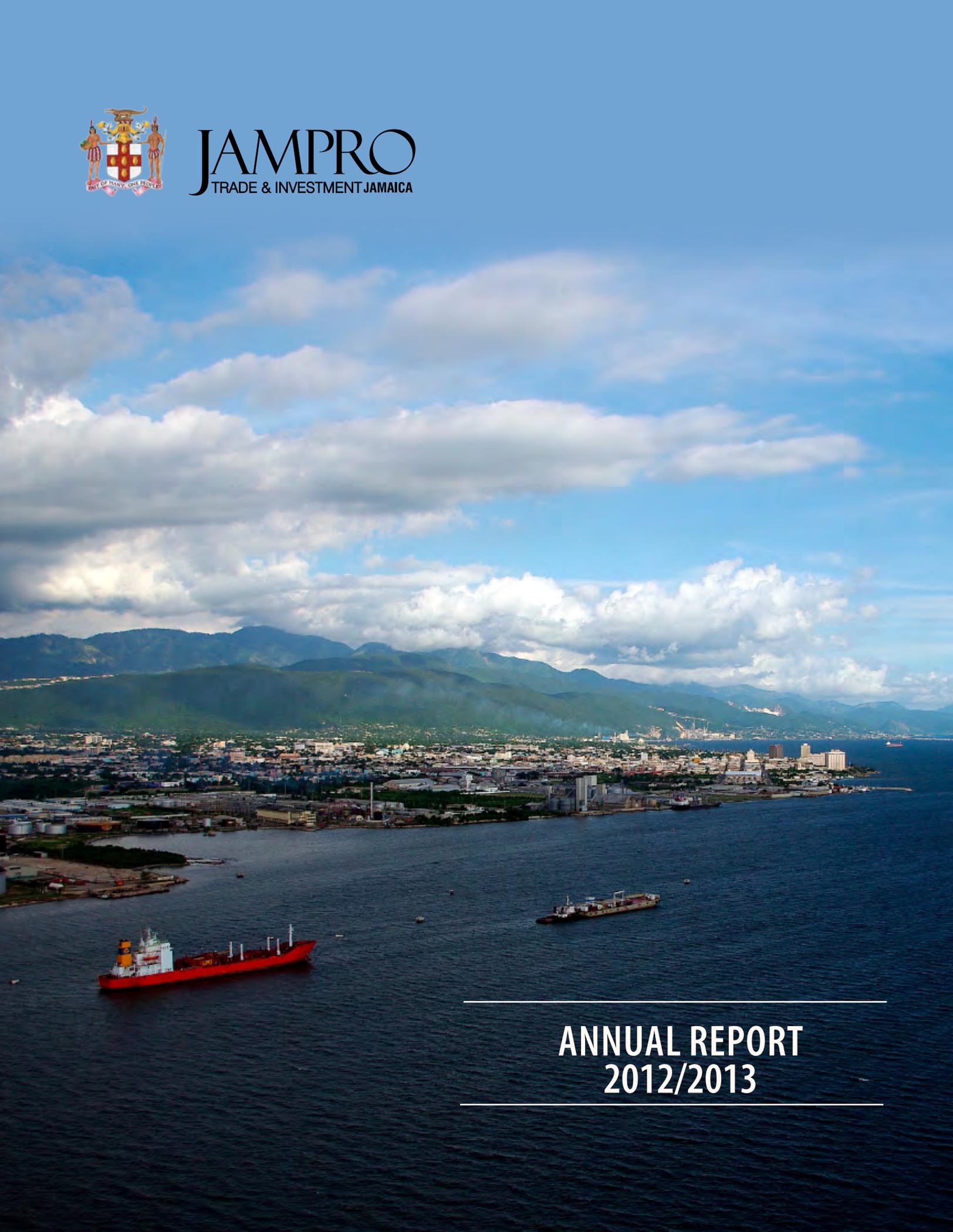




JAMPRO
TRADE & INVESTMENT JAMAICA



**ANNUAL REPORT
2012/2013**

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Kingston Harbour, the world's 7th largest natural harbour, beckons to Jamaica's great future in global logistics.

Cover image courtesy of Robert Davis - Jamaica by Air

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WHY JAMAICA?



NEARSHORE ADVANTAGE

Within a 4-hour flight radius of over half a billion of the world's population with close proximity to the USA and Canada, as well as Latin American and European markets.

PEOPLE ADVANTAGE: GLOBALLY COMPETITIVE WORKFORCE

3rd largest English-speaking nation in the Western Hemisphere with a 1.2 million workforce.



GLOBAL CONNECTIVITY AND WELL-DEVELOPED INFRASTRUCTURE FOR INVESTMENTS

World-class highways, international airports and seaports.



ROBUST TELECOMMUNICATIONS INFRASTRUCTURE

SOPHISTICATED DATA SECURITY AND INTELLECTUAL PROPERTY PROTECTION



STABLE POLITICAL CLIMATE, AND AN ENABLING BUSINESS ENVIRONMENT

GREAT QUALITY OF LIFE

A stunningly beautiful island with warm, friendly people, which welcomes over 3 million visitors every year.



BOARD OF DIRECTORS



CHAIRMAN

MILTON SAMUDA

DEPUTY CHAIRMAN

EARL JARRETT

DIRECTORS

SANCIA BENNETT-TEMPLER

AMBASSADOR BYRON BLAKE

KEISHA BURGHER

EUGENE FFOLKES

JEFFREY HALL

NORMAN HORNE

MARK LINEHAN*

ANDREA MOORE

REGINALD NUGENT

MARJORIE SEEBERAN

BISHOP E. DON TAYLOR

ANDREW THORBURN*

MYRTLE WEIR

STEVEN WHITTINGHAM

*PARTIAL YEAR OF SERVICE ON THE BOARD

JAMPRO EXECUTIVE MANAGEMENT

Sancia Bennett-Templer

President

Claude Duncan

Vice President, Investment Promotion

Delaine Morgan

Vice President (Acting), Trade & Business Development

Dana Morris Dixon

Vice President, Planning & Corporate Development

Wendy Lyttle

Vice President, Finance, Administration & MIS

CORPORATE OVERVIEW

Prevailing in the Face of Global Uncertainty

In a period when the world economy braced for a fall off in foreign direct investment (FDI) flows, Jamaica registered a 66% increase in FDI earnings during the 2012/13 fiscal year.

The 2013 UN Conference on Trade and Development (UNCTAD) World Investment Report pointed out that global FDI fell by 18 per cent to US\$1.35 trillion in 2012, due to the continuing slow recovery of the world economy, mostly because of global economic fragility and policy uncertainty.

In the face of this, Jamaica's FDI performance increased to US\$362 million in 2012 up from US\$ 218 million in 2011, with FDI contribution to Jamaica's gross domestic product (GDP) increasing from 1.8% in 2011 to 2.88% in 2012. Jamaica also continued to perform well in the area of non-traditional exports during the reporting period, with an 8% increase over the previous year reflected in earnings of J\$59.816 billion.

JAMPRO's growing reputation as one of the world's leading investment and trade facilitation agencies received a boost towards the end of the operational year. The Agency secured majority votes to represent Central America and the Caribbean as the regional director on the Steering Committee of the World Association of Investment Promotion Agencies

**FDI to Jamaica
up by 66%**
**Non-traditional
exports grew
by 8%**

(WAIPA), during the General Assembly of the XVIII WAIPA Annual World Investment Conference in Geneva, Switzerland in February 2013.

Less than six months earlier, JAMPRO copped the title of the world's leading Trade Promotion Organisation (TPO) from a Small Island Developing State at the 9th World Trade Promotion Organisation (TPO) Network World Conference in Kuala Lumpur, Malaysia. The Agency was recognised for "Excellence in Export Development Ini-



Delaine Morgan (right), Vice President (Acting), Trade and Business Development, JAMPRO, receives the trophy for "Best TPO from a Small Island Developing State" from Dr. Wong Lai Sum (left), CEO, Malaysia External Trade Development Corporation (MATRADE) at the 2012 Trade Promotion Organisation (TPO) Network Awards, staged by the ITC in Kuala Lumpur, Malaysia on October 18. Looking on are Patricia Francis (left), Executive Director, International Trade Centre (ITC) and Datuk Dr. Rebecca Fatima Sta Maria (centre), Secretary General, Ministry of International Trade and Industry, Malaysia.

CORPORATE OVERVIEW

tiatives" and received the honour ahead of the Dominican Republic Export and Investment Centre (CEI-RD). This is the third time that JAMPRO has earned this coveted international award for its export facilitation work.

At the heart of the global accolades showered on the Agency were the determined efforts by the JAMPRO team to meet, and in many instances, exceed the corporate targets set for the review period.

The Agency facilitated J\$8.103 billion in Capital Expenditure (CAPEX) from investment projects facilitated, which in turn created 7,711 jobs in short-term and permanent positions.

On the Trade and Business Development side, JAMPRO clients recorded J\$5.5 billion in export sales and secured over J\$1.4 billion of targeted linkage contracts for the 2012/13 fiscal period.

