JAMPRO
TRADE & INVESTMENT JAMAICA

ANNUAL REPORT
2017-2018

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The purpose of this report is to provide the Houses of Parliament, partners, stakeholders and clients with information on the performance of the Jamaica Promotions Corporation (JAMPRO) for the 2017/2018 financial year and the prospects for the 2018/2019 financial year.

OUR VISION

To be a world class business enabler and promotions agency, making Jamaica the premier destination to do business

OUR MISSION

Drive Jamaica's economic development through growth in investment and export

OUR CORE VALUES

- Integrity
- Respect
- Innovation
- Excellence

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Don G. Wehby - Chairman

4 CHAIRMAN'S FOREWORD

In an attempt to intensify our efforts to fulfil the mission of the organization, to "drive economic development through growth in investment and export", the decision was taken to review JAMPRO's focus, and create a new strategic plan to support Jamaica's economic growth programme.

To guide the direction of the organization, the Board and Executive Management Team conducted an extensive evaluation of the organization's strategies, operations and key performance indicators. Additionally, global and local trends in investment as well as export and trade promotion agency best practices were explored to create strategies intended to attract increased investment in targeted sectors, and to drive exports of Jamaican products and services.

The result was a Three-Year Strategic Plan for 2017 to 2020, in which five transformational initiatives were outlined: (i) to restructure JAMPRO for Growth; (ii) to implement new export and investment regimes; (iii) to expand and strengthen the network of performance-based promoters; (iv) to develop and implement targeted innovative marketing; and (v) to implement strategic public and private projects.

One critical initiative identified for implementation within the corporation's Three-Year Strategic Business Plan was the development of a National Investment Policy (NIP) with the objective of establishing a comprehensive policy framework to guide the process of investment promotion and facilitation across government and all other relevant investment stakeholders. Ultimately, the NIP is expected to articulate the government's position regarding the role that investment plays in the country's economic development, ensure improvement and coordination in investment facilitation processes.

JAMPRO's efforts at investment and export promotion and facilitation are directly aligned with the government's national growth strategy. With this in mind, the organization will work towards fast-tracking priority investment projects via the National Business Portal 'one stop shop' facility and developing targeted sector road maps; implementing innovative marketing programmes focused on JAMPRO's digital assets, including contracting an international marketing agency, and continuing the execution of key strategic projects.

On behalf of the Board of Directors and the staff at JAMPRO I wish to express appreciation to those individuals and companies that have utilized the services of JAMPRO over the year. Also, I would like to extend to the JAMPRO team the thanks of the Board of Directors for their commitment to excellence and exemplary work during the year.

BOARD OF DIRECTORS

1 Senator Don G. Wehby, C.D. - *Chairman*
2 Zachary Harding
3 Deborah Newland
4 Ian K. Levy, O.D., C.D.
5 Lisa Soares Lewis
6 Christopher Williams
7 Metry Seaga - *Deputy Chairman*
8 Yoni Epstein (Missing)
9 Gary Sadler, O.D. (Missing)
10 Michelle Chong (Missing) - Resigned February 2018

5 BOARD OF DIRECTORS

5.1 OVERVIEW

The Corporation is governed by a Board of Directors which is appointed by the Portfolio Minister.

Name	Position	Type of Director	Length of Service	Area of Expertise	FY Board Meeting Attendance	FY Sub-Committee Attendance	Compensation (J$)
Senator Don G. Wehby, C.D.	CHAIRMAN	Independent Non-Executive	2 years	Manufacturing , Financial Services and Agribusiness	10 of 11 meetings	—	$185,000
Metry Seaga	DEPUTY CHAIRMAN CHAIRPERSON, Finance & Procurement Sub-Committee	Independent Non-Executive	2 years	Manufacturing	10 of 11 meetings	10 of 10 meetings	$202,600
Yoni Epstein	DIRECTOR CHAIRPERSON, Audit Sub-Committee	Independent Non-Executive	2 years	Business Process Outsourcing	9 of 11 meetings	9 of 11 meetings	$163,750
Zachary Harding	DIRECTOR CHAIRPERSON, Marketing and Projects Sub-Committee	Independent Non-Executive	2 years	Marketing and Finance	10 of 11 meetings	7 of 7 meetings	$174,750
Lisa Soares Lewis	DIRECTOR CHAIRPERSON, Human Resources Sub-Committee	Independent Non-Executive	2 years	Human Resources	8 of 11 meetings	2 of 2 meetings	$106,500
Deborah Newland	DIRECTOR Member of Finance and Procurement Sub-Committee, Member of Human Resources Sub-Committee and Member of the Marketing and Projects Sub-Committee.	Independent Non-Executive	2 years	Legal	9 of 11 meetings	13 of 17 meetings	$176,600
Christopher Williams	DIRECTOR	Independent Non-Executive	2 years	Financial Services and Real Estate	10 of 11 meetings	—	$110,000
Gary Sadler, O.D.	DIRECTOR	Independent Non-Executive	2 years	Tourism	5 of 11 meetings	—	$55,000
Michelle Chong	DIRECTOR Member, Human Resources Sub-Committee and Member of Audit Sub-Committee	Independent Non-Executive	1 year and 10 months	Manufacturing and Export	7 of 9 meetings	5 of 5 meetings	$104,750
Ian K. Levy, O.D., C.D.	DIRECTOR Member, Audit Sub-Committee	Independent Non-Executive	2 years	Construction, Real Estate and Gaming	7 of 11 meetings	4 of 4 meetings	$99,200

5.2 SUB-COMMITTEE REPORTS

The Board of Directors provides strategic guidance on key areas through four Sub-Committees. Membership of the Sub-Committees includes at least two Board members and may opt through the Board of Directors to appoint any other person, not being a member of the Board of Directors, to serve as a Member on the Committee. Compensation for the additional Sub-Committee members totalled $83,250.

