



DRIVE

Developing **R**ich **I**ndustry **V**alue Chains for **E**xport



JBDC
ANNUAL REPORT 2022-2023

OUR MISSION

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

'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

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CHAIRMAN'S MESSAGE



The Jamaica Business Development Corporation (JBDC) recognises its significant role in contributing to the Government of Jamaica's goal for economic growth through sustainable development of the Micro, Small & Medium-sized Enterprise (MSME) sector. Amid the Ministry of Industry, Investment & Commerce's (MIIC) push for increased exports among its major initiatives, during the 2022 – 2023 fiscal year, the JBDC successfully researched the needs of the manufacturing sector, as well as made advancements in providing appropriate production spaces that meet international requirements.

With two new incubators on target for the reporting period, the JBDC has gone farther with its industry development agenda to conduct a Cosmeceutical Manufacturing Survey to determine what support is needed by entrepreneurs involved in or seeking to be involved in the creation, manufacture and trade of cosmeceuticals.

The data revealed that the majority of respondents indicated that they did not own their own manufacturing facilities, which clearly demonstrates that there is a need for facilities to support the operational processes of the respective entities. The establishment of an incubator facility would bolster the economic impact of this industry which is booming globally. In 2022, the Global Cosmeceuticals Market was valued at US\$52.82 billion, and is forecast to grow by 7.8% annually, reaching a value of US\$96.33 billion in 2030 (Vantage Market Research).

As Jamaica accelerates toward Vision 2030, it would be prudent to ensure that our MSMEs are well poised to partake in the growth of industries globally. The development of the cosmeceutical incubator is crucial to capacity building, and will require support from funding entities. The JBDC's Things Jamaican™ retail chain provides global market access for local producers of authentic Jamaican products, 54% of which were in the aromatherapy category during the fiscal year.

The goal for increased exports must be supported by increased innovation and production. The Board of Directors stands in full support of the JBDC's initiatives to help Jamaican entrepreneurs From Concept to Market, in keeping with its mandate by the Government of Jamaica to provide business development services that will result in growth and sustainability for the country overall.

Stephanie O. Sterling
Chairman

BOARD OF DIRECTORS



Stephanie Sterling
Chairman



Steven Fong-Yee
Deputy Chairman



Adonia Chin
Director



Yvonne Davis
Director



LeVaughn Flynn
Director



Bernard Henry
Director



Hugh Johnson
Director



Mina Robertson
Director



Oral Shaw
Director



Danielle Terrelonge
Director



Andria Whyte Walters
Director



Donovan Wignal
Director



Venice Williams
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 Projects, Administration & Facilities 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)

LeVaughn Flynn

Danielle Terrelonge

Mina Robertson

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

Venice Williams

Bernard Henry

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:

Donovan Wignal (Chairperson)

Andria Whyte-Walters

Steven Fong-Yee

EXECUTIVE MANAGEMENT TEAM

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

The core service departments include Technical Services, Marketing Services, Business Advisory Services, 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 and
Facilities



Suzette Campbell
Manager
Corporate Communications



Michele Cowan
Manager, Finance



Janine Fletcher-Taylor
Manager
Marketing Services



Neville Grant
Manager
Information Technology



David Harrison
Director
Incubator & Resource
Centre



Shelly-Ann Lawson-Francis
Manager, Special Projects



Amanda McKenzie
Manager
Project Management
& Research



Pashique Palmer-Williams
Manager
Human Resource
Management & Development



Colin Porter
Manager
Technical Services

CEO'S MESSAGE



The Jamaica Business Development Corporation (JBDC) has made significant steps to follow through on the Government of Jamaica's thrust toward digital transformation of the country. During the 2022 – 2023 fiscal year, the agency developed and implemented strategies to digitally transform its operations amid leading our clients in the Micro, Small & Medium-sized Enterprise (MSME) sector in the same direction.

In August 2022, we officially went live with a new corporate website which was designed by in-house experts to provide easier access for MSMEs in need of business development services. With its visual appeal and easy navigation, it draws the attention of our audience and reduces the need for them to come into our offices for information on our services. Importantly, it allows entrepreneurs to register to become a client by creating a profile in our Client Relationship Management (CRM) software, Neoserra. With a modern and responsive website, we have led by example, and therefore well-poised to guide those whom we serve.

The JBDC is keen on its role to spur innovation and the development of emerging industries, as well as the sustainability of existing industries. The evolutionary nature of fashion and the significant place that it holds in Jamaican culture, makes it ripe for interventions such as the revival of local textile production at a sustainable and commercially viable level. Through the Nigerian Technical Assistance Cooperation (TAC) programme, where two Nigerian experts were assigned to JBDC to impart new techniques impacting the fashion and gift and craft sectors, the JBDC registered textile 'Jadire' was born.

To date, more than 100 local artisans have been trained to produce the fabric using tie-dye methodology which incorporates symbols synonymous with Jamaican culture. The Festival of the Cloth Exhibition staged in November 2022 showcased pieces done by persons who have completed training in designing and producing

printed textiles as well as value-added products such as apparel, bags, soft furnishings. Our next step is to help them to commercialise.

December 2022 also saw the unveiling of more industrial development with the official opening of the Essential Oils Incubator at our Incubator & Resource Centre. The Government of Jamaica provided \$50 million in investment to support the Essential Oils Incubator Project. The principal underpinning of this project is that the development of the essential oils industry will support critical development objectives of the Government of Jamaica, including: export development, import substitution, rural development and the generation of employment.

The production of essential oils in Jamaica is very low, and most oils are imported. These businesses are seeing tremendous opportunities for marketing their products both locally and internationally. A key selling point is the use of local raw material inputs, of which the essential oil component represents an opportunity.

During the period under review, the agency also carried out research on the local cosmeceuticals industry, the findings of which revealed a strong need for the establishment of production spaces for this internationally growing industry.

Over the next few years, the JBDC will continue its push toward industrial development, particularly in areas where Jamaica's brand and natural resources give us a clear competitive advantage on the world stage.

Valerie Veira, CD, JP
Chief Executive Officer

DEPUTY CEO'S PERFORMANCE REPORT



During the 2022-2023 fiscal year, the newly ISO certified Jamaica Business Development Corporation (JBDC) remained on a steady trajectory of implementing interventions to meet the agency's quality objectives. Through a series of projects and programmes, the development of industries, access to new markets, and access to financing, were among the priority areas.

As the world continued its recovery from the COVID-19 pandemic, the Things Jamaican™ brand rode this wave evidenced in a 70% increase in sales over the previous fiscal year. Under **Quality Objective number 1: To increase direct access to new local and international markets for 500 clients delivering 5% sales growth** the agency surpassed its planned target of 200 clients for the fiscal year by registering 345 clients in this category. During the period, Things Jamaican™ sold products totalling J\$49,835,350.

The growth and sustainability of MSMEs is heavily hinged on the ability to access financing, making this a crucial area of intervention for the JBDC. Consequently, the agency set a target of J\$30M in funding attained by 30 MSMEs during the fiscal year under **Quality Objective number 2: To assist at least fifty (50) MSMEs to access fifty million (J\$50M) in financing.** A total of 78 MSMEs accessed approximately J\$433 million in funding through loans, equity and grants. The resounding success of this target is based on the focus on handholding and financial literacy in client interventions as well as the agency acting as a national 'network broker' across public and private sectors, which results in greater understanding of MSMEs and their needs.

Despite recent improvements in levels of formalisation among MSMEs, there remains the need for ongoing education and assistance in this regard. The JBDC surpassed its target by helping to transition 62% of its unregistered clients under **Quality Objective number 4: To transition at least 50% of unregistered clients to registered clients within 6 months of their entering JBDC's Business Incubator Programme.**

Recognising the strong correlation between production and export, the JBDC is aiming to increase outputs by providing appropriate production spaces through its incubator services under **Quality Objective number 6: To drive new business opportunities along industry value chains by establishing two (2) industry specific incubators by 2023.** During the period, significant progress was made with the opening of the Essential Oils Incubator, while the Agro-processing Incubator is nearing completion. Training sessions were also conducted with agro-processors. These were facilitated by an international consultant.


As it relates to product development, 142 products were developed or enhanced during the fiscal year. The sectors impacted were Gift & Craft, Fashion and Agro-Processing industries. A total of 1,157 new units of goods were produced via incubator usage.

While the JBDC's incubators target specific industries, our interventions span a wide cross-section of industries which are inextricably linked in one way or other. During the fiscal year, the agency successfully completed the training of 98 farmers and fisherfolk under the **"Formalization of the Operators in Jamaican Farming and Fisheries Sector" Project**. The training sessions provided for participants information to assist them along their journey to formalisation. Participants were guided through industry-specific training and hand-holding sessions on how to manage and run a business, getting their operation formalised, opening a business bank account, creating strategic business linkages, drafting a business plan, and how to access financing.

We continue to research the Cultural & Creative Industries under the **Validating Jamaica's Cultural & Creative Industry through Economic Impact Assessments and National Statistical System Project**. The aim is to 1) to develop a comprehensive profile of the Jamaican Cultural and Creative industries (CCIs) to guide cultural policy making, 2) measure the economic contribution of the CCIs, and 3) identify recommendations and strategies for the development of key sectors. During the period, several stakeholder consultations were held in Kingston and St. James.

The JBDC is looking forward to reaping the success of its industry development strategies which will become evident with increased productivity and profits for MSMEs in the near future.

Harold Davis, JP
Deputy Chief Executive Officer

A woman with short grey hair and glasses, wearing a patterned top and pink pants, stands in a shipping yard. She is holding a large, clear glass trophy in her left hand and has her right hand raised in a celebratory gesture. The background features stacks of blue shipping containers, a few trucks, and an airplane flying in the sky.

Dr. Elorine Turner-Pryce
EDEN JOY WHOLE FOODS
2022 JBDC B.O.S.S Lady 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

INCUBATOR & RESOURCE CENTRE

Technical Services Unit

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

The Unit's suite of services include:

- Product Design and Development
- Business Incubation Management
- Plant and Production Engineering
- Food Technology
- Customised Hands-on Workshops
- Prototype Development
- Branding
- Fashion and Graphic Design
- Patternmaking
- Packaging & Labelling Services

Incubators

The resource centres provide services for producers in the craft, food, 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.



(L-R) Nigerian Cultural Diplomat, Alao Luqman; Dr. the Hon. Norman Dunn, State Minister of Industry, Investment & Commerce; and Valerie Veira, CEO – JBDC are all smiles while reviewing Jadire fabric and fashion, produced at the Fashion Incubator.

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.

