



# JBDC

## 2018-2019

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### ANNUAL REPORT

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*Celebrating  
55 Years  
of Things Jamaican*

## MISSION STATEMENT

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

## CORPORATE PROFILE

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

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

JBDC's marketing support services encompass activities which are divided into two (2) major sub-categories: Developmental and Operational (Things Jamaican Retail Chain). These activities include value chain development, coaching, consultation, trade & events promotion, product review, analysis & testing, marketing training, project implementation, as well as, market access support which includes retailing opportunities that aim to promote and build "Brand Jamaica". JBDC has remained committed to the development and promotion of authentic Jamaican products, including handicrafts, eclectic gift lines, specialty foods and spa products, through its unifying 'things Jamaican' umbrella brand, showcasing and retailing the best and highest quality products which Jamaica has to offer. JBDC is one of the largest purchasers, distributors and promoters of authentic Jamaican products, currently marketing brands for over 400 active suppliers islandwide. Its Things Jamaican™ stores are housed at the Norman Manley International Airport, the historic Devon House and JBDC's Corporate Offices, and may also be found online at the e-commerce site, [www.thingsjamaicanstores.com](http://www.thingsjamaicanstores.com).

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

For more information:

Call: 1 (876) 928-5161-5/Toll Free: 1-888-232-4357

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

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

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## MINISTER'S MESSAGE



With the Micro, Small & Medium-sized Enterprise (MSME) sector accounting for more than 90% of the business sector, their success is crucial to the growth of the economy. It is therefore imperative that the Government of Jamaica facilitates growth through the development of effective policies and programmes. The Jamaica Business Development Corporation (JBDC) is a significant medium through which these initiatives are implemented.

Through the JBDC, the Ministry of Industry, Commerce, Agriculture & Fisheries has been utilising the American Small Business Development Centre model in its delivery of business development services since 2015. The SBDC Network is the largest and most successful network of assistance to small and medium-sized enterprises in the United States. The goal of the expansion of the Network throughout Latin America and the Caribbean is to improve SME competitiveness, generate new trade

opportunities and promote economic integration in the region.

During the 2018-2019 fiscal year, the Ministry of Finance provided funding in the amount of J\$30 million for the expansion of the Small Business Development Centre (SBDC) Network in Jamaica to be led by the JBDC. Recognising the need for strategic partnerships, the agency has already signed MOUs to establish SBDCs through the Rural Agricultural Development Authority (RADA), the Caribbean Maritime University (CMU) and the Northern Caribbean University (NCU). The agency also established SBDCs at its satellite offices located in Manchester, St. James, St. Ann, Westmoreland and St. Thomas. There are plans for the continued expansion of the Network through additional MOUs with organisations.

I would like to commend the agency on its sterling work with the gift & craft sector and I am confident that its involvement in the development of the National Craft Policy will ensure appropriate representation of the sector and impactful implementation of the policy. The Things Jamaican™ retail stores continue to be an effective means of market access for local producers and I therefore take this opportunity to congratulate them on achieving the 55 year milestone. You have the Ministry's support as you aim for greater things in the upcoming year.

**Honourable Audley Shaw**

**Minister of Industry, Commerce, Agriculture & Fisheries**

## CHAIRMAN'S STATEMENT



The Jamaica Business Development Corporation (JBDC) continues to deliver on its mandate to design and implement innovative business development solutions resulting in the growth and development of enterprises in Jamaica.

The Board of Directors has guaranteed its support for the organisation's newly developed 2018-2021 strategic business & operational plan which outlines objectives designed to support the Ministry of Industry, Commerce, Agriculture & Fisheries' thrust to develop the MSME sector, particularly as it relates to the MSME & Entrepreneurship Policy. The Policy outlines 6 priority areas which include: (1) Creating an enabling business environment, (2) Increasing finance to the sector, (3) Enhancing business and development support, (4) Fostering a culture of entrepreneurship, (5) Social value creation and (6) Tackling cross-cutting issues.

The organisation has its sights set on three major objectives:

- i. Promoting the expansion of the business sector
- ii. Fostering business competitiveness
- iii. Facilitating employment creation

With this in mind, JBDC has been implementing programmes to achieve impact indicators which include: formalisation of the sector, identification and development of new industries and pursuit of new business opportunities by MSMEs.

We are cognisant of the growth which must be facilitated in order for the JBDC to effectively deliver on its mandate. The acquisition and subsequent refurbishing of 12 Camp Road is expected to significantly boost the agency's operations. Refurbishing began during the period under review. However, major work is outstanding. We look forward to the development of this annex to 14 Camp Road and executive management is guaranteed our full support.

The Board takes this opportunity to congratulate JBDC on its management of Things Jamaican™ which celebrated 55 years during August 2018. This brand and its retail chain play a critical role in the productive sector, as thousands of local manufacturers of authentic Jamaican gift and craft items have benefited from market access through this arm of the Corporation. It is an exciting time in our history to be a producer of 'things Jamaican'.

**Cleveland Stewart**  
Chairman

## BOARD OF DIRECTORS



Cleveland Stewart  
Chairman



Matthew Samuda  
Deputy Chairman



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



Andrene Collings  
Director



Yvonne Davis  
Director



Hugh Johnson  
Director



Keisha Lewis  
Director



William Lawrence  
Director



Oral Shaw  
Director



Raymond Villiers  
Director



Collin Virgo  
Director



Donovan Wignal  
Director



## BOARD SUB-COMMITTEE REPORTS

### OVERVIEW

The Corporation is governed by a Board of Directors appointed by the portfolio Minister. A total of eleven (11) members served during the period under review.

### ADMINISTRATION & PROJECTS

The Administration sub-committee of the JBDC Board was established with a view to assist and guide on a range of issues related to the management and administration of the company. Specific areas of responsibility are Administration, Marketing, Public Relations and Human Resources.

The Administration sub-committee also assists in the process of developing and maintaining a positive and viable image for the organization and ensuring that information on the programmes and services provided by the organization is circulated to the widest and most relevant audience.

During the Fiscal Year, the committee oversaw the completion of several projects that improved the aesthetics of the organisation. The refurbishing of sections of the recently acquired premises at 12 Camp Road was also completed under their watch.

**The members of the sub-committee include:**

Raymond Villiers (Chairman)  
Yvonne Davis  
Hugh Johnson  
Keisha Lewis  
Valerie Veira

### AUDIT

The Audit Sub-committee of the JBDC Board is established as an oversight committee that advises the Board on the extent to which the objectives of the JBDC are being met. Importantly, the sub-committee provides advice and support as it relates to the adequacy, efficiency and effectiveness of the Accounting and Internal control structure and systems of the JBDC.

Among its duties are: reviewing and advising the Board on the Financial Statements that are to be included in the annual report, review and advise the Board on the annual Auditor's report, oversee internal audits of the organization and ensure compliance with all statutory and regulatory guidelines as required by the Government of Jamaica.

During the Fiscal Year, the committee oversaw the commencement of internal audit procedures for several Departments within the Corporation with a view to implementing recommendations where it was deemed necessary.

**The members of the sub-committee include:**

Yvonne Davis (Chairperson)  
Matthew Samuda  
Oral Shaw



## FINANCE

The Finance sub-committee of the JBDC Board is established to review the financial system of the JBDC and provide guidance and support as required. Its duties include: ensuring that the legal and Government of Jamaica regulations are adhered to, guide and ensure that financial reports are prepared and presented in a timely manner and that the said reports are prepared within the framework of the established and required professional standards.

During FY 2018-2019, the committee worked tirelessly with the Board and Management to access additional budgetary support from the Ministry of Finance & Planning. The FSC also ensured that the Corporation exercised prudence in the management of its financial resources.

**The members of the sub-committee include:**

William Lawrence (Chairman)  
Hugh Johnson  
Donovan Wignal  
Keisha Lewis  
Valerie Veira

## EXECUTIVE MANAGEMENT TEAM

The JBDC is led by an Executive Management Team. The team comprises a Chief Executive Officer and a Deputy Chief Executive Officer to whom a team of 10 managers and 1 director report. The single Director oversees operations of the Incubator & Resource Centre, while the managers lead various teams and initiatives in 5 core service departments and 5 support departments.

The core service departments include Technical Services, Marketing Services, Business Advisory Services, Financial Support Services and Project Management & Research. Together, they ensure that JBDC remains the leading business development service provider, delivering 'From Concept to Market'. They achieve their goals through strong support from Finance, Administration, Corporate Communications, Information Technology and Human Resource Management & Development.



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



**Harold Davis, J.P.**  
Deputy Chief Executive Officer



**David Harrison**  
Director, Incubator & Resource Centre

## EXECUTIVE MANAGEMENT TEAM



**Melissa Bennett**  
Manager,  
Financial Support Services



**Ann-Marie Brown**  
Manager,  
Administration



**Suzette Campbell**  
Manager,  
Corporate Communications



**Michele Cowan**  
Manager, Finance



**Janine Fletcher-Taylor**  
Manager,  
Marketing Services



**Neville Grant**  
Manager,  
Information Technology



**Patricia Kitson**  
Manager,  
Human Resource Management  
& Development



**Colin Porter**  
Manager,  
Technical Services Unit



**Lisa Taylor-Stone**  
Manager,  
Project Management  
& Research



**Althea West-Myers**  
Manager,  
Business Advisory Services



## CEO'S MESSAGE



The 2018-2019 fiscal year was a big one for the Jamaica Business Development Corporation (JBDC). It was the year in which we celebrated the 55th anniversary of Things Jamaican™. The Things Jamaican™ brand and retail store chain forms a significant aspect of our core service delivery to local manufacturers, as our mantra is to take them 'From Concept to Market'.

The high point of our celebration was the transformation of the Things Jamaican™ Devon House store to a Specialty Foods store and the presentation of a citation to Former Prime Minister of Jamaica, The Most Honourable Edward Seaga who conceptualised the brand. The JBDC is proud to have been entrusted with this significant Brand Jamaica marketing instrument which has seen thousands of ordinary Jamaicans realise their dream of entrepreneurship. Their creations have resulted in visitors being able to take a piece of Jamaica with them worldwide, while contributing to the Jamaican economy.

We are pleased to be playing a significant role in the development of the National Craft Policy which aims to streamline the Jamaican Craft industry by facilitating incremental and significant improvements in quality, variety, value, sales, customer satisfaction and profits in order to promote greater local identity of finished craft and souvenirs, innovation, better supply capability, packaging, regulation and production and distribution facilities. JBDC organised and co-hosted with the Industry Division Team of MICAFA, a Validation Workshop with Policymakers and Industry Stakeholders on May 9 to seek feedback on the final draft of the Policy. The industry has a significant number of players, all of whom are critical to the outcome of this Policy.



The ACP-EU UNDP Development Minerals Programme is a three-year programme of assistance to enterprises in the development minerals (non-metallic minerals) sector, to upgrade enterprises in order to equip them for entering global markets with primary and value-added products along the DM value chain. The stimulation of the ecosystem is a major aspect of our intervention measures at JBDC. Much of our creativity is derived from the 'motherland' and we are heartened that we had the opportunity to learn even more lessons from there. Similar to the immersion in Tanzania, this second phase of this project will incorporate training for select jewellery designers, including JBDC product development specialists, in advanced semi and precious stone/gem cutting at an institute in South Africa in early 2019.

As CEO, I continue to be proud of the dedication and hard work put in by the team, which has yielded positive results for the organisation and by extension, the sector. I would like to thank our partners who continue to contribute to our mission financially and otherwise. Their commitment is a testament to the impact of the work we do. We will continue to challenge and inspire our entrepreneurs to aim higher, while we stop at nothing to take them there. I am already excited about the upcoming fiscal year, which looks rather promising, especially for the creative industries!

**Valerie Veira, JP**  
**Chief Executive Officer**

## PERFORMANCE REPORT



Throughout the fiscal year, the major programmes were strategically aligned to the impact objectives and success indicators. The main highlights were:

**1. Promoting the Expansion of the Business Sector** – The team sought to Reduce informality in the sector, Promote and foster the integration of R&D in business processes, Preparation of business opportunity profiles, Business and technical trainings, Stimulate market access, Product development and enhancement, as well as, Financial literacy and Access to financing programmes. It is noteworthy that during the period the parish of Westmoreland emerged as having the largest concentration of clients, accounting for 25% of the total, which is a result of an increase in the formalisation of businesses in the parish. Formalisation is significant for us as we support the government's MSME & Entrepreneurship Policy which seeks to create 'an enabling business environment

that results in growing levels of formality in the economy'. Within that Policy, JBDC is expected to lead the training of MSMEs.

Therefore, I am pleased that we surpassed our training target for the year having staged 111 workshops and training 1881 MSMEs. More than 400 MSMEs were exposed to financial literacy interventions including handholding, coaching, technical assistance consultations and training. Participants in the Financial Handholding Programme accessed \$16.5 million in funding, while those in the Accelerator Programme are in negotiation for \$70 million in private equity funding. To date, participants in the Tapping into Donor Funds Proposal Writing Workshop™ have accessed \$197 million in grant funding.

**2. Facilitating Employment Creation** - Expand JBDC's Business Monitoring Programme,

Implement capacity building support, Revamp the monitoring and evaluation framework and Specialized projects. We continued to provide critical support through our business incubation model to facilitate the growth of MSMEs. The research brief for the impact assessment exercise was developed and approved for implementation during the upcoming fiscal year.

**3. Fostering Business Competitiveness** (profitability, scalability, diversified investment and internationalisation) - Expand JBDC's Business Monitoring Programme, Promote and foster the integration of R&D in business processes, Full roll-out of the financial literacy and access to financing programmes, Stimulate market access, Design and execute specialized projects with focus on increasing financing to the sector. Producers earned \$32.8 million through the Things Jamaican™ store which sold 21,497 products during the period. Entrepreneurs gained additional exposure through the True Stories publication which has been placed in 5000 hotel rooms. We are pleased to be involved in the development of the National Craft Policy as well as Export Max. Both initiatives will have a positive impact on Brand Jamaica as we seek to help entrepreneurs to spread their wings globally.

JBDC remains resolute on achieving its mandate through the implementation of programmes designed to meet our objectives while stimulating the ecosystem as we spur development through entrepreneurship. We are looking forward to a successful and exciting 2019-2020 fiscal year when we will roll out programmes targeting the creative industries. These programmes will be hinged on research, developmental assistance and business development.

**Harold Davis, J.P.**  
**Deputy Chief Executive Officer**





# CORPORATE OVERVIEW



## SUMMARY OF CORE SERVICE DEPARTMENTS

### BUSINESS ADVISORY SERVICES UNIT

The Business Advisory Services Unit is the first point of contact for new clients entering the JBDC. It assesses business plans and ideas, evaluates products and outlines a plan of action for businesses deemed ready for development and growth. The Unit uses a combination of internal and external expertise in the areas of Business Development & Mentoring and Capacity Development & Training. Through ground-breaking initiatives such as the JBDC Accelerator Programme, the Business Monitoring Programme as well as supporting initiatives such as the Lunch & Learn series and Opportunity Evening, the Business Advisory Services Unit is transforming the business landscape by encouraging a culture of entrepreneurship which empowers entrepreneurs to make calculated and strategy-led business decisions which result in exponential business growth, job and wealth creation.

