Jamaica Business Development Corporation

ANNUAL REPORT

2011-2012

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OUR MISSION

To pursue development 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.

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CHAIRMAN'S MESSAGE

The Jamaica Business Development Corporation has completed another year of providing important support to the MSME sector.

As an organization we acknowledge the contribution the sector is making to the economic development of Jamaica. However, for JBDC, we are committed to guiding and assisting the sector in realizing its fullest potential.

Our staff, during this year, was in constant dialogue with clients in the field, particularly through the Jamaica Business Information Centres (JAMBIC) located island wide. The valuable information shared, guided in the development of programmes relevant to those needs.

During the year, over 1000 clients received technical assistance in areas of 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, pattern-making and packaging and labelling services.

Additionally, approximately 1800 persons benefited from over 140 training sessions in areas such as: record-keeping, business plan preparation, costing, money management etc.

JBDC also delivered business development training to 820 beneficiaries of the PATH Programme as part of The ***Steps to Work Programme***. Three hundred and sixty-nine (369) of the total beneficiaries were starting new businesses.

It is our view as the service providers, that it was a good year. It is our hope that our clients share this view.

The Board expresses our sincere appreciation for commitment and focused work of the JBDC Team. We look forward to a new year with our clients soaring to new levels of achievement. We want to know "How can we help you?"

PATRICK LAWRENCE
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S MESSAGE

The fiscal year 2011-12 was yet another challenging period for the Jamaica Business Development Corporation. JBDC acknowledges the context of operation in the world and that the challenges of this world suggest that businesses, whether public or private, must be fully prepared to navigate all the rivers and mountains. Fortunately, we have a committed group of stakeholders who are equal to the task of ensuring that our client group is prepared to do business in this environment.

This year, JBDC continued its developmental work in both traditional and non-traditional sectors. The Furniture Industry got a major boost through a revitalized and restructured development programme. The Furniture Jamaica project as it is more popularly known, had as its main objective upgrading of the skills and income of the furniture and wooden products manufacturers' islandwide. A survey confirmed that they have been experiencing competition from inexpensive imports, raw material shortage and archaic production processes. This meant hosting several sensitization sessions with industry stakeholders to develop an approach to addressing these issues.

Some of the resulting outputs were market and consumer research which provided an indication of consumer's interest in Jamaican made furniture, an industry map which shows where manufacturers are located and their areas of specialization , as well as a website, www.furniturejamaica.com which is an information portal for both manufacturers and consumers.

JBDC's retail arm, Things Jamaican, also recorded significant expansion over the period. Not only has the number of suppliers increased but the opening of a new store in Negril in December 2011 has served to increase the reach of the chain into a major tourist area.

Training programmes and other interventions surpassed previous periods. This indicates that entrepreneurs are demonstrating interest in doing business within a more structured approach in compling with relevant regulations. Increased awareness of our Satellite Centres islandwide and events such as our Annual Small Business Expo, serves to create unprecedented awareness of the Corporation, its partners and its ability to facilitate new services to our client group.

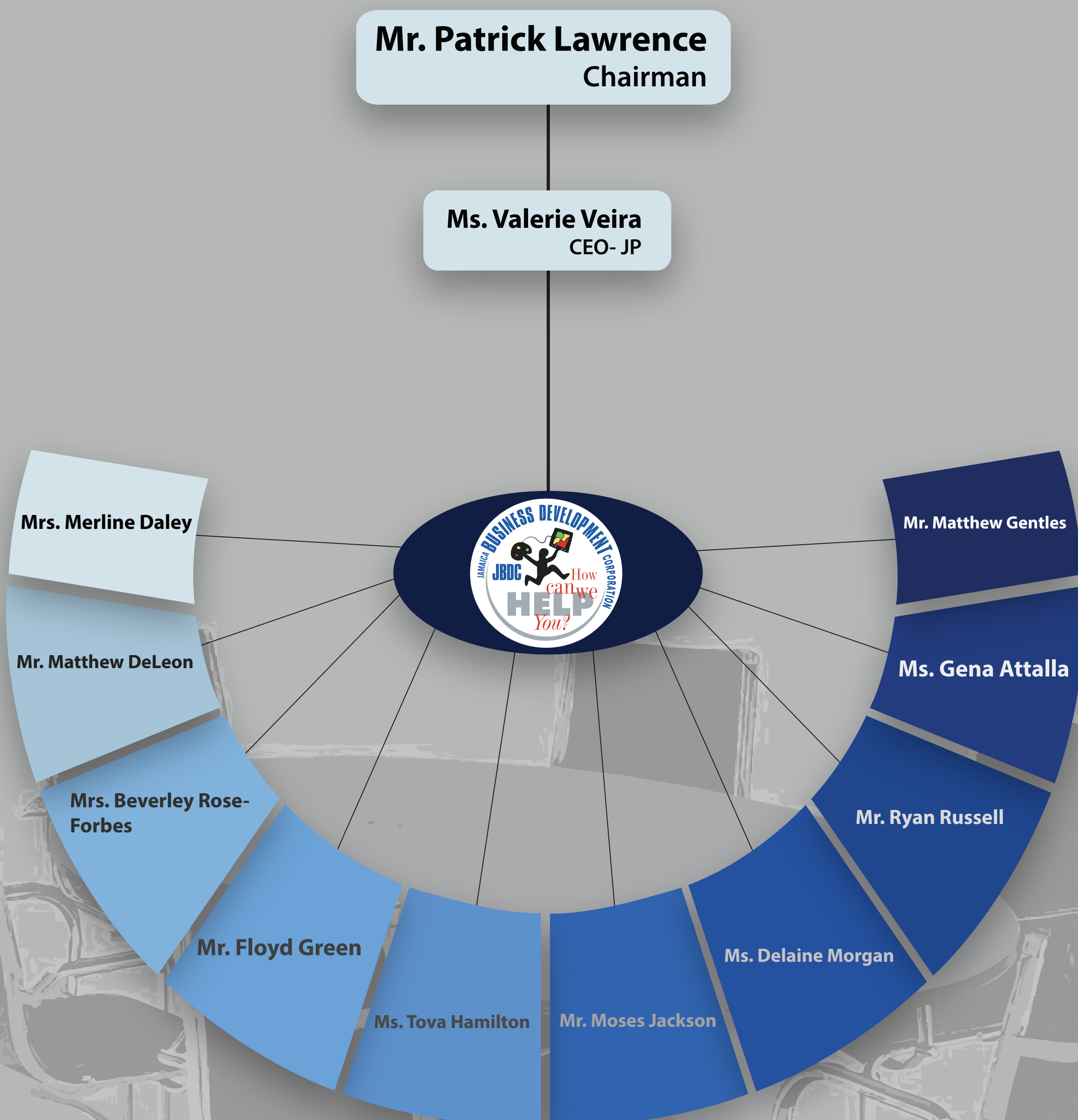
No doubt, JBDC is equal to the task.

Our team is committed to exploring innovative business processes and technological solutions with a view to continuing to guide the development of the Micro, Small and Medium-sized Business sector to successfully enter and to sustain their presence in international markets.

It is against this panorama that we continue to ask, 'How can we help you?'

VALERIE VEIRA, J.P.
CHIEF EXECUTIVE OFFICER

BOARD OF DIRECTORS



MANAGEMENT TEAM

Ms. Valerie Veira
CEO-JP

Mr. Harold Davis
Executive Director

Ms. Michele Cowan
Finance Manager

Mr. Antonios Vouranis
Chief Technical Advisor

Mrs. Mervelyn Doughorty
Human Resource Manager

Mrs. Nigel Colins
Information Technology Manager

Ms. Ann-Marie Brown
Administration Manager

Ms. Dorett Scott
Industrial Secretariat Manager

Mrs. Althea West-Myers
Business Advisory Services

Mr. Paul Chin
Financial Services Manager

Mr. Colin Porter
Technical Service Manager

Mrs. Janine Taylor
Merchandising Manager

Ms. Opal Nembhard
Resource Centre Manager

BACKGROUND

The Jamaica Business Development Centre (JBDC) was established in April 2001 as the premier government business support organization for Micro, Small and Medium-sized Enterprises (MSMEs) in Jamaica. The name of the organisation was changed on November 17, 2008 to the Jamaica Business Development Corporation, as during that year, the JBDC's portfolio was expanded with the establishing of the Incubator and Resource Centre in April 2008 and the Financial Services Unit in July 2008.

As the leading player in the provision of business support services for Jamaican businesses, the organization provides business and technical services across the spectrum, from guiding business start-ups to a wide range of consultancy services for established businesses.

The organization has over 4,000 established active clients, who have utilised a substantial suite of services and who are located across the country and represent varying sectors, including: fashion, agro-processing, craft and services. The company has over 100 multi-skilled staff of: professional business advisors, engineers and industry specialists, who provide expert support to its clients across the industrial sector.