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

The Department's suite of services include:

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

MARKETING SERVICES UNIT

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



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

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 PERFORMANCE



LAUNCH OF NEW INCUBATOR

Essential Oils



J\$350,000,000

Access to Financing by 78 MSME Clients



2777

MSMEs Trained



345

MSMEs Accessing New Markets

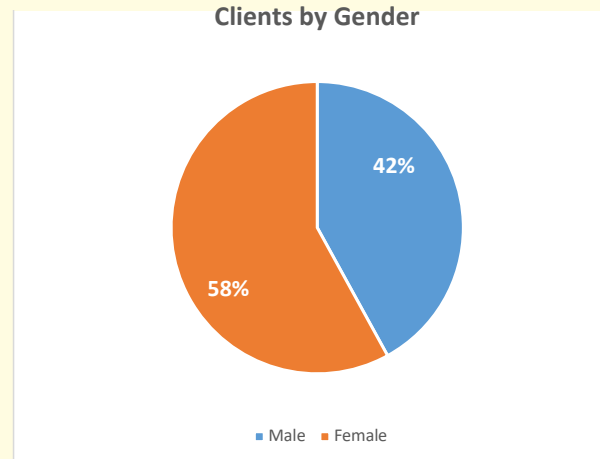


J\$433,000,000

MSME Clients' Revenue

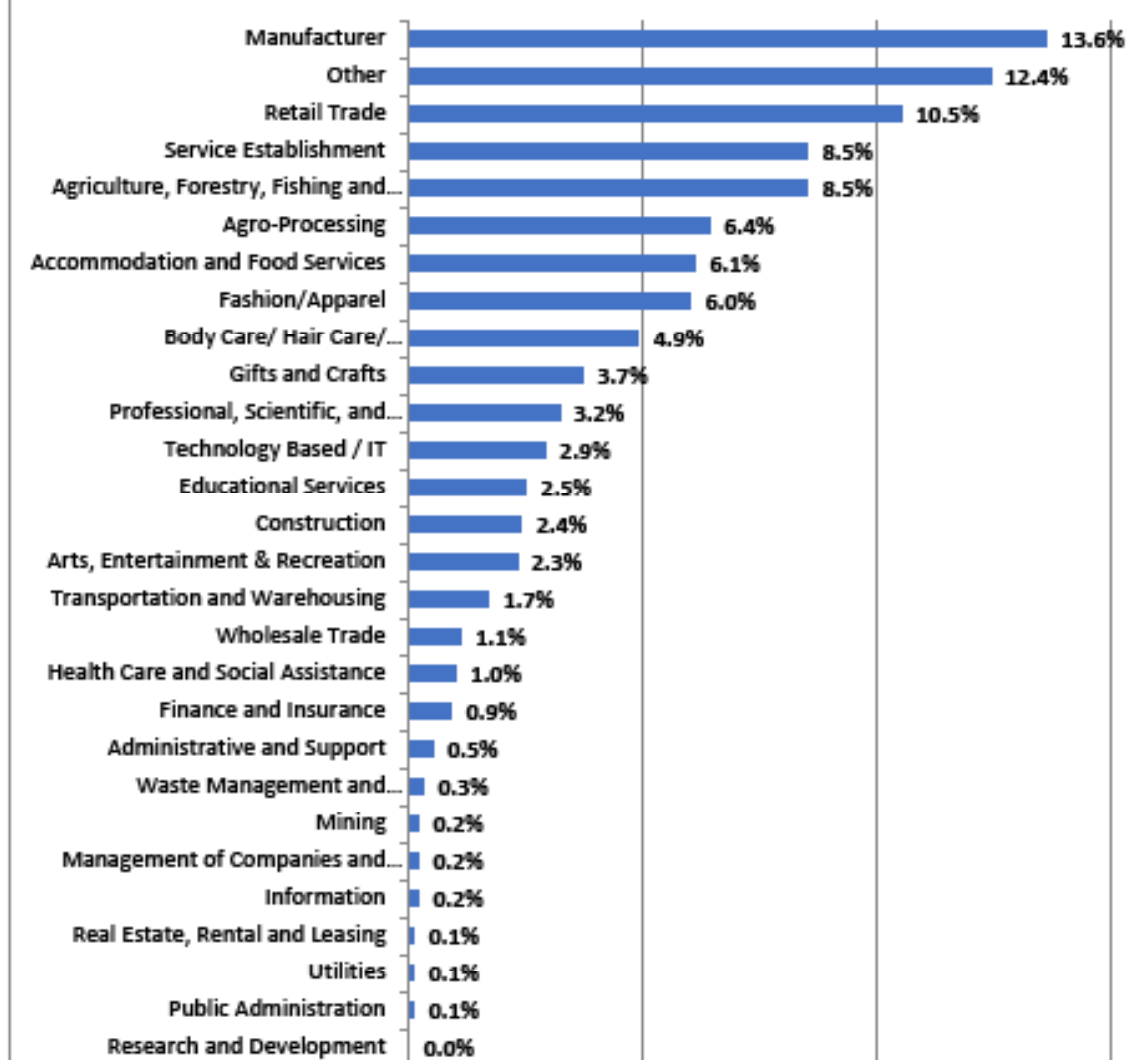
PROFILE OF CLIENTS

The Jamaica Business Development Corporation has approximately 2,255 active clients within the Micro, Small and Medium-sized Enterprise (MSME) sector registered in its Client Relationship Management System (CRM) Neoserra, as at March 31, 2023. The number of female clients outweighed male clients with the split being 58% female & 42% male. As it relates to the industries to which clients are aligned, most (13.6%) are manufacturers. The second largest proportion (10.5%) is aligned to the retail trade sector, followed by 8.5% which are service establishments and another 8.5% operated within the agriculture, forestry, fishing, and hunting sectors. 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.

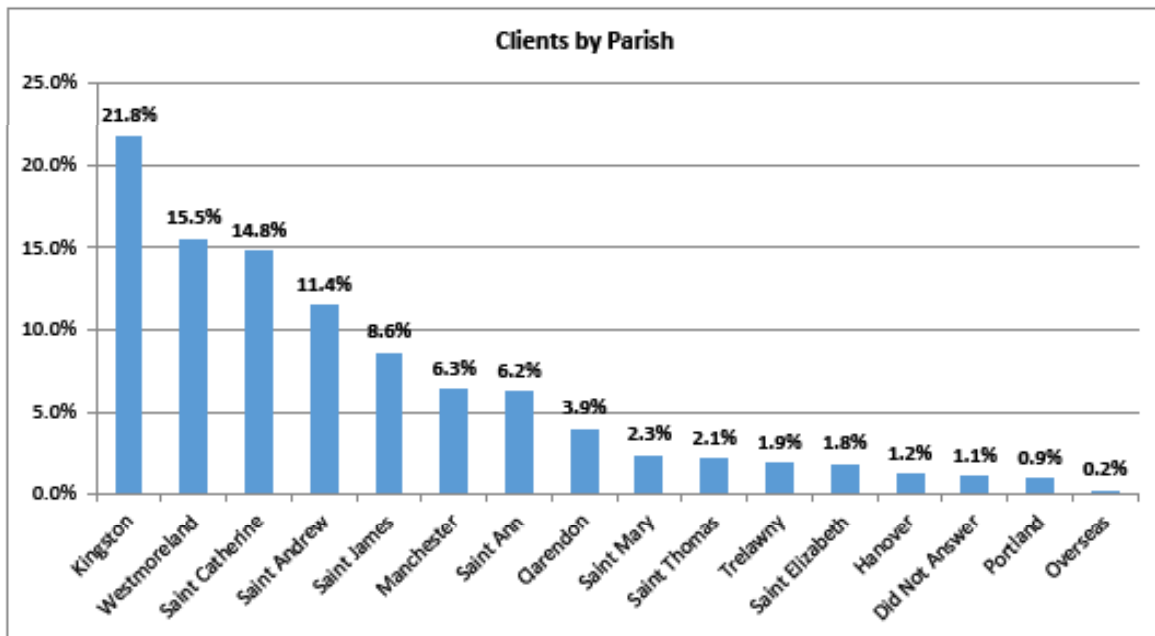



2,255
active clients

Clients by Sector FY 2022/23



Clients are dispersed country-wide with the largest concentration of clients located in Kingston (21.8%) followed by Westmoreland (15.5%), St Catherine (14.8%), St. Andrew (11.4%), St. James (8.6%), Manchester (6.3%), St. Ann (6.2%), and Clarendon (3.9%). St. Thomas, Trelawny, St. Elizabeth, Hanover, Portland and St. Mary accounted for 10.2% 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.



A woman wearing a purple hijab and a light purple blazer over a white and purple striped shirt is smiling and holding a clear glass trophy. The trophy has text on it that reads "B.O.S.S. LADY OF THE YEAR 2022", "RUNNER-UP", "Kareema Muncney", and "Home Choice Enterprise Limited". She is standing in front of a large industrial area filled with stacked blue and white shipping containers. In the background, a white airplane is flying in a blue sky with some clouds. The ground is paved asphalt.

Kareema Muncney
HOME CHOICE ENTERPRISE LIMITED
2022 Runner-up
JBDC B.O.S.S Lady of the Year

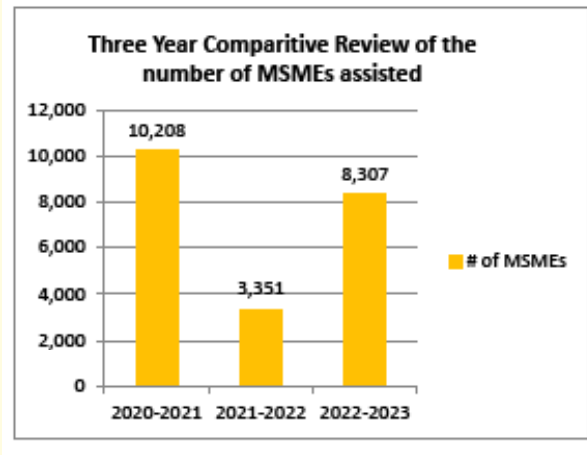
ENTERPRISE LEVEL DEVELOPMENT

OUR REACH, CLIENT AND SERVICE PERFORMANCE

Our Reach

JBDC assisted 8,307 MSMEs during the 2022-2023 Financial Year represents a 147% increase over the previous year (2021-2022) during which 3,351 MSMEs were assisted. This increase represented an uptick in the number of MSMEs assisted, as a result of the easing of COVID-19 restrictions locally. Additionally, MSMEs were able to access more services due to greater number of projects that were implemented to assist MSMEs. Assistance was provided through approximately 22,725 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, training and development, coaching and mentoring, monitoring and handholding and marketing support.

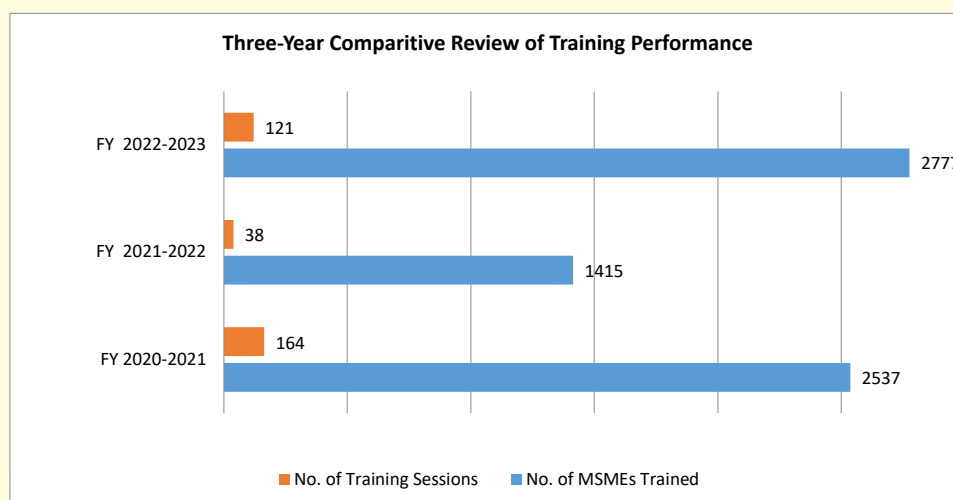


- Business Advice** - Business Advisory Services conducted 18,180 interventions accounting for the majority (80%) of interventions. Advisory services conducted via the Small Business Development Centres accounted for 3,182 (14%) interventions. Services included: business consultation, business development training, business planning as well as business monitoring and mentoring.
- Technical Services** – The focus of JBDC's technical assistance is product development inclusive of packaging design, product design as well as general product and process enhancement. In this regard, JBDC facilitated 1,091 technical assistance interventions during the review period, which accounted for 4.8 % of the organisation's total interventions.
- 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 JBDC's retail brand, Things Jamaican™. A total of 272 interventions were facilitated which accounted for 1.2% of the total interventions.
- 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 MSMEs.
- 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 2022-2023) approximately 2,777 MSMEs have participated in training events representing a 96% increase in the number of MSMEs that participated in the same sessions when compared to the period FY 2021-2022 where 1,415 MSMEs were trained. This was a result of a further re-opening of the economy and relaxing of COVID-19 restrictions. Likewise, the number of MSMEs that participated in knowledge-sharing sessions hosted, increased from 1,133 in FY2021/22 to 2,139 in FY2022/23; representing a 88% increase. The increase was also related to relaxed COVID-19 restrictions and a greater desire by MSMEs to restart business operations in the recovery period.

