JBDC ANNUAL REPORT

2020-2021

DIGITALISING THE BUSINESS MODEL

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, Investment & Commerce, 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 Business Centre locations in St. Thomas, Manchester, St. James, Westmoreland, and St. Ann. The locations form part of the Small Business Development Centre Network (SBDC). 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.thingsjamaicanshopping.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 to 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 and www.thingsjamaicanshopping.com

Email: info@jbdc.net

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MINISTER'S MESSAGE

The Ministry of Industry, Investment & Commerce recognises that the Micro, Small & Medium-sized Enterprise (MSME) sector is integral to economic development, as it is composed of a wide range of sectors and significantly contributes to revenue and job creation. The Government of Jamaica is therefore committed to developing the policy framework to ensure that entrepreneurs within the sector operate amidst an enabling business environment that results in growth.

Among these policies is the National Craft Policy which was officially launched during the 2020-2021 fiscal year. It was a long time in coming, but timely against the backdrop of the Novel Coronavirus pandemic which adversely affected tourism and the cultural and creative industries (CCIs), which are inextricably linked. Craft is an industry that can stand on its own and this [policy] signals to the world that Jamaica has a strong and viable industry. The policy will ensure that there is proper marketing of our unique brand and that there are proper mechanisms regarding the growth and stability of the industry.

The Policy, developed in partnership with the Jamaica Business Development Corporation (JBDC), aims to streamline the Jamaican craft industry by facilitating improvements in quality, variety, value, sales, customer satisfaction and profits. It will promote greater local identity of finished craft and souvenirs, innovation, better supply capability, packaging, regulation and production and distribution facilities. The Government is confident that with these improvements to craft, tourists will be guaranteed an improvement in the Jamaican experience as they seek to take a piece of Brand Jamaica back home.

The Ministry is also keen on the development of other sectors such as agriculture and fisheries through formalisation. The 'Formalising Operators in the Jamaican Agriculture & Fisheries Sector' project, is being undertaken through funding from the International Labour Organization (ILO) with the aim of enabling 100 farmers and fisherfolk from across the island to formalise their operations through training in enterprise formalisation and capacity development. The Ministry stands firmly behind the JBDC team as they lead the implementation of this significant project.

I take this opportunity to commend the JBDC on its visible efforts to keep the MSME ecosystem engaged through digital transformation initiatives as we aim to stay on course towards Vision 2030 amidst uncertainty and new challenges. Together, we will make Jamaica the place to do business.

Honourable Audley Shaw, CD, MP
Minister of Industry, Investment & Commerce

CHAIRMAN'S STATEMENT

The Jamaica Business Development Corporation (JBDC) has consistently ensured that its strategic imperatives are in alignment with the Government of Jamaica's MSME & Entrepreneurship Policy which provides the framework for the development of the Micro, Small & Medium-sized Enterprise (MSME) sector

The Policy calls for timely, relevant, and measurable business development and capacity building services that are available to the MSME sector islandwide. The JBDC has ensured that its services are available through business centres strategically positioned in parishes outside of Kingston & St. Andrew, with the most recent addition being St Thomas.

During the 2020-2021 fiscal year, the agency led the expansion of the Small Business Development Centre (SBDC) Network through the signing of Memorandum of Understanding (MOU) with the University of the Commonwealth Caribbean (UCC). Discussions are also underway with the University of the West Indies (UWI) Mona. There are currently eight (8) external SBDCs and six (6) JBDC Business Centres which form part of the Network, bringing the total to fourteen (14). Noteworthy is the fact that the SBDCs which are located on university campuses are appropriately positioned to support a culture of entrepreneurship and innovation that promotes creativity, research and development in business operations and throughout the education system, as dictated by the Policy.

The JBDC continues to be a thought leader through stimulation of the MSME ecosystem by initiating national conversation and implementing subsequent programmes and projects. The newest goal of the Policy points to the need for a framework that supports the creation and measurement of social value. During the period under review, the JBDC partnered with the Jamaica Stock Exchange (JSE) and Sagicor Bank to stage the Social Return on Investment (SROI) Virtual Roundtable and Grant Fund Proposal Writing Workshop for Social Enterprises. The 4-day event sought to build the capacity of social enterprises to move from subsistence to growth models and to access funding.

Amidst budgetary constraints, the agency creatively began the implementation of the National Craft Policy through a series of virtual knowledge sharing sessions targeting gift and craft producers. On behalf of the Board of Directors, I extend heartfelt congratulations to the JBDC team for its sterling performance during this period of disruption and change and more so its commitment to implementation.

William Lawrence PhD
Chairman

BOARD OF DIRECTORS

William Lawrence PhD
Chairman

Steven Fong-Yee
Deputy Chairman

Valerie Veira, CD, JP
CEO & Director

Adonia Chin
Director

Yvonne Davis
Director

Bernard Henry
Director

Hugh Johnson
Director

Keisha Lewis
Director

Danielle Terrelonge
Director

Oral Shaw
Director

Mario Thomas
Director

Ida-Gaye Warburton
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 thirteen (13) 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 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 organisation and ensuring that information on the programmes and services provided by the organisation is circulated to the widest and most relevant audience.

During the Fiscal Year, the committee oversaw several projects which included the organisation's partnership with the British Council to conduct a mapping of the Jamaica cultural and creative industries.

The members of the sub-committee were:

Adonia Chin (Chairperson)
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 organisation and ensure compliance with all statutory and regulatory guidelines as required by the Government of Jamaica.

The members of the sub-committee include:
Yvonne Davis (Chairperson)
Oral Shaw
Valerie Veira

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.

The committee provided oversight thus ensuring that the organisation complied with the requisite guidelines and statutory requirements. Prudent financial management continued to be a priority for the committee, and the organisation was continually reminded of this.

The members of the sub-committee include:
Steven Fong-Yee (Chairperson)
Hugh Johnson
Donovan Wignal
Keisha Lewis
Bernard Henry
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 4 core service departments and 5 support departments.

The core service departments include Technical Services, Marketing Services, Business Advisory 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, CD, JP
Chief Executive Officer

Harold Davis, JP
Deputy Chief Executive Officer

SENIOR MANAGEMENT TEAM

Melissa Barrett
Manager
Business Advisory 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

David Harrison
Director
Incubator & Resource Centre

Patricia Kitson
Manager
Human Resource
Management
& Development

Shelly-Ann Lawson-Francis
Manager, Special Projects

Amanda McKenzie
Manager
Project Management &
Research

Colin Porter
Manager
Technical Services Unit

CEO'S MESSAGE

The 2020-2021 fiscal year was one in which the Micro, Small & Medium-sized Enterprise (MSME) sector was forced to move in tandem with the rest of the world and embrace digital transformation, as we grew accustomed to the rapid changes brought on by the covid-19 pandemic. The Jamaica Business Development Corporation (JBDC) sought to lead this transformation through a range of initiatives which were activated in the digital space.

During the period under review, the agency engaged more than 10,000 persons in approximately 164 knowledge sharing sessions aimed at stimulating the ecosystem at the time when they needed it most. Our message was simple: It is time to move from panic and back to passion. Therefore, the sessions covered a wide range of business development topics delivered by industry experts. Much of the sessions were centred around eCommerce as we underscored the need for digital transformation in a changing world.

The JBDC officially released the results of the Mapping of the Cultural and Creative Industries (CCIs) which highlighted a lack of business skills as a barrier to growth and sustainability by CCI entrepreneurs in Jamaica and pointing to the need for the advancement of a CCI policy and sector coordination. We have already begun discussions about digital transformation within the sector, as consultations pointed to discoverability, digital skills, and data as crucial development areas for the sector. The biggest priority was considered digital marketing and distribution, identified by nearly half of survey respondents (43%).

The JBDC entered a major partnership with international organisation, CIAL Dun & Bradstreet which manages a database of nearly 40 million businesses across the Latin America & Caribbean Region and has seen both sides of the spectrum from small and medium-sized to large. Credibility backed by data, is a critical element for growth. CIAL Dun & Bradstreet data is used internationally to validate suppliers in export markets. It is partnerships like this one which help to create an enabling business environment to support the implementation of the Government's MSME & Entrepreneurship Policy.

Through our Things Jamaican™ eCommerce platform, we are aiming to further create that environment for business in international markets. And we are pleased that we were able to launch the National Craft Policy, a signal to the world that Jamaica has a viable and vibrant craft industry. This is a critical step in ensuring that craft is prioritised as one of the top sub-sectors of our economy, with strong linkages to tourism, manufacturing, agriculture and the creative industry. At last, they are labelled in that category of industry.

The availability of innovative and inclusive financial systems that are appropriate, affordable and accessible throughout the MSME business lifecycle is a significant goal in the MSME & Entrepreneurship Policy. The challenges relating to access to financing is at the forefront of the minds of innovators and entrepreneurs. Admittedly, the journey to bridging the gap between financier and entrepreneur is far from over, but we are steadily closing the gap.

The JBDC has been engaging most financial companies to achieve buy-in towards investing in the development of the sector and I thank all of them for their grace thus far. During the fiscal year, we joined forces with Sagicor Bank Jamaica in the signing of a MOU which resulted in the opening of a Business Centre in Kingston which will provide free business development services to MSMEs. The initiative brings them closer together and I look forward to all reaping the fruits.

I am elated that the JBDC has been selected to benefit from a World Bank funded initiative to complete the process of becoming an ISO certified company. I am confident that the hardworking and committed team has the right processes in place to make this a reality in the next fiscal year.

What an amazing journey it has been! Just when many thought all hope was lost, we have seen a plethora of opportunities to reinvent ourselves. I am looking forward to the upcoming fiscal year which will see the JBDC and its partners unveiling more opportunities in emerging industries which are ripe for innovation.

Valerie Veira, CD, JP
Chief Executive Officer

PERFORMANCE REPORT

Throughout the 2020-2021 fiscal year, the JBDC continued to implement major programmes and projects which were strategically aligned to the impact objectives and success indicators. The main highlights were:

1. **Promoting the Expansion of the Business Sector** – The JBDC developed several programmes and projects geared towards formalisation of the business sector as well as the enhancement of new industries/opportunities and entry to new industries. As business formalisation extends beyond the registration of a company, our initiatives sought to delve deep into the operations of the businesses we serve. Of note is the 'Formalising Operators in the Jamaican Agriculture & Fisheries Sector' project which targets farmers and fishers islandwide. The JBDC was successful in engaging more than 100 persons for the project which will focus on two areas: (1) Enterprise Formalisation and (2) Capacity Development. The capacity development approach will see participants benefitting from business development training, product development training and enterprise structuring for improvements in efficiency and effectiveness.

Amidst a rapidly changing global business environment, innovation is paramount. The JBDC is therefore keen on promoting innovation particularly in emerging industries along the agriculture and manufacturing value chain. The Essential Oils Incubator Project is one such initiative which seeks to establish a space at our Incubator & Resource Centre (IRC) for the processing of oil from local plants to supply the high demand for the aromatherapy and food industries.

We are in alignment with the demands of the MSME sector as our data shows an increase in business development services to manufacturers and producers from 13% in the 2019-2020 fiscal year to 18.8% in the 2020-2021 fiscal year. The new figure places manufacturers and producers as our top sector above service establishments which was number 1 in the previous period.

2. Facilitating Employment Creation – We are proud to report that the agency assisted 10,208 MSMEs, a 122% increase over the previous fiscal year. This can be accredited to the high level of online engagement. The agency completed an Economic Impact Assessment on the SBDC Network to estimate the changes in employment, income and levels of business activity. Of the 6,987 active clients surveyed, 34% opened a business with agriculture being the dominant sector. Domestic sales increased by 297% to J$244,019,418 in 2020. During the period, the agency reviewed its flagship Accelerator Programme and submitted a proposal for funding to the Development Bank of Jamaica (DBJ). We anticipate that the upcoming Cohort 4 in the next fiscal year, will be our biggest yet, as it is set to target 60 entrepreneurs with high growth potential.

3. Fostering Business Competitiveness – The adverse effects of the covid-19 pandemic were felt in our market access efforts, as Things Jamaican™ retail stores were rendered shut for extended periods. However, in keeping with the global shift towards digital transformation, the agency focused on moving the traffic to the newly launched eCommerce platform. During the period under review, 4,791 consumers purchased products from Things Jamaican™, 296 entrepreneurs received market access and earned approximately J$7,650,920.

Our efforts at competitiveness and internationalisation led us to a partnership with the Caribbean Development Bank and the European Union for the 'Enhancing the Export Capacity of Micro and Small Agro-Processors Using the Cluster Approach' project. The project aims to strengthen agro-processing enterprises through the development of a Food Incubator at our Incubator & Resource Centre (IRC). The facility will enable agro-processors to develop innovative value-added products which meet international standards and quality. It will also strengthen JBDC's brands including Spa Jamaica and Jamaica Harvest to enter international markets through the Things Jamaican™ eCommerce platform.

They say, "No man is an island" and the JBDC is by no means alone on this impactful and fulfilling journey. I take this opportunity to extend gratitude to all our partners for helping us to make the dreams of thousands of Jamaican entrepreneurs a reality.

Harold Davis, JP
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 specific 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

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

INCUBATORS

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

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 nested 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). Having entered the institution via the Business Advisory Services Department, the client is guided through customised services provided by the Marketing Services, Technical Services and/or the Project Management and Research Departments based on needs determined by the preliminary assessment.