JBDC has established a genuine one-stop facility for micro and small businesses. Through the introduction of the Incubator and Resource Centre (IRC), JBDC delivers assistance by way of one-to-one assistance to clients and community groups through projects with particular focus on Product Development, Prototype Construction and Visual Communications.

SERVICES OFFERED

The key functions of the Jamaica Business Development Corporation are carried out within five core areas. These are as follows:

BUSINESS ADVISORY SERVICES

- Business Consultation/Counseling
  - Financial & Records Management
  - Operations
  - Marketing
  - Business Formalization
  - Business Assessment
- Business Development Training
- Business Plan Preparation/Assessment
- Business Feasibility Studies
- Project Management/Implementation
- Business Monitoring/Mentoring

TECHNICAL SERVICES

- 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
- Patternmaking and packaging and labelling services.

INDUSTRIAL SECRETARIAT SERVICES

- Identification of resources for MSME developmental programme
- Project Management (project proposal preparation, project administration, monitoring and evaluation)
- Research and analysis used to inform projects and programmes
- Preparation of JBDC reports
- Collation and dissemination of MSME sector/industry information

MARKETING ASSISTANCE

- Retailing - Things Jamaican Stores
- Marketing Consultation – Product assessments, product testing and reviews
- Market Research
- Market Access – Participation in trade

FINANCIAL SERVICES

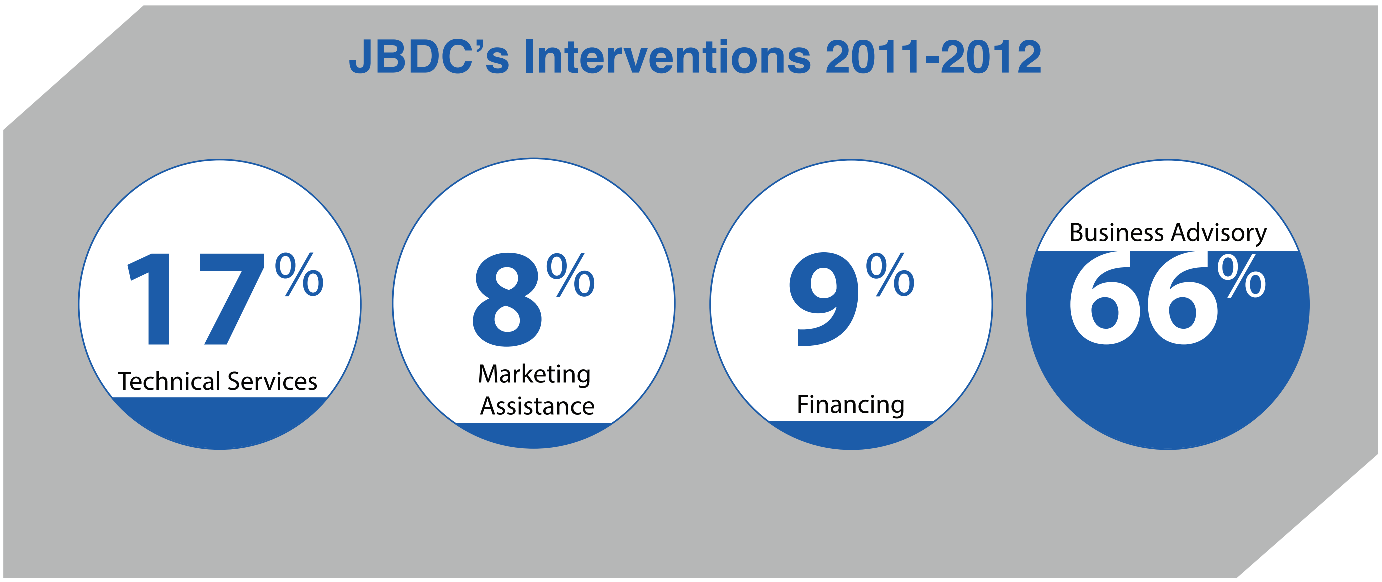
- Business Development loans to the productive sector (Start-ups, Micro & Small Enterprises)
- Financial counselling, advice and monitoring
- Loan syndication and financial brokerage services (loan and grant funds on behalf of other agencies)

Other support services such as: Information Technology, Human Resources and Public Relations are integral to the successful operations of these core services.

OPERATIONAL REVIEW

During the financial year ending March 31, 2012, JBDC administered over six thousand interventions to its clients within the MSMEs sector. Assistance was in the form of general business advice and training, technical advice, marketing and consultations.

Business advisory recorded one thousand, one hundred and sixty six (1166) new clients during the year. 53% of the total number of clients accessing JBDC's services represented existing businesses and 47% new businesses. Please see chart below for details of interventions.



In addition, JBDC managed/implemented four major projects:

1. Furniture and Wooden Products Project - Furniture Jamaica
2. Steps to Work Programme
3. RADA/European Union Banana Support Project
4. The Cocoa Industry Board Farmer Business Development Training Project

JBDC's support and contribution to tertiary education:

Over the past five years, Ms. Valerie Veira (CEO) led a JBDC team and industry partners in ldelivering on the course "New Venture Creation and Entrepreneurship" in the Management Studies department at the University of the West Indies. Six hundred and fifty two (652) students from various faculties have successfully completed the course.

The team was asked in January 2012 to also present the course "Introduction to Entrepreneurship" Over 100 students have registered for this course.

***An intervention is the delivery of JBDC's products and services to each client.**

JBDC INCUBATOR AND RESOURCE CENTRE

The JBDC Incubator and Resource Centre (IRC), located on Marcus Garvey Drive, provides hand-holding and 'incubation' services for start-up and existing small businesses. During the year, there were various Technical Assistance delivered to our micro, small and medium enterprise clients. These included:

- *Pattern Making Assistance*
- *Product Development and Collection Development*
- *Agro-processing*
- *Training*
- *Factory visits*
- *Incubation services*

FASHION RESOURCE CENTRE

'From Fabric to Fashion'

In its quest to assist in the sustainable development of a dynamic MSME, the JBDC's Fashion Resource Centre presented a series of fashion workshops to expose the participants to the complete process of fashion designing and manufacturing.

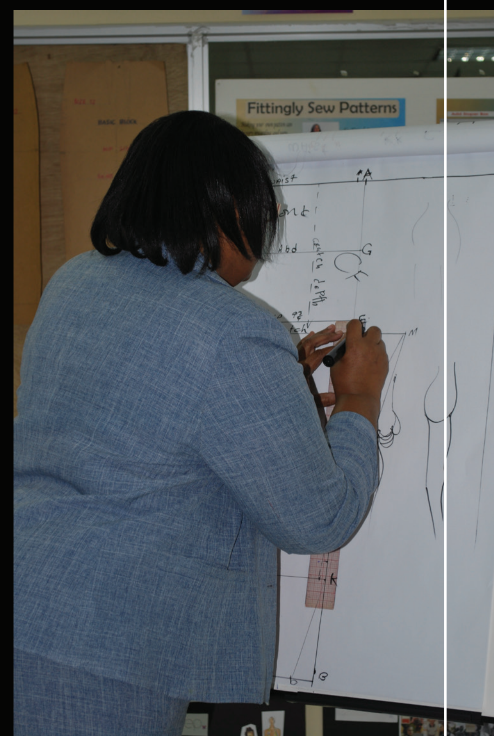
The workshops addressed design and production weaknesses and enhanced the strengths of approximately ten (10) participants over a period of seven weeks. The workshop delivered training in:

Trends
Line and Collection development
Textile
Quality assurance
Good manufacturing practices
Pattern making
Apparel engineering
Clothing construction techniques

The training was delivered in a very practical format where specific products were manufactured through the product development process.

The workshops culminated in a fashion show. The participants have been able to provide products that can compete within the global marketplace.