Jamaica celebrated a landmark year in 2012, as the country observed its golden jubilee of Independence at the climax of the London Summer Olympics. The Agency rose to the challenge of playing a central role in the conceptualization, planning and execution of Jamaica's first-ever National House at an Olympic Games. JAMAICA HOUSE 2012 at the O2 Arena in Greenwich was a platform for JAMPRO to promote business and investment opportu-



The Hon. G. Anthony Hylton (centre), Minister of Industry, Investment and Commerce, makes a point to Stephen Cadiz (left), Trinidad and Tobago's Minister of Trade and Industry, and Brian Pengelley, President of the Jamaica Manufacturers' Association (JMA) at Expo Jamaica 2012.



- **J\$8.103 billion in CAPEX**
- **7,711 jobs within key sectors**
- **J\$5.5 billion in export sales**
- **137 linkage contracts valued at J\$1.4 billion**

nities, as well as a rallying point for thousands of members of the Jamaican Diaspora in the UK, and for fans from all over the world, who came out in support of Brand Jamaica and the memorable performances of our athletes at the historic Games.

Expo Jamaica was another marquee event for 2012 that celebrated the outputs of the productive and export sectors, and that connected Jamaican producers with buyers from across the globe. Much of the vibrant business exchanges and outcomes of Expo Jamaica 2012 are attributable in large measure to the behind-the-scenes work done by JAMPRO to execute a major international and local Buyer Recruitment Programme in partnership with the Jamaica Manufacturers' Association and the Jamaica Exporters' Association.

MESSAGE FROM THE



CHAIRMAN

I am pleased to present to you the Annual Report for the Jamaica Promotions Corporation for the period ending March 31, 2013, which outlines another year of notable successes.

In the face of faltering recovery of the world economy and a slowdown in the global flows of Foreign Direct Investments (FDI), JAMPRO surpassed its key investment promotion targets during the 2012/13 fiscal period. The Agency achieved this by facilitating J\$8.103 billion in capital expenditure (CAPEX) generated by its investment clients, representing 109% of the J\$7.431 billion targeted for the period. These facilitated investments created 7,711 jobs mainly in the Creative Industries and ICT/BPO sectors, well ahead of our set job creation targets.

On the export trade side, JAMPRO facilitated J\$5.5 billion in export sales and 137 linkage contracts valued at J\$1.405 billion, much of which were as a result of targeted business-to-business activities among buyers and suppliers in the tourism/hospitality industry.

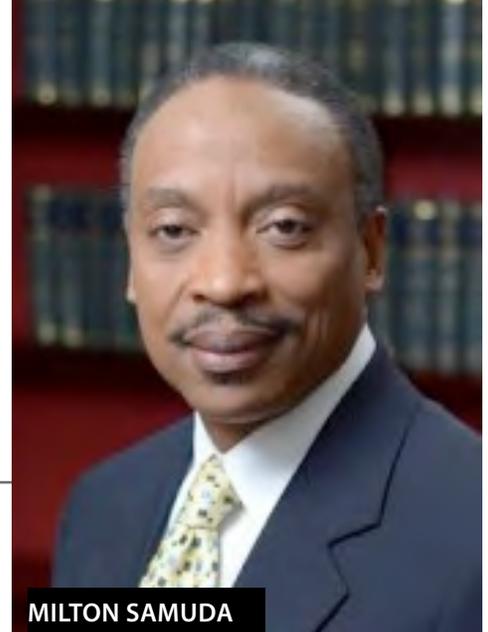
Consistent with the Agency's ongoing efforts to establish a solid platform for exporters, JAMPRO reprised its role as buyer recruitment partner for the JMA/JEA Expo Jamaica 2012, and attracted

325 buyers from 21 countries to the premier trade event in the island. Following up on the successful coordination of buyer recruitment programmes in the two previous stagings of Expo Jamaica, JAMPRO exceeded expectations by facilitating 379 business meetings between buyers and suppliers. Over 30 per cent of the 101 leads generated at the event have so far been converted. DA

In Jamaica's 50th year of political independence, the Agency acquitted itself well in executing trade, investment and country branding activities through the Jamaica House 2012 initiative in London, which capitalized on the great performances of Jamaica's world-class athletes at the Summer Olympic Games.

As a key Agency of the Ministry of Industry, Investment and Commerce, JAMPRO looks forward to building on the work done so far to develop, position and promote Jamaica as the next major global logistics hub alongside Singapore, Dubai and Rotterdam.

Going forward, this visionary goal represents a major undertaking for Jamaica, and for every member of the JAMPRO team who will be actively engaged in the promotion of global investments in the Jamaica Logistics Hub within the



MILTON SAMUDA

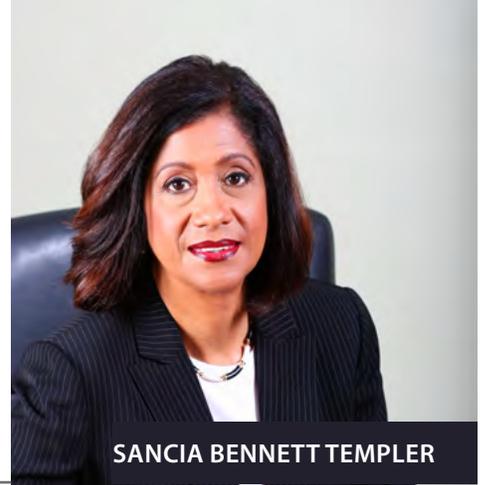
next two years. Success in our efforts will result in significant transformation of our economy and the well-being of the people of Jamaica.

As we seek to fulfill our mandate in the ensuing year, JAMPRO will be even more aggressive in seeking to secure foreign and local direct investment and will concentrate on converting significant investor interest into implemented projects.

I must commend the hardworking staff and Board of JAMPRO, including Sancia Bennett Templer, who demitted office as President during the reporting period. I must also thank our many stakeholders who partner with us in the continuing achievement of the Corporation's mandate.

Milton J. Samuda
Chairman of the Board

MESSAGE FROM THE PRESIDENT



SANCIA BENNETT TEMPLER

The year ending March 2013 was one of significant achievements and global recognition and renewed efforts for the organization. In March 2012, the Agency executed the inaugural Jamaica Investment Forum (JIF), charting new paths and executing a dynamic and targeted approach to the identification, landing, and facilitation of investments into Jamaica. The success of the event launched JAMPRO into a year of intense activity and, more importantly, significant results and emerging opportunities. Driven by activities executed at the JIF, the organization landed impactful projects such as Sutherland Global Solutions (SGS), which secured over 300 jobs in the country's Business Process Outsourcing (BPO) industry within its first year of operation, and a pioneering logistics investment, a joint venture between ISOCON and JLB Shipping – the first and only ISO tank-cleaning service in the region.

The SGS investment resulted in global recognition for Jamaica through its innovative collaboration with the University of the West Indies, and secured the runner-up Global Project of the Year award from fDi Intelligence. This investment also resulted in JAMPRO attaining the UNCTAD award for excellence in promoting export-led investments. The organization's investment promotions efforts also saw significant support to the Minister of Industry, Investment and Commerce, the Hon. G. Anthony Hylton, and the Logistics Task Force in the articulation and promotion of Jamaica

as the fourth node in the global logistics industry. This included the planning and execution of Ministerial missions to China, Singapore, Dubai and Kuwait for high level meetings with government entities and potential investors, all with promising results, as well as local activities to sensitize and mobilize the Jamaica business community in respect of this critical national imperative.

The last fiscal year also saw significant successes, in export promotion and development with unparalleled achievements in the organisation's international and local buyer recruitment programme for Expo Jamaica 2012, where JAMPRO hosted 325 buyers, including 143 international buyers from 21 global markets. Investment and trade promotion efforts and the national Brand were also significantly boosted during the country's 50th Independence anniversary year, by the organization's successful hosting, in partnership with the Jamaica 50 Secretariat and the Jamaica Tourist Board, of Jamaica House at the O2 Arena during the London 2012 Olympics.

The Trade and Business Development team also attained global recognition for the organization during the year, as in October 2012, and for the third time in the last decade, JAMPRO received the award for Best Trade Promotion Organization in the Small Island Developing States category from the International Trade Centre. Continuing its trend of excellence, in November 2012

and February 2013 respectively, JAMPRO went on to win its bid for leadership positions in both the Caribbean Association of Investment Promotion Agencies (CAIPA), where it now sits as First Vice President, and Regional Representative for Central America and the Caribbean on the Steering Committee of the World Association of Investment Promotion Agencies (WAIPA).

The concerted level of activities executed during the year, resulted in the organization surpassing almost all of its annual targets as well as building and developing a considerable portfolio of possible future projects.

I must thank the tireless team of professionals at JAMPRO for a job well done in 2012/2013, while also charging them to build on the foundation that has been set this year in order to significantly impact the economic development of our country. Thanks also to the Board of the Directors, who successfully led the charge in their first year at the helm of the organization under the guidance of the Minister, the Hon. G. Anthony Hylton. As FY 2013/2014 unfolds, I am excited to see sustained growth in the achievements of the organization in meeting its mandate, and wish for us continued success.

