



JBDC

ANNUAL REPORT 2015-2016
GOING FOR GROWTH





How
can we
HELP
You?

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."



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 International Airport, the historic Devon House and JBDC's Corporate Offices, and may also be found online at the e-commerce site, 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 or www.thingsjamaicanstores.com

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MINISTER'S STATEMENT



It was with great pride that the Ministry reviewed the 47% increase in client assistance offered by the Jamaica Business Development Corporation (JBDC) to the Micro, Small and Medium-sized (MSME) sector during the fiscal year 2015-2016. We noted that this achievement was largely due to the implementation of the groundbreaking Mobile Business Clinic Initiative led by the JBDC, while receiving tremendous support from both public and private sector entities.

This is a significant improvement over the two previous fiscal years and a positive step in the pursuit of growth. It is also evidence of the fact that we must change our modus operandi in keeping with the changing times which demand a reform of the public sector. Mobile outreach has been a key strategy utilized in the private sector in recent years, as no longer is it sufficient to remain in office and await the arrival of your target audience. As Minister, I am proud to preside over an agency which took a bold step to revolutionize the way it serves its clients. These

clients are now more knowledgeable about the policies, programmes and agencies in place to assist them in realizing their full potential.

Training continues to be a critical component of the JBDC's services, with tremendous results particularly in the area of financing. Once again, I must highlight the impact of the Tapping into Donor Funds Proposal Writing Workshop™ which has seen participants accessing \$76 million in grant funding YTD.

The Ministry of Industry, Investment and Commerce commends the team at the JBDC for taking its mandate as the premiere business development support service organization seriously and therefore executing through innovative and effective means. Growth is at the top of our agenda, as we play our part in making Jamaica the place of choice to live, work, raise families and do business.

Hon. Anthony Hylton, M.P.

Minister of Industry, Investment & Commerce

PERMANENT SECRETARY'S STATEMENT



The Ministry of Industry, Investment and Commerce recognizes that the prevalence of informal businesses within the Micro, Small and Medium-sized Enterprise (MSME) sector is a significant impediment to growth, which makes it a priority of the MSME & Entrepreneurship Policy. Therefore, we are pleased that having been a stakeholder in the development of the policy, the Jamaica Business Development Corporation (JBDC) has taken steps to influence business formalization within the sector. The data reveals that JBDC facilitated 708 business registrations during the 2015-2016 fiscal year.

Business formalization is critical not only to the growth of the sector, but also the development of MSMEs as they are forced to operate outside a legal system and therefore face restrictions. It impacts negatively on the size of their customer base, which means they don't realize their

full potential in terms of profitability. An informal operation also has limited access to government support which is critical to their growth. In carrying out its mandate to grow the sector, the JBDC has implemented programmes such as the Mobile Business Clinic Initiative aimed at extending its reach to MSMEs islandwide and effectively demystifying the policy framework within which they are required to operate. The Agency's satellite offices, strategically placed across the island have also been effective in influencing and facilitating this ongoing transformation.

The Ministry notes the JBDC's strength in forging meaningful partnerships towards achieving its objectives and commends the Agency on its work with the Companies Office of Jamaica in this regard. The Ministry readily pledges its support to the JBDC as it continues to play a pivotal role in policy implementation within the MSME sector.

Vivian Brown
Permanent Secretary
Ministry of Industry, Investment & Commerce

CEO'S OPERATIONAL REVIEW

The 2015-2016 fiscal year saw the intensification of training programmes offered by the Jamaica Business Development Corporation (JBDC) to its clients within the Micro, Small and Medium-sized Enterprise (MSME) sector. Having been informed of certain challenges faced by MSMEs



from the findings of the National Needs Assessment Report conducted by the agency, we recognized that entrepreneurship education and training would be a major determinant in the growth and survival of enterprises.

The Report highlighted the following as the non-financial development areas in which businesses had the greatest demand for technical support: financial management, marketing, information technology, general management, personal management and international trade. Therefore, one of the main objectives of the team during the period was to Facilitate MSME Development and Growth through Business and Technical Support Services. Lack of training could mean that the MSME will not grow beyond the first stage of enterprise development to other stages and possibly fail within its first five years of existence.

Valerie Veira, J.P. - Chief Executive Officer

New training modules were executed through other workshops as well as the Mobile Business Clinic throughout the year to address the entrepreneurship educational needs of our clients. In February 2016, the JBDC signed a USD 236,974 agreement with the Inter-American Development Bank (IDB) as part-funding for a training project – Testing the Viability of an Innovative Business Training Method for Entrepreneurs in Jamaica. The project which targeted 1050 MSMEs is the first of its kind in Jamaica and is designed to test the training methodology for MSMEs using experimental methods.

Participants will be divided into three training groups focusing on cognitive skills, non-cognitive skills, as well as, both cognitive and non-cognitive skills. Cognitive skills include the aforementioned Personal Initiative areas, while non-cognitive includes day-to-day business practices. Execution time is projected to be over an 18-month period. At the end of the training period, each group will be tested on the growth of their businesses with a view to determining the best training methodology for MSMEs based on comparative analysis.

As pointed out in our Mission Statement, we pride ourselves on having highly committed, competent and motivated employees. As such, we take very seriously, our ability to train these entrepreneurs by first ensuring that we ourselves are fully qualified to deliver. In March 2016, twenty four (24) employees completed an intense two-week 'Training of Trainers Workshop' conducted by experts from the Lunberg University in Germany. The employees, consisting mainly

of Business Development Officers, were trained in Personal Initiative for Entrepreneurship areas prior to the start of this project.

During the year, executive management set in motion plans for the implementation of the new Financial Support Services Unit which will provide support services to MSMEs aimed at building their capacity and preparing them to more effectively and efficiently navigate the existing financial market. The main goal of the unit is to foster growth and development through: research, training, financial handholding, access to financing and grant disbursement. We anticipate an improvement in financial literacy among our client base as the Unit develops within the coming fiscal year.

This has been our mandate since inception and we continue to challenge ourselves through researching the sector and determining its needs and ensuring that we address those needs. We want to see our MSMEs operating at levels consistent with international standards and the only way they can achieve that is through adequate training and effective business management. A 176% increase in training activities over the previous fiscal year is evidence of the outstanding performance of the JBDC team and the massive impact made on the MSME sector.

The seeds have been planted and we are nurturing and looking forward to harvesting as growth is our ultimate mission. We sincerely hope that you will be informed and inspired by this report and look forward to your support along this critical journey.



DEPUTY CEO'S TECHNICAL REPORT



Harold Davis - Deputy CEO

The Jamaica Business Development Corporation (JBDC) prides itself on having a comprehensive suite of business services; an unparalleled incubation system which takes the client through a channel of assessment, support, monitoring and reassessment until the client exits the system. During the 2015-2016 fiscal year, approximately 8,569 interventions were implemented to assist clients across the broad spectrum of services including business advice & consultation, financial advice, incubator and technical services, product development, research, project management and marketing support.

The preparation of clients to access financing is one of the core services offered by JBDC. A major highlight in this regard for this year is the Business Advisory Services and Project Management and Research departments' successful preparation of thirteen (13) clients for the Development Bank of Jamaica's Innovation Grant from New Ideas to Entrepreneurship (IGNITE) Project,

with participants collectively accessing grants totaling JMD 37 Million. The JBDC was among three business support organizations selected by the DBJ to implement and manage the project which offers grant funding up to \$4 million to thirty (30) innovative start-up companies for commercially viable inventions or innovations. The project was launched in October 2015 and the official call for submissions made in March 2016. Seven (7) of the thirteen (13) grantees were able to access the maximum \$4 million in grant funding. The other grantees received between \$1 million and \$2.5 million. We consider this a marquee achievement for the JBDC, as we strive to close the gap between MSMEs and appropriate financing sources.

The Tapping into Donor Funds Proposal Writing Workshop® implemented by the Project Management and Research department continues to leave an indelible mark on participants. Since inception of the Workshop (November 2013) to December 31, 2015 over \$76 Million in grant funding has been accessed by beneficiaries and over 400 persons have been trained.

In January 2016, JBDC established the new Financial Support Services Unit with the main objective of closing the financial literacy gap for MSMEs. Key objectives of the Unit include:

1. Improve financial literacy among MSMEs through the dissemination of financially focused material
2. Improve financial management through a structured financial handholding programme
3. Improve access to funding for MSMEs registered with JBDC

Achievements in the period include:

- Conducting QuickBooks Training
- Providing technical assistance on financial planning

- Assisting entrepreneurs in preparation for Financial Pitch presentation
- Conducting financial documents review for several enterprises

JBDC continues to provide strategic market access services through our Marketing Services Unit which manages the Things Jamaican™ brand. This year, our market access efforts received a major boost through the Tourism Linkages Hub of which the JBDC is a member. Things Jamaican™ played a significant role in the staging of the 'Christmas in July' exhibition showcasing locally made products to buyers from corporate Jamaica, the hospitality sector, government entities, embassies, missions and international organizations. The inaugural event was created to facilitate linkages opportunities for approximately 78 suppliers with over 150 potential buyers of Jamaican made Christmas and Corporate gifts. 'Christmas in July' is geared at boosting the economy and strengthening the bonds between tourism and other key sectors such as agriculture, manufacturing and the creative industries. The JBDC takes this opportunity to wholeheartedly thank the Ministry of Tourism and Entertainment and the Tourism Enhancement Fund (TEF) for its partnership in making this initiative a reality.

It is important to note that some of the suppliers who participated in 'Christmas in July' were beneficiaries of the recently concluded North Coast Craft Revitalization Project, a JMD \$15 Million initiative also sponsored by the Tourism Enhancement Fund, aimed at improving the competitiveness and income generating capabilities of craft producers in the North Coast Region of the island, specifically in the parishes of St. Ann, Trelawny and St. James. This gave birth to the production of the True Stories™ magazine which features gift & craft producers of paintings, fashion & fashion accessories, home décor & home accents and carvings, bringing their art to life by delving into the little known personalities behind these creations. The magazine was officially released at a private launch in December 2015 and plans are underway for distribution in hotels and attractions.

We are confident that these and other initiatives will place our entrepreneurs on the right path to growth and invite you to become a part of the strong support network which continues to contribute to the JBDC's success.

BOARD OF DIRECTORS



Brian Pangelley
Chairman



Yaneek Page
Vice Chairman



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



Scarlette Gillings
Director



Lanville Henry
Director



Hugh Johnson
Director



Dr. William Lawrence
Director



Paul Lyn
Director



Yvonne McCormack
Director



Lincoln McIntyre
Director



James Moss-Solomon
Director



Reginald Nugent
Director



Donovan Wignal
Director



Erica Wynter
Director



MANAGEMENT TEAM



Valerie Veira
Chief Executive Officer



Harold Davis
Deputy Chief Executive
Officer



Ryan Peralto
Director, Incubator &
Resource Centre



Melissa Bennett
Manager, Financial Support
Services



Ann-Marie Brown
Manager, Administration



Suzette Campbell
Manager, Corporate
Communications



Michele Cowan
Manager, Finance



Janine Fletcher-Taylor
Manager, Marketing
Services



Neville Grant
Manager
Information Technology



Patricia Kitson
Manager, Human Resource
Management & Development



Colin Porter
Manager, Technical Services



Lisa Taylor-Stone
Manager, Project Management
& Research



Althea West-Myers
Manager, Business Advisory
Services

OPERATIONAL DISCUSSION AND ANALYSIS



“What particularly impressed me are the many programs offered to small businesses like mine to improve business operational methods.”

DORRETTE UBANKS
MANAGING DIRECTOR, D'NEXSTEP

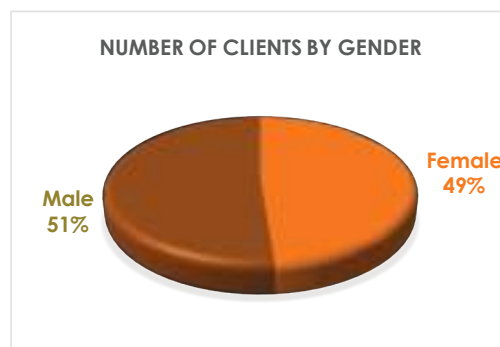
SUMMARY OF CORE FUNCTION AREAS

Business Advisory Services	Technical Services	Project Management & Research	Marketing Services	Financial Support Services
Offer 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.	Provides a wide range of technical assistance including: product design and development, business incubation, management, plant and production engineering, food technology, customised hands-on workshops, prototype and product development, branding, fashion and graphic design, pattermaking, packaging and labelling services.	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.	With four (3) branches of 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.	Provides support services to MSMEs aimed at building their capacity and preparing them to more effectively and efficiently navigate the existing financial market. The main goal of the unit is to foster growth and development through research, training, financial handholding, access to financing and grant disbursement.

PERFORMANCE OVERVIEW

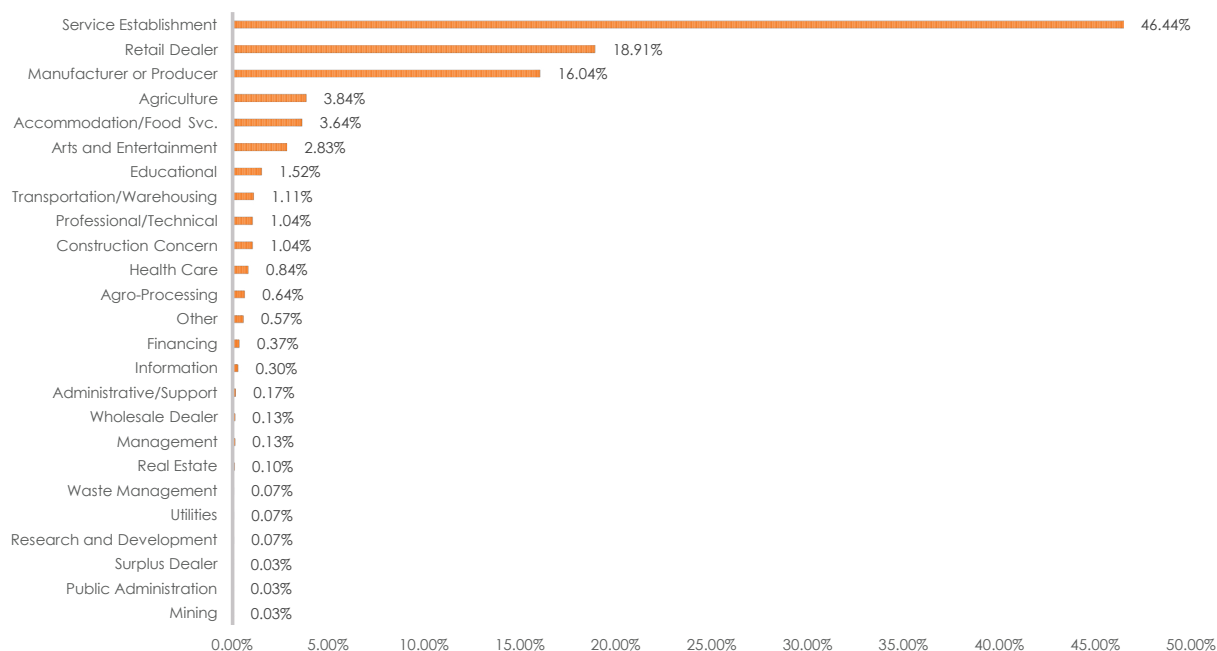
PROFILE OF CLIENTS

The Jamaica Business Development Corporation has approximately 4,600 clients within the Micro, Small and Medium-sized Enterprise (MSME) sector registered in its Client Relationship Management System (Neoserra CRM). The gender differential for this number is almost equal where 51% of our clients are males and 49% are females. As it relates to the industries to which clients are aligned, most (46%) are aligned to the services sector, the second largest proportion (19%) are retail dealers followed by 16% who are manufacturers or producers. Other sectors represented, details of which are presented in the diagram below are: agriculture, accommodation / food services, arts and entertainment, education, transportation and warehousing, among others.

