

Jamaica

Means Business

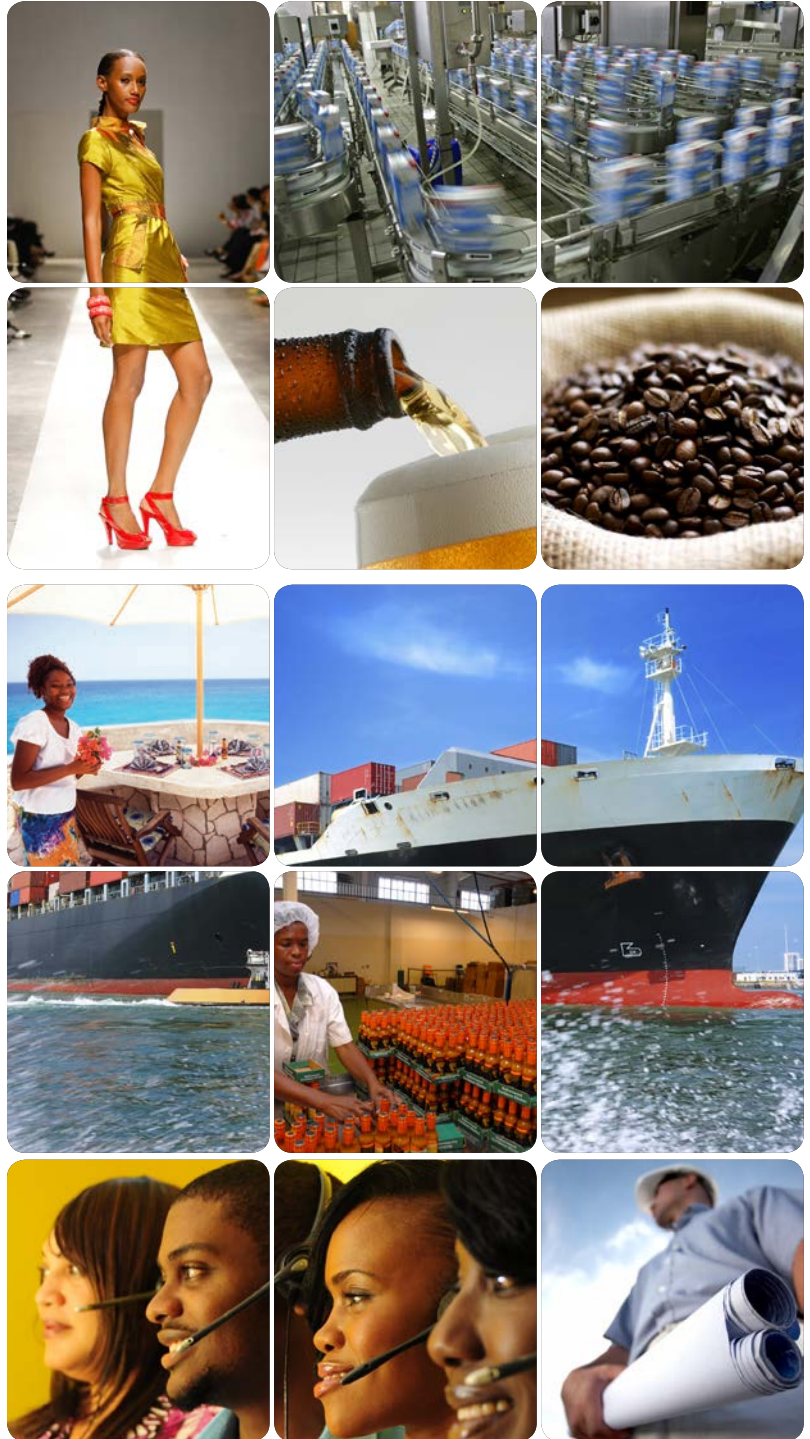
ANNUAL REPORT 2011-2012



JAMPRO
TRADE & INVESTMENT JAMAICA

www.tradeandinvestjamaica.org

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Annual Report 2012



JAMPRO
TRADE & INVESTMENT JAMAICA

BOARD OF DIRECTORS

Person	Position and Period Served		
	April 2011 – Aug. 2011	Sept. 2011 – Feb. 2012	Feb. – Mar. 2012
Gordon “Butch” Stewart	Chairman		
Gassan Azan	Director		
Cleveland Stewart	Director		
Dave Lyn	Director		
Phillip Gore	Deputy Chairman	Chairman	
Christopher Zacca	Director	Deputy Chairman	
Paul Lalor	Director	Director	
Thalia Lyn	Director	Director	
Rodney Davis	Director	Director	
Amb. Stewart Stephenson	Director	Director	
David Douglas	Director	Director	
Mark Myers	Director	Director	
John Byles		Director	
Peter Young		Director	
Paula Kerr-Jarrett		Director	
Brian Jardim		Director	
Milton Samuda			Chairman
Earl Jarrett			Deputy Chairman
Jeffrey Hall		Director	Director
Mark Linehan		Director	Director
Bishop E Don Taylor			Director
Eugene Ffolkes			Director
Keisha Burgher			Director
Marjorie Seeberan			Director
Myrtle Weir			Director
Norman Horne			Director
Reginald Nugent			Director
Steven Whittingham			Director
Amb. Byron Blake			Director
Andrea Moore			Director
Sancia Bennett-Templer	Director	Director	Director

JAMPRO EXECUTIVE MANAGEMENT TEAM

President
 Vice President
 Vice President (Acting)
 Vice President
 Vice President

Sancia Bennett-Templer
 Investment Promotions: Claude Duncan
 Trade & Business Development: Delaine Morgan
 Planning & Corporate Development: Dana Morris Dixon
 Finance, Administration & MIS: Wendy Lyttle

CORPORATE OVERVIEW



In 2011, the contribution of Foreign Direct Investment (FDI) to Jamaica's gross domestic product (GDP) rose marginally from 1.6% in the previous year to 1.8%, despite having fallen by 4% when compared to 2010. During the 2011/12 fiscal year, non-traditional exports grew by US\$76.4 million or 12.8%.



JAMPRO
TRADE & INVESTMENT JAMAICA

Despite these challenges, JAMPRO performed creditably on its key performance indicators (KPIs). The Agency recorded J\$12.05 billion in Capital Expenditure (CAPEX) from investment projects facilitated during the 2011/12 fiscal year. Additionally, 4,836 jobs were created, 51.3% of which represented temporary jobs while the remaining 48.7% represented permanent employment. JAMPRO's clients recorded J\$4.50 billion in export sales, while targeted linkage contracts totalling J\$761 million were secured during the 2011/12 fiscal period.

JAMPRO implemented a number of strategies that served to position Jamaica as the investment destination of choice, as well as a sophisticated export market. Significant effort was placed on diversifying the country's

investment offerings and market opportunities for exporters by streamlining existing strategies and developing new approaches to stimulating investment and trade.

As a result, key initiatives were introduced and implemented, including the ExportMax programme and the continuation of the Meet Jamaica at London 2012 campaign.

Furthermore, the organization achieved major success through the staging of its signature investment event, the Jamaica Investment Forum, which attracted a large cadre of international participants. Work also continued on the implementation of the buyer engagement strategy and recruitment drive for Jamaica's major trade exposition, Expo Jamaica, which will be staged in April 2012.

CHAIRMAN'S MESSAGE



PHILLIP GORE
Chairman

Following three years of global economic recession, the world started to experience a slight resurgence in global economic activity in the 2011/2012 fiscal year, with marginal growth being recorded in both merchandise trade and foreign direct investment (FDI) into developing countries. At JAMPRO, we witnessed this increased interest in investment and trade with respect to Jamaica, which has resulted in minimal growth in investment levels and export in non-traditional areas.

The Agency undertook some bold promotional activities during this period, such as hosting events in New York, Toronto, London and Birmingham, and introducing Jamaican exporters to new markets such as Washington DC and Brussels, Belgium. In some instances, JAMPRO partnered with global institutions such as Bloomberg LLC and Birmingham City Council to host these promotional forums with targeted investors and distributors. This approach has served to refine the quality of the target audiences attending these events, and heighten the chances of success in landing key partnerships in the investment and trade community. These activities have laid the groundwork for new major investments and distributor relationships that we expect will bear significant fruit as the global economy continues to recover.

In looking forward to the next fiscal year, I am excited about some of the plans that are currently in train for major events such as Expo

Jamaica 2012 and Jamaica House in London during 2012 Olympic Games. The potential impact of such events on expanding the message of “Jamaica: Open for Business” is tremendous, and will help to continue the positioning of the country to capitalise on the success and potential of Brand Jamaica.

I want to commend the team led by Mrs. Templer for continued performance in the face of difficult economic realities that the country and the world has faced over the period. I also want to thank them for the continued efforts towards establishing Jamaica as a key player in global investment and trade, and as the new fiscal year progresses, I wish them every success in realising the Agency’s mandate to the benefit of all Jamaicans.

PRESIDENT'S MESSAGE



SANCIA BENNETT TEMPLER
President

With the ongoing international financial crisis, the competition for foreign direct investments (FDI) continued to be fierce during the 2011/2012 period, as countries utilized various strategies to secure a portion of the reduced value of FDI globally. Within this context and with ongoing constrained resources JAMPRO sought to diversify its promotional efforts and to apply a more direct, strategic approach to FDI attraction, utilizing market intelligence to identify prospective investors in specific markets and sectors.

This approach saw returns as JAMPRO-facilitated foreign and local investment recorded J\$12.05bn in capital expenditure (CAPEX). This figure represents an increase of 9.3% over that recorded in the previous year, and was just shy of the target of J\$12.6bn. Importantly, JAMPRO facilitated jobs totalled 4,822 surpassing projections by more than 500 jobs. In addition, significant investor interest was garnered which will be pursued in the coming year and the company also continues to facilitate various prospective investment projects which are expected to commence development as the international financial crisis improves. JAMPRO is cognizant that the recession continues to have an impact on FDI inflows, especially in traditional sectors such as Mining and Tourism that have been dormant during the period; however, the country has been able to continue to leverage the island's nearshore location, with the ICT/Knowledge Services sector contributing 54% of CAPEX, and 50% of the jobs for the year.

The performance of the export sector and JAMPRO assisted linkages contracts performed extremely well during the period. The Corporation registered export sales in the area of non-traditional exports of J\$4.50 billion and linkages contracts totalled J\$326.8mn, nearly tripling the target value set for the period. JAMPRO strengthened its engagement with local exporters, participating in stakeholder consultations and providing technical assistance for the preparation of proposals to donor agencies, in order to support export development.

The execution of a number of key initiatives helped to contribute to JAMPRO's success, and to set the foundation for future work to be carried out by the organization. Most notable among these was the hosting of the signature event, the Jamaica Investment Forum. The Forum received support from the highest levels of government, the donor community, as well as the international and local business collective. JAMPRO takes this opportunity to reiterate its appreciation to the Most Honourable Prime Minister, Mrs. Portia Simpson-Miller for her patronage and support of the event, as well as Compete Caribbean/ Inter-American Development Bank and lead sponsors such as Main Events, JPSCo, PricewaterhouseCoopers, Scotiabank Ja. Ltd., HEART Trust and Columbus Business Solutions for their support of the event. I also take this opportunity to thank all our public and private sector partners, who through sponsorship and/or participation in this and other key events helped the organization to achieve its goals.