Fashion Work Shop

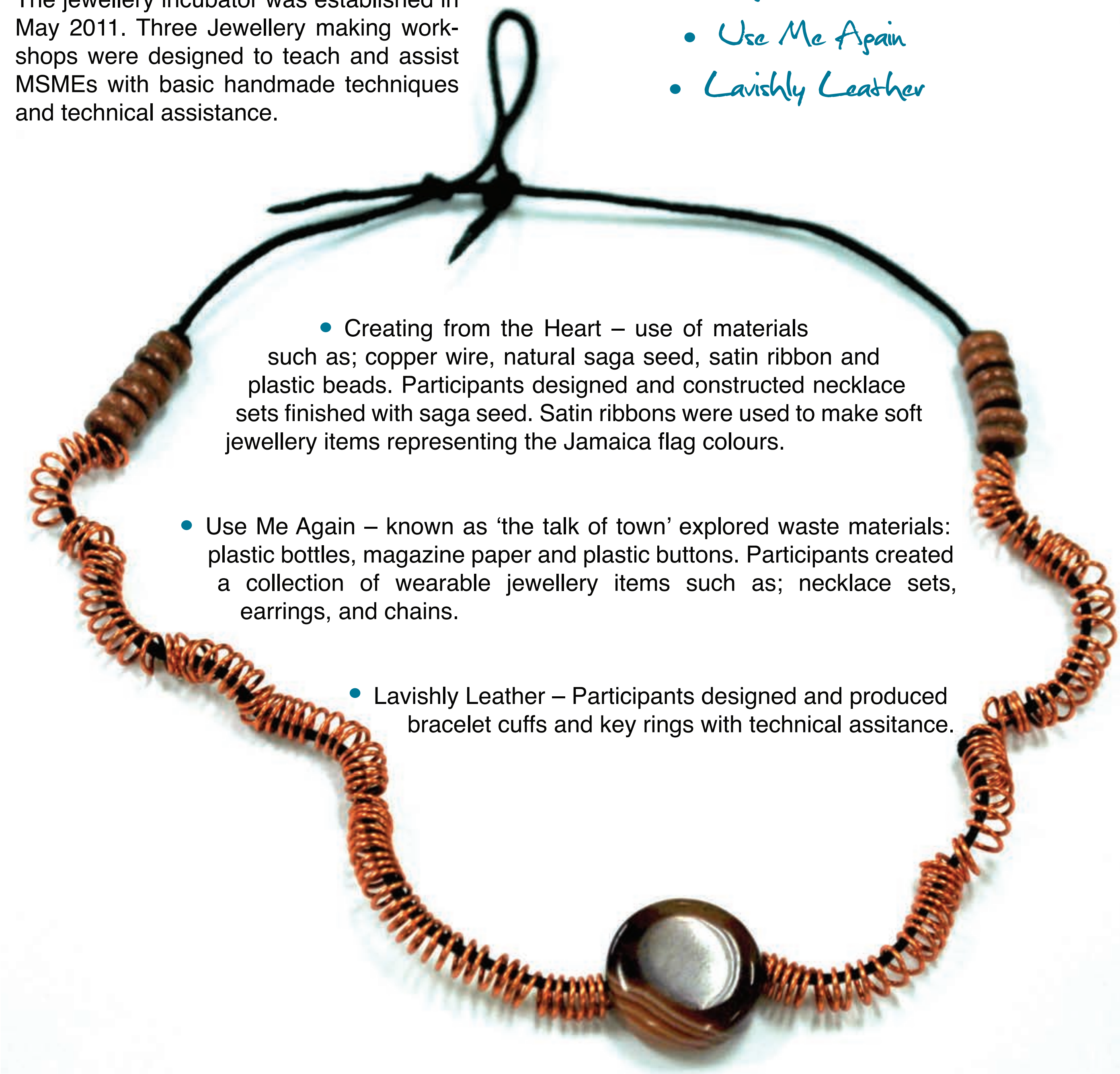


Coordinator
Delrose Campbell

Waste to Profit

The jewellery incubator was established in May 2011. Three Jewellery making workshops were designed to teach and assist MSMEs with basic handmade techniques and technical assistance.

- Creating from the Heart
- Use Me Again
- Lavishly Leather



- Creating from the Heart – use of materials such as; copper wire, natural saga seed, satin ribbon and plastic beads. Participants designed and constructed necklace sets finished with saga seed. Satin ribbons were used to make soft jewellery items representing the Jamaica flag colours.

- Use Me Again – known as 'the talk of town' explored waste materials: plastic bottles, magazine paper and plastic buttons. Participants created a collection of wearable jewellery items such as; necklace sets, earrings, and chains.

- Lavishly Leather – Participants designed and produced bracelet cuffs and key rings with technical assitance.

Jewellery

Product Development Officer/Jewellery Specialist
Donna-Gay Uter

Each workshop was divided into two categories - practical exercise and the other covered costing and pricing done by BAS and Intellectual properties protection.

A total of forty three (43) persons were trained during the workshops.

FOOD RESOURCE CENTRE

The Rural Agricultural Development Authority (RADA) contracted JBDC's Food Resource Centre (FRC) to provide workshop for 15 Home Economics Officers in developing products from local staples such as roots, tubers and tree crops. Specifically targeted were yam, cassava and breadfruit, which had already been processed into flour.

Special focus was on extending the shelf life, creative branding and labeling of packaged products.

Catering events
FRC provided catering services for twenty-one (21) events held for both internal and external clients.

Bun Making Workshop
FRC trained eleven (11) persons in bun making. The training included three (3) types of bun:

Vegetarian
Diabetic
Conventional

Food Coordinator
Delarese Mills

Video Shoot

FRC first video shoot demonstrating the making of Vegetarian Wraps was produced for viewers to watch on Youtube and create their own vegetarian wraps.

The Things Jamaican store added a new store to the chain of retail outlets. There are currently six (6) outlets:

- Boardwalk Village (Norman Manley Boulevard – Negril)
- Corporate Store (located at JBDC Head Office)
- Port Antonio Marina
- Devon House
- Norman Manley International Airport
- Donald Sangster International Airport

All products sold in the stores are authentic Jamaican products representing the best of Jamaica in processed food and confectionery, fashion, gift and craft, home and accessories sectors
.

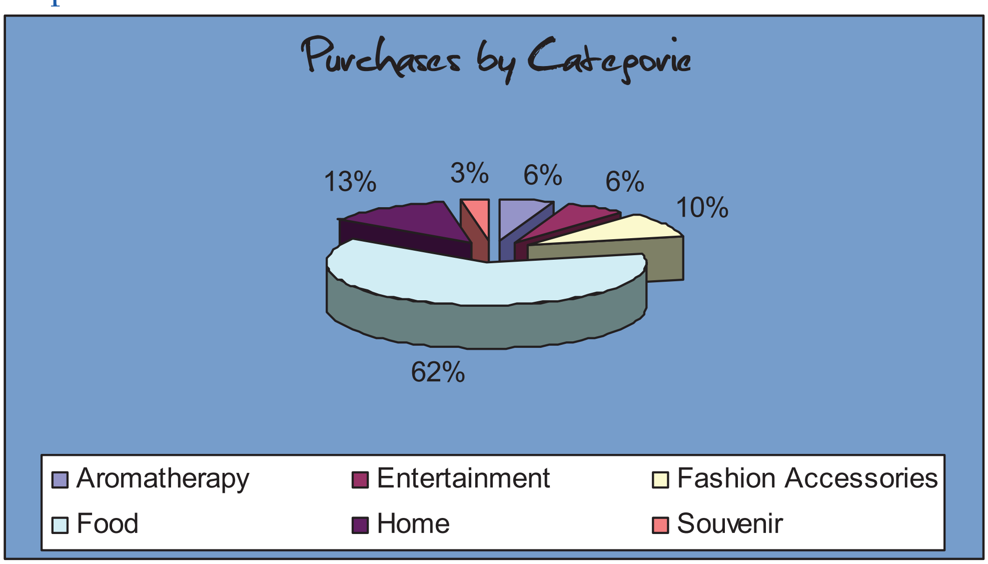
Marketing Consultation/ Product Review and Analysis.

Things Jamaican screened one hundred and thirty nine (139) products. Of this amount -approximately 50 were new viable products. Things Jamaican took approximately 27 new products on consignment for sale in the stores.

Supplier Earnings

Supplier earnings from MSME clients totalled $56,000,887.52 for the period. Graph 1 display suppliers' earnings per sector.

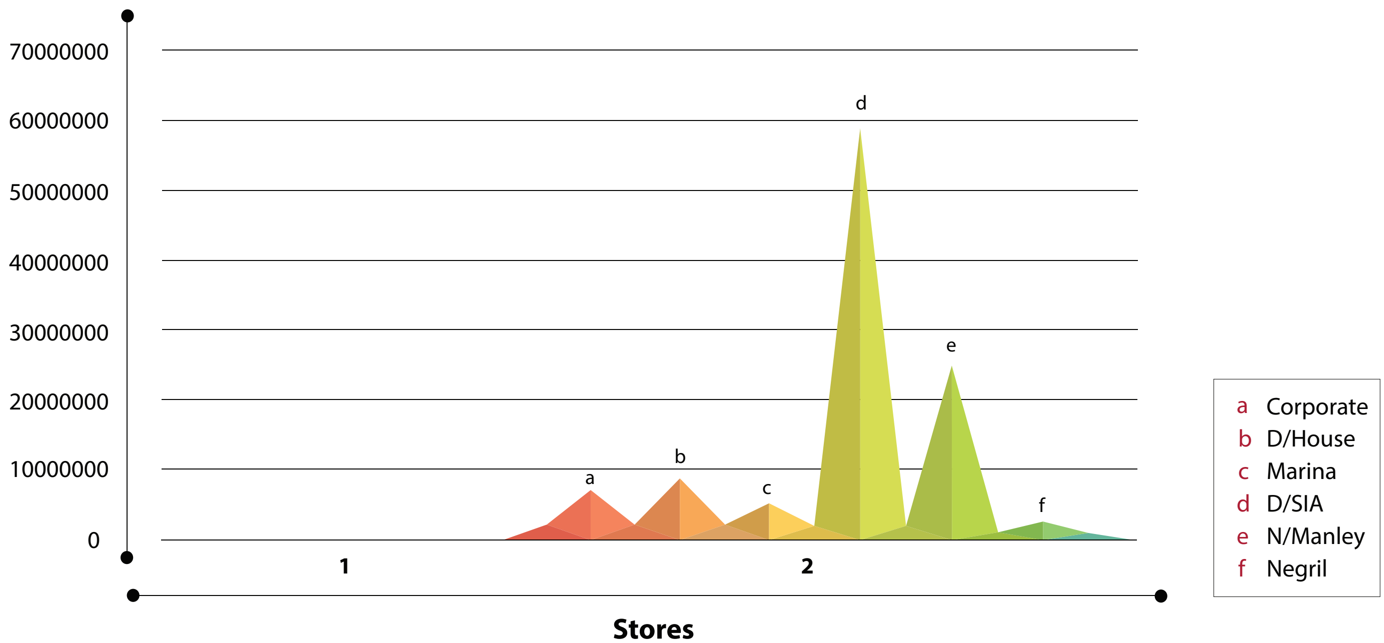
Graph 1



Sales

Total Sales for the retail stores totalled $106,822,091.80. Graph 2 represents total sales per retail outlet.