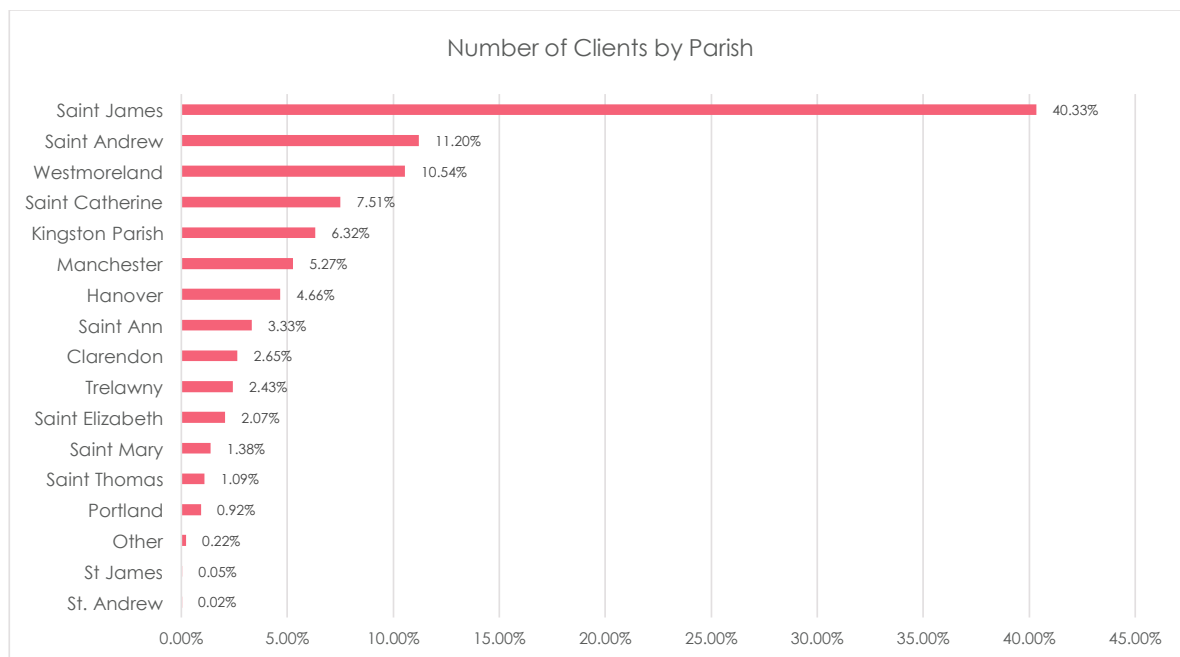


Clients are dispersed country-wide with the largest concentration of clients located in St. James (40%) followed by St. Andrew (11%), Westmoreland (11%) and St. Catherine (8%). The large proportion of clients in St. James results from the thrust of the Business Advisory Services

NUMBER OF CLIENTS BY BUSINESS TYPE



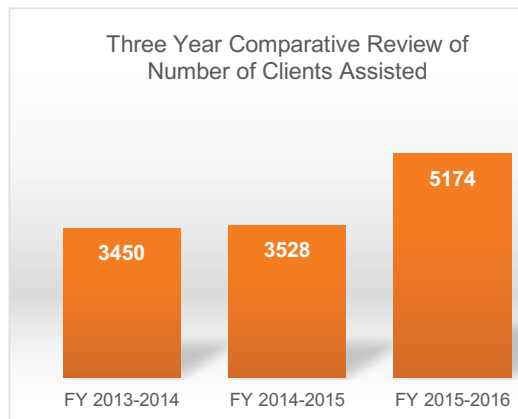
Department to formalize MSMEs operating in this Parish (i.e. registration with the Companies Office of Jamaica).



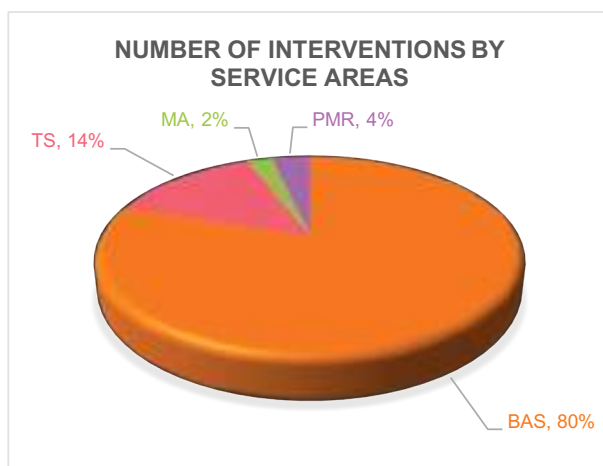
OUR REACH, CLIENT AND SERVICE PERFORMANCE

Our Reach

JBDC assisted 5174 MSMEs during the 2015-2016 Financial Year representing a 47% increase over the previous fiscal year (2014-2015) during which 3528 MSMEs were assisted. This burgeoning is largely attributed to mass events such as the Mobile Business Clinic Initiative (MBCI) that spanned two-consecutive financial years, the JBDC annual Small Business Expo and Global Entrepreneurship Week activities. Assistance was provided through approximately 8,569 interventions across the broad spectrum of JBDC's services inclusive of business advice & consultation, financial advice, incubator and technical services, product development, research, project management, proposal writing, training and development, coaching and mentoring, monitoring and handholding and marketing support.



Interventions¹ Overview



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

- **Business Advisory Services** -

Business Advisory Services conducted 6870 interventions accounting for the majority (80 %) of interventions administered by JBDC for the review period. Core business advisory services include: business consultation, business development training, business planning and business monitoring and mentoring.

- **Technical Services** -

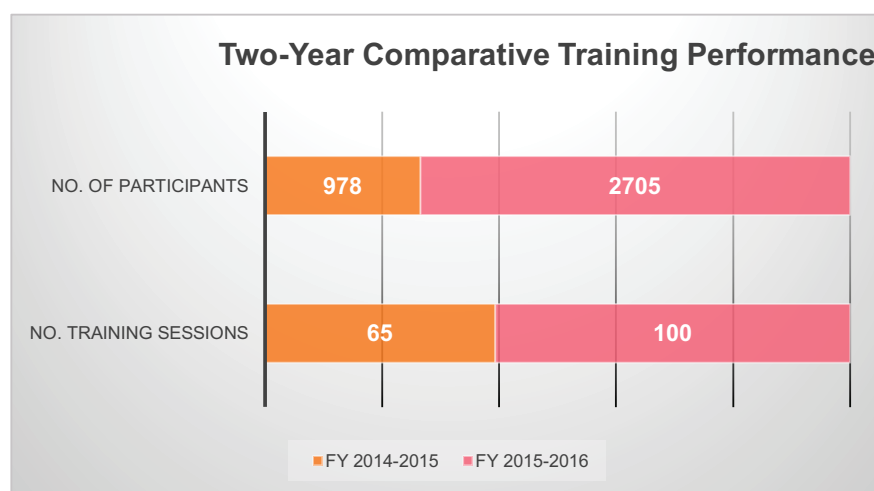
The focus of JBDC's technical assistance is product development inclusive of packaging design, product design and general product and process enhancement. In this regard, JBDC facilitated a total of 1201 technical assistance interventions during the review period, which accounted for 17% of the organization's total interventions.

- **Market Access** - 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 198 interventions were facilitated which accounted for 3% of the total interventions, 1% over the total number of interventions reported the previous year.
- **Project Management and Research** - Through its specialized service solutions, the Project Management and Research Department facilitated 300 interventions (accounting for 4% of the overall interventions) in proposal writing and applied research that are geared towards medium-sized and large businesses and companies.

Training Performance

The JBDC conducted a series of training sessions island-wide focusing on business and technical development. JBDC continued its Tapping into Donor Funds Proposal Writing Workshop @ series to strengthen the capacity of MSMEs and other clients e.g. social enterprises, government entities, foundations and NGOs to access funding which resulted in over \$76 Million being awarded in grant funding to workshop participants since inception (November 2013) to the period ending December 31, 2015. Since the beginning of the review

¹ Interventions are classified as contacts with clients including but not limited to: consultations and counselling sessions, training, mentoring and coaching, product development or screening sessions, email, telephone and face to face contacts.



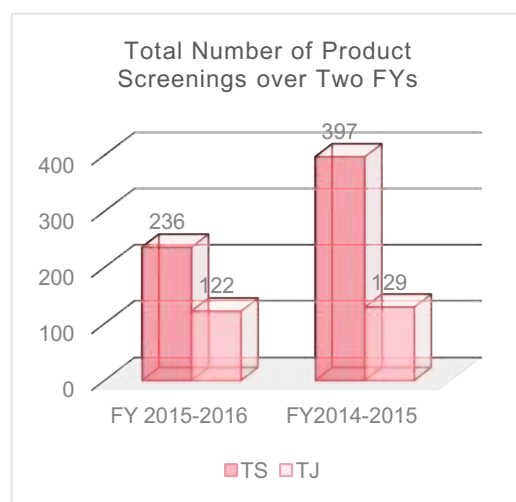
period (FY 2015-2016) approximately 2,705 MSMEs have been trained, representing a 176% increase in the number of MSMEs trained when compared to the same period during FY 2014-2015. Likewise, the number of training sessions hosted have been increased from 65 to 100; representing a 35% increase over FY 2014-2015. This large increase in training attendance and sessions hosted resulted from the inclusion of the Mobile Business Clinic Initiative (MBCI) that was implemented during the current fiscal year; a total of 1028 MSMEs were reached by the MBCI alone through which 51 workshops were delivered.

A synopsis of the courses delivered by JBDC during the review period are included below:

- Tapping into Donor Funds Proposal Writing Workshop ®
- Applied Research Methods Workshop focusing on qualitative and quantitative research
- Business Dialogue Forum
- Thought Leadership Conference
- Business Plan Preparation
- Starting and Managing a Business
- Making the transition to entrepreneurship
- Making your business case
- Costing and Pricing
- Business as easy as 1,2,3,4
- Designing a winning business model
- Lavishly Leather Sandals Workshop
- Paper Flora - handmade paper items
- Furniture Design & Model Making
- Patternmaking for Collection Dev. Level 1
- Importance of Food Safety
- Furniture Design & Model Making
- Sand Bead Workshop
- Jewellery Making (The Perfect Finish)

Product Screening

Product screening to assess the integrity of the overall design of a product, its quality and marketability are undertaken with clients by the Technical Services and Marketing Services Units. Products screened during the period ranged from gift & craft, home accessories, and entertainment, to specialty foods, fashion and fashion accessories. The graph illustrates the number of product screenings carried out by these two units for both FY2015-2016 and FY2014-2015. The Technical Services Unit recorded a 68% decrease during the period under review, when compared to the previous financial year 2014-2015; the Marketing Services Unit experienced an increase of just over 6% compared to screenings done by the unit in the FY 2014-2015.



PROJECTS & PROGRAMMES

“Designing creatively from the
environs has always been my
passion but bringing it to life
would be impossible without
the help of the JBDC...
thank you!”

SHANNA CAMPBELL
SENIOR DESIGNER
VINTAGE CHIC JEWELLERY & DESIGNS



PROJECT MANAGEMENT

Four key developmental projects aimed at strengthening the MSME sector and creating an enabling business environment were managed and implemented by the organization in collaboration with external partners:

Testing the Viability of an Innovative Business Training Methodology for Entrepreneurs in Jamaica

Project Cost: USD \$236,974

This initiative resulted from a joint effort between IFD's Competitiveness and Innovation Division, CCB's Regional Research Economic Unit, and the MIF Office. Jamaica was selected for this experiment because of its interest and strong commitment to the area of entrepreneurship support services through the Jamaica Business Development Corporation (JBDC).



Representatives from the JBDC, the IDB and the MIF pose for the camera following the official signing of the partnership to train 1050 MSMEs. Front Row (L-R): Wayne Beecher - MIF Senior Specialist, Therese Turner-Jones - IDB Country Representative - Valerie Veira, JBDC CEO, Back Row (L-R) Jovan Johnson - MIF Operations Consultant, Lisa Taylor-Stone - JBDC Project Management & Research Manager and Harold Davis - JBDC Deputy CEO.

The main problem that the project intends to address is the knowledge gap regarding the use of effective, alternative approaches to traditional entrepreneurial training. With this project, the principal intent is to test an innovative entrepreneurial training program in the Jamaican context and to quantify its effectiveness using rigorous evaluation methods.

Expected Deliverables of the project include:

1. Strengthen the capacity of 23 of JBDC's master trainers in the innovative training methodology via Personal Initiative training.
2. Recruit and train 1,050 micro, small and medium sized enterprises in Personal Initiative and Business Practices.
3. Coordinate and deliver 256 training sessions.
4. Facilitate post testing along with the project's international partners for the training methodology.

This project is ongoing and the following were achieved during the 2015-2016 Financial Year:

1. Finalization and official signing of the grant agreement between Inter-American Development Bank (IADB), MIF and JBDC
2. Delivery of the Training of Trainers Workshop in Personal Initiative benefiting 23 JBDC master trainers. The training was delivered by Leuphana University (Germany).
3. Delivery of the intervention's pilot training session involving 16 MSMEs

Innovation Grant from New Ideas to Entrepreneurship (IGNITE) Project

Project Cost: JMD \$37 Million

IGNITE is a 2-year Pilot Programme designed to support the creation and growth of new innovative firms in productive sectors. The programme operates through Business Service Intermediaries (BSIs); of which JBDC was chosen to execute in this capacity. As the BSI, JBDC is responsible for facilitating the development of the presentation of proposals, assist DBJ in the monitoring of the objectives agreed with each beneficiary, and act as a conduit for Grant Funds to the entrepreneurs. Specifically, JBDC is expected to:

Expected Deliverables:

1. Design and execute a capacity building agenda to strengthen the institutional and business framework of beneficiaries.
2. Manage and disburse grants in keeping with due diligence expectations and quality standards.
3. Prepare and submit progress reports that feed into DBJ's impact assessment framework.

Achievements to Date:

1. Facilitate the recruitment and screening of over 160 applicants to the IGNITE Programme
2. Prepared 28 applications for submission to DBJ of which 13 emerged as winners and were approved for grants totaling JMD \$37 Million.

Capacity Building Services Delivered to MSMEs under the Promoting Access to Equity Financing to SMEs through the Jamaica Stock Exchange's Junior Market Project

Cost of Project: JMD \$2.097 Million

The purpose of the consultancy is to provide capacity building support to fifteen (15) SMEs seeking to list on the JSE Junior Market. The objectives of the consultancy are to:

1. Conduct assessment of the overall sustainability, technical and financial viability of the business as well as an organizational assessment of the capacity building needs of the SMEs as it relates to corporate governance, financial reporting and strategic planning;
2. Develop customized capacity building intervention and provide technical leadership to support the needs of the individual SMEs;
3. Provide technical support in the area of business plan and financial statement preparation; and/or the revision of the same upon being directed to do so (where necessary);
4. Assess training needs and coordinate training programme planning and implementation;

5. Provide mentorship and supervision to JSE staff and consultants working on the capacity building component of the programmes;

Achievements to Date:

1. Diagnostic assessments conducted for firms provided by JSE and the results shared with the client for advancement to phase 2 of the project.

