



**CELEBRATING 20 YEARS...**  
**HELPING ENTREPRENEURS 'FROM CONCEPT TO MARKET'**

**JBDC**  
**ANNUAL REPORT**  
2021-2022

## MISSION STATEMENT

*To drive entrepreneurial success and development of the MSME Sector through dynamic and innovative solutions.*

## OUR VISION

*To become a team of highly engaged thought leaders driving entrepreneurial success in Jamaica.*

## GOAL

*To support national development by enabling the establishment of resilient MSMEs.*

## ABOUT US

### Who We Are/Quality Management System

The Jamaica Business Development Corporation (JBDC) is Jamaica's premier business development organisation and works collaboratively with government agencies, the private sector, and the academic and research communities. The organisation pursues development programmes and policies that foster development, sustainability, modernisation and growth in the MSME sector, an enabling business environment and cost-effective delivery of business development solutions to Micro, Small and Medium-sized Enterprises (MSMEs) in Jamaica. The organisation currently operates within the ambit of the Ministry of Industry, Investment & Commerce (MIIC).

The JBDC Quality Management System comprises operations of the Head Office, 14 Camp Road, and the Incubator & Resource Centre (IRC), 76 Marcus Garvey Drive, Kingston, inclusive of the following core processes and other supporting processes:

- Business Advisory Services
- Technical Services
- Marketing Services
- Project Management & Research

### Core Values

- Integrity
- Confidentiality
- Professionalism
- Respect
- Teamwork
- Innovation
- Solution-Oriented
- People- Focused

# 'From Concept to Market'

## MSME & ENTREPRENEURSHIP POLICY IMPERATIVES

There are six (6) key priority areas in the Government of Jamaica's MSME & Entrepreneurship Policy:

Creating an Enabling Business Environment

Increasing Finance to the Sector

Enhancing Business & Development Support

Fostering a Culture of Entrepreneurship

Social Value Creation

Tackling Cross-Cutting Issues



# TABLE OF CONTENTS

<b>CHAIRMAN'S STATEMENT</b> .....	<b>5</b>
<b>BOARD OF DIRECTORS</b> .....	<b>6</b>
Board Sub-Committee Reports	
• Administration & Projects	
• Audit	
• Finance	
• Corporate Governance	
<b>EXECUTIVE MANAGEMENT TEAM</b> .....	<b>9</b>
<b>CEO'S MESSAGE</b> .....	<b>11</b>
<b>DEPUTY CEO'S PERFORMANCE REPORT</b> .....	<b>13</b>
<b>CORPORATE OVERVIEW</b> .....	<b>15</b>
Summary of Core Departments	
Profile of Clients	
Quality Objectives	
Summary of Achievements	
<b>ENTERPRISE LEVEL DEVELOPMENT</b> .....	<b>24</b>
Our Reach, Client and Service Performance	
Training/Knowledge-Sharing/Events	
Programmes	
• Export Max III	
• IGNITE III	
• Accelerator Programme	
• Things Jamaican™ eCommerce Platform	
<b>ECOSYSTEM DEVELOPMENT</b> .....	<b>31</b>
Events	
Special Feature: A Couple of BOSSES	
<b>PROJECTS</b> .....	<b>42</b>
• Enhancing the Export Capacity of Micro and Small Agro-Processors using the Cluster Approach	
• Essential Oils Incubator	
• Formalising Operators in the Jamaican Agricultural and Fisheries Sector	
• GROW Castor Bean Cluster Project	
• Validating Jamaica's Cultural & Creative Industry	
• Accelerating MSMEs Growth Through Innovation & Technology	
• ACP-EU UNDP Development Minerals Programme	
• Rural Entrepreneurship & Agricultural Livelihood (REAL) Youth Project	
• Capacity Building and Sensitisation for The Special and Differential Treatment Measures Project	
<b>INTERNAL CAPACITY BUILDING</b> .....	<b>50</b>
ISO Certification	
Digital Transformation Initiative	
Human Capital Development	
Special Feature: The JBDC Story	
<b>AUDITED FINANCIAL STATEMENTS</b> .....	<b>55</b>
<b>DIRECTOR'S COMPENSATION</b> .....	<b>113</b>
<b>SENIOR EXECUTIVE COMPENSATION</b> .....	<b>115</b>

## CHAIRMAN'S MESSAGE



A year has passed since we watched the world change in an unprecedented manner, and its impact on governance and business cannot be overstated. The "Great Lockdown" brought to the fore discussions about digital transformation, prompting the implementation of various strategies to build more resilient and sustainable businesses that will withstand further disruption, and provide more channels for consumers.

The experience has heightened greater levels of usage and acceptance of digital and online options locally, changed business models and inspired innovation as persons sought to capitalise on the business opportunities presented by the crisis. Recognising that governance must also adopt new systems, the Government of Jamaica (GOJ) has identified the digitalisation of the public service and the economy as two critical means by which to rebuild the economy.

During the 2021-2022 fiscal year, the Jamaica Business Development Corporation (JBDC) embarked on its own digital transformation which would see the agency improving data management, customer relationship management, as well as, access and interface with partners.

A significant aspect of JBDC's digital transformation initiative is the provision of training services to Micro, Small & Medium-sized Enterprises (MSMEs) online. The cloud-based MSME Knowledge Bank/Virtual Campus will consist of on-demand, self-paced interactive business tools and resources specifically designed for businesses as they transition along the business continuum from micro, to small to medium. The Organization of American States (OAS), through its Development Cooperation Fund has approved a grant of US\$100,000 to support the JBDC with this project under the theme: Retooling MSMEs through Innovation and Technology.

Milestones often present opportunities for growth, and the Board of Directors is pleased that this digital transformation of the JBDC's services coincides with the agency's 20th anniversary. We look forward to the impact these developments will have on MSMEs, and take this opportunity to congratulate the dedicated team of professionals at JBDC on 20 years of service to entrepreneurs in Jamaica.

**Dr. William Lawrence, DBA**  
**Chairman**

## BOARD OF DIRECTORS



**Dr. William Lawrence**  
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



**Oral Shaw**  
Director



**Danielle Terrelonge**  
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.

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

Adonia Chin (Chairperson)  
Yvonne Davis  
Keisha Lewis  
Ida-Gaye Warburton  
Danielle Terrelonge  
Mario Thomas  
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  
Hugh Johnson



## 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

## CORPORATE GOVERNANCE

The Corporate Governance Sub-Committee was established to ensure compliance with Public Bodies Management and Accountability Act (PBMAA), Companies Office of Jamaica (COJ) regulations, Corporate Governance Framework for Public Bodies, and other applicable laws, regulations and government guidelines.

The Corporate Governance Sub-Committee is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will monitor the maintenance of high ethical standards of all employees and directors of JBDC.

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

Donoval Wignal (Chairperson)  
Ida-Gaye Warburton  
Steven Fong-Yee  
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, Financial Support Services and Project Management & Research. Together, they ensure that JBDC remains the leading business development service provider, delivering 'From Concept to Market'. They achieve their goals through strong support from Finance, Administration, Corporate Communications, Information Technology and Human Resource Management & Development.



**Valerie Veira, 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



**David Harrison**  
Director  
Incubator & Resource Centre



**Janine Fletcher-Taylor**  
Manager  
Marketing Services



**Neville Grant**  
Manager  
Information Technology



**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



## CEO'S MESSAGE



Twenty (20) years ago, the Government of Jamaica saw the significant need for an agency mandated to provide business development services to the Micro, Small & Medium-sized Enterprise (MSME) sector, and the JBDC was born. The agency's birth mirrored that of a business in this segment, with small feet, and a solution which addresses a big problem. Over the years, we have grown to fit into the shoes, and we are elated that our MSMEs have grown with us.

It is symbolic that in this fiscal year 2021-2022, the JBDC successfully completed the **ISO 9001:2015 certification** process during the month of March when the audit was done. Upon official receipt, the organisation's certificate is valid for the following scope: The design and implementation of programmes and provision of policy guidance and business development solutions for micro, small and medium enterprise development in Jamaica.

The certification augurs well for the JBDC's Quality Management System as we pursue development programmes and policies that foster development, sustainability, modernisation and growth in the MSME sector, an enabling business environment and cost-effective delivery of business development solutions to MSMEs. It is a significant achievement of the agency's **Quality Objective number 8: To develop and enhance the skills and competencies of the JBDC's human capital and drive organisational transformation to meet the organisation's current and future strategic needs by 2022.**

In this post-covid era, the agency is keen on the recovery of our MSMEs, as we move them from panic and back to passion. **Quality Objective number 7: To establish JBDC as the lead innovation facilitator in the development of a resilient MSME ecosystem by 2023.** In this regard, we are: (1) Establishing strategic partnerships (public and private sector) to co-create innovative solutions towards ecosystem development, and (2) Harnessing/Synchronising stakeholders' resources around common strategy for developing the ecosystem.



The planned initiatives are geared toward moving industries forward, particularly those along the agriculture and manufacturing value chain (agro-processing), creative and cultural industries, as well as the digitalisation of businesses. We have secured approximately **US\$1 million** worth of investment in these key areas to bolster the MSME sector. These projects are as a result of partnerships with entities including United Nations Educational, Scientific and Cultural Organization (UNESCO), European Union (EU), Caribbean Development Bank (CDB), International Labour Organization (ILO), the Organisation of American States (OAS), among others.

With the solid backing of local and international organisations, the JBDC is well-poised to achieve our goal to support national development by enabling the establishment of resilient MSMEs... 'From Concept to Market'.

We celebrate not just the achievements of the 2021-2022 fiscal year, but 20 years. Every year has been exciting, simply because we have moved beyond the horizon and have climbed many mountains successfully. We continue to make a mark on the development of our country.

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

## DEPUTY CEO'S PERFORMANCE REPORT



The development of industries, access to new markets, and access to financing, were among the priority areas of intervention undertaken by the Jamaica Business Development Corporation (JBDC) during the 2021-2022 fiscal year.

Industry development has been proven globally as an effective means of contributing to innovation, poverty reduction, and economic growth. The focus is directly related to our **Quality Objective number 6: To drive new business opportunities along industry value chains by establishing two (2) industry specific incubators by 2023**. During the 2021-2022 fiscal year, the implementation of the Essential Oils Incubator project remained on schedule for completion of construction by the end of the 2022 calendar year. Procurement of works and equipment for the Agro-Processing Incubator renovation.

Approximately 34 percent of JBDC's clients are from industries spanning manufacturing (12.5%), agro-processing (8.6%), fashion/apparel (5.9%), aromatherapy (3.8%), and gift & craft (2.7%). As it relates to product development, 94 products were developed or enhanced for gift & craft, fashion and agro-processing industries, as well as, 8,804 new units of goods were produced via incubator usage. These statistics underscore the need for world-class facilities to increase production, sales, profits, and export. As such, we eagerly anticipate the impact of our two new incubators.

As we seek to boost production, this goes hand-in-hand with market access outlined in **Quality Objective number 1: To increase direct access to new local and international markets for 500 clients delivering 5% sales growth by March 2022** (beginning in April 2019). The JBDC achieved its planned target for the fiscal year with 302 clients, two more than the projected 300. Having emerged from an unprecedented period in our history, brought on by the Covid-19 pandemic, the road to recovery was more than encouraging. Overall, Things Jamaican™ sales increased by 105% in FY 2021/2022 when compared to FY 2020/2021. When compared to the base year 2019/2020, Things Jamaican™ recorded a 46% recovery, 4% shy of the projected 50%. All months recorded increases.


And, as growth is challenging without access to financing, the JBDC continued its quest to bridge the gap between entrepreneur and financier through **Quality Objective number 2: To assist at least fifty (50) MSMEs to access fifty million (J\$50M) in financing by March 2022**. The agency's planned target for the fiscal year was J\$30.7 million in funding attained by 30 MSMEs. We surpassed that target with 155 MSMEs accessing approximately J\$102 million in loans and grants. This is owing to our efforts including handholding services (document preparation, etc.), financial literacy and funding referrals.

The JBDC exceeded the target to transition at least 50% of unregistered clients to registered clients within 6 months of their entering JBDC's Business Incubator Programme (Quality Objective number 4). During the period under review, the team successfully transitioned 60% of unregistered clients

We recognise the significance of training and knowledge sharing as an imperative of MSME development, and as such, the agency has entered an agreement with One on One Educational Services to facilitate the implementation of the online training platform, and the development of the modules is underway.

With fourteen (14) Small Business Development Centres (SBDCs) islandwide, other critical partnerships, digital transformation of our services, and a dedicated team of experts, the JBDC is well-poised to meet the increasing demands for a full suite of business development services 'From Concept to Market', to be found nowhere else in Jamaica. And so, I take this opportunity to congratulate the hardworking team and say cheers to JBDC on its 20th anniversary.

**Harold Davis, JP**  
**Deputy Chief Executive Officer**

A photograph of Carl Sharpe, a man with short grey hair, wearing a dark blue polo shirt with the 'Chocollor CHOCOLATE' logo. He is smiling and holding a triangular wooden award. The award has a circular logo at the top and a plaque at the bottom that reads 'JBDC B.O.S.S Man of the Year 2021 Carl Sharpe Chocollor Chocolate'. The background is a golden hallway with a trail of stars. A red ribbon graphic is at the bottom.

Carl Sharpe  
CHOCOLLOR CHOCOLATE  
2021 JBDC B.O.S.S Man of the Year

# 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

### 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 Department 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's suite of services include:

- Project Management Training
- Survey Design & Questionnaire Construction
- Feasibility Studies
- Market Research

## INCUBATOR & RESOURCE CENTRE

### INCUBATORS

The resource centres provide services for producers in the craft, food, fashion, and essential oils 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.

### TECHNICAL SERVICES

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



Nigerian High Commissioner H.E. Dr. Tamuno listens keenly as Colin Porter, Technical Services Manager, shares a Chasing & Repousse piece created at the Incubator & Resource Centre. Looking on is CEO, Valerie Veira.