**The Unit's suite of services includes:**

- Business Advice & Mentoring
- Business Plan Analysis
- Business Modelling
- Programme & Project Management
- Business training
- Assessment of entities
- Client preparation to access financing & technical support

### FINANCIAL SUPPORT SERVICES UNIT

The Financial Support Services Unit facilitates financial literacy and education for our clients. Recognising the importance of access to financing as well as appropriate financing for the sustainable development of businesses and its success, the JBDC through the Financial Support Services Unit has undertaken the task of providing a suite of services aimed at building business' capacity and preparing them to more effectively navigate the existing financial market.

**The main goal of the unit is to foster growth and development through:**

- Research
- Training
- Financial Handholding
- Access to Financing
- Grant Disbursement

## INCUBATOR & RESOURCE CENTRE

### TECHNICAL SERVICES UNIT

The Technical Services Unit assists clients in developing products that meet international standards. The Unit also provides support to businesses that are seeking to expand their spaces through engineering services and design counselling.

**The Unit's suite of services include:**

- Product design and development
- Business incubation management
- Plant and production engineering
- Food Technology
- Customised Hands-on Workshops
- Prototype Development
- Branding
- Fashion and Graphic Design
- Patternmaking
- Packaging & labelling services

### RESOURCE CENTRES

The resource centres provide services for producers in the craft, food and fashion industries. These include: product assessment & consultation, concept product design & prototyping, product enhancement, commercial food preparation, recipe testing & development, industry research, fashion design, collection development, pattern making and pocket welding. The centres also offer incubator services which include space rental.

## PROJECT MANAGEMENT & RESEARCH DEVELOPMENT

The Project Management & Research Development Department facilitates MSME sector development through continuous Industry Research to identify critical needs for the MSME sector. The Unit also assists in developing programme strategies and guides the analysis and interpretation of industry statistics and MSME resource materials. Through strategic alliances, the Department also sources local and international funding to support programmes that allow stakeholders to access training and technical upgrading.

The Department also spearheads the Corporation's annual Employee Engagement Conference. As an Agency of the Government of Jamaica, with a mandate to provide business development services to MSMEs, the JBDC believes that employees are of utmost importance and are exceptionally critical to the success of any business. As such, the conference was developed to focus on making a difference within businesses, to empower employees and to foster a culture of engagement.

JBDC is spearheading this endeavour as our research had revealed some amount of disengagement within the Jamaican workforce, a status quo, which if allowed, spells disaster for the sustainability of businesses and their growth.

### **The Department's suite of services include:**

- Project Management Training
- Proposal Writing
- Survey Design & Questionnaire Construction
- Feasibility Studies
- Market Research
- Employee Satisfaction & Engagement Surveys

## MARKETING SERVICES UNIT

Access to both the local and international market is important to the success of new consumer products that are produced particularly by entrepreneurs in the MSME sector. The JBDC's Marketing Services Unit through the Things Jamaican™ retail stores provides market access for over 500 clients who produce a range of authentic Jamaican products in the categories of art & craft, home accents, aromatherapy, fashion and fashion accessories and food.

With three (3) branches of strategically located Things Jamaican™ retail stores, clients have the opportunity to promote and sell their products to a wider market. Further marketing is provided through JBDC's participation in local and international trade fairs and expos. For this process, the clients' products are screened and recommendations given to improve viability.

### **The Unit's services include:**

- Market Access (local and international)
- Product Screening & Assessment
- Retail & Distribution

# STRATEGIC IMPERATIVES

## A SYNOPSIS: THE JBDC MODEL

The 2018-2021 strategic thrust of the Jamaica Business Development Corporation (JBDC) is nestled in a two-fold framework predicated by 1. its development mandate of growing enterprises through the Incubation System Model and 2. the enhancement of the ecosystem to provide a nurturing framework for growth in the MSME sector.

In this regard, the **Incubation System Model** supports the growth of enterprises via a process of diagnostic assessments, engagement of external partners, provision of specialised solutions, results-based capacity development, support and monitoring and evaluation.

The Business Advisory Services Department is the hub of client interactions specific to engaging MSMEs in the navigation of JBDC's Incubation System and integration in the Corporation's flagship MSMEs growth apparatus (The Business Monitoring Programme).

The Corporation (in response to market needs, the need to diversify service offerings, has embarked on the development and execution of specialised solutions that are offered to public and private sector entities. These services include but are not limited to the following:

- Business development consultancies and specialised training solutions
- Proposal writing training and solutions
- Research training and facilitating research process outsourcing
- Employee Engagement Conference
- Project management solutions
- Events management
- Technical solutions inclusive of visual communication, industrial engineering & product design services and food technology

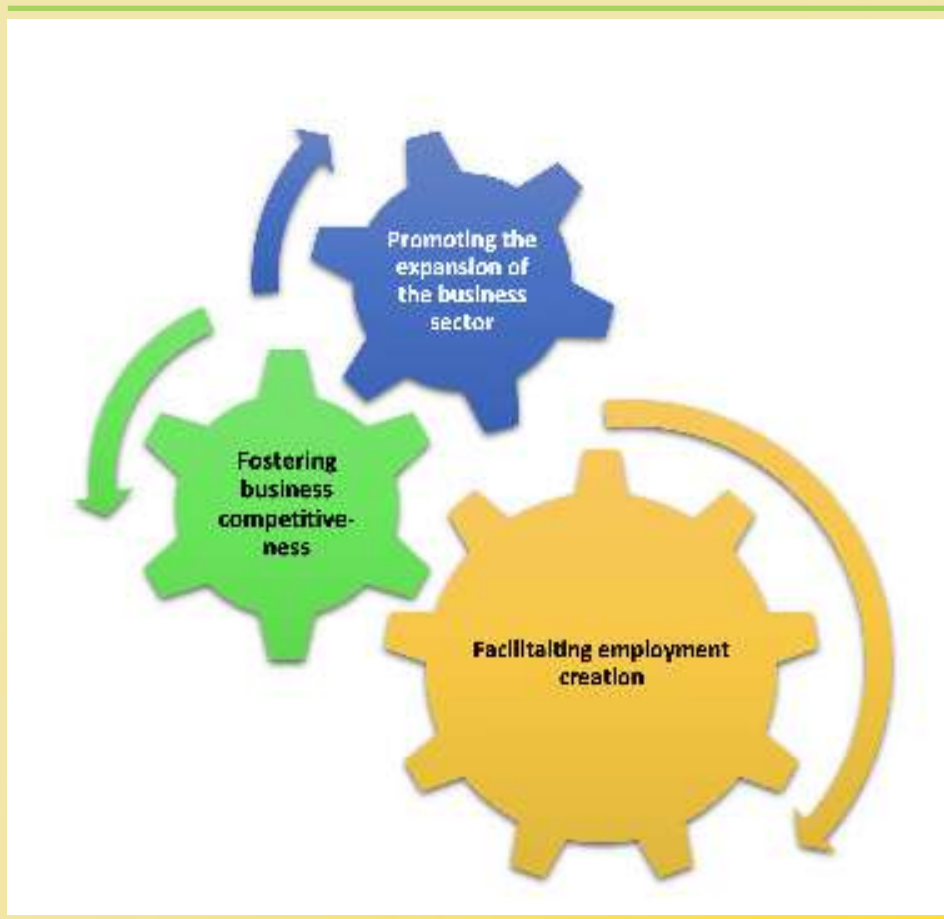
**The two-fold framework of development support is supported by key Departments within the organisation and these include:**

- Corporate Communications
- Human Resource Management & Development
- Technical Services Division
- Project Management & Research Development
- Information Technology
- Administration

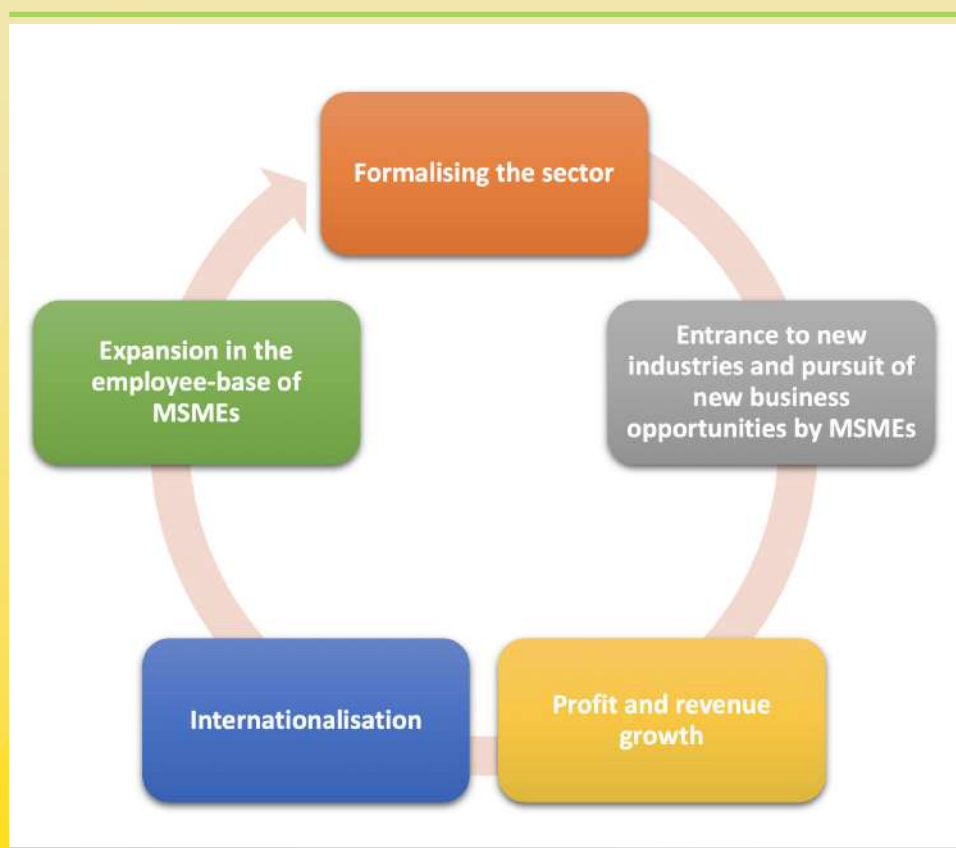
The Strategic Plan for the 3-year period is therefore presented within the ambit of the two-fold nature of the Corporation and how the order of work will be structured to contribute to high-level national policy objectives, JBDC's impact objectives and indicators and the continuous delivery of services through the provision of innovative solutions.



## OBJECTIVES



## IMPACT INDICATORS



## PROFILE OF CLIENTS

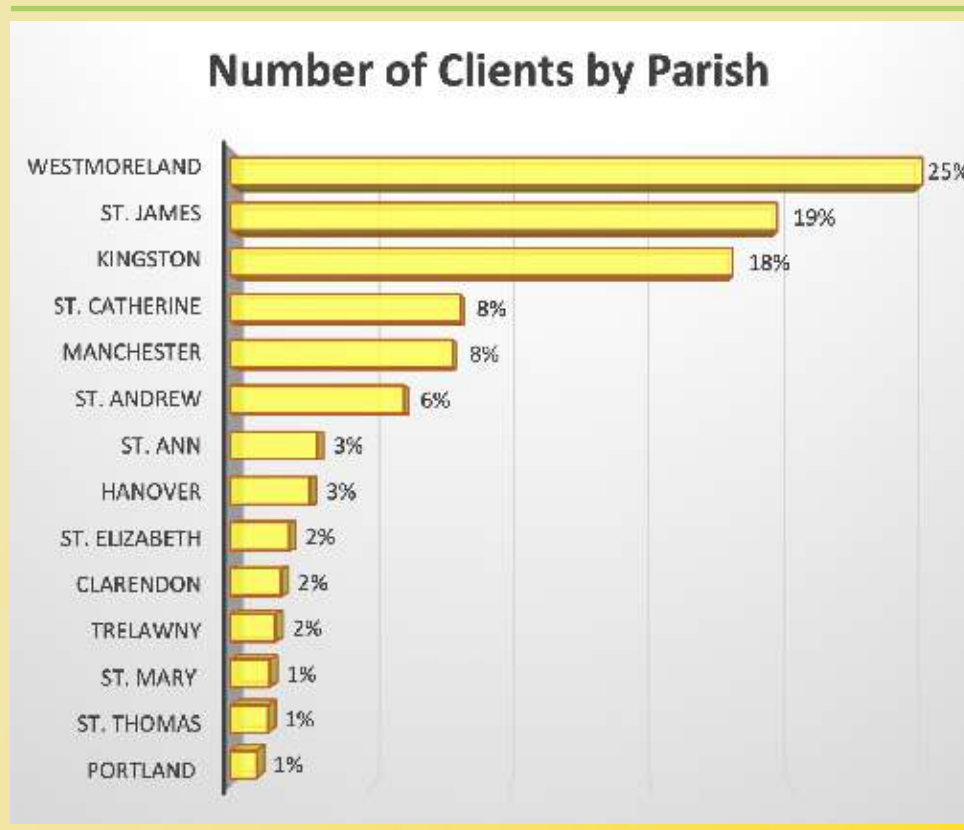
The Jamaica Business Development Corporation (JBDC) has approximately 1573 active clients within the Micro, Small and Medium-sized Enterprises (MSMEs) Sector registered in its Client Relationship Management System (Neoserra CRM) as at March 30, 2019. The number of female clients outweighed male clients with the split being 54% females & 46% males. As it relates to the industries to which clients are aligned, most (23.1%) are aligned to the services sector. The second largest proportion (15.1%) are manufacturers or producers followed by 14.6% who are retail dealers. Other sectors represented and details of which are presented in the diagram below are: agriculture, agro-processing, accommodation / food services, fashion/apparel, construction, transportation and warehousing, fashion/apparel, education, health care, among others.



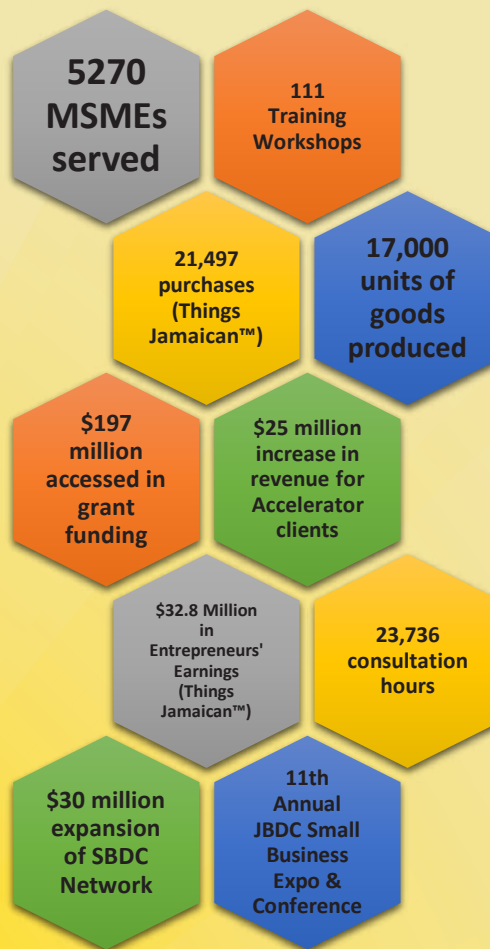




Clients are dispersed country-wide with the largest concentration of clients located in Westmoreland (25%), followed by St. James (19%), Kingston (18%), St. Catherine (8%), Manchester (8%), St. Andrew (6%), St. Ann and Hanover (6%), St. Elizabeth (2%), Clarendon (2%), Trelawny (2%), St. Mary (1%), St. Thomas (1%), and Portland (1%). The distribution of the clients is reflective of the areas in which JBDC's services are most accessible as well as the size of the MSME population in those parishes.