Sancia Bennett-Templer
President of JAMPRO

INVESTMENT PROMOTION



JAMPRO
TRADE & INVESTMENT JAMAICA

Claude Duncan, VP, Investment Promotion, addresses Canadian industry leaders at a Business Roundtable of the Canadian Council of the Americas National Club held in October 2012 in Canada.

INVESTMENT PROMOTION

- ICT/Knowledge Services
- Tourism
- Manufacturing
- Energy and Mining
- Creative Industries
- Agriculture/Agribusiness

Jamaica's diversified market economy offers up a variety of investments projects of significant scale, most of which are actively promoted by JAMPRO in key sectors such as Information and Communications Technology (ICT)/Knowledge Services, Tourism, Manufacturing, Energy and Mining, Agriculture/Agribusiness and the Creative Industries. With teams of dedicated officers working in the Investment Promotions Division, investment leads are routinely generated for ultimate conversion to landed projects and investments.

The Investment Promotion Division facilitated J\$8.103 billion in capital expenditures (CAPEX) generated by its investment clients, surpassing the set target J\$7.431 billion for the period. This had a positive impact on the number of

jobs created, which rose to 7,711, well ahead of the job creation target of 5,535. Most of these jobs were attributable to the Creative Industries sector, which enjoyed a buoyant year of activities in celebration of the nation's 50th anniversary of independence, as well as to the rapidly expanding Business Process Outsourcing (BPO) sectors, which generated nearly a quarter of all the jobs created in the review period.

Of special note is that the ICT/Knowledge Services sector registered the largest contribution to CAPEX earnings, generating over J\$3.63 billion or 45% of the total CAPEX achieved, due in large measure to major expansion activities by ICT/BPO operators and the entry of new players.



Claude Duncan, VP Investment Promotion addresses business and civic leaders at the Canadian Council of the Americas Business Roundtable on October, 23 2012 in Toronto.

When combined, the traditional Manufacturing, Mining and Energy sectors made a similar contribution of 48%, while expenditure from the Tourism sector remained constant when compared to the previous year.

FIG. I - SECTORAL BREAKDOWN OF CAPITAL EXPENDITURE FACILITATED BY JAMPRO

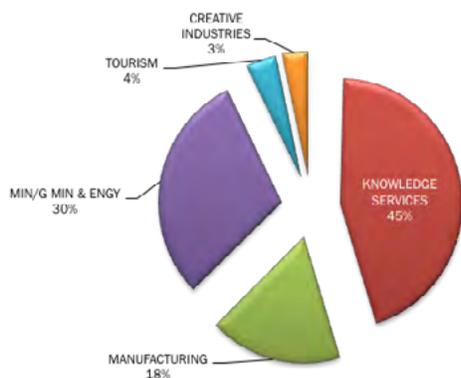
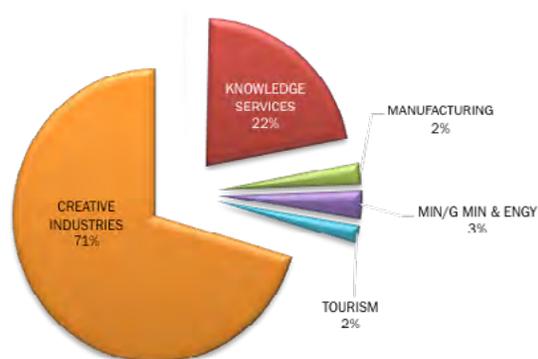


FIG. II - SECTORAL BREAKDOWN OF JOBS FACILITATED BY JAMPRO





ICT/KNOWLEDGE SERVICES

ICT Investments Lead the Way

The ICT/Knowledge Services sector has priority status on the national growth agenda given Jamaica's unique near shore advantage, robust telecommunications infrastructure and globally competitive workforce.

Against the background of JAMPRO's tireless work over the years to develop a strong ICT country profile and a BPO Industry Association, Jamaica has emerged as the leading contact centre location in the English-speaking Caribbean with great prospects for exponential growth and job creation.

Jamaica is home to some of the top ICT/BPO firms in the world such as ACS (Xerox), Teleperformance and Vistaprint. During the review period, Sutherland Global Services (SGS), another top global brand, entered the market and established its first Global Delivery Centre (GDC) on the Mona campus of the University of the West Indies (UWI), for which it was recognized by the London-based fDi Magazine as one of the top Foreign Direct Investment (FDI) projects of 2012 in the 'Best Outsourcing Project' global category.

SGS, which commenced operations in 1986 in Rochester, New York, now employs over 30,000 professionals across 35 delivery centres in countries such as the US, Canada, Mexico, Colombia, India, The Philippines, UAE, UK, Bulgaria and Egypt.



Hinduja Global Solutions (Team HGS Ltd.), one of the top 15 BPO companies in India, also established a BPO operation in Kingston that will service its near shore clients. Hinduja is part of a larger conglomerate and currently operates in six countries, including the US, Canada and the UK.

During the review period, JAMPRO supported the formation of the Business Process Industry Association of Jamaica (BPIAJ), and partners with this umbrella organisation to advocate for the ongoing development of the sector.

The ICT sector registered the largest contribution to CAPEX in 2012/13

TOURISM

Expanding Investments and Diversifying into Wellness Tourism

Global investor interest remains strong in Jamaica, one of the world's leading destinations, with a strong and highly visible tourism brand. JAMPRO continues to engage and facilitate a number of international players within the industry regarding new projects in both traditional and emerging areas such as medical/health-care tourism and luxury boutique developments.

In recent years, major hotel chains have moved to incorporate luxury brands in their product offerings, and there has been growing interest in medical tourism investments. In keeping with these trends, JAMPRO will continue to fine-tune its strategies to promote more niche investor opportunities and partnerships.

During the reporting period, JAMPRO facilitated J\$322 million in CAPEX investments in the sector last year, which created 151 reported jobs. The Spanish hotel chain RIU commenced its fifth project in Jamaica to establish the Riu Palace under their luxury line; and the Canadian travel group SUNWING in partnership with TUI, operating under the Blue Diamond Group, established Memories White Sand Beach Resort, with plans for further developments in the near future.

With the global health tourism sector valued at US\$40 billion in 2005 and projections that in excess of a million medical tourists traveled from the United States alone in 2012, the Government of Jamaica signed a Memorandum of Understand-



ing (MOU) with American Global MD (AGMD) on February 22, 2013 for the country's first five-star medical tourism facility.

AGMD is a consortium of American-trained physicians and investors, all of whom have a strong Jamaican affiliation as a result of having previously studied or practiced in the country. Under the MOU, AGMD will build a fully 'amenitized' 200-bed hospital and medical facility that will target the North American and Caribbean markets.



During FY2012/13, Jamaica announced its first major greenfield medical tourism project

This JAMPRO-facilitated US\$200-million investment, which is estimated for completion within four and half years, will provide employment opportunities for Jamaican doctors, nurses and other medical-related personnel, and deliver services ranging from elective surgeries, rehabilitation and naturopathy. Under the first phase of the project, a 50 – 75-bed patient facility will be constructed to offer plastic and cosmetic surgery, bariatric services and dental specialties.

MANUFACTURING

The Sector's Role in Jamaica's Future in Global Logistics

Manufacturing is important to Jamaica's economy as it represents over 8% of the country's gross domestic product (GDP), and comprises small, medium and large enterprises that manufacture for both the domestic and export markets.

With the widening of the Panama Canal in 2015 and Jamaica's ambitions to become the 4th node in the Global Logistics Supply Network next to Singapore, Dubai and Rotterdam, the island offers a strong value proposition to investors seeking to locate their manufacturing and distribution base on the island, and so reduce time to market as well as benefit from Jamaica's near shore location to the world's leading markets.

The Jamaica Logistics Hub represents an opportunity to breathe new life into the manufacturing sector, as it seeks to integrate manufacturers and distributors based in Jamaica in the global goods production and distribution chains. By definition, the Jamaica Logistics Hub is a clustering of global third party logistics providers (such as shippers, couriers and freight forwarders) and large global businesses with substantial cargo flows, to take advantage of sea-air connectivity opportunities and trade corridors from production houses in the Asia/Pacific and other regions to growing markets of over 800 million people in the Americas.

Given the core mandate of the Ministry of Industry, Investment and Commerce (MIIC) to spur industrial and economic activity for wealth and job creation, the Jamaica Logistic Hub seeks to deliver:

1. Job Creation:

Jobs will be created at all levels, from top management to entry level in the areas of:

- Logistics management
- Industrial management,
- Transportation
- Construction
- Production and packaging

- Information technology management and operation
- Port and airport operation: e.g. an increased number of marine pilots, forklift and crane operators.
- Ship repairs and aircraft maintenance
- Customs and immigration officers
- Cargo handlers and warehouse workers
- Security



MANUFACTURING

The Sector's Role in Jamaica's Future in Global Logistics

The companies creating employment will be:

- Shipping companies
- Port operators
- Warehouse managers
- Third party logistics companies
- Manufacturers
- Trucking companies
- Cargo consolidators
- Construction companies
- Security companies
- Government agencies

2. Small and Medium-sized Business Opportunities

There will be numerous opportunities for support services to companies and persons working in and around the special economic zones, at the ports and airports, logistics parks and industrial parks, e.g.:

- Technicians
- Tradesmen
- Workshops
- Professionals (accounting, finance, legal)
- Catering
- Transportation
- Shops serving persons working on the port, in factories and sailors from ships
- Ship chandelling (supplying water, food and other supplies to ships calling at the port)

3. New Skills in the Economy

Many of the jobs to be created by the logistics hub will require persons at all levels, not only trained in logistics management and operations, but also generally in the field of manufacturing and assembly. There is also an increased demand for skills in information management.