## 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, as well as an e-commerce platform 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:

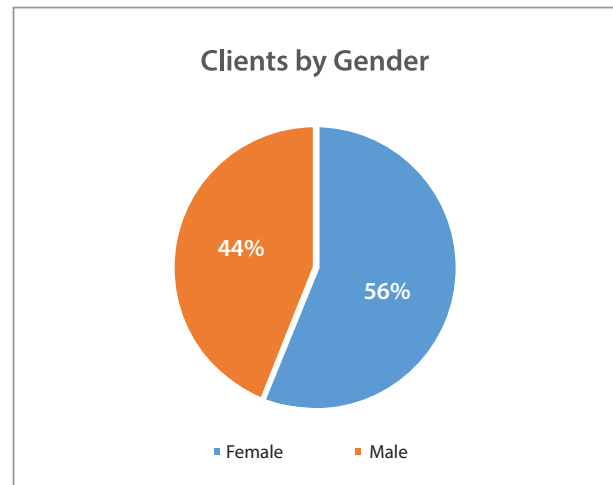
- Market Access (local and international)
- Product Screening & Assessment
- Retail & Distribution



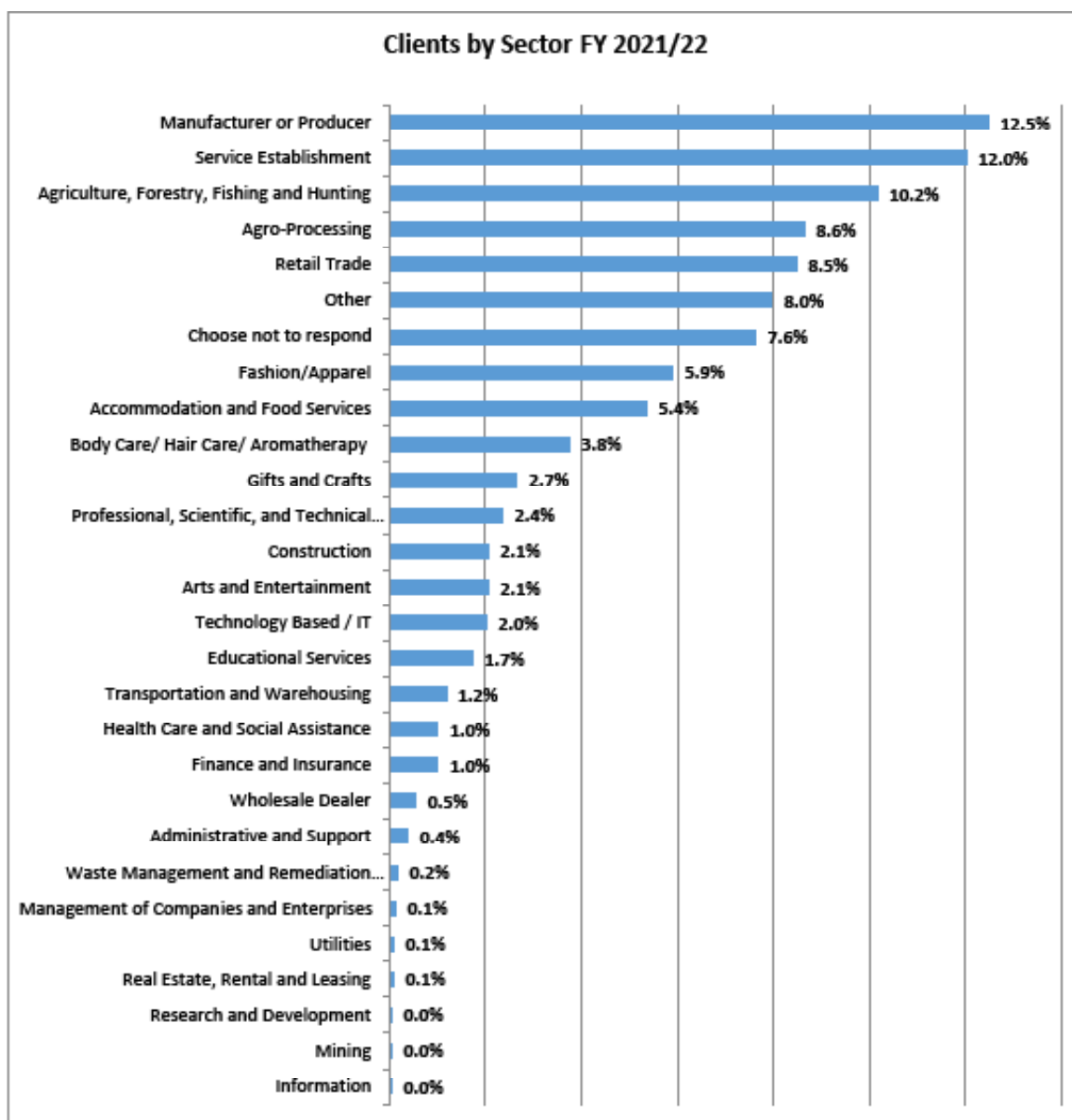
Marline Henry, Warehouse Assistant at JBDC, admires artisan, Robert Campbell's work of art inside the Things Jamaican store.

## PROFILE OF CLIENTS

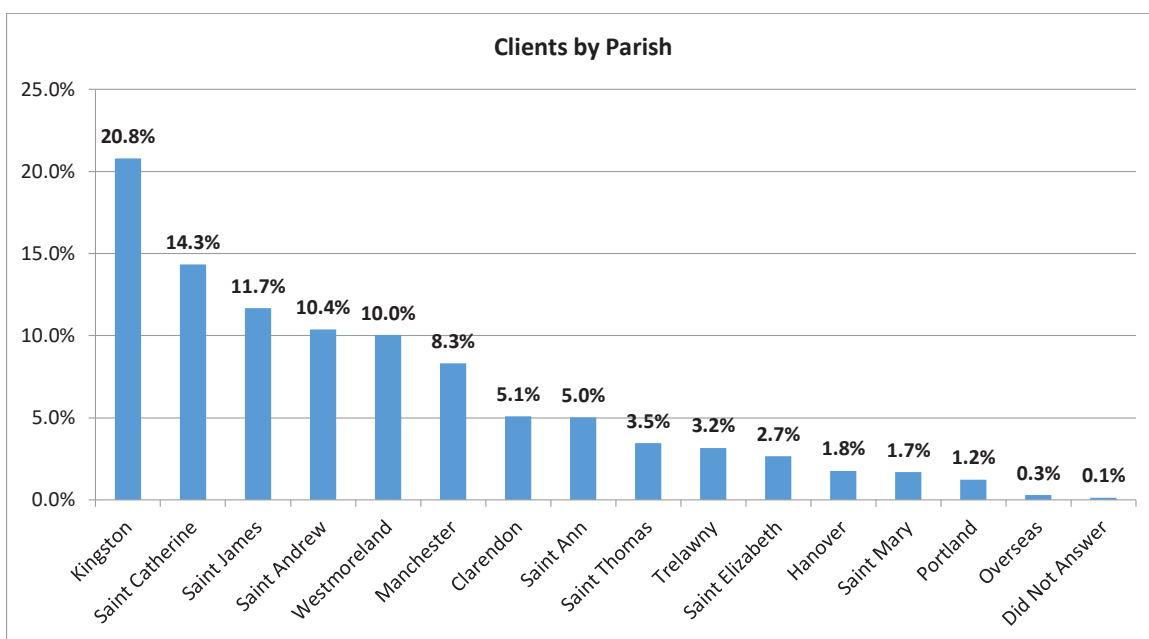
The Jamaica Business Development Corporation has approximately 2,372 active clients within the Micro, Small and Medium-sized Enterprise (MSME) Sector registered in its Client Relationship Management System (Neoserra CRM) as at March 31, 2022. The number of female clients outweighed male clients with the split being 56% females & 44% males. As it relates to the industries to which clients are aligned, most (12.5%) are manufacturers or producers. The second largest proportion (12%) is aligned to the services sector followed by 10.2% who are in the Agriculture, Forestry, Fishing and Hunting industry. Other sectors represented and details of which are presented in the diagram below are: agro-processing, accommodation and food services, fashion/apparel, construction, transportation and warehousing, education, health care among others.







Clients are dispersed country-wide with the largest concentration of clients located in Kingston (20.8%) followed by St. Catherine (14.3%), St. James (11.7%), St. Andrew (10.4%), Westmoreland (10.0%), Manchester (8.3%), Clarendon (5.1%), St. Ann (5.0%). St. Thomas, Trelawny, St. Elizabeth, Hanover and St. Mary accounted for 14% of total clients collectively. The distribution of the clients is reflective of the areas in which JBDC services are most accessible as well as the size of the MSME population in those parishes.



## QUALITY OBJECTIVES

The 2021-2023 strategic thrust and achievements of the Jamaica Business Development Corporation (JBDC) is predicated on an 8-point quality objective strategy:

1. To increase direct access to new local and international markets for 500 clients delivering 5% sales growth by March 2022.
2. To assist at least fifty (50) MSMEs to access fifty million (J\$50M) in financing by March 2022.
3. To increase access to business development support by establishing three (3) additional Small Business Development Centres by March 2022.
4. To transition at least fifty percent (50%) of unregistered clients to registered clients within six (6) months of their entering JBDC's Business Incubator Programme.
5. To establish and maintain JBDC's Institutional Knowledge Bank by March 2023. Sub objectives:
  - 5.1 To create JBDC's Institutional Knowledge Bank to enhance institutional capital and to positively impact external clients by 2023.
  - 5.2 To enhance JBDC's business capacity building programmes through the implementation of a multi-modal delivery platform by 2023.
  - 5.3 To develop and implement a JBDC Intellectual Property Policy that protects and leverages the organisation's IP assets by 2022.
6. To drive new business opportunities along industry value chains by establishing two (2) industry specific incubators by 2023.
7. To establish JBDC as the lead innovation facilitator in the development of a resilient MSME ecosystem by 2023. Sub-objectives:
  - 7.1 Establishing strategic partnerships (public and private sector) to co-create innovative solutions towards ecosystem development.
  - 7.2 Harnessing/Synchronising stakeholders' resources around common strategy for developing the ecosystem.
8. To develop and enhance the skills and competencies of the JBDC's human capital and drive organisational transformation to meet the organisation's current and future strategic needs by 2022. Sub-objectives:
  - 8.1 To achieve ISO 9001-2015 certified status by December 2021.
  - 8.2 Increase staff engagement by 30% by March 2023 through implementation of recommendations from the 2019 engagement survey.
  - 8.3 Attain at least 80% satisfaction on the organisation's Annual Customer Satisfaction Survey.

## SUMMARY OF ACHIEVEMENTS



**ISO 9001:2015 CERTIFICATION**

Organisational Transformation



**J\$102,000,000**

Access to Financing by 155 MSME Clients



**US\$1,000,000**

Project Funding



**302**


MSME Clients Access to New Markets



**J\$519,200,000**

MSME Clients' Revenue



A woman with dark curly hair, wearing a black polo shirt and white and black striped pants, stands in a long, brightly lit hallway. She is smiling and holding a large, triangular trophy. The trophy has a gold base and a plaque that reads "2021 JBDC B.O.S.S Lady of the Year" and "Donna-Kaye Sharpe Chocolatier Chocolate". The background is a long hallway with a polished floor and walls. There are many gold stars floating around her, and a large red ribbon is draped across the bottom of the image.

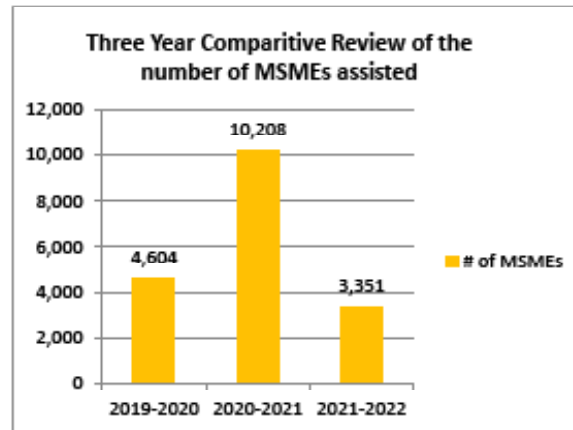
Donna-Kaye Sharpe  
CHOCOLLOR SHARPE  
2021 JBDC B.O.S.S Lady of the Year

**ENTERPRISE LEVEL  
DEVELOPMENT**

## OUR REACH, CLIENT AND SERVICE PERFORMANCE

### Our Reach

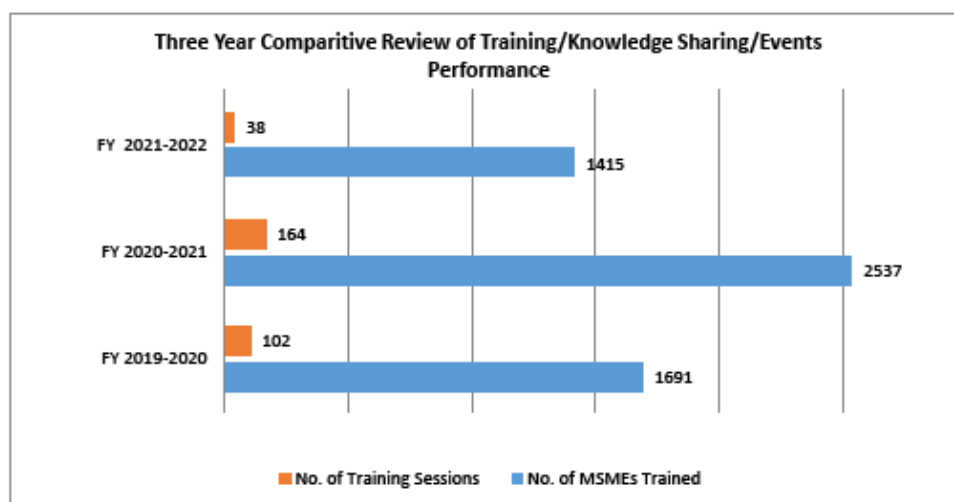
JBDC assisted 3,351 MSMEs during the 2021-2022 Financial Year representing a 67% decrease over the previous fiscal year (2020-2021) during which 10,208 MSMEs were assisted. This decline represented a normalisation in the number of MSMEs assisted, after a supernormal increase during the pandemic for the 2020/2021 Financial Year. Assistance was provided through approximately 16,279 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.