2018 – 2019 HIGHLIGHTS







## ENTERPRISE LEVEL DEVELOPMENT

## OUR REACH, CLIENT AND SERVICE PERFORMANCE

### Our Reach

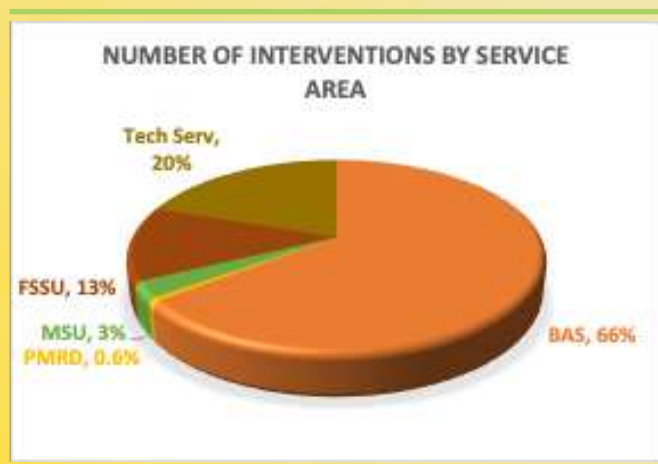
JBDC assisted 5270 MSMEs during the 2018 -2019 Financial Year representing a 24% increase over the previous fiscal year (2017-2018) during which 4469 MSMEs were assisted. Assistance was provided through approximately 5554 interventions across the broad spectrum of JBDC's services inclusive of business advice & consultation, financial advice, incubator and technical services, product development, research, project management, proposal writing, training and development, coaching and mentoring, monitoring and handholding and marketing support.



### Interventions Overview

The majority of JBDC's service interventions were led by its Business Advisory and Technical Services Departments. Services conducted 3583 interventions, accounting for the majority (66 %) of interventions administered by JBDC for the review period. Core business advisory services include: business consultation, business development training, business planning and business monitoring and mentoring.

- **Business Advisory** - Business Advisory Services conducted 3583 interventions, accounting for the majority (66 %) of interventions administered by JBDC for the review period. Core business advisory services include: business consultation, business development training, business planning and business monitoring and mentoring.

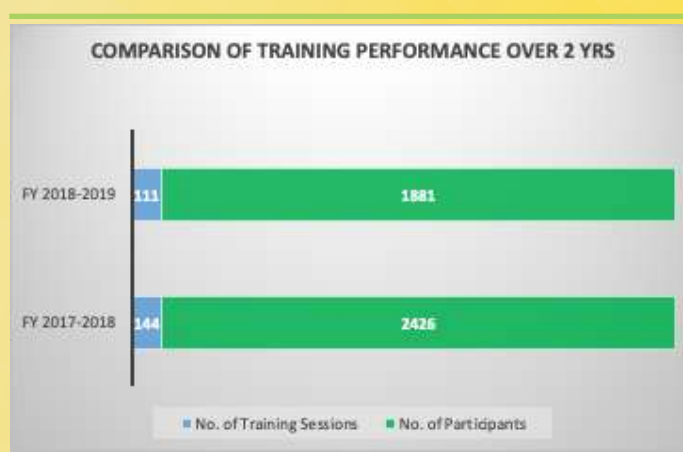


<sup>1</sup> interventions are classified as contacts with clients which includes but limited to: consultations and counseling sessions, training, mentoring and coaching, product development or screening sessions, email, telephone and face to face contacts. Services Departments.

- **Technical Services** – The JBDC facilitated 1092 technical assistance interventions during the review period, which accounted for 20% of the organisation's total interventions. These spanned product development inclusive of packaging design, product design and general product and process enhancement.
- **Marketing Assistance** - Through strategic marketing, clients were provided with local and international market access via in-store and electronic promotion and participation in local and international trade shows through Things Jamaican™; JBDC's Marketing Services Unit. A total of 152 interventions were facilitated, which accounted for 3% of the total interventions.
- **Project Management and Research** - Through its specialised service solutions, the Project Management and Research Department facilitated 26 interventions (accounting for 0.6% of the overall interventions) in proposal writing and applied research that are geared towards medium-sized and large businesses and companies.
- **Financial Services Support** – The FSSU department facilitated a total of 701 interventions during the review period, accounting for 13% of the total interventions. These included specialised support in areas of financial management, financial document preparation, etc.

### Training Performance

The JBDC conducted a series of training sessions islandwide focusing on business and technical development. Since the beginning of the review period (FY 2018-2019) approximately 1881 MSMEs have been trained, representing a 29% decrease in the number of MSMEs trained when compared to the same period during FY 2017-2018. Likewise, the number of training sessions hosted have been decreased from 144 to 11; representing a 30% decrease over FY 2017-2018. The differences in the figures are due to a series of trainings conducted in collaboration with the University of Bocconi, World Bank and Inter-American Investment Corporation (IIC) during the financial year 2017-2018.





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

- Tapping into Donor Funds Proposal Writing Workshop ®
- Resource Mobilisation for Public Sector Strategists
- Raising Capital
- Blue Ocean Strategy - Making Competition Irrelevant & Developing your Digital Marketing
- Chasing & Repousse Workshop
- Harnessing the Power of IP: The Creative Workshop
- EZ Ways to Manage Your Business Finance
- Introduction to Digital Marketing
- Starting a Business
- Becoming Tax Complaint

### Market Consultation

Market readiness assessments are conducted to assess the integrity of the overall design quality and marketability of a product. These assessments are usually undertaken by the Technical Services and Marketing Services Units. Products screened during the period ranged from gift & craft, home accessories, and entertainment, to specialty foods, fashion and fashion accessories. The graph illustrates the number of product screenings carried out FY2017-18 and FY2018-2019. There was a decrease of -5% compared to screenings done in the FY2017-18.



<sup>2</sup> assessment results reported were carried out by the Marketing Services Unit with the assistance of TS; assessments conducted by TS only are not captured in this comparison.

## PROGRAMMES

### Export Max III

JBDC offers technical support alongside JAMPRO and Jamaica Manufacturers and Exporters Association (JMEA) on the committee that is responsible for the design and development of ExportMax. The project is slated to provide development services to 50 exporters over 3 years. JBDC will provide business development support during this period (the project is funded by MOF). The sponsorship breakfast took place on September 26, 2018 resulting in \$50 Million in funding commitment from private and public sector entities. A soft launch of the programme took place in November 2018. The consultant was hired to create the project guideline (from design to monitoring and evaluation). Approximately 200 EOIs and 70 applications were submitted to JAMPRO. From this number, 50 businesses were shortlisted. The programme is scheduled to begin April 1, 2019.

### IGNITE Phase 2

JBDC was selected as a Business Service Intermediary (BSI) to facilitate grant applications and capacity building interventions under phase 2 of the IGNITE Project. The project will provide 25 Early and Seed Stage entrepreneurs with the opportunity to access at least \$2.5M in grant funding for the development of prototypes or business expansion for products or services that are deemed innovative. JBDC received 50 applications via the Expression of Interest window and 15 MSMEs were shortlisted and invited to submit full applications. Support via the Business Advisory Services Department is ongoing to ensure that applicants submit solid applications. A total of 6 MSMEs were shortlisted by the Development Bank of Jamaica (DBJ) and invited to pitch to a panel of judges who would determine the projects that will receive funding. Of this number, three (3) MSMEs were approved for grant funding. Two of three development plans have been submitted.

### Accelerator Programme

A total of 17 entrepreneurs were recruited in Cohort 2 representing the following sectors: IT, health & wellness, fashion, art & craft and media. To date, strategy development sessions have been completed, interim advisory boards were implemented and the participants are currently moving to pitch preparation. The Accelerator Programme is a 6-month intervention designed to facilitate: access to financing, markets, increased connectivity (network strength) and a strengthening of the entrepreneurial mind set.

Accelerator Programme Cohort 2 concluded in October with all 17 entrepreneurs graduating from the programme. Over the 6-month period, at least 1 entrepreneur realised exponential growth to his business, chief of which includes the following: increase in the number of employees, increased revenue and profits, as well as, diversified and increased revenue streams over the 6-month period. Cohort 3 was launched in February and is scheduled to begin in May 2019.

## TARGETS & ACHIEVEMENTS

The following provides details on the achievement of specific targets relating to enterprise level development:

PLANNED TARGETS FOR 2018/19	KEY ACHIEVEMENTS FOR 2018/19
<b>CONSULTATIONS</b> <ul style="list-style-type: none"> <li>- Implement business development programmes serving at least 3000 clients annually</li> </ul>	<b>CONSULTATIONS</b> <ul style="list-style-type: none"> <li>- 5445 consultations conducted with 5270 clients and customers served via consultations, expositions and special events.</li> <li>- A total of 23,736 consultation hours were invested in capacity building with MSMEs (Consultations covered: business development, technical support, capacity building, proposal writing, coaching and mentoring, financial support services and product development).</li> </ul>
<b>TRAINING</b> <ul style="list-style-type: none"> <li>- 60 training workshops completed</li> <li>- 1500 clients trained in all aspects of business development</li> </ul>	<b>TRAINING</b> <ul style="list-style-type: none"> <li>- 111 training workshops completed</li> <li>- 1881 MSMEs trained (Training areas: Proposal Writing, Technical Services, Personal Initiative, Financial Management Made Simple, Resource Mobilization and Financing)</li> </ul>
<b>MARKET ACCESS</b> <ul style="list-style-type: none"> <li>- 5% increase in entrepreneurs' earning enabled through Things Jamaican™</li> <li>- Increase in the number of trade events thereby expanding market access for MSMEs</li> </ul>	<b>MARKET ACCESS</b> <ul style="list-style-type: none"> <li>- 21,497 consumers purchased products from Things Jamaican™ (TJ)</li> <li>- \$32.8 M in entrepreneur's earning enabled through TJ</li> <li>- 14 trade events facilitated where multiple producers gained market access and exposure reaching approx. 3,716 patrons resulting in sales of approximately \$933,000</li> <li>- Market exposure also enabled through the True Stories publication that is resident in 5,000 hotel rooms gaining access to minimum 1.8M tourists per annum</li> </ul>



<p><b>RESEARCH &amp; DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>- Plan and execute at least 3 industry specific studies and expand client-base relative the number of enterprises utilizing R&amp;D in their operations</li> <li>- Plan and execute impact assessment exercise to evaluate the extent to which businesses have grown resulting from JBDC's interventions</li> </ul>	<p><b>RESEARCH &amp; DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>- Employee Engagement &amp; Leadership Challenge Survey 2018 - Over 700 employees from Private and Public Sector entities completed the survey</li> <li>- Research Consultancies - Five service contracts acquired during the FY covering employee and customer engagement surveys</li> <li>- JBDC Impact Assessment Exercise - Research brief developed and approved for implementation. Implementation of the impact assessment scheduled for the 1st quarter of the 2019-2020 FY.</li> </ul>
<p><b>PRODUCT DEVELOPMENT AND ENHANCEMENT</b></p> <ul style="list-style-type: none"> <li>- 159 products developed or enhanced in the Gift &amp; Craft, Fashion and Agro-Processing industries.</li> <li>- 20,000 units of goods produced resulting from the usage of the JBDC Incubator resulting in sales of goods for MSMEs of \$4.5 Million.</li> <li>- 24 manufacturing facilities audited and recommendations made for improved productivity. A total of 24 facilities recording improvements in productivity.</li> </ul>	<p><b>PRODUCT DEVELOPMENT AND ENHANCEMENT</b></p> <ul style="list-style-type: none"> <li>- 492 products developed or enhanced in the Gift &amp; Craft, Fashion and Agro-Processing industries.</li> <li>- 17,000 units of goods produced resulting from the usage of the JBDC Incubator. This resulted in sales of goods for MSMEs of over \$17 Million.</li> <li>- 22 manufacturing facilities audited and recommendations made for improved productivity. A total of 4 facilities recorded improvements in productivity.</li> </ul>
<p><b>ACCESS TO FINANCING</b></p> <ul style="list-style-type: none"> <li>- 300 MSMEs participating in financial literacy interventions (handholding, coaching, technical assistance, consultations, training)</li> <li>- Approximately \$50 Million in funding accessed by MSMEs who are a part of the Financial Hand-holding Programme (grants and loans)</li> <li>- \$50 Million in grant funding accessed through the Tapping into Donor Funds Proposal Writing Workshop since inception</li> <li>- \$50M in private equity financing</li> </ul>	<p><b>ACCESS TO FINANCING</b></p> <ul style="list-style-type: none"> <li>- 415 MSMEs participated in financial literacy interventions (handholding, coaching, technical assistance, consultations, training)</li> <li>- Approximately \$16.5 Million in funding accessed by MSMEs who are a part of the Financial Hand-holding Programme (grants and loans)</li> <li>- \$197M in grant funding accessed through the Tapping into Donor Funds Proposal Writing Workshop since inception</li> <li>- Over \$70M in private equity financing under negotiation for MSMEs from Cohort 1 of the Accelerator Programme</li> </ul>

**DEVELOPMENTAL PROGRAMMES / EVENTS**

- Host at least 3 developmental programmes/ events

**DEVELOPMENTAL PROGRAMMES / EVENTS**

**Accelerator Programme – Phase 2:** A total of 20 high-growth potential MSMEs were inducted in the programme and brought through an intense 6-month camp where their business models were created, tested and pivoted. Resulting from this programme, over \$25 million increase in revenue and the creation of new jobs for businesses that completed the programme over the 6-month period.

**Employee Engagement Conference** – Hosted for the first time in 2017, the event attracts over 500 corporate leaders annually. The conference creates a space in which business leaders and international and local experts are connected and converse on matters relating to human capital development, improving productivity and creating a business environment in which employees thrive, thus resulting in optimal business performance. The conference was hosted for the second time in October 2018 under the theme: Disturb, Reconnect, Engage. The event was headlined by Alvin Day (Leadership Empowerment Coach) and Jason Lauritsen (Workplace Culture Expert). The conference attracted participants from Jamaica, Trinidad, Antigua & Barbuda and the USA

**Small Business Exposition and Conference**

– Hosted in May 2018 under the theme: The Business Anatomy: Exploring the Hidden Parts, the event attracted over 500 MSMEs and it was headlined by Damian Crawford.