The upcoming year promises to be an exciting one as we continue with the Meet Jamaica campaign as part of the activities surrounding the London Olympics. JAMPRO is proud to host this marque event together with the Jamaica Tourist Board as the country, looks forward to a successful Olympics.

I wish to express appreciation to the former Board of Directors who demitted office in February 2012 for their direction, commitment and support during the period and to extend a special welcome to the new Board. Finally, my thanks to the JAMPRO team for their continued hard work and commitment to the organization and to nation building.

Investment Promotions

TOURISM | ICT | MINING & ENERGY | CREATIVE INDUSTRIES | MANUFACTURING | AGRO PROCESSING



JAMPRO continued to contribute creditably to Jamaica's overall investment performance during the 2011-12 fiscal year, as indicated by the value of projects facilitated by the Agency and the number of jobs generated. CAPEX generated by JAMPRO's investment clients totalled some J\$12.05 billion, which represents 96% of the J\$12.61 billion targeted for the 2011/2012 fiscal period. It also represents a 9.25% increase in CAPEX relative to the preceding fiscal year.

Capital Expenditure (CAPEX)

The information and Communications Technology (ICT)/Knowledge Services sector registered the largest contribution to CAPEX, generating over J\$6.56 billion or 54% of the total CAPEX achieved. This was primarily as a result of major expansion activities undertaken by established firms within the sector. The Tourism/Hospitality sector's contribution to CAPEX was significantly less than the previous year, generating only 4% of the overall amount. This was due to an absence of new major tourism investment projects during the year under review as a result of, inter alia, difficulties experienced in accessing financing by the proposed projects.

The Manufacturing sector generated 18% towards the overall CAPEX figure, while the Mining, Minerals and Energy sectors contributed 22%. **(see Fig. I).**

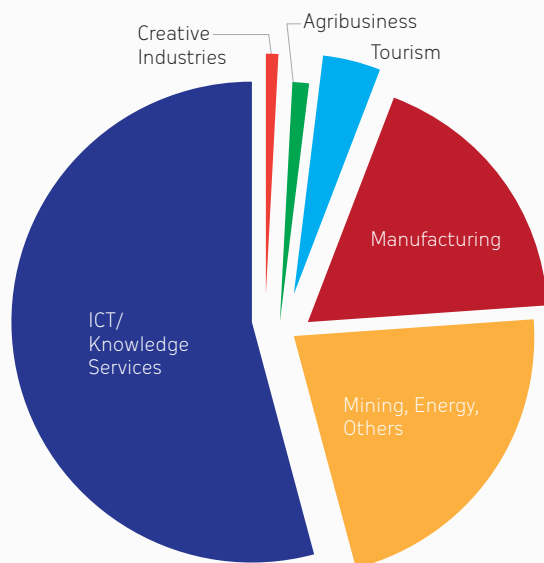


FIG 1: Sectoral Breakdown of CAPEX facilitated by JAMPRO

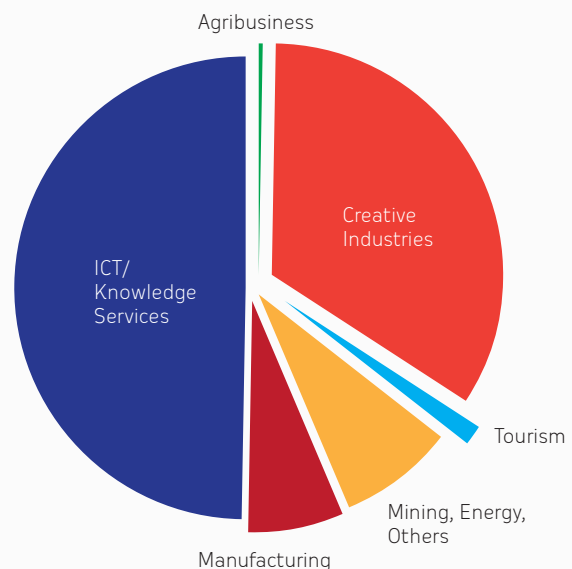


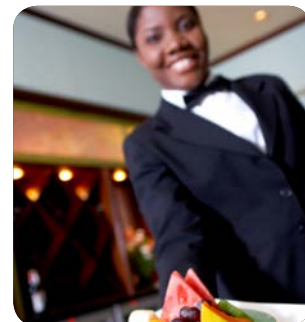
FIG 2: Sectoral Breakdown of Jobs facilitated by JAMPRO

Job Creation

JAMPRO surpassed the job creation target of 4,285, facilitating 4,836 or 112.8% of the projected figure. Once again, the ICT sector represented the largest contribution with 50% of the total number of jobs created. The Creative Industries generated the second

highest number of jobs, accounting for 34% of the total employment generated, while the Manufacturing, Tourism/Hospitality and Mining, Minerals and Energy sectors contributed the remaining 16%. **(see Fig. II).**

SECTOR BRIEFS



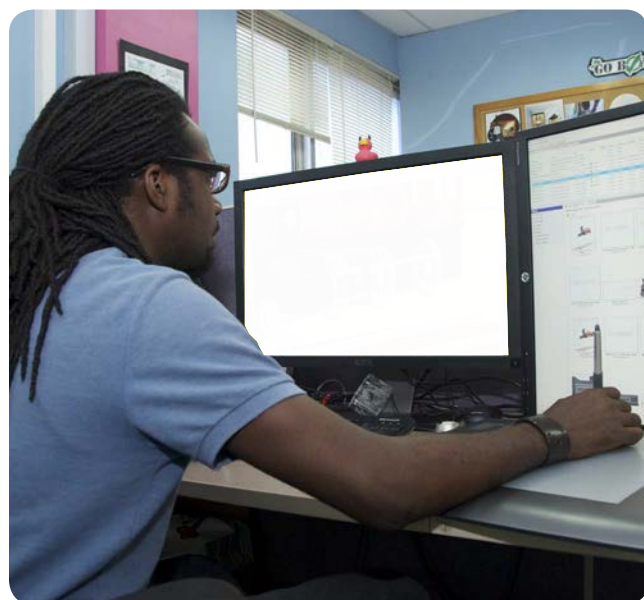
ICT/ KNOWLEDGE SERVICES

Following on the Government of Jamaica's thrust to expand the ICT/Knowledge Services sector, JAMPRO continued an aggressive promotional campaign to further raise the country's profile as an attractive destination for ICT investments, particularly those within the Business Process Outsourcing (BPO) industry. Significant work was done to advance the development of the operating framework for the sector through the implementation of a Five Point Plan, which focused on improving critical issues related to the development of the sector, namely:

- **Market/client segmentation and targeting**
- **Infrastructure build out**
- **Policy and legislative framework to stimulate and protect industry**
- **A cost-effective approach to addressing training needs for the industry**
- **Financing to support ICT activity**

Additionally, during the period under review, the sector also benefited from the appointment of an Ambassador/Special Envoy with responsibility for Information and Communications Technologies (ICT). The Ambassador/Special Envoy sought to assist in the refinement and execution of the promotion strategy for the sector, with a view to converting BPO investment leads to prospects and ultimately landed investments. Several targeted promotional activities were undertaken by the Ambassador/ Special Envoy, in tandem with JAMPRO, that were specifically geared towards the attraction of additional investors in this sector and the expansion of existing companies within the local industry.

JAMPRO's promotional efforts also benefited significantly from increased collaboration and partnership with agencies such as the HEART Trust/NTA, the national agency with responsibility for training. Such partnerships were instrumental in securing major projects.



The sector's noteworthy performance was also attributed to major expansions by established BPO operators. Based on the aforementioned efforts and initiatives, the sector was able to contribute J\$6.56 billion or 54% of the total CAPEX and generated 2,395 jobs, which constituted 50% of the total jobs created during the period.



SECTOR BRIEFS

MINING/MINERALS & ENERGY

Both sectors showed an improved performance when compared to the previous fiscal year. During the 2011/12 financial year, both sectors made the second-highest contribution to CAPEX, generating J\$2.62 billion or almost 22% of the JAMPRO-facilitated total for investment. Jointly, the sectors made the third-highest contribution to jobs for the period, contributing just over 9% of the total jobs generated.

Significant work to expand the Energy sector's capacity was initiated during the period and will contribute to the Government of Jamaica's (GoJ) initiative to increase low

cost energy and energy efficiency by raising renewable energy consumption to 30%. JAMPRO continues to facilitate investors who will enhance the country's energy stock through projects that are mainly focused on renewable energy.

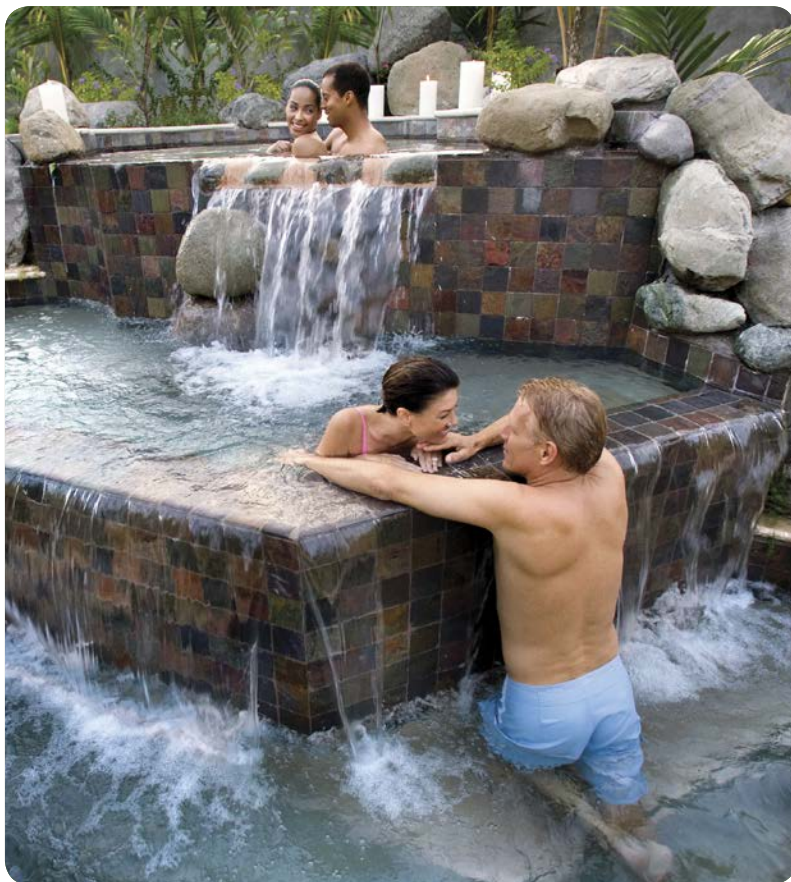
With respect to Mining, it is anticipated that GoJ efforts to streamline the industry through implementation of the National Minerals Policy will stimulate growth within this sector, not only through increased exports of limestone, but also through the production and export of value-added limestone product.