Both the number of training sessions and knowledge-sharing sessions increased year over year from 38 to 121, and 20 to 25 respectively.

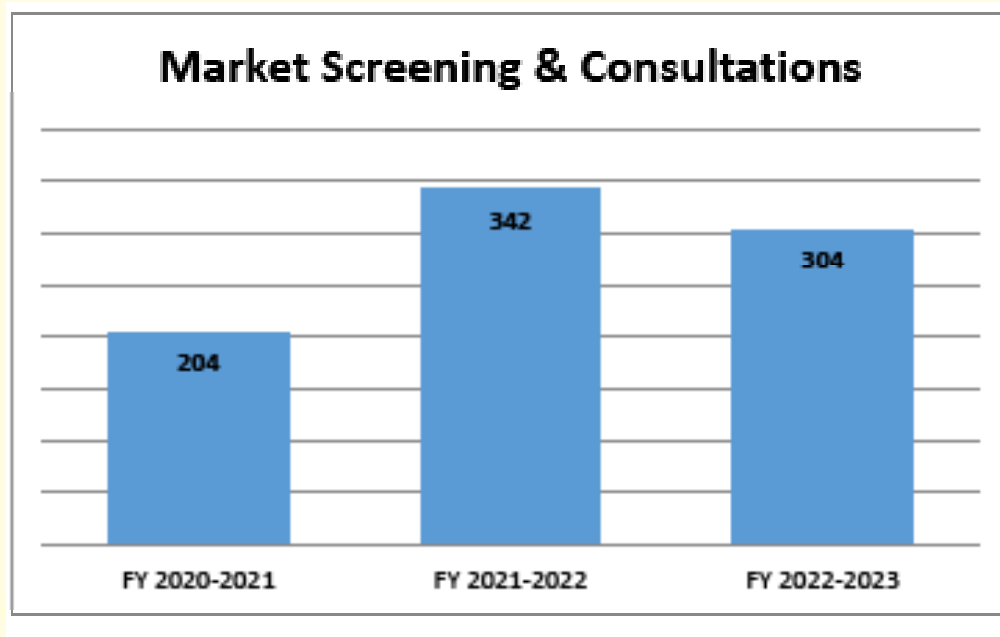


A synopsis of the knowledge-sharing sessions delivered by JBDC during the review period are included below:

- The Perfect Finish Workshop
- Starting a Business Workshop
- Fundamentals of Business Workshop
- Grow Castor Bean Project Training
- Accelerator Programme Training
- Financing Fridays
- Tax Talk Workshop
- Textiles Workshop Series
- JBDC Virtual Biz Zone
- JBDC Virtual Gift & Craft Biz Zone
- Business Dialogue Forum
- JBDC 'In Concert'
- 'Festival of the Cloth' Workshop

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 FY2020-2021, FY2021-2022 and FY2022-2023. Market screening and consultation decreased by 11% when compared to screening and consultations done in the FY2021-22.



¹ assessment results reported were carried out by the Marketing Services Unit with the assistance of Technical Services; assessments conducted by Technical Services 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, 50 businesses were selected and recommendations for final approval submitted to the steering committee, of which JBDC is a member. During the fiscal year, the project was successfully completed.

Some highlights from the project include the following trainings and events:

- Human Resource Management Training
- The Export Max III Marketing and Sales training hosted by JAMPRO
- The Export Max III Mingle held at R Hotel

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



IGNITE Phase IV

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

In November 2022, IGNITE IV was opened for applications and JBDC received approximately forty-five (45) concept note submissions of which thirty-six (36) projects were selected to complete full applications. There is an even ratio of projects at the ideation and commercialisation stage. The sectors covered range from agriculture, transportation, health and various applications of technology.

The following highlights occurred during the reporting period:

- Eight (8) beneficiaries were granted approval for the DBJ IGNITE IV grant; seven (7) in the ideation stage and one (1) in the commercialisation stage.
- Total grant funding approved was J\$26.9M.

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.

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 the Accelerator Programme.

The following highlights occurred during the reporting period:

- Sixty (60) MSMEs were beneficiaries of the programme.
- The following engagements were staged:
 - A corporate marketing mingle themed "Buyers Meet Sellers"
 - A number of corporate events & trainings including but not limited to: Financing Friday, Accelerated Talks, Accelerator Bootcamp and BIGEE Open House & Visibility Event
 - Collaborative Events where Acceleratees were introduced to tools, techniques and best practices for improving business efficiency.
- The programme was successfully closed during November 2022.



Things Jamaican™

The JBDC provides Market Access for hundreds of authentic Jamaican products through the Things Jamaican™ retail store chain and e-commerce website, as well as indirect market opportunities or events marketing.

The following are the highlights for the reporting period:

- o Total number of customer transactions for the FY was 14,868.
- o MSMEs earnings facilitated by Things Jamaican™ for the FY was J\$28.48M.



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. The Jamaica SBDC Network currently consists of sixteen (16) SBDCs; seven (7) within JBDC which are located islandwide as presented below:

1. Kingston & St. Andrew
2. St. Thomas
3. Manchester
4. Westmoreland
5. St. James
6. St. Ann
7. St. Catherine (virtual)

There are nine (9) external to the organisation:

1. Rural Agricultural Development Authority (RADA)
2. Northern Caribbean University (NCU)
3. Caribbean Maritime University (CMU)
4. Edna Manley College of the Visual and Performing Arts (EM-CVPA)
5. University of Technology (UTech)
6. University of the Commonwealth Caribbean (UCC)
7. University of the West Indies, Mona (UWI)* (not yet operational)
8. College of Agriculture, Science and Education (CASE)
9. Sagicor Business Resource Centre (privately funded by Sagicor and managed by JBDC)



Special Feature

BUY JAMAICAN – ROAD TO RECOVERY

Like a category 5 hurricane, in 2020 the COVID-19 pandemic swept across the business sector leading to what would be called 'the great lockdown'. While it gave rise to new business opportunities in areas like logistics, those in more traditional industries would be forced to throttle or hit the brakes before once again accelerating when it was deemed safe to be back outside. Small players in a large sector like manufacturing, which are heavily reliant on linkages with tourism, travelling, entertainment felt the pinch, though quietly squealing. We are talking about producers of authentic Jamaican products.

The JBDC, through its retail brand, Things Jamaican™ stands as the bastion of market access for these entrepreneurs, 'From Concept to Market'. The retail chain's products speak to an authentic Jamaican experience. The 3 stores and e-commerce website offer a collection of products influenced by Jamaican music, culture and history. Our range of products cover 8 main categories – Aromatherapy, Entertainment, Fashion, Fashion Accessories, Food, Home, Packages and souvenirs. Emphasis is placed on products suited to vacationers, travellers and locals who want a unique "piece of Jamaica".

Recognising the significance of its role, the JBDC has wasted no time putting measures in place to bounce back from the decline in sales. Setting a Quality Objective 'To increase direct access to new local and international markets for 500 clients delivering 5% sales growth' for the fiscal year, meant that the agency was keen on moving forward.

At the end of the 2022-2023 Fiscal Year, Things Jamaican™ reported overall revenues of over J\$49M, a 70% increase over the previous period. Things Jamaican's sales target for the year FY22/23 was measured as a recovery percentage of pre-covid base year FY19/20 (100% of base year sales of J\$63,426,182). There was a 79% recovery for the same period over the base year 2019-2020.

Overall, clients showed a 77% increase in earnings over the previous period. This reflected a 60% recovery for the same period over the base year 2019-2020.



Doing its part to satisfy the craving for 'Brand Jamaica', a total of 2,044 products gained market access support; 190 (or 9%) new products were introduced for market testing at a value of \$2,640,607; 105 new products from 35 new clients were introduced; 98 or 93% of new products were validated; and 85 new products from 30 existing clients were introduced.

Perhaps fortuitous that JBDC launched the new Things Jamaican™ e-commerce website in March 2020, the agency has been placing emphasis on sales in the online space. During the fiscal year, e-commerce revenues increased by 70%; transactions increased by 66%, and visitors increased by approximately 90% when compared Year-on-Year April 2021 - March 2022 vs April 2022 - March 2023. Within the social media space, reach has grown more than 25% across all platforms.

The road to recovery also saw opportunities to re-activate the indirect market access strategy via events. Playing significant role as a member of the Tourism Linkages Network, in May 2022, JBDC assessed 314 producers for 'Christmas in July', of which 180 producers were successful in showcasing. In a post-event survey, 74.2% (98 respondents) of respondents stated that they received:

- Increased Sales Leads
- Increased brand exposure
- A total of J\$8,010,000.0 in earnings

A virtual booth at the Jamaica Diaspora Conference held on June 14 – 16, 2023, saw Things Jamaican™ receiving the second highest number of likes, outdone only by Grace Kennedy. The theme of the Conference, "Reigniting a Nation for Greatness" resonated with JBDC's retail brand which remains the cradle of selling for hundreds of producers in the Home of Authentic Jamaican Brands.





things jamaican

**HOME OF
AUTHENTIC JAMAICAN BRANDS
WWW.THINGSJAMAICANSHOPPING.COM**





Hjord Henry
HMH FARMS
2022 JBDC B.O.S.S Man of the Year

ECOSYSTEM DEVELOPMENT

POLICY

NATIONAL CRAFT POLICY

Officially launched in 2020, the National Craft Policy aims to streamline the Jamaican Craft industry by facilitating incremental and significant improvements in quality, variety, value, sales, customer satisfaction and profits in order to promote greater local identity of finished craft and souvenirs, innovation, better supply capability, packaging, regulation and production, and distribution facilities.

The Policy addresses factors which are critical to the sustainability and growth of the craft industry in Jamaica and which enable successful enterprise in the areas of craft, gifts, visual arts and souvenir products. It will also elaborate on strategic objectives from the sourcing of raw materials to the packaging and branding of an 'Authentic Jamaican' brand, to ensure that local craft designers, producers and traditional artisans benefit from the marketing and commercial opportunities provided by the tourism industry, Corporate Jamaica, local consumers, the Diaspora and exports into other tourist and international gift markets.

The main policy goals include:

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

The following highlights occurred during the reporting period (2022 – 2023):

- A project manager was appointed to the project by MIIIC.
- The project manager is in the process of developing a work plan for implementation.