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:

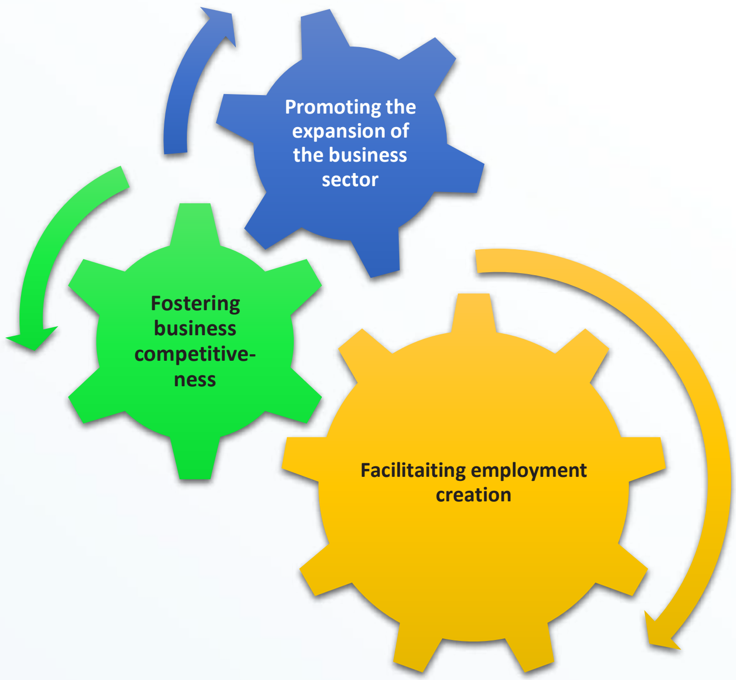
- Business development consultancies and specialised training solutions
- Proposal writing training and solutions
- Research training and facilitating research process outsourcing
- Employee Engagement Conference
- Project management solutions
- Technical solutions inclusive of visual communication, 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:

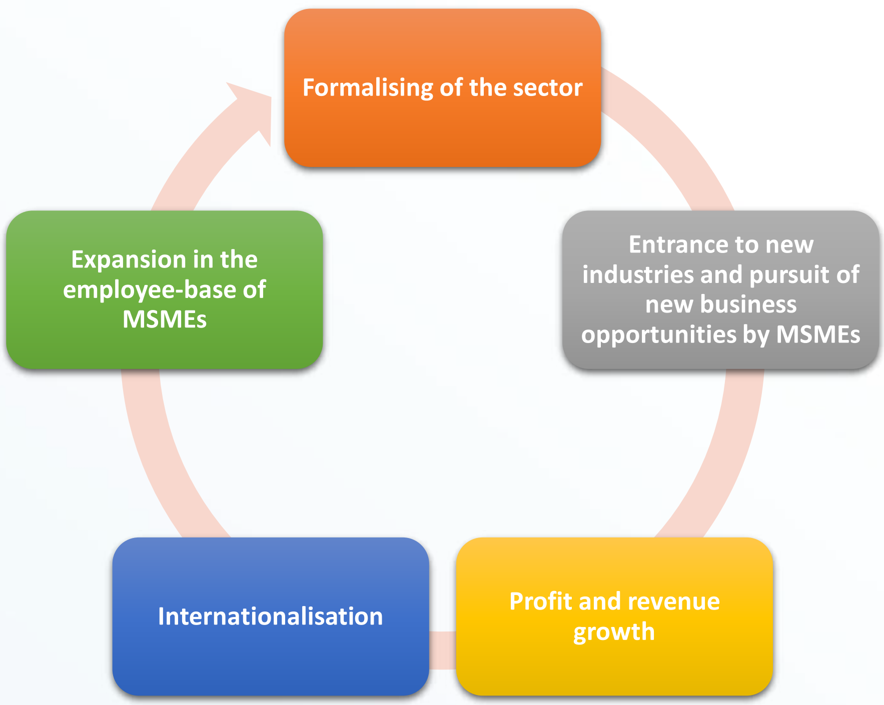
- Corporate Communications
- Human Resource Management and Development
- Technical Services
- Marketing Services Unit
- Project Management and Research
- Information Technology
- Administration
- Finance

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


Promoting the expansion of the business sector
Fostering business competitive-ness
Facilitaiting employment creation

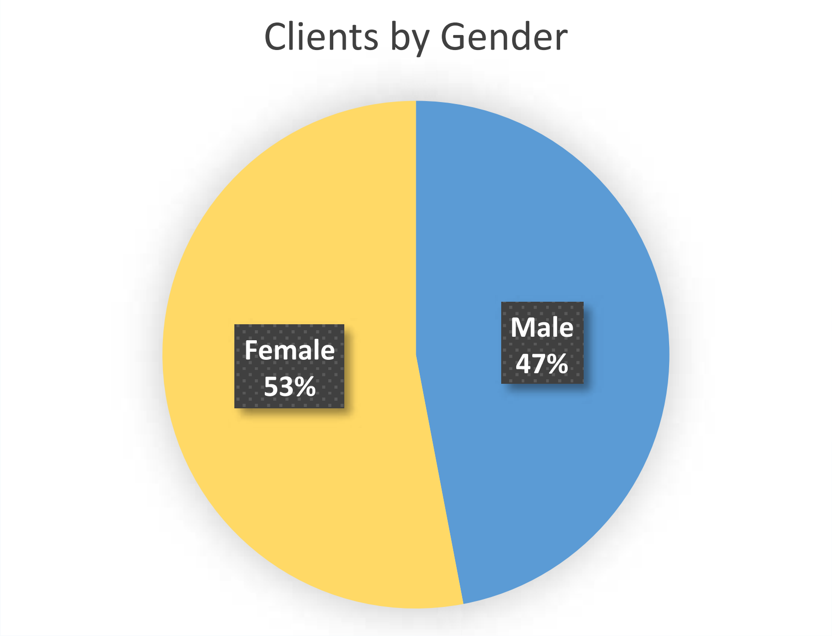
IMPACT INDICATORS

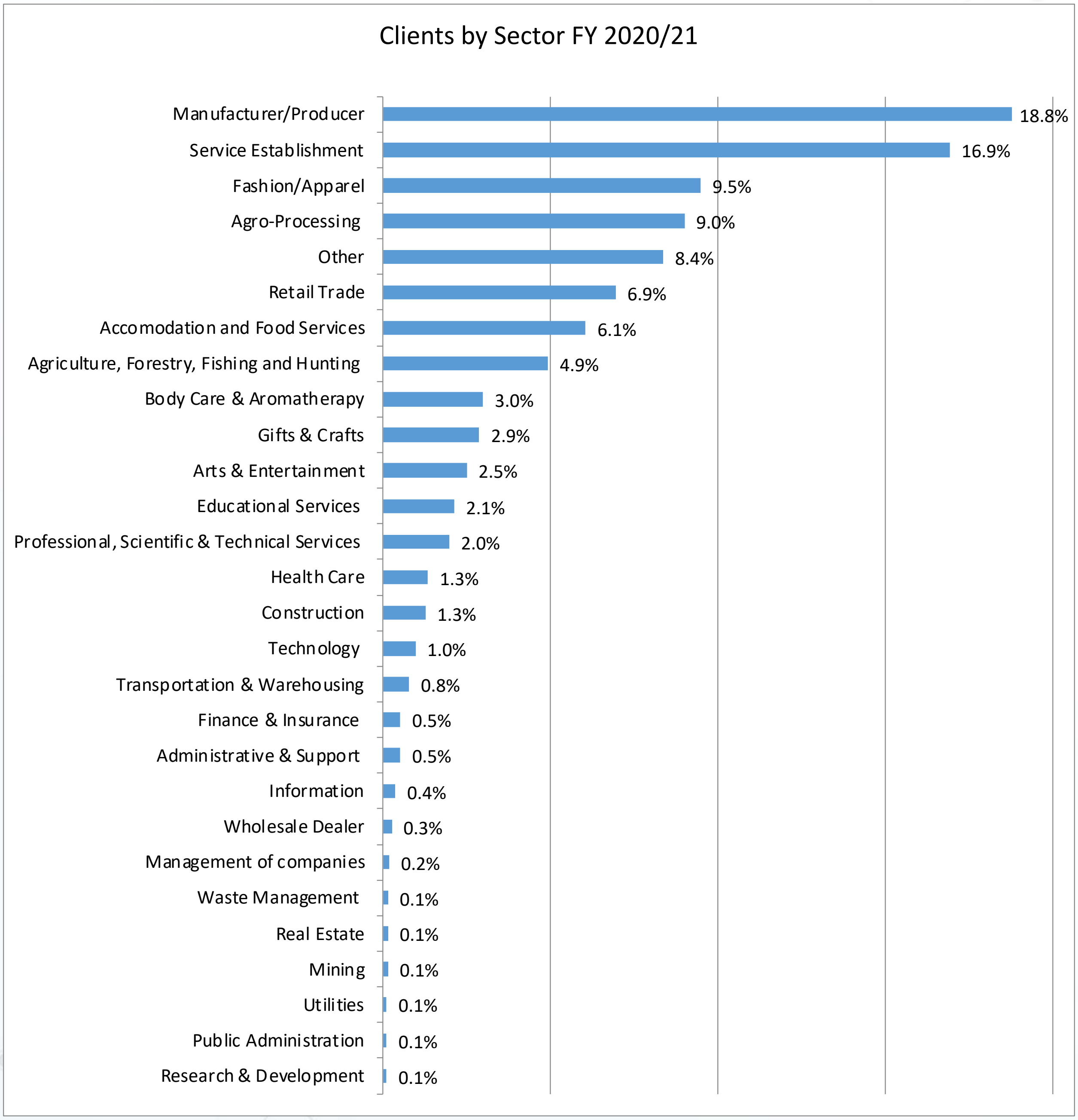


PERFORMANCE OVERVIEW

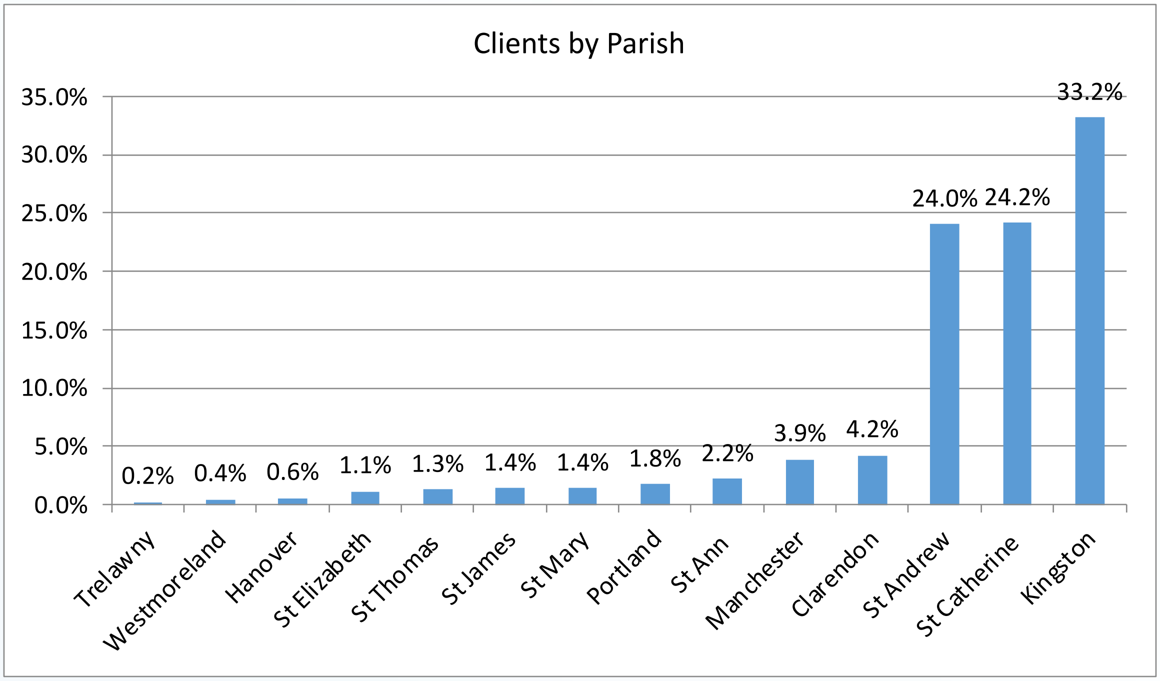
PROFILE OF CLIENTS

The Jamaica Business Development Corporation has approximately 1,971 active clients within the Micro, Small and Medium-sized Enterprises (MSMEs) sector registered in its Client Relationship Management System (Neoserra CRM) as at March 31, 2021. The number of female clients outweighed male clients with the split being 53% females & 47% males. As it relates to the industries to which clients are aligned, most (18.8%) are manufacturers or producers. The second largest proportion (16.9%) is aligned to the services sector followed by 9.5% who are in the fashion and apparel industry. 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, education, health care among others.