TOURISM

The tourism sector's contribution to CAPEX and jobs was significantly less during this reporting period due to the absence of major tourism investment projects. Difficulties in accessing financing resulted in a delay in the implementation of projects that were expected to commence operation during the 2011/12 financial year. In light of this, inflows from the sector amounted to J\$472.06 million, representing 4% of the total CAPEX facilitated during that period.

Nevertheless, the Agency continued to support developmental work within the sector, primarily through managing the engagement of consultants funded by the Commonwealth Secretariat to produce a roadmap for Health and Wellness Tourism. This roadmap clearly defines the strategies to be employed to target investment opportunities within this segment of the sector and to advance their implementation.



MANUFACTURING

Manufacturing recorded J\$2.22 billion in CAPEX and generated 331 jobs during the period under review. The sector experienced noteworthy growth due to several existing manufacturers expanding their operations in terms of physical space as well as capital injection. Several indicators point to renewed confidence in the manufacturing sector, with a number of new leads received during the 2011-12 financial year.

The Agency continued to work closely with stakeholders in the sector to address concerns affecting them such as high energy costs. Consultations and seminars were staged in order to introduce and promote alternative energy solutions, one of which was the utilization of organic or bio-waste. Additionally, it is anticipated that continued improvements in the existing policy framework, through activities such as the finalization of the National Energy Policy, will sustain the growth experienced in the sector during the review period.





AGRICULTURE/AGRI-BUSINESS

The Agriculture sector contributed J\$54 million towards the CAPEX total for the 2011/12 financial year. This sector remains important to the economy due to its contribution to GDP, employment generation and the creation of linkages between Agriculture and other sectors such as Agro-processing/Manufacturing and Tourism. However, Agriculture continues to experience challenges in accessing financing, which has curtailed its development and expansion. JAMPRO continues to work with agricultural investors in order to develop and improve their infrastructure and enhance their marketability through initiatives that facilitate certification to international standards.



CREATIVE INDUSTRIES

The Creative Industries, particularly the sub-sectors of Film, Music and Fashion, represent a major area of focus for the Agency. During the period under review, the Creative Industries generated J\$120.11 million in local capital expenditure, in addition to J\$450.81 million. The industry also continued to contribute significantly to employment generation, creating 1,578 temporary jobs and 61 permanent jobs.

One key new area of focus in the Creative Industries that JAMPRO is currently placing promotional and developmental emphasis on is animation. A rapidly growing industry valued at approximately US\$115 billion in 2009, animation boasts an average annual growth rate of 12%. The prospects for Jamaica are encouraging, given that most animation is done through business process outsourcing, with smaller studios all over the world providing animation services to their larger counterparts.





Trade & Business Development

National export performance continues to show growth, particularly in the area of non-traditional exports, which grew by US\$76.4 million or 12.8% to US\$675.5 million in 2011 when compared to the corresponding 12-month period in 2010. This is a clear indication that the efforts and initiatives of JAMPRO continue to be relevant and serve to reinforce the strength of Brand Jamaica. It is within this context that JAMPRO continues to focus on facilitating trade lead generation and conversion to impact export sales, capacity building initiatives and local linkages.

Additionally, JAMPRO performed creditably in facilitating sixty-one (61) linkages contracts valued at J\$326.8M during the period. This exceeded the target of 41 contracts with a combined value of J\$113.7M. These contracts primarily emanated from JAMPRO's local business matchmaking initiatives and annual business-to-business linkages event, which targets the hospitality sector and includes other linkages activities that involve the Manufacturing, Fresh Produce and Service sectors.

In the 2011/12 financial year, 135 new exporters were registered. This represents a decrease of 28% compared to last year and brings the total number of registered exporters at the end of this reporting period to 570. Despite the freeze imposed on the Modernization of Industry (MOI) Programme in March 2012, JAMPRO facilitated access to benefits under the Programme for forty (40) companies. This amounted to GCT waivers totalling J\$60.2 million for capital expenditure valued at J\$344.4 million.

In support of the key industries, JAMPRO executed a mix of outgoing and incoming trade missions during the period, which contributed to the agency's overall achievement. Among the major international trade shows targeted for outward missions were Taste of London (United Kingdom), SIAL Food Show (Toronto, Canada), and the 57th International Summer Fancy Food Show (Washington D.C.). Overseas market penetration activities also served as a key component of the Agency's Buyer Recruitment Programme for Expo Jamaica 2012. The programme commenced in January

2011 at the Winter Fancy Food Show in San Francisco, and was supported by a range of activities that included outreach through social media, email and telephone contact with entities in JAMPRO's buyer database. The Agency engaged buyers while participating in international trade missions, exhibitions and other relevant events, and also interacted with targeted business audiences overseas, Jamaican diplomatic missions and Diaspora groups.

The Expo, which will be held at the beginning of the upcoming financial year, will seek to promote the various trade opportunities that exist locally, while highlighting Jamaican products and services through displays. JAMPRO's key responsibility is to recruit and host international and local buyers and therefore, the Expo will present an excellent opportunity to promote the positive attributes of Brand Jamaica and to build on the country's global brand recognition.

In addition to market penetration activities, JAMPRO has sought to sensitise exporters to potential opportunities in other international markets by staging workshops. JAMPRO facilitated two "Doing Business" workshops that focused on markets within China and Trinidad. These workshops provided the participants with vital market access information and critical data geared towards improving their competitiveness and successfully penetrating these markets. This approach forms part of the Agency's overall trade promotion strategy for market penetration, while still maintaining a strong focus on the capacity building needs of our export ready clients.



FUNCTIONAL BRIEFS

EXPORT PROMOTION

The 2011-2012 initiatives were the result of a sustained strategic approach to concentrate efforts on well-researched target markets and on clients that were export ready. In that regard, promotional activities were aligned to a more market-focused approach. The Agro-processing (Food & Beverage) industry continued to represent at least 80% of JAMPRO's clientele, and in that regard, the focus of the targeted sectors was aligned accordingly. Notwithstanding, efforts were made to engage other priority sectors of the National Export Strategy (NES).

A number of market development workshops were executed as part of a strategic approach to focus on well-researched target markets. These sessions sought to sensitise clients about existing opportunities along with providing strategic information vital for increased export sales. Additionally, it provided an opportunity

for existing and potential exporters to learn about the different target markets, specifically in areas that relate to market access, trade regulations, labelling, packaging and other business areas.

This type of initiative will continue to form a key aspect of the organization's market penetration strategy, particularly in relation to new markets.

Promotional activities were implemented in the traditional target markets of the United States of America (USA), Canada and the United Kingdom (UK). However, a demand-driven approach was adopted, resulting in attention being paid to specific Caribbean markets based on varying requests from clients. This saw the execution of several information sessions on Doing Business in the Caribbean, two of which concentrated on Trinidad and Martinique.



At the end of the financial year 2011-2012, export sales once again exceeded its target, registering J\$4.50 billion or 103% of the targeted amount.



EXPORT DEVELOPMENT

The Agency further enhanced its thrust to provide services that would enhance the competitiveness of existing and potential exporters, with a view to ultimately enabling them to maximize available market opportunities. In keeping with this approach, 53 technical proposals valued at J\$483.7 million were developed for submission to donor agencies. Of key note is the significant role that the Agency played in facilitating submissions amounting to J\$156.2 million under the Caribbean Export Development Agency's (CEDA) Call for Proposals in October 2012. Most of the proposals required support from the Agency for the undertaking of gap audits and implementing upgrading programmes, which were triggered by the United States Food Safety Modernization Act (FSMA).

JAMPRO also facilitated five (5) workshops amounting to almost 50 hours of training for over 200 participants. Additionally, two (2) Exporter Forums in its "Let's Talk Exports" series were successfully staged in the 2011/12 financial year. An initiative that started during the 2010/11 financial year, the Exporter Forums provided a consultative mechanism between existing and potential exporters and the Minister of Industry, Investment and Commerce and key stakeholders in the trade facilitation network. It facilitated important discussions on critical issues facing the export sector.



SPECIAL PROJECTS

JAMPRO provides secretariat and organizational support for a number of national initiatives that are aligned with the Agency's mandate to lead investment and export promotion activities in a manner that will create sustainable economic development. The special projects that JAMPRO supported in this regard during the year under review included:

NATIONAL COMPETITIVENESS COUNCIL

JAMPRO continues to work in collaboration with key stakeholders to address issues related to the improvement of Jamaica's business environment. As businesses increasingly rely on the "Doing Business Report" (DBR) as a barometer to test the attractiveness of Jamaica's business environment, the National Competitiveness Council (NCC) has sought to champion reforms specifically related to the DBR review. Therefore, one of the key initiatives of the NCC has been the review of the annual DBR rankings, which involves conducting a detailed analysis of the findings and recommending policy best practice. During the period 2011/2012, the NCC met with key agencies that impact the indicators in the DBR to better appreciate the actions needed to improve business reforms for each indicator. The results of these discussions influenced a Doing Business Reform Agenda, which outlines the main reforms needed to improve the business climate.

JAMAICA COALITION OF SERVICES INDUSTRIES

The Jamaica Coalition of Services Industries (JCSI) - the focal point for the promotion of the services sector's development at the national level - focuses on capacity building initiatives, market access promotion, public-private sector partnerships, trade facilitation, trade policy and institutional strengthening, sector development and trade cooperation.

JAMPRO, through support from the UK Department for International Development's (DFID) CARTFund project, strengthened the efforts of the JCSI Secretariat to develop a national services sector strategy for the country. Additionally, a comprehensive communications strategy has been developed to guide activities that will build awareness of the services sector nationally and increase its recognition as a valuable contributor to GDP and exports among key stakeholders. In addition to this, the Secretariat has sought to engage key stakeholder groups within the industry by offering assistance to coordinate their respective contributions to national and regional policies and service-based associations. The JCSI is a part of the Caribbean Network of Services Coalitions (CNSC) and is a key participant in regional discussions on matters and policies relating to services.

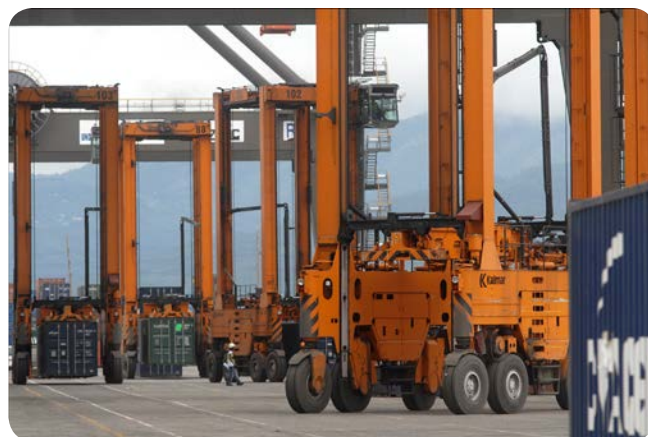




NATIONAL EXPORT STRATEGY

The NES Secretariat hosted its National Export Strategy General Assembly during FY2011/12, under the theme “Key Elements for Successful Exports”. The session focused on some of the key issues currently affecting Jamaica’s exports and entailed in-depth discussions on positioning Jamaica’s exporters for greater development, growth and global competitiveness by 2013. This would be achieved through a number of strategic initiatives executed under the remit of the NES, which targets areas such as capacity building, promotion, market segmentation and market access.

