)	(5,666)
Interest cost	(10,798)	(8,192)
Interest income on assets	26,671	24,085
Interest on effect of asset ceiling	(2,760)	(8,497)
Total, included in staff costs (Note 8)	<u>4,307</u>	<u>1,730</u>

The actual return on plan assets was \$64,966,000 (2013 -\$22,583,000)

Expected contributions for the plan for the year ending March 31, 2015 amounts to \$9,101,000.

The distribution of plan assets was as follows:

	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
Quoted equities	6	8
Real estate	39	31
Government of Jamaica securities	55	61
	<u>100</u>	<u>100</u>

The principal actuarial assumptions used were as follows:

	<b>2014</b>	<b>2013</b>
	<b>%</b>	<b>%</b>
Discount rate	9.5	10.0
Expected return on plan assets	9.5	8.5
Future salary increases	5.5	6.0
Future pension increases	<u>0.0</u>	<u>0.0</u>



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 13. Retirement benefits (Continued)

Demographic assumptions:

(i) American 1994 Group Annuitant Mortality (GAM94) table with a five year Mortality Improvement.

Age	Males	Females
20 - 30	0.35 – 0.65	0.22 – 0.29
30 - 40	0.66 – 0.85	0.29 – 0.48
40 - 50	0.85 – 1.58	0.48 – 0.97
50 - 60	1.58 – 4.43	0.97 – 2.29
60 - 70	4.43 – 14.53	2.29 – 8.63

(ii) Men and women are expected to retire at age 65 years

### 14. Loans receivable

	2014 \$'000	2013 \$'000
Gross loans and advances	90,152	112,592
Less: Provisions for loan losses	(76,030)	(67,290)
	14,122	45,302
Add: Loan interest receivable	89	5,195
	14,211	50,497
Less: Current portion	(13,742)	(29,587)
	469	20,910

These represent loans disbursed to various micro and small business owners from the pool of funds obtained for on-lending from Development Bank of Jamaica and the Micro Investment Development Agency (Note 20). Each loan bears interest at a rate of 10% per annum and are secured by bills of sale on items that were purchased from the proceeds of the loan.

The aggregate amount of non-performing loans on which interest was not being accrued is as follows:

	2014 \$'000	2013 \$'000
Total non-performing loans	76,030	67,290

The movement in the provision for credit losses is as follows:

	2014 \$'000	2013 \$'000
Balance at beginning of year	67,290	55,456
Provided during the year	8,740	11,834
Balance at end of year	76,030	67,290



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 15. Inventories

	2014 \$'000	2013 \$'000
Inventory	2,126	5,483
Less: Provision for slow moving items	(1,329)	(1,830)
	<u>797</u>	<u>3,653</u>

### 16. Receivables

	2014 \$'000	2013 \$'000
Trade	1,200	6,941
Less: Provision for doubtful debts	-	(272)
	<u>1,200</u>	<u>6,669</u>
GCT recoverable	7,313	4,514
Prepaid expenses	932	1,031
Other	1,412	6,196
	<u>10,857</u>	<u>18,410</u>

### 17. Cash and cash equivalents

	2014 \$'000	(Restated) 2013 \$'000
Cash	10,757	35,969
Short term deposits	15,010	6,155
	<u>25,767</u>	<u>42,124</u>
Bank overdraft	(2,103)	(6,821)
	<u>23,664</u>	<u>35,303</u>

Cash is comprised mainly of amounts held in current accounts which earn interest at 0.35% (2013- 0.35%) per annum.

The average effective rate on Jamaican dollar denominated short term investments was 4.76% (2013- 5.15%) per annum and these deposits have an average maturity of 60 days (2013 - 25 days). The average effective interest rate on United States dollar denominated short term investments was 2.41% (2013 - 2.42%) per annum and these deposits have an average maturity of 119 days (2013 - 82 days).