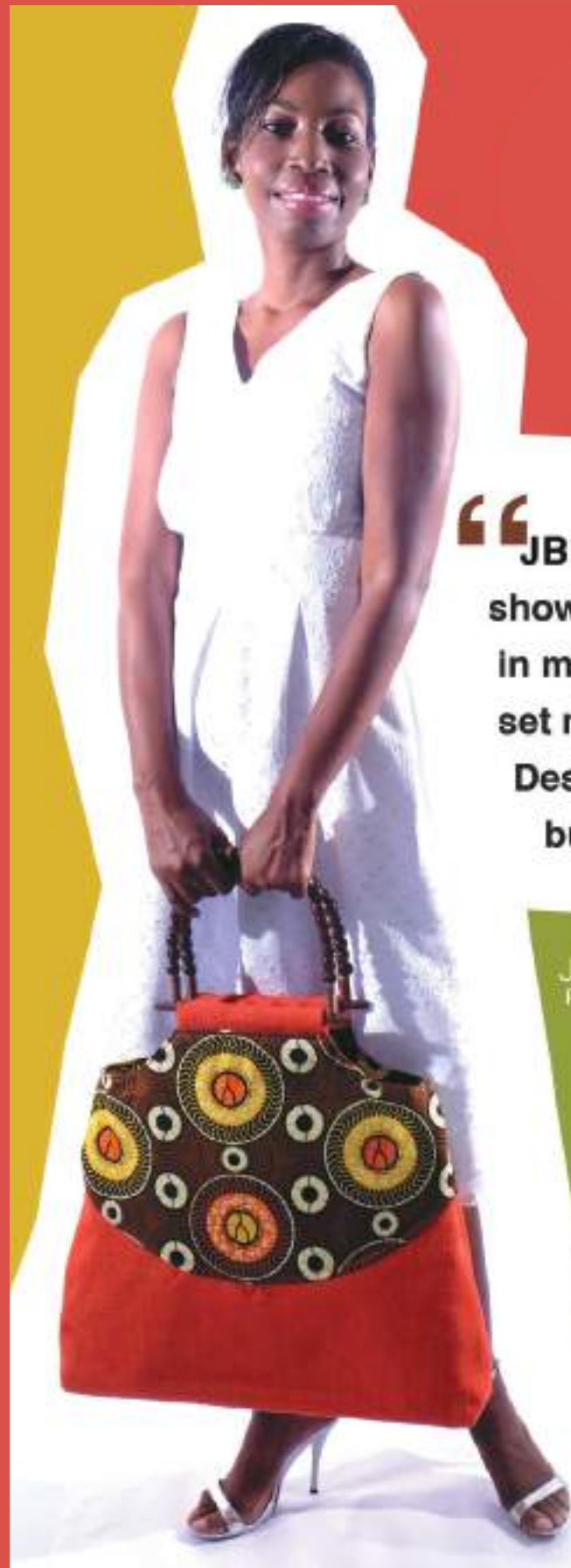
TPDCo. Virtual Resource Centre Project**Project Cost:** JMD \$2.78 Million

The overall purpose of the Virtual Resource Centre is to provide a platform where artisans trained under the OAS/FEMCIDI project get the chance to market their products and access resourceful information of the various support available within the sector. It is also expected that electronic collateral materials will be developed for each artisan under the project which will make them more visible within the sector. The objective of the project is linked to the development of:

1. A Database of the Artisans trained under the project - this should include key categories such as the type of craft which artisan specialized in making, the geographical locations of the producers, the product categories and offerings.
2. Resources for artisans - this should include resources for artisans such as suppliers of tools and machinery, suppliers of raw materials, providers of business development assistance, possible market sources/vendors.
3. Product Catalogue (items produced under the project) - digital catalogues for each participant, this should include high quality photography of products, descriptions of products, profile on producer or name of producer/company, price range, etc.
4. Facebook page (as a marketing tool) - Development of a Facebook page with key information on products and artisans that will help to promote their businesses.

Objectives outlined have been achieved.

BUSINESS ADVISORY SERVICES



“JBDC’s holistic approach in showing great personal interest in me and my profession, have set me on a path to making my Designs, not just a business, but an established brand.”

JUDITH GAYLE
PROPRIETOR OF JUDZ EXQUISITE DESIGNS

BUSINESS ADVISORY SERVICES DEPARTMENT

Results of the Pilot Small Business Development Centre Programme

In 2012, Jamaica along with four (4) other Caribbean countries - Barbados, Belize, Dominica, and St. Lucia, entered into a partnership programmes with the U.S. Government to implement the Small Business Development Centre (SBDC) model throughout the Caribbean region.

The partnership programmes with the U.S. Government was executed through the U.S. State Department Mission to the Organization of American States (OAS), the OAS Department of Economic and Social Development, the Caribbean Export Development Agency, and the University of Texas in San Antonio (UTSA).

The Ministry of Industry, Investment & Commerce identified the Jamaica Business Development Corporation (JBDC) as the lead organization in the adaptation of the SBDC model given its mandate of small business development.

Through the Business Advisory Services Department, the JBDC was officially launched as the pilot centre in January 2015 and charged with specific responsibilities that include providing group training to prospective SBDC centres and focusing on capacity building programmes to guide business growth and improved management. The client activity tracking system, NeoSerra was also installed at the centre to ensure that all activities were logged and tracked.

Economic Impact

Measurement Selection

A key element of the SBDC Model is the creation of long-term economic impact or 'outcome' measures, an important means to evaluate SBDCs and their client performance. The application of 'output' measures are also used to indicate the level of productivity or performance of the centers in seeking to among other things, broaden the client base, maximize the efficiency of services offered, and generating economic impact for the MSME sector.

Key **output** indicators include:

- Number of new clients assisted (new and existing)
- Number of training programs delivered
- Number of training attendees
- Hours of consulting assistance provided
- Number of business plans, proposals for funding developed

Key **outcome** indicators include:

- Number of new businesses established
- Number of formalized businesses
- Number of business expansions
- Number of jobs created
- Number of jobs retained
- Increase in total sales
- New loans and investments (capital infusion)
- New products introduced to the market

Results of Pilot Phase - Economic Impact Assessment

The pilot programme covered the period January 2015 – March 2016. During this period, JBDC (as the pilot SBDC) continued to assist business clients grow sales and create new jobs through the delivery of business development and technical services. During the pilot phase, particular focus was placed on certain areas including the creation of business start-ups, formalization, and improving access to finance for entrepreneurial clients. To that end, one of its major initiatives, the Mobile Business Clinic was used as a platform to conduct business counseling and training sessions to potential and existing business entities island-wide.

Producing Results: It is important to note that meaningful client-generated economic impact can only be ascertained over a period of time such as a 2 to 3-year time span, and through customized consulting efforts that the pilot SBDC believes is critical to the monitoring and evaluation process. The following data shows the results of the pilot phase as reported that would have resulted from client consulting efforts during the period, using selected indicators.

Results Table 1- ECONOMIC IMPACT (OUTCOMES) January 2015 – March 2016

	Results
Jobs Created	7
Business Formalization	430
Business Start-Ups	41
Business Sales	\$22,283,065.95

*Goals were undefined where it was difficult to find benchmarks

Results Table 2 - IMPACT (OUTPUTS) January 2015 – March 2016

	Results
Total # of clients	2706
Counselling Hours	9455
Training Events	46
Training Attendees	1143

The total number of registered users on the client activity database (NeoSerra) as at March 31, 2016 totalled 3,682.

*Results reported are those actually verified by Business Development Officers.

PROJECT MANAGEMENT & RESEARCH

“

JBDC provided a wonderful framework for starting our business back in 2006. The workshops were very helpful & informative. The people were friendly and warm. We would recommend JBDC to anyone looking to start up a business in Jamaica!

”



TEASEA & DUANE BENNETT
OWNERS, REVE JEWELLERY

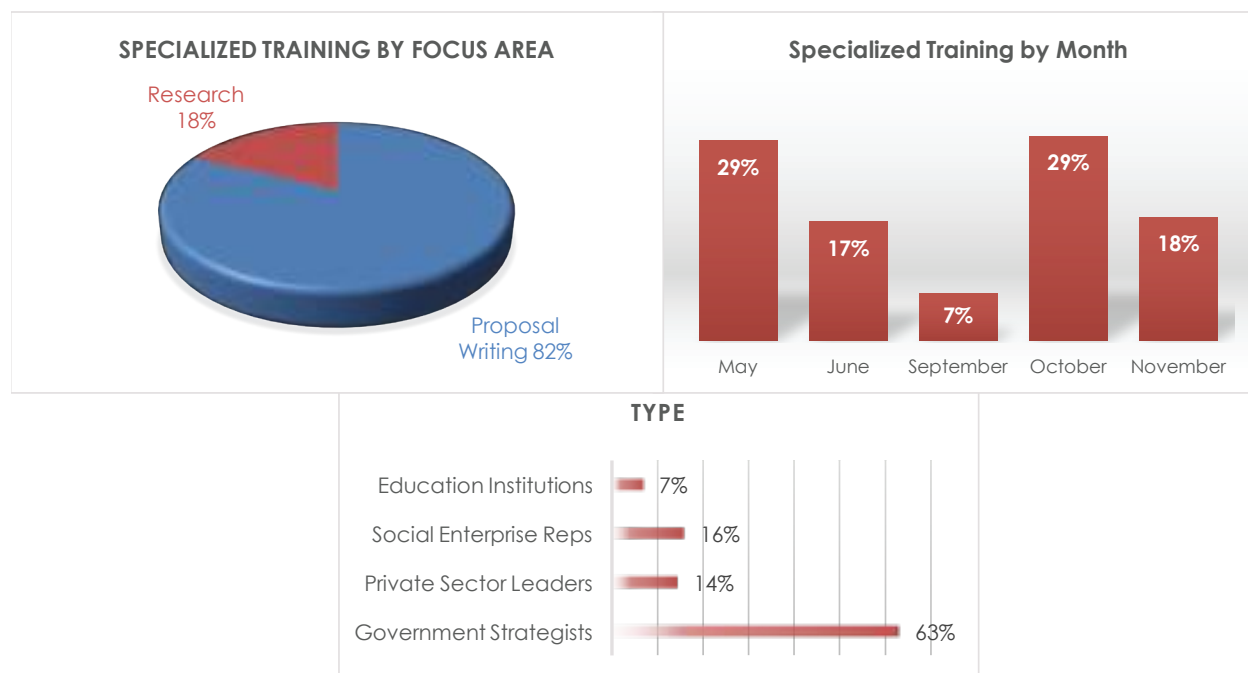
PROJECT MANAGEMENT & RESEARCH DEPARTMENT

The theme that guided the operations of business and task execution in the Project Management and Research Department (PMRD) was "Perfect Planning and Perfect Execution Results in Perfect Success". In light of this, 80% of the Department's resources were focused on growing market share relative to specialized training solutions, research consultancies and proposal writing opportunities. The remaining 20% of the Unit's time was consumed with offering internal support to all other Departments inclusive of the executive office and preparing proposals for development funding. The highlights of PMRD's outputs are detailed below:

Training and Development

The Project Management and Research Department (PMRD) offers specialized training solutions in the areas of research and proposal writing. Specifically, the proposal writing capacity building solution is delivered through the Tapping into Donor Funds Proposal Writing Workshop ® and the research training, through the Research Coaching for HR Practitioners and the Applied Research Methods Workshops.

During the review period, 146 leaders from the public and private sectors were trained. Participating organizations, companies and businesses spanned the following sectors: education and training, information communication technology, banking and finance, professional services, general services, science and technology, whole and retail, foods and food services, among others. Approximately 82% of the persons trained were trained in proposal writing and 18% in research methods. Majority (63%) of persons trained represented government agencies, ministries and departments and the second largest proportion (16%) represented social enterprise organizations; 14% were private sector businesses and companies and 7% were from education institutions. The most active training months were May and October in which 29% (in each case) of persons who accessed training were trained during these months.



PMRD was able to grow its training customer-base by 16% via the delivery of 6 workshops inclusive of 3 scheduled proposal writing workshops, 2 customized training sessions in proposal writing and 1 research workshop. A total of 27 persons participated in the customized proposal writing workshops.



Participants and Facilitators are all smiles following the conclusion of the Proposal Writing Workshop held on June 23-25, 2015 at JBDC's Incubator & Resource Centre.

A synopsis of our specialized training solutions by product is presented below:

1. **Tapping into Donor Funds Proposal Writing Workshop** – this workshop started out as a project that was part-funded by the Development Bank of Jamaica aimed at strengthening the capacity of MSMEs in proposal writing for the purpose of attracting funding to their businesses. The project terminated in 2014 and the JBDC managed to convert this product into a sustainable service offering by re-investing funds and growing the brand of the workshop.

During the review period, the Department started focusing efforts on offering customized Proposal Writing Workshop sessions to the public. A synopsis of the performance of this product follows:

- a. total of 5 workshops were held (3 scheduled and 2 customized sessions) with a total of 120 leaders from the private and public sectors being trained. Customized sessions were conducted with staff members of St. Patrick's Rangers and the Ministry of Water, Land, Environment and Climate Change.
 - b. Since the inception of the Proposal Writing Workshop (November 2013) to December 31, 2015 over \$76 Million in grant funding was accessed by beneficiaries of the JBDC Tapping into Donor Funds Proposal Writing Workshop® and over 400 persons have been trained.
 - c. The Tapping into Donor Funds Proposal Writing Workshop® is now an established trademark as the name of the product was accepted by and deposited in JIPO's registry of trademarks.
 - d. There are advanced plans underway to export this product to the Eastern Caribbean as a session is scheduled to take place during November 22-24, 2016 in Rodney Bay, St. Lucia.
2. **Research Coaching for HR Practitioners** – This workshop was designed exclusively for HR professionals operating within the MSME sector and large organizations. It aims to strengthen the capacity of learners in designing and executing research studies with the added advantage of learning industry best practices from Employers of Choice who co-presented at the workshop. One workshop was hosted during the period with 26 HR Practitioners attending. Since its inception in 2014, close to 200 persons have been trained.


The hosting of this training has resulted in the design and execution of a National Employee Engagement Survey by the JBDC in which over 500 employees representing 37 companies (within the private and public sectors) have participated.

Research

The Department continues to support the research needs of the organization in addition to the provision of research services to corporate Jamaica. During the review period, the following initiatives were either initiated or completed:

1. Design and execution of field work for the National Employee Engagement Survey in which over 500 employees from the private and public sectors participated. This study is aligned to the Research Coaching for HR Practitioners Workshop series that is focused on employee engagement research. The primary aim of the study was to produce valid and reliable data that was available on a national level relative to the state of employee engagement in Jamaica.
2. Designed and executed the Jamaica Gift and Craft Survey among 200 artisans aimed at: developing a socio-demographic profile of producers in the industry, exploring production arrangements, assessing information and communications technology (ICT) and human resource capacity existing among producers and identifying resource needs.
3. Designed and executed baseline survey among artisans under the TPDCO Virtual Resource Centre Project. The study documented baseline data on production and productive capacity, product prices, location of raw material and suppliers.
4. Completed the comprehensive report for the MSME Needs Assessment Survey including 1,500 that started in the previous financial year.

TECHNICAL SERVICES

A woman with dark hair in a bun, wearing a blue dress and gold jewelry, is smiling and holding a small wooden box. In the foreground, there is a stack of similar wooden boxes on a dark surface.

“ JBDC has been my fairy Godmother since I began my entrepreneurial journey; handholding in every area from industrial engineering and design to labeling. ”

LACEY ANN BARTLEY
BARTLEY'S ALL IN WOOD

TECHNICAL SERVICES (INCUBATOR & RESOURCE CENTRE)

The Technical Services Department provides a variety of services relating to product development, facilities assessment and productivity improvement, graphic design, incubator spaces, among other services that assist our clients in making their products market ready. Some of the main achievements of the team during the 2015-2016 fiscal year are highlighted below:

Product Development:

The team assisted in the development and improvement of eighty five (85) products for clients. These products include craft, agro-processing and fashion products, which went through several cycles of development. Clients were assisted in getting products ready for the **Christmas in July** trade show, as well as for other marketing channels.