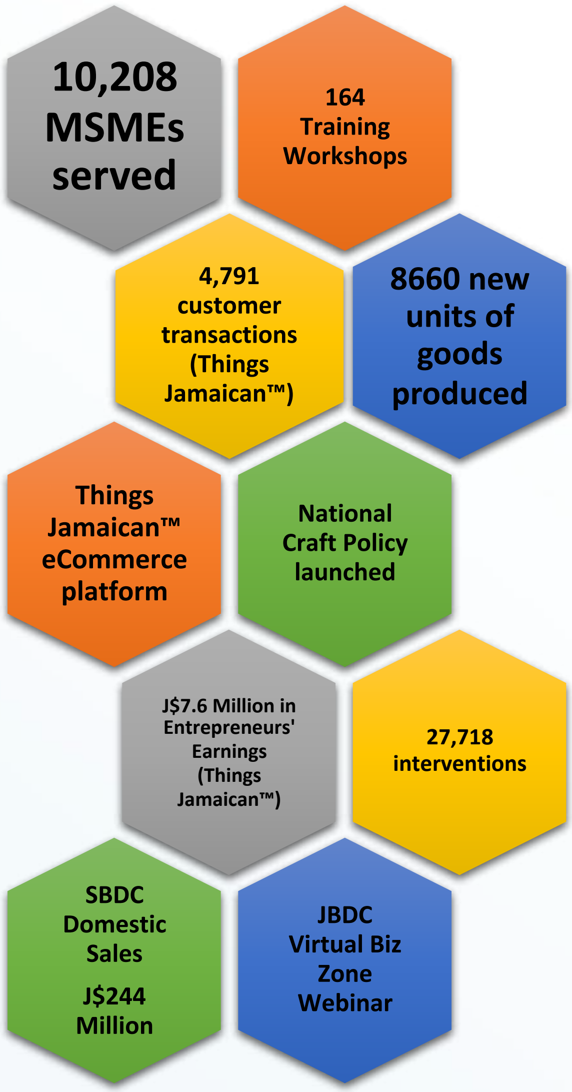



Clients by Sector FY 2020/21
Manufacturer/Producer 18.8%
Service Establishment 16.9%
Fashion/Apparel 9.5%
Agro-Processing 9.0%
Other 8.4%
Retail Trade 6.9%
Accomodation and Food Services 6.1%
Agriculture, Forestry, Fishing and Hunting 4.9%
Body Care & Aromatherapy 3.0%
Gifts & Crafts 2.9%
Arts & Entertainment 2.5%
Educational Services 2.1%
Professional, Scientific & Technical Services 2.0%
Health Care 1.3%
Construction 1.3%
Technology 1.0%
Transportation & Warehousing 0.8%
Finance & Insurance 0.5%
Administrative & Support 0.5%
Information 0.4%
Wholesale Dealer 0.3%
Management of companies 0.2%
Waste Management 0.1%
Real Estate 0.1%
Mining 0.1%
Utilities 0.1%
Public Administration 0.1%
Research & Development 0.1%

Clients are dispersed country-wide with the largest concentration of clients located in Kingston (33.2%) followed by St Catherine (24.2%), St. Andrew (24%), Clarendon (4.2%), Manchester (3.9%), St. Ann (2.2%), Portland (1.8%), St. Mary and St James (1.4%) individually, St. Thomas (1.3%), St. Elizabeth (1.1%), Hanover (0.6%), Westmoreland (0.4%) and Trelawny (0.2%). 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.



2020 – 2021 HIGHLIGHTS

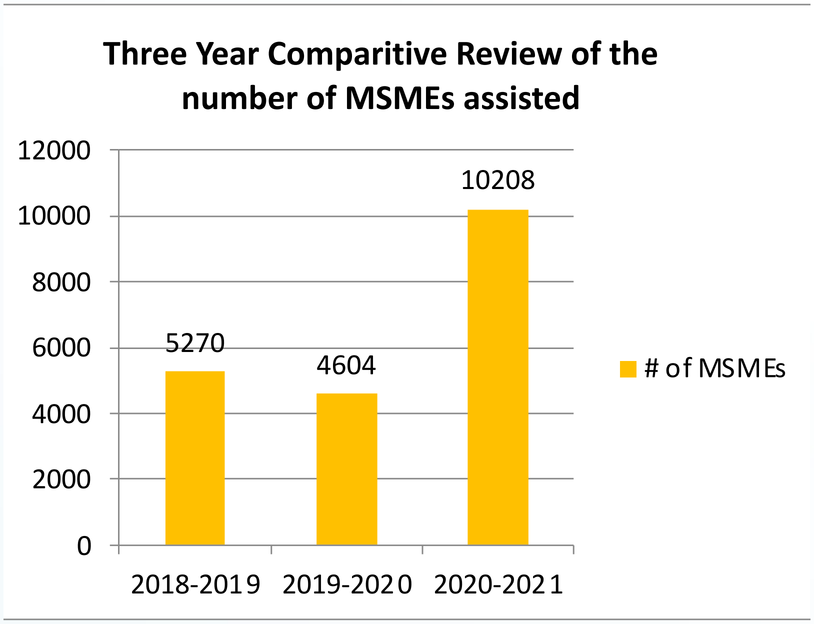


ENTERPRISE LEVEL DEVELOPMENT

OUR REACH, CLIENT AND SERVICE PERFORMANCE

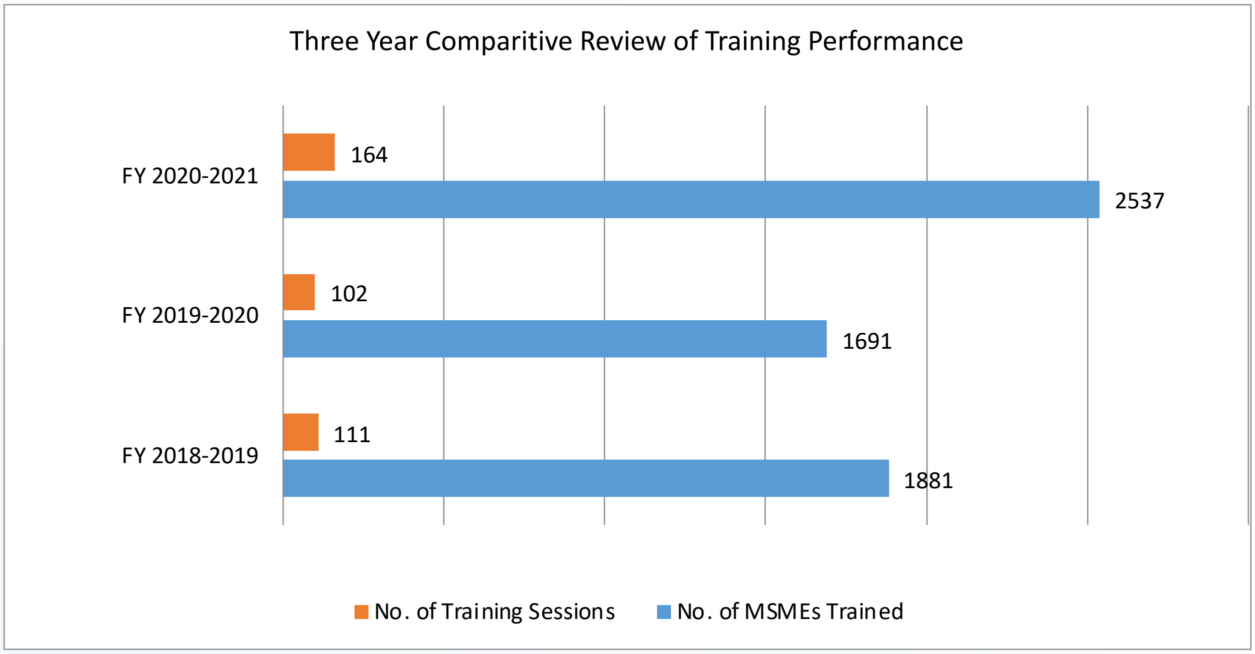
Our Reach

JBDC assisted 10,208 MSMEs during the 2020-2021Financial Year representing a 122% increase over the previous fiscal year (2019-2020) during which 4,604 MSMEs were assisted. Assistance was provided through approximately 27,718 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.



Training Performance

The JBDC conducted a series of training sessions focusing on business and technical development. Since the beginning of the review period (FY 2020-2021), approximately 2,537 MSMEs have been trained representing a 50% increase in the number of MSMEs trained when compared to the same period during FY 2019-2020 where 1,691 MSMEs were trained. Likewise, the number of training sessions hosted have been increased from 102 to 164; representing a 38% increase.
The increase is due to a series of Knowledge Sharing Sessions implemented as part of the JBDC's Events Marketing strategy to stimulate the ecosystem, as well as sustained interaction with the agency during the heights of the COVID-19 Pandemic.

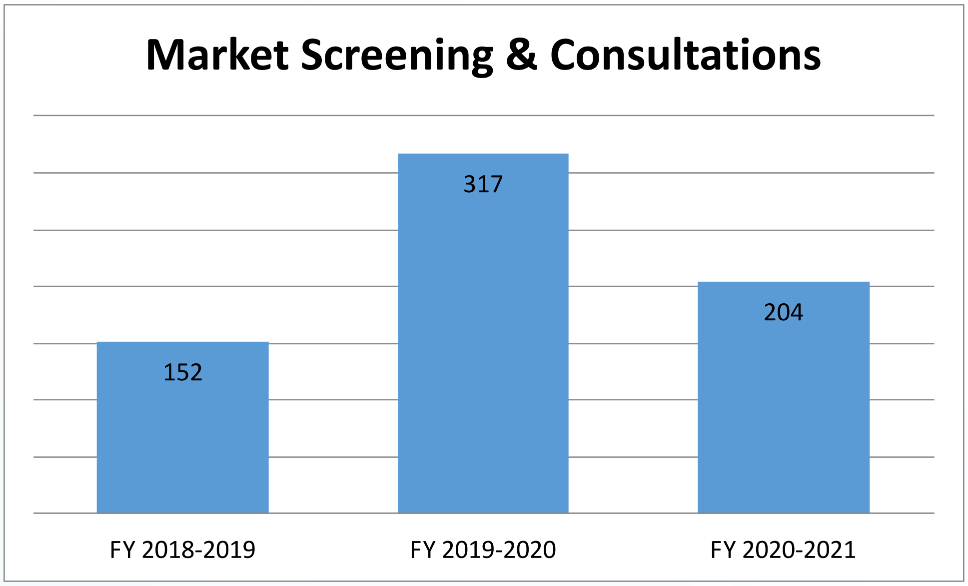


A synopsis of the interventions delivered by JBDC during the review period are included below:

- Social Return on Investment (SROI) Virtual Round-Table and Grant Fund Proposal Writing Workshop for Social Enterprises
- Knowledge Sharing Sessions
  - o JBDC Virtual Biz Zone
  - o JBDC Virtual Gift & Craft Biz Zone
  - o JBDC 'In Concert'
- Global Entrepreneurship Week Events
  - o Business Dialogue Forum
  - o Brand Jamaica Design Lab
  - o The Entrepreneur's Journey
  - o B.O.S.S. Awards

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 FY2018-2019, FY2019-2020 and FY2020-2021. Market screening and consultation decreased by 36% when compared to screening and consultations done in the 2019-20 FY.



PROGRAMMES

Export Max III

The goal of EXPORT MAX III is to enable businesses in the goods and non-goods sector to be competitively positioned in external markets with viable opportunities. The role of JBDC is to provide capacity building and business monitoring support to MSMEs in preparation for entry or expansion in the international market. Approximately 200 EOIs and 70 applications were submitted to JAMPRO. From this number, 51 businesses were selected and recommendations for final approval submitted to the Steering Committee, of which JBDC is a member.

During the fiscal period, the following activities were completed in preparation for project implementation which commenced in February 2020:

- 48 benefitting enterprises were assessed
- Enterprise Development Plans and Project Action Agreement were completed

COVID-19 Impact Assessment was also conducted with project beneficiaries. 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 Export Max III. The project is slated to provide development services to fifty (50) exporters over 3 years. JBDC will provide business development support during this period.

Participants benefited from the following sessions:

- "Access to Funds Webinar" (hosted by JAMPRO)
- Research, Business Development and Strategic Planning training
- Financial Reporting and Forecasting

NeoSerra CRM - Terms of Agreement to utilise NeoSerra was developed and signed by external partners.

The project is funded by the Ministry of Finance & the Public Service.

IGNITE III

The tripartite agreement for the execution of the IGNITE project was signed by JBDC, Development Bank of Jamaica (DBJ) and the IGNITE beneficiaries. Support was provided by the Business Development Officers for the implementation and execution of the development plans for the two beneficiaries in JBDC's portfolio – Jamaican Algae (JALGAE) and Jamaica Electronic Health Records System (JEHRS).

The Project Management & Research Department team participated in a YouNoodle training hosted by the DBJ. The YouNoodle online platform will be used to manage the IGNITE III application and evaluation process in the upcoming fiscal year.

ACCELERATOR PROGRAMME

The JBDC Accelerator Programme is an intensive 6-month programme facilitating fast-paced capacity building with the objective of taking MSMEs into new markets and/or accessing investment. Entry requirements are as follows:

- Established businesses with revenues above J$5 million;
- Growth rate of above 20%;
- Significant market demand but limited financing to drive growth.

Cohort 4

Due to the impact of COVID-19, the Accelerator Programme has been delayed. However, the agency reviewed and made adjustments to the Programme during the period under review. Subsequently, a proposal was submitted to the DBJ for funding.

THINGS JAMAICAN™ ECOMMERCE PLATFORM

Given the COVID-19 restrictions, the Things Jamaican™ outlets, with the exception of Norman Manley International Airport (NMIA), were closed for an extended period. As a result, increased efforts were made to shift the majority of traffic to the website and social media platforms. New content was done and posted to the brand's social media platform, with the aim of engaging and informing the target audience.

A digital marketing strategy was designed to bolster an increase in the traffic to our social media pages and website. Sponsored and programmatic ads were done on social media platforms and Google throughout the reporting period.