EVENTS

JBDC BREAKFAST WITH THE CEO

The JBDC Breakfast with the CEO event returned after a two-year absence caused by the COVID-19 pandemic. This staging was held in hybrid format with forty (40) persons attending in-person and an additional forty (40) persons attending online.

The theme for this year's staging was 'Business is Good: Jamaica Agro to the World'. Programme activities focused on how the JBDC would reinforce the importance of the Agro-Processing sector to the nation's economic recovery and contribution to export.

Testimonials were also given by two JBDC clients; Mr. Carl Sharpe, CEO of Chocollor Chocolate and Ms. Joni-Dale Morgan, Managing Director of Morgan's Creek, who have been beneficiaries of the Corporation's business development interventions.



(L-R) Dr. the Hon. Norman Dunn, State Minister of Industry, Investment & Commerce; Michael Willacy, Vice President – Sagicor Bank; Valerie Veira, CEO - JBDC; Carl Sharpe, Managing Director – Chocollor Chocolate; and Harold Davis, Deputy CEO – JBDC pose for the camera following the staging of Breakfast with the CEO.



Suzette Campbell, JBDC's Corporate Communications Manager and Host of Breakfast with the CEO, addresses attendees following the staging of Breakfast with the CEO.

JBDC ACCELERATOR PROGRAMME – COHORT 4 LAUNCH

Approximately 60 entrepreneurs were welcomed into the fourth cohort of the JBDC Accelerator Programme in April 2022.

The event launch was hosted at the Jamaica Pegasus Hotel with each participant receiving their welcome letter. For the first time since its inception in 2017, the JBDC Accelerator Programme received external financial support through a J\$30 million sponsorship from the Development Bank of Jamaica.

As is customary, the 'Acceleratees' went through a six-month intensive training programme which is divided into six modules (1) Strategy Development, (2) Financial Management, (3) Marketing & Sales, (4) Operational Improvement, (5) Digital Transformation, and (6) Business Valuation. Participants also benefitted from training, mentorship, networking, increased sales, business growth and financing opportunities.

JBDC ACCELERATOR PROGRAMME – COHORT 4 CLOSING CEREMONY

The JBDC Accelerator Programme culminated with a Demo Day in November 2022. The event included a showcase of the products and services of all the participants, as well as the presentation of certificates to participants. Outstanding participants in the cohort were also presented with special awards. The event was held at the AC Hotel.



Accelerator Programme Cohort 4 Participants and representatives from JBDC and DBJ pose for the camera after the Closing Ceremony.



Cohort 4 Participant, Heather McKay of Partners Interventional Centre of Jamaica (left) receives a special award from Melissa Barrett, Business Advisory Services Manager – JBDC (right) at the Closing Ceremony.

JBDC BUSINESS DIALOGUE FORUM

The JBDC Business Dialogue Forum was held four (4) times during the reporting period as follows:

- March – Authentic Jamaican: The Manufacturing Dilemma
- April – Going Global: Developing the Agro-Processing Industry for Export
- June – Jamaica's Orange Economy: So Rich, Yet so Poor?
- August – Retooling MSMEs through Innovation & Technology

The JBDC Business Dialogue Forum is held in a panel discussion format, where industry-specific experts are invited to share their insights and experience on factors affecting an industry and make recommendations to improve its efficiency.

Three-hundred and seventy-six (376) persons registered for the forums with a total of one-hundred and forty-six (146) attending cumulatively online.

JBDC VIRTUAL BIZ ZONE

Fifteen (15) webinars were hosted under the JBDC Virtual Biz Zone banner during the period.

The JBDC Virtual Biz Zone is an online webinar which began during the COVID pandemic to maintain the engagement between the JBDC and its client group. The sessions sought to provide useful information for MSMEs navigating the post-COVID period.

The sessions remained very popular during the post-COVID period, hence its continuation. Approximately 1,895 persons registered for the sessions with 602 in attendance.

JBDC GLOBAL ENTREPRENEURSHIP WEEK 2022

The JBDC Global Entrepreneurship Week (GEW) celebrations for 2022 were significantly muted because of the continued impact of COVID-19. Three events were facilitated under the theme:

HOMEGROWN: "Reducing Imports, Increasing Exports"

- Business Dialogue Forum – November 14
- Opening of the Festival of the Cloth Exhibition – November 16
- JBDC BOSS Man/Lady Awards – November 18

The **Business Dialogue Forum** – Held virtually on November 14, 2022 using the main theme: HOMEGROWN: "Reducing Imports, Increasing Exports" .

Invitations were dispatched to potential panellists inviting them to participate in the discussion. The final list of panellists was:

- Increasing Manufacturing & Production Capacity for Export – Mr. Andrew Wildish, VP, JMEA
- Design Local, Trade Global – Mrs. Keneea Linton George – Founder, Designers Guild
- Securing the 'Pot': Land, Resources & Praedial Larceny – Ms. Ethnie Miller Simpson – President, WENC

The sub topic: Bolstering the retail trade for the local and global market – was subsumed throughout the presentations of each participant and the moderator.

101 persons registered for the session with 36 persons in attendance.

Festival of the Cloth Exhibition was hosted under the theme 'Jadire' on November 16, 2022 at IRC. Thirty-three (33) persons were invited of which 17 persons attended.

JBDC B.O.S.S. Awards – Held at IRC on November 18, 2022, this was the fourth staging of the JBDC B.O.S.S Awards which celebrates the achievements of top JBDC clients throughout the calendar year. The winners for 2022 were:

B.O.S.S LADY

- Dr. Elorine Turner-Pryce – Eden Joy Whole Foods - Winner
- Mrs. Kareema Muncey – Home Choice Enterprises – Runner-Up

B.O.S.S MAN

- Mr. Hjort Henry – HMH Farms - Winner
- Mr. Oliver Welsh – Wood Land Roots Natural Drinks – Runner-Up



(Centre) Ms. Valerie Veira, Chief Executive Officer, JBDC is flanked by (L-R) Mr. Oliver Welsh, Chief Executive Officer- Woodland Roots, Ms. Kareema Muncey, Managing Director- Home Choice Enterprise Limited, Dr. Elorine Turner-Pryce, Managing Director- Eden Joy Whole Foods and Mr. Hjort Henry, Managing Director- HMH Farms.

FESTIVAL OF THE CLOTH

An Exhibition of First Leading Tie-Dye/Batik Textile Artists in Jamaica





The JBDC hosted the grand opening of the new Essential Oils Incubator at its Incubator & Resource Centre in Kingston on Friday, December 2, 2022 under the theme, Developing Rich Industry Value Chains for Export (DRIVE). Attendees to the event included government officials and industry entrepreneurs.

The main address was delivered by Dr. the Hon. Norman Dunn, State Minister for the Ministry of Industry, Investment and Commerce who encouraged Jamaicans to lessen their importation of essential oils and invest in local production.



Dr. the Hon. Norman Dunn, State Minister in the Ministry of Industry, Investment & Commerce and Valerie Veira, Chief Executive Officer – JBDC, cut the ribbon at the Grand Opening of the new Essential Oils Incubator.



Dr. the Hon. Norman Dunn, State Minister for Industry, Investment and Commerce and Ms. Valerie Veira, Chief Executive Officer, JBDC Mr. Harold Davis, Deputy Chief Executive Officer, JBDC along with Mr. David Harrison, Director, JBDC Incubator and Resource Centre tour the Essential Oils Incubator and experiment with the equipment.

SPECIAL FEATURE

MAKING MONEY DURING A PANDEMIC- JBDC'S CLIENTS SOAR

The Jamaica Business Development Corporation (JBDC) has shouted to the tumultuous winds of the Covid-19 pandemic, amidst its strong gusts that "Business is good!" Seeking to inspire entrepreneurs, the agency invited two of its top-performing clients, Carl Sharpe, Managing Director of Chocollor Chocolate and Joni-Dale Morgan, Managing Director of Morgan's Creek Limited to speak of their profits and triumphs throughout the pandemic. The occasion was the organisation's annual convening event - Breakfast with the CEO, held in Kingston recently.

Sharpe of Chocollor Chocolate, a premier local chocolate brand and client of the JBDC testified of his company's marked increase during the early stages of the pandemic. He noted "We had a turnover increase from 2019- 2020 of about 100% and from 2020-2021 it has been about 300%." The small business has not settled with the successes of the previous years and desires to continue excelling.

Continuing, Sharpe said "We to have a turnover of \$15 million and despite the onset of the pandemic we are hopeful and expectant that we will be able to do this." With Chocollor for the first four months of this year business is on track to making their promise a reality.



The brand, Chocollor is deeply connected to the owners' commitment to Jamaica and Mr. Sharpe noted "It was born out of the desire to produce a value-added product with indigenous materials from Jamaica. We decided to go into agro-processing and then further decided that the product would be chocolate. "The import content of chocolate in Jamaica is about 2 billion dollars and there is a lot of opportunity for this market."

In concluding, Sharpe said "The pandemic has taught us many valuable lessons, one of which is that we should use our local market as a springboard for export."



Carl Sharpe, Managing Director of Chocollor Chocolate, speaks to the audience at Breakfast with the CEO.

As a proud client of the JBDC, Sharpe noted "The journey with JBDC has been a wonderful one and I cannot speak any more highly of this amazing collaboration because they have truly been rock-solid."

Joni-Dale Morgan shared similar stories of being able to pursue success during the heights of a pandemic. The owner of the luxury skincare products brand, Morgan's Creek noted that during this difficult time her company was able to expand from a small corner store at the Sovereign Centre to one that is now 3 times the previous space. She also noted that the company not only physically expanded but has also been able to exceed the target of 15 million dollars per year.

Morgan recounted her fond and challenging experiences with the JBDC and said "I remember when JBDC was pushing me to simply buying and selling, they the importance of understanding encouraging me to begin retailing initially resistant I can gladly say Fontana, the airport and Couples