- Business Advice** - Business Advisory Services conducted 13,024 interventions for the review period. Advisory services conducted via the Small Business Development Centres accounted for 2,279 interventions. Core business advisory services include: business consultation, business development training, business planning, and business monitoring and mentoring.
- Technical Services** – The focus of JBDC's technical assistance is product development inclusive of packaging design, product design, and general product and process enhancement. In this regard, JBDC facilitated 781 technical assistance interventions during the review period.
- Marketing Assistance** - Through strategic marketing, clients were provided with local and international market access via in-store and electronic promotion, and participation in local and international trade shows provided by Things Jamaican; JBDC's Marketing Unit. A total of 195 interventions were facilitated.
- Project Management and Research Development** - Through its specialised service solutions, the Project Management and Research Department facilitated interventions in the form of projects implemented to support MSME beneficiaries.
- Corporate Communications** – Through a range of events and knowledge-sharing sessions delivered by strategically selected partners, the Corporate Communications Unit consistently stimulated the MSME ecosystem on matters pertinent to MSME development. The sessions served to position JBDC as lead facilitator of business development.

## Training/Knowledge Sharing/Events Performance

The JBDC conducted a series of training sessions focusing on business and technical development. Since the beginning of the review period (FY 2021-2022), approximately 2,593 MSMEs have been trained or participated in knowledge sharing sessions or events, representing a 2.2% increase in the number of MSMEs trained or participated in same sessions when compared to the same period during FY 2020-2021 where 2,537 MSMEs were trained. Likewise, the number of training and knowledge sharing sessions and events hosted have been decreased from 164 to 59; representing a 64% decrease. The decrease is due to a normalisation in the number of virtual sessions to interact with MSMEs when compared to the super normal levels during the COVID-19 Pandemic. However, despite the decrease in the number of sessions, the overall number of participants increased when compared to the prior year.

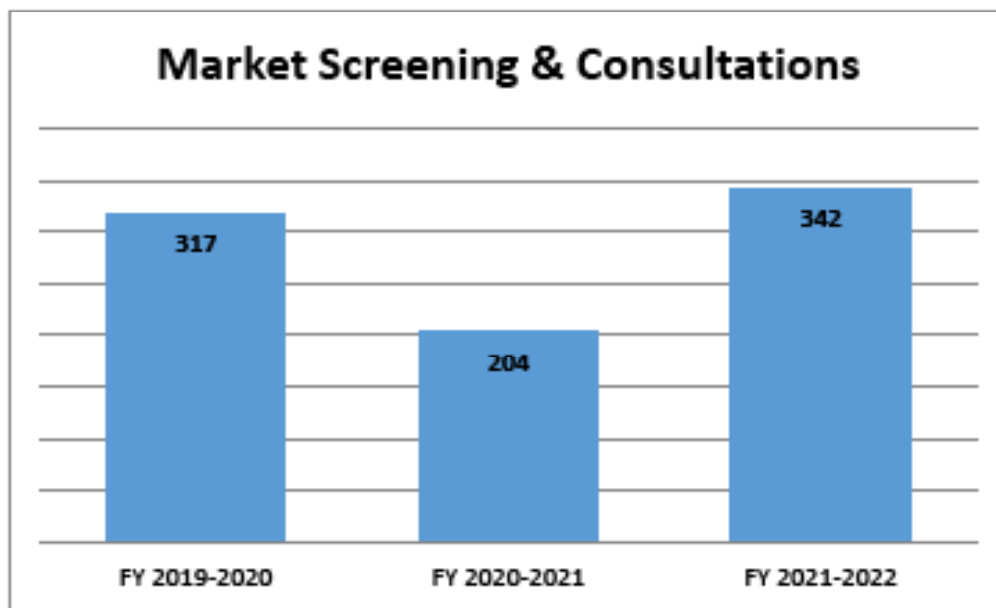


A synopsis of the events and knowledge sharing sessions hosted during the review period are included below:

- JBDC Virtual Biz Zone webinar
- Business Dialogue Forum
- JBDC 'In Concert'
- Festival of Cloth panel discussion series
- Amazon 876 – 'From Jamaica to the World'
- Global Entrepreneurship Week 2021 (1 week of events)

## Market Screening & 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 FY2019-2020, FY2020-2021 and FY2021-2022. Market screening and consultation increased by 67% when compared to screening and consultations done in the 2020-21 FY.



<sup>1</sup> Assessment results reported were carried out by the Marketing Services Unit with the assistance of TS; assessments conducted by TS only are not captured in this comparison.



## PROGRAMMES

### Export Max III

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 Expressions of Interest (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.

To date a total of 48 beneficiaries have commenced the project. During the fiscal period, the following activities were completed:

- 6 Strategy Sessions
- Enterprise Development Plans
- 8 clients participated in the CIAL Dunn & Bradstreet Discussion Series

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

### IGNITE Phase III

The tripartite agreement for the execution of the IGNITE project was signed by JBDC, Development Bank of Jamaica (DBJ) and the IGNITE beneficiaries.

- Over 100 Concept Notes were submitted by Micro and Small enterprises under the Ideation & Commercialisation windows.
- Seventy (70) Concept Notes were recommended to advance the development of a full proposal.
- Fifty-two (52) project proposals were submitted to the Development Bank of Jamaica (DBJ).
- Five (5) projects were shortlisted by DBJ.
- Three (3) project awardees were selected by DBJ - Linga Ya Farm, Herbal N' Noble, and Walconar Construction and Drafting. Support was provided by the Business Development Officers for the implementation and execution of the development plans for the three beneficiaries who were in JBDC's portfolio.

## Accelerator Programme

The JBDC Accelerator Programme is an intensive 6-month programme designed to increase business growth and internationalisation through business mentoring and training, access to equity investments and business linkages. 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

JBDC was awarded a grant of US\$200,000 by the Development Bank of Jamaica's (DBJ) Boosting Innovation and Growth in Entrepreneurship Ecosystems (BIGEE) Programme to finance Cohort 4 of the Accelerator Programme between October 2021 and 30 April 2022.



## Things Jamaican™ E-Commerce Platform

Since the advent of COVID-19 and the decline in sales, increased efforts were made to shift the majority of traffic to the website and social media platforms.

- o The website was boosted for Search Engine Optimisation (SEO) to increase traffic and competitiveness.
- o The team was trained in utilising the new Things Jamaican™ e-commerce platform.
- o Significant work was completed on the back-end of the Things Jamaican™ website including aesthetic improvements aimed at making it more visually appealing to users.



## 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:

- o Rural Agricultural Development Agency (RADA)
- o Edna Manley College of the Visual and Performing Arts (EMCVP)
- o University of Technology (UTech)
- o Northern Caribbean University (NCU)
- o College of Agriculture, Science and Education (CASE)
- o University College of the Commonwealth Caribbean (UCC)
- o Caribbean Maritime University
- o Sagicor Bank (SME Business Resource Centre)

### Training

- 76 participants, including members from the SBDC Network, their clients and JBDC Business Development Officers participated in the Sanitation, Hygiene & Food Safety Training coordinated by the RADA SBDC.
- A Procurement Request was done for Consultancy Services to complete a Sustainability Plan for Jamaica's Small Business Development Centre Network.
- Nineteen (19) persons from seven (7) entities were trained in the use of Neoserra. An additional eighteen (18) persons were licensed to use GrowthWheel®.
- Two (2) consultants responded to the Request for Proposals for Consultancy Services to complete a Sustainability Plan for Jamaica's Small Business Development Centre Network. They were reviewed by an Evaluation Committee and on-boarded.





Michael Moodie  
PORTLAND AUTHENTIC JERK  
2021 Runner-up  
JBDC B.O.S.S Man of the Year

# ECOSYSTEM DEVELOPMENT



## 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 reporting period 2021-2022 was marked by an organisation, much like many others, emerging from the rubble of the novel coronavirus. Many attempts were made to return to business as usual but the on-the-ground reality proved to be quite challenging as restrictions were still very much in effect.

Despite those expected challenges, the Corporate Communications Unit continued its knowledge-sharing and events portfolio utilising both online and hybrid formats.

The following events and interventions were undertaken with the outlined impact:

### THE ENTREPRENEUR'S JOURNEY

Twelve (12) sessions of the Entrepreneur's Journey were hosted online during the period. The sessions which were previously held face-to-face was moved to the digital space so as to provide a source of motivation and empowerment for MSMEs who were facing obvious challenges due to the COVID-19 virus.

The Entrepreneur's Journey is a one-to-one discussion forum set as an interview in which the interviewee responds to questions about his/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. We will also give our participants an opportunity to participate in a question-and-answer segment.

Approximately 120 entrepreneurs were engaged cumulatively during the series.

### MADE IN JAMAICA TEXTILE SERIES

Branded as the 'Festival of the Cloth' Panel Discussion series, three sessions were hosted online and engaged approximately 130 entrepreneurs who work within the Textile industry.

Session speakers hailed from Nigeria through the ongoing relationship with the Nigerian High Commission as well as local experts and a Jamaican designer residing in the United States. Speakers included:

- Miss Valerie Veira, CD, JP – Chief Executive Officer, JBDC
- Prof. Peju Layiwola - Artist and Art Historian, Department of Creative Art at the University of Lagos

- Dr. Nike Okundaye - Batik and Adire Textile Designer (Nigeria)
- Mrs. Miriam Hinds Smith - Dean of School of Visual Arts, Edna Manley College of the Visual and Performing Arts
- Mrs. Janine Fletcher-Taylor – Manager, Marketing Services Unit, JBDC
- Professor Carolyn Cooper, PhD - Professor of Literary and Cultural Studies
- Ms. Laura Lee Jones – Senior Lecturer, Edna Manley College of the Visual and Performing Arts
- Mr. Alao Luqman – Cultural Diplomat, Nigeria
- Mr. Zam Barrett – New York-based, Jamaican Fashion Designer
- H.E. Dr. Maureen P. Tamuno – Nigerian High Commissioner
- Mr. Vivian Crawford – Historian & Executive Director – Institute of Jamaica

The sessions were held in June 2021 under the sub-themes:

- The Spirit of Culture – Manifestation in Textile Design and Accessories
- Jamaican Hands and Hearts – Encircling the Cradle of Brand Jamaica
- Moving Forward – Adire in a Yabba

All sessions were moderated by Amina Blackwood-Meeks, Ph.D.



## AMAZON 876 ... FROM JAMAICA TO THE WORLD

During COVID-19, the JBDC actively looked for ways to re-engage the MSME sector by providing new opportunities for entrepreneurs to continue to be productive. It was out of this thrust that the partnership with Amazon was birthed.

The Amazon partnership sought to open up the platform to Jamaican producers and manufacturers and make it easier for them to sell on the platform.

As such, three (3) sensitisation sessions were hosted as follows:

- Understanding the Amazon opportunity – July 27
- Addressing the Gaps in Preparedness: August 3
- Sustaining Seller Success – August 10

621 persons registered for the events, while 311 persons attended.

## JBDC VIRTUAL BIZ ZONE

The JBDC Virtual Biz Zone webinar continued for the second consecutive year. The Biz Zones are a series of webinars geared at highlighting specific areas of entrepreneurship development for potential and existing entrepreneurs.

Approximately ten (10) sessions were held during the period and 396 entrepreneurs engaged.





## GLOBAL ENTREPRENEURSHIP WEEK 2022

The JBDC Global Entrepreneurship Week 2022 activities were held virtually for the second consecutive year. The theme for the celebrations was 'REBOOT. RETHINK. REGENERATE.'

The main events were maintained as there was little room to make any major adjustments.

The events hosted were:

- Business Dialogue Forum – Rebooting for Business in a Post-Pandemic Era
- Virtual Biz Zone
  - o Rethink: Creative Destruction Part 1: The Mindset
  - o Rethink: Creative Destruction Part 2: Service Remodelled
- Opportunity Evening: Regenerate – Emerging Business Models
- Raising Capital: Rethinking Financing – Fintech companies
- JBDC B.O.S.S. of the Year Awards

186 entrepreneurs attended the events online.



Harold Davis, JBDC's Deputy CEO speaks with Leighton Campbell, CEO, Mobile EDGE Solutions during the Business Dialogue Forum.



The four finalists in the 2021 JBDC B.O.S.S Awards compete in a thrilling game of Janga, under the watchful eyes of MCs - Keera Walters and Marlon Campbell.



## JBDC 20th ANNIVERSARY CELEBRATIONS

The JBDC 20th Anniversary celebrations were largely kept in-house, online and through social and traditional media, again due to the coronavirus.