TARGETS & ACHIEVEMENTS

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

PLANNED TARGETS FOR 2020/21	KEY ACHIEVEMENTS FOR 2020/21
CONSULTATIONS - Implement business development programmes serving at least 3000 clients annually	**CONSULTATIONS** - 8,417 consultations were conducted with 3,062 clients and customers served via counselling/coaching sessions, expositions and special events. - A total of 4,372 hours were invested in consultation with MSMEs (consultations covered: business development, technical support, capacity building, coaching and mentoring, financial support services and product development).
TRAINING - 60 training workshops completed - 1500 clients trained in business development	**TRAINING** - 164 training workshops completed - 2,537 MSMEs received training in business development
MARKET ACCESS - 5% increase in entrepreneurs' earning enabled through Things Jamaican™ - Increase in the number of trade events thereby expanding market access for MSMEs	**MARKET ACCESS** - 4,791 consumers purchased products from Things Jamaican™ - J$7,650,920 in entrepreneurs' earnings enabled through Things Jamaican™, a 78% decrease due to the impact of COVID-19 - 296 entrepreneurs received market access through Things Jamaican™ - 34 SMEs supplied thousands of masks to Tourism stakeholders - No trade show participation due to COVID-19 restrictions - Provided support for 'Christmas in July' in the screening of 165 clients and the full participation of 141 producers in the event. Cumulative sales earned by the participants was J$108,214,000. - Due to the pandemic, the Speed Networking event was held virtually. 109 Suppliers participated. - 26 new entrepreneurs received market access through Things Jamaican™ - 85 new products were added to the product pool

RESEARCH & DEVELOPMENT - Plan and execute impact assessment exercise to evaluate the extent to which businesses have grown resulting from JBDC's interventions - Plan and execute at least 3 industry specific studies and expand client-base relative the number of enterprises utilising R&D in their operations	**RESEARCH & DEVELOPMENT** (Internal) - JBDC completed an Economic Impact Assessment of the Small Business Development Centre (SBDC) Network to estimate the changes in employment, income, and levels of business activity. The research sample consisted of 6,987 active clients of the SBDC Network. Key Findings • New and Existing Businesses: Thirty-four percent (34%) of respondents opened a business between 2019 and 2020 with agriculture being the dominant sector. • Domestic Sales: The combined domestic sales for 2019/2020 were J$305,489,852.47. Domestic sales increased by 297% in 2020, moving from J$61,470,434.73 in 2019 to J$244,019,418 in 2020. • Export Sales: Export sales for the period under review amounted to J$1,137,000.00. Of the amount earned from exports, approximately J$781,000.00 was acquired from new export markets. • Local and International Developments: Clients reported that only 13% of enterprises entered new markets in 2019-2020. Expansion within the local market was strongest (44%) followed by the United States (16%).
PRODUCT DEVELOPMENT AND ENHANCEMENT - 159 products developed or enhanced in the Gift & Craft, Fashion and Agro-Processing industries. - 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. - 24 manufacturing facilities audited and recommendations made for improved productivity. A total of 24 facilities recording improvements in productivity.	**PRODUCT DEVELOPMENT AND ENHANCEMENT** - 151 products were developed or enhanced during the fiscal year. The sectors impacted were Gift & Craft, Fashion and Agro-Processing. - 8,660 new units of goods were produced via incubator usage. - 18 clients accessed services from the fashion and food and gift & craft incubator space during the fiscal year. COVID restrictions resulted in limited access to the incubators. - 6 facilities were audited during the fiscal period

ACCESS TO FINANCING - 300 MSMEs participating in financial literacy interventions (handholding, coaching, technical assistance, consultations, training) - Approximately J$50 million in funding accessed by MSMEs who are a part of the Financial Hand-holding Programme (grants and loans) - J$50 million in grant funding accessed through the Tapping into Donor Funds Proposal Writing Workshop since inception - J$50 million in private equity financing	**ACCESS TO FINANCING** - 34 MSMEs accessed J$29.3 million in funding
DEVELOPMENTAL PROGRAMMES / EVENTS - Host at least 3 developmental programmes/ events	**DEVELOPMENTAL PROGRAMMES / EVENTS** **Social Return on Investment (SROI) Virtual Round-Table and Grant Fund Proposal Writing Workshop for Social Enterprises:** The Virtual Round-Table examined the progress of local SEs shifting from subsistence models towards high growth models; while the workshop targeted SEs ability to achieve growth through accessing grant funding. **Employee Engagement Seminar Series** – The agency pivoted to an online version of the highly successful Employee Engagement Conference with a series of seminars held during October under the theme, LEAD IN THE MOMENT: EMPOWER. PIVOT. GROW. The 4-part Seminar Series sought to equip leaders to gain employees' solid commitment to their organisation's goals, culture and brand; develop employees who consistently go the extra mile to produce results in the 'new normal' and; be empowered to create and implement the ultimate employee experience through strategy execution. **JBDC's Global Entrepreneurship Week 2020** Celebrated virtually during the week of November 16-21 under the theme; IDEATE. INNOVATE. ACTIVATE. GEW facilitated the provision of business development advice to MSMEs, networking and market access opportunities and essentially created a space where MSMEs were empowered through a total of eight (8) thought leadership sessions.

ECOSYSTEM DEVELOPMENT

POLICY

NATIONAL CRAFT POLICY

The National Craft Policy was approved by Parliament and officially launched on July 9, 2020. Sensitisation Sessions and communication campaign regarding tenets of the craft policy were implemented under the JBDC Virtual 'Gift & Craft' Biz-Zone on Thursdays, a limited-edition series during the period under review.

The main policy goals are:

1. To develop a streamlined and rationalised sector, positioned for growth, expansion, increased employment and contribution to national earnings through appropriate institutional support, incentives and sustainable financing;
2. To protect traditional cultural expressions based on culture and heritage through structured interventions, including but not limited to, the provision of training, support for branding and intellectual property protection;
3. To create an appropriate enabling environment for the development and production of new authentic Jamaican craft, visual arts and souvenir products through the implementation of standards and support systems for growth in new product and market development;
4. To enhance revenue streams and profits of legitimate craft producers and vendors through expanded customer access, increased customer satisfaction, quality, product variety, customer-centric market spaces and value for money;
5. To develop the craft value chain, for authentic and innovative Jamaican craft, in an environmentally sustainable manner by the expansion of linkages with other economic sectors.

Next steps:

- Craft Council and Technical Working Group to be developed to ensure effective implementation of the policy.

STRATEGIC PARTNERSHIPS

FYGARO AND CIAL DUN & BRADSTREET

JBDC's partnership with Fygaro: eCommerce Generator, provided practical solutions for MSMEs to move their commerce online. The platform enables businesses to transform their operation with online stores, payment buttons, links for social media, WhatsApp, invoices and more.

The JBDC signed a partnership agreement with international organisation, CIAL Dun & Bradstreet, to deliver critical development services to operators in the Micro, Small and Medium-sized Enterprise (MSME) sector as they grapple with the effects of the corona virus. CIAL Dun & Bradstreet empowers companies of all sizes to grow, manage their customers and suppliers and operate successfully in an increasingly global, transparent and modern economy. CIAL Dun & Bradstreet also offers several tools to take businesses to where they need to be. These include a business ID, digital badge, business analysis report, BSB marketing and a credibility certificate.

SAGICOR BANK BUSINESS RESOURCE CENTRE

Sagicor Bank Jamaica and the JBDC signed a Memorandum of Understanding (MOU) to form the Sagicor Bank Business Resource Centre located in Constant Spring, Kingston. The centre will provide free technical, business advisory, marketing, as well as research and project management services to Small and Medium Enterprises (SMEs).

Through the Sagicor Bank Business Resource Centre, participating business owners will also have immediate access to other services such as investments, property, health and life insurance products and services offered under the Sagicor Group umbrella.

PROGRAMMES

EXPANSION OF THE SBDC NETWORK

The Small Business Development Centre (SBDC) is a central and comprehensive source of support for MSMEs. During the fiscal period, the JBDC led the expansion of the SBDC Network in Jamaica. The purpose of instituting new centres is to provide increased access to the services offered by the JBDC across Jamaica. Since July 2019, approximately 14 SBDCs have been established, 8 of which are external:

1. Rural Agricultural Development Authority (RADA)
2. Edna Manley College of the Visual and Performing Arts (EMCVP)
3. University of Technology (UTech)
4. Northern Caribbean University (NCU)
5. College of Agriculture, Science & Education (CASE)
6. Jamaica Manufacturing and Exporters Association (JMEA)
7. University of the Commonwealth Caribbean (UCC)
8. Caribbean Maritime University (CMU) - The Centre is currently not in operation due to ongoing internal matters.

Training for the SBDC Representatives were completed as follows:

- Neoserra Training
- Basic Research Training
- Strategic Planning Session
- Salestrapreneur Training - This focused on how to be effective at sales, closing sales and the attitude of sales. Approximately eighteen (18) persons from across the Network were in attendance over 4 days.
- GrowthWheel Training: JBDC & SBDC team members (UTech, NCU, EMCVP, UCC, UWI, RADA and CASE) were trained.
- OAS/UTCA Caribbean SBDC Network Certificate Series - Training was focused on the management of the Small Business Development Centres. All SBDC Network staff participated in this 6-week training which commenced in October 2020.
- Taxation Training: Approximately sixteen (16) team members (UCC, CASE, JBDC, UTECH, EMCVP, RADA and NCU) were trained.
- Seventeen (17) SBDC staff were trained by the Companies of Jamaica (COJ) in the areas of ‘Business Name’ and ‘Company Name’.
- Thirty-three (33) SBDC staff were trained in the areas of Budgeting & Record Keeping, Costing & Pricing and Social Entrepreneurship.

TRAINING

SOCIAL RETURN ON INVESTMENT (SROI) VIRTUAL ROUND-TABLE AND GRANT FUND PROPOSAL WRITING WORKSHOP FOR SOCIAL ENTERPRISES

JBDC hosted a Social Return on Investment (SROI) Virtual Round-Table and Grant Funding Proposal Writing Workshop for Social Enterprises (SEs). The Virtual Round-Table examined the progress of local SEs shifting from subsistence models towards high growth models, while the workshop targeted SEs ability to achieve growth through accessing grant funding. The workshop enabled social entrepreneurs to:

- Construct strategic proposals to access grant funding for start-up activities and developmental projects;
- Understand the dynamics of grant fund proposal writing from local and international donor's perspective;
- Identify local and international sources of grant funding for social enterprises;
- Navigate the due diligence requirements of donors.

The training improved the capacity of SEs to access funding as the first step to advance along the trajectory to become sustainable financially. Participants also had the opportunity to participate in a Pitch Competition for a chance to win J$150,000.

The workshop was held on July 28-31, 2020 with approximately 49 individuals participating; 30 of which were Social Entrepreneurs. STEM Builders Learning Hub was awarded winner of the Pitch Session and grant funding in the amount of J$150,000 to undertake project activities.

The SE is currently receiving support from the Project Management and Research Department for the successful implementation of project activities. Project partners for this initiative included the Jamaica Social Stock Exchange and Sagicor Bank Jamaica.

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.

The fiscal year, April 2020-March 2021 will be marked for its innovation and creativity in events execution as it was during this period that the novel coronavirus (COVID-19) arrived in Jamaica. This resulted in an abrupt stop to all face-to-face engagement activities.

Team JBDC was extremely proactive and quickly pivoted to online engagement. The Corporation launched a slew of online engagement activities that have become staple activities even as the country and economy emerge from the lockdowns of the period.

The following is an overview of the events and activities that shaped the Corporations external engagement during the period 2020-2021:

VIRTUAL BIZ ZONE

The JBDC Virtual Biz Zone is the platform used to sensitise, empower and inform MSMEs on effective ways of conducting business in the COVID and post-COVID era. It is focussed on identifying solutions to support business through start-up, innovation, development and growth. The Biz Zone engages the expertise of outstanding speakers and entrepreneurs who provide insight and guidance on a wide variety of topics and issues affecting the MSME sector.

Among the areas that have been addressed are: Marketing and the Customer Engagement Journey, Digital Transformation & eCommerce, Access to Financing, Research and Innovation, Sales and Hiring &Human Resource Management.

Over the period, approximately **60** sessions were hosted with **5,518** persons registered and **2,402** in attendance.

JBDC 'IN CONCERT' DISCUSSION SERIES

The Cultural and Creative Industries (CCIs) was also heavily impacted by the onset of the COVID-19 pandemic. Through its collaboration with the British Council and the resultant 'Mapping of the Cultural and Creative Industries', JBDC hosted a weekly series of discussion sessions aimed firstly at helping creatives to understand that what they do is a business, encouraging them to formalise their operations and surviving the 'new normal'.

The sessions were hosted for three-months between April-June 2020 and engaged experts in Music & Entertainment, Literature, Fashion, Film & Theatre, Creative & Song Writing and Gastronomy.

Over the period, approximately **12** sessions were held with **1,704** persons registered and **798** in attendance.

Dialogue forms a crucial part of the conversation as JBDC seeks to position itself as a Thought Leader in MSME development. The JBDC 'In Concert' panel discussion held as part of Global Entrepreneurship Week 2020 discussed the mapping exercise which was undertaken for the Creative and Cultural Industries. The robust discussion was moderated by Deputy CEO of the JBDC, Harold Davis (left) and included input from the Vice Principal of Edna Manley College, Kerry-Ann Henry (centre) and Musician Extraordinaire, Seretse Small.

LAUNCH OF THE NATIONAL CRAFT POLICY

Several craft producers, government and private sector stakeholders gathered online and at the Jamaica Pegasus Hotel in Kingston for the historic launch of the National Craft Policy on Thursday, July 9, 2020. The event was staged by lead implementation agency, JBDC on the advice of the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF) and the Ministry of Culture, Gender, Entertainment & Sport (MCGES).

State Minister in the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF), Hon. Floyd Green addresses the hybrid audience in attendance at the Launch of the National Craft Policy in July 2020. Looking on is Master of Ceremonies, Fae Ellington.