(L-R) Director of ISOCON-JLB International, Michael Kane; President of JAMPRO, Sancia Bennett Templer; JAMPRO Chairman, Milton Samuda; Minister of Industry, Investment and Commerce, Anthony Hylton; Minister of Agriculture, Roger Clarke; Director of ISOCON-JLB International, Beverly Johnson; and British High Commissioner to Jamaica, Howard Drake, at the official opening of ISOCON-JLB International's operation site at New Port East in the Kingston Free Zone on Friday, September 14. Minister Hylton was all smiles as he cut the ribbon in celebration of the JAMPRO-landed investment.

Plans are in train for secondary and tertiary institutions to start offering courses and certification in logistics-related areas.

4. New Industries and Opportunities islandwide

Activities related to the logistics hub will not be restricted to Kingston and other ports and airports. There are plans to establish industrial parks across the island to provide assembly and light manufacturing of goods for global markets to the broad-based benefit of the economy.



MINING AND ENERGY

Exploring New Investments in Traditional Sectors

Jamaica's dominance over many years as a vital link in the global value chain for the bauxite/alumina trade earned the island critical foreign exchange and created mass employment from the lucrative investments in the mining sector. Yet, the island is blessed with other rich mineral endowments such as proven reserves of 150 billion tonnes of pure limestone calcium carbonate deposits, as well as, gypsum, marble and other semi-precious stones.

Given market demand for over 25 million tonnes of limestone by the US market and a corresponding 2.3 million tonnes by Canada, JAMPRO has been actively promoting local and foreign investment in limestone mining, and quarrying and export of limestone, both in its primary form and as value-added ground calcium carbonate and precipitate calcium carbonate.

Allied to the drive for mining investments have been the efforts to seek out affordable energy sources to boost efficiencies in the productive sector. In addition to JAMPRO's efforts to pursue a number of current leads for energy investors, the Agency actively participates in the Ministry of Science, Technology, Energy & Mining's (MSTEM's)



Jamaica Energy Council, which among other things, seeks to address the critical issue of low cost energy and energy efficiency, and to raise Jamaica's renewable energy consumption levels to 30%.

Investments in both the Mining and Energy sectors generated J\$2.43 billion, accounting for nearly 30% of the total JAMPRO-facilitated capital expenditures (CAPEX) during the 2011/12 financial year. Of special note, were the major investments in the Western Kingston Power Plant and Aegean Bunkering that amounted to US\$18 million in capital expenditure.

CREATIVE INDUSTRIES



The Creative Industries, primarily in the areas of Film, Music and Fashion, continue to represent a major industry of focus for the Agency, given the growing demand for Jamaican culturally inspired designs and products. One exciting area is in the Animation Arts, where Jamaica has the potential to develop a local industry of design animators that can generate numerous animation outsourcing jobs and export services to a lucrative global animation industry valued at US\$222.8 billion.

The Creative Industries, generated J\$267 million in local capital expenditure in addition to J\$1.207 billion in linkages. The sector also continued to contribute significantly to employment generation particularly with respect to temporary jobs, registering 5,392 temporary jobs along with 45 permanent jobs.

Among the chief projects during the period was the long-running US reality television show 'America's Next Top Model' (ANTM), which shot four episodes in western Jamaica in June. JAMPRO's Film Commission reported earnings of over US\$1 million and the creation of some 70 jobs from the filming of the popular series, which is hosted and produced by former supermodel and business mogul Tyra Banks.

The Creative Industries, generated J\$267 million in local capital expenditure in addition to J\$1.207 billion in business linkages.

The episodes were shot in iconic locations such as Dunn's River Falls in Ocho Rios and the Rose Hall Great House in Montego Bay. The crew also filmed at the Martha Brae River and Falmouth in Trelawny, Dolphin's Cove in Ocho Rios. The Half Moon Resort provided another location and accommodation for the cast and crew. Local talent was also brought to the fore throughout the production, with the show's contestants modelling creations from local fashion designers and jewellers. Local models, photographers, dance groups and artistes were highlighted, demonstrating Jamaica's creative force. The local producers of ANTM were Slingshot Productions.

The celebration of the country's 50th anniversary of Independence (Jamaica 50) and Jamaica's performance in the London 2012 Summer Olympics, led to an influx of film crews to the island to produce news features, advertisements and documentaries on Jamaica's Olympic athletes.



> AGRICULTURE

The Agricultural sector has traditionally made a significant contribution to the Jamaican economy and will continue to play an important role in Jamaica's future prosperity. Agriculture currently contributes 2.6% to GDP and employs over 18% of the workforce, which is likely to increase as signature Jamaican export brands gain increasing global appeal and popularity.

The agriculture sector contributed over J\$33 million towards the CAPEX target for the 2012/13 financial year. In pursuit of more value-added production and exports, JAMPRO facilitated a partnership and an MOU between Diageo (Red Stripe Beer) and the Jamaica Producers Group to explore the growth of cassava for use in brewing processes. The project would entail the engagement of farmers with smaller acreages to grow cassava as a yeast subsidy for use of brewing.

Over the next three (3) years, the Government of Jamaica will establish additional agro-parks where 8,000 acres of under-utilized government lands have been identified to establish eight (8) parks at a cost of U\$8 million. The first two parks have been established in Amity Hall, St. Catherine and Ebony Park, Clarendon. Acreages will be leased to private sector individuals for agriculture with a focus to produce specific crops geared at import substitution. JAMPRO will provide additional promotional support for the agro-parks during the upcoming fiscal period.



**Agriculture contributed
over J\$33 million
towards the CAPEX target
for 2012/13.**





Image courtesy of Robert Davis - Jamaica by Air

TRADE AND BUSINESS DEVELOPMENT



TRADE & BUSINESS DEVELOPMENT

National export performance continues to improve, particularly in the area of non-traditional exports which grew by 8%, moving from J\$55.238 billion to J\$59.816 billion in 2012, when compared to the corresponding 12-month period in 2011.

JAMPRO's continuing facilitation support of the export sector manifested in sales of J\$5.5 billion by its export clients during the review period, achieving 125% of its target of J\$4.4 billion.

JAMPRO surpassed its export sales target, achieving 125% of the projected figure.

The Agency also facilitated 137 linkages contracts for the period valued at J\$1.405 billion, with special focus on the hospitality sector and business matchmaking activities with the Manufacturing, Fresh Produce and Services sectors. In support of the key industries, JAMPRO executed a mix of outgoing and incoming trade missions, as well as participation in a number of major international trade shows such as Taste of London (United Kingdom), SIAL Food Show (Toronto, Canada), and the 57th International Summer Fancy Food Show (Washington D.C.).

Expo Jamaica 2012 trade event was a major undertaking for the Agency during the period.



Sheryll Muir (left) of Blue Ribbon Manufacturing shows one of their signature sauces to the Hon. G. Anthony Hylton, Minister of Industry, Investment & Commerce, during his visit to JAMPRO's Export Max Booth at Expo Jamaica 2012. In the background are JAMPRO's Delaine Morgan and Marlene Porter, and Reginald Budhan, Permanent Secretary in the Ministry of Industry, Investment & Commerce

Working in partnership with the Jamaica Manufacturers' Association and the Jamaica Exporters' Association, JAMPRO designed and implemented a highly successful buyer recruitment programme that delivered 325 buyers to the Expo Jamaica Show- 143 local and 182 from overseas.

JAMPRO executed an extensive buyer recruitment programme with a total of 325 buyers attending Expo Jamaica - 182 of which were international buyers and distributors

International buyers represented 21 countries, with the United States and Trinidad and Tobago registering the largest international buyer delegations in attendance.

JAMPRO facilitated 379 business meetings between buyers and exhibitors, which generated 101 export leads. To date, 33 leads have been converted to contracts.

JAMPRO's Trade and Business Development Division also executed a number of capacity building workshops, one of which sought to sensitize some 220 participants about trade regulations and market opportunities in doing business with the French Caribbean island of Martinique.

FUNCTIONAL BRIEFS

EXPORT PROMOTION

Beyond markets in the United States, Canada and the UK, which collectively constitute the largest importers of Jamaican products, JAMPRO targeted new opportunities in the Caribbean and Latin American markets.

A total of nine (9) inward and outward trade missions were also executed during the year, which facilitated interactions with buyers from the UK, USA, Bermuda, Greece and the Caribbean. Arising from these activities, 216 trade leads were generated, and 40 leads have been converted to actual export sales contracts.

9 inward and outward export promotion missions were executed.

In addition to market successes, the export promotion initiatives featured 91 instances in which exporters were engaged; and resulted in twenty four (24) new or aspiring exporters being exposed to new markets.