5.2.1 Marketing and Projects

The Marketing and Projects Sub-Committee provides oversight of marketing and promotions for the Corporation. For the Financial Year 2017-2018 the following projects and initiatives were undertaken by the Committee:

- Assessment and approval of national investment and export missions that support the Corporation's sales and promotions mandate.

- Assessment and approval of the Nation Branding Market Study to understand the current reputation and comprehensive analysis of Jamaica's brand identity, essence and position.
- Assessment and approval of the Public Perception and Attitude Study to provide JAMPRO with feedback on perceptions of Jamaica and its national identity.
- Development of Media Relationship Strategy to deepen the relationship with local and international journalists.
- Review and Approval of the Corporation's current Crisis Communication Plan and Corporate Social Responsibility Strategy.
- Oversight and direction on the execution of JAMPRO's Do Business Jamaica Marketing Campaigns, which have been executed through several channels.

The membership of the MPSC for FY 2017-2018 was Zachary Harding (Chair), Deborah Newland (Director), and Yoni Epstein (Director). Non-Voting Members included Diane Edwards (President), Claude Duncan (Vice President – Sales and Promotions), Suzette Smellie Tomlinson (Vice President – Marketing), Keneshia Nooks (Manager – Integrated Marketing Communications) and Arlyn Gordon (Corporate Secretary).

5.2.2 Audit

The Audit Sub-Committee of the Board gives direct oversight to the auditing functions of the organization and assists the Board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management and internal control system and related governance and compliance matters. The Sub-Committee also has responsibility for making a recommendation to the Board on the appointment of the external auditor.

During the Fiscal Year, the Sub-Committee oversaw several initiatives including an audit of the Client Relationship Management System (CRM). The Sub-Committee also reviewed Compliance, Procurement, Collections and Disbursements reports ensuring compliance with the various Laws, Regulations, and Internal Policies. Priority was given to the monitoring of Corporate and Divisional targets against actual achievements. The oversight also extended to the timely and efficient management of staff remuneration and benefits. For the review period, JAMPRO was compliant with all statutory and regulatory requirements and ended the financial year with an achievement of all corporate targets.

The membership of the Audit Sub-Committee for FY 2017-2018 included: Yoni Epstein (Chairman), Ian K. Levy (Director), Michelle Chong, (Director), Douglas Robinson, (Sub-Committee Member), Colin Maxwell, (Sub-Committee Member). Non-Voting Members included Diane Edwards (President), Wendy Lyttle Pryce (Vice President – Finance and Corporate Services), Errol Barnaby (Financial Controller), Dianne Graveney (Internal Auditor) and Arlyn Gordon (Corporate Secretary).

5.2.3 Finance and Procurement

The Finance and Procurement Sub-Committee of the Board (FPSC) supports the Board of Directors in the governance of the Finance and Procurement functions of the Corporation. The main objective of the FPSC is to provide financial oversight for the organization. The FPSC seeks to monitor JAMPRO's Fiduciary and Treasury functions, Budgeting, Optimization of Assets, Procurement, Cost Containment, Internal Control and Risk Management. The FPSC further ensures that the Corporation operates within established financial regulations.

During FY 2017-2018, the FPSC worked assiduously along with the Board, in seeking additional government grants from the Ministry of Finance & Planning; ensured the Corporation procurement processes are in line with GOJ Procurement Policy and Procedures; monitored the optimization of the Corporation's Budget with approved Estimates of Expenditure; examined the status of the JAMPRO Pension Fund and explored options on the use of the Surplus; strategized on the operation of the Corporation's Treasury and Cash Management activities, especially funds held on Fixed Deposits.

The membership of the FPSC for FY 2017-2018 was Metry Seaga (Chair), Deborah Newland (Director), Lennox Channer (Sub-Committee Member), Heather Lee (Sub-Committee Member), Diane Edwards (President) and Jason Dear (Sub-Committee Member; Resigned September 2017). Non-Voting Members included Wendy Lyttle Pryce (Vice President - Finance and Corporate Services) and Arlyn Gordon (Corporate Secretary).

5.2.4 Human Resources

The Human Resources Sub-Committee of the Board (HRSC) gives direct oversight to the Human Resource functions of the organization.

During the 2017-2018 fiscal year, the HRSC provided key inputs in the development and review of JAMPRO's Strategic Talent Management, HR Strategies, Succession Plan and Change Management Processes. JAMPRO's main thrust is to make the organization fit for purpose and as a result the HRSC was heavily involved in recommending tactical organizational goals in human resources; assisted in the development of the organization's Design and Talent Strategy to support its strategic intent; analyzed and made recommendations to the Corporation's Change Management Process; reviewed terms of references for the engagement of consultants for components of the change process; made significant input in the process of attaining the desired organizational culture, specifically through the development of the Culture Change Strategy; strengthened the Talent Strategy component of the JAMPRO Succession Plan.

The membership of the HRSC for 2017-2018 was Lisa Soares Lewis (Chair), Deborah Newland (Director), and Michelle Chong (Director). Non-voting members included Diane Edwards (President), Wendy Lyttle Pryce (Vice President - Finance and Corporate Services) and Jennifer Williams (Manager – Human Resources).