The NES Secretariat focuses its efforts on three main areas in which the export community must attain proficiency in order to compete effectively in the global marketplace. These areas are Capacity Building; Promotion and Market Segmentation; and Market Access. The result of this targeted approach is the Secretariat’s focus on the deliverables associated with the thirteen initiatives for which funding was identified. The NES Secretariat continues to work with its stakeholders to advance the export sector by developing initiatives that promote and support export-led growth.



JAMPRO's SIGNATURE INITIATIVES

During the year under review, JAMPRO's execution of several market-driven initiatives provided an important boost to Jamaica's investment and trade promotion thrust. While the Agency mounted several of those special events, this report highlights the following three:

THE JAMAICA INVESTMENT FORUM

The Jamaica Investment Forum (JIF) served as the country's premier investment promotion event and JAMPRO's signature event for 2012. The main objectives of the event were to:

- **Promote investment opportunities in Jamaica's most promising sectors with the highest potential for job creation**
- **Raise Jamaica's profile as a viable and credible investment destination**
- **Increase investor confidence by demonstrating the Government's commitment to facilitating impactful investment projects**
- **Provide a signal to the investment community that Jamaica is serious about providing a business-friendly environment**

The event, which was heralded as a phenomenal success, attracted a significant number of foreign and local investors from targeted sectors and featured impressive guest presenters and panellists. The Forum provided red carpet treatment for the participants and also facilitated important strategic meetings between high level investors and government ministers. The Most Honourable Portia Simpson Miller, Prime Minister of Jamaica, praised the efforts of JAMPRO, the inter-governmental planning team and other partners in organizing the Forum. The Inter-American Development Bank (IDB) also offered words of commendation on the event's successful staging. Potential and existing investors, as well as other participants, were equally generous with their compliments.

The objectives of the Forum were realised, and JAMPRO remains committed to furthering the engagement with investors who had participated. Additionally, the Agency is working assiduously to address all identified concerns and impediments; further package investment opportunities; and undertake all the steps required to build on relationships and opportunities forged at the Forum. The event also received extensive positive media coverage from major international media houses such as Bloomberg, Associated Press (AP), International Business Times and Philadelphia Tribune.



EXPORT MAX: ENTERPRISE DEVELOPMENT FOR GROWTH



In its efforts to leverage the competitive advantage of Jamaican exporters and stimulate trade, JAMPRO launched a two-year initiative, Export Max: Enterprise Development for Export Growth Programme, in June 2011. The programme is geared towards providing focused capacity building and market penetration support to an initial group of fifteen (15) Jamaican export and export-ready firms. The overarching goal of this programme is to enable the participating firms to be competitively positioned to take advantage of market opportunities and ultimately make a greater contribution to the overall performance of the Jamaican economy.

The programme is executed in partnership with the Development Bank of Jamaica (DBJ) and the Export Import Bank of Jamaica (EXIM Bank). Additional sponsorship was received from the Bureau of Standards Jamaica (BSJ) and the Scientific Research Council (SRC) for the provision of key services at reduced rates. The Jamaica Public Service Company (JPS) also joined as a partner and has facilitated the participation of Export Max companies in Expo Jamaica 2012. During its preliminary phase, the programme was also supported by the German Investment Agency (GIZ) which funded

the participation of two consultants from Germany to assist with needs assessment and verification visits to selected firms.

The programme officially rolled-out in October 2011 with the signing of Memoranda of Association between JAMPRO and the participating firms and JAMPRO and the main sponsors. To date, there have been several successes resulting from the Export Max programme. These include the development of Enterprise Development Programmes for all 15 participating firms, the facilitation of 12 firms in the agro-processing sector to access services at reduced rates from other trade partners and the facilitation of one firm's participation in the "Bold Ones" initiative. By participating in the "Bold Ones", which is an affirmation programme developed by Continental Baking Company (National) to assist new manufacturing firms, this company will now benefit from additional marketing and visibility support.

Of particular significance is the fact that the "Export Max Programme" facilitated access to five (5) new markets and generated export sales and local linkages valuing approximately US\$876,000.



MEET JAMAICA AT LONDON 2012

The Meet Jamaica 2012 programme is a private-public sector collaboration between JAMPRO and the Private Sector Organisation of Jamaica (PSOJ) that is designed to increase the trade of goods and services in the UK and the wider European markets by capitalizing on the global brand platform afforded by the country's anticipated success in the London 2012 Olympics. The initiative is premised on strong business outcomes that can be generated from increased trade leads, as well as, new supply and distribution contracts for the island's many export brands, especially in the agro-processing industry.

The programme, which commenced in 2010, continued to gain momentum in 2011/2012. JAMPRO utilised flagship "Meet Jamaica" branding for all market penetration activities for the year to ensure continued brand awareness of Jamaican products, and executed

two trade events - Taste of London and the Food & Drink Expo - under the Meet Jamaica umbrella. These events were both executed in London and yielded a combined total of 35 trade leads, 2 registered buyers for Expo Jamaica and one converted trade lead at the end of the reporting period. The Meet Jamaica 2012 programme will culminate with the implementation of the Jamaica House initiative in London during the main period of the 2012 Olympic Games. Jamaica House will be the country's official hosting venue and the focal point for showcasing and selling authentic Jamaican products.



TRADE & INVESTMENT MISSIONS 2011/2012

Mission	Date	Country	Purpose of Mission
Caribbean Export/ ITC's CARIFORUM Creative Industries Project	November 2010 – September 2011	Dominican Republic	To promote the Creative Sector as a viable contributor to CARIFORUM's export diversification and export growth sales. More specifically, the development programme was designed to prepare handicraft producers to penetrate export markets as well as to participate in the Design Caribbean Show.
Outsource2Lac (out ward mission)	April 14 - 15, 2011	Uruguay	This IDB funded Latin America and Caribbean summit was held in Montevideo Uruguay, to look at future trends in the Outsource industry particularly in Latin America and the Caribbean, creating networking opportunities for participants as well as for suppliers of IT related services to showcase their products and services.
Onsite Kinetics	April 20, 2011	USA	Hosted inward ICT investment mission for Cory Lewkowitz and Chris Perry of the USA.
Fuel Technology International	May, September & March 2011 - 2012	Canada	FTI International Group Inc. based in Toronto, Canada and is in the business of designing, manufacturing, supplying and installing Compressed Natural Gas (CNG) to Fuel Stations, for over 30 years. Investors are interested in setting up facilities to operate and manufacture CNG facilities in Jamaica starting with a Pilot project.
IMF Ventures	May 4, 2011	Canada	Hosted inward tourism investment mission for a representative of the IMF Venture capitalist group out of Canada who were looking investment opportunities in Jamaica's Tourism product.
SIAL 2011	May 11 – 13, 2011	Canada	To provide increased exposure, market penetration and export sales opportunities to participating companies
CAN (Caribbean Audiovisual Network) @Cannes	May 11 – 22, 2011	France	To liaise with European distribution executives, particularly through Film France. To liaise with fellow Caribbean film commissioners – in hope of pan-Caribbean partnerships.
Hubei Province Delegation	May 16, 2011	China	To explore potential investment opportunities In Jamaica for Agriculture and Manufacturing conducted by a delegation from Hubei province, China
Jamaican Business Expo	May 20 – 21, 2011	USA	To provide increased exposure, market penetration and export sales opportunities to participating companies
AFCI Locations Expo/Produced By Conference	June 3 - 5, 2011	USA	To attract more reality television and secure major film investment projects in Jamaica; To certify Film Commission personnel within AFCI
New York University Hospitality Industry Investment Conference 2011	June 5 - 7, 2011	USA	33rd Annual staging of the NY Hospitality Investment Conference Which allowed for the Re-engagement of major luxury Chains, such as Mandarin Oriental, Four Seasons, and Starwood Resorts
Taste of Jamaica	June 11 – 19, 2011	UK	To introduce Jamaican cuisine to an audience of premium mainstream consumers and to advance crossover of Jamaican food products from ethnic to mainstream

Mission	Date	Country	Purpose of Mission
Trade and Investment Convention (2011)	June 15 – 18, 2011	Trinidad & Tobago	Strengthen trade relations between Trinidad and Jamaica as Jamaica's exports to Trinidad are currently low and inhibited by various trade barriers
Canada Investment Forum	June 22 - 24, 2011	Canada	To secure Canadian leads. To jumpstart Canadian (already existing) lead conversion. To maintain (Invest) Jamaica brand presence in Canada.
Century Green Energy	June 22 - 24, 2011	USA	Hosted inward energy investment mission in which the USA company looked at investment opportunities in green energy generation
CAIPA	June 25 - July 2, 2011	Brazil & Chile	CEDA sponsored investment mission.
57th International Summer Fancy Food Show	July 10 – 12, 2011	USA	To provide increased exposure, market penetration and export sales opportunities to participating companies
Dolphin Cove	July 21, 2011	Local	The TA Unit presented the Kingston Coconut Park as an investment opportunity to key members of the board of Dolphin Cove, stating it to be a good project.
SIRENIS Hotel Group	July 26- 29, 2011	Spain	Assisted the Tourism Unit in the hosting of inward tourism investment mission for Mr. Abel Matutes Barcelo of the SIRENIS Group.
Sirenis Hotel Group	July 26 - 30, 2011	Spain	Sirenis Hotel Chain is a luxury hotel brand originally from the island of Ibiza, Spain, and they have resorts in Mexico, Dominican Republic and Cuba. They came to Jamaica on an inward mission to identify a suitable hotel available for lease with option to purchase.
CONVERGYS	August '2011	USA	Assisted KS in the hosting of an ICT inward mission team from Convergys looking to establish a call centre in Jamaica.
Karisma Hotel Group	August 10 – 13, 2011	Mexico	
Leisure Dreams	August 10 – 13, 2011	UK	Inward Mission from UK with Principals of Leisure Dreams developers in order to conduct a site visit at the request of the Principals of Negril Peninsula to assess the redesign of project concept.
Export Marketing Training Session	August 11 – 12, 2011	Jamaica	An ITC/Caribbean Export initiative launched to prepare companies for participation in the Design Caribbean show held September 1 – 4, 2011.
Seminar on Trends and Opportunities for Doing Business with China	August 15, 2011	Jamaica	To sensitize exporters about potential opportunities in the Chinese market [Hong Kong esp.]. It showed Jamaican trends/products that would have a competitive advantage
Seminar on Trade and Investment Promotion for Caribbean and South Pacific Countries	August 19- September 8, 2011	China	The organizers were the Academy for International Business Officials (AIBO) and the training course was sponsored by the Ministry of Commerce (MOF COM).
Malcolm Bay	August 21 – 23, 2011	UK	Gerard Carter and his partner investors for the Malcolm Bay property located in Black River, St. Elizabeth visited in order to finalize a sale agreement and hold further discussions for additional property with Great House & location for air strip.
Design Caribbean	September 1 – 4, 2011	Dominican Republic	To conduct market intelligence, assess the viability of the national collection as well as to assess the future participation given the re-designed event
Workshop on Doing Business in Trinidad	September 6, 2011	Jamaica	To sensitize participants on the market opportunities and trade regulations within Trinidad, allowing them to improve their overall competitiveness, increasing market penetration to the Republic.
China EXIM Bank Delegation	September 14, 2011	China	A delegation from China EXIM Bank visited Jamaica to meet with the Hon. Bruce Golding, Prime Minister of Jamaica and Dr. the Hon. Christopher Tufton, Minister of Industry, Investment and Commerce in an effort to secure funding for the major Harmony Cove tourism project