Among the types of products developed were:

- Baked products
- Ginger-based products
- Sauces
- Gourmet Jams & Jellies
- Leather bracelets and sandals
- Copper & Sand bead jewellery
- Paper-based products
- Puppets
- Clothing & Apparel

Over 150 clients were referred to the Bureau of Standards Jamaica (BSJ) for certification of products or approval of labels for new products.

Towards the end of the year, a framework was put in place for the development of the Jamaica Harvest, a **Things Jamaican™** brand of agro-based products. This line which is to include jams, jellies, dried spices, flours and other newly developed products is to be introduced in the year 2016-2017.

Design and Branding Support

The Visual Communications Unit (graphic design) continued to provide support to MSMEs requiring appropriate labelling, packaging and other promotional materials. Over 400 jobs were completed for MSMEs. Work done includes the design of logos, labels and other packaging solutions, screen-printing, product photography, as well as the design and printing of business cards, brochures, and other collateral material.

In addition to supporting MSMEs, the department provided support to JBDC departments in the design and printing of promotional and collateral material. The technical team also provided décor and branding services to JBDC events such as the various stops for the Mobile Business Clinic, Small Business Expo, Christmas in July and JAPEX 2015, where the Things Jamaican and Ministry of Tourism and Entertainment booths.

The IRC also provided other JBDC departments with services such as graphic design, printing and spaces for workshops and training, valued at approximately one million dollars (\$1,000,000). This represents a saving to the organization, as the services of external providers were not required.

Design Samples



Poster featuring branded line of D'tos roots wine. Below shows related shelf-talker.



Branded line of Mighty Spice seasonings. Grouped products below.



MSMEs were given support in several capacity building initiatives. These include the traditional workshops, as well as in-factory assistance in improving productivity and production operations.

Workshop	Participants	Outcome
Leathercraft Workshop	8 participants	Several pairs of leather sandals were developed. At least 50% of participants continued post-workshop to improve their designs for market entry.
Jewellery Workshops	13 participants	Two jewellery workshops were held. One was focused on using sand to make beads, which in turn was used to make exquisite jewellery pieces. The other workshop equipped participants with skills to braid wires using various techniques to make metal bracelets and necklaces. Several new 'one-of-a-kind' pieces were created. The products were assessed by the Things Jamaican™ team for inclusion in their inventory of products marketed in the TJ stores.
Furniture Model Making Workshop	11 participants	Under the guidance of the JICA Senior Volunteer, 2 workshops on making scaled models of furniture were conducted. The first workshop comprised of furniture makers and designers. The second workshop was done in conjunction with the HEART College of Construction Services in Portmore, where 6 of their instructors were taught techniques in furniture design and model construction using foam core. These scaled models are used as prototypes for making full scale furniture items.
Paper Products Workshop	8 participants	The participants were taught various techniques in which paper can be used to make decorative and packaging solutions for a variety of craft products, as well as other applications such as embellishments and items for interior décor.
Food Safety	25 participants	Information on the importance of Food Safety was disseminated to participants involved in food related businesses at one of the Mobile Business Clinics held in Duhaney Park, St. Andrew.
Patternmaking Level 1	10 participants	Participants were able to use techniques learnt in patternmaking to construct garment collections, including dresses, pants and blouses. Finished pieces were presented at the final session of the workshop.

Workshop Highlights



JICA Senior Volunteer and furniture expert, Yukio Ueno conducts Furniture Model Making Workshop.



Participants of Furniture Model Making workshop pose with JICA Senior Volunteer, Yukio Ueno (third left) and Colin Porter, Technical Services Manager (fourth left), following completion of the Workshop.



Sand Bead Jewellery Workshop pieces



Sand Bead Jewellery Workshop piece

Other capacity building initiatives included providing technical assistance to clients in preparing facilities for Bureau of Standards Jamaica's (BSJ) assessment and certification; improving layout, equipment use optimization, resolving quality issues, as well as, the assessment of new spaces for expanded production. A total of 10 MSMEs' benefitted from this type of assistance.

Incubation (Short-term production facilities)

The three spaces dedicated to small scale production were occupied by a total of 45 users. In addition to access to the spaces, MSMEs were also privy to other JBDC services such as technical consultations, workshop participation, visual (graphic) design services, provision of garment labels and other JBDC services. They also had access to Business Development Officers.

The breakdown for the space usage is as follows:

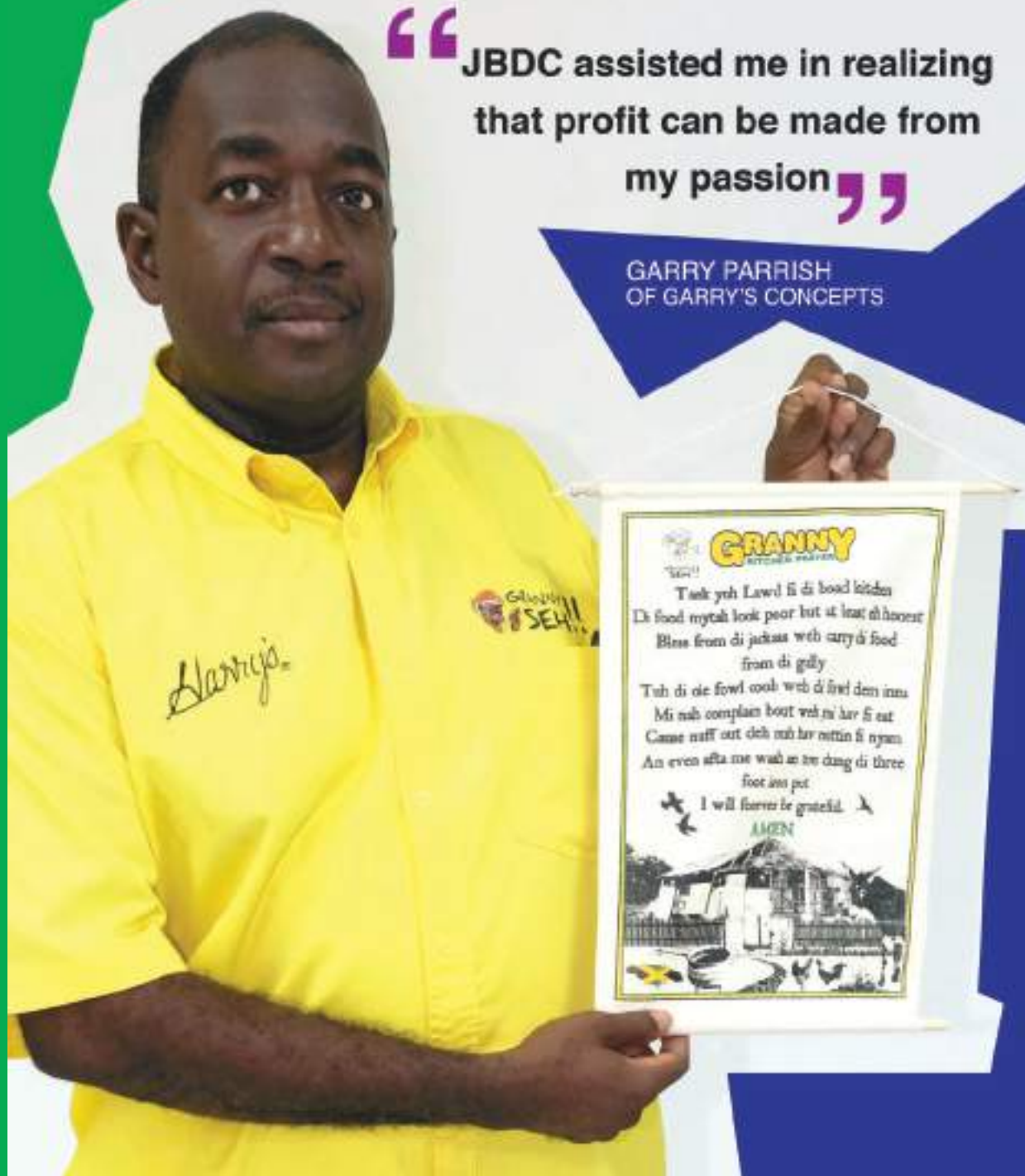
Food/Agro-Processing	Fashion	Craft
22 MSMEs	9 MSMEs	14 MSMEs
<ul style="list-style-type: none"> • Non-dairy ice cream • Flavoured margarine • Nuts & snack mixes • Beverages including coffee beverages & coconut water • Jams & Jellies 	<ul style="list-style-type: none"> • School uniforms • Other uniforms & workwear • Formal and casual wear • Patio furniture coverings 	<ul style="list-style-type: none"> • Leathercraft, including sandals, bracelets, belts • Jewellery components, including shells, beads • Metal Jewellery

Just over 100 MSMEs were supplied with close to 120,000 garment labels. Garment labels are a requirement of the BSJ for garment manufacturers. The JBDC is among the suppliers of nylon printed labels to the local industry. Our system allows MSMEs to order small volumes of labels, thus allowing them to order just-in-time, and keeping inventory levels at a minimum.

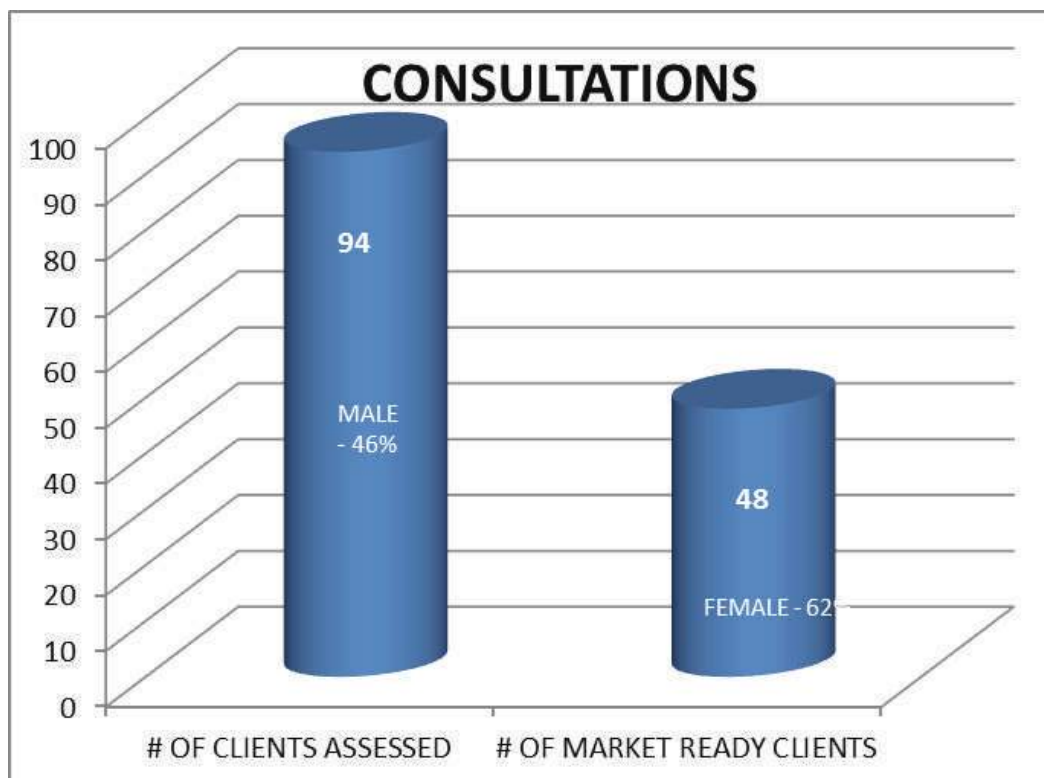
MARKETING SERVICES

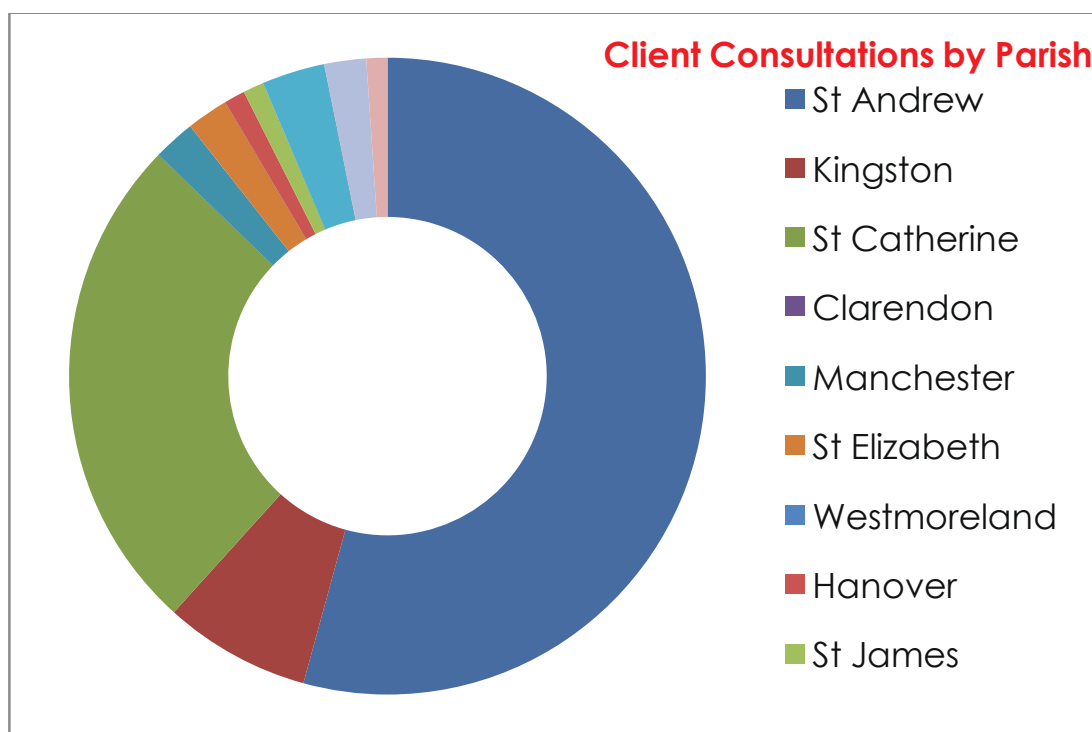
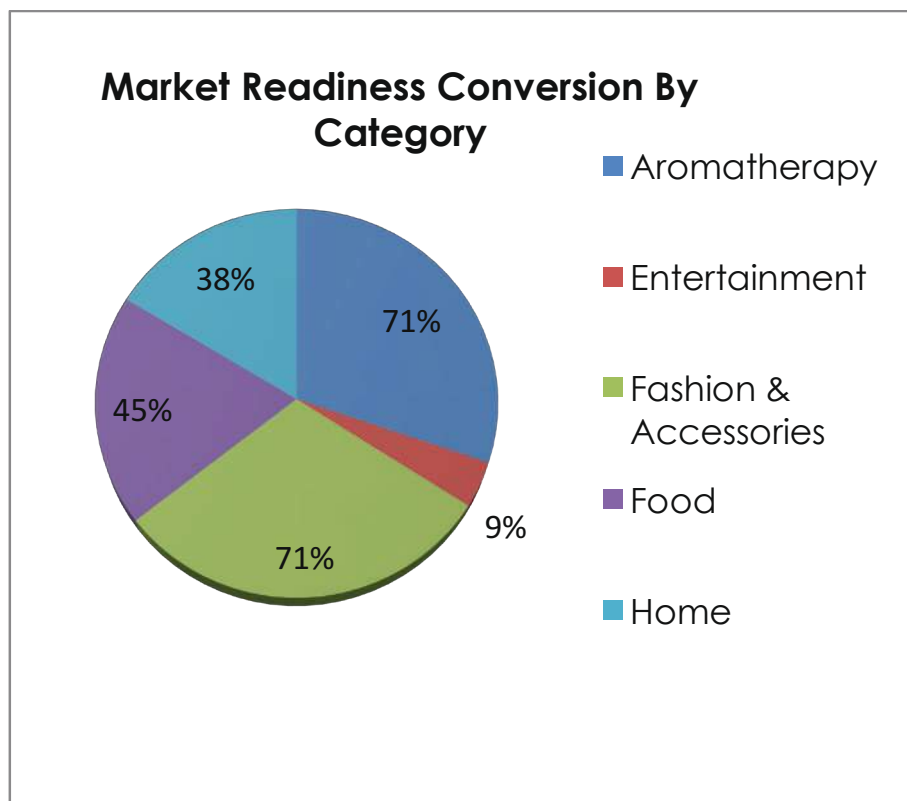
“JBDC assisted me in realizing
that profit can be made from
my passion”