6 Executive Management Team

JAMPRO is led by an Executive Management Team. The Corporation's key functions are carried out across Divisions with responsibility for promoting investment and export, namely the Investment Promotions Division and the Export and Market Development Division. The Corporate Development & Competitiveness Division plays a critical role in conducting research and advocating for reforms to the business environment. Operational Support from the President's Office (including Marketing Communications, Legal and Audit functions) and Finance and Corporate Services are integral to the successful operations of the organization. Each Division is led by a member of the Executive Team.

The Executive Team that led the organization between April-October 2017 is as follows:

Diane Edwards-*President*
Claude Duncan-*Vice President, Investment Promotions*
Robert Scott-*Vice President, Export and Market Development*
Shullette Cox-*Vice President, Corporate Development & Competitiveness*
Wendy Lyttle Pryce-*Vice President, Finance & Corporate Services*

During the period under review, JAMPRO underwent a major restructuring exercise as a part of its Strategic Business Plan to chart a path of progress and growth for the period 2017-2020. The exercise resulted in:

- The merger of the export and investment divisions into a sector-focused Sales and Promotion Division
- The creation of a new Marketing Division with responsibility for driving and developing key marketing channels including the Regional Offices, Integrated Marketing Communications and Contact Management Centre
- The re-opening of the New York Office
- Creation of the Research Advocacy and Project Implementation Division and
- The management of Corporate Initiatives and Corporate Planning through the President's Division

For the new structure effective November 2017, the Executive Team leading the organization is as follows:

Diane Edwards-President
Claude Duncan-*Vice President, Sales & Promotions*
Suzette Smellie-Tomlinson-*Vice President, Marketing*
Shullette Cox-*Vice President, Research Advocacy and Project Implementation*
Wendy Lyttle Pryce-*Vice President, Finance & Corporate Services*

Executive Compensation Table

Name & Position of Director	Year	Basic Salary (J$)	Gratuity & Performance Incentive (J$)	Travelling Allowance/ Assigned Motor Vehicle (J$)	Retirement Benefits (J$)	Other Allowances & Payments (J$)	Health & Group Life Insurance (J$)	Total ($)
President Diane Edwards	2017/2018	9,021,267	3,157,443	920,963	37,500	-	302,801	13,439,974
VP - Sales & Promotions Claude Duncan	2017/2018	6,517,684	2,607,074	1,249,931	37,500	838,880	316,868	11,567,936
VP - Export & Market Development Robert Scott	Apr 1, 2017-Oct 31, 2017	5,415,408	1,895,392.85	420,802	21,875	522,606	238,443	8,514,527
VP - Marketing Suzette Smellie-Tomlinson	Jan 10, 2018 - Mar 31, 2018	1,464,117	512,441	312,483	9,375	-	41,209	2,339,626
VP - Research, Advocacy & Project Implementation Shullette Cox	2017/2018	6,203,104	2,171,086	1,383,852	37,500	-	317,259	10,112,801
VP - Finance & Corporate Services Wendy Pryce	2017/2018	6,517,684	2,607,074	1,223,891	37,500	462,478	245,576	11,094,202
TOTAL		35,139,264	12,950,511	5,511,921	181,250	1,823,964	1,462,155	57,069,066

7 President's Report

Diane Edwards - President

The 2017-18 fiscal year was a significant one on several levels. JAMPRO's reporting responsibility shifted to the Ministry of Economic Growth and Job Creation, falling under the direct supervision of the Office of the Prime Minister. This shift prompted a review of our operations which led to a major restructuring exercise which was implemented in November 2017. In addition to the functional changes, the change management programme, of which the restructuring is one component, will focus on a change in philosophy and culture of the organization towards being more sales and marketing oriented and an embedding of the core values of integrity, respect, innovation and excellence.

The year was also significant because of the outstanding performance which saw JAMPRO exceeding its targets for capital expenditure, job creation and export sales. The Corporation realized a capital expenditure of over US$620 million or 118% of the target. In the area of job creation, JAMPRO achieved 114% of the target through the creation of 13,571 jobs and for export sales, JAMPRO's clients recorded US$455.8 million for FY 2017-18 to achieve an outstanding 209% of the target.

Our clients have expressed their satisfaction with our promotional efforts, facilitation of their projects and programmes for their participation as highlighted in an externally executed client satisfaction survey which recorded an 85.6% level of satisfaction with our services during the fiscal year.

During a period which produced many changes, the JAMPRO team remained focused on and committed to the overall success of the organization. As we grow in our capacity to embrace the challenges of the new strategic vision, we will be investing in the development of our team through a range of training opportunities, to be pursued within the organization as well as externally.

I want to congratulate the hardworking members of the JAMPRO team who continue to give their best in the building of partnerships that add value to our clients, stakeholders and Jamaica. I also wish to thank the Board of Directors for their guidance as we work together to realize our corporate and national goals.

8 Corporate Overview

8.1 BACKGROUND

Under the leadership of JAMPRO Chairman, Senator Don Wehby, the organisation developed a Three-Year Strategic Plan to chart a path aimed at guiding the organization towards the realization of the country's aggressive economic growth targets. A set of transformative strategies were developed, including several initiatives targeted at creating a sharper focus on the sales and marketing functions of the organization. The new approach led to the restructuring of the organization, which necessitated the revision of key performance indicators (KPIs) and targets.

8.2 CORPORATE IMPERATIVES

This new strategic focus and outlook took effect in November 2017 and was guided by the following four corporate imperatives:

1. actively promote & enable exports and investments
2. build global business relationships through effective management
3. foster an enabling business environment
4. nurture an engaged, high performance collaborative team

8.3 TRANSFORMATIONAL INITIATIVES

Under the Three-Year Strategic Plan for 2017 to 2020, five transformational initiatives were outlined. These were to:

1. restructure JAMPRO for Growth;
2. implement new export and investment regimes;
3. expand and strengthen the network of performance-based promoters;
4. develop and implement targeted innovative marketing; and
5. implement strategic public and private projects.