The celebrations included:

- Thanksgiving Service
- Rebranding: JBDC's new logo and tagline unveiled
- Staff Long Service Awards
- Publication of a special edition of the JBDC Business Dialogue Magazine that highlighted the contribution of the staff as well as the achievements of the organisation throughout its 20-year existence
- JBDC achievements were also highlighted on a daily basis utilising the JBDC e-letter which is dispatched to an email database
- Commercial radio placements highlighting JBDC's achievements along with a radio interview

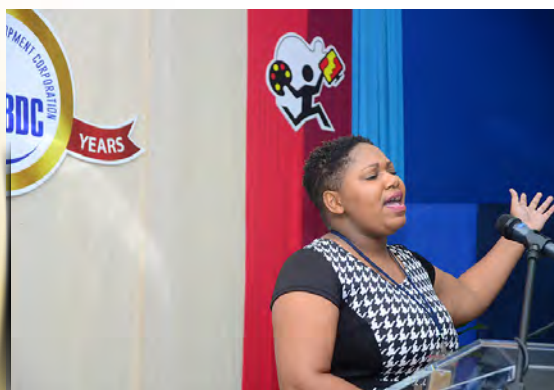


HIGHLIGHTS: 20TH ANNIVERSARY LONG SERVICE AWARDS





HIGHLIGHTS: 20TH ANNIVERSARY THANKSGIVING SERVICE



# Special Feature

## A COUPLE OF BOSSES

### JBDC Awards B.O.S.S Man and B.O.S.S Lady to Power Couples

by Jhonelle Grant

The Jamaica Business Development Corporation (JBDC) annually awards exceptional local entrepreneurs through its B.O.S.S MAN and B.O.S.S LADY OF THE YEAR programme. This 2021 finalists disproved the old adage that dissuades mixing family and business as the programme saw two couples vying for the awards.

On November 12, 2021 Mr. Carl Sharpe of Chocollor Chocolate copped the B.O.S.S Man of the Year award while his wife and business partner Donna-Kaye Sharpe took home the B.O.S.S Lady of the Year award. The other power couple, Michael and Sonia Moodie of Portland Authentic Jerk were the runners-up for this year in their respective categories.

The Entrepreneurs' Journey – and JBDC Behind Chocollor Chocolate, a premium Jamaican chocolate brand, is a couple who has committed their time to the success of their company. Mrs. Sharpe recounts the beginning stages of their journey and how Carl's desire to create chocolate simply started as a hobby. The hobby graduated to a business as they recognised the viability of their product as well as the need for the equipment they purchased to begin to make return on their investments.

Through the assistance of JBDC, Chocollor was able to formally go to market in 2019 with their sole customer at the time being JBDC's Things Jamaican™ store chain. The company has since successfully pivoted with more locations carrying their products, as well as providing slabs of chocolate to hoteliers. Mr. Sharpe aptly describes their relationship with JBDC as business partners, while Donna-Kaye sentimentally remarks that the nurture and care provided has felt like familial support.



Donna-Kaye and Carl Sharpe of Chocollor Chocolate pose with their B.O.S.S Lady of the Year and B.O.S.S Man of the Year awards.



The Moodies of Portland Authentic Jerk, producers of one of Jamaica's distinct flavours saw a deficiency in the market as what they tasted did not adequately resemble what they grew to know and love. They immediately saw the opportunity to recapture the authenticity of jerk seasoning and began their business.

Upon beginning their journey in 2013 Michael Moodie saw room for development and contacted JBDC where they received guidance to improve their business. The Moodies displayed their commitment to their brand and have since graduated from JBDC's Accelerator programme and are now currently enrolled in the government's Export Max III programme.

On living, loving and working together, a question that might be looming is how they manage being both partners in life and partners in business. Both couples attribute the success of their companies to the balance found in their business and personal dynamics. "A key ingredient to navigating this type of relationship is being understanding. In the event of disagreements, it is important to be able to sit down and calmly work through each other's opinions," Mrs. Moodie said.

As the Production Manager for their company Sonia jokingly commented that her recipes also create chemistry within their personal and business lives, confirming that the way to a man's heart is indeed through his stomach. The Sharpes reiterated the views of the Moodies. "It is important to be aware of each other's strengths and be able to trust the other in their roles. Compromise is also important in maintaining the balancing act of business and personal life," Mr. Sharpe added. The Sharpes and Moodies are proof that there is success to be attained for couples in business which can yield the fruit of a lasting legacy.



Sonia and Michael Moodie pose with their B.O.S.S Lady Runner-Up of the Year and B.O.S.S Man Runner-Up of the Year awards.

**REBOOT. RETHINK. REGENERATE.**

Both businesses have demonstrated that there is need to 'Reboot. Rethink. Regenerate' as the theme for Global Entrepreneurship Week 2021 fittingly echoed. The couples had to make adjustments and identify business opportunities as the world continues to adapt to what is now the new normal. Throughout the pandemic, the couples saw remarkable success as the Sharpes of Chocollor Chocolate recorded an increase of value turnover by 150% during 2020-2021. While Michael of Portland Authentic Jerk reported that the company is still growing on an average rate of 35% per annum.

**The Awards**

Corporate Communications Manager at the JBDC, Suzette Campbell explains that the winners were selected based on their fulfillment of the following criteria:


- Embodies the entrepreneurial Spirit and Mindset;
- Embraces a culture of innovation;
- Has evidenced significant change in revenue – Upwards of 20%;
- Entered the export market/Increased the value of current exports;
- Introduced a new product/service into the market;
- A JBDC Ambassador.

"This is our fourth year issuing these awards and it was the most intriguing for the panel. Both companies were nominated for the awards and stood out amongst the list of nominees. We recognised that these companies were operated by married partners and deemed it appropriate that they both be awarded in each instance. These trophies are extra special as they are designed by the JBDC team so you will not find a replica anywhere," Miss Campbell added.

The B.O.S.S for ladies means BUILDING OPPORTUNITIES FOR SWEET SUCCESS, while B.O.S.S for the men means BUILDING OPPORTUNITIES FOR STRONG SUCCESS. Combined, the B.O.S.S means BUILDING OPPORTUNITIES STRONG AND SWEET! The Sharpes and Moodies are a testament that couples in business can experience strong and sweet success through capitalising on opportunities, maximising guidance and supporting each other.



L-R: JBDC's Deputy CEO, Harold Davis and CEO, Valerie Veira pose with 2021 B.O.S.S Awards winners Carl and Donna-Kaye Sharpe.

A woman with dark skin and short dark hair, smiling, is wearing a red polo shirt with a logo on the left chest and a red wristband on her right wrist. She is holding a triangular gold award plaque with both hands. The background is a long, brightly lit hallway with light-colored walls and a polished floor. The image is decorated with numerous gold stars of various sizes, some appearing to trail behind her. A large, flowing red ribbon with gold stars on it is draped across the bottom of the image. The overall tone is celebratory and professional.

Sonia Moodie  
PORTLAND AUTHENTIC JERK  
2021 Runner-up  
JBDC B.O.S.S Lady of the Year

# PROJECTS



## PROJECTS

### 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.

The following activities were completed:

- Cluster Facilitator's first Mission Trip to Jamaica – Plans were finalised for the consultant's first mission trip to Jamaica which spanned April 4 - 21, 2022.
- Procurement of works and equipment for incubator renovation and outfitting – Two bids were received for the procurement of equipment and the Bill of Quantities for renovations was finalised. The procurement process continued with the CDB providing support and guidance on the way forward.





## **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. The creation of the incubator will provide access to capital-intensive manufacturing facilities for entrepreneurs and will provide a platform for market development, training among other support services.

- Implementation of the Essential Oils Project is advancing on schedule.
- A decision was taken to redesign some areas of the IRC to facilitate the Essential Oils Incubator. The internal engineering team has begun preliminary activities such as completing the design and Scope of Work, revising the implementation plan, and budget.
- Contractors were engaged to begin electrical and infrastructural work in February 2022.
- The incubator equipment was received in Jamaica and is expected to be delivered and installed in the 1st Quarter of 2022.



## 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 developing and transitioning informal small farmers and fisher folk to formal operators. The project will be implemented jointly by the Ministry of Agriculture and Fisheries (MOAF) and the Ministry of Industry, Investment and Commerce (MIIC) through its agency, the Jamaica Business Development Corporation (JBDC) with support from partnering entity, the Rural Agricultural Development Authority (RADA).

The objective of the project was to provide 100 farmers and fisheries producers with the business skills and techniques necessary for them to formalise, operate and maintain sustainable businesses. The planned activities encompassed:

- a) Enterprise Formalisation – business registration with the relevant state authorities and other membership-based business service organisations (BSOs); promoting the benefits of formalisation (access to public procurement opportunities, affordable financing, training, building partnerships/collaborations, securing contracts and other public assistance); and
- b) Capacity Development – preparing the enterprise to engage with players in the formal economy (delivery of appropriate training interventions, structuring the operations for efficiency and effectiveness, identification of potential market opportunities).

During the FY2021-2022, the following activities were done:

- The final two of five virtual trainings were completed.
- Plans were discussed to accommodate face-to-face training sessions for persons who were unable to participate in the virtual training.



## **GROW CASTOR BEAN CLUSTER PROJECT**

The JBDC was approached by the Inter-American Development Bank (IDB) to deliver capacity building support to Castor Bean Farmers and Cluster Leaders. This training is geared towards providing farmers with the requisite knowledge, business skills and techniques necessary to operate and maintain sustainable businesses.

- The Training Curriculum was approved by the donor. Training was scheduled to be executed over the period March – May 2021.
- Following the lifting of the work-from-home order which was enforced in the public sector, including ministries, departments and agencies, telephone surveys begun with the aim to determine beneficiaries' accessibility to online training and willingness to participate in small group face-to-face training sessions.
- Three (3) trainings planned for March 16, 23 and 30, 2022 were implemented. Two additional training sessions will be held on April 6 and 13, 2022.





**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:

- o Develop a comprehensive profile of Jamaica's CCI;
- o Conduct an Economic Impact Assessment for Jamaica's CCI;
- o Construct a Statistical Framework for data collection and dissemination;
- o Development of a strategy for Jamaica's CCI;
- o 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.





## **ACCELERATING MSMEs GROWTH THROUGH INNOVATION & TECHNOLOGY IMPROVING THE COMPETITIVENESS OF MSMEs THROUGH PUBLIC PROCUREMENT**

The experience of the “Great Lockdown” has induced greater levels of usage and acceptance of digital and online options locally, changed business models and boost levels of entrepreneurship as persons sought to maximize on the opportunities presented by the crisis and identify new income streams. The Government of Jamaica (GOJ) has identified the digitalisation of the public service and the economy as two critical means by which to rebuild the economy.

To support the digital transformation objectives outlined by the GOJ, mechanisms must be created to improve MSMEs access to comprehensive and targeted business development training and information and ensure that they meet the requirements to access the funding and technical resources available. Effective strengthening of business continuity and resilience in the context of the COVID-19 crisis and beyond must be reliant on the application of technological and non-technological tools complemented by sound business skills, knowledge and reliance on credible data.

The proposed programme outlined herein is a set of inter-linked strategies to catalyse and encourage MSMEs adoption of technology to improve their competitiveness, market reach, boost their productivity and enhance their resilience. The components include specific activities geared at improving access to business development training and technical assistance to strengthen start-ups and MSMEs, increasing the number of MSMEs accessing markets through the upskilling of entrepreneurs, creating channels for on-boarding to existing e-commerce platforms and developing a Digital Business Service Platform for MSMEs which uses Artificial Intelligence to leverage data to inform business strategy at the micro level and policy implementation at the macro level.

The cloud-based MSME Knowledge Bank/Virtual Campus will consist of on-demand, self-paced interactive business tools and resources specifically designed for businesses as they transition along the business continuum from micro, to small to medium. The MSME Knowledge Bank/Virtual Campus is to be complemented by the training and upskilling of entrepreneurs in digital transformation and connecting them with practical technological tools to improve their operations and expand their market access.



### 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 (EU) and the United Nations Development Programme (UNDP), and implemented by UNDP.

- Virtual training was delivered in two (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).
- Support was provided for approximately 6 entrepreneurs with an emphasis on improving their financial management and business planning capabilities.

### RURAL ENTREPRENEURSHIP & AGRICULTURAL LIVELIHOOD (REAL) YOUTH PROJECT

The Rural Entrepreneurship & Agricultural Livelihood (REAL) Youth Project was submitted to Jamaica Social Investment Fund (JSIF) on November 25, 2020. The proposal was submitted in response to the REDI II project being undertaken by the entity.

Discussions were had with JSIF regarding the submission and a recommendation provided for its re-submission. The project outcome was tweaked to include the establishment, outfitting and certification of a Cosmeceutical Incubator within JBDC's existing Incubator & Resource Centre. FSSC 22000 certification will also be completed for the existing Food Incubator. Both activities will be supported by Intellectual Property Registration and development of a Brand Management Strategy for the Spa Jamaica and Jamaica Harvest brands, as well as training for staff in the areas of cosmeceutical production and supply chain management.

The Feasibility Study and Operation & Maintenance Plans for the proposed Cosmeceutical Incubator were completed by the consultant and submitted to JSIF. The JBDC is awaiting a response.

### 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. Upon the request of the Ministry of Industry, Investment and Commerce, a Programme and Implementation Document was submitted for the provision of training, capacity building and sensitisation services for MSMEs under the Special and Differential Treatment Measures (SDTM) Project.



# THANK YOU FOR 20 YEARS OF SERVICE

These employees are who we would describe as the 'day ones', who have served the JBDC since its first year of operation.



**Ann-Marie Brown**  
Manager  
Administration & Facilities



**Joseph Cameron**  
Driver & Stationery Clerk



**Denise Dallas**  
Senior Sales Representative



**Harold Davis, JP**  
Deputy CEO



**Janine Fletcher-Taylor**  
Manager  
Marketing Services



**Dhaima Garrell**  
Graphic Designer



**Beverly Gooden**  
Office Attendant



**Kareem Knight**  
Network Technician II



**Camellela Maxwell**  
Junior Business Development Officer



**Vivette McFarlane**  
Asst. Manager  
Marketing Services



**Camesha Morrison-Shirley**  
Junior Business Development Officer



**Colin Porter**  
Manager  
Technical Services



**Valerie Veira, CD, JP**  
CEO

# 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 activities were completed during the reporting period:

- JBDC successfully completed its Stage 1 Audit. The Audit was conducted by the National Certification Body of Jamaica (NCBJ).
- JBDC successfully completed Stage II Assessment for ISO Certification. The agency is awaiting the delivery of the official certificate.