VIRTUAL 'GIFT & CRAFT' BIZ ZONE

The Virtual 'Gift & Craft' Biz Zone was introduced in September 2020 to engage entrepreneurs in the Gift & Craft sector in capacity building initiatives, following the launch of the National Craft Policy. The sessions were more hands-on and focused on techniques in product development, identifying new product opportunities emerging from the COVID-19 pandemic as well as preparing to serve the local and export market.

Over the period, **16** sessions were held with **1,000** persons registered and **421** in attendance.

THE ENTREPRENEUR'S JOURNEY

The digital version of The Entrepreneur's Journey was introduced during this fiscal year to continue the knowledge transfer from successful entrepreneurs to start-ups and upcoming entrepreneurs. The Entrepreneur's Journey is a one-to-one discussion forum set as an interview in which the interviewee responds to questions about his or her journey along the road to becoming a successful entrepreneur. It gives our upcoming entrepreneurs an insight into the determination, dedication and hard work required for success.

Over the period, **27** sessions were held.

GLOBAL ENTREPRENEURSHIP WEEK 2020

Global Entrepreneurship Week 2020 was celebrated during the week of November 16-21 under the theme: **IDEATE. INNOVATE. ACTIVATE.**

Global Entrepreneurship Week (GEW) is an international celebration of innovators and entrepreneurs who innovate, create job opportunities and create solutions for worldwide economic growth.

Ten sessions were held as follows:

- JBDC Virtual Biz Zone (3 sessions)
    - o The Design Act 2020 (presented by JIPO)
    - o Simple Techniques in Bead Making
    - o The Patent Act 2020 (presented by JIPO)
- Business Dialogue Forum – Social Entrepreneurship: Unlocking Youth Innovation
- Partnerships for Growth – Official signing of agreements with UCC & CIAL Dun & Bradstreet

- JBDC ‘In Concert’ – Season Finale: The Mapping of the Jamaica Cultural & Creative Industries
- JBDC Virtual ‘Gift & Craft’ Biz Zone – Building Value Chains in the Gift & Craft Industry
- Brand Jamaica Design Lab – Driving Innovations in Gift & Craft
- The Entrepreneur’s Journey
- JBDC B.O.S.S MAN AND B.O.S.S. Lady of the Year Awards

A total of **515** persons registered for the events of which **289** attended, virtually.

2020 JBDC B.O.S.S. Awardees from left to right pose for a picture with their awards following the presentation held during Global Entrepreneurship Week 2020. The JBDC B.O.S.S. Award recognises outstanding JBDC-affiliated entrepreneurs who embody the entrepreneurial spirit and mindset, embraces a culture of innovation, has evidenced significant change in revenue, entered the export market OR Increased the value of current exports. The entrepreneur would also have introduced a new product/service into the market during the year under reflection.
Entrepreneurs from left to right are: Runner-up B.O.S.S. Man, George Henry – Appfinity Technologies, B.O.S.S. Man of the Year, Almando Cox – Resolve IT, Runner-up B.O.S.S. Lady, Monique McIntosh – The Digital Disruption Agency and B.O.S.S. Lady of the Year, Serika Sterling – Senior Accounting Services.

JBDC Employee Engagement Seminar Series 2020
JBDC hosted its inaugural staging of the Employee Engagement Seminar 2020 Virtual Series in October 2020. The seminar, which is an outgrowth of the Employee Engagement Conference, seeks to transform leaders and entrepreneurs to:

State Minister in the Ministry of Industry, Investment & Commerce (MIIC), Hon. Dr. Norman Dunn addresses the virtual audience that participated in the 2020 staging of the JBDC Employee Engagement Seminar hosted in October 2020. The seminar which was held under the theme: ‘Empower. Pivot. Grow’ featured international keynote speakers, Lisa Nichols, Motivational Speaker & Steve Gutzler, Leadership Coach, as well as a slew of local speakers including Debra Frazer, Founder and CEO of Caribbean HR Solutions and Paul Bryan, Managing Director & Co-Founder of Think Grow Lead. The seminar which was held over a four-week period closed with a panel discussion featuring executives from local businesses.

- Gain employees’ solid commitment to their organisation’s goals, culture and brand;
- Develop employees who consistently go the extra mile to produce results in the ‘new normal’ and;
- Be empowered to create and implement the ultimate employee experience through strategy execution.

The seminars were held every Thursday in October and featured three international speakers: Best-Selling Author & CEO, Lisa Nichols; President of Leadership Quest, Steve Gutzer; and Head of Human Resources at the Organisation of Eastern Caribbean States, Gale Baptiste.

Local speakers included Founder and CEO of Caribbean HR Solutions, Debra Frazer; Paul Bryan, Managing Director & Co-Founder of Think Grow Lead; Human Resource Consultant, Desrine McFarlane and Myrtle Weir, Associate Head of School, University of Technology.

Approximately **262** corporate leaders were in attendance.

SPECIAL FEATURE

EVOLUTION IN A TIME OF CRISIS: FROM BRICKS TO CLICKS

There were many buzz words and phrases in 2020, with the words ‘pivot’ and ‘e-commerce’ often used in the same sentence when referring to how businesses would adjust and remain afloat during the pandemic, which threatened to obliterate in-store shopping as we knew it. While some companies had already made the transition, many were caught off guard scrambling to make the critical shift from bricks to clicks.

Brick and mortar is a traditional form of conducting business in a face-to-face setting in a building or other structure. It provides several comforts for some shoppers, such as a personalised shopping experience with a representative from the company, the ability to touch and feel products in-person, hassle-free returns, quick turnaround time which allows you to take the item home immediately, and so on.

Ecommerce is a business model which allows persons to buy and sell on the internet. This also has its benefits such as the convenience of shopping 24 hours a day, the ability to make price comparisons without walking or driving from store to store, immediate access to a wider variety, no pressure, less crowds, and so on. The shift to ecommerce was imminent pre-covid, as data showed where traditional brick and mortar stores globally were either closing or suffering under the tension of declined revenue due to the success of online marketplaces like Amazon.

There are companies which had found the sweet spot through multichannel and omnichannel retailing, offering customers a variety of options to business whether online or face-to-face. It is a form of retailing which can be daunting for some entrepreneurs who see it as a yeoman’s task, especially in a crisis.

Chief Executive Officer of Mobile Edge Solutions and JBDC 2019 B.O.S.S Man of the Year, Leighton Campbell, outlines 10 things you need to know to successfully move your business online. Campbell outlines the 10 under 3 major headers as follows:

STRUCTURING YOUR E-COMMERCE APPROACH

1. Model your online business to match offline operations.
2. Design your website to sell.
3. Choose your platform.

GENERATING SALES

4. Generate leads.
5. Execute the sale.
6. Collect your money.
7. Fulfil orders and ship.

AUTOMATING THE BUSINESS

8. Automate your communication.
9. Keep customers coming back.
10. Manage online operations.

According to Campbell, one of the main things to consider when launching an e-commerce site, is to ensure that it replicates the offline business, giving customers the same experience all around. As such, the website should not only provide information about the company, but an avenue to make a purchase. “Customers typically do one of four things: sign-up online, order online, book online or request a quote. You should position yourself to take advantage of at least one of these," he explained.

When developing a website, persons may choose a free platform, do it themselves or pay a professional developer. Campbell advises that there can be challenges if the site is too basic or too complex. "WordPress is loved by me simply because it gives customers the ability to start with a basic product and then add as you go. There is no limit to where you can go with WordPress, it offers an app for everything and it costs only a fraction of a what you would pay for a custom-built website," he added.

Some of the most effective ways to generate leads is to use the website as the main source of contact, as well as to use 'call to action' buttons which visitors will see the moment they log on to the website. Once the customers have absorbed the offer, the structure must be in place to facilitate the sale.

Payment methods for customers may include cash on delivery, direct bank transfer, cheque payments, PayPal, as well as local options made available through financial institutions. While there are options such as curb side pickup and postal services, delivery allows you to maximise customer experience.

In the absence of in-person interaction, automation is key to ensuring that customers can communicate and conduct transactions on an ongoing basis. These include automated receipts, invoices, shipping confirmations, responses for quotations, etc.

How do you keep those customers coming back? "I can't tell you how many times I've used a website and then all of a sudden, it's like the website is following me around. Once you have a customer's name, phone number, email address, you can reach them wherever they are and send them information about your business," he explained.

According to Campbell, managing online operations is more crucial than setting up the e-commerce site. "Without persons behind the business to interact with customers, process orders, view reports about what is happening on the system, your business will not be efficient," he said.

The saying goes, "never waste a good crisis". The year 2020 plunged many brick and mortar businesses into crisis mode. However, it also provided an exciting opportunity to evolve from bricks to clicks. See you online!

PROJECTS

PROJECT MANAGEMENT

FORMALISING OPERATORS IN THE JAMAICAN AGRICULTURAL AND FISHERIES SECTOR

The grant agreement between the government and the funding agency, the International Labour Organization (ILO) was signed on Thursday, February 4, 2020. The project is aimed at transitioning 100 informal small farmers and fisher folk to formal operators and enhancing their business management skills.

- A Promotional campaign was launched under the theme: Agriculture & Fisheries is Big Business!
- Applications were opened for farmers and fishers to submit their interest in participating in the project.
- A Stakeholders' Meeting was held with the following entities: Rural Agricultural Development Authority (RADA), Companies Office of Jamaica, Department of Cooperatives and Friendly Societies, Tax Administration Jamaica, Jamaica Intellectual Property Office (JIPO) and the Jamaica Manufacturers & Exporters Association (JMEA).

VALIDATING JAMAICA'S CULTURAL & CREATIVE INDUSTRY THROUGH ECONOMIC IMPACT ASSESSMENTS AND NATIONAL STATISTICAL SYSTEM (JAM NSS-CCI)

The Intergovernmental Committee for the Protection and Promotion of the Diversity of Cultural Expressions has approved the application submitted by the JBDC to implement the 'Validating Jamaica's Cultural & Creative Industry through Economic Impact Assessments and National Statistical System (JAM NSS-CCI)' Project. The project outcomes are:

- Develop a comprehensive profile of Jamaica's CCI;
- Conduct an Economic Impact Assessment for Jamaica's CCI;
- Construct a Statistical Framework for data collection and dissemination;
- Development of a strategy for Jamaica's CCI;
- Capacity-building and knowledge transfer of the approach and methods empowering local Jamaican stakeholders to execute regular or annual updates of the profile, economic impact and strategy.

ENHANCING THE EXPORT CAPACITY OF MICRO AND SMALL AGRO-PROCESSORS USING THE CLUSTER APPROACH

The JBDC submitted a proposal for funding to the Caribbean Development Bank (CDB) under the European Development Fund Standby Facility for Capacity Building Programme. The project seeks to build on the achievements of the Jamaica Harvest and Spa Jamaica projects through institutional strengthening of JBDC as well as that of micro and small agro-processing enterprises. The project is expected to achieve the following:

(1) Expansion of the Corporation's agro-processing facilities as well as its staff's skill set and knowledge; (2) Improving the ability of micro and small enterprises to develop innovative value-added agro-processed products; (3) Developing the capacity of micro and small enterprises to meet international certification and quality standards for export; (4) Strengthening existing umbrella brands for the marketing and sale of goods to the EU and CARIFORUM markets through the Things Jamaican e-commerce platform.

A Community Stakeholder Meeting was held on August 14, 2020 with project stakeholders including members from the Jeffrey Town Farming Community in St. Mary. The objective of the meeting was to better understand how linkages could be formed to enhance the goals of the project, which aims to establish an agro-processing cluster.

CDB indicated that due to their internal processes, the training and certification for the Food Incubator (FSSC 22,000) cannot be provided by the National Certification Body of Jamaica (NCBJ) as they would be ineligible to provide such service to JBDC using project funds. Changes were made to the activities to be funded by JBDC and the CDB in order to address this challenge. JBDC will cover the cost of the certification for the Food Incubator (FSSC 22,000) while CDB will provide funding for the training components previously assigned to JBDC.

The Project Implementation team participated in a Virtual Gender, Social Analysis and Results Training in February 2021. The training was coordinated and hosted by the CDB.

ESSENTIAL OILS INCUBATOR PROJECT

The Government of Jamaica is focused on developing the value chain in agriculture through several initiatives, including increasing the production of herbs, plants and other crops which can contribute to high value products. The Essential Oils Incubator Project seeks to establish an incubator with manufacturing capacity for the processing of oil from locally viable plant stock with high demand to supply the aromatherapy and food industries.

- JBDC is currently in dialogue with HEART/NSTA Trust: Ebony Park Academy concerning possible partnership for the use of production space.
- The following project management plans were created:
    - o Stakeholder Plan
    - o Procurement Plan
    - o Monitoring and Evaluation Plan
    - o Reporting Template

ACP-EU UNDP DEVELOPMENT MINERALS PROGRAMME

The ACP-EU Development Minerals Programme is a three-year, capacity building programme that aims to build the profile, and improve the management of Development Minerals (industrial minerals, construction materials, dimension stones, and semi-precious stones). The programme is an initiative of the African, Caribbean and Pacific (ACP) Group of States, financed by the European Union and the United Nations Development Programme (UNDP), and implemented by UNDP.

During the reporting period, the following initiatives were undertaken:

- A Business Resource Publication was developed for the business operators.
- JBDC delivered 2 virtual trainings in 2 regions with approximately sixty (60) participants including representatives from Small and Medium-sized Enterprises (SMEs), private sector and relevant Government Ministries, Departments and Agencies (MDAs) and Approved Financial Institutions (AFIs). The workshops were focused on entrepreneurial skills (specifically resource estimation and valorisation) including sensitisation for financial institutions and credit & guarantee providers.