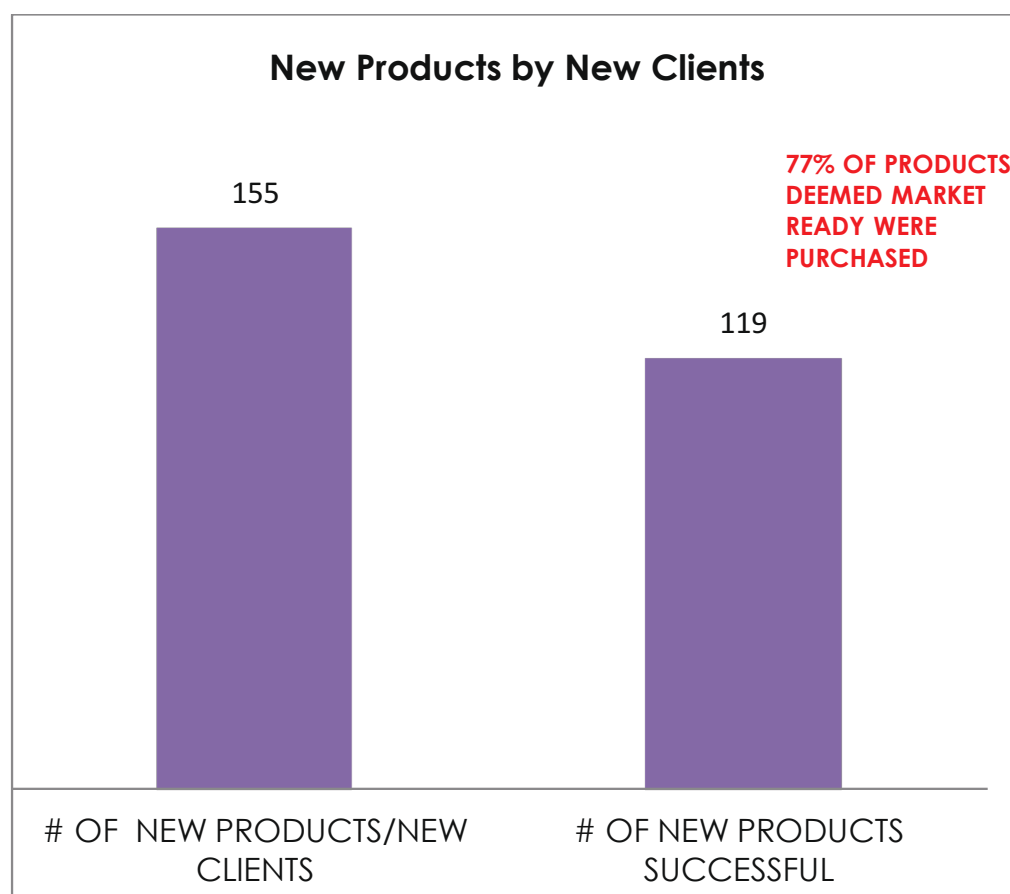
GARRY PARRISH
OF GARRY'S CONCEPTS



1. MARKETING CONSULTATION & SUPPLIER MANAGEMENT CLIENT PERFORMANCE







Existing Client Performance

- Approximately 315 products added by existing clients with a market success ratio of 81%

2. TRADE EVENTS & PROMOTIONS

A total of eight (8) Trade and Marketing Events were executed in a bid to expand market access services.

Major Outcomes:

- Launch event for the True Stories publication which will be used to enhance marketing services and provide publicity for Jamaican producers. Approximately 160 persons from Corporate Jamaica were invited.
- 80% conversion of leads pertaining to the distribution of the newly launched True Stories publication and the Things Jamaican™ Pop-up Store concept.
- Approximately 17 properties/hotel chains were engaged for placement in hotel rooms as well as favourable responses regarding planning Pop-up Stores on their properties. This represents approximately 6,820 rooms. Implementation is projected for the 2016-2017 fiscal year.

MEASUREMENT	OUTCOMES			
	JAPEX	JBDC Small Business Expo	Jamaica Diaspora Conf.	Health, Home & Garden Expo
Number of products promoted	192	168	479	43
Number of producers promoted	89	48	87	42
% of Corporate store Revenue	2%	0	11%	1%
Number of Consumer Interactions	162	110	490	628
Leads	8	9	-	34



3. MARKET ACCESS THROUGH LINKAGES ACTIVITIES

- Speed Networking Highlights:
 - Approximately 17 leads were generated with opportunities to promote 7 marketing opportunities. The leads generated are primarily related to hotels and attractions with possibilities of extending market access to over 30 properties islandwide.
- Christmas in July 2015
 - Through partnership with the Linkages Hub of the Ministry of Tourism and Entertainment (MOTE), the inaugural event was created to facilitate linkages opportunities for approximately 78 suppliers with over 150 potential buyers of Jamaican made Christmas and Corporate gifts.



Minister of Tourism and Entertainment, Hon. Wykeham McNeill admires his portrait by artist Jeffrey Perry at Christmas in July. Looking on are Things Jamaican team members, Helen Watt and Dawnelle Gilzean.



Tricia Campbell of Tricam Processors Ltd. poses for the camera at Christmas In July.

“True Stories” – tales from the North Coast Craft Producers



“Me's just a likkle mawga man,” says Hopeton Powell, an artist from the garden parish St. Ann and one of 22 producers featured in the inaugural True Stories magazine published by the Jamaican Business Development Corporation (JBDC). The picturesque, glossy publication was officially re-released in December 2015, following the conclusion of the two-year North Coast Craft Revitalization project.

The North Coast Craft Revitalization Project (NCCRP) was a collaborative effort between the JBDC and the Tourism Enhancement Fund (TEF). The JMD\$15 million Project was aimed at improving the competitiveness and income generating capabilities of craft producers in the North Coast Region of the island, specifically in the parishes of St. Ann, Trelawny and St. James.

We often see artisans like Hopeton plying their trade along the coast and though we admire their works of art, only a few have passed that point of admiration to an actual purchase. Neither do we know who they really are. But what if we did? True

Stories features gift & craft producers of paintings, fashion & fashion accessories, home décor & home accents and carvings, bringing their art to life by delving into the little known personalities behind these creations, as stated in the introduction - Lifestyle to you, heirloom for some, Art to All. The beauty behind what goes into creating a product, as well as the emotional response it conjures from the recipient. It is found that throughout the lifetime of an artisan's work, there is a meaningful story behind its “why”, “how” and “when”. This gives the product further life beyond just another product on a local shelf. Please join us as we take you through “True Stories” revealing what makes Jamaicans pride themselves in the land of wood and water, that untouchable thing that art lovers want to hold on to.

As stated in the magazine's Preface by CEO of the JBDC, Valerie Veira, the more than 80 producers in the project “include the young, who are the beneficiaries of skills passed down through generations, who have accepted the awesome responsibility of ‘caregiver and nurturers’ of our culture. Those who through their experimentation and adventure with technology, have combined the ‘old’ and the ‘new’ and have introduced innovative and exciting product lines. There is of course, that special group, the Master Craftsmen, who continue to inspire with their product collection, with each having its own script to tell a tale. True Stories represents a bold statement by the producers that they have an interesting and impressive story to share and they are open for business.”

Miss Veira says through the intervention, the hope is that both the producers and the buyers will benefit from the encounter, a sentiment echoed by Hopeton “me have high hopes, ‘cause mi name Hopeton, understand?” Hopeton's goal in life is to see his work appreciated and sold globally, and to see more persons develop their artistic talents.

Victor Wallace whose infectious smile landed him the cover photo says, "I love doing this. I got bored with other things, but not this." Victor who hails from Exchange tells the story of how he started as a spearfisher, then a lifeguard at age 18, both of which he found boring, so he began to make jewellery, key chains cufflinks, belts and pipes, and the rest as they say is history.

Victor, no longer the bored lifeguard sees his business growing as far as possible. "I change up my pieces and designs all the time. None of my designs are made for more than 2-3 years," said Victor. "I still have some original pieces, but most designs are retired to make way for new designs," he said. There's an immense sense of freedom that Victor gains from his craft making, and that has helped him to never get bored with it. Through his craft, Victor can design anything he desires. True story. – Excerpt.

True Stories also features some of the popular destinations in which these artisans can be found, such as the Pineapple Market in Ocho Rios, the Montego Bay Craft Market and the Falmouth Pier. You wouldn't miss the red-headed, bubbly character that is Coreen Lewis at the Falmouth Pier. Her confidence and vivacious personality evidenced in her hearty laugh and bold statements like "I won't have anybody do it better than me. I am the star of my show!" Her materials include turquoise stone and hyapatite from overseas and bamboo, wood, shark teeth and leather sourced locally.

Coreen's pieces are made with the young, fashion-loving girls in mind. Her most extravagant pieces are made with turquoise stone. She creates these beautiful pieces alongside her husband, who introduced her to the craft in 2004. She built upon his technique to create the 'Coreen touch'. Her children have also joined in the fun by helping her with colour combinations, and she treasures those interactions as they provide a way for her to bond with her offspring – excerpt.

There are stories of resilience and creative vision, such as the one told by Andrea Crooks, far from just another jewellery maker. "At first me nearly buss mi finger!" says the mother of three. Her pieces made from discarded coconut, embodies the 'trash to treasure' concept - "Coconut shell a weh people throw inna garbage," she says.

She uses food colouring, beads and other crafty items to create beautiful jewellery made from discarded coconut shells. Her most regular customers are visiting tourists who rave about their beauty. Though Andrea has inherited a family tradition, it wasn't always easy. She shares that she burned out many drills while learning how to cut the coconuts to be suitable for jewellery. It was a task but now as an accomplished artisan, her creativity shines through each piece created, from their colour to their detail – excerpt.



The enthralling 80-page publication is free of cost. At a time when there's particular focus on supporting home-grown talent and local businesses, The NCCRP project has carved a way forward for these local producers, such as the woodwork artist Wane "Koola" Morrison, a slim, tall, dread-headed gentleman you will find at the Falmouth Pier with a range of wooden Bob Marley statues and animals, but he's not done yet - "Next ting mi wah make is a Usain Bolt!" True Story.

True Stories



Denesha Wright



Keith Miller



Michael Nash



Sandra Dunbar



Kenneth Guthrie



Coreen Lewis

Cheryl Whytehead



Baldwin Dunston



Andrea Reid

CORPORATE COMMUNICATIONS

“ I especially liked how they pushed me to achieve more, helped me to promote my products and really made me become more confident in growing my business.”

ERIC COORE
OWNER OF KABRECO DESIGNS



CORPORATE COMMUNICATIONS UNIT

The Corporate Communications Unit provides support to the organization's overall marketing and public relations efforts, by collaborating on all major projects to ensure that all communications goals are met. In addition to identifying suitable activities with which to align the brand, the Corporate Communications Unit also provides a platform, through the hosting of flagship events, for the promulgation and promotion of the JBDC's products and services to the target market. The following is a synopsis of major events undertaken by the Unit for the reporting period April 1, 2015 to March 31, 2016.



Participants at the Mobile Business Clinic in Clarendon

MOBILE BUSINESS CLINIC INITIATIVE

Six (6) Mobile Business Clinics were held during the reporting period April 1, 2015-March 31, 2016 as follows:

1. St. Elizabeth – April 28-29, 2015
2. Clarendon – June 2-3, 2015
3. St. Ann – July 22-23, 2015
4. Duhaney Park – August 18, 2015
5. Portland – September 30-October 1, 2015
6. St. Mary – October 28, 2015
7. St. Thomas – January 28, 2016

A total of 1,028 entrepreneurs were engaged during these sessions. The initiative which was launched in September 2014 is being held under the theme “Strengthening the Capacity of Jamaican MSMEs”. The intervention seeks to:

- Facilitate business formalization
- Increase awareness of business development services
- Promote sound entrepreneurial practices, and;
- Educate the MSME sector



JBDC team members engage participants at the Mobile Business Clinic in St. Thomas.

Ultimately, the initiative should result in the decentralization of business development services that are geared at reaching a wider cross-section of MSMEs in new and existing industries and sectors; simultaneously tackling cross-cutting issues such as gender, disability and the socially excluded.

The clinic was executed with the support of both public and private sector partners who delivered over 80 hours' worth of training and one-to-one business counselling. Among the services provided were:

- Business Advice, Consultation and Formalization
- Logistics Hub Training
- Export Readiness for MSMEs
- Standards & Certifications
- Business Modeling
- Facilitate value chain linkages through clustering and connections with business partners
- Project Management and Research
- Technical Assistance
- Business Monitoring Support
- Financial Advice
- Technology Innovations
- Minority groups (visually and physically impaired etc.)

Partners in this initiative were drawn from the public and private sector as well as the media. They are:

Private

- National Commercial Bank
- Columbus Business Solutions (FLOW)
- ACCA Caribbean
- Fidelity Motors (Nissan)

Public

- Ministry of Industry, Investment & Commerce
- Jamaica Logistics Hub
- Consumer Affairs Commission
- Jamaica National Agency for Accreditation (JANAAC)
- JAMPRO Trade & Invest Jamaica
- Jamaica Intellectual Property Office
- Bureau of Standards Jamaica
- Companies Office of Jamaica
- Tax Administration Jamaica
- Self-Start Fund
- Development Bank of Jamaica
- Trade Board Limited
- Fair Trading Commission

Media

- The Gleaner Company Limited
- Television Jamaica
- RJR Communications Group
- Power 106 FM

- Nationwide 90 FM
- Kool 97 FM
- IRIE FM
- Zip 103 FM



Ministry, JBDC and Sponsor representatives at the launch of Expo 2015. (L-R) Tshani Jaja – Jamaica Yellow Pages, Audrey Tugwell Henry – NCB, Ladianne Wad – Jamaica Yellow Pages, Julius Spence – RJR, Ava Bigby-Edmonds – FX Traders, Hon. Anthony Hylton – Minister of Industry, Investment & Commerce, Valerie Veira – CEO, JBDC, Michelle Thompson – Business Access TV, Roxann Lewis – The Herald Printers and Harold Davis - Deputy CEO, JBDC.

8TH ANNUAL SMALL BUSINESS EXPO & CONFERENCE (2015)

The 2015 edition of the JBDC Small Business Expo & Conference represented the eighth staging since the inaugural event in 2007. Under the theme, "Business Linkages: Connecting Jamaica to the World", a total of 360 persons were registered while thirty-eight (38) corporate companies including financial institutions, government agencies and business development and marketing support organizations both sponsored and exhibited at the event.

Additionally, just over twenty (20) business leaders and other industry experts presented in specially designed panel discussions, breakout sessions and workshops geared towards explaining the theme. Also for the first time, the Expo featured a Matchmaker Session in which buyers and sellers of authentic Jamaican products were deliberately targeted in an effort to bridge the gap between local buyers and suppliers.