The accounting records of the Corporation reflect a bank overdraft which results from cheques issued but not yet presented to the bank. The Corporation transfers cash from short-term deposits to its current accounts only when required, a practice which results in a book overdraft occasionally. The Corporation does not have an actual overdraft with any of its bankers and no bank overdraft facilities were in place at year end.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 18. Payables

	2014 \$'000	2013 \$'000
Trade	24,748	22,468
Accruals	41,959	28,677
Other	25,206	4,488
	<u>91,913</u>	<u>55,633</u>

## 19. Project liabilities

	2014 \$'000	2013 \$'000
Capital A	1,800	-
CaribSave	81	-
Development Bank of Jamaica/MSME Development Fund	2,591	6,493
IFS 2014	33	-
Income Cluster	180	180
Inter-American Development Bank (Government Of Jamaica)	8,744	8,744
Jamaica Social Investment Fund -REDI	208	-
Steps To Work -Ministry Of Labour	4	-
Tourism Enhancement Fund	1,059	-
	<u>14,700</u>	<u>15,417</u>

These represent interest free funding received from multilateral organizations and government agencies. The Corporation acts as facilitator to carry out specialized projects financed from these funds, the conditionality of which are stated through an established Memorandum of understanding for each project.

## 20. Borrowings

### (a) Composition of borrowings:

	2014 \$'000	2013 \$'000
Current		
(i) Short term loan	5,000	5,000
Current portion of long term loans	74,397	55,989
	<u>79,397</u>	<u>60,989</u>
Non-current -		
Long term loans	52,857	97,747
	<u>132,254</u>	<u>158,736</u>
(b) Long term loans		
(ii) Development Bank of Jamaica	107,046	131,499
(iii) Micro Investment Development Agency	16,251	21,248
Interest accrued	3,957	989
	<u>127,254</u>	<u>153,736</u>
Less: Current portion	<u>(74,397)</u>	<u>(55,989)</u>
	<u>52,857</u>	<u>97,747</u>



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 20. Borrowings (Continued)

The aggregate amount of principal payments required in each of the next five financial years is as follows:

	2014 \$'000	2013 \$'000
2014	-	60,989
2015	79,397	61,500
2016	26,625	30,000
2017	20,625	6,247
2018	5,607	-
	<u>132,254</u>	<u>158,736</u>

- (i) This loan was obtained from the Ministry of Industry Investment and Commerce to assist with the merchandising of Jamaica's products at the Jamaica 50<sup>th</sup> Celebrations in Birmingham. The loan is interest free.
- (ii) This loan was obtained for on-lending to businesses in the productive micro and small enterprises sectors. The principal is repayable in 12 semi-annual payments commencing December 2009 and bears interest at a rate of 7% per annum. It is secured by a Parliamentary Guarantee issued by the Government of Jamaica.

The Corporation received an additional disbursement of \$100 million in December 2010. The loan was acquired for on-lending to businesses in the productive micro and small enterprises sectors. The principal is repayable in 8 semi-annual payments commencing June 2012 and bears interest at a rate of 7% per annum. It is secured by a Parliamentary Guarantee issued by the Government of Jamaica.

- (iii) The loans were obtained for on-lending to businesses in the productive micro and small enterprises sector and were disbursed to the Corporation in two tranches of \$20 million in October 2010 and \$10 million in September 2012.

The Corporation refinanced the outstanding loan balance of \$22.5 million during the year and an extension was obtained on the repayment. The interest rate remains at 7% and the loan will be repaid in 18 quarterly installments commencing 31 March 2013. The loan should be fully repaid by June 2017.

### 21. Share capital

	2014 \$'000	2013 \$'000
Authorised, issued and fully paid – 100 (2013 – 100) no par ordinary shares	<u>1</u>	<u>1</u>

#### Capital reserve

Capital reserves represent the revaluation of land and building amounting to \$23 million. These assets were donated to the Corporation by the Government of Jamaica.



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

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### 22. Deferred income

	2014 \$'000	2013 \$'000
Balance at beginning of year	3,134	5,898
Amortization charge (Note 6)	(1,846)	(2,764)
	<u>1,288</u>	<u>3,134</u>
Current portion	1,288	1,846
Long term portion	-	1,288
	<u>1,288</u>	<u>3,134</u>

Deferred income represents grants provided by the Government of Jamaica to acquire property, plant and equipment. These amounts were reclassified from fixed asset reserve in current year to deferred income in accordance with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance (Note 26 v).