## DIGITAL TRANSFORMATION INITIATIVE

The JBDC is currently developing an initiative which is geared towards the digital transformation of the entity. 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

The following were completed during the reporting period:

- The contract was executed with the selected vendor to develop the online training platform.
- The content development phase of the project is underway; the drafting of module content has been submitted for review.

## HUMAN CAPITAL DEVELOPMENT

In continuing its mission, the JBDC continues its efforts to empower team members with the knowledge and skills they need. Our efforts include internal, local and international exposure.

- The Information Technology organised and facilitated ZOOM Training for staff in October, 2022.
- Two team members from the Incubator & Resource Centre participated in the Artisan Business Lab Training in March 2022.
- The HR team participated in the following workshops:
  - o Strategic Workforce Planning in May, 2021
  - o How to Protect & Prevent Sexual Harassment at the Workplace in December 2022



# Special Feature

## THE JBDC STORY

### 20 Years of Making Magic... 'From Concept to Market'

by Suzette Campbell

"That was your impromptu history lesson for today," said Valerie Veira. What should have been a 5-minute interaction involving the signing of documents had transformed into an hour-long conversation which was indeed the most fascinating fairy tale I had heard from a Chief Executive Officer. The romance in this fairy tale was one between passionate business development experts and ordinary Jamaicans with a dream of entrepreneurship. It began in the year 2001 at 14 Camp Road, Kingston.

One hardly ever reads a good book once, so this story had to be told again. In July 2021, as the Jamaica Business Development Corporation (JBDC) celebrated 20 years of helping entrepreneurs, 'From Concept to Market', Miss Veira sat down with Miss Fae Ellington to tell the JBDC story. This time the virtual audience consisted of government and private sector partners, clients, staff members as well as long service awardees who were quite familiar with the story yet still so intrigued.

Following the completion of graduate studies at the Harvard Kennedy School in the United States, Miss Veira returned to Jamaica and assumed the position as the Assistant Vice President in charge of the Technical Assistance Division at Jamaica Promotions Corporation (JAMPRO). "Our division was the one in charge of negotiating technical assistance for Jamaica. We found that there was a fragmentation of projects, but no programmes for small businesses and we decided to rationalise that," she explained.

Miss Veira recalls that the division had strong support from the United Nations. "In bringing all the projects together, the work was recognised beyond a programme and more like an organisation. This was the genesis of JBDC," she said as she pointed to fellow long service awardees like Harold Davis, Colin Porter, Vivette McFarlane and Ann-Marie Brown in the audience who were with her as JBDC was birthed.



A skilled negotiator, Miss Veira has consistently sought space to house the growing organisation she built from the ground up. Her supportive team in tow, she has made an art of it. "We actually captured a building on Camp Road. But we have evolved and are now the owners. We actually own 12 Camp Road now. It's a process," she quipped with a broad smile.

Today, the JBDC is headquartered at Camp Road with additional offices in St. Thomas, Manchester, Westmoreland, St. James and St. Ann, offering business development services at all locations. Referring to the Incubator & Resource Centre (IRC) at Marcus Garvey Drive, which was the venue for the awards ceremony, she noted "When the Minister saw the work that we were doing he said we needed a bigger space. When we came, the building had been uninhabited for 5 years. We were not happy, but we are creative people and so we transformed it," she said.

The IRC is the epicentre of creativity at the JBDC, providing services in product development for entrepreneurs in the manufacturing industry, along with incubators for food, fashion and gift & craft. This is also the place where brands are born, as the designers in the visual communications unit provide expert guidance and production relating to logos, labels, among other forms of branding. "At Camp Road, we deal with the concept and framework of the business. This is where we get into the construction side of things, dressing the idea for market. And we cut across industries, from dyeing fabric to making ice cream, jams and jellies for the market," Miss Veira added.

The JBDC's retail arm, Things Jamaican™, predates its inception but the organisation can be credited for its revival. "It was an organisation that started well and then it was going down, but we are brave people, so we decided to take it on without a budget. My team is that kind of team which pushes me to make those decisions. Things Jamaican™ used to manufacture products but we decentralised that. Now we support producers who work in their own spaces," she said.

Among JBDC's flagship events is Kumba Mi Yabba, one of the biggest Christmas gift & craft trade fairs to be staged in Jamaica. The annual venue was Devon House and patrons eagerly looked forward to shopping authentic Jamaican products from the many booths. "It is our famous show. We were once again taking over big spaces. It's not just an exhibition. It is a business facilitating many of our micro and small entrepreneurs getting exposure and earning revenue. Post the show, Kumba Mi Yabba, which means bringing everything to the table and sharing, the exhibitors get additional orders to keep their businesses going," she added.

The JBDC's achievements over the years have been many, but the one which stands out for Miss Veira is not her national honour, the Order of Distinction, but the recognition now being given to Micro, Small & Medium-sized Enterprises (MSMEs). "The MSME sector is no longer just the flavour of the month or a sexy thing to talk about. It is a recognised group, and they are now sitting at the decision-making table demanding what they need. We have a policy that supports them. We have funding entities such as banks developing products specifically for them. There are international agencies providing support through many programmes geared a capacity building. It is no longer the flavour of the month. It is now the main meal and we know it won't go back," she said.





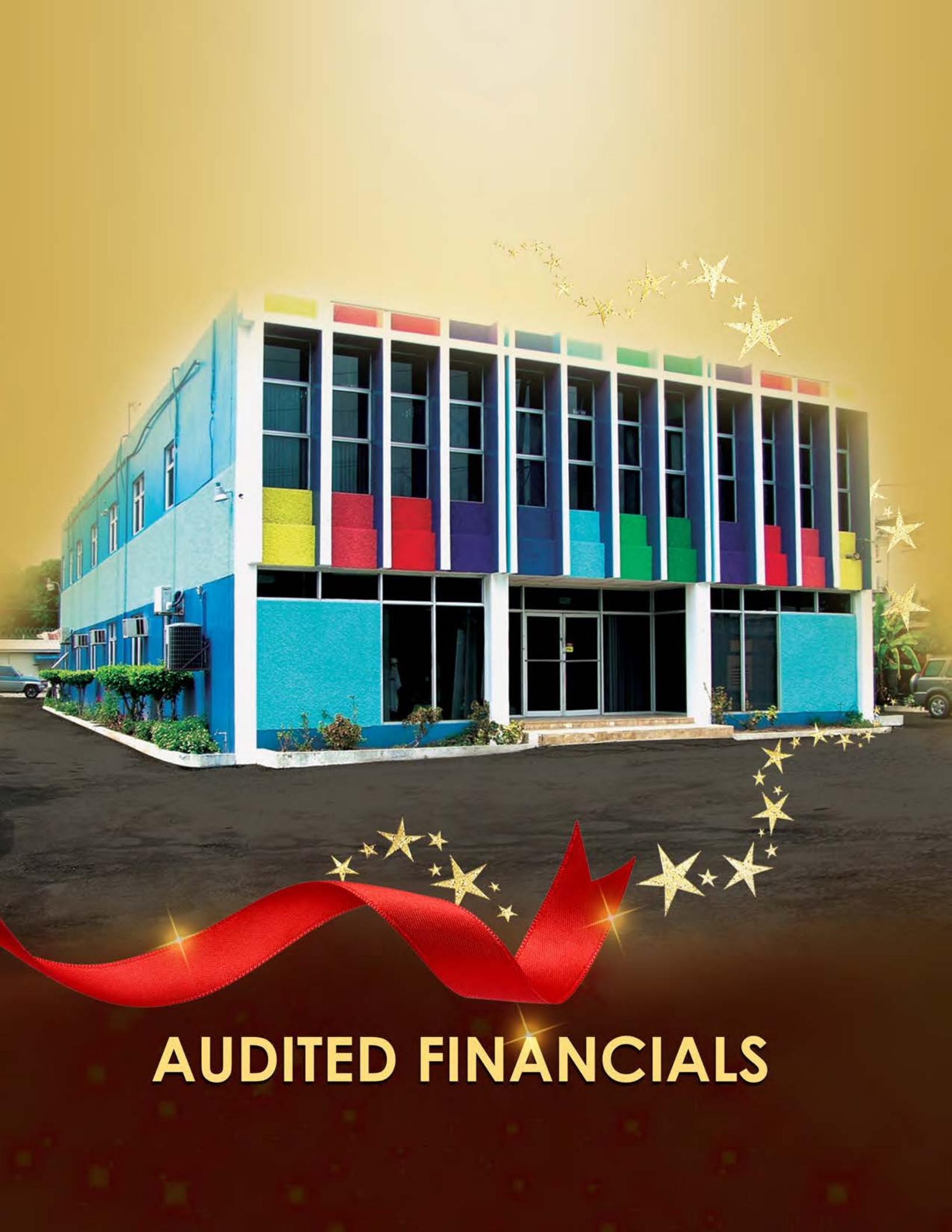
Miss Veira is confident that the JBDC will still be in good hands in another 20 years. "I see myself watching them grow, because I have a confidence that the team will grow further and expand. Every day is exciting at JBDC. We haven't stopped getting new ideas and developing new programmes. That is part of our DNA. I know for sure that JBDC will go down in history as one of the productive development agencies in Jamaica. We will acquire more properties as we extend our resource centres to other areas," Miss Veira said as she chuckled.

We wait with bated breath, the next location she and her team will take from nothing to something. The vibrant colours on the exterior and interior of 14 Camp Road belie the stained carpet and drab look that a small team led by a woman determined to conquer entrepreneurship barriers, found 20 years ago. The décor signifies the energy and creativity to be found inside the minds and hearts of a dedicated team which has grown from a handful in 2001 to more than 100 in 2021.

The running figure inside the JBDC logo is significant to the JBDC's mandate and the clients served within the MSME sector. The figure is carrying a painter's palette and a computer, signifying the linkages between creativity, innovation and technology. Originally designed by visual artists Ireka and Ritula 20 years ago, the figure and the logo were recently updated by the JBDC's visual communications team for the anniversary celebrations. The whimsical figure signifies the magic in growing businesses in this never-ending fairy tale.







**AUDITED FINANCIALS**

JAMAICA BUSINESS DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

31 MARCH 2022

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## FINANCIAL STATEMENTS

31 MARCH 2022

I N D E X

	<u>Page</u>
Independent Auditors' Report to the Members	1 - 3
<b><u>FINANCIAL STATEMENTS</u></b>	
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 53





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

Page 1

## 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 53, which comprise the statement of financial position as at 31 March 2022 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 2022 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.

A handwritten signature in black ink, appearing to read 'BSO', is written over a faint, large 'BDO' watermark.

Chartered Accountants

3 October 2023



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## YEAR ENDED 31 MARCH 2022

	<u>Note</u>	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>	Restated <u>2020</u> <u>\$'000</u>
REVENUE	6	458,752	428,425	394,636
Other operating income	7	<u>42,367</u>	<u>18,219</u>	<u>87,601</u>
		<u>501,119</u>	<u>446,644</u>	<u>482,237</u>
EXPENSES:				
Administrative		(475,890)	(463,614)	(470,045)
Selling		<u>( 7,581)</u>	<u>( 10,715)</u>	<u>( 37,312)</u>
	8	<u>(483,471)</u>	<u>(474,329)</u>	<u>(507,357)</u>
OPERATING PROFIT/(LOSS)		17,648	( 27,685)	( 25,120)
Finance income/(costs)	10	<u>524</u>	<u>( 2,993)</u>	<u>( 909)</u>
PROFIT/(LOSS) FOR THE YEAR		18,172	( 30,678)	( 26,029)
<b>OTHER COMPREHENSIVE INCOME:</b>				
<b>Items that will not be reclassified to profit or loss -</b>				
Loss on defined benefit plan	13	( 31,427)	( 39,029)	( 471)
Deferred tax on revalued asset written off		<u>-</u>	<u>-</u>	<u>( 51,380)</u>
		<u>( 31,427)</u>	<u>( 39,029)</u>	<u>( 51,851)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>( 13,255)</u>	<u>( 69,707)</u>	<u>( 77,880)</u>


## JAMAICA BUSINESS DEVELOPMENT CORPORATION

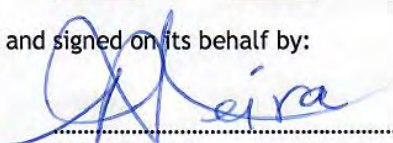
## STATEMENT OF FINANCIAL POSITION

31 MARCH 2022

	<u>Note</u>	<u>2022</u> <u>\$'000</u>	<u>Restated</u> <u>2021</u> <u>\$'000</u>	<u>Restated</u> <u>2020</u> <u>\$'000</u>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS:</b>				
Property, plant and equipment	11	315,665	323,874	335,395
Intangible assets	12	865	1,650	2,190
Retirement benefit assets	13	230,899	260,918	291,992
Rights-of-use asset	14(a)	8,856	1,639	5,026
		<u>556,285</u>	<u>588,081</u>	<u>634,603</u>
<b>CURRENT ASSETS:</b>				
Inventories	16	2,654	3,361	5,067
Receivables	17	31,238	30,480	30,709
Taxation recoverable		10,955	10,548	10,400
Cash and cash equivalents	18	120,628	57,802	49,910
		<u>165,475</u>	<u>102,191</u>	<u>96,086</u>
		<u>721,760</u>	<u>690,272</u>	<u>730,689</u>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY:</b>				
Share capital	19	1	1	1
Capital reserve	20	340,931	340,931	340,931
Retained earnings		74,949	88,204	157,911
		<u>415,881</u>	<u>429,136</u>	<u>498,843</u>
<b>NON-CURRENT LIABILITIES:</b>				
Loans	21	89,090	90,920	90,920
Long term - deferred income	22	762	795	828
Lease liability	14(b)	6,207	1,352	2,697
		<u>96,059</u>	<u>93,067</u>	<u>94,445</u>
<b>CURRENT LIABILITIES:</b>				
Payables	23	104,466	106,193	94,732
Project liabilities	24	79,894	38,415	17,891
Current portion - deferred income	22	33	33	33
Current portion of loans	21	921	220	269
Current portion of lease liability	14(b)	2,649	1,351	2,697
Taxation		21,857	21,857	21,779
		<u>209,820</u>	<u>168,069</u>	<u>137,401</u>
		<u>721,760</u>	<u>690,272</u>	<u>730,689</u>