Participants at the Small Business Expo & Conference at the Jamaica Pegasus

In 2015, JBDC welcomed the National Commercial Bank (NCB) as a title sponsor. NCB previously participated as an exhibitor. We also welcomed Columbus Business Solutions who had never previously partnered with us. There were also four (4) new exhibitors; National Certification Body of Jamaica, Jamaica Logistics Hub Initiative, MC3 Jamaica Limited and the Trade Board Limited. The EXIM Bank Jamaica also returned after missing five previous years.

The following are the other highlights of the activity:

- Production of two-minute video montage highlighting the success of previous Expo – shown at the Event launch in April 2015
- Successful publication and distribution of 600 copies of the Expo edition Business dialogue
- Four-page supplement published on Wednesday, May 20, 2015 in the Jamaica Observer
- Three (3) radio broadcasts were conducted on event day: RJR 94 FM, Power 106 FM & Nationwide 90 FM

The following is the full list of sponsors:

- Title: National Commercial Bank, Columbus Business Solutions & Jamaica Yellow Pages
- Gold: Things Jamaican™
- Silver: The Herald Printers & Association of Certified Chartered Accountants (ACCA)
- Session Sponsors: FX Traders, Fidelity Motors & EXIM Bank
- Contributing: Gutzmore Concepts
- Media Sponsors: Jamaica Observer, RJR 94 FM, Television Jamaica, Business Access TV, Wealth Magazine, Power 106 FM, Kool 97 FM, Sun City 104 FM & Nationwide 90 FM

GLOBAL ENTREPRENEURSHIP WEEK 2015

JBDC recognized Global Entrepreneurship Week for the third consecutive year during the period November 16-21, 2015 with seven events held over six days. As was for the past three years, Scotiabank was the title sponsor, bringing to a close a three year partnership.

A total of 813 persons were engaged throughout the week, an increase of 30% more than were engaged in 2014. The activities targeted members of the public who are interested in starting or expanding a business. Attendees were able to access free advice, information and guidance to help them concretize their ideas, and get their businesses off the ground or take them to a higher level of performance and success.



Minister of Industry Investment and Commerce, Anthony Hylton samples products at the launch of Global Entrepreneurship Week held at ATL Automotive Ltd.

Additionally, a Business Seminar, facilitated by Certified Business Coach, Marcia Woon Choy, was conducted this year to replace the usual expo held at Terra Nova Hotel. Twenty one (21) persons attended the Workshop which yielded several positive responses as participants called it a 'game changer' and 'inspiring' among other positive feedback.

Below is the list of events and the number of participants:

- Business Dialogue Forum – 58
- Biz Connect (Montego Bay) – 75
- GEW Thought Leadership Conference & Open House – 155
- Biz Connect Westmoreland – 38
- Biz Connect Mandeville – 450
- Biz Connect Ocho Rios – 16
- Business Seminar – 21

Three (3) Outside Broadcasts were hosted on local media during the week on RJR 94 FM, Power 106 FM and NCU FM. The marketing programme spanned eight (8) media houses and included 10 radio interviews, 180 radio commercial, 52 TV commercials and 10 publications in the Jamaica Observer over the two week period of November 6-21, 2015.



Guests are all smiles at the launch of Global Entrepreneurship Week held at ATL Automotive Limited.

INTERNAL CAPACITY BUILDING



“JBDC has worked with our Company from preparing our first Business Plan which enabled us to access loans to developing professional and eye catching labels for our products at affordable costs which could not be matched by any other company.”

DAWN OTTEY
CEO OF ROCK MOUNTAIN HERBS

HUMAN RESOURCE MANAGEMENT & DEVELOPMENT

The HR Department at the JBDC is committed to working strategically with our organization's most valued partners – our employees – by developing them to realize their full potential and maximum output in carrying out the mandate of the JBDC. This requires us to “provide leadership and guidance in the development, implementation and administration of policies, procedures and services in an equitable manner, thus fostering a positive work environment and a motivated workforce.”

HR Planning

- The attrition rate remained low throughout the year (fluctuating between 0% and 2.2%).
- At the end of March 2016, the total staff count was 103. This comprised of 88 permanent employees, 4 part-time employees and 11 contract employees.

Appointments, Promotions & Transfers

- Eight (8) permanent employees were hired, while there were four (4) acting appointments during the year.

Human Resource Development

Training & Development

- Internal training and development
Sensitization Sessions were held periodically and featured speakers from select organizations.
- External training and development – local and overseas
At the invitation of the Chinese Embassy, the MIIIC organized a team to attend a Seminar on Small and Medium Enterprise Development in Shanghai, China from May 21 to June 9, 2015. Two JBDC team members attended, one of whom was elected Leader of the Delegation.

Employee Relations & Engagement

- General Staff Meetings were held on November 27, 2015 and January 20, 2016.
- Other events were held to celebrate holidays and our culture.

INFORMATION TECHNOLOGY

The Information Technology Department was able to implement cutting edge communication links; both internal and external to our various apparatus and remote sites, hence, enabling us to be among the agencies that can offer a robust and reliable communication network which increases our ability to achieve our objectives.

Achievements:

- Completion of VRP (Virtual Resource Portal); to provide online assistance to resources that can aid entrepreneurs with information and tools.
- Completion of Artisan's Portal - An Online database of Artisan's and their products. This project was requested by TPDCo (Tourism Product & Development Company).
- Implementation of JBDC's new phone system - this will enhance the company's ability to better communicate internally and externally.
- Completion of fiber internet connection at the Incubator & Resource Centre (IRC)
- Enhance Virtual Private Network to support interconnection with IRC (email and file access).
- Email filtering/preventative measures
- New Website portal implementation; expanding visibility and new features to clients.

Reggae Day Highlights



Things Jamaican Warehouse Assistant, Marlene Henry poses with her prize, having won the Reggae Dance-Off Competition.



Graphic Designer Trainee, Dhaima Garrell wows the audience with her reggae ensemble, complete with a boom box.



Things Jamaican Assistant Manager, Vivette McFarlane struts the catwalk during the fashion show.



Receptionist, Donna Williams shares a moment with Corporate Communications Admin Support Assistant, Andre Heslop



Product Development Officer, Donna-Gay Uter entertains with the Bogle dance.

AUDITED FINANCIAL STATEMENTS



JAMAICA BUSINESS DEVELOPMENT CORPORATION
FINANCIAL STATEMENTS
31 MARCH 2016

JAMAICA BUSINESS DEVELOPMENT CORPORATION**FINANCIAL STATEMENTS****31 MARCH 2016****I N D E X**

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

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INDEPENDENT AUDITORS' REPORT

To the Members of
Jamaica Business Development Corporation

Report on the Financial Statements

We have audited the financial statements of Jamaica Business Development Corporation set out on pages 3 to 47, which comprise the statement of financial position as at 31 March 2016, and the statements of profit or loss and other 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 and fair presentation of these financial statements 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 auditors' 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 auditors consider internal control relevant to the corporation's preparation and fair presentation of the financial statements 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 corporation'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.

Partners: R.J. McFarlane, F.A. Wilson, C.M. McFarlane, J. Green-Hobbs, D. Hobbs
Offices in Montego Bay, Mandeville and Ocho Rios

BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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

To the Members of
Jamaica Business Development Corporation

Opinion

The financial statements of the company for the year ended 31 March 2015 were examined by other independent auditors whose report dated 14 April 2016 expressed an unqualified opinion thereon with an emphasis of matter paragraph.

In our opinion, the financial statements give a true and fair view of the company's financial position as at 31 March 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the requirements of the Jamaican Companies Act.

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 kept, and the financial statements are in agreement therewith, and give the information required by the Jamaican Companies Act, in the manner so required.

A handwritten signature in dark ink, appearing to be 'BDO'.

Chartered Accountants

31 December 2016

JAMAICA BUSINESS DEVELOPMENT CORPORATION
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2016

	<u>Note</u>	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
REVENUE	6	288,914	265,030
Other operating income	7	<u>51,722</u>	<u>59,131</u>
		<u>340,636</u>	<u>324,161</u>
EXPENSES:			
Administrative		(297,683)	(292,333)
Selling		<u>(2,040)</u>	<u>(500)</u>
	8	<u>(299,723)</u>	<u>(292,833)</u>
OPERATING PROFIT		40,913	31,328
Finance costs	10	<u>(9,055)</u>	<u>(8,762)</u>
PROFIT BEFORE TAXATION		31,858	22,566
Taxation	11	<u>10,466</u>	<u>(1,598)</u>
NET PROFIT FOR THE YEAR		<u>42,324</u>	<u>20,968</u>
OTHER COMPREHENSIVE INCOME:			
Items that may be reclassified to profit or loss -			
Gain on revaluation of property		124,744	-
(Loss)/gain on defined benefit plan		<u>(10,531)</u>	<u>1,703</u>
		<u>114,213</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>156,537</u>	<u>22,671</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

31 MARCH 2016

	<u>Note</u>	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	12	150,294	27,025
Intangible assets	13	-	11
Retirement benefit assets	14	92,288	93,152
Deferred tax assets	15	11,463	-
Loan receivables	16	608	1,734
		<u>254,653</u>	<u>121,922</u>
CURRENT ASSETS:			
Inventories	17	568	510
Receivables	18	9,085	28,304
Short term investments	19	20,129	-
Current portion of loans receivables	16	-	118
Taxation recoverable		9,523	9,323
Cash and cash equivalents	20	16,074	21,638
		<u>55,379</u>	<u>59,893</u>
		<u>310,032</u>	<u>181,815</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	21	1	1
Capital reserve	22	148,139	23,395
Retained earnings		(55,547)	(87,340)
		<u>92,593</u>	<u>(63,944)</u>
NON-CURRENT LIABILITIES:			
Long term loans	23	80,368	29,687
Long term - deferred income	24	148	147
		<u>80,516</u>	<u>29,834</u>
CURRENT LIABILITIES:			
Payables	25	70,166	99,566
Project liabilities	26	17,186	15,141
Current portion - deferred income	24	845	995
Current portion of long term loans	23	30,640	81,941
Taxation		18,086	17,088
Bank overdraft	19	-	1,194
		<u>136,923</u>	<u>215,925</u>
		<u>310,032</u>	<u>181,815</u>

Approved for issue by Board of Directors on 31/12/16 and signed on its behalf by:

Cleveland Stewart

Chairman

Valerie Viera

Director

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2016

	Share Capital '000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 1 APRIL 2014	<u>1</u>	<u>23,395</u>	<u>(110,011)</u>	<u>(86,615)</u>
TOTAL COMPREHENSIVE INCOME				
Net profit	-	-	20,968	29,968
Other comprehensive income	-	-	<u>1,703</u>	<u>1,703</u>
	-	-	<u>22,671</u>	<u>22,671</u>
BALANCE AT 31 MARCH 2015	<u>1</u>	<u>23,395</u>	<u>(87,340)</u>	<u>(63,944)</u>
TOTAL COMPREHENSIVE INCOME				
Net profit	-	-	42,324	42,324
Other comprehensive income	-	124,744	<u>(10,531)</u>	<u>114,213</u>
	-	<u>124,744</u>	<u>31,793</u>	<u>156,537</u>
BALANCE AT 31 MARCH 2016	<u>1</u>	<u>148,139</u>	<u>(55,547)</u>	<u>92,593</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION**STATEMENT OF CASH FLOWS****YEAR ENDED 31 MARCH 2016**

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net profit	42,324	22,566
Adjustments for:		
Depreciation	5,521	1,615
Amortisation	11	35
Loan losses recovered	(4,976)	(5,324)
Gain on sale of property, plant and equipment	(739)	-
Gain on foreign exchange	(108)	-
Deferred income	(149)	(146)
Employee benefit	(10,531)	(9,400)
Interest income	(3,298)	(6,758)
Interest expense	8,497	8,366
Deferred taxation	(11,463)	-
Taxation expense	998	-
	<u>26,087</u>	<u>10,954</u>
Changes in operating assets and liabilities:		
Receivables	19,214	(17,447)
Inventories	(58)	287
Taxation recoverable	(200)	-
Project liabilities	2,045	441
Loan receivables	6,220	17,604
Payables	(32,699)	7,653
Retirement benefit	864	-
	<u>21,473</u>	<u>19,492</u>
Taxation paid	-	(169)
Cash provided by operating activities	<u>21,473</u>	<u>19,323</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(4,046)	(388)
Available for sale investments	(20,129)	-
Proceeds from disposal of property, plant and equipment	739	-
Interest received	<u>3,303</u>	<u>6,837</u>
Cash (used in)/provided by investing activities	<u>(20,133)</u>	<u>6,449</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long term loan repaid	(56,495)	(28,992)
Long term loan acquired	55,875	-
Interest paid	<u>(5,892)</u>	<u>-</u>
Cash used in financing activities	<u>(6,512)</u>	<u>(28,992)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,172)	(3,220)
Exchange gain on foreign cash balances	802	-
Cash and cash equivalents at beginning of year	<u>20,444</u>	<u>23,664</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (note 20)	<u><u>16,074</u></u>	<u><u>20,444</u></u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:**

- (a) Jamaica Business Development Corporation is a limited liability company which was incorporated on 3 May 2001 and domiciled in Jamaica. The registered office of the company is 14 Camp Road, Kingston 4.
- (b) The 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.
- (c) 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. REPORTING CURRENCY:

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

3. SIGNIFICANT ACCOUNTING POLICIES:

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

(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, as modified by the revaluation of certain properties. They are also prepared in accordance with requirements of the Jamaican Companies Act.

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 management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd) -**

Standards and amendments to published standard effective in the current year that are relevant to the corporation's operations

Annual improvements to IFRS, 2010-2012, 2011-2014 cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after 1 July 2014. The main amendments applicable to the corporation are as follows:

- **IAS 24, 'Related Party Disclosures'**, has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management and disclose compensation paid by the management entity to the individuals providing the key management personnel services.
- **IFRS 13, 'Fair Value Measurement'**, has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

IFRS 7 (Amended) Financial Instruments: Disclosures (effective 1 January 2015), requires additional disclosures for transfers of financial assets. It lists transferred assets that are derecognized in their entirety and those not derecognized in their entirety.

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd) -**

Standards and amendments to published standards that are not yet effective and have not been early adopted by the corporation

IAS 1, 'Presentation of Financial Statements', (effective for annual periods beginning on or after 1 January 2016), has been amended to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The amendment also clarifies that the share of other comprehensive income (OCI) of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, classified between those items that will or will not be subsequently reclassified to profit or loss.

IAS 16, 'Property, Plant and Equipment', (effective for annual periods beginning on or after 1 January 2016). The amendment explicitly states that revenue-based methods of depreciation cannot be used for property, plant and equipment. This is because such methods reflect factors other than the consumption of economic benefits embodied in the asset.

IFRS 9, Financial Instruments, (effective for annual reporting periods beginning on or after 1 January 2018), replaces the existing guidance in IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets - amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

IIFRS 15, 'Revenue from Contracts with Customers' (effective for periods beginning on or after 1 January 2018). It replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC - 31 Revenue - Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(a) Basis of preparation (cont'd) -**

Standards and amendments to published standards that are not yet effective and have not been early adopted by the corporation (cont'd)

IFRS 16, 'Leases', (effective for annual periods beginning on or after 1 January 2019). It replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease, SIC 15 Operating Leases-Incentives and SIC 27 Evaluating the Substance of Transactions involving the Legal Form of a Lease. The new standard eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Leases are now recorded in the statement of financial position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognized lease assets and financial liabilities.

The directors anticipate that the adoption of the standards and amendments which are relevant in future periods, is unlikely to have any material impact on the financial statements.