These initiatives guided the execution of activities across the five divisions during the period under review.

8.4 DIVISIONAL SUMMARIES

8.4.1 Sales and Promotions Division

The Sales and Promotions Division emerged out of the restructuring exercise which recommended the fusion of the Investment Promotions and Export and Market Development Divisions. The combined division was divested of its oversight responsibility for the regional offices and the Investment Facilitation Department. Its new portfolio comprises the Investment and Export Promotion, portfolios and the Office of Film Commissioner and the Creative Industries, in particular animation and music.

Organised along sector lines, it encourages foreign investments by positioning Jamaica as a preferred destination for doing business. The Division also facilitates the export of Jamaican products and services.

Core functions include the:

- development and execution of integrated sector promotional strategies that drive investment and export;
- building of Jamaica's business image and reputation among targeted investment and export segments;
- provision of thought leadership, market intelligence and subject matter expertise on sectors of responsibility;
- identification, targeting and verification of investment and export leads and opportunities;
- establishment of partnerships with investors, buyers and exporters to convert leads into investment projects or export orders;
- management of sector-based stakeholder relationships with the public and private sector; and
- encouragement of joint ventures/partnerships/ financing deals between local and foreign investors/projects.

8.4.2 Marketing Division

The Marketing Division of JAMPRO was created as a result of the restructuring exercise and has responsibility for driving and developing key marketing channels – Regional Offices: North American Regional Office (NARO) in New York and Canada, European Regional Office (ERO) in London, Western Jamaica Regional Office (WJRO) in Montego Bay, New Market Development (NMD); Integrated Marketing Communications and the Contact Management Centre.

The Division's strategic focus includes the following:

- Developing and executing the organization's communication strategy by the:
  - o implementation and execution of the country's business brand campaign;
  - o establishment of online presence to improve business Brand Jamaica and generate increased enquiries;
  - o promotion and facilitation of investment

and export opportunities in key markets; and
    - generation of enquiries and leads through various communication channels.
- Supporting the Sales and Promotions sector strategies by:
    - creating and implementing country marketing strategies complementary to sector strategies
    - registering exporters; and
    - fielding general and specific enquiries on business in Jamaica and referring serious leads to sector departments.
- The implementation of performance work programmes for Foreign Service Offices (FSOs).
- The development and execution of an Economic Diplomacy Strategy.

8.4.3 Research Advocacy and Project Implementation Division

The newly-formed Research Advocacy and Project Implementation Division advances the organization's mission through research and analysis, and client facilitation and advocacy pertinent to the organisation's clients and focus areas. The Division manages macro and micro (firm-level) interventions to improve the way in which firms do business and interfaces with government agencies to secure approvals for investment and export projects.

The research activities enable the organization to identify and package investment opportunities that offer turnkey options for prospective investors and manage the investment and export projects from the point of decision through to project implementation. A fundamental role of the division is to develop an awareness of the existing legal regulatory framework to guide its advocacy for the establishment, revision and refinement of government policy (including legislation and regulation) that supports JAMPRO's mandate.

8.4.4. Finance & Corporate Services Division

The Finance and Corporate Services Division serves as the central support system for the organization. The Division was instrumental in the implementation of JAMPRO's Restructuring and Change Management exercise. Made up of four (4) departments namely, Administration, Finance, Human Resources and Management Information Systems, the Human Resources department played the lead role in the execution with significant support from the other departments.

Core functions include the following:

- Managing the organization's financial resources, including the development and implementation of a sustainable plan for revenue generation, cost containment and budget optimization
- Providing leadership and expertise in attracting, developing, and sustaining a diverse and engaged workforce that is committed to quality service
- Acquiring, managing, maintaining and securing the physical assets of the organization
- Providing and maintaining the technology necessary to support the work of the organization
- Ensuring an optimal procurement framework in keeping with GOJ guidelines

8.4.5 President's Division

The President's Division was also impacted by the recent restructuring exercise and now incorporates the Corporate Planning and Strategic Support Unit and Corporate Initiatives Department.