Mission	Date	Country	Purpose of Mission
Business Linkages event at JAPEX (Jamaica Product Exchange)	September 18-20, 2011	Jamaica	To showcase Jamaica tourism product and B2B Linkages opportunities.
Visit of the Vice Premier of the People's Republic of China, His Excellency Hui Liangyu	September 18 – 21, 2011	China	His Excellency Hui Liangyu, Vice Premier of the People's Republic of China visited Jamaica for a 4 day period during the month to hold discussions on areas for collaboration and cooperation in agriculture between Jamaica and the PRC.
Valrhona Chocolate Company	September 20 – 22, 2011	France	Meetings with, Purchasing Manager for Valrhona originated from the 2nd Annual Cocoa Conference & Chocolate Expo held in Montego Bay. Discussions were held around Valrhona taking a vested interest in Jamaica's cocoa production in order to expand its capacity and work with specific farm groups to produce dried & fermented beans.
Yogen Früz Frozen Yogurt	September 23, 2011	Canada	Assisted the NARO in hosting an inward mission for investors Messrs. Steven Conville, Vice President, Macquarie Private Wealth Inc. and Garnett Rose. They visited Jamaica to look at the possibility of manufacturing and distributing frozen yogurt.
MIPCOM	October 3 - 6 2011	France	To showcase the diversity of Jamaican work – through the meetings with various sales associates. To network with other film commissioners and production agents.
C. G. Lamartine Holland Jr. (Chairman for the S. American Regional Committee of the World Federation of Consuls) and Dr. Alex Costa (agri-business businessman and distributor and President of the Chamber of Commerce of Alimentos in Brazil)	October 7, 2011	Brazil	The Brazilian Ambassador to Jamaica, Chairman for the S. American Regional Committee of the World Federation of Consuls and agri-business businessman and distributor and President of the Chamber of Commerce of Alimentos in Brazil met with JAMPRO in October 2011. The meeting highlighted trade and investment opportunities in Jamaica for Brazil and discussions were held regarding collaboration on trade missions between Jamaica and Brazil and an exploratory trade and investment mission from Jamaica to Brazil was being proposed
FrameMax (formerly Caribbean Development Ja. Ltd.)	October 10 - 12, 2011	USA	FrameMax is proposing to establish a company to provide low income housing made from prefabricated material. Investors are interested in the possibility of building a factory to manufacture the prefabricated material in Jamaica to eliminate the importation, material and to accelerate the production of houses thereby generating additional jobs.
ISOCON / JLB International	October 10 - 13, 2011	UK	The two companies have entered a joint venture agreement and they are proposing the establishment of a state-of-the-art container equipment cleaning, repair and certification facility in the Kingston Freezone.
Metro Label	October 20, 2011	Canada	Hosted an inward mission for NARO re the visit of Pramod Gupta of Metro Label Canada who visited the island to look at the possibility of manufacturing labels here for its North American and Caribbean operations.
Cleveland Price	October 26, 2011	USA	Cleaveland/Price generates US\$45 million in sales per year and employs 200 persons in Pittsburg, USA. The Company is seeking to move a part of its manufacturing business off-shore to Jamaica, taking advantage of our proximity to the USA, labour and logistics advantages and also availability of raw material inputs such as bauxite, clay and alumina used in the manufacturing of porcelain insulators. The company believes that it can employ 100 persons at start-up.
Taylor Renewable Energy (TREE) – Inward Mission	October 26, 2011	USA	Taylor Renewable Energy Enterprises (TREE) intends to build 420 tons per day capacity renewable/waste to energy plant in St. Catherine, Jamaica, to process Jamaica's municipal solid waste and or other biomass, available. This size plant will produce a net of 11MW of electrical power, enough to light 41,500 Jamaican homes.

Mission	Date	Country	Purpose of Mission
29th Feria Internacional de Habana (FIHAV)	October 31 – November 5, 2011	Cuba	Strengthen the trade relationship between Cuba and Jamaica as well as to assess the changes occurring within the Cuban market and business environment
Americas Food & Beverage Show	November 14 - 15, 2011	USA	To provide increased exposure, market penetration and export sales opportunities to participating companies
Animae Caribe Jamaica	November 19, 2011	Jamaica	To introduce international standards to Jamaican animation through animation workshops. Invited 2 world-class animators to host workshops.
Direct Commercial/Trade Collaboration and Engagement Activities -Jamaica Week	November 20 – 27, 2011	Switzerland	To provide exposure in a market which is largely untapped
Japanese Economic Investment Inward Mission	November 23-25, 2011	Japan	JAMPRO hosted a luncheon with the delegation and other key government and private sector stakeholders during the visit to highlight the investment opportunities in Jamaica. The Mission was an outcome of the Japan/CARICOM Joint Commission held in Tokyo in September 2010 as a Commitment by Japanese to pursue investment opportunities in the CARICOM Member States to boost economies. The mission sought to enhance their understanding of potential investment opportunities in the region and identify strategic hubs for business in the Caribbean. In Jamaica, they were particularly interested in power generation, port facilities, and free zones. The mission resulted in an increased awareness of Jamaica as a viable destination for re-investment and investment in infrastructure, promoted Jamaica's capabilities as a strategic hub in the Caribbean region and facilitated interactions and exchanges with private sector stakeholders.
Japanese Embassy Delegation	November 24, 2011	Japan	A delegation of Japanese companies visited the Caribbean exploring investment opportunities and their areas of interest were the exploration and development of Natural Resources (Oil, Natural Gas and Metals); Power Generation and Transmission, and Information and Communications Technology (ICT).
Convergys Inward Mission	November 29 - December 2, 2011	Jamaica	To engage HEART Trust/NTA to more fully develop and implement the client's training and recruitment needs in keeping with HEART's proposal to the company
Xerox/ACS Inward Mission	December 14, 2011	Jamaica	To identify suitable commercial space in Kingston.
Convergys Inward Mission	December 13 - 15, 2011	Jamaica	To conduct meetings with HEART Trust/NTA regarding training and recruitment activities that the organization had committed to undertake on Convergys' behalf as part of the Government's package of incentives.
Guangxi State Farms Sugar Group	December 15 – 25, 2011	China	Inward Mission for a team from China, Guangxi Sate Sugar Farm, the 3rd largest sugar producer in China. The team was facilitated with meetings with Jamaica's major rum producers; Guangxi was looking to expand the sales of Jamaican rum in the Chinese market.
Direct Vision Technologies Inland Mission	December 21 - 23, 2011	Jamaica	To meet with telecoms and prospective local venture partners.
Guangxi State Farms Group	December ', 2011	China	
Mission Catwalk	January ', 2012	Jamaica	To brand Jamaica as the centre of Caribbean fashion. To bring in the most talented designers in the region to Jamaica - showcasing Jamaica as centre of Caribbean fashion.
Rebel Salute	January ', 2012	Jamaica	To partner with the first important music event ahead of Jamaica 50.

Mission	Date	Country	Purpose of Mission
Travel Benefits by Design – Robert Reismeyer	January 6 - 12, 2012	USA	Mr. Reismeyer has a travel agency & is developing tours for Jamaica based on experiencing specific highlights of Jamaican flavour, such as a coffee factory tour, chocolate factory tour or cigar factory tour etc.
Convergys Inward Mission	January 24—27, 2012	Jamaica	To conduct interviews for management positions; to conduct site visits; to explore build-to-suit option
Reggae Month	February ', 2012	Jamaica	To partner with and provide support to the premiere music event in Jamaica .
Commonwealth Secretariat Women-Owned Business	February ', 2012	London	To aid in the promotion of Jamaica's creative arts.
London Fashion Week	February ', 2012	London	To promote Jamaica' s fashion industry to facilitate buyer and press contacts in London to facilitate Jamaican designers knowledge and experience on the international fashion industry
NASSCOM Leadership Forum 2012	14—16 February 2012	India	To meet with prospective clients and generate leads.
International Association of Outsourcing Professionals 2012	20—22 February 2012	USA	To meet with prospective clients and generate leads.
Sutherland Global Services Inward Mission	March 3, 2012	Jamaica	To conduct initial investigation of the availability and likely costs of suitable locations.
Hinduja Global Services Inward Mission	March 5 - 9, 2012	Jamaica	To advance plans towards the launch of its operations here in Jamaica.
Minister Nelson Antonio Tabajara – Director of the Department for Central America and the Caribbean in the Ministry of External Relations of Brazil	March 19, 2012	Brazil	A meeting hosted by JAMPRO at request of the Brazilian Embassy, provided an opportunity for bilateral talks to be held with Brazil in an effort to explore opportunities in trade and investment and enhance Brazil-Jamaica relations in these areas.
Global Corporation Forum	March 20-23, 2012	South Korea	KOTRA has been promoting trade and supporting the global businesses of Korean companies for 50 years and has been successful in doing so. The forum was an opportunity for the sharing of Governments' external policies and international partners development projects.
Visit of the Vice Minister of Commerce	March 21-24, 2012	China	JAMPRO contributed to the hosting of the Chinese Vice Minister of Commerce which was spearheaded by the Ministry of Foreign Affairs and Foreign Trade. At the meeting JAMPRO highlighted Jamaica's investment position and available investment opportunities in the country particularly the International Multi-Modal Centre as a significant investment project in need of financing.
Food and Drink Expo	March 25 – 28, 2012	UK	To provide increased exposure, market penetration and export sales opportunities to participating companies
Ethnic Food Show	March 27 – 29, 2012	Belgium	To explore market penetration opportunities as well as to garner information to determine JAMPRO's level of participation at next year's event.
Caribbean Association of Investment Promotions Agencies	28—30 March 2012	Guyana	To participate in a workshop on "Training in Marketing for Investment Promotion Professionals".