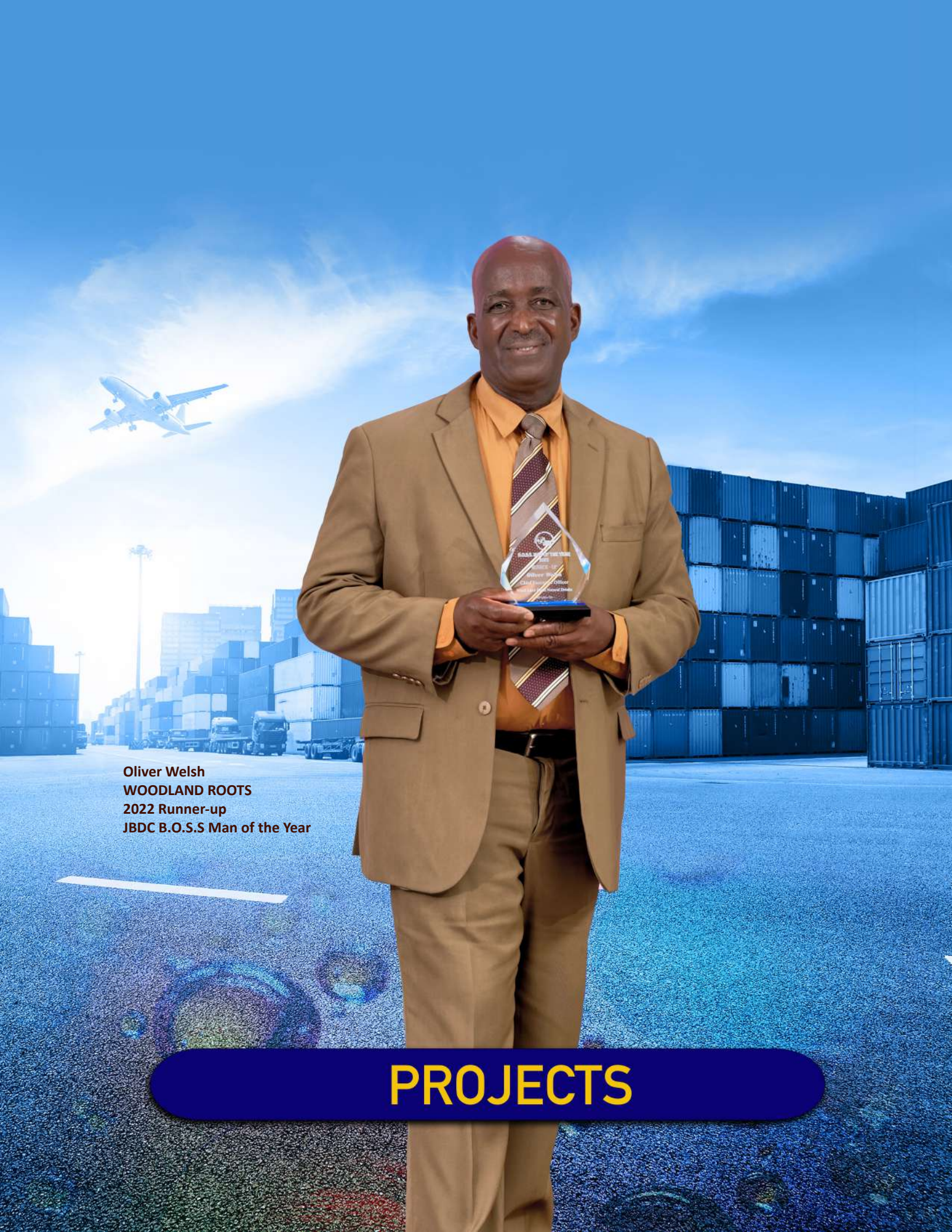
Both Sharpe and Morgan are JBDC's Accelerator Programme, intervention targeting growth Programme, now in Cohort 4, average annual sales growth rate by early-stage entrepreneurs, financing, as well as firms having links to strategic business partners (angel investors, institutional investors, and fund managers. Sixty (60) entrepreneurs were recently inducted into Cohort 4 which is jointly funded by the Development Bank of Jamaica (DBJ) and JBDC at a cost of J\$60 million.

Cohort 3 graduates of the which is a six-month intensive stage entrepreneurs. The aims to produce results such as of 10% or more, jobs created firms receiving early-stage

The JBDC is invested in the growth of the Micro Small and Medium-sized Enterprise sector (MSME). Deputy Chief Executive Officer of the JBDC, Mr. Harold Davis noted "We recognise that the pandemic has disrupted the way business is done, we at JBDC still believe 'business is good', however it cannot be business as usual. The JBDC will continue to support the sector and see to the significant growth of our local entrepreneurs."



Joni-Dale Morgan, Managing Director of Morgan's Creek, tells her story at Breakfast with the CEO.



Oliver Welsh
WOODLAND ROOTS
2022 Runner-up
JBDC B.O.S.S Man 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 skillset 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 highlights occurred during the reporting period:

- The second mission trip for the cluster facilitator was completed during March 2023.
- All nine (9) equipment have been procured for the agro-processing incubator and seven (7) have been installed. Ongoing renovation works on the incubator at the JBDC IRC location continued throughout the reporting period.
- The Sensitisation Workshops were completed with potential cluster members. The sessions were led by the Cluster Facilitator.



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 is a J\$50 million investment which 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.

Officially opened in December 2022, the Essential Oils Incubator provides shared incubator space to new and existing agro-processors who want to bring their own materials for processing. Some of these products include ginger, turmeric, lemon grass and pimento. The incubator houses the appropriate technology for the extraction of essential oils using steam distillation and mechanical press. The 2,400-square-foot facility is equipped with:

- Washing facilities for raw material;
- Equipment to chop and size raw material;
- Steam distillation units of varying capacities – five-litre, 18-litre, and 500-litre; with the 18-litre distillation unit also capable of doing hydrodistillation;
- A peristaltic filler;
- Laboratory that is equipped to do some of the standard tests required for oils being extracted.



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).

The following highlights occurred during the reporting period:

- A total of 98 farmers and fisherfolks were trained in business skills training by JBDC and partners
- 45 MSMEs participated in the face-to-face format
- 53 MSMEs participated in the virtual format
- Over 55% of participants were female
- The project was successfully completed and closed-out



GROW CASTOR BEAN PROJECT

The JBDC was approached by the Inter-American Development Bank 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 following highlights occurred during the reporting period:

- Five training sessions were hosted virtually over the period March – April 2022. A total of sixty-six (66) persons were targeted to participate in the training sessions. Thirty-one (31) persons attended the virtual training sessions.
- For the reporting period, Face-to-Face training sessions were executed on August 10th, 11th & 17th in Mandeville, Manchester. From over 200 applicants, post shortlisting, a total of 52 applicants completed the face-to-face training.
- The project was successfully completed and closed-out.



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

The Inter-governmental 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.

The following highlights occurred during the reporting period:

- A series of stakeholder consultations was held in Kingston and Montego Bay in November 2022. These were very insightful and demonstrated a strong interest by CCI practitioners especially those in Western Jamaican, who affirmed that there is a need for engagement outside of Kingston.
- A JIS Think Tank was conducted as part of the awareness building plan and resulted in significant media coverage with radio interviews and articles both online and in traditional media via the Gleaner and Observer.



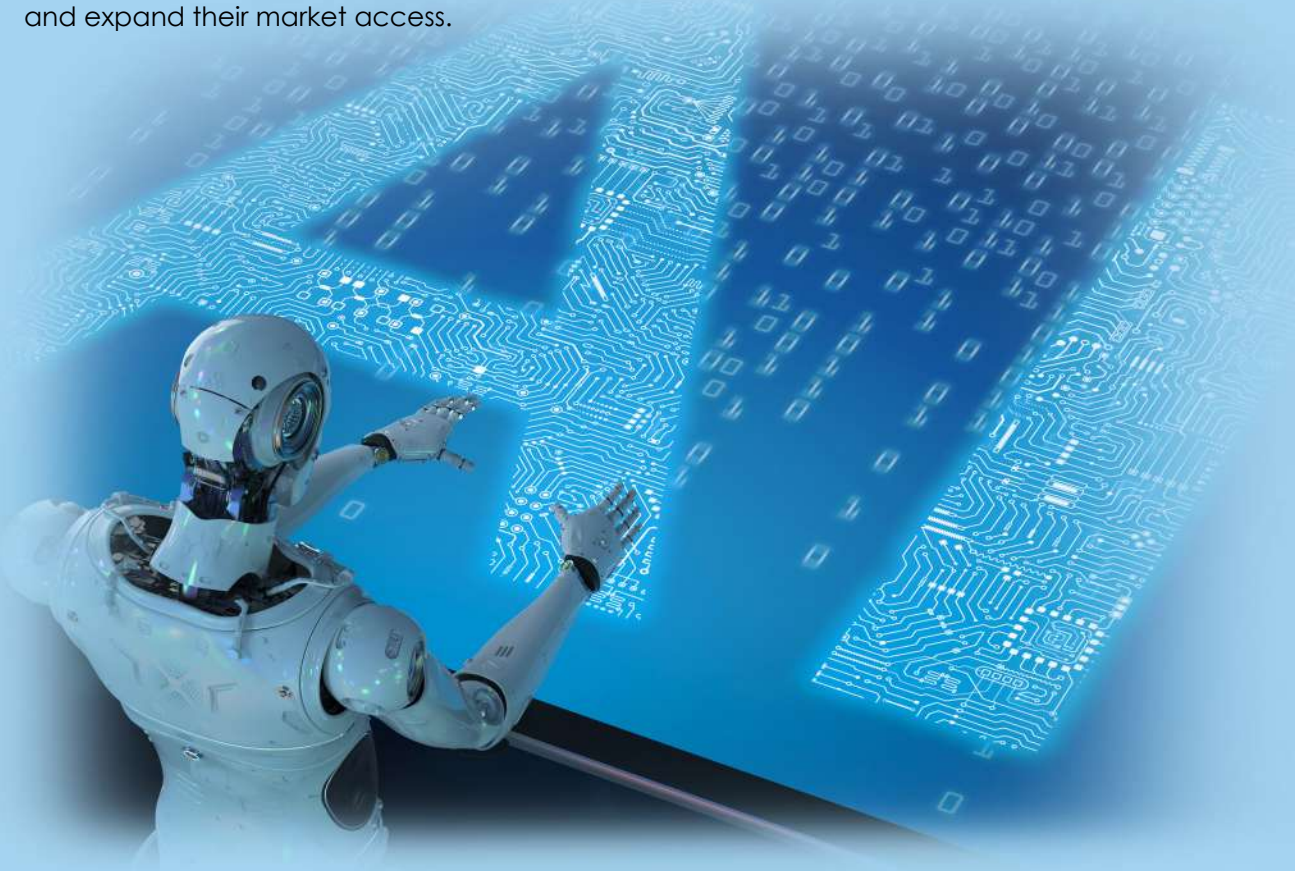
ACCELERATING MSMEs GROWTH THROUGH INNOVATION & TECHNOLOGY

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-pace 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.



IACP-EU UNDP DEVELOPMENT MINERALS PROGRAMME

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

The following highlights occurred during the reporting period:

- The budget and log frame for the project were established during the period
- The training is expected to commence during between April and June 2023

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 following highlights occurred during the reporting period:

- The proposal received approval from JSIF's Social Review Committee. The next steps include the engagement of a consultant to design and cost the project so it can be advanced through the project cycle for approval at the various committees.

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

The Jamaica Business Development Corporation (JBDC) was approached by the Ministry of Industry, Investment & 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 Measures 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.

The following highlights occurred during the reporting period:

- The Kingston leg of the workshop was held on March 27-28, 2023 and will be also be held on April 3, 2023. MSMEs from approximately forty (40) businesses have attended the workshop so far and the reception has been generally positive.
- Further discussions will be held regarding the finalised dates for the upcoming regions.

SPECIAL FEATURE

RESEARCHING THE CASE FOR SPACE IN THE COSMECEUTICAL INDUSTRY

Consistent with the focus on industry development, the Jamaica Business Development Corporation (JBDC) conducted research to substantiate its proposal for production space for the local cosmeceutical industry. If successful, the cosmeceuticals incubator would become the agency's newest at its Incubator & Resource Centre (IRC).

Currently, the agency's incubator spaces include: craft, fashion, and essential oils. The food incubator is currently being transformed into an agro-processing incubator.