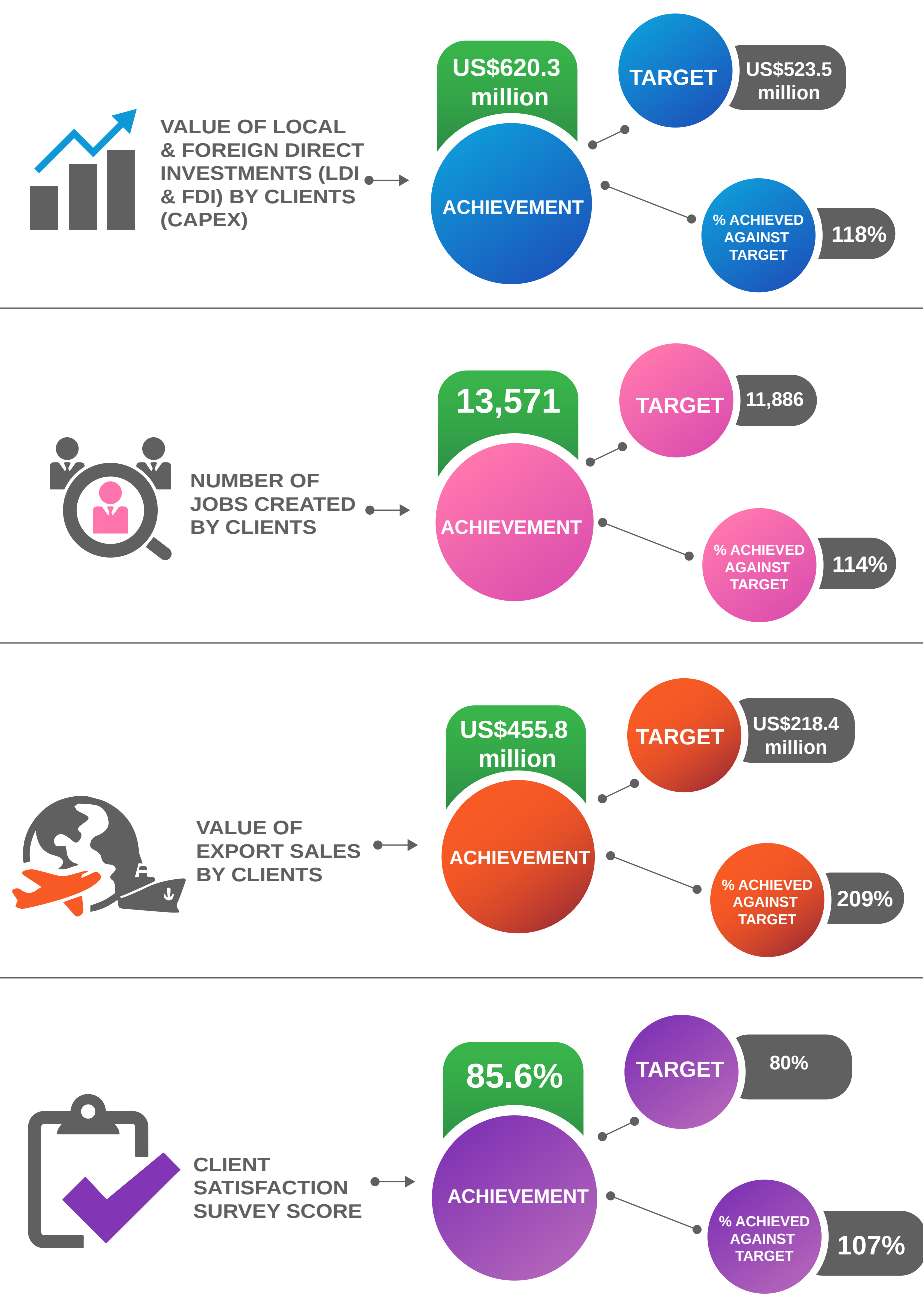
The President's Division has responsibility to:

- Guide the strategic direction and operations of the organization and drive implementation of corporate initiatives and projects
- Manage all interactions with the Board of Directors and the portfolio ministry with regard to reporting on the organization's planning priorities, performance and achievements.
- Provide strategic and legal advice to the corporation
- Undertake the management of stakeholder relationships both locally and internationally
- Manage key corporate functions for the organization, including corporate planning, management and monitoring of the targets established for the corporation
- Develop, manage and promote internal corporate efficiency initiatives

8.5 PERFORMANCE AND ACHIEVEMENT OF CORPORATE TARGETS

During the FY 2017-18, JAMPRO reported to the Ministry of Economic Growth & Job Creation, under the ministerial guidance of the Most Honourable Prime Minister and supported by two Ministers without portfolio. JAMPRO remained committed to its mission of achieving economic development and surpassed each target. The corporate key performance indicators (KPIs) used to demonstrate the organization's impact include: value of capital expenditure by clients facilitated by JAMPRO, the number of jobs created by clients facilitated by the agency, the value of export sales of JAMPRO clients and the Client Satisfaction Survey Score. The achievements against targets are summarised below.