24 new /aspiring exporters were exposed to export markets

EXPORT DEVELOPMENT

Throughout the 2012/13 financial year, JAMPRO concentrated its efforts on the Business Linkages Programme, which was designed to create and support business opportunities between local suppliers of goods and services and local and foreign investors. JAMPRO's Business Linkages Event was staged at the Jamaica Product Exchange (JAPEX) trade show in collaboration with the Jamaica Hotel and Tourist Association (JHTA) and the Jamaica Tourist Board (JTB) from September 30 to October 2, 2012.

Twenty-six (26) contracts valued at J\$100.9M were recorded from the

event, arising from 300 business-to-business meetings among 98 hoteliers/buyers.

The results from JAMPRO's Business Linkages event are indicative of the need for a continued focus on Linkages, which will continue to be a key activity in the 2013/14 financial year. This outlook is further supported by Jamaica's National Linkages Programme, which seeks to stimulate increased domestic economic activity and positively impact the country's balance of payments through import replacement.

26 contracts valued at J\$100.9M recorded from Business Linkages Event at JAPEX 2012



JAMPRO'S SPECIAL PROJECTS



Special projects that benefitted from the support of JAMPRO during the year under review included the following:

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 ease of doing business in Jamaica.

During the period under review, the National Competitiveness Council Secretariat developed and implemented a national bureaucracy hotline - 1-888-RED-TAPE - to track bureaucratic impediments to doing business in the public sector with a view to having them resolved.

The Doing Business Reform Agenda, which was drafted in consultation with a number of public and private sector stakeholders, was presented to the Cabinet and submitted for inclusion in the National Medium Term Economic Framework. The Reform Agenda lists the main reforms needed to improve Jamaica's business climate. The Agenda was also updated to reflect new timelines in accordance with the International Monetary Fund's Letter of Intent.

Jamaica Coalition of Service Industries

The Jamaica Coalition of Services Industries (JCSI) remains the focal point within JAMPRO for the promotion and development of the services sector at the national level. It focuses on capacity building initiatives, market access promotion, public-private sector partnerships, trade facilitation, trade



policy and institutional strengthening, sector development and trade cooperation.

In February 2012, the JCSI completed Jamaica's National Service Sector Strategy and Expansion Plan, the first comprehensive strategic plan solely dedicated to developing the services sector of Jamaica. This plan will drive the development of the services sector by targeting six priority sub-sectors including medical tourism, health and wellness tourism, management consultancy, creative industries (music), information and communications technology and offshore medical education. Aligned with this success is the confirmation of JCSI as the Secretariat for the Health and Wellness Steering Committee, which will be formed to drive the implementation of the Health and Wellness Strategy.

The JCSI also embarked on a number of capacity building initiatives geared toward the strengthening and formation of industry support bodies. Noteworthy among these is the JCSI-assisted formation of the first busi-

» JAMPRO'S SPECIAL PROJECTS

ness process outsourcing association in Jamaica. The legal incorporation process of the Business Process Industry Association of Jamaica (BPIAJ) was guided by the Association Formation Guide developed by JCSI in June 2012.

National Export Strategy

The NES Secretariat hosted its NES Engagement Session which featured various export industry leaders sharing key insights with stakeholders. Additionally, participants benefited from information on the best practices of some of Jamaica's most successful exporting companies. Among the topics discussed were market penetration strategies and sustaining market presence in traditional and emerging markets.

The NES Secretariat also anchored the launch and early execution of the FINPYME Macro Technical Assistance Programme. The programme, which was executed in collaboration with the Inter American Investment Corporation (IIC) and the Inter-American Development Bank (IDB), comprises 9 key topics geared toward small and medium-sized enterprises (SMEs) in the export sector. To date, 78 SMEs have registered

to participate in the FINPYME programme. Through the staging of a number of technical assistance sessions, among other initiatives, the programme aims to achieve the following key objectives:

- Build export readiness and capacity of SMEs
- Improve market access for SMEs
- Increase performance and exports of SMEs



Strengthening the BPO Sector

Minister of Industry, Investment and Commerce, The Hon. G. Anthony Hylton shakes hands with Yoni Epstein, chairman of the Business Processing Industry Association of Jamaica (BPIAJ) on Thursday, September 20 at the launch of the BPIAJ at the offices of JAMPRO.



SIGNATURE INITIATIVES

Export Max: Enterprise Development for Growth

The Agency's increased efforts to facilitate export growth were evidenced in one of JAMPRO's signature programmes, Export Max: Enterprise Development for Export Growth, which received international recognition at the World Trade Promotion Organization (TPO) Network Awards. The Export Max programme was launched in the previous fiscal year and is intended to provide focused capacity building and market penetration support to an initial group of fifteen (15) Jamaica export and export-ready firms.

JAMPRO received the award for the Best Trade Promotion Organization (TPO) from a Small Island Developing State and was saluted for excellence in export development initiatives. This marks the third time that JAMPRO's efforts to impact exports has achieved recognition at this level, having won before in 2004 and 2008.

Jamaica House at the O2 Arena

The Jamaica House project was a 10-day initiative developed and implemented through a collaborative effort among Jamaica Promotions Corporation (JAMPRO), the Jamaica Tourist Board (JTB) and the Jamaica 50 Secretariat, along with their respective ministries. The project marked the culmination of the Meet Jamaica 2012 programme, which sought to increase trade in goods and services in the United Kingdom and wider European markets by capitalizing on the global brand platform afforded by the country's continued global athletic success.



(L-R) Jason Hall, Deputy Director of Tourism, Jamaica Tourist Board; Hon. Anthony Hylton, Minister of Industry, Investment and Commerce; Hon. Natalie Neita-Headley, Minister without Portfolio, Office of the Prime Minister (Sport); Henry Billingham, British Foreign Minister with responsibility for the Caribbean; Hon. Wykeham McNeill, Minister of Tourism, H.E. Aloun Assamba,

The focus of the activities at Jamaica House was in keeping with the celebration of Jamaica's anticipated strong athletic performance at the Olympics, while highlighting the strength of Brand Jamaica and, in particular, the wide range of business opportunities available in Jamaica. Three trade and investment days (including one targeting members of the Diaspora) were hosted at Jamaica House. Additionally, two business fora on opportunities in the Crea-

tive Industries and Sports were hosted at the venue.

The Jamaica House Project also incorporated activities outside of the O2 Arena, targeting interests in the Information and Communications Technology (ICT) and agriculture sectors. Jamaica House also featured a retail component dubbed 'Jamaica Shop' which offered authentic Jamaican products to visitors to the House.



JAMPRO
TRADE & INVESTMENT JAMAICA

TRADE & INVESTMENT MISSIONS

Success at a Glance

MISSIONS

Nearshore Nexus
(Seminar), USA
April 19, 2012

StyleWeek
Jamaica
May 2012

Caribbean Hotel and Resort
Investment Summit (CHRIS)/
Hotel Opportunities Latin
America (HOLA)
Miami, USA
May 7 – 11, 2012

AFCI Locations Expo/
Produced By Conference
USA
June 3, 2012

Tourism Outlook Seminar
Jamaica
June 14 & 15, 2012

Costa Rica Technology
Insight (Tradeshaw)
Costa Rica
June 19—20, 2012

Inward Mission to
Birmingham, UK
July 2012

Jamaica House
London, UK
August 3-12, 2012

Specialty Fine Food
& Fair 2012
London, UK
September 2-4, 2012

EXPORTERS REGISTER GROWTH THROUGH EXPORT MAX



JAMPRO's Senior Consulting Officer in Export Promotions Denise Byfield-Dixon (right) is all smiles as she greets buyers at Expo Jamaica 2012 held at the National Indoor Sports Arena.

J\$100 Million...

...in export sales and linkages contracts reported by exporters participating in JAMPRO's "Export Max: Enterprise Development for Export Growth" programme for the 12-month period ending October 2012.

JAMAICA HOUSE A SUCCESS IN LONDON

Jamaica House at the O2 Arena



Approximately **1,000** persons passed through Jamaica House daily,

The five business sessions hosted by JAMPRO generated a total of **13** investment leads and over **50** influential connections were made.

In the area of the Creative Industries, a number of major award shows are considering Jamaica as the destination for their next staging.

JAMPRO received favourable media coverage, securing BBC News to broadcast from Jamaica House on August 6 to approx. **330** million homes worldwide.

A Diaspora business seminar and reception was organised in conjunction with the Black Business in Birmingham that saw approximately **30** entrepreneurs from the Jamaican Diaspora in Birmingham attending.