**JBDC's Global Entrepreneurship Week 2018**

celebration was held under the theme: Minimizing Barriers + Maximizing Inclusion and it featured 4 distinct events that facilitated the provision of business development advice to MSMEs, networking and market access opportunities and essentially created a space where MSMEs were empowered through thought leadership sessions.

# 55 Years of THINGS JAMAICAN™

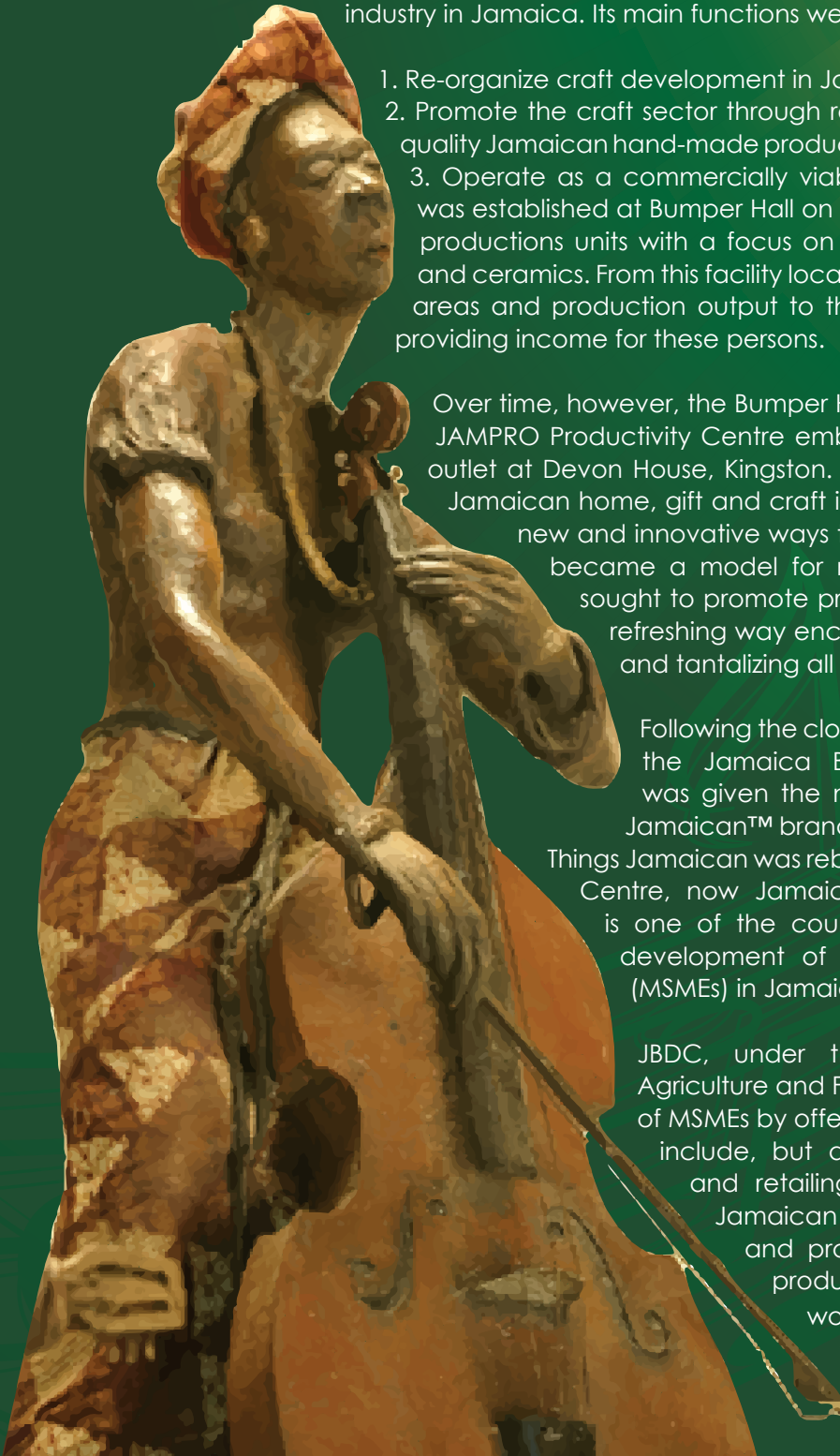
The name Things Jamaican™ has been synonymous over the years with quality Jamaican-made art and craft products. Established in the 1960's by the then government and the Social Development Commission, the main purpose was to bring structure to the craft industry in Jamaica. Its main functions were to:

1. Re-organize craft development in Jamaica
2. Promote the craft sector through research, design and marketing of high quality Jamaican hand-made products for both the local and tourist markets
3. Operate as a commercially viable entity. To this end a training center was established at Bumper Hall on Spanish Town Road which housed six (6) productions units with a focus on wood, pewter, straw, leather, weaving and ceramics. From this facility local artisans were trained in these six primary areas and production output to the market was greatly improved, whilst providing income for these persons.

Over time, however, the Bumper Hall operations closed down. In 1996 the JAMPRO Productivity Centre embarked on opening Nanny's Yard Retail outlet at Devon House, Kingston. This retail outlet showcased the best of Jamaican home, gift and craft items by Jamaican artisans presented in new and innovative ways to locals and overseas visitors. This outlet became a model for many other retail outlets locally which sought to promote products made in Jamaica in a new and refreshing way encompassing a total shopping experience and tantalizing all the senses.

Following the closure of the Things Jamaican™ company, the Jamaica Business Development Centre (JBDC) was given the managerial responsibilities of the Things Jamaican™ brand in April 2001 by ministerial decision and Things Jamaican was reborn. The Jamaica Business Development Centre, now Jamaica Business Development Corporation, is one of the country's key agencies that facilitate the development of Micro, Small and Medium Enterprises (MSMEs) in Jamaica.

JBDC, under the Ministry of Industry, Commerce, Agriculture and Fisheries fosters sustainable development of MSMEs by offering a host of services to its clients. These include, but are certainly not limited to, marketing and retailing services offered through the Things Jamaican chain of stores, expos, tradeshows and promotions. These services provide some producers with a marketing outlet that they would not necessarily have access to or to additional market access. For more information visit us at [www.jbdc.net](http://www.jbdc.net).





### The “new” Things Jamaican™

Today, under the management of the JBDC, the “new” Things Jamaican™ has stayed true to promoting craft development in Jamaica and to showcasing and retailing the best and highest quality gift and craft items. Promoting and building “brand Jamaica” is our main aim. In light of the increased competition from foreign made merchandise branded ‘Jamaica’ or ‘Made in Jamaica’, Things Jamaican™ stores retail exclusive authentic locally made products, primarily handmade by artisans using mainly local material.

Over the past nine years Things Jamaican™ has established itself as one of the largest purchasers, distributors and promoters of authentic Jamaican products of the highest quality. Things Jamaican™ currently markets products on behalf of over 400 active suppliers island wide through our chain of three (3) locations:

- Norman Manley International Airport
- Devon House
- JBDC Corporate
- *The headquarters, warehouse and distribution facility of the holding company, JBDC, is located at 14 Camp Road, Kingston 4*

All our products speak to an authentic Jamaican experience. The stores offer a collection of products influenced by Jamaican music, culture and history. Our range of products cover 8 main categories – Aromatherapy, Entertainment, Fashion, Fashion Accessories, Food, Home, Packages and souvenirs. Emphasis is placed on products suited to vacationers, travelers and locals who want a unique “piece of Jamaica”.





## Devon House

In keeping with the new gastronomy focus of the historic Devon House, Things Jamaican™ once again reinvented itself by transforming this location into the country's first authentic Jamaican specialty food store feature the following design elements: rustic yet contemporary feel, elements of old Jamaica and bold imagery.

The store is anchored by its Things Jamaican™ own brand, Jamaica Harvest. The delectable Jamaica Harvest product line includes a variety of flours made from breadfruit, pumpkin, plantain, sweet potato, banana and cassava, as well as granola cereals and bars made from yam and sweet potato, dried fruit treats such as pineapple, papaya, coconut, mango and naseberry; pepper jelly; jams made from sorrel, guava and passion fruit; teas made from sorrel, rosemary, basil lemon grass and mint; and powdered spices made from rosemary, thyme, scotch bonnet pepper and escallion – all grown and processed by Jamaican entrepreneurs.

Jamaica Harvest must create a consciousness that motivates its customers to buy the product not merely because it is another Jamaican product but because it is a Jamaican product that fits into the lifestyle of its' customers and represent moments of nostalgia and also moments of expectancy.



### Target segment includes but is not limited to:

- Nationals
- Jamaican / Caribbean Diaspora
- Visitors to Jamaica
- Expatriate community
- Other – new and emerging

The store also carries a range of other local gourmet , home and art brands, many of which were developed under the guidance of the JBDC's guidance 'From Concept to Market'.





## ECOSYSTEM DEVELOPMENT



## PROGRAMME

### EXPANSION OF THE SBDC NETWORK

JBDC is currently leading the expansion of the SBDC Network in Jamaica with funding (\$30M) provided by the Ministry of Finance. JBDC is the hub of the network that will have 4 satellite offices. To date, the following has been achieved /planned:

- MOU was signed between JBDC, CMU, NCU and RADA which solidifies the partnership for the building out of the SBDC network that JBDC leads.
- Office in St. Thomas is now open in Morant Bay for the JBDC SBDC.
- Training will commence with employees (at least 30) of the aforementioned entities in the areas of coaching dynamics and SBDC Director / Counsellor Training to be delivered by JBDC Faculty and Alchemist (European Consultants) during December 11-13, 2018.
- A Network Manager and a Business Development Officer for St. Thomas have been employed.

### EVENTS

The JBDC staged a number of events designed to stimulate the ecosystem. Each event was strategically executed with focus on pertinent matters or industries. In most cases, the events attracted entrepreneurs outside the JBDC clientele which augurs well for the agency's image and reach. The aim is to convert these persons to clients, so the JBDC can extend its impact, while success becomes the norm across the MSME sector.

### BREAKFAST WITH THE CEO

Breakfast with the CEO was held on February 28, 2019 at the Spanish Court Hotel under the theme: **Eye on 20/20: Exploring New Frontiers**. Started in 2017, the exclusive event is the platform used to disseminate information on JBDC's projects and programmes for the upcoming fiscal year. The target audience includes; government officials, the diplomatic community, potential and existing clients, corporate Jamaica and the media.

The 2019 programme focused on three key areas: Stimulating the Eco-System, Enterprise Level Development and Capacity Building. The event was also used to officially present the SBDC (Small Business Development Centre) Network as well as signing of three Memoranda of Understanding (MOU) between JBDC and the Rural Agriculture Development Authority (RADA), Northern Caribbean University (NCU) and the Caribbean Maritime University (CMU), respectively.

Approximately 90 persons were in attendance.





## TRUE STORIES MAGAZINE LAUNCH

The week of May 14 was abuzz with activities, as the JBDC staged three major events in rapid succession; each targeting varying demographics and segments of the sector.

We began with the launch of Volume 2 of the True Stories magazine (Food and Beverage Edition) under the theme: **TRUE STORIES...FROM FARM TO TABLE**, on Tuesday, May 15, 2018 at the Jamaica Pegasus Hotel. Several individuals from varying sectors including Government, the Private Sector, the Diplomatic Community and the media were in attendance to view the delightful exhibition of products by some of the participants in the publication. Entrepreneurs showcased a range of products under the categories; condiments & spices, sweet treats & snacks and beverages. The event was held under the patronage of the Honourable Audley Shaw, Minister of Industry, Commerce, Agriculture & Fisheries. The True Stories magazine is published by JBDC in an effort to provide a more comprehensive look at MSMEs involved in the emerging Gastronomy Tourism industry. The publication is distributed thousands of hotel rooms islandwide.



## SMALL BUSINESS EXPO & CONFERENCE

The 11th staging of the Annual JBDC Small Business Expo & Conference was held under the theme: **"The Business Anatomy: Exploring the Hidden Parts"** on Wednesday May 16, 2018 at the Jamaica Pegasus Hotel. Approximately forty-eight companies including fourteen new companies exhibited. Further, fourteen of the exhibitors were either Micro or Small Enterprises. This staging of the expo also featured exhibitions from four Cohort One participants from the JBDC Accelerator Programme.

Through expert speakers, the expo's main theme explored the four important parts necessary to operate a business in today's space: the Entrepreneurial Mindset, the Team, the Law and Corporate Governance. The Keynote speaker was Senator Damion Crawford in his capacity as Managing Director of Crafton Holdings.





## IRIE MAGIC FASHION FUSION+

On Thursday May 17, 2018, ten (10) exciting emerging designers featured as part of the inaugural **IRIE MAGIC FASHION FUSION+** held at the Jamaica Pegasus Hotel. The event was held under the patronage of The Honourable Olivia Grange, Minister of Culture, Gender, Entertainment & Sport and was attended by government officials, private sector executives, diplomats, the media, as well as fashion enthusiasts.

The local Fashion Industry has in recent years experienced resurgence with the growing demand for Jamaican inspired designs both locally and internationally. Indeed, thanks to the increasing brand equity of Brand Jamaica, it is becoming 'on-trend' to wear a look from a Jamaican designer. Our Fashion Industry development programme invests in talented Creatives in the space with a structured developmental programme towards their commercialization and market readiness.

The programme moulds the creative talent into a fully equipped fashion industry entrepreneur, through targeted technical and business development training coupled with appropriate coaching, mentoring and networking. It is our expectation that entrepreneurs having benefitted from the programme will be ready to do business with players along the value chain, confident of their ability to consistently deliver and meet international market expectations.



## JBDC ACCELERATOR PROGRAMME LAUNCH

Cohort 2 of the JBDC Accelerator Programme was launched in May 2018. Approximately sixteen entities and entrepreneurs were selected to participate in the six-month long intensive business training programme. Participants were selected from several industries including; Technology and Tech Solutions, Health and Wellness, Fashion & Art and Communications & Food.

The Accelerator programme identifies, nurtures, mentors and trains Jamaican entrepreneurs to make the MSME Sector more globally competitive. Under the programme, entrepreneurs are provided with an opportunity to expand markets, prepared to access equity capital and given an opportunity to network with like-minded entrepreneurs through start-up week-ends, limited co-working spaces and training boot camps.

### Participants also receive:

- Guidance and advice on how to grow their businesses within a specific industry
- Encouragement, knowledge and real life experiences
- Access to additional resources such as industry networks etc.,
- Exposure and visibility within the industry; and
- Help to develop leadership skills.





## DENBIGH AGRICULTURAL, INDUSTRIAL & FOOD SHOW

JBDC was assigned to execute a booth on behalf the Ministry of Industry, Commerce, Agriculture & Fisheries. The aim was to showcase the linkages between agriculture and manufacturing in an atmosphere fit to host VIPs attending the event scheduled for August 4 – 6, 2018.