8.5.1 Value of Local & Foreign Direct Investments (LDI & FDI) by Clients (CAPEX)



8.5.1 Value of Local & Foreign Direct Investments (LDI & FDI) by Clients (CAPEX)

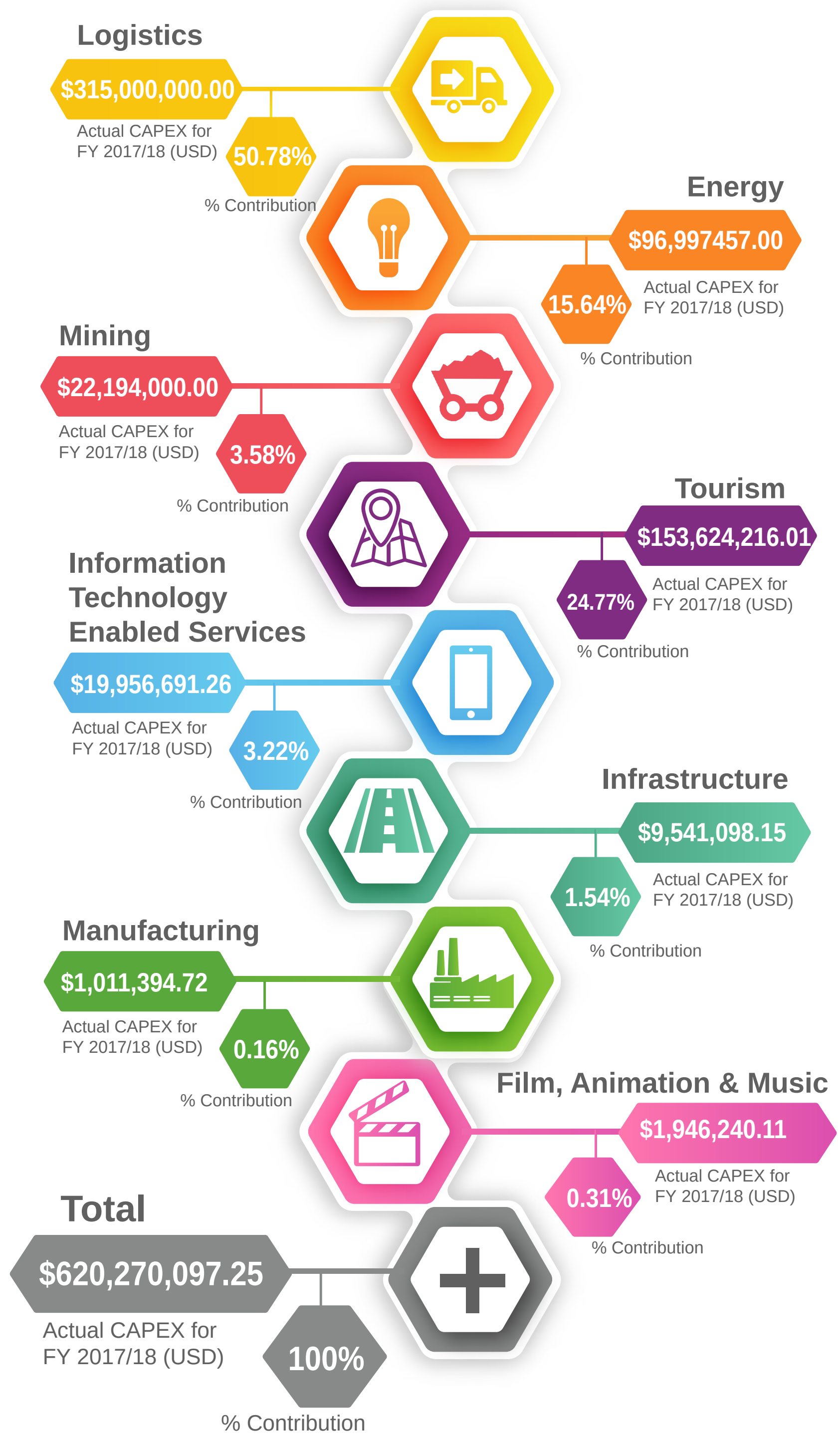
JAMPRO exceeded its target for the period under review by realizing capital expenditure of US$620,271,097.25 or 118% of the target. The top performers were the logistics, tourism and energy sectors which together accounted for 92%.

The Logistics Sector, with its contribution of US$315 million to CAPEX, accounted for 51% of the corporation's targets for capital expenditure. The Kingston Freeport Terminal and West Indies Petroleum projects were the main projects that contributed to the performance of the logistics sector.

The Tourism Sector was the next in line, accounting for 25% of the total with US$153 million. This was due to the investment in the sector which saw major construction work at the sites of the Grupo Excellence hotel, the Royalton Grand Lido Negril, and the Half Moon, which added 945 new rooms to the tourism stock.

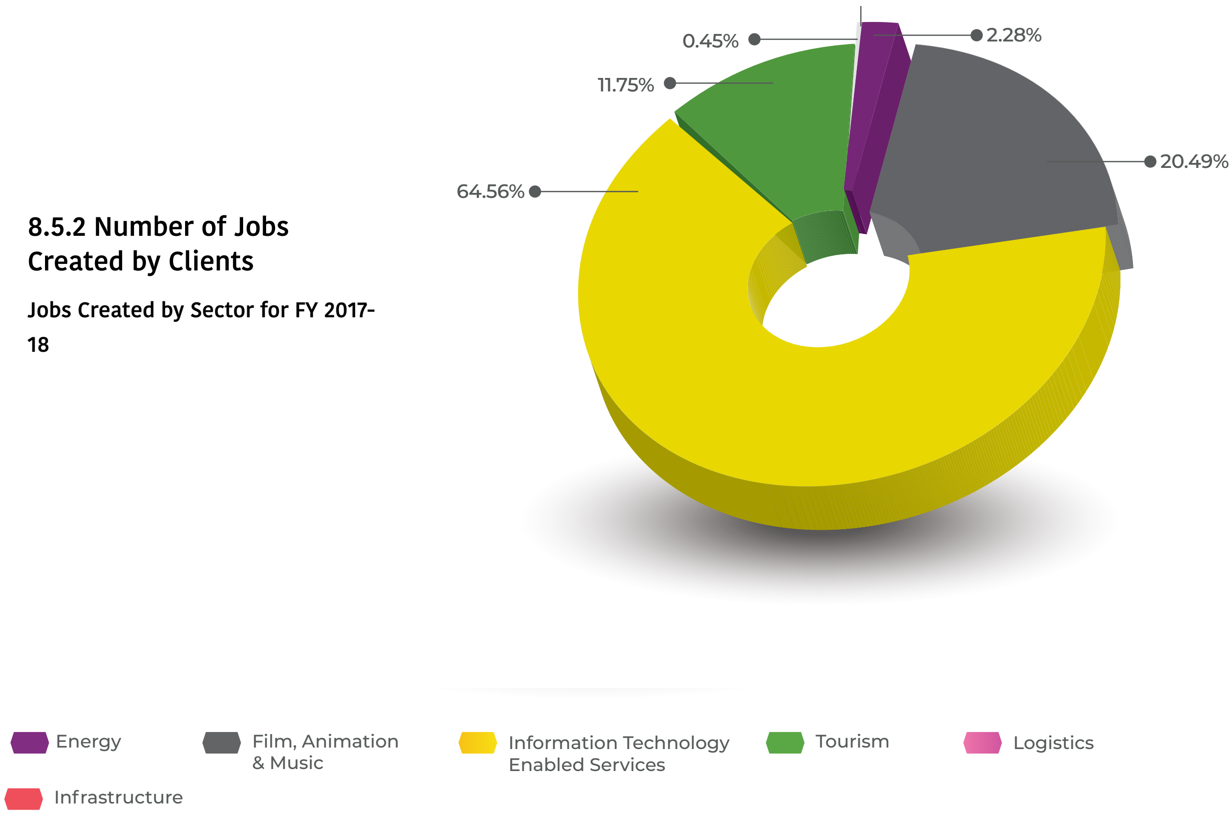
The Energy Sector contributed approximately US$97 million or 16% to the Corporation's capital expenditure targets. Extensive work on the JPS Old Harbour project and preliminary work on the Eight Rivers project were responsible for the bulk of the sector's contribution.