Graph 2



Small Business Expo 2011 - 'Unleashing Entrepreneurship'

Thirty five (35) exhibitors participated at the expo. Exhibitors included government agencies, financial institutions, and marketing companies providing general business services to MSMEs. Four informative sessions were held throughout the day. They included:

- Managing Cash Flow
- Small Business & Taxation: Debunking the Myths
- Are you Ready to be financed
- Long-term winners: Do they exist? Can they be spotted?

Approximately 293 participants were registered

Camp Millionaire

JBDC co-sponsored Camp Millionaire along with a host of other corporate and government agencies. Camp Millionaire was an initiative of two young entrepreneurs, Yaneek Page (Future Services International) and Leighton Davis (Wealth Magazine). The aim of the summer camp was to give teenagers a jump start into the world of entrepreneurship. The Camp ran for three weeks (July 4-22) at the Department of Management Studies, UWI.

Innovators TV Show

JBDC was an associate sponsor of the new 'entrepreneurship reality tv show titled 'The Innovators'. The show aims to show ordinary micro business operators how they could operate their businesses more efficiently and as a result turn a profit by utilising existing resources.

JBDC as the official entrepreneurship centre provided effective guidance and business support to the participants in the show through the Business Advisory Services Unit and the Incubator & Resource Centre in three episodes.

Financial Services Unit

JBDC commenced the provision of business development loans to eligible applicants within the productive MSME sector in January 2009. This was in an effort to address the constraints and lack of access that this sector experiences in securing loan funding for the start or expansion of their businesses.

Major Outputs/Targets Achieved
As at March 31, 2012, JDBC through its Financial Services Unit onlend a total of $72,847,695 to sixty three (63) businesses; which fall under the productive sector (eg. Manufacturing, agriculture, agro-processing) or is a part of the support services of these sectors

Programmes/ Projects

The JBDC through its programmes seeks to provide business opportunities in new and emerging markets through its involvement in several projects. The two main projects for 2011-2012 were the Furniture Jamaica Project (FWP) and the European Banana Support Programme (RADA/EUBSP). These projects, amongst others, provide important opportunities for persons to learn income-generating skills and produce quality products/provide services that will improve their economic well-being as well as that of the country. Through these interventions, persons can achieve or increase their economic independence and self-worth.

The Furniture Jamaica Project (FWP) 2011-2014

In 2011 JBDC launched the Furniture Jamaica programme. The project seeks to increase the competitiveness of the Furniture and Wooden Products (FWP) sector. An important outcome will be the improvement in the supply of locally manufactured furniture and wooden products to both the domestic and international markets. Achievements of the project thus far include:

An Industry Study
A Design Centre
Furniture Jamaica Sensitization Sessions
Audits & Assessment of furniture manufactures' facilities
Turbo CAD training - conducted by international consultant Robert Berry.
The Market Research

FURNITURE JAMAICA

Robert Berry CEO of CADCourse
Demonstrates TurboCAD to Carlon Bartley of Bartley's Manufacturer.

RADA/European Union Banana Support Project (RADA/EUBSP)

This project was targeted at providing business development assistance to active business groups located in the parishes which were affected by the downturn in the Banana Industry.

Four (4) groups were selected for assistance under the project:

The Banfi Craft Group (St. Thomas)
The Pera Point Women's Group (St. Thomas)
The Buff Bay Valley Community Women's Group (Portland)
The Upper St. James Banana Growers Council (St. James)

The groups were trained with an emphasis on increasing their competitiveness within their skilled areas and also to engage in good business practices.

A total of 72 persons benefited from the workshops. Achievements of the project include:

Business training in:

Entrepreneurship
Marketing
Financial Management and Group Dynamics.

Product Development training on:

Finishing
Labeling
Trends and New Product Creation.

Steps To Work Programme

The Steps to Work Programme is an initiative from the Planning Institute of Jamaica with the objective of raising the economic self-sufficiency of Jamaicans on welfare through entrepreneurship. The programme's objective called for a multi-agency approach to effectively facilitate the relevant support in the diverse areas of: job search assistance and labour market intermediation, remedial education, skills and competencies training, on-the-job training and apprenticeship, business development, micro-enterprise support, and care support services to meet the needs of poor working families.

The JBDC signed a Memorandum of Understanding with The Ministry of Labour & Social Security (MLSS) whereby JBDC was mandated to deliver business development training to beneficiaries of the PATH Programme who expressed an interest in entrepreneurship.

Results:
The engagement benefited 820 PATH beneficiaries
Thirty-three (33) three (3) day Business Development Training
77 Males: 743 Females
Three hundred and sixty-nine (369) partcipants were starting new businesses.

Sector breakdown 2011-2012

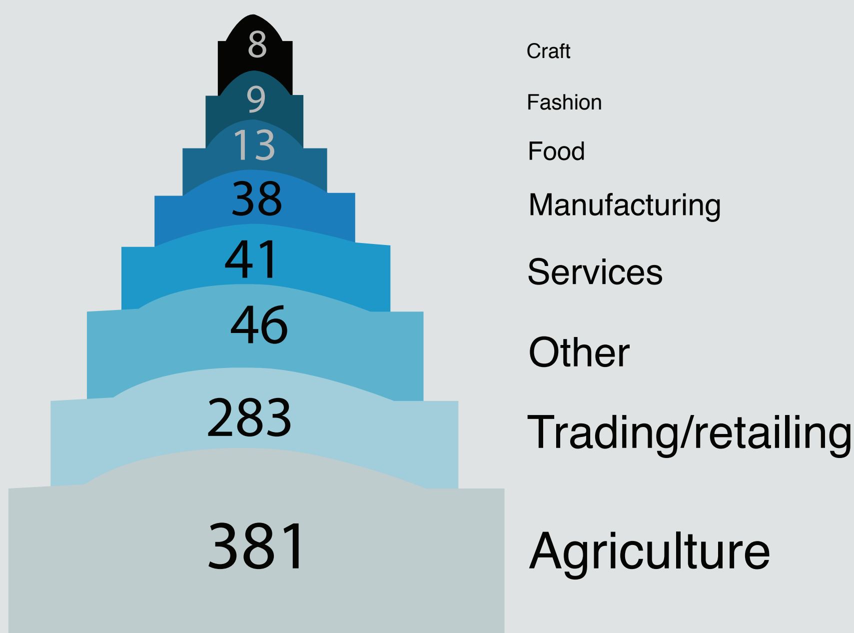


Figure 2: Showing sector breakdown of participants trained

The Cocoa Industry Board Farmer Business Development Training Project Sponsored by The European Union and The Government of Jamaica

The Jamaica Business Development Corporation (JBDC) was contracted by the Cocoa Industry Board (CIB) through the International Partnership Initiative (IPI) to conduct a series of business development workshops for the CIB's members. The training intervention was designed to reflect the specific requirements of the Ministry of Agriculture in helping farmers to develop an entrepreneurial mindset. The training provided participants with practical guidance geared towards enhancing their capacity to effectively plan and implement activities that will impact business growth and prosperity, resulting in the enhancement of the cocoa industry, the small business sector and the Jamaica at large.

Training was conducted in the parishes of Portland and St. Mary. The Business Development Course covered the following areas:

- Starting a Business
- Marketing
- Financial Management
- Information Technology
- Business Math
- Business Law

Approximately one hundred and twenty six (126) participants were trained in at least one of the six modules.