The presentation of the MICAF VIP Oasis by JBDC at the Denbigh Agricultural Industrial & Food Show 2018 showcased innovative value-added products utilising local agricultural resources, focusing on context of cultural cuisine. The MICAF VIP Oasis tantalised the senses with an experience of the taste, smell, sight, touch and sound of the inputs of the vibrant agricultural sector – the life-blood of the country.

Recognising that the face of agriculture in Jamaica is changing, the MICAF VIP Oasis highlighted major focus crops such as Sweet Potato, Irish Potato, Coco, Strawberry, Pineapple and Mango. The 40 x 40 booth located on the outskirts of the Denbigh 'ring' featured the following:

- Cocktail Lounge - Experience Jamaican Spirits
- The Business Lounge – Business opportunities
- Things Jamaican™ – Existing and Emerging products (food, spa)
- Technology in agro-processing

The booth featured select local producers in the Spa and Food areas. Over the three-day period, the booth was toured by MICAF Minister Audley Shaw, Prime Minister Andrew Holness, Governor General, Sir Patrick Allen, as well as scores of patrons who participated in the 'Spin n Win' activity to enter the booth.



## MOBILE BUSINESS CLINIC INITIATIVE

The final three Clinics in Phase 2 of the Mobile Business Clinic Initiative was held over the period July 17-19, 2018 in the eastern parishes of St. Mary, Portland and St. Thomas. Approximately 65 entrepreneurs participated in the training sessions which covered areas such as; Policy Framework, Financial Literacy, Understanding the Laws Applicable to MSMEs, Trade Policy, Value Chain, New Business Opportunities, Family-Owned Businesses and Youth Entrepreneurship.

At the end of Phase 2, the Mobile Business Clinic initiative impacted approximately 2,593 entrepreneurs across the island, while delivering over 200 workshops.



## LUNCH & LEARN

The Lunch & Learn series continued in 2018-2019 with two stagings; one of which was used to launch the second cohort of the JBDC Accelerator Programme, while the second featured Thalia Lyn, CEO of Island Grill.

Lunch & Learn is an initiative of the Business Advisory Services Unit that provides an opportunity for growth stage entrepreneurs to interact with established entrepreneurs of like interests and inclinations. The established entrepreneurs share their entrepreneurial journey in an intimate session punctuated with the advice and experience of seasoned entrepreneurs.





## THINGS JAMAICAN SPECIALTY FOOD STORE

The official launch of the repositioned Things Jamaican™ Devon House store took place on August 22, 2018. The store is now a Specialty Food Store that carries unique and premium Jamaican food products. The launch was attended by several government officials, loyal TJ shoppers and specially invited guest, former Prime Minister, The Most Honourable Edward Seaga who was specially honoured for his conceptualisation of Things Jamaican™.

Since the official launch of the store, customer traffic has increased, there has been an expansion in the food offering to include refrigerated products and the JBDC line of products (including Irie Magic and Jamaica Harvest) which is the 2nd highest performing line of products in the entire chain.



## 2ND ANNUAL EMPLOYEE ENGAGEMENT CONFERENCE

Under the theme: 'Disturb. Reconnect. Engage.', the second annual Employee Engagement Conference was held from October 22-23, 2018 at the Jamaica Conference Centre. Approximately 276 C level managers including HR Professionals, Managing Directors, Executive Directors, CEOs and General Managers were in attendance.

Through the theme, the event sought to empower leaders to transform the workplace into a facilitator of personal hopes and dreams via people-centered strategy geared towards producing optimal business results. Approximately 16 local and international speakers delivered the conference through two main components:

- 1. The Day of Disturbance** – Day 1 of the conference created an atmosphere that ruptured common myths about employee engagement, performance and motivation. The keynote presentation was delivered by world renowned Executive Leadership Coach and Author – "If Caterpillars Can Fly, So Can I", Alvin Day who has the talent and experience to see beyond the obvious and pinpoint the root causes that block productivity. Mr. Day is a mentor to leaders and has delivered keynote addresses in Jamaica, the USA, Europe and Asia resulting in unprecedented business results.
- 2. The Road to Reconnection** – Day 2 focused on the role of leadership in generating and sustaining a high performance team that is cohesive, synergistic and engaged. The keynote presentation was delivered by Jason Lauritsen, Workforce Culture Expert and Author – "Social Gravity". Jason leads the research team for the Quantum Workplace's Best Places to Work Competition (USA) where he has studied the employee experience at over 80,000 companies to understand what the best workplaces in the world do differently than the rest. In this regard, he will be sharing strategies and implementable solutions that will cause our employees to display profound discretionary effort.

The conference also focused on several areas from career advancements, leadership, silos and sexual harassment in the workplace.





## GLOBAL ENTREPRENEURSHIP WEEK 2018

JBDC hosted its 5th staging of Global Entrepreneurship Week (GEW) celebrations from November 12-16, 2018 under the theme: **Minimizing Barriers: Maximising Inclusion**. GEW is recognised as the world's largest celebration of innovators and job creators, who launch startups that bring ideas to life, drive economic growth and expand human welfare.

Four events were hosted during Global Entrepreneurship Week under the theme '**Minimizing Barriers; Maximizing Inclusion**'. The events held were as follows:

- Nov. 12 – Raising Capital: Driving Startup Success through Financial Inclusion
- Nov. 13 – Kin Pupalik
- Nov. 15 – Closing Ceremony – JBDC Accelerator Programme
- Nov. 16 – BOSS Man meets BOSS Lady

## RAISING CAPITAL

A key focus of the JBDC's Financial Support Services Unit is financial literacy and readiness. As such, **Raising Capital** is designed to expose the agency's clients to the various forms of financing available in the market. This event is by invitation only with an audience capacity of 60 and has seen some of the brightest minds in the financial sector featured as panelists leading discussions aimed at educating MSMEs in a comfortable setting.

The forum has been hosted previously, exploring topics including equity financing and investor pitching. As part of GEW 2018 celebrations, Raising Capital returned for another thought provoking discussion on **Driving Start-up Success through Financial Inclusion**. The event was held at the Knutsford Court Hotel. The theme sought to stimulate conversations around the financial inclusion barrier experienced by entrepreneurs due to age, gender and socio-economic background. As such, the panelists included entrepreneurs who have overcome those respective barriers as well as funders from corporate Jamaica.



## KIN PUPALIK

This special edition event was hosted under the sub-theme 'Community Conversations on Grounding and Expanding Creativity' at the Bob Marley Museum. The event aimed to explore the connections between Jamaica and Africa; how Jamaicans have consistently looked to the motherland for inspiration in creativity. It was presented in three parts in the form of Profile style interviews hosted by Miss Fae Ellington, covering (1) Source and Feeling, (2) Evolution and Building: Protection and Preservation, and (3) Connection and Reinterpretation.

### Interviewees included:

- JBDC CEO - Valerie Veira, J.P.
- Nigerian High Commissioner, Her Excellency Janet Olisa
- Executive Chef, Oji Jaja (Ashebre)
- Actor/Writer – Owen 'Blacka' Ellis
- Attorney-at-Law – Natalie Cortesy
- Designer – M. Simone Clarke

There were also performances by the Rhumbaka Mento Band from the Charlemont High School.





## ACCELERATOR PROGRAMME DEMO DAY

The closing ceremony for the second cohort of the Accelerator Programme was hosted at the Jamaica Pegasus Hotel.

Seventeen (17) participants from cohort 2 of the **JBDC Accelerator Programme** officially exited the programme at this event which afforded them the opportunity to put their businesses on show. This was a six-month programme of accelerated growth for high growth potential entrepreneurial ventures. Participants were exposed to mentors, business model testing and validation, assistance with creating a minimum viable product, preparation to access funding, start-up weekends, boot camp training, networking events, and preparation for pitching.

The Demo Day took the form of a mini-expo and networking event in which the participants' businesses will be the centre of attention, displaying their products and services to stakeholders, potential investors and clients/customers. One of the highlights of the event was the pitch session before a panel of investors.



## B.O.S.S MAN MEETS B.O.S.S LADY

The inaugural B.O.S.S MAN AND B.O.S.S LADY events were joined to present a grand 'B.O.S.S MAN MEETS B.O.S.S LADY' evening of fun, networking and camaraderie for our entrepreneurs. Selected entrepreneurs were invited to join the JBDC at the historic Devon House. Activities included games, a motivational presentation and food prepared by the JBDC chefs from the Things Jamaican™-owned Jamaica Harvest Brand.

The event also saw the presentation of the BOSS MAN and BOSS LADY of the Year presentations being made to Devin Johnson and Shalane Lee-Chin, respectively. Honourable mentions were presented to Oji Jaja and Nateisha Williams.

Approximately 274 entrepreneurs were impacted by the week's activities.







# PROJECTS

## PROJECT MANAGEMENT

### ACP-EU UNDP DEVELOPMENT MINERALS PROGRAMME

This is a three-year programme of assistance to enterprises in the development minerals (non-metallic minerals) sector, to upgrade enterprises in order to equip them for entering global markets with primary and value-added products along the DM value chain. JBDC has coordinated and participated in the training of clay-based enterprises in training at the African Minerals and Geosciences Centre (AMGC) in Tanzania, as well as Safety and Hazard Prevention training for local quarry operators.

A review of the programme by the EU in early 2018 shows promise of a second phase of the programme to commence in 2019, in which JBDC is likely to play an integral role. Similar to the immersion in Tanzania, this second phase will incorporate training for select jewellery designers, including JBDC product development specialists, in advanced semi and precious stone/gem cutting at an institute in South Africa in early 2019. JBDC is providing support to the UNDP in artisan selection and other aspects for the shaping of the programme.

JBDC coordinated technical assistance and capacity building support to 80 entrepreneurs in the Development Minerals Sector. These persons were trained in enterprise skills, market analysis and investment promotions in Kingston, Mandeville and Montego Bay.

As an outgrowth of the programme, JBDC delivered the managerial component of a 3-day Business Development training in Zambia where 25 persons were trained.

Since JBDC was contracted by UNDP to deliver the regional entrepreneurship development programme for players from the Caribbean and the Pacific presented in Livingstone, Zambia in September, the programme has awarded small grants to stakeholders in the sector, including UTECH (Quarry degree course), Mines and Geology Department (GSP Mapping of Mineral Deposits), independent quarries and micro-entrepreneurs, including JBDC clients.

PDIS attended the knowledge sharing session held by UNDP on November 16. Chaired by the UNDP Deputy Resident Representative, Dr. Elsie Laurence-Chouhoune, the session involved testimonials and a video overview of projects being pursued by grant awardees. Further grant disbursements are expected in January through February 2019 and the implementation of Phase II of the programme in March 2019.

### IADB PERSONAL INITIATIVE TRAINING PROGRAMME

The JBDC signed an agreement with the University of Bocconi, IIC and the World Bank in 2018 for the execution of activities to support the implementation of a research project to estimate the demand for entrepreneurship programmes with costs for micro-entrepreneurs in developing countries". JBDC was responsible for all activities related to the implementation of the training:

- Recruitment of 2000 business owners and the completion of baseline surveys for each applicant.
- Execution of one-hour Demonstration / Introductory sessions targeting 1000 MSMEs where their willingness to pay would be elicited.
- Coordinating training sessions inclusive of: recruiting staff, sourcing event venue, preparation of course material and arranging refreshments for participants.

- Delivery of 10 weeks of training to approximately 600 business owners.  
The project execution period ran from May 2017 to July 2018 and was hampered by several challenges including interest from MSMEs, ability and willingness to pay, etc. As at July 2018, the following achievements were recorded:
- Over 1800 MSMEs recruited and baseline survey's collected
- 48 demonstration sessions held in 7 parishes; with over 868 MSMEs participating
- 200 training sessions were organized and held in 7 parishes; a total of 433 MSMEs were trained

## **NATIONAL CRAFT POLICY**

The National Craft Policy was reviewed by the CEO's office and under the directive of MICAF, presented to the Cabinet and approved in November 2017. Further amendments were made to this policy with inputs from other MDAs towards finalisation for submission to Parliament.

JBDC organized and co-hosted with the Industry Division Team of MICAF, a Validation Workshop with Policymakers and Industry Stakeholders on May 9 to seek feedback on the final draft of the Policy. Subsequently, further feedback and comment on the policy was provided towards the preparation of the policy for tabling in Parliament. MICAF to advise on schedule for same.

Since the validation workshop with stakeholders organised by MICAF and hosted by JBDC in May 2018, further review by stakeholder MDAs has been undertaken. MICAF has received the comments of Ministry of Culture Gender Entertainment and Sport (MCGES) and now awaits the comments of Ministry of Finance (MOF). Once final comments are incorporated, another validation workshop will be held with key stakeholders prior to submission to Parliament.





## INTERNAL CAPACITY BUILDING

## HUMAN CAPITAL DEVELOPMENT

Through its Mission Statement, the JBDC pursues 'cost-effective delivery of technical and marketing services through highly committed, competent and motivated employees'. To this end, the organisation consistently implements training programmes which ensure that its employees remain adept with current trends and principles in business development. Our efforts include internal, local and international exposure.

- During the fiscal year, 26 employees participated in nine (9) external training events FY 18-19.
- JBDC participated in 10X Growth Conference business forum for entrepreneurs and business development practitioners. The conference was held in Miami, Florida on February 1-3, 2019.
- Members of the JBDC Technical Services Division participated in the Cultural Heritage Project Craft Workshop held in Bridgetown, Barbados. The workshop was held between March 22 & 23, 2019.
- JBDC participated in and delivered a workshop session at the Korean International Women Inventors Exposition and Forum in South Korea. The forum was held on June 26, 2018. This was jointly organised by the World Intellectual Property Organization (WIPO) in cooperation with the Korean Intellectual Property Office (KIPO) and the Korean Women Inventors Association (KWIA). The main objective of the conference was to explore the role of intellectual property (IP) in capturing inventive, innovative and creative output of women and strengthen the competitiveness of their IP based businesses.
- Members of the JBDC Technical Services Division participated in a workshop held in Mexico on July 1, 2018 themed 'Exploring the use of Extraction Technology from Oil Plants in Jamaica'.
- FHI360 under the Local Partner Development project that is funded by USAID approved a grant of USD25,000 to finance a technical capacity building project that will enhance the skills of employees in the Financial Support Services Unit and MSMEs that are served by the said Unit.
- ACP – EU UNDP Development of Minerals Programme: In partnership with the UNDP, JBDC signed an agreement which focuses on providing training to entrepreneurs in the minerals sector. The JBDC delivered the managerial component of a 3 day Business Development training in Zambia. Approximately 25 persons were trained.

## INFORMATION TECHNOLOGY

A significant aspect of capacity building involves technological infrastructure. Our stakeholders should be assured that we have the adequate systems in place so that our team can operate optimally. We have seen growth and greater enthusiasm among our staff members who have been using technology to increase production time.

We are aiming to move beyond our target goals and or objectives as we roll out projects that will enable our clients to access services to increase their likelihood of success within our competitive entrepreneurial environment.