IT-Enabled Services (including outsourcing) contributed US$19 million or 3% of the corporation's target. The Film, Animation and Music Industry recorded over US$1.95 million with the top three performers being TVJ, SportsMax and Phase 3. The Manufacturing, Minerals and Infrastructure sectors made minimal contributions to the total value of capital expenditure recorded. There were no projects emanating from within the Agribusiness sector throughout the 2017/18 fiscal year.



8.5.2 Number of Jobs Created by Clients

Jobs Created by Sector for FY 2017-18



The organization also demonstrated strong performance in the area of job creation, achieving 114% of the target through the creation of 13,571 jobs.

The IT-Enabled Services (including Outsourcing) sector accounted for 65% of the total jobs created during the fiscal year. Tenured operations, like Conduent, Sutherland Global Services, Teleperformance and Hinduja Global Services, continued to aggressively grow their business processes during the year. Ibex Global Services located its headquarters for the Caribbean and Central America in Jamaica at the Digicel Building, Downtown Kingston. The growth of itelBPO benefitted from the construction of a new 25,000 square foot building which has enabled the company to grow to its 1,500-employee mark.

Concurrently, the Tourism sector accounted for 12% of the employment created during the year. The numbers employed in the construction of 315 luxury rooms by the Grupo Excellence project made the sector the major contributor in terms of job creation. Film, Animation and Music recorded a total 124 unique international film productions which resulted in the creation of 2,781 jobs for the sector.

The Logistics, Manufacturing, Minerals, Infrastructure and Energy sectors made minimal contributions to employment targets during the period under review. There were no projects emanating from the Agribusiness sector throughout the 2017/18 fiscal year.

8.5.3 Value of Export Sales by Clients

Export Sales by Sector for FY 2017-18

Sectors	Actual Export Sales for FY 2017/18 (USD)	% Contribution
Agro Processing	$92,349,601.89	20%
Fresh Produce	$18,474,015.54	4%
Manufacturing	$189,233,158.53	42%
Mining	$155,755,585.15	34%
TOTAL	$455,812,361.11	100%

JAMPRO's clients recorded US$455.8 million in export sales for FY 2017-18 to achieve an outstanding 209% of the target.

The Manufacturing Sector was the top performer, accounting for 42% of export sales, recording 8% above the Mining sector which contributed 34%. Together, the Agro-Processing and Fresh Produce sectors accounted for just under 25% of the total sales reported for the 75 export clients facilitated by the corporation during the fiscal year.

At the company level, Windalco, Petrojam Ltd., J. Wray & Nephew Ltd., GraceKennedy Group and Jamaica Cane Products Sales Ltd. accounted for approximately US$334.8 million or 74% of the export sales target.

8.5.4 Client Satisfaction

Based on an externally administered survey, JAMPRO's clients recorded an 85.6% level of satisfaction with the services received during the fiscal year. The clients across the Corporation's target sectors described JAMPRO as supportive and helpful in facilitating export and investments. Additionally, the majority of clients were aware of and satisfied with the range of value-added services offered by JAMPRO.

8.5.5 Other Corporate Targets

[Jamaica] Brand Perception

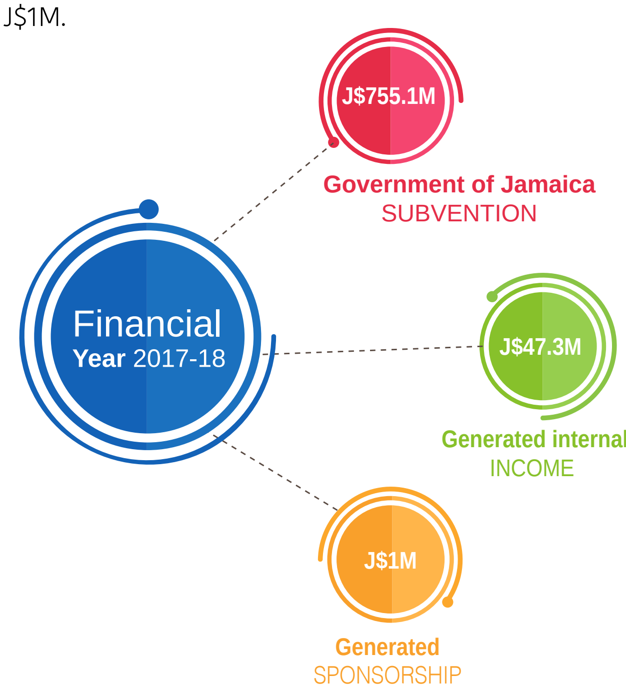
As part of the three-year Strategic Business Plan, the corporation set a new KPI to measure the business brand perception of Jamaica locally and internationally. The period under review was the introductory year for this KPI so the score received will be used as a baseline for FY 2017-18, and against which a target will be established in subsequent years.