Audited Financial Statements

Jamaica Business Development Corporation

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Independent Auditors' Report

To the Members of
Jamaica Business Development Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Jamaica Business Development Corporation, set out on pages 1 to 41, which comprise the statement of financial position as at 31 March 2012 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as of 31 March 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by 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, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers

Chartered Accountants
19 December 2012
Kingston, Jamaica

Jamaica Business Development Corporation

Statement of Comprehensive Income

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012	Restated 2011
		$'000	$'000
Subvention Income	5	216,056	199,044
Other income	6	92,265	81,240
		308,321	280,284
Selling and distribution expenses		(26,781)	(39,152)
Administrative expenses		(330,399)	(267,567)
Operating loss		(48,859)	(26,435)
Finance expense	9	(16,278)	(12,726)
Loss before taxation		(65,137)	(39,161)
Taxation	10	(19,884)	13,741
Net Loss, being Total Comprehensive Income for the Year		(85,021)	(25,420)

Jamaica Business Development Corporation

Statement of Financial Position

31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2012	Restated 2011	Restated 2010
		$'000	$'000	$'000
Non-Current Assets				
Intangible assets	11	161	127	85
Property, plant and equipment	12	33,952	38,057	43,456
Retirement benefit asset	13	79,561	94,356	81,607
Loans receivable	14	31,601	27,417	90,334
Deferred tax assets	23	-	4,983	-
		145,275	164,940	215,482
Current Assets				
Inventories	15	7,272	8,510	14,382
Receivables	16	9,650	22,645	15,289
Current portion of loans receivable	14	29,740	43,720	18,664
Taxation recoverable		8,493	6,801	5,789
Cash and cash equivalents	17	111,713	132,491	55,839
		166,868	214,167	109,963
Current Liabilities				
Bank overdraft	17	12,323	2,019	3,157
Payables	18	44,689	38,833	30,013
Project liabilities	19	22,022	15,810	22,843
Borrowings	20	59,137	32,098	28,907
Taxation payable		14,923	14,923	14,923
		153,094	103,683	99,843
Net Current Assets		13,774	110,484	10,120
		159,049	275,424	225,602
Shareholders' Equity				
Share capital	21	1	1	1
Fixed asset reserve	22	43,104	43,672	44,240
(Accumulated deficit)/retained earnings		(49,202)	35,251	60,103
		(6,097)	78,924	104,344
Non-current liabilities				
Borrowings	20	150,245	196,500	112,500
Deferred tax liabilities	23	14,901	-	8,758
		159,049	275,424	225,602

Approved for issue by the Board of Directors on 19 December 2012 and signed on its behalf by:

Valerie Veira	Director	Beverley Rose-Forbes	Director

Jamaica Business Development Corporation

Statement of Changes in Equity

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Number of Shares	Share Capital $'000	Fixed Asset Reserve $'000	Accumulated Deficit/ Retained Earnings $'000	Total $'000
Balance at 1 April 2010, as restated	26	100	1	44,240	60,103	104,344
Transfer from reserves	22	-	-	(568)	568	-
Net loss, as restated	26	-	-	-	(25,420)	(25,420)
Total comprehensive income		-	-	(568)	(24,852)	(25,420)
Balance at 31 March 2011, as restated	26	100	1	43,672	35,251	78,924
Transfer from reserves	22	-	-	(568)	568	-
Net loss		-	-	-	(85,021)	(85,021)
Total comprehensive income		-	-	(568)	(84,453)	(85,021)
Balance at 31 March 2012		100	1	43,104	(49,202)	(6,097)

Jamaica Business Development Corporation

Statement of Cash Flows

Year ended 31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

	2012 $'000	Restated 2011 $'000
CASH RESOURCES WERE PROVIDED BY:		
Cash flows from operating activities (Note 25)	4,035	3,496
Cash Flows from Financing Activities		
Long term loans received	10,000	120,000
Long term loans repaid	(27,755)	(32,000)
Short term loan	-	(1,383)
Interest paid	(18,990)	(12,978)
Cash (used in)/provided by financing activities	(36,745)	73,639
Cash Flows from Investing Activity		
Purchase of property, plant and equipment	(1,976)	(1,301)
Purchase of intangible assets	(119)	(99)
Interest received	3,651	2,293
Cash provided by investing activity	1,556	893
Effect of exchange rate changes on cash and cash equivalents	72	(238)
(Decrease)/increase in cash and cash equivalents	(31,082)	77,790
Cash and cash equivalents at beginning of year	130,472	52,682
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	99,390	130,472

Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

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

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

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

2. Significant Accounting Policies

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

(a) Basis of preparation

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

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

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

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

IAS 1 (Amendment), 'Presentation of financial statements' (effective from 1 January 2011). This amendment requires retrospective application. The amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The corporation has elected to continue analysis of other comprehensive income in the statement of changes in equity.

Jamaica Business Development Corporation

Notes to the Financial Statements

31 March 2012

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

IAS 24 (Revised), 'Related party disclosures' (effective from 1 January 2011). The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Corporation has adopted the revised standard effective 1 April 2011 however there has been no significant impact on its related party disclosures.

IFRS 7, 'Financial Instruments Disclosures' (effective from 1 January 2011) This amendment clarifies the disclosure requirement by emphasising the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. Quantitative and qualitative financial risk management policies and exposures are disclosed in Note 3.

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the corporation's accounting periods beginning on or after 1 April 2011 or later periods, but were not effective at the date of the statement of financial position, and which the corporation has not early adopted. The corporation has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1, 'Presentation of financial statements' (effective from 1 July 2012). The amendment requires entities to separate items presented in OCI into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled such as revaluation gains on property, plant and equipment will be presented separately from items that may be recycled in the future, such as deferred gains and losses on cash flow hedges. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately. The Corporation will adopt the amendments from 1 April 2013. The adoption of this amendment is not expected to have a significant impact on the Corporation's financial statements.

Amendments to IFRS 7, 'Financial instruments: Disclosures' (effective from 1 July 2011). This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets. The adoption of this amendment is not expected to have a significant impact on the Corporation's financial statements.

IFRS 9, 'Financial instruments' (1 January 2015). The standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The determination of classification will be made at initial recognition, and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Management is assessing the timing of its adoption by the Corporation, and the potential impact of adoption.

Jamaica Business Development Corporation

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2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective
IFRS 13, 'Fair value measurement' (effective from 1 January 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. Management is assessing the impact of adoption on the Corporation.

(b) Foreign currency translation

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

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

(c) Intangible assets
Computer software is capitalised on the basis of costs incurred to acquire and bring to use the specific software. These are amortised on the basis of the expected useful lives (3 years).

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

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

Land is not depreciated.

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

Jamaica Business Development Corporation
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2. Significant Accounting Policies (Continued)

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

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

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

(ii) Deferred income taxes
Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

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

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

(g) Employee benefits

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

The asset or liability in respect of defined benefit plans is the difference between the present value of the defined benefit obligation at the statement of financial position date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service cost. Where a pension asset arises, the amount recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of operations so as to spread the regular cost over the service lives of the employees in accordance with the advice of the actuaries, who carry out a full valuation of the plans every year.

Jamaica Business Development Corporation

Notes to the Financial Statements

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2. Significant Accounting Policies (Continued)

(g) Employee benefits (Continued)

(i) Pension assets (continued)

The pension obligation is measured at the present value of the estimated future cash outflows using discount estimated rates based on market yields on government securities which have terms to maturity approximating the terms of the related liability. A portion of actuarial gains and losses is recognised in the statement of operation if the net cumulative unrecognised actuarial gains or losses at the end of the previous reporting period exceeded 10 percent of the greater of the present value of the gross defined benefit obligation and the fair value of plan assets at that date. Any excess actuarial gains or losses are recognised in the statement of comprehensive income over the average remaining service lives of the participating employees.

(ii) Annual leave entitlements

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

(iii) Termination benefits

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

(h) Loans receivable

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

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

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

Write-offs are made when all or part of a loan is deemed uncollectible or in the case of debt-forgiveness. 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 recoveries bad debt in the statement of comprehensive income.

(i) Inventories

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

2. Significant Accounting Policies (Continued)

(j) Trade receivables

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

(k) Trade payables

Payables are stated at historical cost.

(l) Borrowings

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

(m) Cash and cash equivalents

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

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Corporation's activities. Revenue is shown net of General Consumption Tax, returns, rebates and discounts and after eliminated sales within the Corporation. Revenue is recognised as follows:

Subvention income

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

Sales of goods – retail

Sales of goods are recognised when the Corporation sells a product to the customer. Retail sales are usually on a cash basis.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

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

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

2. Significant Accounting Policies (Continued)

(p) Financial instruments

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

Financial assets

The Corporation classifies its financial assets in the following categories: loans and receivables, and financial assets at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. At statement of financial position date, loans to customers and trade receivables were classified as loans and receivables and cash and short term deposits were classified as financial assets at fair value through profit or loss.

Financial liabilities

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

3. Financial Risk Management

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

The Corporation's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Corporation regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Corporation's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas.

(a) Credit risk

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

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

Jamaica Business Development Corporation

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process

(i) Trade and other receivables

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

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

(ii) Cash and short term deposits

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

(iii) Loans

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

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

The Corporation manages concentrations of credit risk by placing limits on the amount of risk accepted in relation to a single borrower or groups of related borrowers. Borrowing limits are established by the Development Bank of Jamaica. The maximum amount to be onlent to each borrower is set at $5,000,000.