Our goals are as follows:

1. *Sustainability and Enhancement*: This is the ability to support and maintain our technology infrastructure, where our downtime is 50% less than previous years.
2. *Online Virtual Resource*: We are much closer to a point where Clients will be able to complete online assessments that would aid them to gain additional support and assistance.
3. *Personal Computers (PCs, tools)*: We are more than 80% of our target to replace obsolete personal computers (workstations).
4. *Installation and consolidation of printing equipment*: This process included the removal and replacement of printers that have cost the company too much in terms of maintenance.
5. *Web Development*: JBDC is able to design and develop websites for internal and external clients; an additional function for the IT department.





**AUDITED FINANCIALS**

JAMAICA BUSINESS DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

31 MARCH 2019

JAMAICA BUSINESS DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

31 MARCH 2019

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

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## INDEPENDENT AUDITORS' REPORT

To the Members of  
Jamaica Business Development Corporation

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Jamaica Business Development Corporation set out on pages 4 to 51, which comprise the statement of financial position as at 31 March 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Jamaican Companies Act.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

#### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

The Board of Directors is responsible for overseeing the Corporation's financial reporting process.



## INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of  
Jamaica Business Development Corporation

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

To the Members of  
Jamaica Business Development Corporation

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters 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 financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

A handwritten signature in black ink, appearing to be "BDO" or similar, written in a stylized, cursive-like font.

Chartered Accountants

31 January 2020



JAMAICA BUSINESS DEVELOPMENT CORPORATION  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
YEAR ENDED 31 MARCH 2019

	Note	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
REVENUE	6	370,284	339,113
Other operating income	7	<u>99,092</u>	<u>72,764</u>
		<u>469,376</u>	<u>411,877</u>
EXPENSES:			
Administrative		(419,967)	(359,704)
Selling		<u>( 28,334)</u>	<u>( 12,521)</u>
	8	<u>(448,301)</u>	<u>(372,225)</u>
OPERATING PROFIT		21,075	39,652
Finance income/(costs)	10	<u>2,395</u>	<u>( 2,581)</u>
PROFIT BEFORE TAXATION		23,470	37,071
Taxation	11	<u>( 9,102)</u>	<u>24,177</u>
NET PROFIT FOR THE YEAR		<u>14,368</u>	<u>61,248</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss -			
Gain on defined benefit plan	14	105,526	4,227
Gain on revaluation of property, plant and equipment		192,792	-
Deferred tax liability on revalued asset	15	<u>-</u>	<u>( 24,455)</u>
		<u>298,318</u>	<u>( 20,228)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>312,686</u>	<u>41,020</u>

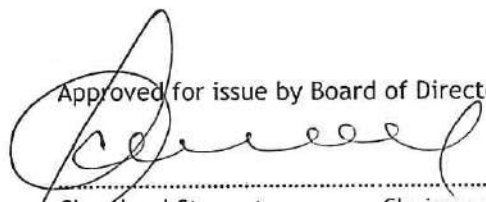
## JAMAICA BUSINESS DEVELOPMENT CORPORATION

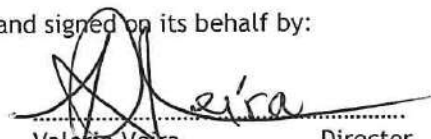
## STATEMENT OF FINANCIAL POSITION

31 MARCH 2019

	<u>Note</u>	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<b><u>ASSETS</u></b>			
NON-CURRENT ASSETS:			
Property, plant and equipment	12	343,807	161,023
Intangible assets	13	527	193
Retirement benefit assets	14	282,201	166,695
Deferred tax assets	15	-	11,796
		<u>626,535</u>	<u>339,707</u>
CURRENT ASSETS:			
Inventories	17	3,463	1,393
Receivables	18	26,869	38,227
Short term investments	19	22,617	22,419
Taxation recoverable		9,639	9,479
Cash and bank balances	20	89,925	33,624
		<u>152,513</u>	<u>105,142</u>
		<u>779,048</u>	<u>444,849</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
EQUITY:			
Share capital	21	1	1
Capital reserve	22	289,551	96,759
Retained earnings		<u>235,791</u>	<u>116,018</u>
		<u>525,343</u>	<u>212,778</u>
NON-CURRENT LIABILITIES:			
Long term loans	23	94,394	102,274
Long term - deferred income	24	861	894
		<u>95,255</u>	<u>103,168</u>
CURRENT LIABILITIES:			
Payables	25	97,949	82,409
Project liabilities	26	38,160	20,990
Current portion - deferred income	24	33	33
Current portion of long term loans	23	451	920
Taxation		<u>21,857</u>	<u>24,551</u>
		<u>158,450</u>	<u>128,903</u>
		<u>779,048</u>	<u>444,849</u>

Approved for issue by Board of Directors on 31 January 2020 and signed on its behalf by:

  
 Cleveland Stewart Chairman

  
 Valerie Veira Director

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## STATEMENT OF CHANGES IN EQUITY

## YEAR ENDED 31 MARCH 2019

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
BALANCE AT 1 APRIL 2017	1	121,214	50,543	171,758
TOTAL COMPREHENSIVE INCOME				
Net profit	-	-	61,248	61,248
Other comprehensive income	-	(24,455)	4,227	(20,228)
	-	(24,455)	65,475	41,020
BALANCE AT 31 MARCH 2018	1	96,759	116,018	212,778
Impact of initial application of IFRS 9	-	-	(121)	(121)
BALANCE AT 1 APRIL 2018	1	96,759	115,897	212,657
TOTAL COMPREHENSIVE INCOME				
Net profit	-	-	14,368	14,368
Other comprehensive income	-	192,792	105,526	298,318
	-	192,792	119,894	312,686
BALANCE AT 31 MARCH 2019	1	289,551	235,791	525,343



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## STATEMENT OF CASH FLOWS

## YEAR ENDED 31 MARCH 2019

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net profit	14,368	61,248
Items not affecting cash resources:		
Depreciation	16,957	8,373
Amortisation	168	124
Property, plant and equipment adjustment	-	( 4)
Gain on foreign exchange	( 770)	( 242)
Deferred income	( 33)	( 33)
Employee benefit	105,526	4,227
Interest income	( 4,706)	( 405)
Interest expense	( 2,453)	2,458
Deferred taxation	-	( 2,416)
Deferred taxation - written off	11,796	-
Taxation expense	( 2,694)	2,694
	<u>138,159</u>	<u>51,569</u>
<b>Changes in operating assets and liabilities:</b>		
Receivables	11,237	( 14,139)
Inventories	( 2,070)	( 266)
Taxation recoverable	( 160)	850
Project liabilities	17,170	1,380
Payables	18,047	( 8,280)
Retirement benefit	(115,506)	( 16,805)
Taxation paid	-	( 1,998)
Cash provided by operating activities	<u>66,877</u>	<u>12,311</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	( 7,096)	( 5,515)
Purchase of intangible assets	( 502)	-
Proceeds from sale of property, plant and equipment	147	-
Fair value through other comprehensive income	( 198)	3,539
Interest received	<u>4,706</u>	<u>405</u>
Cash used in investing activities	<u>( 2,943)</u>	<u>( 1,571)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Long term loan repaid	( 8,349)	( 3,465)
Short term loan acquired	2,089	1,910
Short term loan repaid	( 2,089)	( 2,616)
Interest paid	( 48)	-
Cash used in financing activities	<u>( 8,397)</u>	<u>( 4,171)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>55,537</u>	<u>6,569</u>
Exchange gain on foreign cash balances	764	249
Cash and cash equivalents at beginning of year	<u>33,624</u>	<u>26,806</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (note 20)</b>	<u><u>89,925</u></u>	<u><u>33,624</u></u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

- (a) Jamaica Business Development Corporation is a limited liability company which was incorporated on 3 May 2001 and domiciled in Jamaica. The registered office of the company is 14 Camp Road, Kingston 4.
- (b) The principal activities comprise the provision of consultancy, technical and managerial services to producers of goods and services and the sale of craft items. The Corporation's operations are substantially dependent on subvention income received from the Government of Jamaica.
- (c) The shares of the Corporation are held by the Accountant General of Jamaica (90 shares), a corporation sole pursuant to the Crown Property (vesting) Act, 1960 and 10 shares by the Permanent Secretary in the Ministry of Industry, Commerce, Agriculture and Fisheries.

## 2. REPORTING CURRENCY:

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

## 3. SIGNIFICANT ACCOUNTING POLICIES:

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

## (a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention, as modified by the revaluation of certain properties. They are also prepared in accordance with requirements of the Jamaican Companies Act.

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (a) Basis of preparation (cont'd)

New, revised and amended standards and interpretations that became effective during the year

Certain new standards, 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 concluded that the following new standards, interpretations and amendments which are immediately relevant to its operations.

In these financial statements, the corporation adopted IFRS 9, Financial Instruments and IFRS 15, Revenue from Contracts with Customers with a transitional date of 1 April 2018. These standards were applied on a retrospective basis, with certain exceptions. As permitted, the corporation did not restate its prior period comparative financial statements.

The nature and the impact of the new standards and amendments is described below:

IFRS 9, 'Financial Instruments', (effective for accounting periods beginning on or after 1 January 2018). IFRS 9 replaces IAS 39 as at 1 January 2018. The corporation has not restated comparative information for 2018 for financial instruments in the scope of IFRS 9. Therefore, the comparative information for 2018 is reported under IAS 39 and is not comparable to the information presented for 2019.

#### Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity and loans and receivables at amortised cost) have been replaced by:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements are presented in OCI with no subsequent reclassification to the income statement.



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (a) Basis of preparation (cont'd)

New, revised and amended standards and interpretations that became effective during the year (cont'd)

## Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the corporation's accounting for doubtful debt provision by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the corporation to record an allowance for ECLs for trade receivables. The allowance is based on the ECLs associated probability of default in the next twelve months, unless there has been a significant increase in credit risk since origination. If the financial asset meets the definition of purchased or originated credit impaired (POCI), the allowance is based on the change in ECLs over the life of the asset.

IFRS 15, 'Revenue from Contracts with Customers', (effective for accounting periods beginning on or after 1 January 2018). The standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction Contracts' and related interpretations.

Under IFRS 15, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services, following a five step model: Step 1: Identify the contract(s) with a customer (agreement that creates enforceable rights and obligations); Step 2: Identify the different performance obligations (promises) in the contract and account for those separately; Step 3: Determine the transaction price (amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services); Step 4: Allocate the transaction price to each performance obligation based on the relative stand-alone selling prices of each distinct good or service; and Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation by transferring control of a promised good or service to the customer. A performance obligation may be satisfied at a point in time or over time.

IFRS 15 also includes disclosure requirements to provide comprehensive information about the amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (a) Basis of preparation (cont'd)

New, revised and amended standards and interpretations that became effective during the year (cont'd)

Management has assessed the impact on the financial statements and noted that the impact is not material. Management has utilised the modified retrospective transition approach. The corporation applied IFRS 15 on 1 April 2018 and has elected not to restate comparative information in accordance with the transitional provisions. As a result, the comparative information provided continues to be accounted for in accordance with the corporation's previous accounting policy.

New standards, amendments and interpretation not yet effective and not early adopted

At the date of authorization of these financial statements, there were certain new standards, amendments and interpretations to existing standards which were in issue but not yet effective and which the corporation has not early adopted.

IFRIC 23, 'Uncertainty over Income Tax Treatments' (effective for accounting periods beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income Taxes', are applied where there is uncertainty over income tax treatments. The IFRIC had clarified previously that IAS 12, not IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The adoption of this standard is not expected to have a significant impact on the corporation.

IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 January 2019). The new standard eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to financial leases in accordance with IAS 17. Leases are now recorded in the statement of financial position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognized lease assets and financial liabilities. The corporation is assessing the impact that the adoption of this standard will have on the financial statements when it is adopted.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (b) Foreign currency translation

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

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

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

## (c) Property, plant and equipment

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

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

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

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

At the date of revaluation, the accumulated depreciation on the revalued freehold property is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued freehold buildings, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when freehold land and buildings are expensed through the statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (d) Intangible assets

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

## (e) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the 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. Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## (f) Financial instruments

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

## Financial assets

## Policy applicable after 1 April 2018

## (i) Classification

The corporation classifies all its of financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The corporation classifies its financial assets as those measured at amortised cost and fair value through profit or loss.

## Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (f) Financial instruments (cont'd)

## Financial assets (cont'd)

## Policy applicable after 1 April 2018 (cont'd)

## (i) Classification (cont'd)

## Amortised cost (cont'd)

The corporation's financial assets measured at amortised cost comprise trade and other receivables, short term deposits and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand and short term deposits with original maturities of three months or less.

## Fair value through profit or loss (FVTPL)

The corporation has made an irrevocable election to classify its investments at fair value through profit or loss rather than through other comprehensive income as the corporation considers this measurement to be the most representative of the business model for those assets. They are carried at fair value with changes in fair value recognized in profit or loss.

## (ii) Recognition and Measurement

Financial assets are initially recognized on the settlement date, which is the date that an asset is delivered to the corporation. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (f) Financial instruments (cont'd)

## Financial assets (cont'd)

## Policy applicable after 1 April 2018 (cont'd)

## (ii) Recognition and Measurement (cont'd)

The corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the corporation is recognized as a separate asset or liability.

## (iii) Impairment

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses (ECL).

During this process the probability of the non-payment of the trade receivables is assessed by taking into consideration historical rates of default for each segment of trade receivables as well as the estimated impact of forward looking information. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within the statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

## Financial liabilities

The corporation's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. At the reporting date, the following items were classified as financial liabilities: long term loans and trade payables.

The corporation's derecognises a financial liability when its contractual obligations expire or are discharged or cancelled.



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (f) Financial instruments (cont'd)

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

## Policy applicable before 1 April 2018

## (i) Classification

The corporation classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

## Loans and receivables

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

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

## Available-for-sale financial assets

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

## (ii) Recognition and Measurement

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the corporation commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (f) Financial instruments (cont'd)

## Financial assets

Policy applicable before 1 April 2018

## (ii) Recognition and Measurement

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the corporation has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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

## Financial liabilities

The corporation's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date, trade and other payables, long term loans, short term loan and bank overdraft were classified as financial liabilities.

## (g) Trade receivables

Trade receivables are carried at original invoiced amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the corporation will not collect all amounts due according to the original terms of the receivables.

## (h) Other receivables

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (i) Current and deferred income taxes

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

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

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

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

## (j) Employee benefits

## (i) Pension scheme costs:

## Defined benefit plans

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

Defined benefit plans surpluses and deficits are measured at:

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (j) Employee benefits (cont'd)

## (i) Pension scheme costs:

## Defined benefit plans

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

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

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

## (ii) Other employee benefits:

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

## (iii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Corporation recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve (12) months after the statement of financial position date are discounted to present value.

## (k) Loans receivables

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (k) Loans receivables (cont'd)

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

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

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

## (l) Inventories

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

## (m) Borrowings

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

## (n) Provisions

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

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

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (o) Revenue recognition

## Policy applicable after 1 April 2018

## Subvention income -

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

## Sale of goods

Revenue is recognised at a point in time in the amount of the price, before tax on sales, expected to be received by the corporation for goods supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenue is decreased by any trade discounts granted to customers.