JAMPRO
TRADE & INVESTMENT JAMAICA

TRADE & INVESTMENT MISSIONS

Success at a Glance

MISSIONS

Cont'd

Gartner Outsourcing & Strategic Partnership Summit 2012 (Tradeshaw) USA
September 10—12, 2012

Official Mission to Panama
September 25 – 29, 2012

Caribbean Trade Conference
Birmingham, UK
October 2, 2012

Trinidad & Tobago
Film Festival
October 3-16, 2012

Outward Mission
Glasgow, Scotland
October 16-17, 2012

Lifestyle Boutique Hotel
Development
Conference 2012, USA
October 17 – 19, 2012

Prime Minister's Investment
Forum (Canada)
October 23, 2012

World Animation & VFX
Summit, USA
October 28– 31, 2012

Caribbean Multi-National
Business Conference
Jamaica
November 8-11, 2012

Montego Bay Launch
of BPIAJ, Jamaica
November 9, 2012

SHIPPING CONTAINER CLEANING SERVICE FOR KINGSTON EXPORTERS



ISO tanks are pictured here at the operations of Isocon-JLB International, a JAMPRO-landed investment that has started a shipping container cleaning and repair facility in Kingston.

Isocon, a shipping container cleaning and repair facility in Kingston, is a JAMPRO-landed investment operated by Scottish engineering firm Isocon and the Jamaican-owned JLB International Shipping.

SUTHERLAND GLOBAL SERVICES (SGS) EXPANDS INTO JAMAICA



Minister of Industry, Investment and Commerce, Hon. G. Anthony Hylton, meets with senior executives from Sutherland Global Services to discuss plans to set up a Global Delivery Centre at the University of the West Indies, Mona.

SGS, one of the world's largest privately owned business process outsourcing companies, has chosen Jamaica as its latest investment destination.

Expected to generate up to

3,000 jobs

JAMPRO WINS PRESTIGIOUS TRADE PROMOTION AWARD



At the International Trade Centre's (ITC) 2012 TPO Network Awards, JAMPRO won the award for the Best Trade Promotion Organisation (TPO) in the Small Island Developing States (SIDS) category.

- 3rd hold on the award
- Previous wins in 2004 and 2008
- Special commendation for JAMPRO's Export Max programme



JAMPRO
TRADE & INVESTMENT JAMAICA

TRADE & INVESTMENT MISSIONS

Success at a Glance

MISSIONS

Cont'd

America's Next Top Model
Screening Finale, Jamaica
November 16, 2012

Outsource 2LAC 2012
(Conference) Columbia
December 5—6, 2012

Inward Mission to Kingston—
AMP Solar Group, Canada
December 5-7, 2012

JAMPRO/High
Commissioner's Business
Luncheon, London, UK
December 11, 2012

British-Russo Chamber of
Commerce seminar/recep-
tion
London, UK
December 13, 2012

Manga Mania
Jamaica
December 14, 2012

FEMI
Guadeloupe
January 28-February 2, 2013

Investors and Buyers Mission
to Jamaica
January 28 - February 2,
2013

Mission to Sweden
February 16-17, 2013

Berlin Film Festival
February 11-18, 2013

JAMAICA HOSTS AMERICA'S NEXT TOP MODEL



(L-R) Minister of Industry, Investment and Commerce, Hon. G. Anthony Hylton and his wife Yodit chat with Vice President of Investment Promotion at JAMPRO, Claude Duncan, at the screening of the finale of America's Next Top Model in November 2012.

Over **US\$1 Million** earned
70 jobs created
1.2 Million viewers

Jamaica strengthen ties with Scottish Business Community



Glasgow and Jamaica signed an agreement to strengthen trade and investment links between the two on March 26, 2013. It is expected that the Memorandum of Understanding, among JAMPRO, Glasgow City Council, Glasgow Chamber of Commerce and the Scottish Council for Development and Industry (SCDI), will lead to new trade and investment activities between Glasgow and Jamaica. From (L-R): Professor Lesley Sawers, Chief Executive of the Scottish Council for Development and Industry (SCDI), Stuart Patrick, Chief Executive of Glasgow Chamber of Commerce, Gordon Matheson, Leader of Glasgow City Council, Lord Provost of Glasgow, Councillor Sadie Docherty, Jamaica's High Commissioner Her Excellency Aloun Ndombet-Assamba and Laurence Jones, JAMPRO's European Regional Manager.

NASSCOM Leadership
Forum 2013, India
February 13—15, 2013

Healthcare EQ
(Inward mission)
Jamaica
February 11—14, 2013

IAOP Outsourcing World
Summit 2013 (Conference)
USA
February 18—20, 2013

Mission to Glasgow
Scotland
February 20, 2013
Kingston Book Festival
Jamaica
March 2-10, 2013

International Hotel
Investment Forum (IHIF)
Berlin, Germany
March 4-6, 2013

Vancouver Outward
Mission and
Mini-Investment Forum
Canada
March 13-16, 2013

DIRECTORS' COMPENSATION FOR 2012/2013

DIRECTOR'S NAME	TOTAL FEES (\$)
MILTON SAMUDA, CHAIRMAN	240,000
EARL JARRETT, DEPUTY CHAIRMAN	67,000
BYRON BLAKE	143,500
KEISHA BURGHER	96,000
EUGENE FOLKES	129,000
JEFFREY HALL	89,000
NORMAN HORNE	131,000
MARK LINEHAN	15,000
ANDREA MOORE	122,500
REGINALD NUGENT	110,500
MARJORIE SEEBERAN	89,500
BISHOP E. DON TAYLOR	62,500
MYRTLE WEIR	140,500
STEVEN WHITTINGHAM	113,500

EXECUTIVES' COMPENSATION FOR 2012/2013

POSITION OF SENIOR EXECUTIVE	BASIC SALARY (\$)	GRATUITY & PERFORMANCE INCENTIVE	TRAVELLING ALLOWANCE OR VALUE OF ASSIGNMENT OF MOTOR VEHICLE (\$)	PENSION OR OTHER RETIREMENT BENEFITS (\$)	OTHER ALLOWANCES UNIFORM ALLOWANCE & VACATION LEAVE (\$)	RETROACTIVE SALARIES (\$)	NON-CASH BENEFITS (\$)*	TOTAL(\$)
PRESIDENT	7,352,230	2,940,892	1,204,319	-	1,758,366	481,465	190,454	13,927,726
VP - INVESTMENT PROMOTION	5,794,733	2,317,893	1,006,434	-	-	184,522	245,629	9,549,211
VP (ACTING) - TRADE & BUSINESS DEVELOPMENT	5,794,733	869,210	377,444	28,974	88,868	317,857	188,528	7,665,613
VP - PLANNING & CORP. DEVELOPMENT	5,510,855	2,204,342	413,967	-	-	200,372	176,580	8,506,116
VP - FINANCE, ADMIN & MIS	5,515,047	2,206,019	1,006,434	-	-	84,426	176,580	8,988,506
TOTAL	29,967,599	10,538,356	4,008,599	28,974	1,847,234	1,268,641	977,770	48,637,172

*Non-cash benefits include health and group life insurance



FINANCIAL STATEMENTS

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STATEMENT OF CHANGES IN EQUITY	5
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JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA PROMOTIONS CORPORATION



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INDEPENDENT AUDITORS' REPORT

To the Members of
JAMAICA PROMOTIONS CORPORATION

Report on the Financial Statements

We have audited the financial statements of Jamaica Promotions Corporation (“the Corporation”), set out on pages 3 to 25, which comprise the statement of financial position as at March 31, 2013, 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.





To the Members of
JAMAICA PROMOTIONS CORPORATION

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, 2013, and of its financial performance, changes in equity and cash flows for the year then ended, in accordance with International Financial Reporting Standard.

A handwritten signature in blue ink that reads 'KPMG'.

Chartered Accountants
Kingston, Jamaica

July 18, 2013





JAMPRO
TRADE & INVESTMENT JAMAICA

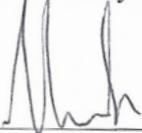
JAMAICA PROMOTIONS CORPORATION

STATEMENT OF FINANCIAL POSITION

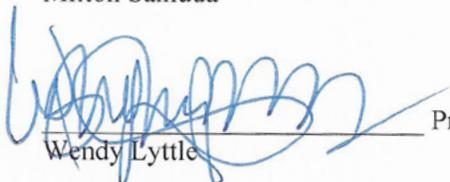
YEAR ENDED MARCH 31, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
CURRENT ASSETS			
Cash and cash equivalents	3	5,348,364	10,641,419
Securities purchased under resale agreements	2(e)	78,593,867	123,064,202
Accounts receivable	4	<u>30,534,185</u>	<u>26,577,783</u>
		<u>114,476,416</u>	<u>160,283,404</u>
CURRENT LIABILITIES			
Accounts payable	5	144,226,011	183,873,760
Grants received in advance	6	<u>7,916,813</u>	<u>7,744,031</u>
		<u>152,142,824</u>	<u>191,617,791</u>
NET CURRENT LIABILITIES		(37,666,408)	(31,334,387)
NON-CURRENT ASSETS			
Long term receivables	7	6,780,000	20,340,000
Property, plant & equipment	8	169,032,297	177,871,335
Employee benefit asset	9	<u>184,794,000</u>	<u>133,487,000</u>
		<u>\$322,939,889</u>	<u>300,363,948</u>
Financed by:			
ACCUMULATED SURPLUS		123,254,974	100,445,178
CAPITAL RESERVE	10	<u>197,629,686</u>	<u>197,629,686</u>
		320,884,660	298,074,864
NON-CURRENT LIABILITY			
Deferred income	11	<u>2,055,229</u>	<u>2,289,084</u>
		<u>\$322,939,889</u>	<u>300,363,948</u>