RURAL ENTREPRENEURSHIP & AGRICULTURAL LIVELIHOOD (REAL) YOUTH PROJECT

The JBDC submitted a proposal in response to the REDI II Project being undertaken by the Jamaica Social and Investment Fund (JSIF). The Rural Entrepreneurship & Agricultural Livelihood (REAL) Youth Project will enhance the entrepreneurial capabilities and livelihoods of rural youth in the Belle Plain community and surrounding areas located in Clarendon.

This will be achieved through their participation in a circular agricultural programme which is built on six pillars: 1) capacity building in the areas of agri-business and agro-processing, 2) establishment of an agro-processing cluster through the Belle Plain Citizens' Association Limited, 3) establishment of a cosmeceuticals incubator within JBDC's existing Incubator Resource & Centre to facilitate production by project beneficiaries, 4) the build-out of an agricultural value chain for the production of cosmeceutical items and essential oils, 5) providing market access through JBDC's Things Jamaican™ eCommerce platform and its three retail stores, for the nutraceutical and essential oils produced, and 6) youth engagement in apprenticeship opportunities throughout the established agriculture value chain. The project was submitted to JSIF on November 25, 2020.

ENHANCING THE SUSTAINABILITY OF CARICOM'S CULTURAL & CREATIVITY INDUSTRIES

CDB's Cultural and Creative Industries Innovation Fund (CIIF) is seeking proposals with a focus on financing of research and institutional strengthening activities within the CCI sector.

The proposal is focused on conducting an Environmental Impact Assessment (EIA) on high-growth sub-sectors, namely music and festivals, in the cultural and creative industries. The project aims to develop a regional data-driven study with a focus on knowledge-sharing, capacity building, sustainable development and inclusive growth across the Caribbean region. Regional partners will include:

- Ministry of Creative Economy, Culture and Sports, Barbados (Dr. Donna Greene)
- Cultural Development Foundation, St. Lucia
- Ministry of the Presidency, Department of Social Cohesion, Culture, Youth and Sport, Guyana

The proposal was unsuccessful.

CAPACITY BUILDING AND SENSITISATION FOR THE SPECIAL AND DIFFERENTIAL TREATMENT MEASURES PROJECT

The JBDC was approached by the Ministry of Industry, Investment and Commerce to develop a proposal geared towards enhancing the quality and quantity of MSMEs participating in public procurement tenders through capacity building interventions. The project, through its capacity building component, is designed to provide current and practical coverage of the Fundamentals of Public Procurement Process and the Special and Differential Treatment for MSMEs. The training is supported by the Ministry of Finance and the JBDC who has responsibility for capacity development for MSMEs.

The project will target 150 MSMEs in the parishes of Kingston, Manchester, St. Ann and St. James.

A proposal along with the draft training outline was submitted to the MSME Division.

Feedback from the MSME Division indicated that there are insufficient funds to implement this project. JBDC is currently in discussion with the Ministry of Finance to identify an alternate option.

SPECIAL FEATURE

'JAMAICA CULTURAL & CREATIVE INDUSTRIES MAPPING' POINTS TO THE NEED FOR OFFICIAL POLICY

The Jamaica Business Development Corporation (JBDC) and the British Council officially released the findings of the Jamaica Cultural & Creative Industries (CCI) Mapping exercise which was conducted during 2020. A lack of business skills was identified as a barrier to growth and sustainability by CCI entrepreneurs in Jamaica. Both entities are highlighting the need for the advancement of a CCI policy and sector coordination.

The research was conducted by international consulting firm, Nordicity which undertook fieldwork in Jamaica in January 2020. The methodology included roundtable meetings, focused group discussions, key informant interviews and consultation and capacity development with stakeholders from government, institutions, and the private sector. The research was analysed through a framework devised for the cultural and creative industries comprising infrastructure, skills, finance, markets, data and information, and creation and production.

According to Nordicity, the survey included over 550 CCI stakeholders reflecting a workforce of creative business owners, artists, freelancers and workers from across the country. The survey also exhibited a small majority of females (61% of respondents), and a mix of age groups, with over one-third of respondents under the age of 35, and over one-fifth of respondents over the age of 54. The visual arts, performing arts, design and music sectors were highly represented in the survey, followed by advertising and marketing, gifts and crafts, literature and publishing, film, festivals/fairs and feasts, cultural heritage, television and broadcast, digital media and fashion.

The most significant opportunity for achieving growth and increased revenues identified by survey respondents was improving market development and sales (31% of respondents). Improving sector skills was considered the next most significant opportunity, including business skills (21%), creative and technical skills (16%), improving knowledge of IP and copyright (8%), and digital skills (7%). Meanwhile, increasing international exports was considered the greatest opportunity by 13% of respondents. Other opportunities considered by 5% of respondents included making more of Jamaica's national brand globally and developing local markets and local supply chains.

Consultations pointed to discoverability, digital skills, and data as crucial development areas for the sector. The biggest priority was considered digital marketing and distribution, identified by nearly half of survey respondents (43%). Traditional means of market development were identified by just under half of survey respondents, including physical marketing and distribution (18%), showcases (13%), trade fairs (9%), and exhibitions (7%).

"The British Council is delighted to have supported Jamaica's first mapping exercise of their creative and cultural industries, which confirms the centrality of certain sectors, like the celebrated music scene, and reveals huge potential in new areas such as the film industry." said Pablo Rosselló de las Casas, Director Arts for the British Council in the Americas. "We hope to continue working with the Jamaican

government in the development of interventions and projects to further support the sector's growth and internationalisation, while emphasising the need for evidence of this kind to guide any policies. The British Council's Creative Economy team has been working in this area for over 15 years, identifying and championing creative entrepreneurship, and supporting governments across the world (in the Americas, in Chile, Colombia, Mexico, Brazil) expand their cultural policies' remit to include economic and trade development."

Deputy CEO at the JBDC, Harold Davis says the findings are critical to the agency's thrust in the development of the CCI in Jamaica. "Since inception in 2001, we have consistently maintained a keen interest in the CCI, especially given that the agency was mandated to manage the Things Jamaican™ retail store chain which provides market access for entrepreneurs within the gift and craft sector. Our Incubator & Resource Centre which places heavy emphasis on product development was also a strategic addition to our extensive suite of services 'From Concept to Market'," he said.

Continuing, he added, "We heightened national attention to the sector when we focused on the Orange Economy at our annual Small Business Expo & Conference in 2019 and immediately seized the opportunity to engage the British Council to partner with us in a historic mapping exercise, based on their extensive experience working with the sector at an international level. The timing of this initiative is perfect, as though we did not see covid-19 coming, it is now more than ever that the CCI needs a national intervention led by the government. We have already begun the discussion about digital transformation within the sector, particularly against the background that the world has changed and the CCI was hardest hit by the pandemic. The survey confirms the need for digital transformation as well as marketing skills."

Mr. Davis added that the two entities also stimulated the CCI through its joint JBDC 'IN CONCERT' series which also examined challenges with financing and intellectual property in robust discussions with industry players. "These initial conversations have served to whet the appetite for more serious interventions now that we have the official results. By now, entrepreneurs and stakeholder should be well poised to work together to develop the CCI," he said.

The under exploitation of IP ownership was identified as the main barrier to financing by half of the survey respondents. Meeting stringent or unsuitable loan requirements from lenders was considered the second most significant barrier to financing, identified by nearly one fifth of survey respondents (18%). A lack of financial skills was deemed the third most significant barrier to financing, identified by 16% of respondents, followed by business pitching to investors (10%).

The JBDC and the British Council are recommending the following measures for sustainability:

1. Advance CCI policy and sector coordination: Building a strong institutional infrastructure through policy and sector coordination requires good data, sound policy positions, and the ability to speak with one voice to government representatives.
2. Research, measure and advocate on behalf of the CCIs: Develop a more robust system to account for, and measure the performance of, the cultural and creative industries.
3. Support CCI sectors through interventions: Interventions to support CCI sectors in Jamaica should be holistic in addressing challenges and leveraging opportunities. These include a funding and financing plan, capacity building, as well as international partnerships.

INTERNAL CAPACITY BUILDING

ISO CERTIFICATION

The JBDC was previously engaged in a process with the objective of becoming an ISO Certified Company. While the implementation process was fairly advanced, there was a halt due to lack of funding. The JBDC was recently selected to benefit from funding from the World Bank under the Strategic Public Transformation Programme to re-engage and complete the process.
The following activity was completed during the reporting period:

- Awareness training was done during five (5) sessions with staff members from most departments.
- Gap Audit was completed by the Consultant and a report produced.
- Implementation Committee and the Senior Management Team completed the mandatory Quality Management Objectives Setting Workshop. The aim of the session was to finalise the JBDC Quality Management Objectives. These will define JBDC's future approach to quality management and will thereafter be incorporated into the upcoming ISO awareness training sessions to ensure sensitisation of all staff.

The project is expected to be completed by September 2021.

DIGITAL TRANSFORMATION INITIATIVE

The Special Projects Office has commenced an initiative geared at JBDC's digital transformation. The objectives of this initiative are as follows:

- To improve internal operational processes including data management
- To improve client services, access, interface and overall customer relations management
- To increase access and interface with partners and strengthen strategic partnerships

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.

- A questionnaire was circulated to the Heads of Department to identify skills gap in each Department. The findings will guide the development of the Annual Training Plan.
- The Executive Management team and Heads of Department participated in a Strategic Data Analytics Workshop conducted by Dr. William Lawrence on February 23, 2021.
- I.T. Department organised and facilitated ZOOM Training for 11 team members.
- A virtual sensitisation session on Mental Health was held on June 12, 2020. The session was aimed at sensitising staff about the effects of mental health, its symptoms and how it can be monitored or controlled.
- One staff member from the Food Safety Department attended an external training in Food Safety Preventative Controls Alliance Workshop at the Department of Chemistry, University of the West Indies, Mona (UWI).
- Virtual Training with HR Concepts on The Redundancy Process was attended by the HR Officers on June 30, 2020.
- Mastering Presentation Skills: Training was delivered by the Corporate Communications Manager, JBDC.
- The HR team participated in the following workshops:
    - Tutorial Training with the job placement website Caribbean Jobs.com

  o Sensitisation Session for the use of the E-Census platform hosted by the Ministry of Finance.

- Senior Management Strategic Planning Retreat was held at the Incubator & Resource Centre on September 8-9, 2020; all members of the management team (including Assistant Managers) were in attendance.

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 productivity.

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.

JBDC was able to maintain operations that place us above expectations over the past two years; this is due to the implementation of cutting-edge technology and a thrust to embrace Digital Transformation concepts. These included remote access to support work-from-home along with enterprise systems such as various modules from Microsoft Office 365, i.e., Teams, which were implemented with success.

We are now poised to rollout Exchange Hybrid email system (Cloud-Based) which would bring us closer to a fully transformed entity at the forefront of technology. There is also the continuous effort to ensure that our fleet of PCs, printers, communication peripherals are replenished within the stated manufactured life cycle. JBDC's IT department is now completing assessment and recommendations to address network and possible cyber threat strategies to guarantee a more secure computerised environment.

AUDITED FINANCIAL STATEMENTS

JAMAICA BUSINESS DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

To the Members of
Jamaica Business Development Corporation

Report on the 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 2021, 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 2021, 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 Corporation in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) ethics 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 of the financial statements that give a true and fair view 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 presents a true and fair view.

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.

BDO

Chartered Accountants

9 March 2022

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Note	2021 $'000	2020 $'000
REVENUE	6	428,425	394,636
Other operating income	7	18,219	87,601
		446,644	482,237
EXPENSES:			
Administrative		(464,470)	(470,045)
Selling		(10,715)	(37,312)
	8	(475,185)	(507,357)
OPERATING LOSS		(28,541)	(25,120)
Finance cost	10	(2,137)	(909)
LOSS BEFORE TAXATION		(30,678)	(26,029)
Taxation	11	-	-
NET LOSS FOR THE YEAR		(30,678)	(26,029)
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss -			
Loss on defined benefit plan	14	(39,029)	(471)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(69,707)	(26,500)

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

31 MARCH 2021

	Note	2021 $'000	2020 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	12	323,874	335,395
Intangible assets	13	1,650	2,190
Retirement benefit assets	14	260,918	291,992
Rights-of-use assets	15(a)	1,639	5,026
		588,081	634,603
CURRENT ASSETS:			
Inventories	17	3,361	5,067
Receivables	18	30,480	30,709
Taxation recoverable		10,548	10,400
Cash and bank balances	19	57,802	49,910
		102,191	96,086
		690,272	730,689
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	20	1	1
Capital reserve	21	289,551	289,551
Retained earnings		139,584	209,291
		429,136	498,843
NON-CURRENT LIABILITIES:			
Long term loans	22	90,920	90,920
Long term - deferred income	23	795	828
Lease liability	15(b)	1,352	2,697
		93,067	94,445
CURRENT LIABILITIES:			
Payables	24	106,193	94,732
Project liabilities	25	38,415	17,891
Current portion - deferred income	23	33	33
Current portion of long term loans	22	220	269
Current portion of lease liability	15(b)	1,351	2,697
Taxation		21,857	21,779
		168,069	137,401
		690,272	730,689

Approved for issue by Board of Directors on 9 March 2022 and signed on its behalf by:

William Lawrence - Chairman

Valerie Veira - Director

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	Share Capital $'000	Capital Reserve $'000	Retained Earnings $'000	Total $'000
BALANCE AT 31 APRIL 2019	1	289,551	235,791	525,343
TOTAL COMPREHENSIVE INCOME				
Net loss	-	-	(26,029)	(26,029)
Other comprehensive income	-	-	(471)	(471)
	-	-	(26,500)	(26,500)
BALANCE AT 31 MARCH 2020	1	289,551	209,291	498,843
TOTAL COMPREHENSIVE INCOME				
Net loss	-	-	(30,678)	(30,678)
Other comprehensive income	-	-	(39,029)	(39,029)
	-	-	(69,707)	(69,707)
BALANCE AT 31 MARCH 2021	1	289,551	139,584	429,136

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(30,678)	(26,029)
Items not affecting cash resources:		
Depreciation	16,067	15,620
Amortisation	3,360	3,263
Adjustment to property, plant and equipment	-	155
Gain on foreign exchange	(856)	(3,221)
Deferred income	(33)	(33)
Employee benefit	(39,029)	(471)
Interest income	(693)	(1,779)
Interest expense	2,517	2,868
Right-of-use asset written off	1,178	-
Gain on disposal of fixed assets	(217)	-
	(48,384)	(9,627)
Changes in operating assets and liabilities:		
Receivables	229	(3,840)
Inventories	1,706	(1,604)
Taxation recoverable	(70)	(761)
Project liabilities	20,524	(20,269)
Payables	9,369	(5,393)
Retirement benefit	31,074	(9,791)
Taxation paid	-	(78)
Cash provided by/(used in) operating activities	14,448	(51,363)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(4,546)	(7,363)
Purchase of intangible assets	(611)	(2,413)
Proceeds from sale of property, plant and equipment	217	-
Short term investments	-	22,617
Interest received	693	1,779
Cash (used in)/provided by investing activities	(4,247)	14,620
CASH FLOWS FROM FINANCING ACTIVITIES:		
Long term loan repaid	(49)	(3,475)
Short term loan repaid	-	(181)
Interest paid	(425)	(692)
Payments on lease liability	(2,691)	(2,145)
Cash used in financing activities	(3,165)	(6,493)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,036	(43,236)
Exchange gain on foreign cash balances	856	3,221
Cash and cash equivalents at beginning of year	49,910	89,925
CASH AND CASH EQUIVALENTS AT END OF YEAR (note 19)	57,802	49,910

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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 2021

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
*

The corporation has adopted the following new and amended standards and interpretations as of 1 April 2020:

Revised Conceptual Framework for Financial Reporting (effective for accounting periods beginning on or after 1 January 2020). The revised Conceptual Framework will be used in standard-setting decisions with immediate effect; however, no changes will be made to any of the current accounting standards. Entities that apply the Conceptual Framework in determining accounting policies will need to consider whether their accounting policies are still appropriate under the revised Framework.

Amendments to IAS 1, 'Presentation of Financial Statements' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2020). These amendments and consequential amendments to other IFRSs result in the use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework Reporting. They clarify the explanation of material and also incorporate some of the guidance in IAS 1 about immaterial information.

Amendments to IFRS 9, 'Financial Instruments' IAS 39, 'Financial Instruments: Recognition and Measurement' and IFRS 7, 'Financial Instruments: Disclosures', IFRS 16 Leases, (effective for accounting periods beginning on or after 1 January 2020). These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.

The adoption of the above standards and interpretations did not have any material impact on the corporation's financial statements.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

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

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

The following new standards, amendments and interpretation which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the corporation's future financial statements:

Amendments to IFRS 16, 'Leases' - Covid-19 related rent recessions - Extension of the practical expedient (effective for annual periods beginning on or after 1 April 2021). As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 31 March 2021, the IASB published an additional amendment to extend the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the periods(s) in which the event or condition that triggers the reduced payment occurs. The adoption of this amendment is not expected to have a significant impact on the corporation.

Amendments to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities (effective for accounting periods beginning on or after 1 January 2023). These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectation of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The corporation will assess the impact of future adoption of this amendment on its financial statements.

Amendment to IAS 16, 'Property, Plant and Equipment' (effective for accounting periods beginning on or after 1 January 2022). This amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognise such sales proceeds and related cost in profit or loss. It also clarifies that an entity is 'testing whether the asset is function properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities. The corporation will assess the impact of future adoption of this amendment on its financial statements.

Annual improvements to IFRS Standards 2018-2020 cycle (effective for accounting periods beginning on or after 1 January 2022). These amendments include minor changes to the following applicable standards:

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

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

New standards, amendments and interpretations not yet effective and not early adopted (cont'd)

(i) IFRS 9, 'Financial Instruments' amendment clarifies that - for the purpose of performing the '10 per cent test' for derecognition of financial liabilities - in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(ii) IFRS 16, 'Leases' amendment removes the illustration of payments from the lessor relating to leasehold improvements.

The corporation is assessing the impact the amendment will have on its 2022 financial statements.

(b) **Foreign currency translation**

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

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

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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

(c) **Property, plant and equipment (cont'd)**

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.

(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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(f) **Financial instruments**

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

Financial assets

(i) **Classification**

The corporation 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.

The corporation's financial assets measured at amortised cost comprise trade and other receivables 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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

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

Financial assets (cont'd)

(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.

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, trade payables and lease liability.

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 2021

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

(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.

(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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(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 sing yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities; plus
- Unrecongised past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Re-measurement of the net define 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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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

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

(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.

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 form guarantees and collateral discounted at the original effective interest rate of the loans.

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

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

(l) **Inventories**

Inventories are stated at the lower of cost and net realizable value, cost being determine 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.

(o) **Revenue recognition**

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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

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

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.

(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

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13. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

(t) **Right-of-use asset**

Right-of-use assets have been initially calculated at an amount equal to the initial value of the lease obligation and adjusted for the following items:

i) Any lease payments made at or before the commencement date, less any lease incentives received;

ii) Any initial direct costs incurred by the corporation;

iii) An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located.

For short-term leases that have a lease term of 12 months or less and low-value assets, the corporation has elected to not recognize a lease obligation and right-of-use asset and instead will recognize a lease expense as permitted under IFRS 16.

Right-of-use assets will be depreciated from the date of commencement to the earlier of the end of the useful life of the asset or end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, Impairment of Asset which replaces the previous requirement to recognize a provision for onerous lease contracts under IAS 37, Provisions, Contingent liabilities and Contingent assets.

(u) **Lease obligations**

Leases are accounted for by recognizing a right-of-use assets and a lease liability except for leases of low value assets and leases with a term of 12 months or less.

The lease obligation is measured at the present value of the contractual obligation, discounted using the interest rate implicit in the lease term, unless that rate is not readily determinable, in which case the organisation will use its incremental borrowing rate.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

(u) **Lease obligations (cont'd)**

The Lease term determined by the corporation comprises:

i) The non-cancelable period of lease contracts, including a rent-free period if applicable;

ii) Periods covered by an option to extend the lease if the corporation reasonably certain to exercise that option;

iii) Periods covered by an option to terminate the lease if the corporation is reasonably certain not to exercise that option.

The commencement dates of the lease begins on the date on which the lessor makes the underlying asset available for use to the corporation. Lease payments included in the measurement of the lease obligation are comprised of the following:

i) Fixed lease payments, including in-substance fixed payments:

ii) Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date:

iii) Amounts expected to be payable under a residual value guarantee;

iv) The exercise price of purchase options that the corporation reasonably certain to exercise;

v) Lease payments in an option renewal period if the corporation reasonably certain to exercise the extension option:

vi) Penalties for early termination of the lease unless the corporation is reasonably certain not to terminate early; and

vii) Less any incentive receivable;

Variable payments for leases that do not depend on an index or rate are not included in the measurement of the lease obligations. The variable payments are recognized as an expense in the period in which they are incurred. The corporation accounts for any leases and associated non-lease components separately, as opposed to a single arrangement, which is permitted under IFRS 16.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(u) **Lease obligations (cont'd)**

Interest on the lease obligations is calculated using the effective interest method and increases the lease obligation while rent payments reduce the obligation. The lease obligation is re-measured whenever a lease contract is modified and the lease modification is not accounted for as a separate lease, or there is a charge in the assessment of the exercise of an extension option. The lease obligation is re-measured by discounting the revised lease payments using a revised discount rate resulting in a corresponding adjustment to the right-of-use asset or is recorded in gain or loss if the carrying amount of the right-of-use asset has been reduced to zero or the modification results in a reduction in the scope of the lease. The revised carrying amount is amortised over the remaining lease term.

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

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

(i) **Fair value estimation (cont'd)**

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

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

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

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

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

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

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

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

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

(ii) **Depreciable assets**

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

(iii) **Income taxes**

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

(iv) **Defined benefit assumptions**

The cost of these benefits and the present value of the future obligations depend on a number of factors that are determined by actuaries using a number of assumptions. The assumptions used in determining the net periodic cost or income for retirement benefits include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the net periodic cost or income recorded for retirement benefits and may affect planned funding of the pension plan. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The 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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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

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

(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.

5. **FINANCIAL RISK MANAGEMENT:**

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

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

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

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

(a) **Principal financial instruments**

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

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

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

Financial assets

	Amortised Cost 2021 $'000	Amortised Cost 2020 $'000
Cash and bank balances	57,802	49,910
Receivables	3,488	8,650
Total financial assets	61,290	58,560

Financial liabilities

	Financial liabilities at amortised cost 2021 $'000	Financial liabilities at amortised cost 2020 $'000
Lease liability	2,703	5,394
Long term loans	91,140	91,189
Trade and other payables	23,585	21,434
Total financial liabilities	117,428	118,017

(c) **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 polices 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

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

(c) **Financial risk factors (cont'd)**

(i) 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:

	2021 $'000	2020 $'000
Cash and cash equivalents	9,306	4,422
Trade payables	(37,740)	(17,222)
	(28,434)	(12,800)

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity

The following table indicates the sensitivity of (loss)/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 cash and cash equivalents and trade payables, and adjust their translation at the year-end for 6% (2019 - 6%) depreciation and a 4% (2019 - 4%) appreciation of the Jamaican dollar against the US dollar.

	Change in currency Rate 2021	Effect on Loss before Tax 31 March 2021 $'000	% Change in Currency Rate 2020	Effect on Loss before Tax 31 March 2020 $'000
Currency:				
USD	-6	(1,706)	-6	(768)
USD	+2	569	+2	512

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 of 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.

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) 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.

		2021	
Aging	Gross Carrying Amount $'000	Default Rate %	Lifetime ECL Allowance $'000
0 to 30 days	-	0.0	-
31 to 60 days	72	31.9	23
61 to 90 days	801	40.0	320
Over 90 days	4,613	35.9	1,655
	5,486		1,998

		2020	
Aging	Gross Carrying Amount $'000	Default Rate %	Lifetime ECL Allowance $'000
0 to 30 days	1,282	2.7	35
31 to 60 days	5,066	3.4	173
61 to 90 days	862	0.7	6
Over 90 days	3,631	54.4	1,977
	10,841		2,191

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) **Financial risk factors (cont'd)**

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

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

	2021 $'000	2020 $'000
At 1 April	2,191	1,146
Provision for impairment	(193)	1,045
	1,998	2,191

Exposure to credit risk for loans receivable:

	2021 $'000	2020 $'000
Agriculture	6,196	6,196
Agro-processing	1,691	1,691
Manufacturing	26,320	26,320
Service	12,843	13,295
	47,050	47,502
Less: provisions for impairment	(47,050)	(47,502)
	-	-

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

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

(c) **Financial risk factors (cont'd)**

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

Credit quality of loans

Credit quality of loans is summarized as follows:

	2021 $'000	2020 $'000
Impaired	47,050	47,502
Less: Provision for impairment	(47,050)	(47,502)
	-	-

(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 2021

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

(c) **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
31 March 2021					
Trade and other payables	23,585	-	-	-	23,585
Long term loans	34,126	-	-	63,295	97,470
Lease liability	1,351	1,352	-	-	2,703
Total financial liabilities (contractual maturity dates)	59,062	1,352	-	63,295	123,709
31 March 2020					
Trade and other payables	21,434	-	-	-	21,434
Long term loans	34,175	-	-	63,295	97,470
Lease liability	2,697	2,697	-	-	5,394
Total financial liabilities (contractual maturity dates	58,306	2,697	-	63,295	124,298

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

(d) **Capital management**

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

The corporation'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. here 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:**

	2021 $'000	2020 $'000
Fixed assets reserve	33	33
Gross profit - shops	5,482	27,267
Service income	11,642	58,470
Interest income	693	1,779
Miscellaneous income	152	52
Gain on disposal of fixed asset	217	-
	18,219	87,601

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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8. **EXPENSES BY NATURE:**

Total selling and administrative expenses -

	2021 $'000	2020 $'000
Staff costs (note 9)	359,744	342,649
Repairs and maintenance	3,685	20,669
Legal and professional fees	13,340	11,696
Auditors' remuneration	3,085	1,800
Exibition of seminars	4,336	33,645
Insurance	2,131	2,005
Cleaning and sanitation	1,459	1,827
Occupancy costs	9,491	15,499
Security	7,747	7,056
Advertising and promotion	6,864	7,742
Utilities and telecommunication	23,395	22,063
Bad debts recovered	(664)	(4,075)
Depreciation and amortisation	17,220	16,371
Amortisation	2,209	2,513
Travelling	742	5,962
Stationery and office supplies	7,950	11,387
Other expenses	12,451	8,548
	475,185	507,357

9. **STAFF COSTS:**

	2021 $'000	2020 $'000
Salaries, commissions and related costs	306,060	289,705
Payroll taxes - employer's portion	18,901	17,146
Pension cost	1,947	(1,571)
Other	32,836	37,369
	359,744	342,649