For contracts that permit return of goods, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

The right to recover returned goods is measured at the former carrying amount of inventory less any expected cost to recover.

## Interest income

Interest income is recognised in profit or loss using the effective interest method. The "effective interest rate" is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instruments to its gross carrying amount.

When calculating the effective interest rate for financial instruments, the corporation estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

## Policy applicable before 1 April 2018

## Subvention income -

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

## (o) Revenue recognition (cont'd)

## Policy applicable before 1 April 2018 (cont'd)

## Sale of goods - retail

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

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

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

## Interest income

Interest income is recognised in the income statement for all interest bearing instruments on an accrual basis unless collectability is doubtful.

## (p) Share capital

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

## (q) Trade and other payables

Trade and other payables are stated at amortised cost.

## (r) Project liabilities

Project liabilities are stated at historical cost.

## (s) Deferred income

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

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

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

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

## (b) Key sources of estimation uncertainty

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

## (i) Fair value estimation

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

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

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

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

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

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

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

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

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

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

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

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and cash equivalents, receivables and payables.

## (ii) Depreciable assets

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

## (iii) Income taxes

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D):

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

## (iv) Defined benefit assumptions

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The 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 retirement benefit obligations. In determining the appropriate discount rate, the company considered interest rate of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and have terms to maturity approximating the terms of the related obligations. Other key assumptions for the retirement benefits are based on current market conditions.

## (v) Measurement of the expected credit loss allowance

The measurement of the expected credit loss (ECL) allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgement are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing the number of relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## FINANCIAL RISK MANAGEMENT:

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

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

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

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

## (a) Principal financial instruments

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

- Loan receivables
- Receivables
- Cash and bank balances
- Short term investments
- Payables
- Long term loans
- Short term loan

## (b) Financial instruments by category

## Financial assets

	Amortised Cost 2019 \$'000	Loans and Receivables 2018 \$'000	Fair Value through Profit or Loss 2019 \$'000	Available for-sale 2018 \$'000
Cash and bank balances	89,925	33,624	-	-
Receivables	3,243	3,056	-	-
Short term investments	-	-	22,617	22,419
<b>Total financial assets</b>	<b>93,168</b>	<b>36,680</b>	<b>22,617</b>	<b>22,419</b>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## Financial liabilities

	Financial liabilities at amortised cost	
	2019	2018
	\$'000	\$'000
Long term loans	94,846	103,194
Trade and other payables	42,449	41,084
<b>Total financial liabilities</b>	<b>137,295</b>	<b>144,278</b>

## (c) Financial instruments not measured at fair value

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

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

## (d) Financial risk factors

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

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

## (i) Finance Department

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (ii) Audit Committee

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

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

## (i) Market risk

## Currency risk

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

Currency risk arises from US dollar investments, trade payables and cash and cash equivalents. The corporation manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The corporation further manages this risk by holding net foreign currency assets.

## Concentration of currency risk

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Cash and cash equivalents	22,030	19,090
Trade payables	(17,666)	(18,100)
	<u>4,364</u>	<u>990</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (i) Market risk (cont'd)

## Currency risk (cont'd)

## Foreign currency sensitivity

The following table indicates the sensitivity of profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated trade payables and cash and cash equivalents, and adjusts their translation at the year-end for 6% (2018 - 4%) depreciation and a 4% (2018 - 2%) appreciation of the Jamaican dollar against the US dollar.

	Change in currency Rate <u>2019</u>	Effect on Profit before Tax 31 March <u>2019</u> \$'000	% Change in Currency Rate <u>2018</u>	Effect on Profit before Tax 31 March <u>2018</u> \$'000
Currency:				
USD	-6	262	-4	40
USD	<u>+4</u>	<u>( 175)</u>	<u>+2</u>	<u>( 20)</u>

## Price risk

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

## Cash flow and fair value interest rate risk

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

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

Short term deposits and debt securities included in fair value through other comprehensive income investments are the only interest bearing assets within the corporation.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (i) Market risk (cont'd)

## Cash flow and fair value interest rate risk (cont'd)

## Interest rate sensitivity

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

## (ii) Credit risk

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

## Trade receivables

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

## Cash and bank balances

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

## Maximum exposure to credit risk

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

## Trade receivables expected credit losses

The impairment requirements of IFRS 9 are based on the Expected Credit Loss (ECL) model. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments.



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (ii) Credit risk (cont'd)

For trade receivables and contract assets that do not have a financing component, it is a requirement of IFRS 9 to recognize a lifetime expected credit loss. This was achieved in the current year by the development and application of historical data relating to trade receivables and write-offs, as well as forecasting payment probabilities based on historical payment pattern.

The 2019 trade receivables were analyzed in compliance with IFRS 9 and the amount presented in the financial statements appears reasonable and in compliance with the required standard.

The corporation expected credit losses (ECL) on trade receivables using a provision matrix based on historical credit loss experience. Based on the incurred loss analyses over delinquent accounts, the credit history, risk profile of each customer and aging of receivables, customers were placed in aging buckets and a default risk percentage calculated for each bucket of customers. The following table provides information about the ECLs for trade receivables as at 31 March 2019.

<u>Aging</u>	<u>Gross Carrying Amount \$'000</u>	<u>Default Rate %</u>	<u>Lifetime ECL Allowance \$'000</u>
0 to 30 days	1,051	4	40
31 to 60 days	1,084	1	16
61 to 90 days	434	0.4	2
Over 90 days	<u>1,820</u>	<u>3</u>	<u>1,088</u>
	<u>4,389</u>		<u>1,146</u>

The ageing analysis of these trade receivables is as follows:

	<u>2019 \$'000</u>	<u>2018 \$'000</u>
0 to 30 days	1,051	1,555
31 to 60 days	1,084	876
61 to 90 days	434	89
Over 90 days	<u>1,820</u>	<u>1,500</u>
	<u>4,389</u>	<u>4,020</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (ii) Credit risk (cont'd)

## Trade receivables that are past due but not impaired

As at 31 March 2019, receivables of \$2,191,802 (2018 - \$1,500,641) were past due but not impaired. These relate to independent customers for whom there is no recent history of default.

## Trade receivables that are past due and impaired

As of 31 March 2019, the corporation had receivables of \$1,146,204 (2018 - \$964,146) that were impaired. The amount of the provision was \$1,146,204 (2018 - \$964,146). These receivables were aged over 90 days.

The movement in the provision for impairment of trade receivables were as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
At 1 April	964	874
Impact of initial application of IFRS 9	114	-
Provision for impairment	<u>68</u>	<u>90</u>
	<u>1,146</u>	<u>964</u>

## Exposure to credit risk for loans receivable:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Agriculture	6,256	6,986
Agro-processing	1,691	1,711
Manufacturing	28,246	29,373
Service	<u>16,432</u>	<u>17,168</u>
	52,625	55,238
Less: provisions for impairment	<u>(52,625)</u>	<u>(55,238)</u>
	<u>-</u>	<u>-</u>

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (ii) Credit risk (cont'd)

Credit quality of loans

Credit quality of loans is summarized as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Impaired	52,625	55,238
Less: Provision for impairment	( 52,625)	( 55,238)
	<u>          </u>	<u>          </u>

## (iii) Liquidity risk

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

## Liquidity risk management process

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

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

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

## (iii) Liquidity risk (cont'd)

## Cash flows of financial liabilities

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

	Within 1 Year \$'000	1 to 2 Years \$'000	2 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
<b>31 March 2019</b>					
Trade and other payables	42,449	-	-	-	42,449
Long term loans	<u>31,550</u>	<u>-</u>	<u>-</u>	<u>63,295</u>	<u>94,845</u>
<b>Total financial liabilities (contractual maturity dates)</b>	<u>73,999</u>	<u>-</u>	<u>-</u>	<u>63,295</u>	<u>137,294</u>
<b>31 March 2018</b>					
Trade and other payables	41,084	-	-	-	41,084
Long term loans	<u>36,398</u>	<u>480</u>	<u>-</u>	<u>68,630</u>	<u>105,508</u>
<b>Total financial liabilities (contractual maturity dates)</b>	<u>77,482</u>	<u>480</u>	<u>-</u>	<u>68,630</u>	<u>146,592</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 5. FINANCIAL RISK MANAGEMENT (CONT'D):

## (e) Capital management

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

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

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the company is subject.

## 6. REVENUE:

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

## 7. OTHER OPERATING INCOME:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Fixed assets reserve	33	19
Gross profit - shops	27,516	25,841
Service income	57,671	46,330
Interest income	4,706	405
Miscellaneous income	<u>9,166</u>	<u>169</u>
	<u>99,092</u>	<u>72,764</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 8. EXPENSES BY NATURE:

Total selling and administrative expenses -

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Staff costs (note 9)	299,956	273,669
Repairs and maintenance	15,597	14,917
Legal and professional fees	12,034	11,110
Auditors' remuneration	1,400	1,620
Exhibition of seminars	24,139	8,352
Insurance	1,915	1,446
Cleaning and sanitation	1,846	1,933
Occupancy costs	20,557	20
Security	4,204	3,286
Advertising and promotion	6,753	9,140
Utilities and telecommunication	21,696	20,570
Bad debts recovered	(2,558)	(4,971)
Depreciation and amortization	17,125	8,497
Travelling	3,953	3,987
Stationery and office supplies	10,867	10,681
Other expenses	<u>8,817</u>	<u>7,968</u>
	<u>448,301</u>	<u>372,225</u>

## 9. STAFF COSTS:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Salaries, commissions and related costs	265,985	247,544
Payroll taxes - employer's portion	15,521	14,782
Pension cost	(1,960)	(5,529)
Other	<u>20,410</u>	<u>16,872</u>
	<u>299,956</u>	<u>273,669</u>



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 10. FINANCE INCOME/(COSTS):

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Gain on certificate of deposit	( 578)	( 958)
Net foreign exchange gain	( 770)	( 242)
Bank charges	1,406	1,323
Interest expense	(2,453)	2,458
	<u>(2,395)</u>	<u>2,581</u>

## 11. TAXATION:

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Income tax @ 25%	-	2,694
Taxation adjustment	( 2,694)	-
Deferred taxation (note 15)	-	(26,871)
Deferred taxation - written off	<u>11,796</u>	<u>-</u>
Taxation charge/(credit) in income statement	<u>9,102</u>	<u>(24,177)</u>

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Profit before taxation	<u>23,470</u>	<u>37,071</u>
Tax calculated at 25%	-	9,268
Adjusted for the effects of:		
Expenses not deducted for tax purposes	-	8,456
Net effect of other charges and allowances	-	( 41,901)
Deferred taxation written - off	11,796	-
Taxation adjustment	<u>( 2,694)</u>	<u>-</u>
Taxation charge/(credit) in income statement	<u>9,102</u>	<u>( 24,177)</u>

- (c) The corporation, being a fully owned Government entity's falls within the definition of a public body. The corporation is therefore exempt from paying Income Tax on its income under Section 12 (i) (b) of the Income Tax Act.

The corporation is still required to file Income Tax returns in keeping with Section 71A of the Income Tax Act.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 12. PROPERTY, PLANT AND EQUIPMENT:

	Land and Building \$'000	Leasehold Improvement \$'000	Furniture, Fixtures & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At cost -					
1 April 2017	153,617	20,200	41,400	14,077	229,294
Additions	-	-	5,515	-	5,515
Adjustment	-	-	4	-	4
31 March 2018	153,617	20,200	46,919	14,077	234,813
Additions	5	-	7,091	-	7,096
Revaluation	178,458	-	-	-	178,458
Disposal	-	-	(147)	-	(147)
31 March 2019	332,080	20,200	53,863	14,077	420,220
Depreciation -					
1 April 2017	7,128	20,200	30,731	7,358	65,417
Charge for the year	3,666	-	3,103	1,604	8,373
31 March 2018	10,794	20,200	33,834	8,962	73,790
Charge for the year	10,924	-	4,425	1,608	16,957
Elimination on revaluation	(14,334)	-	-	-	(14,334)
31 March 2019	7,384	20,200	38,259	10,570	76,413
Net Book Value -					
31 March 2019	324,696	-	15,604	3,507	343,807
31 March 2018	142,823	-	13,085	5,115	161,023

The corporation's freehold land and buildings at located at 12 and 14 Camp Road, Kingston 4 were appraised on 18 June 2018 and 1 February 2019 respectively, using the reinstatement cost carried out by external independent valuator. The surplus arising on revaluation has been credited to capital reserve.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D):

The corporation's freehold land and buildings were appraised on 12 November 2016, using highest and best use principle carried out by external independent licensed real estate dealer.

The fair value of the land and buildings is a level 3 recurring fair value measurement. A reconciliation of the opening and closing fair value balance is as follows:

	<u>2019</u> <u>\$'000</u>
Opening balance (level 3 recurring fair values)	139,283
Purchases	5
Gain included in other comprehensive income gain on property valuation	<u>192,792</u>
Closing balance (level 3 recurring fair values)	<u>332,080</u>

## 13. INTANGIBLE ASSETS:

	<u>Computer Software</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At cost-		
1 April 2017 and 31 March 2018	3,241	3,241
Additions	<u>502</u>	<u>502</u>
31 March 2019	<u>3,743</u>	<u>3,743</u>
Depreciation -		
1 April 2017	2,924	2,924
Charge for the year	<u>124</u>	<u>124</u>
31 March 2018	3,048	3,048
Charge for the year	<u>168</u>	<u>168</u>
31 March 2019	<u>3,216</u>	<u>3,216</u>
Net Book Value -		
31 March 2019	<u>527</u>	<u>527</u>
31 March 2018	<u>193</u>	<u>193</u>



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 14. POST-EMPLOYMENT BENEFIT ASSETS:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
The amounts recognized in the statement of financial position	<u>282,201</u>	<u>166,695</u>
Amount recognized in the profit or loss (note 9)	<u>( 1,960)</u>	<u>( 5,529)</u>
Amount recognized in other comprehensive income	<u>105,526</u>	<u>4,227</u>
	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>

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

Present value of funded obligations	(368,327)	(258,535)
Fair value of plan assets	747,498	711,431
Limitation of asset due to uncertainty of obtaining economic benefits in the plan	<u>( 96,970)</u>	<u>( 286,201)</u>
Assets in the statement of financial position	<u>282,201</u>	<u>166,695</u>

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

The plans are valued annually by independent actuaries using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 31 March 2019.