DIRECTORS' COMPENSATION FOR PERIOD

Position of Director	Total Fees \$
Amb. Stewart Stephenson	102,000.00
Andrea Moore	7,500.00
Bishop E Don Taylor	7,500.00
Brian Jardim	29,500.00
Christopher Zacca	65,500.00
Dave Lyn	29,500.00
David Douglas	95,000.00
Eugene Ffolkes	7,500.00
Jeffrey Hall	15,000.00
John Byles	18,000.00
Keisha Burgher	7,500.00
Marjorie Seeberan	7,500.00
Mark Linehan	44,500.00
Mark Myers	54,000.00
Milton Samuda	12,500.00
Myrtle Weir	7,500.00
Norman Horne	7,500.00
Paul Lalor	93,000.00
Paula Kerr-Jarrett	7,500.00
Peter Young	14,500.00
Phillip Gore	87,500.00
Reginald Nugent	7,500.00
Rodney Davis	82,500.00
Steven Whittingham	7,500.00
Thalia Lyn	69,500.00

SENIOR EXECUTIVES' COMPENSATION FOR PERIOD

Position of Senior Executive	Year	Basic Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$) *Uniform Allowance & Vacation Leave	Non-cash Benefits ¹ (\$)	Total (\$)
President	2011/2012	8,020,614.68	3,208,245.87	827,176.37		-	222,500.64	12,278,537.56
VP - Finance, Admin & MIS	2011/2012	5,526,078.48	2,210,431.39	821,579.04		-	163,007.64	8,721,096.55
VP - Planning & Corp. Development	2011/2012	5,235,360.19	2,094,144.08	399,403.48		-	163,007.64	7,891,915.39
VP - Investment Promotion	2011/2012	5,794,732.99	2,288,919.53	821,579.04		-	220,145.28	9,125,376.84
Acting VP - Trade & Business Development	2011/2012	5,794,732.84	869,209.93	420,240.31	28,973.66	88,868.00	174,955.68	7,376,980.42
TOTAL		30,371,519.18	10,670,950.80	3,289,978.24	28,973.66	88,868.00	943,616.88	45,393,906.76

Notes

1. Non cash benefits include health and group life insurance.

Financial Statements

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INDEPENDENT AUDITORS' REPORT

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PROMOTIONS CORPORATION
Jamaica Trade & Invest

Report on the Financial Statements

We have audited the financial statements of Jamaica Promotions Corporation ("the Corporation"), set out on pages 3 to 24, which comprise the statement of financial position as at March 31, 2012, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

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

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

INDEPENDENT AUDITORS' REPORT

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

To the Members of
JAMAICA PROMOTIONS CORPORATION
Jamaica Trade & Invest

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Jamaica Promotions Corporation as at March 31, 2012, and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standard.

Chartered Accountants
Kingston, Jamaica

September 25, 2012

Statement of Financial Position

March 31, 2012

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
CURRENT ASSETS			
Cash and cash equivalents	3	10,641,419	11,950,199
Securities purchased under resale agreements	2(e)	123,064,202	141,280,714
Accounts receivable	4	<u>26,577,783</u>	<u>12,488,964</u>
		<u>160,283,404</u>	<u>165,719,877</u>
CURRENT LIABILITIES			
Accounts payable	5	183,873,760	152,958,447
Grants received in advance	6	<u>7,744,031</u>	<u>7,390,835</u>
		<u>191,617,791</u>	<u>160,349,282</u>
NET CURRENT (LIABILITIES)/ASSETS		(31,334,387)	5,370,595
NON-CURRENT ASSETS			
Long term receivables	7	20,340,000	33,900,000*
Property, plant & equipment	8	177,871,335	189,632,491
Employee benefit asset	9	<u>133,487,000</u>	<u>200,788,000</u>
		<u>\$300,363,948</u>	<u>429,691,086</u>
Financed by:			
ACCUMULATED SURPLUS		100,445,178	229,511,102
CAPITAL RESERVE	10	<u>197,629,686</u>	<u>197,629,686</u>
		298,074,864	427,140,788
NON-CURRENT LIABILITY			
Deferred income	11	<u>2,289,084</u>	<u>2,550,298</u>
		<u>\$300,363,948</u>	<u>429,691,086</u>

The financial statements on pages 3 to 24 were approved by the Board of Directors on September 25, 2012, and signed on its behalf by:

Milton Samuda Chairman

Sancia Bennett-Templer President

*Restated (see note 15)

The accompanying notes form an integral part of the financial statements.

Statement of Comprehensive Income

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
Gross operating revenue	12	<u>485,104,672</u>	<u>458,354,186*</u>
Operating expenses:			
Promotional		140,188,089	99,545,241
Staff-related		414,291,323	287,022,039
General and administrative		<u>68,906,194</u>	<u>73,788,379</u>
		<u>623,385,606</u>	<u>460,355,659</u>
Operating deficit for the year	13	(138,280,934)	(2,001,473)
Other income:			
Interest income		7,497,025	11,855,603
Gain on disposal of property, plant & equipment		1,932,300	4,000
Foreign exchange loss		(214,315)	(235,111)
(Loss)/profit for the year, being total comprehensive (loss)/income		<u>\$(129,065,924)</u>	<u>9,623,019</u>

*Restated (see note 15).

The accompanying notes form an integral part of the financial statements.

Statement of Changes in Equity

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

	<u>Accumulated surplus</u>	<u>Capital reserve (note 10)</u>	<u>Total</u>
Balances at March 31, 2010	219,888,083	197,629,686	417,517,769
Loss for the year as previously reported	(24,276,981)	-	(24,276,981)
Prior year adjustment (note 15)	<u>33,900,000</u>	<u>-</u>	<u>33,900,000</u>
Profit for the year, as restated	<u>9,623,019</u>	<u>-</u>	<u>9,623,019</u>
Balances at March 31, 2011	229,511,102	197,629,686	427,140,788
Loss, being total comprehensive loss	(129,065,924)	<u>-</u>	(129,065,924)
Balances at March 31, 2012	<u>\$100,445,178</u>	<u>197,629,686</u>	<u>298,074,864</u>

The accompanying notes form an integral part of the financial statements.

Statement of Cash Flows

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit for the year	(129,065,924)	9,623,019
Adjustments for:		
Depreciation	13,509,133	14,247,896
Employee benefits	67,301,000	(45,185,000)
Amortisation of deferred income	(261,214)	(1,143,589)
Interest income	(7,497,025)	(11,855,603)
Gain on disposals and exchange of property, plant & equipment	(1,932,300)	-
Foreign exchange loss	<u>214,315</u>	<u>235,111</u>
	(57,732,015)	(34,078,166)
(Increase)/decrease in accounts receivable	(14,088,819)	344,505
Decrease/(increase) in long term receivables	13,560,000	(33,900,000)
Increase in accounts payable and grants received in advance	<u>31,268,509</u>	<u>18,161,616</u>
Net cash used by operating activities	(26,992,325)	(49,472,045)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(1,747,977)	(1,374,599)
Interest received	7,497,025	11,855,603
Proceeds from disposal of property, plant & equipment	1,932,300	-
Securities purchased under resale agreements	<u>18,216,512</u>	<u>9,357,586</u>
Net cash provided by investing activities	<u>25,897,860</u>	<u>19,838,590</u>
Net decrease in cash and cash equivalents	(1,094,465)	(29,633,455)
Cash and cash equivalents at beginning of year	11,950,199	41,818,765
Effect of exchange rate fluctuations on cash and cash equivalents	(214,315)	(235,111)
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,641,419</u>	<u>11,950,199</u>

The accompanying notes form an integral part of the financial statements.

1. The Corporation

Jamaica Promotions Corporation was established on April 26, 1990 as a statutory Corporation under the Jamaica Promotions Corporation Act (the Act) with the objectives of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy.

Under the Act, the assets of the Jamaica Industrial Development Corporation (JIDC) and the Jamaica National Export Corporation (JNEC) were vested in the Corporation subject to liabilities and obligations relating thereto, as of April 26, 1990.

The assets and liabilities of JAMPRO Limited (a limited liability company owned by the Government of Jamaica) were transferred to, and vested in, the Corporation as of April 1, 1991, by the Jamaica Promotions Corporation (Vesting of Assets) Order 1991.

On October 4, 2002, the Corporation transferred its interest in the shares of its subsidiary, Jamaica Export Trading Company Limited, to a consortium of staff of that company.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars and are prepared on the historical cost basis.

The financial statements have been prepared on the going concern basis, although the Corporation reported a significant loss at the reporting date. The appropriateness of this basis is dependent on the ability of the Corporation to obtain continued financing from the Government of Jamaica, and, ultimately, on future profitable operations. The Government of Jamaica has indicated that it will continue to provide such financial assistance as the Corporation may require to meet its obligations for the foreseeable future. Management, therefore, is of the opinion that the preparation of the financial statements on the going concern basis continues to be appropriate.

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

Certain new IFRS, interpretations of, and amendments to, existing standards which were in issue, came into effect for the current financial year. Those management considered relevant to the Corporation are as follows:

Revised IAS 24 Related Party Disclosures (effective for annual reporting periods beginning on or after January 1, 2011). This revision introduced changes to related party disclosure requirements for government-related entities and amends the definition of a related party. Aside from the change to the definition of a related party in note 2(m), this revision did not have any other impact on these financial statements.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(b) Basis of preparation (cont'd):

New and revised standards and interpretations that are not yet effective

At the date of authorisation of the financial statements, certain new and revised standards and interpretations have been issued but are not yet effective, and which the Corporation has not early-adopted. The Corporation has assessed the following standards as relevant but none will have a significant impact on its financial statements:

- *IFRS 9, Financial Instruments* (effective for annual reporting periods beginning on or after January 1, 2015) introduces new requirements for classifying and measuring financial assets. The standard also amends some of the requirements of *IFRS 7 Financial Instruments: Disclosures*, including added disclosures about investments in equity instruments designated as fair value through other comprehensive income.
- *IAS 19 Employee Benefits* (effective January 1, 2013) has been amended to require all actuarial gains and losses to be recognized immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss. It also requires the expected return on plan assets recognized in profit or loss to be calculated based on the rate used to discount the defined benefit obligation. The amendment also includes changes to the definitions and disclosure requirements in the current standard.
- *IAS 1, Presentation of Financial Statements*, has been amended (effective July 1, 2012) to require a reporting entity to present separately the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from 'Statement of Comprehensive Income' to 'Statement of Profit or Loss and Other Comprehensive Income'. However, an entity is still allowed to use other titles.
- *IFRS 13 Fair Value Measurement* (effective January 1, 2013) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(b) Basis of preparation (cont'd):

New and revised standards and interpretations that are not yet effective (cont'd)

- *Disclosures—Transfer of Financial Assets (Amendments to IFRS 7)* (effective July 1, 2011). The amendment requires disclosure of information that enable users of financial statements to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities and to evaluate the nature of and risks associated with the entity's continuing involvement in these derecognised assets.

Management is assessing the impact, if any, that the amendments and new standards will have on its 2013-15 financial statements.

(c) Estimates and judgements:

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Pension and other post retirement benefits:

The amounts recognised in the statement of financial position and profit or loss for pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension.

The expected return on plan assets assumed considers the long-term historical returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimate of yields on long-term government securities that have maturity dates approximating the terms of the Corporation's obligation, in the absence of such instruments in Jamaica, it has been necessary to estimate the rate by extrapolating from the longest-tenor security on the market. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(c) Estimates and judgements (cont'd):

(ii) Allowance for impairment losses on receivables:

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from those assumptions could require a material adjustment to the carrying amount reflected in the financial statements.

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances including short term deposits maturing between one and three months from the reporting date.

(e) Securities purchased under resale agreements:

Securities purchased under resale agreements are short-term transactions in which the Corporation makes funds available to other parties and in turn receives securities which it agrees to resell on a specified date at a specified price. Resale agreements are accounted for as short-term collateralised lending.

(f) Accounts receivable:

Trade and other receivables are stated at cost, less impairment losses.

(g) Accounts payable and accrued charges:

Trade and other payables are stated at amortised cost.