During the 2022-2023 period, the JBDC began discussions around funding for the initiative which is to be data-driven. The survey covered the areas of entrepreneurial intention; productive capability and capacity; general productive inquiry; market-related questions; raw material resource availability; financial resources; and, the productive ecosystem. The following are some key findings from the survey:

- 77% of the 101 respondents indicated that they are currently involved in the cosmeceutical industry. Of that 77%, approximately 70% have been a part of the industry for less than 5 years.
- On average, 82% of owners indicated some form of involvement in the sector as either a creator, producer of cosmetics, producer of cosmeceuticals, trader of cosmetics, or, a trader of cosmeceuticals.
- Concerning new product ideas, 91% of respondents indicated that they had a new product idea that they would want to take to the market; 3% indicated that they had no new ideas while 6% indicated that they were unsure if their idea was new.
- 57% of manufacturers and producers of products sell their products locally; only 2% export, while 41% of manufacturers/producers trade both locally and overseas. However, in terms of the wholesalers/retailers segment of the sector, 71% trade locally and 29% trade overseas.
- When asked about their ownership of a manufacturing facility, the majority, 61% of participants indicated that they did not own a facility. Furthermore, when asked whether they utilised equipment/technology that is owned by someone outside of the business, 22% of respondents indicated that they did.



- In terms of operations, the most highly ranked area of improvement was water content, viscosity, and vibration testing. A total of 78% of participants rated this as an area for improvement.

Micro-organism screenings for contamination detection were the second leading area of improvement (76%), followed by general micro-organism screenings and inspection (74%). The lowest-ranked area in which operational improvement would be 10 needed was the general inspection of the production process (44%); the penultimate being support related to labelling systems (45%). Though no more than 39% of participants rated any aspect of their production process as being good; labelling systems, as a criterion, were the highest rated in terms of excellence. While no more than 22% rated any single operational criterion as being excellent, quality control was the highest rated in terms of perceived operational excellence.

Given the foregoing findings, and with the JBDC's unique placement within the productive ecosystem as a 360- degree business support entity, its establishment of an incubator facility would be poised to bolster the economic impact of this industry. As a provider of operational, technical, advisory and general business support services; the findings have demonstrated that the establishment of a Cosmeceutical incubator would support productivity and general capacity building.

With access to the Cosmeceutical Incubator facility and the other full range of support services, enterprises would be poised for growth as barriers to entry and growth would be further diminished. This is supplemented by the fact that the major forms of support needed by the participants, apart from finance, included the availability of equipment and expert advice which would form a core part of the operations of the facility.





INTERNAL CAPACITY BUILDING

INSTITUTIONAL DEVELOPMENT

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 highlights occurred during the reporting period:

- JBDC received the official ISO certificate
- Internal audits were completed during the period to facilitate continuous improvement of JBDC's systems and processes.

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:

- Course one has been completed by the consultancy, and is undergoing review from the JBDC team.
- Discussions on the structure and format of course two started and are ongoing with the consultant.
- The proposal received approval from JSIF's Social Review Committee. The next steps include the engagement of a consultant to design and cost the project so it can be advanced through the project cycle for approval at the various committees.

NEW COMPANY WEBSITE

Entrepreneurs can now register directly to become a client of the Jamaica Business Development Corporation (JBDC) by logging into the agency's newly designed website at www.jbdc.net. The move forms part of the JBDC's digital transformation thrust which has heightened since the Covid-19 pandemic. The new website went live on August 17, 2022.

With the new website, the agency has optimised its efficiency in client management through the implementation of new software to assist with the onboarding process. The staff members were trained and have been using it for a while with clients. Now the agency has broadened access to the wider Micro, Small & Medium-sized Enterprise (MSME) ecosystem, so they can engage with JBDC in a more convenient and efficient manner, as opposed to calling, emailing, walking in, and so on.

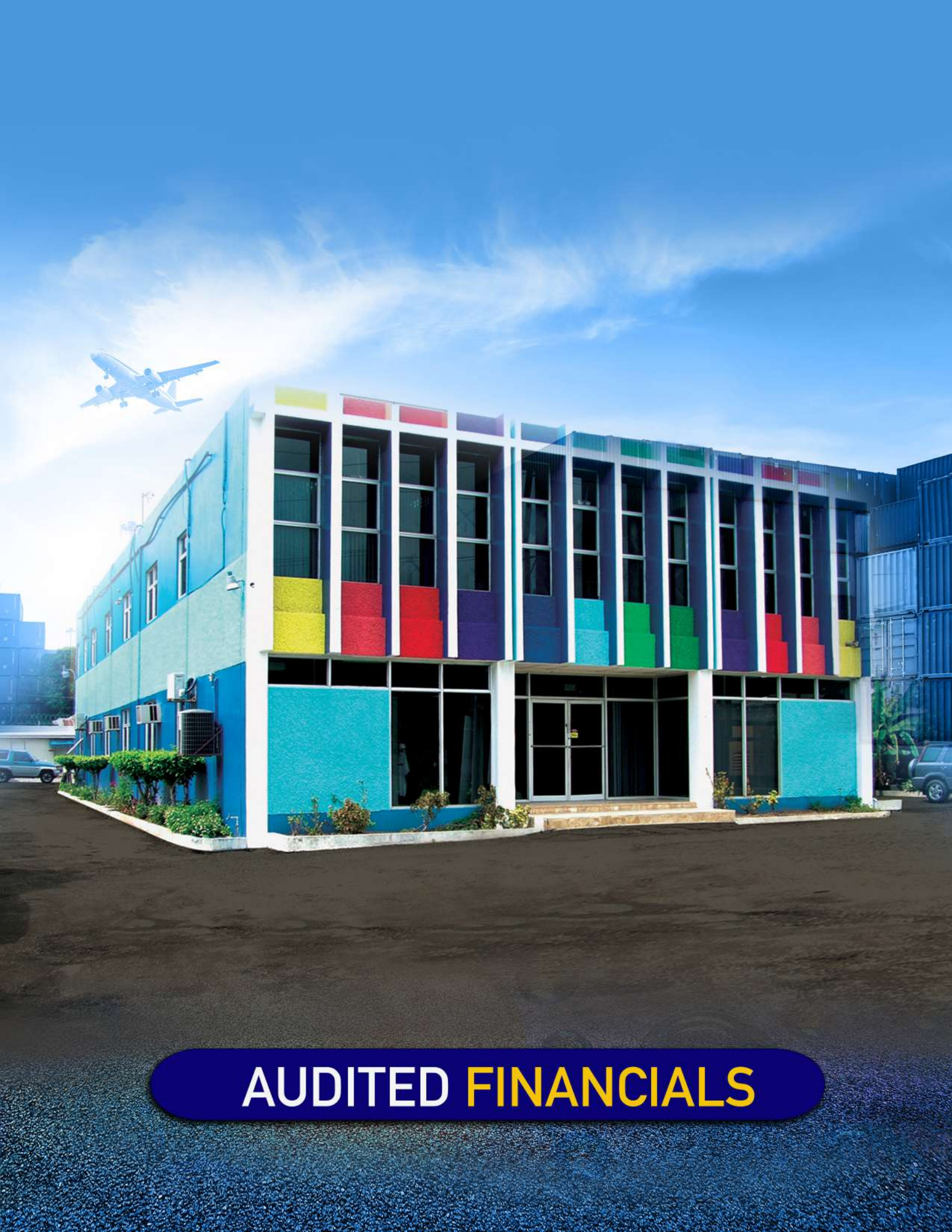
The online interface allows clients to create a profile which includes identifying their specific needs. They are then contacted by a JBDC team member who further routes them through the agency's incubation system. Clients also have the opportunity to update their demographics as it becomes necessary.

HUMAN CAPITAL DEVELOPMENT

Orange HRM

Orange HRM is a human resource management software that will help the organisation manage employee data. Orange HRM's leave module was introduced to the employees in January 2022 to improve the organisation's leave calculation system. This will assist employees to use the software to manage their leave and refrain from using paper. The organisation also adopted the performance management tool, which will be implemented as a means of tracking employees' performance against their respective targets each fiscal year. This will enhance the organisation's overall performance as it relates to the achievement of its strategic imperatives, from which individual and departmental targets will cascade.





AUDITED FINANCIALS

JAMAICA BUSINESS DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

31 MARCH 2023

JAMAICA BUSINESS DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

31 MARCH 2023

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 Kingston 5, Jamaica

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INDEPENDENT AUDITORS' REPORT

To the Members of
 Jamaica Business Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Business Development Corporation set out on pages 4 to 48, which comprise the statement of financial position as at 31 March 2023 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 2023 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 Those Charged with Governance 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.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Partners: S. M. McFarlane, J. Hibbert, D. Hobson, B. Vanriel, K. Heron
 Associate Partner: D. Brown
 Offices in Montego Bay, Mandeville and Ocho Rios

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



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Jamaica Business Development Corporation

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 those charged with governance 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 'BDO', is written over a large, faint, stylized 'BDO' watermark that spans the width of the page.

Chartered Accountants

5 September 2024

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
REVENUE	6	630,103	458,752
Other operating income	7	<u>82,415</u>	<u>42,367</u>
		<u>712,518</u>	<u>501,119</u>
EXPENSES:			
Administrative		(694,341)	(475,890)
Selling		<u>(20,363)</u>	<u>(7,581)</u>
	8	<u>(714,704)</u>	<u>(483,471)</u>
OPERATING (LOSS)/PROFIT		(2,186)	17,648
Finance (costs)/income	10	<u>(8,579)</u>	<u>524</u>
(LOSS)/PROFIT FOR THE YEAR		<u>(10,765)</u>	<u>18,172</u>
OTHER COMPREHENSIVE INCOME:			
Items that will not be reclassified to profit or loss -			
Loss on defined benefit plan	13	(75,983)	(31,427)
Revaluation of property		<u>81,620</u>	<u>-</u>
		<u>5,637</u>	<u>(31,427)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(5,128)</u>	<u>(13,255)</u>


JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FINANCIAL POSITION

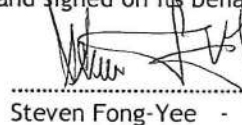
31 MARCH 2023

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	11	399,115	315,665
Intangible assets	12	701	865
Retirement benefit assets	13	153,942	230,899
Rights-of-use asset	14(a)	<u>5,904</u>	<u>8,856</u>
		<u>559,662</u>	<u>556,285</u>
CURRENT ASSETS:			
Inventories	16	2,667	2,654
Receivables	17	39,095	31,238
Taxation recoverable		11,720	10,955
Cash and cash equivalents	18	<u>227,129</u>	<u>120,628</u>
		<u>280,611</u>	<u>165,475</u>
		<u>840,273</u>	<u>721,760</u>
EQUITY AND LIABILITIES			
EQUITY:			
Share capital	19	1	1
Capital reserve	20	436,771	340,931
Retained earnings		<u>(11,799)</u>	<u>74,949</u>
		<u>424,973</u>	<u>415,881</u>
NON-CURRENT LIABILITIES:			
Loans	21	68,752	89,090
Long term - deferred income	22	729	762
Lease liability	14(b)	<u>4,349</u>	<u>6,207</u>
		<u>73,830</u>	<u>96,059</u>
CURRENT LIABILITIES:			
Payables	23	259,640	104,466
Project liabilities	24	32,550	79,894
Current portion - deferred income	22	33	33
Current portion of loans	21	24,457	921
Current portion of lease liability	14(b)	2,933	2,649
Taxation		<u>21,857</u>	<u>21,857</u>
		<u>341,470</u>	<u>209,820</u>
		<u>840,273</u>	<u>721,760</u>

Approved for issue by Board of Directors on 5 September 2024 and signed on its behalf by:



 Stephanie Sterling - Chairman



 Steven Fong-Yee - Deputy Chairman

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2023

	<u>Share Capital \$'000</u>	<u>Capital Reserve \$'000</u>	<u>Retained Earnings \$'000</u>	<u>Total \$'000</u>
BALANCE AT 31 MARCH 2021 (Restated)	<u>1</u>	<u>340,931</u>	<u>88,204</u>	<u>429,136</u>
TOTAL COMPREHENSIVE INCOME				
Net profit	-	-	18,172	18,172
Other comprehensive loss	-	-	(31,427)	(31,427)
	-	-	(13,255)	(13,255)
BALANCE AT 31 MARCH 2022	<u>1</u>	<u>340,931</u>	<u>74,949</u>	<u>415,881</u>
TOTAL COMPREHENSIVE INCOME				
Net loss	-	-	(10,765)	(10,765)
Other comprehensive	-	95,840	(75,983)	19,857
	-	95,840	(86,748)	9,092
BALANCE AT 31 MARCH 2023	<u>1</u>	<u>436,771</u>	<u>(11,799)</u>	<u>424,973</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net (loss)/profit		(10,765)	18,172
Depreciation	11 & 12	17,095	15,919
Amortisation	14	2,952	771
Loss/(gain) on foreign exchange		299	(1,461)
Deferred income		(33)	(33)
Employee benefit		(75,983)	(31,427)
Interest income	7	(3,664)	(1,613)
Interest expense	10	7,352	(1,311)
Right-of-use asset written off		-	868
Gain on disposal of property, plant and equipment		(21)	-
Adjustment to property, plant and equipment	11	41	-
		(62,727)	(115)
Changes in operating assets and liabilities:			
Receivables		(7,857)	352
Inventories		(13)	707
Taxation recoverable		(765)	(407)
Project liabilities		(47,344)	41,479
Payables		155,174	(1,727)
Retirement benefit assets		76,957	30,019
Cash provided by operating activities		113,425	70,308
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	11	(3,958)	(6,540)
Purchase of intangible assets	12	(643)	(385)
Proceeds from sale of property, plant and equipment		40	-
Short term investments		-	-
Interest received		3,664	1,613
Cash used in investing activities		(897)	(5,312)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loan repaid		(2,259)	(1,128)
Proceeds from long-term debt		5,457	-
Interest paid		(7,352)	200
Payments on lease liability		(1,574)	(2,703)
Cash used in financing activities		(5,728)	(3,631)
INCREASE IN CASH AND CASH EQUIVALENTS		106,800	61,365
Exchange effect on foreign cash balances		(299)	1,461
Cash and cash equivalents at beginning of year		120,628	57,802
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	227,129	120,628

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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.

(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.

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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

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 2021, the IASB published an additional amendment to extend the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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.

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

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

Amendments to 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.

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.

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 2023

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. 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 2023

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 2023

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

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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

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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 2023

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

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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

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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

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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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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 2023

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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

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

(i) Fair value estimation (cont'd)

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

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

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

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

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

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

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

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

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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

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

(ii) Depreciable assets

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

(iii) 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

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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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(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

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

Financial assets

	<u>At amortised cost</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Cash and cash equivalents	227,129	120,628
Receivables	<u>14,663</u>	<u>4,219</u>
Total financial assets	<u>241,792</u>	<u>124,847</u>

Financial liabilities

	<u>At amortised cost</u>	
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
Lease liability	7,282	8,856
Loans	93,209	90,011
Payables	<u>83,576</u>	<u>16,423</u>
Total financial liabilities	<u>184,067</u>	<u>115,290</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.

JAMAICA BUSINESS DEVELOPMENT CORPORATION

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

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.

(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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Cash and cash equivalents	<u>11,200</u>	<u>8,311</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Currency risk (cont'd)

Foreign currency sensitivity

The following table indicates the sensitivity of (loss)/profit before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and cash equivalents and trade payables, and adjust their translation at the year-end for 4% (2022 - 8%) depreciation and a 1% (2022 - 2%) appreciation of the Jamaican dollar against the US dollar.

	Change in currency Rate <u>2023</u>	Effect on loss before tax 31 March <u>2023</u> \$'000	% Change in currency Rate <u>2022</u>	Effect on profit before tax 31 March <u>2022</u> \$'000
Currency:				
USD	-4	448	-8	665
USD	<u>+1</u>	<u>(112)</u>	<u>+2</u>	<u>(166)</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 2023

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 2023

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 2023 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>Gross Carrying Amount \$'000</u>	<u>2023</u>	
		<u>Default Rate</u> %	<u>Lifetime ECL Allowance \$'000</u>
0 to 30 days	8,513	1.91	163
31 to 60 days	851	.27	2
61 to 90 days	382	.56	2
Over 90 days	<u>5,460</u>	6.89	<u>376</u>
	<u>15,206</u>		<u>543</u>

<u>Aging</u>	<u>Gross Carrying Amount \$'000</u>	<u>2022</u>	
		<u>Default Rate</u> %	<u>Lifetime ECL Allowance \$'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>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
At 1 April	888	1,998
Provision for impairment	(345)	(1,110)
	<u>543</u>	<u>888</u>
Exposure to credit risk for loans receivable:		
	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Agriculture	6,179	6,171
Agro-processing	1,692	1,691
Manufacturing	25,111	25,901
Service	<u>13,130</u>	<u>13,145</u>
	46,112	46,908
Less: provisions for impairment	<u>(46,112)</u>	<u>(46,908)</u>
	<u>-</u>	<u>-</u>

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

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Impaired	46,112	46,908
Less: Provision for impairment	(46,112)	(46,908)
	<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 2023

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:

	<u>Within 1 Year \$'000</u>	<u>1 to 2 Years \$'000</u>	<u>3 to 5 Years \$'000</u>	<u>Over 5 Years \$'000</u>	<u>Total \$'000</u>
31 March 2023					
Payables	83,576	-	-	-	83,576
Loans	<u>24,457</u>	<u>-</u>	<u>-</u>	<u>68,752</u>	<u>93,209</u>
Total financial liabilities (contractual maturity dates)	<u>108,033</u>	<u>-</u>	<u>-</u>	<u>68,752</u>	<u>176,785</u>
31 March 2022					
Payables	16,423	-	-	-	16,423
Loans	<u>30,720</u>	<u>-</u>	<u>-</u>	<u>63,295</u>	<u>94,015</u>
Total financial liabilities (contractual maturity dates)	<u>47,143</u>	<u>-</u>	<u>-</u>	<u>63,295</u>	<u>110,438</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Fixed assets reserve	33	33
Gross profit - shops	21,725	12,332
Service income	56,918	28,461
Interest income	3,664	1,613
Miscellaneous income	54	(72)
Gain on disposal of property, plant and equipment	<u>21</u>	<u>-</u>
	<u>82,415</u>	<u>42,367</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

8. EXPENSES BY NATURE:

Total selling and administrative expenses -

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Staff costs (note 9)	547,812	370,335
Repairs and maintenance	12,757	2,795
Legal and professional fees	15,911	8,650
Auditors' remuneration	2,500	1,800
Exhibition of seminars	12,946	2,517
Insurance	2,147	2,493
Cleaning and sanitation	1,054	1,083
Occupancy costs	18,157	12,182
Security	7,884	7,451
Advertising and promotion	8,559	6,315
Utilities and telecommunication	31,136	27,497
Bad debts recovered	(1,142)	(1,251)
Depreciation and amortisation	17,095	15,919
Amortisation	2,952	771
Travelling	2,468	665
Stationery and office supplies	13,266	8,301
Director fees	314	555
Computer software maintenance	10,303	5,926
Other expenses	<u>8,585</u>	<u>9,467</u>
	<u>714,704</u>	<u>483,471</u>

9. STAFF COSTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Salaries, commissions and related costs	463,909	308,571
Payroll taxes - employer's portion	32,710	21,382
Pension cost	13,231	8,679
Other	<u>37,962</u>	<u>31,703</u>
	<u>547,812</u>	<u>370,335</u>

10. FINANCE COSTS/(INCOME):

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Bank charges	1,227	787
Interest expense	<u>7,352</u>	<u>(1,311)</u>
	<u>8,579</u>	<u>(524)</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

11. PROPERTY, PLANT AND EQUIPMENT:

	Land and Building \$'000	Leasehold Improvement \$'000	Furniture, Fixtures & Equipment \$'000	Motor Vehicles \$'000	Total \$'000
At cost/valuation -					
1 April 2021	332,080	20,200	65,617	13,527	431,424
Additions	-	-	6,539	-	6,539
31 March 2022	332,080	20,200	72,156	13,527	437,963
Additions	-	-	3,958	-	3,958
Revaluation	81,620	-	-	-	81,620
Disposals	-	-	(1,261)	-	(1,261)
31 March 2023	413,700	20,200	74,853	13,527	522,280
Depreciation -					
1 April 2021	23,388	20,200	50,725	13,236	107,549
Charge for the year	8,002	-	6,457	290	14,749
31 March 2022	31,390	20,200	57,182	13,526	122,298
Charge for the year	10,042	-	6,246	-	16,288
Adjustment	-	-	41	-	41
Elimination on revaluation	(14,220)	-	-	-	(14,220)
Disposal	-	-	(1,242)	-	(1,242)
31 March 2023	27,212	20,200	62,227	13,526	123,165
Net book value -					
31 March 2023	386,488	-	12,626	1	399,115
31 March 2022	300,690	-	14,974	1	315,665

The corporation's freehold land and buildings at located at 12 and 14 Camp Road, Kingston 4 were appraised on 1 February 2019 and 1 April 2022 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 2023

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

The corporation's freehold land and buildings were appraised on 1 February 2019 and 1 April 2022, 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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Opening balance (level 3 recurring fair values)	332,080	332,080
Gain included in other comprehensive income - Gain on property valuation	<u>81,620</u>	<u>-</u>
Closing balance(level 3 recurring fair values)	<u>413,700</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 2021	6,767	6,767
Additions	<u>385</u>	<u>385</u>
31 March 2022	7,152	7,152
Additions	<u>643</u>	<u>643</u>
31 March 2023	<u>7,795</u>	<u>7,795</u>
Depreciation -		
1 April 2021	5,117	5,117
Charge for the year	<u>1,170</u>	<u>1,170</u>
31 March 2022	6,287	6,287
Charge for the year	<u>807</u>	<u>807</u>
31 March 2023	<u>7,094</u>	<u>7,094</u>
Net book value -		
31 March 2023	<u>701</u>	<u>701</u>
31 March 2022	<u>865</u>	<u>865</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

13. POST-EMPLOYMENT BENEFIT ASSETS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
The amounts recognized in the statement of financial position	<u>153,942</u>	<u>230,899</u>
Amount recognized in the profit or loss (note 9)	<u>13,231</u>	<u>8,679</u>
Amount recognized in other comprehensive income	<u>75,983</u>	<u>31,427</u>
The amounts recognized in the statement of financial position are determined as follows:		
Present value of funded obligations	(489,326)	(663,745)
Fair value of plan assets	875,633	894,644
Limitation of asset due to uncertainty of obtaining Economic benefit in the plan	<u>(232,365)</u>	<u>-</u>
Assets in the statement of financial position	<u>153,942</u>	<u>230,899</u>

The corporation participates in a defined benefit plan, which is open to all permanent employees and administered for Jamaica Business Development Corporation by Sagcor 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 2023.