The movement in the present value of funded obligations over the year is as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	258,535	208,643
Current service cost	11,365	9,604
Interest cost	<u>18,974</u>	<u>19,369</u>
	288,874	237,616
Re-measurements -		
Losses/(gains) from change in financial assumptions	28,287	121,569
Experience (gains)/losses	<u>48,150</u>	<u>(103,046)</u>
Balance carried forward	365,311	256,139

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

The movement in the present value of funded obligations over the year is as follows (cont'd):

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance brought forward	365,311	256,139
Members' contributions	14,668	12,213
Benefits paid	( 11,918)	( 9,817)
Purchased annuities	<u>266</u>	<u>-</u>
Balance at the end of the year	<u>368,327</u>	<u>258,535</u>

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	711,431	591,792
Interest income	53,764	56,662
Re - measurements -		
Return on plan assets, excluding amounts		
included in interest income	( 28,733)	53,532
Members' contributions	14,668	12,213
Employer's contributions	8,020	7,049
Benefits paid	( 11,918)	( 9,817)
Purchased annuities	<u>266</u>	<u>-</u>
Balance at end of year	<u>747,498</u>	<u>711,431</u>

The movement on the asset ceiling during the year is as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	286,201	233,259
Interest on asset	21,465	22,160
Change in asset ceiling, excluding amounts		
included in interest expense	(210,696)	30,782
Balance at end of year	<u>96,970</u>	<u>286,201</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

The amounts recognized in profit or loss are as follows:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Current service cost	11,365	9,604
Interest cost	18,974	19,369
Interest income on plan assets	(53,764)	( 56,662)
Interest on effect of asset ceiling	<u>21,465</u>	<u>22,160</u>
Total included in staff costs	( <u>1,960</u> )	( <u>5,529</u> )

The distribution of the plan assets was as follows:

	<u>2019</u> <u>\$'000</u>	<u>2019</u> <u>%</u>	<u>2018</u> <u>\$'000</u>	<u>2018</u> <u>%</u>
Pooled investment funds -				
Equity Fund	203,141	27	146,518	21
International Equity Fund	71,097	10	72,428	10
Mortgage and Real Estate Fund	104,034	14	188,094	26
Fixed Income Fund	116,699	16	95,855	13
Global Market Funds	92,572	11	89,767	14
Money Market Fund	35,762	5	48,904	7
CPI-Indexed	64,760	9	30,095	4
Global Equities	16,256	2	-	-
Purchased Annuities	39,261	5	38,130	5
Other	<u>3,916</u>	<u>1</u>	<u>1,640</u>	<u>-</u>
Balance at end of year	<u>747,498</u>	<u>100</u>	<u>711,431</u>	<u>100</u>

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

Expected contributions to the post employment plan for the year ending 31 March 2020 is \$24,417,000 (2019 - \$19,351,000). The actual return on the plan assets was \$34,666,000 (2018 - \$118,622,000).



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Assets at beginning of year	166,695	149,890
Amounts recognized in the income statement (Note 10)	1,960	5,529
Re - measurements recognized in OCI	105,526	4,227
Contributions paid	<u>8,020</u>	<u>7,049</u>
Assets at end of year	<u>282,201</u>	<u>166,695</u>

Taxation in relation to the re-measurements recognized in OCI is disclosed in note 11.

The principal actuarial assumptions used were as follows:

	<u>2019</u>	<u>2018</u>
Discount rate	7.0%	7.5%
Inflation rate	3.0%	4.5%
Future salary increases	4.0%	4.5%
Future pension increases	<u>1.8%</u>	<u>0.0%</u>

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

**Plan risks**

Through its defined benefit pension plans, the corporation is exposed to a number of risks. The corporation does not use derivatives to manage its plan risks. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. Pensions are secured through the purchase of annuities. The remaining assets are invested in segregated pooled funds. The corporation has not changed the processes used to manage its risks from previous periods.

The most significant of these plan risks are detailed below:

## (i) Investment risk

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields. If plan assets underperform in this yield, this will create a deficit.

The corporation ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the pension scheme. Within this framework, the corporation's ALM objective is to match assets to the pension obligations by investing in long term assets with maturities that match the benefit payments as they fall due.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

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

## (i) Investment risk (cont'd)

The corporation actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations.

## (ii) Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liability, although this will be partially offset by an increase in the return on plan assets which are linked to debt investments.

## Salary risk

The present value of the plan liabilities is calculated in reference to the future salaries of members. Therefore an increase in the salary of members will increase the plan's liability.

## (iii) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

## Impact on post-employment obligations

	<u>Changes in Assumption</u>	<u>Increase in Assumption \$'000</u>	<u>Decrease in Assumption \$'000</u>
Discount rate	1%	(62,187)	85,281
Future salary increase	1%	47,169	(39,148)
Expected pension increase	1%	37,120	(31,703)
Life expectancy	<u>1 year</u>	<u>4,945</u>	<u>(5,049)</u>

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statements of financial position.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 15. DEFERRED TAXATION:

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

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Net assets at beginning of year	11,796	9,380
Credited to income for the year (note 11)	-	26,871
Debited to other comprehensive income	<u>(11,796)</u>	<u>(24,455)</u>
Net (liabilities)/assets at end of year	<u>-</u>	<u>11,796</u>

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Deferred income tax assets:		
Interest payable	-	809
Tax losses	-	41,951
Vacation leave	<u>-</u>	<u>4,295</u>
	<u>-</u>	<u>47,055</u>
Deferred income tax liabilities:		
Provision for bad debts	-	( 1,243)
Retirement benefit	-	( 3,145)
Revaluation of property, plant and equipment	-	( 30,871)
Property, plant and equipment	<u>-</u>	<u>-</u>
	<u>-</u>	<u>( 35,259)</u>
Net (liabilities)/assets	<u>-</u>	<u>11,796</u>



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 16. LOANS RECEIVABLES:

(a) Loans and advances are comprised of:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Gross loans and advances	52,625	55,238
Provisions for loans and losses	<u>(52,625)</u>	<u>(55,238)</u>
	<u>-</u>	<u>-</u>

These represent loans disbursed to various micro and small business owners from the pool funds obtained for on-lending from Development Bank of Jamaica and the Micro Investment Development Agency (Note 23). Each loan bears interest at a rate of 10% per annum and are secured by bills of sale on items that were purchased from the proceeds of the loan.

(b) Impairment losses on loans and advances

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

	<u>2019</u>		<u>2018</u>	
	<u>Gross</u> <u>\$</u>	<u>Impairment</u> <u>\$</u>	<u>Gross</u> <u>\$</u>	<u>Impairment</u> <u>\$</u>
3 months and over past due	<u>52,625</u>	<u>52,625</u>	<u>55,238</u>	<u>55,238</u>
	<u>52,625</u>	<u>52,625</u>	<u>55,238</u>	<u>55,238</u>

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

(c) Specific allowances for loan losses:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	55,238	60,305
Recovered during the year	<u>(2,613)</u>	<u>(5,067)</u>
Balance at the end of the year	<u>52,625</u>	<u>55,238</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

17.	INVENTORIES:	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
	Inventory	4,176	1,961
	Less: provision for slow moving	( 713)	( 568)
		<u>3,463</u>	<u>1,393</u>
18.	RECEIVABLES:	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
	Trade receivables (net)	3,243	3,056
	Prepayments	1,129	2,179
	GCT	12,219	30,992
	Sundry receivables	<u>10,278</u>	<u>2,000</u>
		<u>26,869</u>	<u>38,227</u>
Trade receivables are stated net of expected credit losses of \$1,146,204 (2018 - \$964,146).			
19.	SHORT TERM INVESTMENTS:	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
	Fair value through profit or loss		
	JMMB Money Market Fund	<u>22,617</u>	<u>22,419</u>
20.	CASH AND CASH EQUIVALENTS:	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
	Cash and bank balances -		
	Deposits and short term investments	44,972	4,767
	Local current accounts	27,564	14,395
	Foreign currency current accounts	17,248	14,323
	Petty cash	<u>141</u>	<u>139</u>
		<u>89,925</u>	<u>33,624</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 20. CASH AND CASH EQUIVALENTS (CONT'D):

## (a) Interest rate exposure -

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

	<u>2019</u>	<u>2018</u>
	<u>%</u>	<u>%</u>
Cash at bank - J\$ account	0.54	0.54
- US\$ account	0.12	0.10
Deposits and short term investments -		
- US\$	1.60	2.18
- J\$	<u>2.75</u>	<u>4.08</u>

## 21. SHARE CAPITAL:

	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Authorised, issued and fully paid - 100 ordinary shares of no par value	<u>1</u>	<u>1</u>

## 22. CAPITAL RESERVE:

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

## 23. LONG TERM LOANS:

Loans are comprised as follows:

	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Productive Business Solutions Limited (i)	451	1,400
Development of Bank of Jamaica Limited (ii)	21,099	23,164
Micro Investment Development Agency (iii)	10,000	10,000
Ministry of Finance (iv)	<u>63,295</u>	<u>68,630</u>
	94,845	103,194
Less current portion	( 451)	( 920)
	<u>94,394</u>	<u>102,274</u>



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 23. LONG TERM LOANS (CONT'D):

- (i) This represents an agreement of US\$21,901 to be paid through 36 installments of US\$ 608.37 for the purchase of property, plant and equipment.
- (ii) This loan was obtained for on-lending to businesses in the productive micro and small enterprises sectors. The principal is repayable in 12 semi-annual payments commencing December 2009 and bears interest at a rate of 7% per annum. It is secured by a Parliamentary Guarantee issued by the Government of Jamaica.

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

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

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

- (iv) The Ministry of Finance and the Public Service (MOFPS) on behalf of the corporation and in consultation with the Development Bank of Jamaica (DBJ) agreed to settle debt obligation of the secured loan of \$68M. The servicing of JBDCs debt obligations by the MOFPS was effected pursuant to section 20, subsections (2) (3) (4) of the Public Debt Management Act 2012 (PDMA). In light of the foregoing, JBDC is indebted to the Government of Jamaica and should be guided by the provisions of the PDMA.

## 24. DEFERRED INCOME:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Balance at beginning of year	927	960
Amortization charge (Note 7)	( 33)	( 33)
	<u>894</u>	<u>927</u>
Current portion	33	33
Long term portion	<u>861</u>	<u>894</u>
	<u>894</u>	<u>927</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 24. DEFERRED INCOME (CONT'D):

Deferred income represents grants provided by the Government of Jamaica to acquire property, plant and equipment. These amounts were reclassified from fixed asset reserve in March 2013 to deferred income in accordance with IAS 20 Accounting for Government Grants and disclosure of Government assistance.

## 25. PAYABLES:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Trade payable	16,447	16,229
GCT withheld payable	18,979	15,944
Other payables	18,064	8,198
Accruals	<u>44,459</u>	<u>42,038</u>
	<u>97,949</u>	<u>82,409</u>

## 26. PROJECT LIABILITIES:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
DBJ Business training method	778	778
Development Bank of Jamaica/MSME Development Fund	2,662	2,662
Income Cluster	181	181
Inter-American Development Bank (Government of Jamaica)	-	8,743
Miscellaneous	34,045	8,132
Tourism Enhancement Fund	<u>494</u>	<u>494</u>
	<u>38,160</u>	<u>20,990</u>

These represent interest free funding received from multilateral organizations and government agencies. The corporation acts as facilitator to carry out specialized projects financed from these funds. The corporation is in compliance with the terms of the projects, which are stipulated in an established Memorandum of Understanding for each project.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

## 27. RELATED PARTY TRANSACTIONS AND BALANCES:

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
<u>Transactions during the year</u>		
Key management compensation -		
Key management includes executive directors		
Salaries and other short-term employee benefits	19,597	18,870
Payroll taxes - employer's portion	470	503
Pension contribution	<u>362</u>	<u>338</u>
	<u>20,429</u>	<u>19,711</u>
Directors' emoluments -		
Fees	155	275
Management remuneration (included in salaries above)	<u>10,796</u>	<u>10,414</u>

## 28. LEASE COMMITMENTS:

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

	<u>2019</u> <u>\$'000</u>	<u>2018</u> <u>\$'000</u>
Within 1 year	228	2,855
Subsequent years (2-5)	<u>586</u>	<u>1,092</u>
	<u>814</u>	<u>3,947</u>

## 29. SEGMENT INFORMATION:

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

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

Financial information related to the operating segment results from continuing operations for the period ended 31 March 2019, can be found in the statement of profit or loss and other comprehensive income. There are no differences in the measurement of the reportable segment results and the corporation's.

Details of the segment assets and liabilities for the period ended 31 March 2019, can be found in the statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the corporation's assets and liabilities.

Entity-wide disclosures:

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

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



## DIRECTORS COMPENSATION FOR PERIOD

Position of Director	Fees	Motor Vehicle Upkeep/Travelling	Honoraria	All Other Compensation including Non-Cash Benefits as applicable	Total
	(\$)	or	(\$)	(\$)	(\$)
		Value of Assignment of Motor Vehicle			
Cleveland Stewart - Chairman	36,000.00	-	-	-	36,000.00
Donovon Wignall	7,000.00	-	-	-	7,000.00
Raymond Villiers	14,000.00	-	-	-	14,000.00
Andrene Collings	14,000.00	-	-	-	14,000.00
Yvonne Davis	14,000.00	-	-	-	14,000.00
Hugh Johnson	21,000.00	-	-	-	21,000.00
Oral Shaw	7,000.00	-	-	-	7,000.00
Keisha Lewis	7,000.00	-	-	-	7,000.00
Dr. William Lawrence	14,000.00	-	-	-	14,000.00
Colin Virgo	14,000.00	-	-	-	14,000.00

Matthew Samuda	7,000.00	-	-	-	7,000.00
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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 (\$)	Non-Cash Benefits (\$)	Total (\$)
						*Seniority Allowance & Acting Allowance		
Chief Executive Officer- Valerie Veira	2018-2019	11,845,440	-	1,542,864	-	-	-	13,388,304
Deputy C.E.O Harold Davis	2018-2019	9,050,382	-	1,542,864	446,694	236,925	-	11,276,865
Finance Manager Michele Cowan	2018-2019	5,162,642	-	1,542,864	266,862	174,588	-	7,146,956
Director, Incubator & Resource Centre David Harrison	2018-2019	5,181,606	2,056,425	1,542,864	-	-	-	8,780,895
Technical Services Mgr – Colin Porter	2018-2019	3,721,696	-	1,542,864	198,670	251,708	-	5,714,938



Human Resource Mgr – Patricia Kitson	2018-2019	3,356,757	-	1,542,864	167,838		-	5,067,459
Mgr-Things Jamaican - Janine Taylor	2018-2019	3,721,692	-	1,542,864	198,670	251,712	-	5,714,938
Mgr-I.T - Neville Grant	2018-2019	3,721,696	-	1,542,864	186,085	-	-	5,450,645
Mgr –Project Mgmt and Research - Lisa Taylor-Stone	2018-2019	3,721,696	-	1,542,864	183,987	-	-	5,448,547
Mgr –Business Advisory Services - Althea West-Myers	2018-2019	4,498,950	-	1,542,864	225,048	-	-	6,266,862
Mgr –Corporate Communications - Suzette Campbell	2018-2019	3,721,696	-	1,542,864	183,987	-	-	5,448,547
Mgr-Financial Services Support - Melissa Bennett	2018-2019	3,133,568	-	1,542,864	154,471	-	-	4,830,903
Mgr –Administration - Ann-Marie Brown	2018-2019	2,871,560	-	1,238,989	143,578	-	-	4,254,127

#### 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.

# NOTES



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## JAMAICA BUSINESS DEVELOPMENT CORPORATION

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UWI, Mona Campus

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St. Ann Chamber of Commerce  
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