(h) Property, plant & equipment:

Property, plant & equipment are stated at cost or deemed cost, less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of the day-to-day servicing of property, plant and equipment are recognised in profit or loss.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(i) Depreciation:

Property, plant & equipment, with the exception of land, on which no depreciation is charged, are depreciated on the straight-line basis at annual rates estimated to write off the assets over their expected useful lives. The depreciation rates are as follows:

Buildings	2½%
Leasehold improvements	over the life of the lease
Furniture and equipment	10%
Motor vehicles	20%
Computers	20%

The depreciation methods, useful lives and residual values are reassessed at the reporting date.

(j) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jamaica dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in profit or loss.

(k) Employee benefits:

Employee benefits comprise all forms of consideration given by the Corporation in exchange for service rendered by employees. These include current or short-term benefits such as salaries, NIS contributions paid, annual vacation, and non-monetary benefits, such as medical care; post-employments benefits, such as pension; other long term employee benefits such as long service awards; and termination benefits.

(i) General benefits:

Employee benefits that are earned as a result of past or current service are recognised in the following manner: Short-term employee benefits are recognised as a liability, net of payments made, and are expensed as the related service is provided. The expected cost of vacation leave that accumulates is recognised when the employee becomes entitled to the leave. Post employment benefits are accounted for as described in paragraphs (ii) below. Other long-term benefits, including termination benefits, which arise when either: (1) the employer decides to terminate an employee's employment before the normal retirement date; or (2) an employee decides to accept voluntary redundancy in exchange for termination benefits, are accrued as they are earned and charged as an expense, unless not considered material, in which case they are charged when they fall due.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(k) Employee benefits (cont'd):

(ii) Defined benefit pension scheme:

In respect of defined-benefit arrangements, employee benefits, comprising pensions and other post-employment assets, and obligations included in the financial statements are determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion. The actuarial valuations are conducted in accordance with IAS 19, and the financial statements reflect the Corporation's post-employment benefit assets and obligations as computed by the actuary. In carrying out their audit, the auditors rely on the work of the actuary and the actuary's report.

The Corporation's net obligation in respect of the defined-benefit pension schemes is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and any unrecognised past service costs and the fair value of scheme assets are deducted. The discount rate is the yield at the reporting date on long-term government securities that have maturity dates approximating the terms of the Corporation's obligations. The calculation is performed by an independent qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Corporation, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

When the benefits of the plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are vested immediately, the expense is recognised immediately in profit or loss.

In calculating the Corporation's obligation in respect of the plan, actuarial gains and losses that arose subsequent to April 1, 2002, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent (10%) of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in profit or loss over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation results in a benefit to the Corporation, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(l) Provisions:

A provision is recognised in the statement of financial position when the Corporation has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(m) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements.

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - i) has control or joint control over the reporting entity;
 - ii) has significant influence over the reporting entity; or
 - iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) Both entities are joint ventures of the same third party.
 - iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi) The entity is controlled, or jointly controlled by a person identified in (a).
 - vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(n) Impairment:

The carrying amounts of the Corporation's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount:

The recoverable amount of the Corporation's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of loans and receivables is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For all other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(o) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents and accounts receivable. Similarly, financial liabilities include accounts payable and grants received in advance.

2. Statement of compliance, basis of preparation and significant accounting policies (cont'd)

(p) Deferred income:

Where property, plant & equipment are received as gifts from, or acquired out of funds granted by donors, the amount of the grant, determined by the cash received or, in the case of gifts in kind, the fair value of the asset received, is credited to deferred income. An amount equivalent to the depreciation charged on the property, plant & equipment for the financial year is transferred from deferred income to profit or loss.

(q) Revenue recognition:

Government subventions, Government grants and contributions are accounted for when received. Government and other grants received are deferred where the grant is represented by property, plant & equipment. Annual transfers, equivalent to depreciation charged on property, plant & equipment funded by a grant, are made from the deferred income account to the statement of comprehensive income [see note 2(p)]. In all other cases, grants are brought to account as revenue for the period in which they are received.

(r) Expenses:

(i) Net finance costs:

Net finance costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on surplus funds invested during the course of routine treasury management and foreign exchange gains and losses recognised in profit or loss.

Interest income is recognised in profit or loss as it accrues, taking into account the effective yield on the asset.

(ii) Operating lease payments:

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

(s) Determination of profit:

Profit is determined as the difference between the revenues from the services rendered and the costs and other charges incurred during the year. Profits on transactions are taken in the period in which they are realised.

(t) Fair value disclosures:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

3. Cash and cash equivalents

These include:

- (a) \$151,832 (2011: \$151,832) relating to grants received in advance to be disbursed to other persons for projects undertaken by the Corporation (see note 6).
- (b) \$6,620,715 (2011: \$6,262,519) placed on deposit in the name of the Corporation, which relates to amounts received from the Ministry of Industry, Commerce & Technology for aiding in the development of cultural art.
- (c) \$4,381,306 (2011: \$4,381,306) received for specified investment promotion activities.
- (d) \$12,403,183 (2011: \$5,825,939) received for specified investment promotion activities, for The Jamaica International Financial Services Authority (JIFSA), formerly International Financial Services Centre Project (IFSC) [see note 5(i)].
- (e) \$2,769,966 (2011: \$Nil) received for specified investment promotion activities for CART Fund project [see note 5(ii)].

4. Accounts receivable

	<u>2012</u>	<u>2011</u>
Prepaid expenses	3,651,627	3,316,945
Other accounts receivable	<u>22,926,156</u>	<u>9,172,019</u>
	<u>\$26,577,783</u>	<u>12,488,964</u>

Included in other receivable is \$13,560,000 (2011: \$Nil) which represents the current portion of retroactive salaries due from the Government of Jamaica arising from wage agreements for the period 2009/2010 to 2010/2011 (see note 7).

5. Accounts payable

	<u>2012</u>	<u>2011</u>
Jamaica International Financial Services Authority (i)	12,403,183	5,825,939
CART Fund (ii)	2,769,966	-
Trade payables	5,762,539	2,595,965
Accrued expenses and other liabilities	<u>162,938,072</u>	<u>144,536,543</u>
	<u>\$183,873,760</u>	<u>152,958,447</u>

(i) This represents unspent amounts in respect of funds received from the Government of Jamaica and various sponsors to fund the Jamaica International Financial Services Authority (JIFSA) project for the year April 2012 to March 2013.

(ii) This represents unspent amount in respect of fund received from the Caribbean Development Bank and JAMPRO to fund the CART Fund project of the Jamaica Coalition of Service Industries for the 21-month period ending June 2013.

6. Grants received in advance

These are unspent balances in respect of funds received from overseas agencies to finance certain activities and projects.

Notes to the Financial Statements cont'd

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
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7. Long term receivables

	<u>2012</u>	<u>2011</u>
Retroactive salaries	33,900,000	33,900,000
Less: current portion	(13,560,000)	-
	<u>\$20,340,000</u>	<u>33,900,000</u>

This represents retroactive salaries due from the Government of Jamaica arising from wage agreements for the period 2009/2010 to 2010/2011. This amount is to be settled in five equal instalments in May and October each year, ending May 2015 (see note 4).

8. Property, plant & equipment

	<u>Land, buildings & leasehold improvements</u>	<u>Furniture equipment and computers</u>	<u>Motor vehicles</u>	<u>Total</u>
At cost or deemed cost:				
March 31, 2010	201,352,295	84,907,544	15,254,383	301,514,222
Additions	-	1,374,599	-	1,374,599
Transfers in*	-	<u>2,550,298</u>	-	<u>2,550,298</u>
March 31, 2011	201,352,295	88,832,441	15,254,383	305,439,119
Additions	-	1,747,977	-	1,747,977
Disposals	-	-	(4,199,933)	(4,199,933)
March 31, 2012	<u>201,352,295</u>	<u>90,580,418</u>	<u>11,054,450</u>	<u>302,987,163</u>
Depreciation:				
March 31, 2010	41,594,293	52,741,300	7,223,139	101,558,732
Charge for the year	<u>4,962,337</u>	<u>6,189,079</u>	<u>3,096,480</u>	<u>14,247,896</u>
March 31, 2011	46,556,630	58,930,379	10,319,619	115,806,628
Charge for the year	4,843,899	6,658,049	2,007,185	13,509,133
Eliminated on disposals	-	-	(4,199,933)	(4,199,933)
March 31, 2012	<u>51,400,529</u>	<u>65,588,428</u>	<u>8,126,871</u>	<u>125,115,828</u>
Net book values:				
March 31, 2012	<u>\$149,951,766</u>	<u>24,991,990</u>	<u>2,927,579</u>	<u>177,871,335</u>
March 31, 2011	<u>\$154,795,665</u>	<u>29,902,062</u>	<u>4,934,764</u>	<u>189,632,491</u>

Surpluses arising on revaluations are included in capital reserve (note 10).

*These assets were transferred to the Corporation at fair value on March 31, 2011 from the Private Sector Development Programme (PSDP) which ended in December 2010.

9. Employee benefit asset

The Corporation operates a contributory pension scheme for all permanent employees. The scheme is funded by employee contributions of 5% of pensionable earnings, and employer contributions as recommended by independent actuaries. Annual pension at retirement is based on the average annual rate of pensionable earnings for the last three years prior to retirement.

Amounts recognised in the financial statements in respect of post-retirement employee benefits comprise the following:

	<u>2012</u>	<u>2011</u>
Pension asset:		
Present value of funded obligations	(186,996,000)	(234,315,000)
Fair value of plan assets	<u>920,355,000</u>	<u>873,897,000</u>
Net surplus	733,359,000	639,582,000
Unrecognised actuarial gains	(126,568,000)	(69,168,000)
Asset not recognised due to limitation in economic benefits	<u>(473,304,000)</u>	<u>(369,626,000)</u>
Asset recognised in the statement of financial position	<u>\$133,487,000</u>	<u>200,788,000</u>

Scheme assets consist of the following:

	<u>2012</u>	<u>2011</u>
Equity fund	158,083,000	180,493,000
Mortgage and real estate fund	30,111,000	28,879,000
Fixed income fund	323,693,000	512,602,000
Money market fund	52,694,000	-
Foreign exchange fund	127,972,000	-
CPI fund	60,222,000	-
Deposit administration fund	<u>121,114,000</u>	<u>111,440,000</u>
	873,889,000	833,414,000
Ordinary shares	1,762,000	1,575,000
Purchased annuities	43,760,000	38,590,000
Late contributions, net benefit adjustments	<u>944,000</u>	<u>318,000</u>
	<u>\$920,355,000</u>	<u>873,897,000</u>

(i) Movements in the net asset recognised in the statement of financial position:

	<u>2012</u>	<u>2011</u>
Balance at beginning of year	200,788,000	155,603,000
Contributions paid	504,000	786,000
Change recognised in profit or loss	<u>(67,805,000)</u>	<u>44,399,000</u>
Balance at end of year	<u>\$133,487,000</u>	<u>200,788,000</u>

Notes to the Financial Statements cont'd

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
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9. Employee benefit asset (cont'd)

(ii) Movement in scheme assets:

Fair value of scheme assets as at April 1	873,897,000	728,409,000
Purchased annuities	5,816,000	38,590,000
Contributions paid into the plan	6,105,000	5,696,000
Benefits paid by the plan	(18,667,000)	(9,235,000)
Expected return on plan assets	70,220,000	76,329,000
Actuarial (loss)/gain on plan assets	(17,016,000)	34,108,000
Fair value of scheme assets as at March 31	<u>\$920,355,000</u>	<u>873,897,000</u>