The financial statements on pages 3 to 25 were approved by the Board of Directors on July 18, 2013, and signed on its behalf by:



Milton Samuda Chairman



Wendy Lyttle President (Acting)

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



JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED MARCH 31, 2013

	<u>Notes</u>	<u>2013</u>	<u>2012</u>
Gross operating revenue	12	<u>517,386,792</u>	<u>485,104,672</u>
Operating expenses:			
Promotional		115,488,108	140,188,089
Staff-related		311,180,844	414,291,323
General and administrative		<u>73,488,924</u>	<u>68,906,194</u>
		<u>500,157,876</u>	<u>623,385,606</u>
Operating profit/(loss) for the year	13	17,228,916	(138,280,934)
Other income:			
Interest income		5,215,379	7,497,025
Gain on disposal of property, plant & equipment		365,501	1,932,300
Foreign exchange loss		<u>-</u>	<u>(214,315)</u>
Profit/(loss) for the year, being total comprehensive income/(loss)		<u>\$ 22,809,796</u>	<u>(129,065,924)</u>

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





JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA PROMOTIONS CORPORATION

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED MARCH 31, 2013

	<u>Accumulated surplus</u>	<u>Capital reserve (note 10)</u>	<u>Total</u>
Balances at March 31, 2011	229,511,102	197,629,686	427,140,788
Loss, being total comprehensive loss	<u>(129,065,924)</u>	<u>-</u>	<u>(129,065,924)</u>
Balances at March 31, 2012	100,445,178	197,629,686	298,074,864
Profit being total comprehensive profit	<u>22,809,796</u>	<u>-</u>	<u>22,809,796</u>
Balances at March 31, 2013	<u>\$123,254,974</u>	<u>197,629,686</u>	<u>320,884,660</u>

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





STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	22,809,796	(129,065,924)
Adjustments for:		
Depreciation	14,273,438	13,509,133
Employee benefits	(51,307,000)	67,301,000
Amortisation of deferred income	(233,855)	(261,214)
Interest income	(5,215,379)	(7,497,025)
Gain on disposals of property, plant & equipment	(365,501)	(1,932,300)
Foreign exchange loss	<u>481,674</u>	<u>214,315</u>
	(19,556,827)	(57,732,015)
Increase in accounts receivable	(3,956,402)	(14,088,819)
Decrease in long term receivables	13,560,000	13,560,000
(Decrease)/increase in accounts payable and grants received in advance	<u>(39,474,967)</u>	<u>31,268,509</u>
Net cash used by operating activities	<u>(49,428,196)</u>	<u>(26,992,325)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment	(5,434,400)	(1,747,977)
Interest received	5,215,379	7,497,025
Proceeds from disposal of property, plant & equipment	365,501	1,932,300
Securities purchased under resale agreements	<u>44,470,335</u>	<u>18,216,512</u>
Net cash provided by investing activities	<u>44,616,815</u>	<u>25,897,860</u>
Net decrease in cash and cash equivalents	(4,811,381)	(1,094,465)
Cash and cash equivalents at beginning of year	10,641,419	11,950,199
Effect of exchange rate fluctuations on cash and cash equivalents	<u>(481,674)</u>	<u>(214,315)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,348,364</u>	<u>10,641,419</u>

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





JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

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. That which management considered relevant to the Corporation is *Disclosures—Transfer of Financial Assets (Amendments to IFRS 7)*, which is effective for annual periods beginning on or after July 1, 2011. The amendment had no significant impact on the Corporation's 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 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.


NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2013

 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)

- Amendment to IFRS 7, *Financial Instruments: Disclosures* (effective for annual reporting periods beginning on or after January 1, 2013). The standard is amended to help users of financial statements to understand the actual and potential effects of netting arrangements on the entity's financial position. The amendment includes minimum disclosure requirements related to financial assets and liabilities that are offset in the statement of financial position, or, subject to enforceable master netting arrangements or similar arrangements.
- Amendment to IAS 32 *Financial Instruments: Presentation* - The standard clarifies that an entity currently has a legal enforceable right to offset if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all the counterparts. In addition, it clarifies that gross settlement is equivalent to net settlement if, and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk; and process receivables and payables in a single settlement process or cycle. The amendment is effective for annual reporting periods beginning on or after January 1, 2014.
- Improvements to IFRS 2009 - 2010 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2013. The main amendments applicable to the Corporation are as follows:
 - IAS 1 *Presentation of Financial Statements* is amended to clarify that only one comparative period, which is the preceding period, is required for a complete set of financial statements. IAS 1 requires the presentation of an opening statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification. IAS 1 has been amended to clarify that (a) the opening statement of financial position is required only if a change in accounting policy, a retrospective restatement or a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under IAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented.
 - IAS 16 *Property, Plant and Equipment* is amended to clarify that the definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether spare parts, standby equipment and servicing equipment should be accounted for under the standard. If these items do not meet the definition, then they are accounted for using IAS 2 *Inventories*.


NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

 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)

- IAS 32 *Financial Instruments: Presentation* is amended to clarify that IAS 12 *Income Taxes* applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction.

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.




NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

 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 (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.

The fair value of resale agreement approximates the carrying value at the reporting date.

(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.




NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

 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-employment 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 paragraph (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.




NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2013

 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.




NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

 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.

(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.




NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013

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

(p) Deferred income (cont'd):

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.




NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2013
3. Cash and cash equivalents

These include:

- (a) The amount of \$151,832 in the prior year related to grants received in advance to be disbursed to other persons for projects undertaken by the Corporation (see note 6).
- (b) \$6,945,328 (2012: \$6,620,715) 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 (2012: \$4,381,306) received for specified investment promotion activities.
- (d) \$8,653,959 (2012: \$12,403,183) 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) \$1,695,844 (2012: \$2,769,966) received for specified investment promotion activities for CART Fund project [see note 5(ii)].

4. Accounts receivable

	<u>2013</u>	<u>2012</u>
Prepaid expenses	3,054,149	3,651,627
Other receivables	<u>27,480,036</u>	<u>22,926,156</u>
	<u>\$30,534,185</u>	<u>26,577,783</u>

Included in other receivables is \$13,560,000 (2012: \$13,560,000) 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>2013</u>	<u>2012</u>
Jamaica International Financial Services Authority (i)	8,653,959	12,403,183
CART Fund (ii)	1,695,844	2,769,966
Trade payables	6,061,381	5,762,539
Accrued expenses and other liabilities	<u>127,814,827</u>	<u>162,938,072</u>
	<u>\$144,226,011</u>	<u>183,873,760</u>

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





NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

6. Grants received in advance

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

7. Long term receivables

	<u>2013</u>	<u>2012</u>
Retroactive salaries	20,340,000	33,900,000
Less: current portion	(13,560,000)	(13,560,000)
	<u>\$ 6,780,000</u>	<u>20,340,000</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, 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	201,352,295	90,580,418	11,054,450	302,987,163
Additions	-	5,434,400	-	5,434,400
Disposals	-	-	(1,246,475)	(1,246,475)
March 31, 2013	<u>201,352,295</u>	<u>96,014,818</u>	<u>9,807,975</u>	<u>307,175,088</u>
Depreciation:				
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	51,400,529	65,588,428	8,126,871	125,115,828
Charge for the year	4,843,899	7,422,354	2,007,185	14,273,438
Eliminated on disposals	-	-	(1,246,475)	(1,246,475)
March 31, 2013	<u>56,244,428</u>	<u>73,010,782</u>	<u>8,887,581</u>	<u>138,142,791</u>
Net book values:				
March 31, 2013	<u>\$145,107,867</u>	<u>23,004,036</u>	<u>920,394</u>	<u>169,032,297</u>
March 31, 2012	<u>\$149,951,766</u>	<u>24,991,990</u>	<u>2,927,579</u>	<u>177,871,335</u>

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





NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

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>2013</u>	<u>2012</u>
Pension asset:		
Present value of funded obligations	(232,861,000)	(186,996,000)
Fair value of plan assets	<u>996,372,000</u>	<u>920,355,000</u>
Net surplus	763,511,000	733,359,000
Unrecognised actuarial gains	(120,090,000)	(126,568,000)
Asset not recognised due to limitation in economic benefits	(458,627,000)	(473,304,000)
Asset recognised in the statement of financial position	<u>\$184,794,000</u>	<u>133,487,000</u>

Scheme assets consist of the following:

	<u>2013</u>	<u>2012</u>
Pooled Equity fund	65,734,000	158,083,000
Pooled Mortgage and real estate fund	254,720,000	30,111,000
Pooled Fixed income fund	230,070,000	323,693,000
Pooled Money market fund	82,168,000	52,694,000
Pooled Foreign exchange fund	131,469,000	127,972,000
Pooled CPI fund	57,518,000	60,222,000
Deposit administration fund	<u>131,766,000</u>	<u>121,114,000</u>
	953,445,000	873,889,000
Ordinary shares	1,762,000	1,762,000
Purchased annuities	47,772,000	43,760,000
Late contributions, net benefit adjustments	(6,607,000)	<u>944,000</u>
	<u>\$996,372,000</u>	<u>920,355,000</u>