(b) Foreign currency translation -

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

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(c) Property, plant and equipment -**

Items of property, plant and equipment are recorded at historical or deemed cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Land and building is subsequently carried at fair value, based on periodic valuations by a professional qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognized in other comprehensive income and accumulated in the capital reserve except to the extent that any decrease in value in excess of the credit balances on the capital reserve or reverse of such transaction, is recognised in profit or loss.

Depreciation is calculated on the straight line basis at such rates as will write off the carrying value of the assets over the period of their expected useful lives. Land is not depreciated. Other property, plant and equipment are depreciated at annual rates as follows:

Buildings	2½%
Leasehold improvements	20%
Furniture and fixtures	12.5%
Office equipment	16.67%
Computers equipment	25%
Motor vehicles	20%

Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in profit or loss. On disposal of revalued assets, amounts in capital reserves relating to these assets are transferred to retained earnings.

(d) Intangible assets -

Acquired computer software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of the expected useful life of three years.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(e) Impairment of non-current assets -**

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

(f) 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 in another entity.

Financial assets**(i) Classification**

The corporation's classifies its financial assets in the following categories: loans and receivables and available-for-sale financial assets. 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.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The corporation's loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the financial assets within 12 months of the reporting date. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(f) Financial instruments (cont'd)-****(ii) Recognition and Measurement**

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the corporation commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the corporation has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The corporation assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from other comprehensive income and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit or loss. Impairment testing of trade receivables is described in note 3(g).

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 the reporting date, trade and other payables were classified as financial liabilities.

(g) Trade receivables -

Trade receivables are carried at original invoiced amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the corporation will not collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the expected cash flows discounted at the effective interest rates. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to profit or loss.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(h) Cash and cash equivalents -**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturity of 90 days or less, net of bank overdraft.

(i) Other receivables -

Other receivables are stated at amortised cost less impairment losses, if any.

(j) Current and deferred income taxes -

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The corporation's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(k) Employee benefits -****(i) Pension scheme costs:****Defined benefit plans**

The corporation operates a defined benefit retirement plan, the assets of which are generally held in a separate trustee-administered fund. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The plan is generally funded through payments to a trustee administered fund by employees and the corporation determined by periodic actuarial calculations.

Defined benefit plans surpluses and deficits are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the projected unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Re-measurement of the net defined obligation are recognised directly within equity. The Re-measurements include actuarial gains and losses, return on plan assets (interest exclusive) and any asset ceiling effects (interest exclusive).

Service costs are recognized in profit and loss, and include current and past service cost as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period. Gains or losses arising from changes to plan benefits or plan curtailment are recognized immediately in profit or loss.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(k) Employee benefits (cont'd)-****(ii) Other employee benefits:**

Employee entitlement to annual leave and other benefits are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and other benefits as a result of services rendered by employees up to the end of the reporting period.

(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.

(l) Loans receivables

Loans are recognized 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. The recoverable amount is 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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(l) Loans receivables (cont'd)**

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.

(m) Inventories

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

(n) Borrowings -

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss along with regular interest charges over the period of the borrowings.

(o) Provisions -

Provisions are recognized when the corporation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

(p) Revenue recognition -

Subvention income -

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(p) Revenue recognition (cont'd)-**

Sales of goods - retail

Revenue from the sale of goods is recognized 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 can be measured reliably.
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, revenue from the sale of goods is recognized 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. This method exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial assets on initial recognition. Interest income is included in other operating income in the statement of comprehensive income.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(q) Share capital -

Ordinary shares are classified as equity. Incremental costs directly attributed to the issue of ordinary shares are recognized as a deduction from equity.

(r) Trade and other payables -

Trade and other payables are stated at amortised cost.

(s) Project liabilities -

Project liabilities are stated at historical cost.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):****(t) Deferred income**

Subvention received and used for purchase of property, plant and equipment are credited to deferred income and are amortised on a straight-line basis and the expected useful lives of the assets.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY:

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the corporation's accounting policies -

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

(b) Key sources of estimation uncertainty -

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

(i) Fair value estimation

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

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

The fair value measurement of the corporation's financial and non financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique are.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D):

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

(i) Fair value estimation (cont'd)

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

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

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

Transfer of items between levels are recognized in the period they occur.

The corporation measures land and building (note 12) at fair value.

The fair value of financial instruments traded in active markets, such as available-for-sale investments, is based on quoted market prices at the reporting date. These instruments are included in level 1 and comprise equity instruments traded on the Jamaica Stock Exchange.

The fair values of financial instruments that are not traded in an active market are deemed to be determined as follows:

- 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 cash and cash equivalents, receivables and payables.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D):****(b) Key sources of estimation uncertainty (cont'd) -****(ii) Depreciable assets**

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

(iii) Income taxes

Estimates are required in determining the provision for income tax. There are some transactions and calculations for which the ultimate tax determination is uncertain. The corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final 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.

(iv) Defined benefit assumptions

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement 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 or income recorded for retirement benefits and may affect planned funding of the pension plan. 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 company 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 retirement benefit obligations. In determining the appropriate discount rate, the company considered interest rate of high-quality Government of Jamaica 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 obligations. Other key assumptions for the retirement benefits are based on current market conditions.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT:

The corporation is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

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

There have been no substantive changes in the corporation's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

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

- Loan receivables
- Trade and other receivables
- Cash and cash equivalents
- Short term investments
- Trade and other payables
- Long term loans

(b) Financial instruments by category

Financial assets

	<u>Loans and receivables</u>		<u>Available-for-sale</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Cash and cash equivalents	16,074	21,638	-	-
Trade receivables	2,423	5,599	-	-
Short term investments	-	-	20,129	-
Loan receivables	<u>608</u>	<u>1,734</u>	<u>-</u>	<u>-</u>
	<u>19,105</u>	<u>28,971</u>	<u>20,129</u>	<u>-</u>
Total financial assets				

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(b) Financial instruments by category (cont'd) -

Financial liabilities

	Financial liabilities at amortised cost	
	2016	2015
	\$'000	\$'000
Long term loans	111,008	106,628
Trade and other payables	<u>65,161</u>	<u>83,920</u>
Total financial liabilities	<u>176,169</u>	<u>190,548</u>

(c) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, receivables and payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, receivables and payables approximates their fair value.

(d) Financial risk factors -

The Board of directors has overall responsibility for the determination of the corporation's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the corporation's finance function. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investments of excess liquidity.

The Board has established committees/departments for managing and monitoring risks, as follows:

- Finance Department

The Finance Department is responsible for managing the corporation's assets and liabilities and the overall financial structure. It is also primarily responsible for managing the cash flow and liquidity risks of the corporation. The department identifies, evaluates and hedges financial risks in close co-operation with the corporation's operating units.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd) -

- Audit Committee

The Audit Committee oversees how management monitors compliance with the corporation's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the corporation. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the corporation's competitiveness and flexibility. Further details regarding these policies are set out below:

(i) Market risk

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from US dollar investments, trade payables and cash and cash equivalents. The corporation manages this 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 holding net foreign currency assets.

Concentration of currency risk

The corporation is exposed to foreign currency risk in respect of US dollar as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Cash and cash equivalents	5,475	8,298
Trade payables	(27,895)	(22,097)
	<u>(22,420)</u>	<u>(13,799)</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd) -

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated investments, trade receivables, trade payables and cash and cash equivalents, and adjusts their translation at the year-end for 6% (2015 - 10%) depreciation and a 1% (2015 - 1%) appreciation of the Jamaican dollar against the US dollar.

	Change in currency Rate <u>2016</u>	Effect on Profit before Tax 31 March <u>2016</u> \$'000	% Change in Currency Rate <u>2015</u>	Effect on Profit before Tax 31 March <u>2015</u> \$'000
Currency:				
USD	-6	(1,345)	-10	(1,379)
USD	<u>+1</u>	<u>224</u>	<u>+1</u>	<u>138</u>

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The corporation is exposed to money market fund securities price risk arising from its holding of available-for-sale investments.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the corporation to cash flow interest rate risk, whereas fixed rate instruments exposed the company to fair value interest rate risk.

Short term deposits and debt securities included in available-for-sale investments are the only interest bearing assets within the corporation.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****5. FINANCIAL RISK MANAGEMENT (CONT'D):****(d) Financial risk factors (cont'd) -****(i) Market risk (cont'd)****Cash flow and fair value interest rate risk (cont'd)****Interest rate sensitivity**

There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables and cash and bank balances.

Trade receivables

Revenue transactions in respect of the corporation's primary operations are settled by cash. For its operations done on a credit basis, the corporation has policies in place to ensure that sales of services are made to customers with an appropriate credit history.

Cash and bank balances

Cash transactions are limited to high credit quality financial institutions. The corporation has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk

The maximum exposure to credit risk is equal to the carrying amount of investments, related company long and short term balances, trade and other receivables and cash and cash equivalents in the statement of financial position.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd) -

(ii) Credit risk (cont'd)

Trade receivables that are past due but not impaired

As at 31 March 2016, receivables of \$2,207,000 (2015 - \$5,211,000) were past due but not impaired. These relate to independent customers for whom there is no recent history of default.

The ageing analysis of these trade receivables is as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
1 to 30 days	1,536	4,992
31 to 60 days	41	187
61 to 90 days	306	32
Over 90 days	<u>324</u>	<u>-</u>
	<u>2,207</u>	<u>5,211</u>

Trade receivables that are past due and impaired

As of 31 March 2016, the company had receivables of \$662,000 (2015 - Nil) that were impaired. The amount of the provision was \$662,000 (2015 - \$Nil). These receivables were aged over 90 days.

Exposure to credit risk for loans receivable:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Agriculture	9,218	9,917
Agro-processing	1,711	1,788
Manufacturing	34,292	38,392
Service	<u>21,117</u>	<u>22,461</u>
	<u>66,338</u>	<u>72,558</u>
Less: provisions for impairment	<u>(65,730)</u>	<u>(70,706)</u>
	<u>608</u>	<u>1,852</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd) -

(ii) Credit risk (cont'd)

Trade receivables that are past due and impaired (cont'd)

The creation and release of provision for impaired receivables have been included in expenses in profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. Impairment estimates have been adjusted based on actual collection patterns.

Credit quality of loans

Credit quality of loans is summarized as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Neither past due nor impaired	-	820
Past due but not impaired	-	1,032
Impaired	<u>66,338</u>	<u>70,706</u>
	66,338	72,558
Less: Provision for impairment	(<u>65,730</u>)	(<u>70,706</u>)
	<u>608</u>	<u>1,852</u>

Aged analysis of past due but not impaired loans.

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
60 to 90 days	<u>-</u>	<u>1,032</u>

(iii) Liquidity risk

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) Financial risk factors (cont'd) -

(iii) Liquidity risk (cont'd)

Liquidity risk management process

The corporation's liquidity management process, as carried out within the corporation and monitored by the Finance Department, includes:

- (i) Monitoring future cash flows and liquidity.
- (ii) Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- (iii) Maintaining committed lines of credit.
- (iv) Optimising cash returns on investments.

Cash flows of financial liabilities

The maturity profile of the company's financial liabilities, based on contractual undiscounted payments, is as follows:

	<u>Within 1 Year \$'000</u>	<u>1 to 2 Years \$'000</u>	<u>2 to 5 Years \$'000</u>	<u>Over 5 Years \$'000</u>	<u>Total \$'000</u>
31 March 2016					
Trade and other payables	65,161	-	-	-	65,161
Long term loans	<u>43,228</u>	<u>9,362</u>	<u>-</u>	<u>60,875</u>	<u>113,465</u>
Total financial liabilities (contractual maturity dates)	<u>108,389</u>	<u>9,362</u>	<u>-</u>	<u>60,875</u>	<u>178,626</u>
31 March 2015					
Trade and other payables	99,566	-	-	-	99,566
Long term loans	<u>74,423</u>	<u>33,581</u>	<u>9,362</u>	<u>5,000</u>	<u>122,366</u>
Total financial liabilities (contractual maturity dates)	<u>173,989</u>	<u>33,581</u>	<u>9,362</u>	<u>5,000</u>	<u>221,932</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(e) 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's has no specific capital management strategy and is not exposed to externally imposed capital requirements.

6. REVENUE:

This represents subvention received from the Ministry of Industry, Commerce Agriculture and Fisheries.

7. OTHER OPERATING INCOME:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Government grant (note 23)	148	146
Gross profit - shops	16,256	25,996
Service income	27,190	25,508
Interest income	3,298	6,758
Miscellaneous income	<u>4,830</u>	<u>723</u>
	<u>51,722</u>	<u>59,131</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

8. EXPENSES BY NATURE:

Total selling and administrative expenses -

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Staff costs (note 9)	227,310	226,707
Repairs and maintenance	7,863	7,416
Legal and professional fees	5,934	2,192
Auditors' remuneration	1,365	1,190
Exhibition of seminars	2,022	777
Insurance	1,063	2,103
Cleaning and sanitation	1,568	1,333
Occupancy costs	18,177	18,366
Security	3,295	4,965
Advertising and promotion	4,332	5,046
Utilities and telecommunication	15,671	19,584
Bad debts recovered	(4,314)	(5,324)
Depreciation and amortization	5,532	1,650
Travelling	1,186	1,204
Stationery and office supplies	6,354	4,074
Other expenses	<u>2,365</u>	<u>1,550</u>
	<u>299,723</u>	<u>292,833</u>

9. STAFF COSTS:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Salaries, commissions and related costs	205,968	201,883
Payroll taxes - employer's portion	13,859	13,582
Pension cost	(2,997)	(2,574)
Other	<u>10,480</u>	<u>13,816</u>
	<u>227,310</u>	<u>226,707</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

10. FINANCE COSTS:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Gain on fixed investment	(362)	-
Net foreign exchange (gain)/loss	(108)	(777)
Bank charges	1,028	1,173
Interest expense	<u>8,497</u>	<u>8,366</u>
	<u>9,055</u>	<u>8,762</u>

11. TAXATION:

- (a) Taxation is based on the operating results for the year, adjusted for taxation purposes, and comprises: -

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Income tax @ 25%	997	2,165
Deferred taxation (note 15)	(11,463)	(567)
Taxation (credit)/charge	<u>(10,466)</u>	<u>1,598</u>

- (b) Reconciliation of theoretical tax charge that would arise on profit before tax using the applicable tax rate to actual tax charge.

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Profit before taxation	<u>31,858</u>	<u>22,566</u>
Tax calculated at 25%	7,964	5,642
Adjusted for the effects of:		
Expenses not deducted for tax purposes	28,960	28,752
Net effect of other charges and allowances	<u>(47,390)</u>	<u>(32,796)</u>
Taxation (credit)/charge	<u>(10,466)</u>	<u>1,598</u>

Subject to agreement with the Commissioner of Taxpayer Audit and Assessment Department, the Corporation has accumulated losses available for offset against future taxable profit, amounting to \$192,780,457 (2015 -\$207,138,492).