Collateral

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

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Credit review process (continued)

(iii) Loans (continued)

Impairment

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

The Corporation performs impairment assessment on individual balances.

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

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

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

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

Jamaica Business Development Corporation

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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

	2012	2011
	$'000	$'000
Loans receivable	61,341	71,137
Trade receivables	1,968	3,015
Other receivables	171	7,479
Cash and cash equivalents	111,713	132,491
	175,193	214,122

The table above represents a worst case scenario of credit risk exposure to the Corporation at 31 March 2012 and 2011, without taking account of any collateral held or other credit enhancements.

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

	2012	2011
	$'000	$'000
Government of Jamaica Securities	92,420	122,557

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

	2012	2011
	$'000	$'000
Shops	498	394
Graphic department	1,707	2,786
Other	-	1
	2,205	3,181
Less: Provision for credit losses	(237)	(166)
	1,968	3,015

All trade receivables are receivable from customers in Jamaica.

Jamaica Business Development Corporation

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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

Trade receivables that are less than three months past due are not considered impaired. As of 31 March 2012, trade receivables of $1,608,000 (2011 - $2,479,000) of the Corporation were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of trade receivables that are past due but not impaired was as follows:

	2012	2011
	$'000	$'000
1 to 30 days	1,465	1,961
31 to 60 days	103	376
61 to 90 days	40	8
Over 90 days	-	134
	1,608	2,479

Movement in provision for impairment of trade receivables

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

	2012	2011
	$'000	$'000
At 1 April	166	154
Provision for impairment	71	12
31 March	237	166

Jamaica Business Development Corporation

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Exposure to credit risk for loans receivable

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

	2012 $'000	2011 $'000
Agriculture	19,936	21,478
Agro-Processing	986	-
Manufacturing	53,673	52,644
Service	42,202	36,383
	116,797	110,505
Less: provisions for impairment	(55,456)	(39,368)
	61,341	71,137

Credit quality of loans

Credit quality of loans is summarised as follows:

	2012 $'000	2011 $'000
Neither past due nor impaired	43,297	50,120
Past due but not impaired	18,044	21,062
Impaired	55,456	39,323
	116,797	110,505
Less: provisions for impairment	(55,456)	(39,368)
	58,456	71,137

Jamaica Business Development Corporation
Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Aged analysis of past due but not impaired loans

Credit quality of loans is summarised as follows:

	2012 $'000	**2011 $'000**
31 to 60 days	7,178	15,148
61 to 90 days	10,866	5,914
	18,044	21,062

Of the aggregate amount of gross past due but not impaired loans, the fair value of collateral that the Corporation held was $23,949,000 (2011 - $24,305,000).

(b) Liquidity risk

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

Liquidity risk management process

The Corporation's liquidity management process includes:

(i) Maintaining committed lines of credit; and

(ii) Optimising cash returns on investment.

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

Jamaica Business Development Corporation

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

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

	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Total $'000
			2012		
Borrowings	30,538	38,429	165,592	-	234,559
Project liabilities	22,022	-	-	-	22,022
Trade payables	20,033	-	-	-	20,033
Other payables	24,656	-	-	-	24,656
Bank overdraft	12,323	-	-	-	12,323
	109,572	38,429	165,592	-	313,593
			2011		
Borrowings	18,372	25,894	236,991	-	281,257
Project liabilities	15,810	-	-	-	15,810
Trade payables	15,141	-	-	-	15,141
Other payables	23,692	-	-	-	23,692
Bank overdraft	2,019	-	-	-	2,019
	75,034	25,894	236,991	-	337,919

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

Jamaica Business Development Corporation

Notes to the Financial Statements

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3. Financial Risk Management (Continued)

(c) Market risk

The Corporation takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Corporation's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

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

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

The Corporation does not have significant international operations and, accordingly does not have significant exposure to foreign exchange risk. Changes in foreign currency rates are not expected to have a significant impact on the Corporation. Foreign exchange risk arises primarily from investment transactions. At 31 March 2012, the Corporation had net United States dollar denominated monetary assets carried at a Jamaican dollar equivalent of $4,056,000 (2011 – $9,081,000).

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

	% Change in Currency Rate 2012	Effect on Net Loss 2012 $'000	% Change in Currency Rate 2011	Effect on Net Loss 2011 $'000
Currency:				
USD	+1	41	+1	90
USD	-0.5	(21)	-0.5	(45)

Jamaica Business Development Corporation

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk
Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

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

	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
			2012		
Financial assets					
Loans receivable	6,345	15,215	36,896	2,885	61,341
Trade receivables	-	-	-	1,968	1,968
Other receivables	-	-	-	171	171
Cash and cash equivalents	96,476	-	-	15,237	111,713
Total financial assets	102,821	15,215	36,896	20,261	175,193
Financial liabilities					
Borrowings	26,875	29,375	151,500	1,632	209,382
Project liabilities	-	-	-	22,022	22,022
Trade payables	-	-	-	20,033	20,033
Other payables	-	-	-	24,656	24,656
Bank overdraft	12,323	-	-	-	12,323
Total financial liabilities	39,198	29,375	151,500	68,343	288,416
Total interest repricing gap	63,623	(14,160)	(114,604)	(48,082)	(113,223)

Jamaica Business Development Corporation

Notes to the Financial Statements
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3. Financial Risk Management (Continued)

(c) Market risk (continued)

Interest rate risk (Continued)

	1 to 3 Months $'000	4 to 12 Months $'000	1 to 5 Years $'000	Non-Interest Bearing $'000	Total $'000
			2011		
Financial assets					
Loans receivable	-	14,364	54,958	1,815	71,137
Trade receivables	-	-	-	3,015	3,015
Other receivables	-	-	-	7,337	7,337
Cash and cash equivalents	122,558	-	-	9,933	132,491
Total financial assets	122,558	14,364	54,958	22,100	213,980
Financial liabilities					
Borrowings	12,500	28,750	184,250	3,098	228,598
Project liabilities	-	-	-	15,810	15,810
Trade payables	-	-	-	15,141	15,141
Other payables	-	-	-	23,692	23,692
Bank overdraft	2,019	-	-	-	2,019
Total financial liabilities	14,519	28,750	184,250	57,741	285,260
Total interest repricing gap	108,039	(14,386)	(129,292)	(35,641)	(71,280)

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

(d) Capital management

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

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

3. Financial Risk Management (Continued)

(e) Fair values of financial instruments

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

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

(i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include receivables, cash and short term deposits, bank overdraft, payables and short term loans.

(ii) Long term loans incur interest at prevailing market rates and reflect the Corporation's contractual obligations. The carrying values of these liabilities closely approximate amortised cost, and are deemed to be the fair values of such liabilities as they attract terms and conditions available in the market for similar transactions.

(iii) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the provisions for credit losses from both book and fair values.

4. Critical Accounting Estimates and Judgements in Applying Accounting Policies

The Corporation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

(b) Critical accounting estimates and assumptions

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

(i) Income taxes

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

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

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

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

5. Subvention Income

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

6. Other Income

	2012 $'000	Restated 2011 $'000
Miscellaneous income	3,619	2,596
Gross profit – shops	47,478	45,051
Services income	22,036	16,992
Interest income	19,132	16,601
	92,265	81,240

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7. Expenses by Nature

Total administration and selling and distribution expenses:

	2012 $'000	2011 $'000
Advertising and promotion	3,037	3,216
Auditors remuneration	1,318	1,198
Bad debt expense	23,400	35,290
Depreciation and amortisation	6,166	6,757
Insurance	1,188	1,549
Other	13,531	13,331
Professional fees	10,617	10,621
Rental expenses	31,084	27,047
Repairs and maintenance	7,480	8,215
Security	5,489	4,615
Staff costs (Note 8)	229,162	175,683
Utilities and telecommunications	24,708	19,197
	357,180	306,719

8. Staff Cost

Staff costs comprise:

	2012 $'000	2011 $'000
Wages and salaries	180,651	157,181
Payroll taxes – employer's portion	11,140	9,747
Pension costs (Note 13)	19,664	(7,984)
Other	17,707	16,739
	229,162	175,683

9. Finance Expense

	2012 $'000	2011 $'000
Net foreign exchange gains	1,251	826
Interest expense -		
Bank	(17,529)	(13,552)
	(16,278)	(12,726)

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10. Taxation

The taxation charge/(credit) for the year is comprised of:

	2012 $'000	Restated 2011 $'000
Prior year over provision	-	-
Deferred tax charge/(credit) (Note 23)	19,884	(13,741)
	19,884	(13,741)

The tax expense/(income) differs from the theoretical amount that would arise as follows:

	2012 $'000	Restated 2011 $'000
Loss before tax	(65,137)	(39,161)
Tax calculated at 33 1/3%	(21,712)	(13,054)
Adjusted for the effect of:		
Unutilised tax losses	42,394	-
Income not subject to tax	(727)	(672)
Other charges and credits	(71)	(15)
	19,884	(13,741)

Subject to agreement with the Taxpayer Audit and Assessment Department, the Corporation has accumulated losses available for offset against future taxable profits, amounting to approximately $127,182,000 (2011 – $79,883,000) and may be carried forward indefinitely.