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

	<u>2013</u>	<u>2012</u>
Balance at beginning of year	133,487,000	200,788,000
Contributions paid	582,000	504,000
Change recognised in profit or loss	<u>50,725,000</u>	(67,805,000)
Balance at end of year	<u>\$184,794,000</u>	<u>133,487,000</u>





NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

9. Employee benefit asset (cont'd)

	<u>2013</u>	<u>2012</u>
(ii) Movement in scheme assets:		
Fair value of scheme assets as at April 1	920,355,000	873,897,000
Purchased annuities	6,087,000	5,816,000
Contributions paid into the plan	7,316,000	6,105,000
Benefits paid by the plan	(15,049,000)	(18,667,000)
Expected return on plan assets	60,849,000	70,220,000
Actuarial gain/(loss) on plan assets	<u>16,814,000</u>	<u>(17,016,000)</u>
Fair value of scheme assets as at March 31	<u>\$996,372,000</u>	<u>920,355,000</u>
(iii) Change recognised in profit or loss:		
	<u>2013</u>	<u>2012</u>
Current service costs	9,561,000	12,684,000
Interest on obligations	16,720,000	21,663,000
Expected return on plan assets	(60,849,000)	(70,220,000)
Recognised actuarial gain	(1,481,000)	-
Change in disallowed asset	<u>(14,676,000)</u>	<u>103,678,000</u>
	<u>\$(50,725,000)</u>	<u>67,805,000</u>
Actual return on plan assets	<u>8%</u>	<u>6%</u>
(iv) Principal actuarial assumptions at the reporting date (expressed as weighted averages):		
	<u>2013</u>	<u>2012</u>
Discount rate	10.0%	10.0%
Expected return on plan assets	9.0%	9.0%
Future salary increases	5.5%	5.0%
Future pension increases	<u>5.5%</u>	<u>4.5%</u>

Historical information:

Defined benefit pension plan:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
Present value of the defined benefit	232,861	186,996	234,315	153,491	128,419
Fair value of plan assets	<u>(996,372)</u>	<u>(920,355)</u>	<u>(873,897)</u>	<u>(728,409)</u>	<u>(533,386)</u>
	<u>(763,511)</u>	<u>(733,359)</u>	<u>(639,582)</u>	<u>(574,918)</u>	<u>(404,967)</u>
Experience adjustments arising on plan liabilities	21,812	(74,416)	20,828	(6,443)	(1,373)
Experience adjustments arising on plan assets	<u>(16,814)</u>	<u>17,016</u>	<u>(34,108)</u>	<u>(112,940)</u>	<u>95,662</u>





NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

10. Capital reserve

	<u>2013</u>	<u>2012</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>2013</u>	<u>2012</u>
Balance at beginning of the year	2,289,084	2,550,298
Amortisation during the year	(233,855)	(261,214)
Balance at end of the year	<u>\$2,055,229</u>	<u>2,289,084</u>

12. Gross operating revenue

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

13. Disclosure of expenses

Operating profit/(loss) for the year is stated after charging:

	<u>2013</u>	<u>2012</u>
	\$	\$
Depreciation	14,273,438	13,509,133
Directors' remuneration:		
Fees	2,624,000	887,500
Management remuneration	13,950,625	12,284,657
Auditors' remuneration	1,100,000	1,100,000
Key management personnel:		
Compensation – short-term benefit (included in other staff costs)	48,637,172	45,393,907*
Salaries & statutory payments	297,580,463	292,216,301
Other staff costs	64,054,863	53,995,543
Pension assets	<u>(50,454,482)</u>	<u>68,079,479</u>

* Restated to comply with current year's presentation.





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JAMAICA PROMOTIONS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

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>2013</u> \$	<u>2012</u> \$
Accounts receivable:		
National Housing Trust	-	34,491
Government of Jamaica	<u>4,265,551</u>	<u>5,270,794</u>
Accounts payable:		
Government of Jamaica	<u>166,017</u>	<u>617,288</u>

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

15. 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.

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.

The maximum exposure to credit risk at the reporting date is represented by the carrying value of its financial assets in the statement of financial position.

Accounts receivables:

Management establishes an allowance for impairment that represents its estimate of losses in respect of other receivables. Management's policy is to provide for balances based on past default experience, current economic conditions and expected recovery.





NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

15. Financial risk management (cont'd)

(i) Credit risk (cont'd):

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.

(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.

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.

	2013		
	Within 3 months	Contractual cash flows	Carrying amount
<u>Financial liabilities</u>	\$	\$	\$
Accounts payable	144,226,011	144,226,011	144,226,011
Grants received in advance	<u>7,916,813</u>	<u>7,916,813</u>	<u>7,916,813</u>
	<u>152,142,824</u>	<u>152,142,824</u>	<u>152,142,824</u>
	2012		
	Within 3 months	Contractual cash flows	Carrying amount
<u>Financial liabilities</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>





NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2013

15. Financial risk management (cont'd)

(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:

	2013				2012			
	US\$	(£)	(€)	CAD\$	US\$	(£)	(€)	CAD\$
Cash and cash equivalents	22,018	13,109	1,496	7,091	8,249	19,771	1,294	1,071
Accounts payable	(91,175)	(2,557)	-	(689)	(64,293)	(19,621)	-	(843)
Net exposure	<u>(69,157)</u>	<u>10,552</u>	<u>1,496</u>	<u>6,402</u>	<u>(56,044)</u>	<u>150</u>	<u>1,294</u>	<u>228</u>

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

	US\$	£	€	CAD\$
March 31, 2013:	<u>97.94</u>	<u>148.04</u>	<u>124.96</u>	<u>96.51</u>
March 31, 2012:	<u>86.93</u>	<u>137.72</u>	<u>115.09</u>	<u>85.96</u>

Sensitivity analysis

A 1% (2012: 0.5%) strengthening of the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have decreased/(increased) profit/(loss) for the year by \$44,063 (2012: \$25,265).

A 10% (2012: 1%) weakening 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 \$440,632 (2012: \$50,530). 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:

	2013	2012
Financial assets:		
Cash and cash equivalents	186,988	148,896
Securities purchased under resale agreements	<u>78,593,867</u>	<u>123,064,202</u>
	<u>\$78,780,855</u>	<u>123,213,098</u>



15. Financial risk management (cont'd)

(iii) Fair values:

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

16. Contingencies

The Corporation is contingently liable for income taxes amounting to \$5,274,150, 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.





JAMPRO
TRADE & INVESTMENT JAMAICA

JAMAICA PROMOTIONS CORPORATION

**SUPPLEMENTARY INFORMATION
TO THE FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2013





JAMPRO
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JAMAICA PROMOTIONS CORPORATION

**DETAILED STATEMENT OF
COMPREHENSIVE INCOME**

YEAR ENDED MARCH 31, 2013

	<u>2013</u>	<u>2012</u>
OPERATING INCOME		
Government grants	446,132,307	418,439,519
Certification fees	2,861,978	2,462,579
JIFSA project	21,783,111	8,059,756
Other income	<u>46,609,396</u>	<u>56,142,818</u>
	<u>517,386,792</u>	<u>485,104,672</u>
OPERATING EXPENSES		
Promotional		
Advertising and promotion	42,052,672	76,380,413
Books, publications and subscription	3,706,350	3,969,644
Entertainment	5,196,929	6,908,596
Foreign and local travel and subsistence	26,120,089	29,156,959
Professional fees	16,628,957	15,712,721
JIFSA project	<u>21,783,111</u>	<u>8,059,756</u>
	<u>115,488,108</u>	<u>140,188,089</u>
Staff-related		
Salaries, statutory payments and gratuities	292,095,479	284,785,900
Staff benefits	64,026,354	55,232,843
Pension benefit, net	(50,725,000)	67,805,000
Unused vacation leave	3,997,447	5,441,348
Staff training	<u>1,786,564</u>	<u>1,026,232</u>
	<u>311,180,844</u>	<u>414,291,323</u>
General and administrative		
Directors' fees	1,549,500	887,500
Office rental	1,068,750	1,068,750
Utilities	27,480,427	23,560,044
Repairs and maintenance	11,724,869	9,865,758
Office supplies and other operating expenses	4,784,708	6,407,522
Professional fees	-	678,041
Audit fees	1,171,500	1,258,633
Motor vehicle and travelling	950,084	2,072,112
Bank charges	1,070,769	997,408
Insurance	2,882,602	2,417,689
Stationery	3,749,847	3,889,872
Security	2,330,323	2,554,946
Other expenses	685,962	-
Depreciation, net of allocation to tenants	14,273,438	13,509,133
Amortisation of deferred income	<u>(233,855)</u>	<u>(261,214)</u>
	<u>73,488,924</u>	<u>68,906,194</u>
Total expenses	<u>500,157,876</u>	<u>623,385,606</u>
Operating profit/(loss)	<u>\$ 17,228,916</u>	<u>(138,280,934)</u>





JAMPRO
TRADE & INVESTMENT JAMAICA

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