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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10. FINANCE COSTS/(INCOME):

	2021 $'000	2020 $'000
Gain on certificate of deposit	-	(93)
Net foreign exchange gain	(856)	(3,221)
Bank charges	476	1,355
Interest expense	2,517	2,868
	2,137	909

11. TAXATION:

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

	2021 $'000	2020 $'000
Income tax @ 25%	-	-
Taxation charge in income statement	-	-

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

	2021 $'000	2020 $'000
Loss before taxation	(30,678)	(26,029)
Tax calculated at 25%	(7,670)	(6,507)
Adjusted for the effects of		
Expenses not deducted for tax purposes	13,505	10,263
Net effect of other charges and allowances	(5,835)	(3,756)
Taxation charge in income statement	-	-

(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 2021

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 2019	332,080	20,200	53,863	14,077	420,220
Additions	-	-	7,363	-	7,363
Disposal	-	-	(155)	-	(155)
31 March 2020	332,080	20,200	61,071	14,077	427,428
Additions	-	-	4,546	-	4,546
Adjustment	-	-	-	(550)	(550)
31 March 2021	332,080	20,200	65,617	13,527	431,424
Depreciation -					
1 April 2019	7,384	20,200	38,259	10,570	76,413
Charge for the year	8,002	-	6,010	1,608	15,620
31 March 2020	15,386	20,200	44,269	12,178	92,033
Charge for the year	8,201	-	6,258	1,608	16,067
Disposal	-	-	-	(550)	(550)
31 March 2021	23,587	20,200	50,527	13,236	107,550
Net Book Value -					
31 March 2021	308,493	-	15,090	291	323,874
31 March 2020	316,694	-	16,802	1,899	335,395

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 2021

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:

	2021 $'000	2020 $'000
Land and building (level 3 recurring fair values)	332,080	332,080

13. **INTANGIBLE ASSETS:**

	Computer Software $'000	Total $'000
At cost-		
1 April 2019 and		
31 March 2020	6,156	6,156
Additions	611	611
31 March 2021	6,767	6,767
Depreciation -		
1 April 2019	3,216	3,216
Charge for the year	750	750
31 March 2020	3,966	3,966
Charge for the year	1,151	1,151
31 March 2021	5,117	5,117
Net Book Value -		
31 March 2021	1,650	1,650
31 March 2020	2,190	2,190

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

14. **POST-EMPLOYMENT BENEFIT ASSETS:**

	2021 $'000	2020 $'000
The amounts recognized in the statement of financial position	260,918	291,992
Amount recognized in the profit or loss (note 9)	1,947	(1,571)
Amount recognized in other comprehensive income	39,029	471

	2021 $'000	2020 $'000
The amounts recognized in the statement of financial position are determined as follows:		
Present value of funded obligations	(582,373)	(438,355)
Fair value of plan assets	843,291	730,347
Assets in the statement of financial position	260,918	291,992

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 2021.

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

	2021 $'000	2020 $'000
Balance at beginning of year	438,355	368,327
Current service cost	21,779	18,928
Interest cost	28,358	25,471
	488,492	412,726
Re-measurements -		
(Gain)/losses from change in financial assumptions	(148,686)	42,938
Experience losses/(gains)	230,054	(21,203)
Balance carried forward	569,860	434,461

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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

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

	2021 $'000	2020 $'000
Balance brought forward	569,860	434,461
Members' contributions	16,740	15,247
Benefits paid	(4,227)	(13,386)
Purchased annuities	-	2,033
Balance at the end of the year	582,373	438,355

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

	2021 $'000	2020 $'000
Balance at beginning of year	730,347	747,498
Interest income	48,190	52,758
Re - measurements -		
Return on plan assets, excluding amounts included in interest income	42,339	(82,494)
Members' contributions	16,740	15,247
Employer's contributions	9,902	8,691
Benefits paid	(4,227)	(13,386)
Purchased annuities	-	2,033
Balance at end of year	843,291	730,347

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

	2021 $'000	2020 $'000
Balance at beginning of year	-	96,970
Interest on asset	-	6,788
Change in asset ceiling, excluding amounts included in interest expense	-	(103,758)
Balance at end of year	-	-

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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

The amounts recognized in profit or loss are as follows:

	2021 $'000	2020 $'000
Current service cost	21,779	18,928
Interest cost	28,358	25,471
Interest income on plan assets	(48,190)	(52,758)
Interest on effect of asset ceiling	-	6,788
Total included in staff costs	1,947	(1,571)

The distribution of the plan assets was as follows:

	2021 $'000	2021 %	2020 $'000	2020 %
Pooled investment funds -				
Equity Fund	210,445	25	210,445	29
International Equity Fund	84,848	15	84,848	12
Mortgage and Real Estate Fund	71,797	10	71,797	10
Fixed Income Fund	126,056	18	126,056	17
Global Market Funds	105,268	5	105,268	14
Money Market Fund	17,949	3	17,949	2
CPI-Indexed	69,866	10	69,866	10
Purchased Annuities	42,122	4	42,122	6
Foreign currency Fund	1,996	10	1,996	-
Balance at end of year	730,347	100	730,347	100

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 2022 is $28,460,000 (2021 - $24,883,000). The actual return on the plan assets was $101,136,000 (2020 - $18,659,000).

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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

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

	2021 $'000	2020 $'000
Assets at beginning of year	291,992	282,201
Amounts recognized in the income statement (Note 10)	(1,947)	1,571
Re - measurements recognized in OCI	(39,029)	(471)
Contributions paid	9,902	8,691
Assets at end of year	260,918	291,992

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

The principal actuarial assumptions used were as follows:

	2021	2020
Discount rate	8.5%	6.5%
Inflation rate	5.5%	3.0%
Future salary increases	6.0%	3.0%
Future pension increases	4.5%	2.5%

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-ability 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 2021

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		
	Changes in Assumption	Increase in Assumption $'000	Decrease in Assumption $'000
Discount rate	1%	(100,753)	137,515
Future salary increase	1%	69,827	(58,397)
Expected pension increase	1%	63,598	(54,056)
Life expectancy	1 year	10,082	(10,211)

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 2021

15. RIGHT-OF-USE-ASSETS:

(a) Right of use assets:

	Land and Building $	Total $
At cost -		
31 March 2020	7,539	7,539
Disposal	(1,178)	(1,178)
At 31 March 2021	6,361	6,361
Amortisation		
1 April 2020	2,513	2,513
Charge for the year	2,209	2,209
31 March 2021	4,722	4,722
Net Book Value -		
31 March 2021	1,639	1,639
31 March 2020	5,026	5,026

(b) Lease liability

	Land and Building $	Total $
Balance brought forward	5,394	5,394
Lease payments	(2,691)	(2,697)
At 31 March 2021	2,703	2,697
Less: current portion	(1,351)	(1,351)
	1,352	1,352

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

16. **LOANS RECEIVABLES:**

(a) Loans and advances are comprised of:

	2021 $'000	2020 $'000
Gross loans and advances	47,050	(47,502)
Provisions for loans and losses	(47,050)	(47,502)
	-	-

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 22). 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:

	2021		2020	
	Gross $	Impairment $	Gross $	Impairment $
3 months and over past due	47,050	47,050	47,502	47,502
	47,050	47,050	47,502	47,502

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:

	2021 $'000	2020 $'000
Balance at beginning of year	47,502	52,625
Recovered during the year	(452)	(5,123)
Balance at the end of the year	47,050	47,502

JAMAICA BUSINESS DEVELOPMENT CORPORATION

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31 MARCH 2021

17. **INVENTORIES:**

	2021 $'000	2020 $'000
Inventory	4,750	6,468
Less: provision for slow moving	(1,389)	(1,401)
	3,361	5,067

18. **RECEIVABLES:**

	2021 $'000	2020 $'000
Trade receivables (net)	3,488	8,650
Prepayments	2,573	1,220
GCT	12,214	11,696
Sundry receivables	12,205	9,143
	30,480	30,709

Trade receivables are stated net of expected credit losses of $1,998,000 (2020 - $2,191,000).

19. **CASH AND CASH EQUIVALENTS:**

	2021 $'000	2020 $'000
Cash and bank balances -		
Deposits and short term investments	28,500	30,759
Local current accounts	19,830	14,467
Foreign currency current accounts	9,306	4,422
Petty cash	166	262
	57,802	49,910

(a) Interest rate exposure -

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

	2021 %	2020 %
Cash at bank - J$ account	0.34	0.34
- US$ account	0.08	0.08
Deposits - J$	2.20	2.39
- US$	1.25	-

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

20. **SHARE CAPITAL:**

	2021 $'000	2020 $'000
Authorised, issued and fully paid - 100 ordinary shares of no par value	1	1

21. **CAPITAL RESERVE:**

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

22. **LONG TERM LOANS:**

Loans are comprised as follows:

		2021 $'000	2020 $'000
CGM Gallagher insurance Brokers	(i)	220	269
Development of Bank of Jamaica Limited	(ii)	17,625	17,625
Micro Investment Development Agency	(iii)	10,000	10,000
Ministry of Finance (iv)		63,295	63,295
		91,140	91,189
Less: current portion		(220)	(269)
		90,920	90,920

(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 Parlimentary 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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

22. LONG TERM LOANS (CONT'D):

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.

23. DEFERRED INCOME:

	2021 $'000	2020 $'000
Balance at beginning of year	861	894
Amortisation charge (Note 7)	(33)	(33)
	828	861
Current portion	33	33
Long term portion	795	828
	828	861

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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

24. **PAYABLES:**

	2021 $'000	2020 $'000
Trade payable	12,958	12,043
GCT withheld payable	19,171	20,204
Other payables	18,103	16,529
Accruals	55,961	45,956
	106,193	94,732

25. **PROJECT LIABILITIES:**

	2021 $'000	2020 $'000
Development Bank of Jamaica/MSME Development Fund	2,662	2,662
Income Cluster	181	181
Miscellaneous	35,078	14,555
Tourism Enhancement Fund	494	494
	38,415	17,892

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.

26. **RELATED PARTY TRANSACTIONS AND BALANCES:**

	2021 $'000	2020 $'000
<u>Transactions during the year</u>		
Key management compensation -		
Key management includes executive directors		
Salaries and other short-term employee benefits	22,349	28,485
Payroll taxes - employer's portion	548	547
Pension contribution	414	386
	23,311	29,418
Directors' emoluments -		
Fees	-	264
Management remuneration (included in salaries above)	12,225	18,771

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

27. **LEASE COMMITMENTS:**

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

	2021 $'000	2020 $'000
Within 1 year	2,840	976
Subsequent years (2-5)	388	547
	3,228	1,523

28. **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 2021, 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 2021, can be found in the statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the corporation's assets and liabilities.

Entity-wide disclosures:

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

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

29. **LEASES:**

The Corporation leases certain office space under lease agreements, some of these leases are low valued leases.

The Corporation has not recognized right-of-use assets and lease liability for these leases.

30. **IMPACT OF COVID - 19:**

The World Health Organization (WHO) declared the novel Coronavirus (COVID- 19) outbreak and subsequently the Jamaican Government declared Jamaica a disaster area on 13 March 2020. The pandemic and specific measures to control its human impact have resulted in disruptions to economic activities and business operations. This could have negative financial effects on the corporation, depending on factors such as the duration and spread of the outbreak and the effects on the economy overall, all of which are highly uncertain and cannot be estimated reliably.

At the date of approval of these financial statements, the corporation is unable to determine the full financial impact on the overall business operations.

SENIOR EXECUTIVE COMPENSATION FOR PERIOD

Position of Senior Executive		Salary	Gratuity or Performance Incentive	Travelling Allowance	Pension	Other Allowances	Non-Cash Benefits ($)	Total
	Year	($)	($)	or	or	($)		($)
				Value of Assignment of Motor Vehicle	Other Retirement Benefits	*Seniority Allowance & Acting Allowance		
				($)	($)			
Chief Executive Officer-Valerie Veira	2020-2021	10,508,947		1,697,148	-	-	-	12,206,095
Deputy C.E.O -Harold Davis	2020-2021	7,956,825		1,697,148	426,966	807,213	-	10,888,151
Finance Manager-Michele Cowan	2020-2021	5,863,116		1,697,148	309,056	594,807	-	8,464,127
Director, Incubator & Resource Centre - David Harrison	2020-2021	5,863,116		1,697,148	-	-	-	7,560,264
Mgr–Business Advisory Serv-Melissa Barrett	2020-2021	4,936,587		1,697,148	235,819	-	-	6,869,553
Technical Services Mgr -Colin Porter	2020-2021	4,226,656		1,697,148	226,804	434,286	-	6,584,894
Mgr-MSU -Janine Taylor	2020-2021	4,226,656		1,697,148	226,804	434,286	-	6,584,894
Mgr-I.T –Neville Grant	2020-2021	4,226,656		1,697,148	212,877	142,930	-	6,279,611
Human Resource Mgr –Patricia Kitson	2020-2021	3,526,925		1,004,146	106,913	-	-	4,637,984
Mgr –Corporate Communications-Suzette Campbell	2020-2021	4,226,656		1,697,148	212,877	142,930	-	6,279,611
Mgr –Administration –Ann-marie Brown	2020-2021	3,683,287		1,697,148	176,448	474,588	-	6,031,471

Mgr –Project Mgmt and Research – Amanda McKenzie	**2020-2021**	3,438,387		1,697,148	164,716	-	-	5,300,251
Mgr-Special Projects- Shelly-Ann Lawson-Francis	**2020-2021**	3,928,834		1,697,148	-	-	-	5,625,982

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.**

4. **It should be noted that there were no payments for Director’s Fee for the aforementioned year.**

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