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

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11. Intangible Assets

	Computer Software $'000
Cost -	
31 March 2010	2,617
Additions	99
At 31 March 2011	2,716
Additions	119
31 March 2012	2,835
Depreciation -	
31 March 2010	2,532
Charge for the year	57
31 March 2011	2,589
Charge for the year	85
31 March 2012	2,674
Net Book Value -	
31 March 2012	161
31 March 2011	127

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12. Property, Plant and Equipment

	Land and Building	Leasehold Improvements	Furniture, Fixtures and Equipment	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
At Cost -					
At 1 April 2010	27,988	20,230	24,989	6,000	79,207
Additions	-	-	751	550	1,301
At 31 March 2011	27,988	20,230	25,740	6,550	80,508
Additions	-	855	1,121	-	1,976
At 31 March 2012	27,988	21,085	26,861	6,550	82,484
Depreciation -					
At 1 April 2010	2,195	9,333	20,637	3,586	35,751
Charge for year	400	3,308	1,825	1,167	6,700
At 31 March 2011	2,595	12,641	22,462	4,753	42,451
Charge for year	422	3,374	1,498	787	6,081
At 31 March 2012	3,017	16,015	23,960	5,540	48,532
Net Book Value -					
31 March 2012	24,971	5,070	2,901	1,010	33,952
31 March 2011	25,393	7,589	3,278	1,797	38,057

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13. Retirement Benefits

Pension scheme

	2012 $'000	2011 $'000
Assets recognised in the statement of financial position –		
Pension scheme	79,561	94,356
Amounts recognised in the statement of comprehensive income (Note 8) –		
Pension scheme	19,664	(7,984)

The Corporation participates in a defined benefit pension plan administered by Sagicor Life Jamaica Limited. Defined benefit plans are valued by independent actuaries using the projected unit credit method.

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

	2012 $'000	2011 $'000
Present value of funded obligations	(97,340)	(82,300)
Fair value of plan assets	276,865	250,997
	179,525	168,697
Unrecognised actuarial losses	(71,443)	(74,341)
Unrecognised asset	(28,521)	-
Retirement benefit asset in the statement of financial position	79,561	94,356

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

	2012 $'000	2011 $'000
At beginning of year	250,997	211,866
Actuarial gains on plan assets	16,144	32,374
Employer contributions	4,869	4,764
Employee contributions	6,548	5,984
Benefits paid	(1,693)	(3,991)
At end of year	276,865	250,997

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13. Retirement Benefits (Continued)

Pension scheme (continued)

Movements in the amounts recognised in the statement of financial position:

	2012 $'000	2011 $'000
Asset at beginning of year	94,356	81,608
Total (income)/expense	(19,664)	7,984
Contributions paid	4,869	4,764
Retirement benefit asset at end of year	79,561	94,356

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

	2012 $'000	2011 $'000
Current service cost	(6,000)	(5,275)
Interest cost	(7,332)	(6,451)
Expected return on plan assets	20,431	18,290
Change in limitation on assets	1,758	1,420
Change in unrecognised asset	(28,521)	-
Total, included in staff costs (Note 8)	(19,664)	7,984

The actual return on plan assets was $20,113,00 (2011 – $37,797,000)

Expected contributions to the plan for the year ended 31 March 2013 amount to $9,600,000.

The distribution of plan assets was as follows:

	2012 %	2011 %
Quoted equities	26	25
Real estate	4	2
Government of Jamaica securities	70	73
	100	100

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

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13. Retirement Benefits (Continued)

Pension scheme (continued)

The five-year trend for the fair value of plan assets, the defined benefit obligation and the surplus in the plan is as follows:

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Fair value of plan assets	276,865	250,997	211,866	143,282	144,788
Defined benefit obligation	(97,340)	(82,300)	(66,462)	(39,948)	(62,307)
Surplus	179,525	168,697	145,404	103,334	82,481

The principal actuarial assumptions used were as follows:

	2012 %	2011 %
Discount rate	10.0	10.5
Expected return on plan assets	6.5	8.0
Future salary increases	5.0	6.5
Future pension increases	0.0	0.0

Other assumptions:

(i) Post-employment mortality for active members and mortality for pensioners is based on the American 1994 Group Annuitant Mortality tables.

(ii) All members are expected to retire at age 65.

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14. Loans Receivable

	2012 $'000	2011 $'000
Gross loans and advances	113,912	108,690
Less: provisions for loan losses	(55,456)	(39,368)
	58,456	69,322
Add: Loan interest receivable	2,885	1,815
	61,341	71,137
Less: Current portion	(29,740)	(43,720)
	31,601	27,417

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

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

	2012 $'000	2011 $'000
Total non-performing loans	55,456	39,368

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

	2012 $'000	2011 $'000
Balance at beginning of year	39,368	12,601
Provided during the year	16,088	26,767
Balance at end of year	55,456	39,368

15. Inventories

	2012 $'000	2011 $'000
Merchandise	8,553	9,179
Less: Provision for slow moving items	(1,281)	(669)
	7,272	8,510

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16. Receivables

	2012 $'000	Restated 2011 $'000	Restated 2010 $'000
Trade	2,205	3,181	2,166
Less: Provision for doubtful debts	(237)	(166)	(154)
	1,968	3,015	2,012
GCT recoverable	6,182	10,184	9,221
Prepaid expenses	1,329	1,967	1,592
Other	171	7,479	2,464
	9,650	22,645	15,289

17. Cash and Cash Equivalents

	2012 $'000	2011 $'000
Cash	19,293	9,934
Short term deposits	92,420	122,557
	111,713	132,491
Bank overdraft	(12,323)	(2,019)
	99,390	130,472

Cash is comprised mainly of amounts held in current accounts which attract interest rates of 0.5% (2011 – 1%) per annum.

The average effective rate on Jamaican dollar denominated short term investments was 5.55 %(2011 – 6.03%) per annum and these deposits have an average maturity of 25 days (2011 – 13 days). The average effective interest rate on United States dollar denominated short term investments was 2.45% (2011 – 3.0%) per annum and these deposits have an average maturity of 30 days (2011 - 45 days).

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

18. Payables

	2012 $'000	2011 $'000
Trade	20,033	15,141
Accruals	22,679	18,081
Other	1,977	5,611
	44,689	38,833

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19. Project Liabilities

	2012 $'000	2011 $'000
Bureau of Standards	-	540
CEHI Cleaner Production Survey	-	135
Cricket World Cup Events	-	338
Development Bank of Jamaica	2,526	110
Furniture Incubator	10,568	4,329
Inter-American Development Bank (Government of Jamaica)	8,743	8,950
Inter - American Development Bank	-	(430)
Income Cluster	185	392
Jambic	-	251
Kingston Urban Renewal Project (Government of Jamaica)	-	(14)
Ornamental fish	-	1
Pro invest	-	223
Rural Enterprise Agriculture Community Tourism	-	4
TPDco/Jamaica Craft Market	-	351
United Nations Development Programme	-	283
YEP	-	80
Youth Opportunity	-	267
	22,022	15,810

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20. Borrowings

(a) Composition of borrowings:

	2012 $'000	2011 $'000
Current –		
Long term loans	59,137	32,098
Non-current –		
Long term loans	150,245	196,500
	209,382	228,598

(b) Long Term loans

	2012 $'000	2011 $'000
(i) Development Bank of Jamaica	181,500	205,500
(ii) Micro Investment Development Agency	26,245	20,000
Interest accrued	1,637	3,098
	209,382	228,598
Less: Current portion	(59,137)	(32,098)
	150,245	196,500

(i) This loan was obtained for onlending 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 onlending 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.

(ii) This loan was obtained for onlending to businesses in the productive micro and small enterprises sectors. The principal is repayable in 16 quarterly instalments commencing July 2011 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 $10 million in September 2011. The loan was acquired for onlending to businesses in the productive micro and small enterprises sectors. The principal is repayable in 18 quarterly installments 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.

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20. Borrowings (Continued)

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

	2012 $'000	2011 $'000
2012	-	29,000
2013	57,500	55,000
2014	57,500	55,000
2015	57,500	86,500
2016 and thereafter	35,245	-
	207,745	225,500

21. Share Capital

	2012 $'000	2011 $'000
Authorised, issued and fully paid -		
100 (2011 -100) no par, ordinary shares	1	1

22. Fixed Asset Reserve

	2012 $'000	2011 $'000
Balance at beginning of year	43,672	44,240
Transfers to income	(568)	(568)
	43,104	43,672

23. Deferred Income Taxes

Deferred income taxes are calculated in full on all temporary differences under the liability method using a tax rate of 33 1/3%.