### 23. Deferred income taxes

	2014 \$'000	(Restated) 2013 \$'000
Deferred income tax assets	(21,107)	(38,709)
Deferred income tax liabilities	21,107	38,709
	<u>-</u>	<u>-</u>

The movement in the deferred income tax balance is as follows:

	2014 \$'000	(Restated) 2013 \$'000
Deferred tax asset on losses – current year	(50,326)	(37,714)
(Credited)/charged to the statement of comprehensive income (Note 10)	19,028	(14,808)
Deferred tax liability – current year	3,299	20,608
Valuation allowance	15,733	3,915
Tax losses utilized	<u>(12,266)</u>	<u>(27,999)</u>

Deferred income tax assets and liabilities are due to the following items:

	2014 \$'000	(Restated) 2013 \$'000
Deferred income tax assets:		
Accrued vacation	4,712	4,466
Property, plant and equipment-decelerated tax allowances	3,140	5,997
Interest payable	989	247
Tax losses	<u>12,266</u>	<u>27,999</u>
	<u>21,107</u>	<u>38,709</u>
Deferred income tax liabilities:		
Retirement benefits	20,370	36,712
Interest receivable	22	1,297
Unrealised exchange gain	<u>715</u>	<u>700</u>
	<u>21,107</u>	<u>38,709</u>



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 23. Deferred income taxes (Continued)

Deferred income taxes are calculated in full on all temporary differences under the liability method using a tax rate of 25% (2013- 25%).

### 24. Related party transactions

Key management compensation -

	2014 \$'000	2013 \$'000
Salaries and other short-term employee benefits	7,186	7,112
Payroll taxes - employer portion	661	597
Pension benefits	667	648
	<u>8,514</u>	<u>8,357</u>
Director's emoluments:		
Remuneration	8,458	8,113
Directors' fees	<u>-</u>	<u>-</u>

### 25. Cash flows from operating activities

Reconciliation of net loss to cash generated from operating activities:

	Notes	2014 \$'000	(Restated) 2013 \$'000
Net loss for the year		(57,852)	(14,789)
Items not affecting cash resources			
Depreciation	11	3,472	4,896
Amortisation	12	63	87
(Decrease)/increase in provision for doubtful debts	3(a)	(272)	35
Increase in provision for loan losses	14	8,740	11,834
Interest income	6	(2,203)	(13,302)
Interest expense	9	11,937	14,926
Interest income on pension assets	13	(4,307)	(1,730)
Pension contribution	13	<u>(6,437)</u>	<u>(6,327)</u>
		(46,859)	(4,370)
Changes in operating assets and liabilities:			
Loans receivable		22,440	1,320
Inventories		2,856	3,619
Receivables		7,825	(8,795)
Payables		36,280	10,379
Project liabilities		(717)	(6,605)
Deferred income		<u>(1,846)</u>	<u>(2,198)</u>
		19,979	(6,650)
Tax withheld at source		<u>(119)</u>	<u>(542)</u>
Cash provided by (used in) operating activities		<u>19,860</u>	<u>(7,192)</u>



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 26. Restatements

- i) The amortization of deferred income in respect of government grants (Note 22) was not previously being recorded. This resulted in an increase in other income of \$2.7 million in 2013. IAS 20 Accounting for Government Grants and Disclosure of Government Assistance allows such grants to be recognized as deferred income through the statement of comprehensive income on systematic basis over the useful life of the asset acquired by the grant.
- ii) The entity adopted IAS 19 Employee Benefit (Revised) which requires a retrospective adjustment to the prior year financial statements. The amendment to the Standard requires that all changes in the net benefit asset/ (liability) including actuarial gains/losses are to be recognized in Other Comprehensive Income with no subsequent recycling to profit or loss. This resulted in a net decrease of 18 million in profit or loss, an increase in Other Comprehensive Income of \$44 million and a net increase of \$26 million in retained earnings in the prior year.
- iii) Prior year adjustment was effected to recognize foreign exchange gains on deposits which were incorrectly recorded in the current year. The impact on prior year is a \$666,000 reduction in the finance expense and an increase of a similar amount in retained earnings and cash and cash equivalents.
- iv) Prior year adjustment was effected to offset deferred tax liabilities with deferred tax assets arising from available accumulated tax losses. Deferred tax liability of \$15 million was offset in 2012 which increased retained earnings by the same amount. In 2013, deferred tax liability of \$21 million was offset with deferred tax assets resulting in an increase of a similar amount in retained earnings.
- v) The 2013 statement of financial position was restated to reflect the following adjustments: the fixed asset reserve previously stated as \$43 million was split between capital reserves relating to the revaluation of land and building amounting to \$23.4 million and deferred income of \$19.6 million relating to government grants received to acquire property, plant and equipment. Deferred income recognised in non – current liabilities amounted to \$1.3 million (2012: \$3 million) and current portion of deferred income of \$1.8 million (2012: \$2.8 million). Accumulated deficit was also reduced by \$14.9 million (2012: \$13.8 million) for the adjustments to pension, and amortization of deferred income, respectively.



# Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

## 26. Restatements (Continued)

### Statement of Comprehensive Income 2013

	Notes	As previously stated \$'000	Effect of restatement \$'000	Restated \$'000
<b>Subvention income</b>		273,698	-	273,698
Other income	26(i)	90,189	2,764	92,953
<b>Gross profit</b>		363,887	2,764	366,651
Selling and distribution expenses		(23,530)	-	(23,530)
Administrative expenses	26(ii)	(312,810)	(32,973)	(345,783)
Operating profit		27,547	(30,209)	(2,662)
Finance expense	26(iii)	(12,793)	666	(12,127)
<b>Loss before taxation</b>		14,754	(29,543)	(14,789)
Taxation	26 (iv)	-	14,808	14,808
<b>Profit after taxation</b>		14,754	(14,735)	19
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent period</b>				
Remeasurement of gains(losses) on defined benefit plans, net of tax	26(ii)	-	44,423	44,423
<b>Total comprehensive income attributable to shareholders</b>		14,754	29,688	44,442



# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 26. Restatements (Continued)

#### Statement of Financial Position 2013

	Notes	As previously stated \$'000	Effect of restatement \$'000	Restated \$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		31,370	-	31,370
Intangible assets		74	-	74
Retirement benefit asset	26(ii)	120,592	26,257	146,849
Loans receivable		20,910	-	20,910
		<u>172,946</u>	<u>26,257</u>	<u>199,203</u>
<b>Current Assets</b>				
Inventories		3,653	-	3,653
Taxation recoverable		9,035	-	9,035
Receivables		18,410	-	18,410
Current portion of loans receivable		29,587	-	29,587
Cash and cash equivalents	26(iii)	41,458	666	42,124
		<u>102,143</u>	<u>666</u>	<u>102,809</u>
<b>Total Assets</b>		<u>275,089</u>	<u>26,923</u>	<u>302,012</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' Equity</b>				
Share capital		1	-	1
Retained earnings	26(v)	(39,716)	63,668	23,952
Capital reserve	26 (v)	-	23,395	23,395
Fixed asset reserve	26 (v)	42,538	(42,538)	-
		<u>2,823</u>	<u>44,525</u>	<u>47,348</u>
<b>Non-current Liabilities</b>				
Long term loans		97,747	-	97,747
Deferred tax liabilities	26 (iv)	20,735	(20,735)	-
Deferred income	26(v)	-	1,288	1,288
		<u>118,482</u>	<u>(19,447)</u>	<u>99,035</u>
<b>Current Liabilities</b>				
Payables		55,634	(1)	55,633
Project liabilities		15,417	-	15,417
Borrowings		60,989	-	60,989
Taxation payable		14,923	-	14,923
Current portion -Deferred income	26(v)	-	1,846	1,846
Bank overdraft		6,821	-	6,821
		<u>153,784</u>	<u>1,845</u>	<u>155,629</u>
<b>Total Shareholders' (Deficiency) Equity and Liabilities</b>		<u>275,089</u>	<u>26,923</u>	<u>302,012</u>





# Jamaica Business Development Corporation

## Notes to the Financial Statements

31 March 2014

(Expressed in Jamaican dollars unless otherwise indicated)