Approved for issue by Board of Directors on 3 October 2023 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 2022

	Share Capital \$'000	Capital Reserve \$'000	Retained Earnings \$'000	Total \$'000
<b>BALANCE AT 1 APRIL 2020</b> (As previously stated)	1	289,551	209,291	498,843
Deferred tax adjustment (Note 30)	-	51,380	( 51,380)	-
<b>BALANCE AT 1 APRIL 2020 (Restated)</b>	1	340,931	157,911	498,843
<b>TOTAL COMPREHENSIVE INCOME</b>				
Net loss	-	-	( 30,678)	( 30,678)
Other comprehensive loss	-	-	( 39,029)	( 39,029)
	-	-	( 69,707)	( 69,707)
<b>BALANCE AT 31 MARCH 2021 (Restated)</b>	1	340,931	88,204	429,136
<b>TOTAL COMPREHENSIVE INCOME</b>				
Net profit	-	-	18,172	18,172
Other comprehensive loss	-	-	( 31,427)	( 31,427)
	-	-	( 13,255)	( 13,255)
<b>BALANCE AT 31 MARCH 2022</b>	1	340,931	74,949	415,881



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## STATEMENT OF CASH FLOWS

## YEAR ENDED 31 MARCH 2022

	<u>Note</u>	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>	<u>Restated</u> <u>2020</u> <u>\$'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net profit/(loss)		18,172	( 30,678)	(77,409)
Items not affecting cash resources:				
Depreciation	11 & 12	15,919	16,067	15,620
Amortisation	14	771	3,360	3,263
Gain on foreign exchange		( 1,461)	( 856)	( 3,221)
Deferred income		( 33)	( 33)	( 33)
Employee benefit		( 31,427)	( 39,029)	( 471)
Interest income	10	( 1,613)	( 693)	( 1,779)
Interest expense	14	( 1,311)	2,517	2,868
Right-of-use asset written off		868	1,178	-
Gain on disposal of property, plant and equipment		-	( 217)	-
Adjustment to property, plant and equipment		-	-	155
Deferred tax write off		-	-	51,380
		( 115)	( 48,384)	( 9,627)
Changes in operating assets and liabilities:				
Receivables		352	229	( 3,840)
Inventories		707	1,706	( 1,604)
Taxation recoverable		( 407)	( 70)	( 761)
Project liabilities		41,479	20,524	(20,269)
Payables		( 1,727)	9,369	( 5,393)
Retirement benefit assets		30,019	31,074	( 9,791)
Taxation paid		-	-	( 78)
Cash provided by/(used in) operating activities		<u>70,308</u>	<u>14,448</u>	<u>(51,363)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of property, plant and equipment	11	( 6,540)	( 4,546)	( 7,363)
Purchase of intangible assets	12	( 385)	( 611)	( 2,413)
Proceeds from sale of property, plant and equipment		-	217	-
Short term investments		-	-	22,617
Interest received		<u>1,613</u>	<u>693</u>	<u>1,779</u>
Cash (used in)/provided by investing activities		<u>( 5,312)</u>	<u>( 4,247)</u>	<u>14,620</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Loan repaid		( 1,128)	( 49)	( 3,656)
Interest paid		201	( 425)	( 692)
Payments on lease liability		<u>( 2,703)</u>	<u>( 2,691)</u>	<u>( 2,145)</u>
Cash used in financing activities		<u>( 3,631)</u>	<u>( 3,165)</u>	<u>( 6,493)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>61,365</b>	<b>7,036</b>	<b>(43,236)</b>
Exchange gain on foreign cash balances		1,461	856	3,221
Cash and cash equivalents at beginning of year		<u>57,802</u>	<u>49,910</u>	<u>89,925</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>18</b>	<b><u>120,628</u></b>	<b><u>57,802</u></b>	<b><u>49,910</u></b>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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 (100 shares), a corporation sole pursuant to the Crown Property (vesting) Act, 1960.

## 2. REPORTING CURRENCY:

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

## 3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented. Amounts are rounded to the nearest thousand, unless otherwise stated. Where necessary, prior year comparatives have been reclassified to conform to current year presentation.

## (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 2022

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

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

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

Certain new standards interpretation and amendments to existing standards have been published that became effective during the current financial period. The Corporation has assessed the relevance of all such new standards, interpretation and amendments and has concluded that the following new standards interpretations and amendments relevant to its operations.

**IFRS 16, 'Leases' - Covid-19 related rent concessions (effective for accounting periods beginning on or after 1 April 2021).** As a result of the 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. In May 2021, the IASB made an amendment to IFRS 16, 'Leases' which provides lessees with an option to treat qualifying 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 concessions as variable lease payments in the period in which they are granted. The adoption of these amendments did not have a significant impact on the corporation.

**Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, (effective for accounting periods beginning on or after 1 January 2021).** These address issues that might affect financial reporting during the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate (replacement issues). Major changes:

- Added a practical expedient that enables a corporation to account for a change in the contractual cash flows that are required by the reform by updating the effective interest rate to reflect, for example, the change in an interest rate benchmark from IBOR to an alternative benchmark rate.
- Provide relief from specific hedge accounting requirements.

The adoption of the above standards did not result in any impact on the corporation's financial statements.

**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:



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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)**

**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 2022).** 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 2022, the IASB published an additional amendment to extend the practical expedient from 30 June 2022 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 period(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.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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)**

Amendments to IAS 1, 'Presentation of Financial Statements', Practice Statement 2 and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', (effective for accounting periods beginning on or after 1 January 2023). The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The adoption of these amendments is not expected to have a significant impact on the corporation.

**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:

- (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 amendments will have on its 2023 financial statements.

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 scheme or events after the reporting date (for example, the receipt of a waiver or breach of a 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 these amendments on its financial statements.

The corporation does not expect any other standards or interpretations issued by the IASB but not yet effective to have a material effect on its financial position.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

## (b) Foreign currency translation

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

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

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

## (c) Property, plant and equipment

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

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

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

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

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

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.

## (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).

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

## Financial assets (cont'd)

## (i) Classification (cont'd)

## Amortised cost (cont'd)

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.

## (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.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

## Financial assets (cont'd)

## (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: loans, trade payables and lease liability.

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

## (g) Trade receivables

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

## (h) Other receivables

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

## (i) Employee benefits

## (i) Pension scheme costs:

**Defined benefit plans**

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

Defined benefit plans surpluses and deficits are measured at:

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

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

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

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

## (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 2022

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

## (i) 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.

## (j) Loans receivables

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

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

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

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.

## (k) Inventories

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

(l) **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.

(m) **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.

(n) **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.

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.



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

## 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.

## (o) 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.

## (p) Trade and other payables

Trade and other payables are stated at amortised cost.

## (q) Project liabilities

Project liabilities are stated at historical cost.

## (r) Deferred income

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

## (s) Right-of-use asset

Right-of-use asset 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 asset 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 asset is 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.

## (t) Lease obligation

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

## (t) Lease obligation (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 lease 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 2022

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

## (t) Lease obligation (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 technique are.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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

31 MARCH 2022

## 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) 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 2022

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

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

## (iv) 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 cash equivalents
- Payables
- Loans
- Lease liability

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

## Financial assets

	<u>At amortised cost</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash and cash equivalents	120,628	57,802
Receivables	<u>4,219</u>	<u>3,488</u>
<b>Total financial assets</b>	<u>124,847</u>	<u>61,290</u>

## Financial liabilities

	<u>At amortised cost</u>	
	<u>2022</u>	<u>2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Lease liability	8,856	2,703
Loans	90,011	91,140
Trade and other payables	<u>16,423</u>	<u>23,585</u>
<b>Total financial liabilities</b>	<u>115,290</u>	<u>117,428</u>

## (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 policies for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investments of excess liquidity.

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

## (i) Finance Department

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Cash and cash equivalents	<u>8,311</u>	<u>9,306</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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 profit/(loss) 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 8% (2021 - 6%) depreciation and a 2% (2021 - 2%) appreciation of the Jamaican dollar against the US dollar.

	Change in currency Rate <u>2022</u>	Effect on Profit before Tax 31 March <u>2022</u> \$'000	% Change in Currency Rate <u>2021</u>	Effect on Loss before Tax 31 March <u>2021</u> \$'000
Currency:				
USD	-8	665	-6	(558)
USD	<u>+2</u>	<u>(166)</u>	<u>+2</u>	<u>186</u>

## Price risk

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

## Cash flow and fair value interest rate risk

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

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

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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

31 MARCH 2022

## 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.

<u>Aging</u>	<u>2022</u>		
	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
0 to 30 days	187	1.32	2
31 to 60 days	74	4.27	3
61 to 90 days	12	1.96	-
Over 90 days	<u>4,834</u>	<u>18.26</u>	<u>883</u>
	<u>5,107</u>		<u>888</u>

<u>Aging</u>	<u>2021</u>		
	<u>Gross Carrying Amount</u> <u>\$'000</u>	<u>Default Rate</u> <u>%</u>	<u>Lifetime ECL Allowance</u> <u>\$'000</u>
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	<u>4,613</u>	<u>35.9</u>	<u>1,655</u>
	<u>5,486</u>		<u>1,998</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
At 1 April	1,998	2,191
Provision for impairment	(1,110)	( 193)
	<u>888</u>	<u>1,998</u>
Exposure to credit risk for loans receivable:		
	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Agriculture	6,171	6,196
Agro-processing	1,691	1,691
Manufacturing	25,901	26,320
Service	13,145	12,843
	46,908	47,050
Less: provisions for impairment	(46,908)	(47,050)
	<u>-</u>	<u>-</u>

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Impaired	46,908	47,050
Less: Provision for impairment	( 46,908)	( 47,050)
	<u>-</u>	<u>-</u>

## (iii) Liquidity risk

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

**Liquidity risk management process**

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

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



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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	3 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
<b>31 March 2022</b>					
Trade and other payables	16,423	-	-	-	16,423
Long term loans	<u>30,720</u>	<u>-</u>	<u>-</u>	<u>63,295</u>	<u>94,015</u>
<b>Total financial liabilities (contractual maturity dates)</b>	<u>47,143</u>	<u>-</u>	<u>-</u>	<u>63,295</u>	<u>110,438</u>
<b>31 March 2021</b>					
Trade and other payables	23,585	-	-	-	23,585
Long term loans	34,126	-	-	63,295	97,421
Lease liability	<u>1,351</u>	<u>1,352</u>	<u>-</u>	<u>-</u>	<u>2,703</u>
<b>Total financial liabilities (contractual maturity dates)</b>	<u>59,062</u>	<u>1,352</u>	<u>-</u>	<u>63,295</u>	<u>123,709</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 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. There are also no external capital maintenance requirements to which the company is subject.

## 6. REVENUE:

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

## 7. OTHER OPERATING INCOME:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Fixed assets reserve	33	33
Gross profit - shops	12,332	5,482
Service income	28,461	11,642
Interest income	1,613	693
Miscellaneous income	( 72)	152
Gain on disposal of property, plant and equipment	-	217
	<u>42,367</u>	<u>18,219</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 8. EXPENSES BY NATURE:

Total selling and administrative expenses -

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Staff costs (note 9)	370,335	359,744
Repairs and maintenance	2,795	3,685
Legal and professional fees	8,650	13,340
Auditors' remuneration	1,800	3,085
Exhibition of seminars	2,517	4,336
Insurance	2,493	2,131
Cleaning and sanitation	1,083	1,459
Occupancy costs	12,182	9,491
Security	7,451	7,747
Advertising and promotion	6,315	6,864
Utilities and telecommunication	27,497	23,395
Bad debts recovered	( 1,251)	( 664)
Depreciation and amortisation	15,919	17,220
Amortisation	771	2,209
Travelling	665	742
Stationery and office supplies	8,301	7,950
Director fees	555	-
Computer software maintenance	5,926	2,024
Other expenses	<u>9,467</u>	<u>9,571</u>
	<u>483,471</u>	<u>474,329</u>

## 9. STAFF COSTS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Salaries, commissions and related costs	308,571	306,060
Payroll taxes - employer's portion	21,382	18,901
Pension cost	8,679	1,947
Other	<u>31,703</u>	<u>32,836</u>
	<u>370,335</u>	<u>359,744</u>

## 10. FINANCE (INCOME)/COSTS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Bank charges	787	476
Interest expense	<u>(1,311)</u>	<u>2,517</u>
	<u>( 524)</u>	<u>2,993</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 11. PROPERTY, PLANT AND EQUIPMENT:

	Land and Building \$'000	Leasehold Improvement \$'000	Furniture, Fixtures & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At cost -					
1 April 2020	332,080	20,200	61,071	14,077	427,428
Additions	-	-	4,546	-	4,546
Disposal	-	-	-	( 550)	( 550)
31 March 2021	332,080	20,200	65,617	13,527	431,424
Additions	-	-	6,540	-	6,540
31 March 2022	332,080	20,200	72,157	13,527	437,964
Depreciation -					
1 April 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
Charge for the year	8,002	-	6,457	290	14,749
31 March 2022	31,589	20,200	56,984	13,526	122,299
Net book value -					
31 March 2022	300,491	-	15,173	1	315,665
31 March 2021	308,493	-	15,090	291	323,874

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 2022

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

The corporation's freehold land and buildings were appraised on 18 June 2018 and 1 February 2019, using highest and best use principle carried out by external independent licensed real estate dealer.