Deferred tax assets on these tax losses have not been recognized 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 difference can be utilized.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

12. PROPERTY, PLANT AND EQUIPMENT:

	Land and Building \$'000	Leasehold Improvement \$'000	Furniture, Fixtures & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At cost -					
1 April 2014	27,988	21,085	29,529	6,550	85,152
Additions	-	-	388	-	388
Disposal	-	-	-	(1,419)	(1,419)
31 March 2015	27,988	21,085	29,917	5,131	84,121
Additions	-	-	950	3,096	4,046
Revaluation	124,744	-	-	-	124,744
31 March 2016	152,732	21,085	30,867	8,227	212,911
Depreciation -					
1 April 2014	3,839	19,905	26,719	6,437	56,900
Charge for the year	422	171	909	113	1,615
Eliminated on disposal	-	-	-	(1,419)	(1,419)
31 March 2015	4,261	20,076	27,628	5,131	57,096
Charge for the year	3,541	171	896	913	5,521
31 March 2016	7,802	20,247	28,524	6,044	62,617
Net Book Value -					
31 March 2016	144,930	838	2,343	2,183	150,294
31 March 2015	23,727	1,009	2,289	-	27,025

The corporation's land and building at location 14 Camp Road, Kingston 4 was revalued by National Land Agency - Land valuation division on an open market basis as at 9 September 2015. The surplus arising on revaluation has been credited to capital reserve.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

13. INTANGIBLE ASSETS:

	<u>Computer Software</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At cost-		
1 April 2014	2,835	2,835
Additions	<u>35</u>	<u>35</u>
31 March 2015	2,870	2,870
Additions	<u>-</u>	<u>-</u>
31 March 2016	<u>2,870</u>	<u>2,870</u>
Depreciation -		
1 April 2015	2,859	2,859
Charge for the year	<u>11</u>	<u>11</u>
31 March 2016	<u>2,870</u>	<u>2,870</u>
Net Book Value -		
31 March 2016	<u>-</u>	<u>-</u>
31 March 2015	<u>11</u>	<u>11</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

14. POST-EMPLOYMENT BENEFIT ASSET:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Amounts recognized in the statement of financial position	<u>92,288</u>	<u>93,152</u>
Amount recognized in the profit or loss (note 9)	(<u>2,997</u>)	(<u>2,574</u>)
Amount recognized in other comprehensive income	<u>10,531</u>	(<u>1,703</u>)

The company participates in a defined benefit plan, which is open to all permanent employees and administered for Jamaica Business Development Corporation by Sagicor Jamaica Limited. Retirement benefits are based on the average annual earnings in the last three years to retirement, and death benefits on members' accumulated contribution.

The latest actuarial valuation which was carried out as at 31 March 2016 indicated that the plan was adequately funded.

The amounts recognized in the statement of financial position in respect of the plan were determined as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Fair value of plan assets	543,597	414,279
Present value of funded obligations	(189,041)	(151,637)
	354,556	262,642
Unrecognised asset due to limit	(262,268)	(169,490)
Asset in the statement of financial position	<u>92,288</u>	<u>93,152</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

14. POST-EMPLOYMENT BENEFIT ASSET (CONT'D):

The amount recognized in profit or loss in respect of the plan was as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Service cost	6,648	5,945
Interest cost	(9,645)	(8,519)
	<u>(2,997)</u>	<u>(2,574)</u>

The amount recognized in other comprehensive income in respect of the plan was as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Change in financial assumption	16,050	-
Actuarial gain	(82,195)	6,730
Change in effect of the asset ceiling	<u>76,676</u>	<u>(9,000)</u>
	<u>10,531</u>	<u>(2,270)</u>

The movement in the fair value of plan assets in respect of the plan was as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Balance at start of year	414,279	378,907
Employee contributions	6,670	6,826
Employer contributions	10,486	9,923
Actual return on plan assets	125,114	31,743
Benefits paid	(6,632)	(6,484)
Charges	<u>(6,320)</u>	<u>(6,636)</u>
Balance at end of year	<u>543,597</u>	<u>414,279</u>

The defined benefit plan of the corporation is exposed to a number of risks. Investments are diversified, as such the failure of any single investment should not have a material impact on the overall level of assets. Pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pool funds. The risks affecting the plan are investment risk, salary risk, changes in life expectancy and yields and interest rate.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

14. POST-EMPLOYMENT BENEFIT ASSET (CONT'D):

The actual return on plan assets was \$125,114,000 (2015 - \$31,743,000).

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment portfolio. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

Expected employer's contributions for the year ending 31 March 2017 amount to \$6,851,000.

The distribution of plan assets in respect of the plan was as follows:

	<u>2016</u>	<u>2015</u>
	<u>%</u>	<u>%</u>
Pooled investment funds -		
Equity fund	12	3
Mortgage and real estate fund	42	33
Fixed income fund	13	21
Money market fund	12	15
International equity fund	3	4
Purchased annuities	1	1
Global market fund	-	-
Global bond fund	10	14
CPI indexed fund	<u>7</u>	<u>9</u>
	<u>100</u>	<u>100</u>

The movement in the present value of the funded obligation in respect of the plan was as follows:

	<u>2016</u>	<u>2015</u>
	<u>\$'000</u>	<u>\$'000</u>
Balance at start of year	151,637	134,420
Service cost	6,648	5,945
Interest cost	14,098	12,469
Member contributors	10,486	9,923
Benefits paid	(6,632)	(6,484)
Actuarial gains	<u>12,804</u>	<u>(4,636)</u>
	<u>189,041</u>	<u>151,637</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

14. POST-EMPLOYMENT BENEFIT ASSET (CONT'D):

The three-year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan, and experience adjustments for plan assets and liabilities in respect of the plan are as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>	<u>2014</u> <u>\$'000</u>
Fair value of plan assets	543,597	414,279	378,907
Defined benefit Obligation	(189,041)	(151,637)	(134,420)
	<u>354,556</u>	<u>262,642</u>	<u>244,487</u>
Experience adjustments - Fair value of plan assets	78,831	(11,366)	-
Defined benefit obligation	(<u>3,364</u>)	(<u>4,636</u>)	(<u>46,269</u>)

The principal actuarial assumptions used were as follows:

	<u>2016</u>	<u>2015</u>
Discount rate	9.0%	9.5%
Long term inflation rate	5.5%	6.0%
Future salary increases	5.5%	6.0%
Average expected remaining working lives	<u>25 Yrs</u>	<u>26 Yrs</u>

Mortality assumptions are based on the American 1994 Group Annuitant Mortality (GAM94 table).

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

15. DEFERRED TAXATION:

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Net asset at beginning of year	-	-
Credited to income for the year (note 11)	11,463	-
Debited to fair value reserve	<u>-</u>	<u>-</u>
Net asset at end of year	<u>11,463</u>	<u>-</u>

Deferred income tax (liabilities)/assets are due to the following items:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Deferred income tax assets:		
Property, plant and equipment	9,772	5,621
Interest payable	651	1,920
Tax losses	-	13,725
Vacation leave	<u>3,458</u>	<u>4,518</u>
	<u>13,881</u>	<u>23,291</u>
Deferred income tax liabilities:		
Retirement benefit	(2,417)	(23,288)
Interest receivable	<u>(1)</u>	<u>(3)</u>
	<u>(2,418)</u>	<u>(23,291)</u>
Net asset	<u>11,463</u>	<u>-</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

16. LOANS RECEIVABLES:

(a) Loans and advances are comprised of:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Gross loans and advances	66,333	72,548
Provisions for loans and losses	(65,730)	(70,706)
	603	1,842
Loan interest receivable	5	10
	608	1,852
Less: Current portion	-	(118)
	<u>608</u>	<u>1,734</u>

These represent loans disbursed to various micro and small business owners from the pool funds obtained for on-lending from Development Bank of Jamaica and the Micro Investment Development Agency (Note 23). 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.

(b) Impairment losses on loans and advances

The ageing of loans and advances and the related impairment allowances at the reporting date were as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Gross</u> <u>\$</u>	<u>Impairment</u> <u>\$</u>	<u>Gross</u> <u>\$</u>	<u>Impairment</u> <u>\$</u>
Current	603	-	820	-
1 to 3 months past due	-	-	1,032	-
3 months and over past due	<u>65,730</u>	<u>65,730</u>	<u>70,706</u>	<u>70,706</u>
	<u>66,333</u>	<u>65,730</u>	<u>72,558</u>	<u>70,706</u>

No impairment allowance has been made for loans that are not past due and there were no loans renegotiated during the year.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2015

16. LOANS RECEIVABLES (CONT'D):

(c) Specific allowances for loan losses:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Balance at beginning of year	70,706	76,030
Recovered during the year	(4,976)	(5,324)
Balance at the end of the year	<u>65,730</u>	<u>70,706</u>

17. INVENTORIES:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Inventory	876	865
Less: provision for slow moving	(308)	(355)
	<u>568</u>	<u>510</u>

18. RECEIVABLES:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Trade receivables (net)	2,423	5,599
Prepayments	510	702
GCT	3,796	5,065
Sundry receivables	<u>2,356</u>	<u>16,938</u>
	<u>9,085</u>	<u>28,304</u>

Trade receivables are stated net of bad debts provision of \$661,837 (2015 - \$Nil).

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

19. SHORT TERM INVESTMENTS:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Available-for-sale at fair value		
JMMB Money Market Fund	20,129	-
	<u>20,129</u>	<u>-</u>

20. CASH AND CASH EQUIVALENTS:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Deposits and short term investments	4,475	12,544
Local current accounts	10,498	5,645
Foreign currency current accounts	1,000	3,350
Petty cash	101	99
	16,074	21,638
Bank overdraft	-	(1,194)
	<u>16,074</u>	<u>20,444</u>

(a) Interest rate exposure -

The weighted average effective interest rates at year-end were as follows:

	<u>2016</u> <u>%</u>	<u>2015</u> <u>%</u>
Cash at bank - US\$ account	0.20	0.15
Deposits and short term investments -		
- US\$	3.16	2.10
- J\$	<u>1</u>	<u>4.30</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

21. SHARE CAPITAL:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Authorised, issued and fully paid - 100 ordinary shares of no par value	<u>1</u>	<u>1</u>

22. CAPITAL RESERVE:

This represent surplus on revaluation of land and building. These assets were donated to the Corporation by the Government of Jamaica.

23. LONG TERM LOANS:

Loans are comprised as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Ministry of Industry, Investment and Commerce (i)	5,000	5,000
Development of Bank of Jamaica Limited (ii)	40,133	95,378
Micro Investment Development Agency (iii)	10,000	11,250
Ministry of Finance	<u>55,875</u>	<u>-</u>
	111,008	111,628
Less current portion	<u>(30,640)</u>	<u>(81,941)</u>
	<u>80,368</u>	<u>29,687</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 50th Celebrations in Birmingham. The loan is interest free with no fixed payment date.

(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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

23. LONG TERM LOANS (CONT'D):

- (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 in prior 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.

24. DEFERRED INCOME:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Balance at beginning of year	1,142	1,288
Amortization charge (Note 7)	(149)	(146)
	<u>993</u>	<u>1,142</u>
Current portion	845	995
Long term portion	<u>148</u>	<u>147</u>
	<u>993</u>	<u>1,142</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 prior year to deferred income in accordance with IAS 20 Accounting for Government Grants and disclosure of Government Assistance.

25. PAYABLES:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Trade payable	12,896	25,572
GCT payable	5,189	-
Other payables	3,172	26,915
Accruals	<u>48,909</u>	<u>47,079</u>
	<u>70,166</u>	<u>99,566</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

26. PROJECT LIABILITIES:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Development Bank of Jamaica/MSME Development Fund	2,662	2,662
Income Cluster	181	181
Inter-American Development Bank (Government of Jamaica)	8,284	8,743
Steps to Work-Ministry of Labour	4,161	806
Miscellaneous	613	1,036
Tourism Enhancement Fund	<u>1,285</u>	<u>1,713</u>
	<u>17,186</u>	<u>15,141</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 Corporation is in compliance with the terms of the projects, which are stipulated in an established Memorandum of Understanding for each project.

27. RELATED PARTY TRANSACTIONS AND BALANCES:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
<u>Transactions during the year</u>		
Key management compensation -		
Key management includes executive directors		
Salaries and other short-term employee benefits	20,384	15,567
Payroll taxes - employer's portion	1,194	926
Pension contribution	<u>704</u>	<u>679</u>
	<u>22,282</u>	<u>17,172</u>
Directors' emoluments -		
Fees	10	-
Management remuneration (included in salaries above)	<u>11,758</u>	<u>8,298</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

28. LEASE COMMITMENTS:

Operating lease commitments, which are subjected to formally agreed terms at year end expire as follows:

	<u>2016</u> <u>\$'000</u>	<u>2015</u> <u>\$'000</u>
Within 1 year	878	1,122
Subsequent years (2-5)	<u>169</u>	<u>-</u>
	<u>1,047</u>	<u>1,122</u>

29. SEGMENT INFORMATION:

The corporation is an organization that offers consulting, technical and management services. It also operates a shop division that offers the sale of goods and craft items.

Based on other information presented to and reviewed by the CODM, the entire operations of the corporation are considered as one operating segment.

Financial information related to the operating segment results from continuing operations for the period ended 31 March 2016, can be found in the statement of profit or loss and other comprehensive income. There are no differences in the measurement of the reportable segment results and the corporation's.

Details of the segment assets and liabilities for the period ended 31 March 2016, can be found in the statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the corporation's assets and liabilities.

Entity-wide disclosures:

The revenue for operations can be found in the statement of comprehensive income.

The corporation does not have any customers from which revenue exceeds 10% of total revenue.

JAMAICA BUSINESS DEVELOPMENT CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****31 MARCH 2016****30. NON-CASH TRANSACTION IN FINANCING ACTIVITIES:**

	<u>\$'000</u>
Long term loan - represent payment by - MOF on behalf of JBDC	<u>55,875</u>

31. CONTINGENCIES:

The corporation has an outstanding legal matter involving dispute over termination of employment with an individual no provision has been made in the financial statements for this claim. The matter is to be concluded on 10 February 2017.

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	29,500	-	-	-	29,500
Director 1	5,500	-	-	-	5,500
Director 2	5,500	-	-	-	5,500
Director 3	5,500	-	-	-	5,500
Director 4	5,500	-	-	-	5,500
Director 5	10,667	-	-	-	10,667
Director 6	8,000	-	-	-	8,000
Director 7	8,000	-	-	-	8,000
Director 8	17,667	-	-	-	17,667
Director 9	6,667	-	-	-	6,667
Director 10	5,333	-	-	-	5,333
Director 11	5,333	-	-	-	5,333
Director 12	2,667	-	-	-	2,667
Director 13	19,333	-	-	-	19,333
Director 14	8,000	-	-	-	8,000
Director 15	8,000	-	-	-	8,000
Director 16	5,333	-	-	-	5,333

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		Salary	Gratuity or Performance Incentive	Travelling Allowance	Pension	Other Allowances	Non-Cash Benefits (\$)	Total
	Year	(\$)	(\$)	or	or	(\$)		(\$)
				Value of Assignment of Motor Vehicle	Other Retirement Benefits	*Seniority Allowance & Acting Allowance		
				(\$)	(\$)			
Chief Executive Officer	2015-2016	8,377,014		994,740	393,318			9,765,072
Deputy C.E.O	2015-2016	6,394,589		1,158,672	310,436	9,278		7,872,975
Finance Manager	2015-2016	4,714,000		1,158,672	226,664			6,099,336
Director, Incubator & Resource Centre	2015-2016	1,870,805	1,424,930	414,681				3,710,416
Technical Services Mgr	2015-2016	3,398,760		1,158,672	212,401	222,377		4,992,210
Human Resource Mgr	2015-2016	1,960,025		752,120	49,001			2,761,145
Mgr-Things Jamaican	2015-2016	3,258,187		1,107,853	161,385	109,336		4,636,760
Mgr-I.T	2015-2016	3,174,441		1,158,672	152,232			4,485,345
Mgr –Project Mgmt and Research	2015-2016	3,067,940		1,158,672	147,084			4,373,696
Mgr –Business Advisory Services	2015-2016	3,398,760		1,158,672	168,651	114,089		4,840,173
Mgr –Corporate Communications	2015-2016	1,496,632		670,810	38,037			2,205,479
Mgr-Financial Services Support	2015-2016	662,936		304,914	33,147			1,000,997
Mgr –Administration	2015-2016	2,414,481		610,971	115,678			3,141,130

Notes

1. Where contractual obligations and allowances are stated in a foreign currency, the sum in that stated currency 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 quantified and stated in the appropriate column above.



JAMAICA BUSINESS DEVELOPMENT CORPORATION

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