(iii) Change recognised in profit or loss:

	<u>2012</u>	<u>2011</u>
Current service costs	12,684,000	10,087,000
Interest on obligations	21,663,000	15,644,000
Expected return on plan assets	(70,220,000)	(76,329,000)
Change in disallowed asset	<u>103,678,000</u>	<u>6,199,000</u>
	<u>\$ 67,805,000</u>	<u>(44,399,000)</u>
Actual return on plan assets	<u>6%</u>	<u>15%</u>

(iv) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	<u>2012</u>	<u>2011</u>
Discount rate	10.0%	10.5%
Expected return on plan assets	9.0%	8.0%
Future salary increases	5.0%	7.0%
Future pension increases	<u>4.5%</u>	<u>6.5%</u>

Historical information:

Defined benefit pension plan:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of the defined benefit	186,996	234,315	153,491	128,419	111,575
Fair value of plan assets	(920,355)	(873,897)	(728,409)	(533,386)	(575,607)
	<u>(733,359)</u>	<u>(639,582)</u>	<u>(574,918)</u>	<u>(404,967)</u>	<u>(464,032)</u>
Experience adjustments arising on plan liabilities	(74,416)	20,828	(6,443)	(1,373)	3,182
Experience adjustments arising on plan assets	<u>17,016</u>	<u>(34,108)</u>	<u>(112,940)</u>	<u>95,662</u>	<u>(3,383)</u>

Notes to the Financial Statements cont'd

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
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10. Capital reserve

	<u>2012</u>	<u>2011</u>
Gain on disposal of land and building	16,420,395	16,420,395
Profit on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation (see note 1)	1,675,556	1,675,556
Realised surplus on disposal of buildings	86,002,348	86,002,348
Realised surplus on disposal of plant & equipment	591,000	591,000
Unrealised surplus on revaluation of furniture & fixtures	9,656,146	9,656,146
Unrealised surplus on revaluation of computers	<u>3,069,096</u>	<u>3,069,096</u>
	<u>\$197,629,686</u>	<u>197,629,686</u>

11. Deferred income

	<u>2012</u>	<u>2011</u>
Balance at beginning of the year	2,550,298	1,143,589
Additions during the year	-	2,550,298
Amortisation during the year	(261,214)	(1,143,589)
Balance at end of the year	<u>\$2,289,084</u>	<u>2,550,298</u>

12. Gross operating revenue

This represents gross income from government grants, certification fees and miscellaneous income.

13. Disclosure of expenses

Operating deficit for the year is stated after charging:

	<u>2012</u>	<u>2011</u>
	\$	\$
Depreciation	13,509,133	14,247,896
Directors' remuneration:		
Fees	887,500	879,500
Management remuneration	12,284,657	11,571,972
Other staff costs	414,291,323	287,022,039
Auditors' remuneration	1,100,000	1,100,000
Key management personnel:		
Compensation – short-term benefit (included in other staff costs)	<u>37,954,467</u>	<u>44,025,354</u>

14. Related party balances and transactions

- (i) The statement of financial position includes balances arising in the ordinary course of business with related parties as follows:

	<u>2012</u> \$	<u>2011</u> \$
Accounts receivable:		
National Housing Trust	34,491	34,491
Government of Jamaica	<u>5,270,794</u>	<u>6,281,535</u>
Accounts payable:		
Government of Jamaica	<u>617,288</u>	<u>3,320,025</u>

- (ii) Transactions with related parties are disclosed in the relevant notes to the financial statements.

15. Prior year adjustment

This represents an adjustment for grants receivable from the Government of Jamaica (GOJ) to facilitate payment of retroactive salaries owed to employees arising from wage agreements for the period 2008/2009 to 2010/2011 which was previously not accounted for in the prior year financial statements. The prior year balances were restated to reflect this adjustment.

The following summarises the adjustments made in the financial statements:

	Balances as previously stated <u>2011</u> \$	Adjustment <u>2011</u> \$	Balances as restated <u>2011</u> \$
Statement of financial position for the year ended			
Long term receivables	<u>-</u>	<u>33,900,000</u>	<u>33,900,000</u>
Statement of comprehensive for the year ended			
Gross operating revenue	(424,454,186)	(33,900,000)	(458,354,186)
Deficit/(surplus) for the year	<u>24,276,981</u>	<u>(33,900,000)</u>	<u>(9,623,019)</u>

16. Financial risk management

The Corporation has exposure to credit risk, liquidity risk and market risk from its use of financial instruments. This note presents information about the Corporation's exposure to each of the above risks, the Corporation's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

16. Financial risk management (cont'd)

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Corporation, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(i) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's other receivables, cash and cash equivalents and securities purchased under agreements to resell.

Cash and cash equivalents and securities purchased under agreements to resell:

These are placed with substantial financial institutions for short-term periods and management believes these institutions have minimal risk of default.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. There is no off balance sheet exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	<u>2012</u>	<u>2011</u>
	\$	\$
Cash and cash equivalents	10,641,419	11,950,199
Securities purchased under resale agreements	123,064,202	141,280,714
Accounts receivable, excluding prepayments and deposits	<u>9,321,157</u>	<u>9,127,012</u>
	<u>143,026,778</u>	<u>162,357,925</u>

(ii) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquid assets to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation manages this risk by maintaining an adequate level of liquid funds and relies on the Government of Jamaica for financial support, if needed.

16. Financial risk management (cont'd)

(ii) Liquidity risk (cont'd):

The following table presents the undiscounted contractual cash flows of financial liabilities, including interest payments, on the basis of their earliest possible contractual maturity, compared to carrying amounts.

	2012		
	Within 3 months	Contractual cash flows	Carrying amount
<u>Financial liabilities</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Accounts payable	183,873,760	183,873,760	183,873,760
Grants received in advance	<u>7,744,031</u>	<u>7,744,031</u>	<u>7,744,031</u>
	<u>191,617,791</u>	<u>191,617,791</u>	<u>191,617,791</u>

	2011		
	Within 3 months	Contractual cash flows	Carrying amount
<u>Financial liabilities</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Accounts payable	152,958,447	152,958,447	152,958,447
Grants received in advance	<u>7,390,835</u>	<u>7,390,835</u>	<u>7,390,835</u>
	<u>160,349,282</u>	<u>160,349,282</u>	<u>160,349,282</u>

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange and interest rates, will affect the Corporation's income or the value of its holdings of financial instruments. The objective of market risk management is to manage market risk exposures within acceptable parameters while optimising the return on risk.

(a) Foreign currency risk:

The Corporation's exposure to foreign currency risk which is in the Corporation's primary intervening currency is as follows:

	2012				2011			
	US\$	(£)	(€)	CAD\$	US\$	(£)	(€)	CAD\$
Cash and cash equivalents	8,249	19,771	1,294	1,071	2,381	8,239	2,150	3,634
Accounts payable	(64,293)	(19,621)	-	(843)	(23,306)	(10,415)	-	-
Net exposure	<u>(56,044)</u>	<u>150</u>	<u>1,294</u>	<u>228</u>	<u>(20,925)</u>	<u>(2,176)</u>	<u>2,150</u>	<u>3,634</u>

16. Financial risk management (cont'd)

(iii) Market risk (cont'd):

(a) Foreign currency risk (cont'd):

Exchange rates, in terms of Jamaica dollars, were as follows:

	<u>US\$</u>	<u>£</u>	<u>€</u>	<u>CAD\$</u>
March 31, 2012:	<u>86.93</u>	<u>137.72</u>	<u>115.09</u>	<u>85.96</u>
March 31, 2011:	<u>85.40</u>	<u>136.40</u>	<u>118.84</u>	<u>87.03</u>

Sensitivity analysis

A 0.5% (2011: 0.5%) strengthening of the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have increased/(decreased) profit/loss for the year by \$25,265 (2011: \$7,560).

A 1% (2011: 1%) weakening of the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have (decreased)/increase profit/loss for the year by \$50,530 (2011: \$15,120). This analysis assumes that all other variables, in particular interest rates, remain constant.

(b) 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.

Financial assets which are subject to fixed interest are as follows:

	<u>2012</u>	<u>2011</u>
Financial assets:		
Cash and cash equivalents	148,896	553,143
Securities purchased under resale agreements	<u>123,064,202</u>	<u>141,280,714</u>
	<u>\$123,213,098</u>	<u>141,833,857</u>

(iv) Fair values:

The fair values of financial assets and liabilities are broadly equivalent to the carrying amount shown in the statement of financial position.

17. Contingencies

The Corporation is contingently liable for income taxes amounting to \$5,274,150.51, on the salaries of non-resident employees for the period 1997 to October 2000.

The Corporation has applied to the Minister of Finance & Planning for a waiver of the amount, and anticipates a positive response.

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

**SUPPLEMENTARY INFORMATION
TO THE FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2012

Detailed Statement of Comprehensive Income

Year ended March 31, 2012

JAMAICA PROMOTIONS CORPORATION
Jamaica Trade and Invest

	<u>2012</u>	<u>2011</u>
OPERATING INCOME		
Government grants	418,439,519	391,093,725
Certification fees	2,462,579	2,421,058
JIFSA project	8,059,756	11,266,212
Other income	<u>56,142,818</u>	<u>53,573,191</u>
	<u>485,104,672</u>	<u>458,354,186</u>
OPERATING EXPENSES		
Promotional		
Advertising and promotion	76,380,413	41,587,771
Books, publications and subscription	3,969,644	3,738,905
Entertainment	6,908,596	3,696,005
Foreign and local travel and subsistence	29,156,959	23,372,449
Professional fees	15,712,721	15,883,899
JIFSA project	<u>8,059,756</u>	<u>11,266,212</u>
	<u>140,188,089</u>	<u>99,545,241</u>
Staff-related		
Salaries, statutory payments and gratuities	284,785,900	281,225,775
Staff benefits	55,232,843	49,394,491
Pension benefit, net	67,805,000	(44,399,000)
Unused vacation leave	5,441,348	462,983
Staff training	<u>1,026,232</u>	<u>337,790</u>
	<u>414,291,323</u>	<u>287,022,039</u>
General and administrative		
Directors' fees	887,500	879,500
Office rental	1,068,750	1,068,750
Utilities	23,560,044	22,784,555
Repairs and maintenance	9,865,758	10,942,896
Office supplies and other operating expenses	6,407,522	6,902,960
Professional fees	678,041	4,634,911
Audit fees	1,258,633	1,283,333
Motor vehicle and travelling	2,072,112	1,980,647
Bank charges	997,408	942,442
Insurance	2,417,689	2,781,167
Stationery	3,889,872	3,613,092
Security	2,554,946	2,409,593
Bad debt	-	460,226
Depreciation, net of allocation to tenants	13,509,133	14,247,896
Amortisation of deferred income	<u>(261,214)</u>	<u>(1,143,589)</u>
	<u>68,906,194</u>	<u>73,788,379</u>
Total expenses	<u>623,385,606</u>	<u>460,355,659</u>
Operating deficit	<u><u>\$(138,280,934)</u></u>	<u><u>(2,001,473)</u></u>

We are Your
Facilitators



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