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Land and building (level 3 recurring fair values)	<u>332,080</u>	<u>332,080</u>

## 12. INTANGIBLE ASSETS:

	<u>Computer Software</u> <u>\$'000</u>	<u>Total</u> <u>\$'000</u>
At cost-		
1 April 2020 and 31 March 2021	6,767	6,767
Additions	<u>385</u>	<u>385</u>
31 March 2022	<u>7,152</u>	<u>7,152</u>
Depreciation -		
1 April 2020	3,966	3,966
Charge for the year	<u>1,151</u>	<u>1,151</u>
31 March 2021	5,117	5,117
Charge for the year	<u>1,170</u>	<u>1,170</u>
31 March 2022	<u>6,287</u>	<u>6,287</u>
Net book value -		
31 March 2022	<u>865</u>	<u>865</u>
31 March 2021	<u>1,650</u>	<u>1,650</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 13. POST-EMPLOYMENT BENEFIT ASSETS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
The amounts recognized in the statement of financial position	<u>230,899</u>	<u>260,918</u>
Amount recognized in the profit or loss (note 9)	<u>8,679</u>	<u>1,947</u>
Amount recognized in other comprehensive income	<u>31,427</u>	<u>39,029</u>
The amounts recognized in the statement of financial position are determined as follows:		
Present value of funded obligations	(663,745)	(582,373)
Fair value of plan assets	<u>894,644</u>	<u>843,291</u>
Assets in the statement of financial position	<u>230,899</u>	<u>260,918</u>

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

The plans are valued annually by independent actuaries using the Projected Unit Credit Method. The latest actuarial valuation was carried out as at 31 March 2022.

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	582,373	438,355
Current service cost	31,974	21,779
Interest cost	<u>48,715</u>	<u>28,358</u>
	663,062	488,492
Re-measurements -		
Losses/(gains) from change in financial assumptions	69,248	(148,686)
Experience losses/(gains)	<u>(66,391)</u>	<u>230,054</u>
Balance carried forward	<u>665,919</u>	<u>569,860</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance brought forward	665,919	569,860
Members' contributions	16,719	16,740
Benefits paid	( 24,535)	( 4,227)
Purchased annuities	<u>5,642</u>	<u>-</u>
Balance at the end of the year	<u>663,745</u>	<u>582,373</u>

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	843,291	730,347
Interest income	72,010	48,190
Re - measurements -		
Return on plan assets, excluding amounts included in interest income	( 28,578)	42,339
Members' contributions	16,719	16,740
Employer's contributions	10,095	9,902
Benefits paid	( 24,535)	( 4,227)
Purchased annuities	<u>5,642</u>	<u>-</u>
Balance at end of year	<u>894,644</u>	<u>843,291</u>

There has been no movement on the asset ceiling for current and prior year.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

The amounts recognized in profit or loss are as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Current service cost	31,974	21,779
Interest cost	48,715	28,358
Interest income on plan assets	(72,010)	(48,190)
Total included in staff costs	<u>8,679</u>	<u>1,947</u>

The distribution of the plan assets was as follows:

	<u>2022</u> <u>\$'000</u>	<u>2022</u> <u>%</u>	<u>2021</u> <u>\$'000</u>	<u>2021</u> <u>%</u>
Pooled investment funds -				
Equity Fund	246,699	28	213,606	25
International Equity Fund	88,929	10	126,958	15
Mortgage and Real Estate Fund	87,939	10	82,884	10
Fixed Income Fund	153,328	17	151,143	18
Global Market Funds	39,971	4	39,784	5
Money Market Fund	16,655	2	23,208	3
CPI-Indexed	117,561	13	83,778	10
Purchased Annuities	41,585	5	35,373	4
Foreign currency Fund	99,750	11	84,342	10
Adjustment	<u>2,227</u>	<u>-</u>	<u>2,215</u>	<u>-</u>
Balance at end of year	<u>894,644</u>	<u>100</u>	<u>843,291</u>	<u>100</u>

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

Expected contributions to the post employment plan for the year ending 31 March 2023 is \$27,018,000 (2022 - \$28,460,000). The actual return on the plan assets was \$54,850,000 (2021 - \$101,136,000).



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Assets at beginning of year	260,918	291,992
Amounts recognized in the income statement (Note 10) ( 8,679)	( 8,679)	( 1,947)
Re - measurements recognized in OCI	( 31,435)	( 39,029)
Contributions paid	<u>10,095</u>	<u>9,902</u>
Assets at end of year	<u>230,899</u>	<u>260,918</u>

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

The principal actuarial assumptions used were as follows:

	<u>2022</u>	<u>2021</u>
Discount rate	8.0%	8.5%
Inflation rate	5.0%	5.5%
Future salary increases	5.5%	6.0%
Future pension increases	<u>4.5%</u>	<u>4.5%</u>

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

**Plan risks**

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

The most significant of these plan risks are detailed below:

## (i) Investment risk

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

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

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

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

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

## (ii) Changes in bond yields

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

**Salary risk**

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

## (iii) Life expectancy

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

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

## Impact on post-employment obligations

	<u>Changes in Assumption</u>	<u>Increase in Assumption \$'000</u>	<u>Decrease in Assumption \$'000</u>
Discount rate	1%	(116,169)	159,262
Future salary increase	1%	75,673	( 63,998)
Expected pension increase	1%	76,349	( 63,833)
Life expectancy	<u>1 year</u>	<u>12,017</u>	( <u>12,133</u> )

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 14. RIGHT-OF-USE-ASSET:

## (a) Right of use asset:

	Land and Building \$	Total \$
At cost -		
1 April 2020	7,539	7,539
Disposal	( 1,178)	( 1,178)
At 31 March 2021	6,361	6,361
Addition	8,856	8,856
Disposal	( 868)	( 868)
31 March 2022	<u>14,349</u>	<u>14,349</u>
Amortisation		
1 April 2020	2,513	2,513
Charge for the year	<u>2,209</u>	<u>2,209</u>
31 March 2021	4,722	4,722
Charge for the year	<u>771</u>	<u>771</u>
31 March 2022	<u>5,493</u>	<u>5,493</u>
Net book value -		
31 March 2022	<u>8,856</u>	<u>8,856</u>
31 March 2021	<u>1,639</u>	<u>1,639</u>

## (b) Lease liability

	Land and Building \$	Total \$
At 1 April 2020	5,394	5,394
Lease payments	(2,691)	(2,697)
At 31 March 2021	2,703	2,703
Less: current portion	(1,351)	(1,351)
	<u>1,352</u>	<u>1,352</u>
At 1 April 2021	2,703	2,703
Addition	8,856	8,856
Lease payments	( 2,703)	( 2,703)
At 31 March 2022	8,856	8,856
Less: current portion	(2,649)	(2,649)
	<u>6,207</u>	<u>6,207</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 15. LOANS RECEIVABLES:

- (a) Loans and advances are comprised of:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Gross loans and advances	(46,908)	47,050
Provisions for loans and losses	(46,908)	(47,050)
	<u>-</u>	<u>-</u>

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

	<u>2022</u>		<u>2021</u>	
	<u>Gross</u> <u>\$</u>	<u>Impairment</u> <u>\$</u>	<u>Gross</u> <u>\$</u>	<u>Impairment</u> <u>\$</u>
3 months and over past due	<u>46,908</u>	<u>46,908</u>	<u>47,050</u>	<u>47,050</u>
	<u>46,908</u>	<u>46,908</u>	<u>47,050</u>	<u>47,050</u>

- (c) Specific allowances for loan losses:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	47,050	47,502
Recovered during the year	( 142)	( 452)
Balance at the end of the year	<u>46,908</u>	<u>47,050</u>



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 16. INVENTORIES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Inventory	3,652	4,750
Less: provision for slow moving	( 998)	(1,389)
	<u>2,654</u>	<u>3,361</u>

## 17. RECEIVABLES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Trade receivables (net)	4,219	3,488
Prepayments	5,002	2,573
GCT	19,508	12,214
Sundry receivables	<u>2,509</u>	<u>12,205</u>
	<u>31,238</u>	<u>30,480</u>

Trade receivables are stated net of expected credit losses of \$889,000 (2022 - \$1,998,000).

## 18. CASH AND CASH EQUIVALENTS:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Deposits and short term investments	63,952	28,500
Local current accounts	48,227	19,830
Foreign currency current accounts	8,311	9,306
Petty cash	<u>138</u>	<u>166</u>
	<u>120,628</u>	<u>57,802</u>

Interest rate exposure -

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

	<u>2022</u> <u>%</u>	<u>2021</u> <u>%</u>
Cash at bank - J\$ account	0.35	0.34
- US\$ account	0.10	0.08
Deposits - J\$	2.20	2.20
- US\$	<u>1.25</u>	<u>1.25</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 19. SHARE CAPITAL:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Authorised, issued and fully paid - 100 ordinary shares of no par value	<u>1</u>	<u>1</u>

## 20. CAPITAL RESERVE:

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

## 21. LOANS:

Loans are comprised as follows:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
CGM Gallagher insurance Brokers (i)	921	220
Development of Bank of Jamaica Limited (ii)	15,794	17,625
Micro Investment Development Agency (iii)	10,000	10,000
Ministry of Finance (iv)	<u>63,296</u>	<u>63,295</u>
	90,011	91,140
Less: current portion	( 921)	( 220)
	<u>89,090</u>	<u>90,920</u>

(i) This represents a loan from CGM Gallagher Insurance Brokers Jamaica Limited for insurance premium and is for a period of 9 months.

(ii) This loan was obtained for on-lending to businesses in the productive micro and small enterprises sectors. The principal is repayable in 12 semi-annual payments commencing December 2009 and bears interest at a rate of 7% per annum. It is secured by a Parliamentary Guarantee issued by the Government of Jamaica.

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

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

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 21. 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.

## 22. DEFERRED INCOME:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Balance at beginning of year	828	861
Amortisation charge (Note 7)	( 33)	( 33)
	<u>795</u>	<u>828</u>
Current portion	33	33
Long term portion	<u>762</u>	<u>795</u>
	<u>795</u>	<u>828</u>

Deferred income represents grants provided by the Government of Jamaica to acquire property, plant and equipment. These amounts were reclassified from fixed asset reserve in 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 2022

## 23. PAYABLES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Trade payables	14,815	12,958
GCT withheld payable	22,172	19,171
Other payables	5,382	18,103
Accruals	<u>62,097</u>	<u>55,961</u>
	<u>104,466</u>	<u>106,193</u>

## 24. PROJECT LIABILITIES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Development Bank of Jamaica/MSME Development Fund	2,662	2,662
Income Cluster	181	181
Miscellaneous	76,557	35,078
Tourism Enhancement Fund	<u>494</u>	<u>494</u>
	<u>79,894</u>	<u>38,415</u>

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

## 25. RELATED PARTY TRANSACTIONS AND BALANCES:

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
<u>Transactions during the year</u>		
Key management compensation -		
Key management includes executive directors		
Salaries and other short-term employee benefits	22,667	22,349
Payroll taxes - employer's portion	432	548
Pension contribution	<u>427</u>	<u>414</u>
	<u>23,526</u>	<u>23,311</u>
Directors' emoluments -		
Management remuneration (included in salaries above)	<u>12,206</u>	<u>12,225</u>



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 26. LEASE COMMITMENTS:

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

	<u>2022</u> <u>\$'000</u>	<u>2021</u> <u>\$'000</u>
Within 1 year	3,222	2,840
Subsequent years (2-5)	<u>7,122</u>	<u>388</u>
	<u>10,344</u>	<u>3,228</u>

## 27. 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.

## 28. TAXATION:

Jamaica Business Development is a fully owned Government entity and falls within the definition of a public. 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.

## 29. 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.

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 30. RESTATEMENT OF PRIOR YEAR BALANCES:

Restatement of prior year balances relate to adjustment for deferred tax on revalued assets.

Effect on the company's statement of comprehensive income for year ended 31 March 2020:

	As previously Reported \$'000	Effect of restatement \$'000	As restated \$'000
REVENUE	394,636	-	394,636
Other operating income	<u>87,601</u>	<u>-</u>	<u>87,601</u>
	<u>482,237</u>	<u>-</u>	<u>482,237</u>
EXPENSES:			
Administrative	(470,045)	-	(470,045)
Selling	<u>( 37,312)</u>	<u>-</u>	<u>( 37,312)</u>
	<u>(507,357)</u>	<u>-</u>	<u>(507,357)</u>
OPERATING LOSS	( 25,120)	-	( 25,120)
Finance costs	<u>( 909)</u>	<u>-</u>	<u>( 909)</u>
NET LOSS FOR THE YEAR	( 26,029)	-	( 26,029)
<b>OTHER COMPREHENSIVE INCOME:</b>			
<b>Items that will not be reclassified to profit or loss -</b>			
Loss on defined benefit plan	( 471)	-	( 471)
Deferred tax on revalued asset written off	<u>-</u>	<u>(51,380)</u>	<u>( 51,380)</u>
	<u>( 471)</u>	<u>(51,380)</u>	<u>( 51,851)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>( 26,500)</u>	<u>(51,380)</u>	<u>( 77,880)</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 30. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Restatement of prior year balances relate to adjustment for deferred tax on revalued assets.