	2012 $'000	Restated 2011 $'000
Deferred income tax assets	(12,995)	(37,136)
Deferred income tax liabilities	27,896	32,153
Net liability/(asset)	14,901	(4,983)

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23. Deferred Income Taxes (Continued)

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

	2012 $'000	2011 $'000
(Asset)/Liability at beginning of year	(4,983)	8,758
Charged/(credited) to the statement of comprehensive income (Note 10)	19,884	(13,741)
Liability/(asset) at end of year	14,901	(4,983)

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

	2012 $'000	2011 $'000
Deferred income tax assets:		
Accrued vacation	5,422	4,349
Property, plant and equipment – decelerated tax allowances	7,027	5,623
Interest Payable	546	480
Tax losses	-	26,624
Unrealised foreign exchange losses	-	60
	12,995	37,136
Deferred income tax liabilities:		
Unrealised foreign exchange gains	416	-
Retirement benefits	26,518	31,449
Interest receivable	962	704
	27,896	32,153

The amounts shown in the statement of financial position includes the following:

	2012 $'000	2011 $'000
Deferred tax assets to be recovered after more than 12 months	7,027	32,247
Deferred tax liabilities to be settled after more than 12 months	(26,518)	(31,449)

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24. Related Party Transactions

Key management compensation -

	2012 $'000	2011 $'000
Salaries and other short-term employee benefits	6,194	5,198
Payroll taxes – employer portion	532	437
Pension benefits	535	473
	7,261	6,108
Director's emoluments:		
Remuneration	7,381	6,126
Directors' fees	244	174

25. Cash Flows from Operating Activities

Reconciliation of net loss to cash generated from operating activities:

	2012 $'000	Restated 2011 $'000
Loss for the year	(85,021)	(25,420)
Items not affecting cash resources:		
Depreciation	6,081	6,700
Amortisation	85	57
Increase in provision for doubtful debts	71	12
Increase in provision for loan losses	16,088	26,767
Interest income	(19,132)	(16,601)
Interest expense	17,529	13,552
Unrealised foreign exchange (gains)/losses	(72)	238
Taxation	19,884	(13,741)
Retirement benefit asset	14,795	(12,749)
	(29,692)	(21,185)
Changes in operating assets and liabilities:		
Loans receivable	(5,222)	12,050
Inventories	1,238	5,872
Receivables	12,924	(7,368)
Loan interest received	14,411	13,351
Payables	5,856	8,821
Project liabilities	6,212	(7,034)
	5,727	4,507
Tax withheld at source	(1,692)	(1,011)
Cash provided by operating activities	4,035	3,496

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26. Restatement

During the year, the Corporation reviewed its treatment of interest received on GCT refunds. Interest received was used to reduce GCT recoverable, as opposed to being included in interest income. The amounts were reclassified to interest income in the statement of comprehensive income whereas it was previously classified as other receivables in the statement of financial position.

The financial statements for the year ended 31 March 2011 (the immediately preceding comparative) have been restated to reflect the financial position and results. The financial effects are as follows:

(a) Reconciliation of equity at 1 April 2010

	Previously Reported $'000	Effect of Restatement $'000	Restated $'000
Non-Current Assets			
Total non-current assets	215,482	-	215,482
Current Assets			
Inventories	14,382	-	14,382
Receivables	12,345	2,944	15,289
Current portion of loans receivable	18,664	-	18,664
Taxation recoverable	5,789	-	5,789
Cash and cash equivalents	55,839	-	55,839
	107,019	2,944	109,963
Current Liabilities			
Total current liabilities	99,843	-	99,843
	7,176	2,944	10,120
	222,658	2,944	225,602
Shareholders' Equity			
Share capital	1	-	1
Fixed asset reserve	44,240	-	44,240
Retained earnings	57,159	2,944	60,103
	101,400	2,944	104,344
Non-current liabilities			
Total non-current liabilities	121,258	-	121,258
	222,658	2,944	225,602

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26. Restatement (Continued)

(b) Reconciliation of the statement of comprehensive income for the year ended 31 March 2010

	Previously Reported $'000	Effect of Restatement $'000	Restated $'000
Subvention income	182,294	-	182,294
Other income	74,696	2,944	77,640
	256,990	2,944	259,934
Total Expenses	(279,588)	-	(279,588)
Loss before taxation	(22,598)	2,944	(19,654)
Taxation	8,110	-	8,110
Net loss, being total comprehensive income for the year	(14,488)	2,944	(11,544)

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26. Restatement (Continued)

(c) Reconciliation of equity at 31 March 2011

	Previously Reported	Effect of Restatement	Restated
	$'000	**$'000**	**$'000**
Non-Current Assets			
Deferred tax assets	4,983	-	4,983
Other non-current assets	159,957	-	159,957
	164,940	-	164,940
Current Assets			
Inventories	8,510	-	8,510
Receivables	17,684	4,961	22,645
Current portion of loans receivable	43,720	-	43,720
Taxation recoverable	6,801	-	6,801
Cash and cash equivalents	132,491	-	132,491
	209,206	4,961	214,167
Current Liabilities			
Total current liabilities	103,683	-	103,683
	105,523	4,961	110,484
Net Current Assets	270,463	4,961	275,424
Shareholders' Equity			
Share capital	1	-	1
Fixed asset reserve	43,672	-	43,672
Retained earnings	30,290	4,961	35,251
	73,963	4,961	78,924
Non-current liabilities			
Total non-current liabilities	196,500	-	196,500
	270,463	4,961	275,424

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26. Restatement (Continued)

(d) Reconciliation of the statement of comprehensive income for the year ended 31 March 2011

	Previously Reported $'000	Effect of Restatement $'000	Restated $'000
Subvention income	199,044	-	199,044
Other income	79,223	2,017	81,240
	278,267	2,017	280,284
Total Expenses	(319,445)	-	(319,445)
Loss before taxation	(41,178)	2,017	(39,161)
Taxation	13,741	-	13,741
Net loss, being total comprehensive income for the year	(27,437)	2,017	(25,420)

SCHEDULE OF EMOLUMENTS

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	28,500.00	-	-	-	28,500.00
Director 1	11,000.00	-	-	-	11,000.00
Director 2	11,000.00	-	-	-	11,000.00
Director 3	5,500.00	-	-	-	5,500.00
Director 4	11,000.00	-	-	-	11,000.00
Director 5	32,500.00	-	-	-	32,500.00
Director 6	11,000.00	-	-	-	11,000.00
Director 7	20,000.00	-	-	-	20,000.00
Director 8	40,000.00				40,000.00
Director 9	44,000.00				44,000.00
Director 10	11,000.00	-	-	-	11,000.00
Director 11	18,000.00	-	-	-	18,000.00

Notes

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

SENIOR EXECUTIVE COMPENSATION FOR PERIOD

Position of Senior Executive	Year	Salary ($)	Gratuity or Performance Incentive ($)	Travelling Allowance or Value of Assignment of Motor Vehicle ($)	Pension or Other Retirement Benefits ($)	Other Allowances ($) *Seniority Allowance	Non-Cash Benefits ($)	Total ($)
Chief Executive Officer	**2011-2012**	6,509,767.29	-	398,250.00	303,749.44	472,888.32	39,999.96	7,724,655.01
Executive Director	**2011-2012**	4,928,231.59	-	796,500.00	231,044.51	469,026.01	-	6,424,802.11
Finance Manager	**2010-2012**	4,115,247.78	-	796,500.00	158,942.53	420,351.04	-	5,491,041.35
Technical Services Manager	**2010-2012**	3,663,691.38	-	796,500.00	147,625.73	255,844.64	-	4,863,661.75
Human Resource Manager	**2010-2012**	2,296,691.52	-	796,500.00	104,639.00	-	-	3,197,830.52
Manager-Things Jamaica	**2010-2012**	3,221,855.97	-	796,500.00	276,773.18	-	-	4,295,129.15
Manager-Information Technology	**2010-2012**	3,221,855.97	-	796,500.00	211,567.03	-	-	4,229,923.00
Manager –Industrial Secretariat	**2010-2012**	2,977,602.74	-	796,500.00	267,947.48	-	-	4,042,050.22
Manager –Business Advisory Services	**2010-2012**	3,221,855.97	-	796,500.00	276,773.18	-	-	4,295,129.15
Manager –Financial Services Unit	**2010-2012**	2,658,755.36	272,768.80	796,500.00	-	-	-	3,528,899.16

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.

CONLUSION

JBDC wishes to thank our partners, staff and clients for their unwavering support. We are an organisation committed to the development of the Micro, Small and Medium Enterprises Sector. We are confident of the Sector's potential as a major contributor to the development of the Jamaican economy.

We continue to enhance our programmes by the responses received to the question "How can we help you?"

An Agency of the Ministry of Industry, Investment & Commerce

JBDC operates between the hours of 8:30am – 5: 00 pm,
Monday through Thursday and 8: 30am - 4:00pm on Friday.

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