### 26. Restatements (Continued)

#### Statement of Financial Position 2012

	Notes	As previously stated \$'000	Effect of restatement \$'000	Restated \$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment		33,952	-	33,952
Intangible assets		161	-	161
Retirement benefit asset		79,561	-	79,561
Loans receivable		31,601	-	31,601
		<u>145,275</u>	<u>-</u>	<u>145,275</u>
<b>Current Assets</b>				
Inventories		7,272	-	7,272
Taxation recoverable		8,493	-	8,493
Receivables		9,650	-	9,650
Current portion loans receivable		29,740	-	29,740
Cash and cash equivalents		111,713	-	111,713
		<u>166,868</u>	<u>-</u>	<u>166,868</u>
<b>Total Assets</b>		<u>312,143</u>	<u>-</u>	<u>312,143</u>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY AND LIABILITIES</b>				
Share capital		1	-	1
Accumulated deficit	26(v)	(49,202)	28,712	(20,490)
Capital reserve	26(v)	-	23,395	23,395
Fixed asset reserve	26(v)	43,104	(43,104)	-
		<u>(6,097)</u>	<u>9,003</u>	<u>2,906</u>
<b>Non-current Liabilities</b>				
Long term loans		150,245	-	150,245
Deferred tax liabilities		14,901	(14,901)	-
Deferred income	26(v)	-	3,134	3,134
		<u>165,146</u>	<u>(11,767)</u>	<u>153,379</u>
<b>Current Liabilities</b>				
Payables		44,688	-	44,688
Project liabilities		22,023	-	22,023
Borrowings		59,137	-	59,137
Taxation payable		14,923	-	14,923
Current portion -Deferred income	26(v)	-	2,764	2,764
Bank overdraft		12,323	-	12,323
		<u>153,094</u>	<u>2,764</u>	<u>155,858</u>
<b>Total Shareholders' (Deficiency) Equity and Liabilities</b>		<u>312,143</u>	<u>-</u>	<u>312,143</u>



## DIRECTORS COMPENSATION FOR PERIOD

Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman	-	-	-	-	-
Director 1	-	-	-	-	-
Director 2	-	-	-	-	-
Director 3	-	-	-	-	-
Director 4	-	-	-	-	-
Director 5	-	-	-	-	-
Director 6	-	-	-	-	-
Director 7	-	-	-	-	-
Director 8	-	-	-	-	-
Director 9	-	-	-	-	-
Director 10	-	-	-	-	-
Director 11	-	-	-	-	-

### Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quantified and stated in the appropriate column above.



## SENIOR EXECUTIVE COMPENSATION FOR PERIOD

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) *Seniority Allowance	Non-Cash Benefits (\$)	Total (\$)
Chief Executive Officer	2013-2014	7,930,220.73		487,860.00	375,541.52		9,999.99	8,803,622.24
Deputy Chief Executive Director	2013-2014	6,210,099.17		975,720.00	291,695.80			7,477,514.97
Finance Manager	2013-2014	4,396,397.76		975,720.00	207,672.36			5,579,790.12
Director, Incubator & Resource Centre	2013-2014	4,451,626.71		975,720.00				5,427,346.71
Technical Services Manager	2013-2014	3,422,199.86		975,720.00	162,200.04			4,560,119.90
Human Resource Manager	2013-2014	2,953,951.57		975,720.00	144,646.08			4,074,317.65
Manager-Things Jamaica	2013-2014	3,592,542.38		975,720.00	160,371.68			4,728,634.06
Manager-Information Technology	2013-2014	2,719,877.26		948,616.67	94,232.00			3,762,725.93
Manager –Industrial Secretariat	2013-2014	2,120,219.28		731,790.00	70,674.00			2,922,683.28
Manager –Business Advisory Services	2013-2014	3,422,199.99		975,720.00	160,371.68			4,558,291.67
Manager –Corporate Communications	2013-2014	2,841,542.37		975,720.00	141,348.00			3,958,610.37
Credit Manager	2013-2014	3,964,516.07		975,720.00				4,940,236.07
Manager – Administration	2013-2014	2,276,898.26		514,500.00	107,233.08			2,898,631.34

### Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated cur rency must be clearly provided and not the Jamaican equivalent.
2. Other Allowances (including laundry, entertainment, housing, utility, etc.)
3. Where a non-cash benefit is received (e.g. government housing), the value of that benefit shall be quanti fied and stated in the appropriate column above.

# JBDC



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