Effect on the company's statement of financial position at 31 March 2020:

	As previously Reported \$'000	Effect of restatement \$'000	As restated \$'000
<b>ASSETS</b>			
NON-CURRENT ASSETS:			
Property, plant and equipment	335,395	-	335,395
Intangible assets	2,190	-	2,190
Retirement benefit assets	291,992	-	291,992
Rights-of-use asset	5,026	-	5,026
	<u>634,603</u>	<u>-</u>	<u>634,603</u>
CURRENT ASSETS:			
Inventories	5,067	-	5,067
Receivables	30,709	-	30,709
Taxation recoverable	10,400	-	10,400
Cash and bank balances	49,910	-	49,910
	<u>96,086</u>	<u>-</u>	<u>96,086</u>
	<u>730,689</u>	<u>-</u>	<u>730,689</u>
<b>EQUITY AND LIABILITIES</b>			
EQUITY:			
Share capital	1	-	1
Capital reserve	289,551	51,380	340,931
Retained earnings	209,291	(51,380)	157,911
	<u>498,843</u>	<u>-</u>	<u>498,843</u>
NON-CURRENT LIABILITIES:			
Long term loans	90,920	-	90,920
Long term - deferred income	828	-	828
Lease liability	2,697	-	2,697
	<u>94,445</u>	<u>-</u>	<u>94,445</u>
CURRENT LIABILITIES:			
Payables	94,732	-	94,732
Project liabilities	17,891	-	17,891
Current portion - deferred income	33	-	33
Current portion of long term loans	269	-	269
Current portion of lease liability	2,697	-	2,697
Taxation	21,779	-	21,779
	<u>137,401</u>	<u>-</u>	<u>137,401</u>
	<u>730,689</u>	<u>-</u>	<u>730,689</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 30. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Restatement of prior year balances relate to adjustment for deferred tax on revalued assets.

Effect on the company's statement of cash flows for the year ended 31 March 2020:

	As previously Reported \$'000	Effect of restatement \$'000	As restated \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	(26,029)	(51,380)	(77,409)
Items not affecting cash resources:			
Depreciation	15,620	-	15,620
Amortisation	3,263	-	3,263
Adjustment to property, plant and equipment	155	-	155
Gain on foreign exchange	( 3,221)	-	( 3,221)
Deferred income	( 33)	-	( 33)
Employee benefit	( 471)	-	( 471)
Interest income	( 1,779)	-	( 1,779)
Interest expense	2,868	-	2,868
Deferred tax written off	-	51,380	51,380
	( 9,627)	-	( 9,627)
Changes in operating assets and liabilities:			
Receivables	( 3,840)	-	( 3,840)
Inventories	( 1,604)	-	( 1,604)
Taxation recoverable	( 761)	-	( 761)
Project liabilities	(20,269)	-	(20,269)
Payables	( 5,393)	-	( 5,393)
Retirement benefit assets	( 9,791)	-	( 9,791)
Taxation paid	( 78)	-	( 78)
Cash used in operating activities	(51,363)	-	(51,363)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	( 7,363)	-	( 7,363)
Purchase of intangible assets	( 2,413)	-	( 2,413)
Short term investments	22,617	-	22,617
Interest received	1,779	-	1,779
Cash provided by investing activities	14,620	-	14,620
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Long term loan repaid	( 3,475)	-	( 3,475)
Short term loan	( 181)	-	( 181)
Interest paid	( 692)	-	( 692)
Payments on lease liability	( 2,145)	-	( 2,145)
Cash used in financing activities	( 6,493)	-	( 6,493)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	(43,236)	-	(43,236)
Exchange gain on foreign cash balances	3,221	-	3,221
Cash and cash equivalents at beginning of year	89,925	-	89,925
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	49,910	-	49,910



## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 30. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Restatement of prior year balances relate to adjustment for deferred tax on revalued assets.

Effect on the company's statement of financial position at 31 March 2021:

	As previously Reported \$'000	Effect of restatement \$'000	As restated \$'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS:</b>			
Property, plant and equipment	323,874	-	323,874
Intangible assets	1,650	-	1,650
Retirement benefit assets	260,918	-	260,918
Rights-of-use asset	1,639	-	1,639
	<u>588,081</u>	<u>-</u>	<u>588,081</u>
<b>CURRENT ASSETS:</b>			
Inventories	3,361	-	3,361
Receivables	30,480	-	30,480
Taxation recoverable	10,548	-	10,548
Cash and bank balances	57,802	-	57,802
	<u>102,191</u>	<u>-</u>	<u>102,191</u>
	<u>690,272</u>	<u>-</u>	<u>690,272</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share capital	1	-	1
Capital reserve	289,551	51,380	340,931
Retained earnings	139,584	(51,380)	88,204
	<u>429,136</u>	<u>-</u>	<u>429,136</u>
<b>NON-CURRENT LIABILITIES:</b>			
Long term loans	90,920	-	90,920
Long term - deferred income	795	-	795
Lease liability	1,352	-	1,352
	<u>93,067</u>	<u>-</u>	<u>93,067</u>
<b>CURRENT LIABILITIES:</b>			
Payables	106,193	-	106,193
Project liabilities	38,415	-	38,415
Current portion - deferred income	33	-	33
Current portion of long term loans	220	-	220
Current portion of lease liability	1,351	-	1,351
Taxation	21,857	-	21,857
	<u>168,069</u>	<u>-</u>	<u>168,069</u>
	<u>690,272</u>	<u>-</u>	<u>690,272</u>

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 30. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Restatement of prior year balances relate to adjustment for deferred tax on revalued assets.

Effect on the company's statement of cash flows for the year ended 31 March 2020:

	As previously Reported \$'000	Effect of restatement \$'000	As restated \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	(26,029)	(51,380)	(77,409)
Items not affecting cash resources:			
Depreciation	15,620	-	15,620
Amortisation	3,263	-	3,263
Adjustment to property, plant and equipment	155	-	155
Gain on foreign exchange	( 3,221)	-	( 3,221)
Deferred income	( 33)	-	( 33)
Employee benefit	( 471)	-	( 471)
Interest income	( 1,779)	-	( 1,779)
Interest expense	2,868	-	2,868
Deferred tax written off	-	51,380	51,380
	( 9,627)	-	( 9,627)
Changes in operating assets and liabilities:			
Receivables	( 3,840)	-	( 3,840)
Inventories	( 1,604)	-	( 1,604)
Taxation recoverable	( 761)	-	( 761)
Project liabilities	(20,269)	-	(20,269)
Payables	( 5,393)	-	( 5,393)
Retirement benefit assets	( 9,791)	-	( 9,791)
Taxation paid	( 78)	-	( 78)
Cash used in operating activities	(51,363)	-	(51,363)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	( 7,363)	-	( 7,363)
Purchase of intangible assets	( 2,413)	-	( 2,413)
Short term investments	22,617	-	22,617
Interest received	1,779	-	1,779
Cash provided by investing activities	14,620	-	14,620
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Long term loan repaid	( 3,475)	-	( 3,475)
Short term loan	( 181)	-	( 181)
Interest paid	( 692)	-	( 692)
Payments on lease liability	( 2,145)	-	( 2,145)
Cash used in financing activities	( 6,493)	-	( 6,493)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	(43,236)	-	(43,236)
Exchange gain on foreign cash balances	3,221	-	3,221
Cash and cash equivalents at beginning of year	89,925	-	89,925
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	49,910	-	49,910

## JAMAICA BUSINESS DEVELOPMENT CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2022

## 30. RESTATEMENT OF PRIOR YEAR BALANCES (CONT'D):

Restatement of prior year balances relate to adjustment for deferred tax on revalued assets.

Effect on the company's statement of financial position at 31 March 2021:

	As previously Reported \$'000	Effect of restatement \$'000	As restated \$'000
<b>ASSETS</b>			
NON-CURRENT ASSETS:			
Property, plant and equipment	323,874	-	323,874
Intangible assets	1,650	-	1,650
Retirement benefit assets	260,918	-	260,918
Rights-of-use asset	1,639	-	1,639
	<u>588,081</u>	<u>-</u>	<u>588,081</u>
CURRENT ASSETS:			
Inventories	3,361	-	3,361
Receivables	30,480	-	30,480
Taxation recoverable	10,548	-	10,548
Cash and bank balances	57,802	-	57,802
	<u>102,191</u>	<u>-</u>	<u>102,191</u>
	<u>690,272</u>	<u>-</u>	<u>690,272</u>
<b>EQUITY AND LIABILITIES</b>			
EQUITY:			
Share capital	1	-	1
Capital reserve	289,551	51,380	340,931
Retained earnings	139,584	(51,380)	88,204
	<u>429,136</u>	<u>-</u>	<u>429,136</u>
NON-CURRENT LIABILITIES:			
Long term loans	90,920	-	90,920
Long term - deferred income	795	-	795
Lease liability	1,352	-	1,352
	<u>93,067</u>	<u>-</u>	<u>93,067</u>
CURRENT LIABILITIES:			
Payables	106,193	-	106,193
Project liabilities	38,415	-	38,415
Current portion - deferred income	33	-	33
Current portion of long term loans	220	-	220
Current portion of lease liability	1,351	-	1,351
Taxation	21,857	-	21,857
	<u>168,069</u>	<u>-</u>	<u>168,069</u>
	<u>690,272</u>	<u>-</u>	<u>690,272</u>

## DIRECTORS COMPENSATION FOR PERIOD

Position of Director	Fees	Motor Vehicle Upkeep/Travelling	Honoraria	All Other Compensation including Non-Cash Benefits as applicable	Total
	(\$)	or	(\$)	(\$)	(\$)
		Value of Assignment of Motor Vehicle			
Dr William Lawernce -Chairman	105,000.00	-	-	-	105,000.00
Donavon Wignal	22,500.00	-	-	-	22,500.00
Adonia Chin	22,500.00	-	-	-	22,500.00
Yvonne Davis	54,000.00	-	-	-	54,000.00
Hugh Johnson	42,000.00	-	-	-	42,000.00
Oral Shaw	45,000.00	-	-	-	45,000.00
Keisha Lewis	63,000.00	-	-	-	63,000.00
Bernard Henry	27,000.00	-	-	-	27,000.00
Stephen Fong-Yee	22,500.00	-	-	-	22,500.00
Ida-Gaye Warburton	51,000.00	-	-	-	51,000.00



## DIRECTORS COMPENSATION FOR PERIOD (cont'd)

Position of Director	Fees	Motor Vehicle Upkeep/Travelling	Honoraria	All Other Compensation including Non-Cash Benefits as applicable	Total
	(\$)	or	(\$)	(\$)	(\$)
		Value of Assignment of Motor Vehicle			
Danielle Terrelonge	46,500.00	-	-	-	46,500.00
Mario Thomas	54,000.00	-	-	-	54,000.00

## Notes

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

## SENIOR EXECUTIVE COMPENSATION FOR PERIOD

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance (\$)	Pension (\$)	Other Allowances (\$)	Non- Cash Benefits (\$)	Total (\$)
				Value of Assignment of Motor Vehicle	Other Retirement Benefits	*Seniority Allowance & Acting Allowance		
Chief Executive Officer-Valerie Veira	2021-2022	10,508,947		1,697,148	-	-	-	12,206,095
Deputy C.E.O - Harold Davis	2021-2022	7,956,825		1,697,148	397,841	807,213	-	10,859,027
Finance Manager- Michele Cowan	2021-2022	5,863,116		1,697,148	293,156	594,807	-	8,448,227
Director, Incubator & Resource Centre - David Harrison	2021-2022	5,863,116		1,697,148	-	-	-	7,560,264
Mgr-Business Advisory Serv-Melissa Barrett	2021-2022	4,936,587		1,697,148	246,829	-	-	6,880,564

## SENIOR EXECUTIVE COMPENSATION FOR PERIOD (cont'd)

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance (\$)	Pension (\$)	Other Allowances (\$)	Non- Cash Benefits (\$)	Total (\$)
				Value of Assignment of Motor Vehicle	Other Retirement Benefits	*Seniority Allowance & Acting Allowance		
Technical Services Mgr -Colin Porter	2021-2022	4,226,656		1,697,148	232,772	428,789	-	6,585,365
Mgr-MSU -Janine Fletcher-Taylor	2021-2022	4,226,656		1,697,148	232,772	428,789	-	6,585,365
Mgr-I.T –Neville Grant	2021-2022	4,226,656		1,697,148	218,479	142,930	-	6,285,214
Mgr –Corporate Communications- Suzette Campbell	2021-2022	4,226,656		1,697,148	218,479	142,930	-	6,285,213

## SENIOR EXECUTIVE COMPENSATION FOR PERIOD (cont'd)

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance (\$)	Pension (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
				Value of Assignment of Motor Vehicle	Other Retirement Benefits	*Seniority Allowance & Acting Allowance		
Mgr –Administration – Ann-Marie Brown	2021-2022	3,683,287		1,697,148	184,164	337,687	-	5,902,287
Mgr –Project Mgmt and Research – Amanda McKenzie	2021-2022	3,438,387		1,697,148	171,919	-	-	5,307,454
Mgr-Special Projects-Shelly-Ann Lawson-Francis	2021-2022	3,812,202		1,697,148	-	-	-	5,509,350
Human Resource Mgr –Patricia Kitson	2021-2022	2,485,374		1,146,075	124,269	-	-	3,755,718

## Notes

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



# NOTES

# NOTES

# NOTES



**JAMAICA BUSINESS DEVELOPMENT CORPORATION  
HEAD OFFICE**

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Unit 10a, 76 Marcus Garvey Drive, Kingston 13  
Tel: (876) 618-0605, 758-3966-8  
Website: [www.jbdc.net](http://www.jbdc.net)

**BUSINESS CENTRES**

**St. James**  
Shop 11, 4a Cottage Road  
Impact Plaza, Montego Bay  
Tel: (876) 953-4477

**St. Ann**  
St. Ann Chamber of Commerce  
Pineapple Place, Ocho Rios  
Tel: (876) 508-2104, 972-2629

**Westmoreland**  
The Source CRC, Lot 224 Barracks Road  
Savanna-la-mar, Westmoreland  
Tel: (876) 918-1333, 550-1908

**Manchester**  
Suite 26, RADA Building  
23 Caledonia Road  
Mandeville, Manchester  
Tel: (876) 625-3406

**St. Thomas**  
49 Queens Street,  
Morant Bay, St. Thomas  
Tel: (876) 516-8158