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	665,919	582,373
Current service cost	32,988	31,974
Interest cost	<u>52,703</u>	<u>48,715</u>
	751,610	663,062
Re-measurements -		
(Gains)/losses from change in financial assumptions	(371,641)	69,248
Experience losses/(gains)	<u>101,157</u>	<u>(66,391)</u>
Balance carried forward	<u>481,126</u>	<u>665,919</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance brought forward	481,126	665,919
Members' contributions	20,488	16,719
Benefits paid	(10,114)	(24,535)
Purchased annuities	<u>-</u>	<u>5,642</u>
Balance at the end of the year	<u>491,500</u>	<u>663,745</u>

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	894,644	843,291
Interest income	72,460	72,010
Re - measurements -		
Return on plan assets, excluding amounts included in interest income	(114,116)	(28,578)
Members' contributions	20,488	16,719
Employer's contributions	12,271	10,095
Benefits paid	(10,114)	(24,535)
Purchased annuities	<u>-</u>	<u>5,642</u>
Balance at end of year	<u>875,633</u>	<u>894,644</u>

The movement on the asset ceiling for current year is as follows (prior year -nil):

	<u>2023</u> <u>\$'000</u>
Change in asset ceiling excluding amounts included in interest expense	<u>232,365</u>
	<u>232,365</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

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

The amounts recognized in profit or loss are as follows:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Current service cost	32,988	31,974
Interest cost	52,703	48,715
Interest income on plan assets	(72,460)	(72,010)
Total included in staff costs	<u>13,231</u>	<u>8,679</u>

The distribution of the plan assets was as follows:

	<u>2023</u> <u>\$'000</u>	<u>2023</u> <u>%</u>	<u>2022</u> <u>\$'000</u>	<u>2022</u> <u>%</u>
Pooled investment funds -				
Equity Fund	240,984	28	246,699	28
International Equity Fund	79,850	9	88,929	10
Mortgage and Real Estate Fund	106,554	12	87,939	10
Fixed Income Fund	160,626	18	153,328	17
Global Market Funds	15,773	2	39,971	4
Money Market Fund	6,309	1	16,655	2
CPI-Indexed	133,123	15	117,561	13
Purchased Annuities	29,549	3	41,585	5
Foreign currency Fund	95,510	11	99,750	11
Adjustment	<u>7,355</u>	<u>1</u>	<u>2,227</u>	<u>-</u>
Balance at end of year	<u>875,633</u>	<u>100</u>	<u>894,644</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 \$44,582,000 (2022 - \$27,018,000). The actual return on the plan assets was -\$30,222,000 (2022 -\$54,850,000).

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

POST-EMPLOYMENT BENEFIT ASSETS (CONT'D):

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Assets at beginning of year	230,899	260,918
Amounts recognized in the income statement (Note 10)	(13,231)	(8,679)
Re - measurements recognized in OCI	(75,997)	(31,435)
Contributions paid	<u>12,271</u>	<u>10,095</u>
Assets at end of year	<u>153,942</u>	<u>230,899</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>2023</u>	<u>2022</u>
Discount rate	13.0%	8.0%
Inflation rate	5.5%	5.0%
Future salary increases	7.0%	5.5%
Future pension increases	<u>5.0%</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 2023

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%	(62,992)	81,582
Future salary increase	1%	39,991	(34,858)
Expected pension increase	1%	37,431	(32,192)
Life expectancy	1 year	4,717	(4,892)

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 2023

14. RIGHT-OF-USE-ASSET:

(a) Right of use asset:

	Land and Building \$	Total \$
At cost -		
At 31 March 2021	6,361	6,361
Addition	8,856	8,856
Disposal	(868)	(868)
31 March 2022 and 31 March 2023	<u>14,349</u>	<u>14,349</u>
Amortisation		
31 March 2021	4,722	4,722
Charge for the year	<u>771</u>	<u>771</u>
31 March 2022	5,493	5,493
Charge for the year	<u>2,952</u>	<u>2,952</u>
31 March 2023	<u>8,445</u>	<u>8,445</u>
Net book value -		
31 March 2023	<u>5,904</u>	<u>5,904</u>
31 March 2022	<u>8,856</u>	<u>8,856</u>

(b) Lease liability

	Land and Building \$	Total \$
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	<u>(2,649)</u>	<u>(2,649)</u>
	<u>6,207</u>	<u>6,207</u>
At 1 April 2022	8,856	8,856
Lease Payments	<u>(1,574)</u>	<u>(1,574)</u>
At 31 March 2023	7,282	7,282
Less: current portion	<u>(2,933)</u>	<u>(2,933)</u>
	<u>4,349</u>	<u>4,349</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

15. LOANS RECEIVABLES:

(a) Loans and advances are comprised of:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Gross loans and advances	46,112	46,908
Provisions for loans and losses	(46,112)	(46,908)
	<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:

	2 0 2 3		2 0 2 2	
	<u>Gross</u>	<u>Impairment</u>	<u>Gross</u>	<u>Impairment</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
3 months and over past due	<u>46,112</u>	<u>46,112</u>	<u>46,908</u>	<u>46,908</u>
	<u>46,112</u>	<u>46,112</u>	<u>46,908</u>	<u>46,908</u>

(c) Specific allowances for loan losses:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	46,908	47,050
Recovered during the year	(796)	(142)
Balance at the end of the year	<u>46,112</u>	<u>46,908</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

16. INVENTORIES:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Inventory	4,024	3,652
Less: provision for slow moving	(1,357)	(998)
	<u>2,667</u>	<u>2,654</u>

17. RECEIVABLES:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Trade receivables (net)	14,663	4,219
Prepayments	5,350	5,002
GCT	11,958	19,508
Sundry receivables	<u>7,124</u>	<u>2,509</u>
	<u>39,095</u>	<u>31,238</u>

Trade receivables are stated net of expected credit losses of \$543 (2022 - \$889).

18. CASH AND CASH EQUIVALENTS:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Deposits and short term investments	56,992	63,952
Local current accounts	158,776	48,227
Foreign currency current accounts	11,200	8,311
Petty cash	<u>161</u>	<u>138</u>
	<u>227,129</u>	<u>120,628</u>

Interest rate exposure -

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

	<u>2023</u> <u>%</u>	<u>2022</u> <u>%</u>
Cash at bank - J\$ account	0.15	0.35
- US\$ account	0.10	0.10
Deposits - J\$	-	2.20
- US\$	<u>1.39</u>	<u>1.25</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

19. SHARE CAPITAL:

	<u>2023</u> <u>\$'000</u>	<u>2022</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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
CGM Gallagher insurance Brokers (i)	-	921
Development of Bank of Jamaica Limited (ii)	14,457	15,794
Micro Investment Development Agency (iii)	10,000	10,000
Ministry of Finance (iv)	<u>68,752</u>	<u>63,296</u>
	93,209	90,011
Less: current portion	<u>(24,457)</u>	<u>(921)</u>
	<u>68,752</u>	<u>89,090</u>

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

(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 2023

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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Balance at beginning of year	795	828
Amortisation charge (Note 7)	(33)	(33)
	<u>762</u>	<u>795</u>
Current portion	33	33
Long term portion	<u>729</u>	<u>762</u>
	<u>762</u>	<u>795</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 2023

23. PAYABLES:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Trade payables	18,743	14,815
GCT withheld payable	21,851	22,172
Other payables	131,705	5,382
Accruals	<u>87,341</u>	<u>62,097</u>
	<u>259,640</u>	<u>104,466</u>

24. PROJECT LIABILITIES:

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Development Bank of Jamaica/MSME Development Fund	-	2,662
Income Cluster	-	181
Miscellaneous	32,550	76,557
Tourism Enhancement Fund	<u>-</u>	<u>494</u>
	<u>32,550</u>	<u>79,894</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>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
<u>Transactions during the year</u>		
Key management compensation -		
Key management includes executive management		
Salaries and other short-term employee benefits	37,464	22,667
Payroll taxes - employer's portion	805	432
Pension contribution	<u>437</u>	<u>427</u>
	<u>38,706</u>	<u>23,526</u>
Directors' emoluments -		
Directors fees	314	-
Management remuneration (included in salaries above)	<u>-</u>	<u>12,206</u>

JAMAICA BUSINESS DEVELOPMENT CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2023

26. LEASE COMMITMENTS:

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

	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Within 1 year	3,440	3,222
Subsequent years (2-5)	<u>3,681</u>	<u>7,122</u>
	<u>7,121</u>	<u>10,344</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 has seen some recovery in its operations namely shop sales and income from services provided to clients.

DIRECTORS COMPENSATION 2022 – 2023

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			
Stephanie Sterling Chairman	60,000.00	-	-	-	60,000.00
Venice Williams	30,000.00	-	-	-	30,000.00
Andria Whyte - Walters	20,000.00	-	-	-	20,000.00
Yvonne Davis	20,000.00	-	-	-	20,000.00
Steven Fong-Yee	106,000.00	-	-	-	106,000.00
Oral Shaw	20,000.00	-	-	-	20,000.00
Hugh Johnson	36,000.00	-	-	-	36,000.00
Bernard Henry	36,000.00	-	-	-	36,000.00
Danielle Terrelonge	30,000.00	-	-	-	30,000.00
Adonia Chin	60,000.00	-	-	-	60,000.00

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 2022 – 2023

Position of Senior Executive		Salary	Gratuity	Pension	Other Allowances	Non-Cash Benefits	Total
	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
				Other Retirement Benefits	Temporary Allowance		
Chief Executive Officer-Valerie Veira	2022-2023	12,035,125	9,909,356	-	1,488,537		23,433,018
Deputy CEO – Harold Davis	2022-2023	8,730,526		436,527	2,521,174		11,688,777
Finance Manager - Michele Cowan	2022-2023	7,165,549		358,277	1,907,809		9,431,635
Director, Incubator & Resource Centre - David Harrison	2022-2023	7,165,549	3,732,057	-	1,591,879		12,489,485
Mgr-Business Advisory Serv - Melissa Barrett	2022-2023	7,165,549	-	261,156	889,264	-	8,315,969

Position of Senior Executive		Salary	Gratuity or Performance Incentive	Pension	Other Allowances	Non-Cash Benefits	Total
	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
				Other Retirement Benefits	Temporary Allowance		
Mgr - Technical Services - Colin Porter	2022-2023	5,881,100		410,441	1,408,753		7,700,294
Mgr - Marketing Services – Janine Fletcher-Taylor	2022-2023	5,881,100		354,265	1,408,753		7,644,118
Mgr - I.T – Neville Grant	2022-2023	5,881,100		208,953	1,300,949		7,391,002
Mgr – Corporate Communications - Suzette Campbell	2022-2023	5,881,100		228,946	1,300,949		7,410,995

SENIOR EXECUTIVE COMPENSATION FOR PERIOD 2022 – 2023 (cont'd)

Position of Senior Executive		Salary	Gratuity or Performance Incentive	Pension	Other Allowances	Non-Cash Benefits	Total
	Year	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
				Other Retirement Benefits	Temporary Allowance		
Mgr – Administration & Facilities – Ann-Marie Brown	2022-2023	5,881,100		291,906	789,326		6,962,332
Mgr – Project Mgmt. & Research – Amanda McKenzie	2022-2023	2,480,806		72,134	353,870		2,906,810
Mgr - Special Projects Shelly-Ann Lawson-Francis	2022-2023	5,737,658		-	829,422		6,567,080
Mgr – Human Resource - Pashique Palmer-Williams	2022-2023	4,452,728		74,140	635,151		5,162,019

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.

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JAMAICA BUSINESS DEVELOPMENT CORPORATION

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