Business Linkages

As part of the new strategic outlook, Business Linkages no longer represented a corporate target for JAMPRO. However, the organisation still facilitates business linkages in order to reap the full benefits presented by investment projects and to allow local suppliers of goods and services to exploit opportunities presented by domestic and foreign investment projects.

8.6 FINANCIAL PERFORMANCE (GOJ SUBVENTION AND INCOME GENERATED)

For the FY 2017-18 the Corporation received GoJ Subvention of J$755.1M, generated internal income of J$47.3M and generated sponsorship in the sum of J$1M.



9 Sector Reviews

9.1 TOURISM

Despite increasing competition and a challenging global economic climate, the country's tourism industry continues to experience growth demonstrating that Jamaica remains a preferred vacation destination. Data provided by the Jamaica Tourist Board (JTB) showed strong performance in the area of visitor arrivals which recorded an increase over the previous financial year. Stop over arrivals increased by 7.85% with a total of 2,352,915 in 2017, while cruise ship passenger arrivals increased by 16.13% with a total of 1,923,274 in 2017 reflecting a combined total of 4.3 million visitor arrivals.

Jamaica also continues to be the transport hub for the Caribbean with increased airlift from international commercial airlines. Major hotel chains and developers have maintained their interest for future development plans in Jamaica. The hotel accommodations sector experienced several new investments and ownership transitions in 2017. These have translated into major construction projects and additional rooms for the sector.

While Jamaica's tourism industry continues to enjoy growth in the traditional segments of leisure and attractions, exciting opportunities are also emerging from new segments such as boutique and city hotels and health and wellness. Throughout the fiscal year, JAMPRO facilitated a number of projects, including hotels and attractions, and continued to proactively target investors with boutique and luxury offerings, and timeshare, to contribute to the improvement of Jamaica's tourism product profile.

9.2 INFORMATION TECHNOLOGY ENABLED SERVICES (ITES)

Within the IT-Enabled Services portfolio, JAMPRO promoted investment in the outsourcing industry with a focus on Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO), Medical Process Outsourcing (MPO) and Shared Services.

Jobs in the outsourcing sector grew by over 17% during the 2017/2018 fiscal year. JAMPRO played a significant role in this increase by positioning Jamaica as the ideal nearshore location to capitalize on the growth and developing trends within the industry. JAMPRO continued to promote Jamaica globally as an ideal outsourcing location and to improve the local ecosystem by spearheading career fairs in Kingston and Montego Bay, and partnering with stakeholders to improve the labour pool and increase available real estate.

As a result of this effort, Jamaica's ITES Sector continued to impact job creation and experience growth. Through JAMPRO's efforts, the sector not only attracted new players, such as Concentrix, Fusion BPO and VXI, but saw several existing companies expanding their operations like Sutherland, itelBPO and Ibex Global. In the coming fiscal year, the activities will be expanded to include Legal Process Outsourcing (LPO) and move up the value chain to further increase the level of jobs.

9.3 AGRICULTURE

With the emphasis placed on export-oriented investment, JAMPRO promoted the export of agriculture, particularly fresh produce, with the focus on the cultivation of sorghum, cantaloupe, honeydew melon, cabbage, zucchini, peppers, onions and sweetcorn. Notable declines shown for coffee and ackee exports resulted from delays in finalizing agreements with the main buyers of Jamaica Blue Mountain Coffee out of Japan and the adverse weather conditions experienced in the island, respectively. During the fiscal year, several large-scale investment projects in agriculture were facilitated, including the construction of a processing facility. These are expected to come on stream in the near future.

9.4 MANUFACTURING

The manufacturing industry maintains its immense potential for the growth of the country's economy. However, nationally, the sector experienced lackluster growth due to several factors including limited access to low-cost capital and the fact that over 50% of the raw materials used in the industry are imported. Nevertheless, general investor confidence in the economy was buoyed by the macro-economic stability under the IMF agreement, which stimulated increased re-investments by local manufacturers in the sector.

JAMPRO worked closely with the Jamaica Manufacturers Association (JMA) and the Jamaica Exporters Association (JEA) in promoting investment and export of manufactured products with a focus on opportunities in agro-processing, the non-food category, on cosmetics, castor oil, fertilizers, medical products, electronics and value-added mineral processing.

Plans are afoot to merge the operations of the JEA and JMA. This is expected to positively impact the advocacy for manufacturers and exporters and to lead to a general improvement in the efficiency of doing business within the sector.

9.5 LOGISTICS AND INFRASTRUCTURE

During the 2017/18 Fiscal Year, the Logistics and Infrastructure Sectors collectively contributed US$1.6 billion to the economy, representing 11.5 - 12% of the Gross Domestic Product (GDP). The Infrastructure Sector was supported by an increase in the value of National Housing Trust (NHT) mortgages which provided a stimulus for housing construction, as well as ongoing work on large housing developments.

The Logistics Sector benefited from two significant initiatives during the period under review. First, the passing of the Special Economic Zone (SEZ) Act has opened up significant economic opportunities for the domestic economy in terms of employment generation, manufacturing, small-business development and foreign exchange earnings. The second was the completion of the Logistics Hub Master Plan undertaken in collaboration with the World Bank and the Special Economic Zone Authority, which will underpin future promotional efforts in the sector.

During the year under review JAMPRO implemented a well-executed stakeholder and client facilitation strategy which assisted in the realization of key projects including Kingston Freeport Terminal Ltd (KFTL) and local bunkering company, West Indies Petroleum.

9.6 MINING

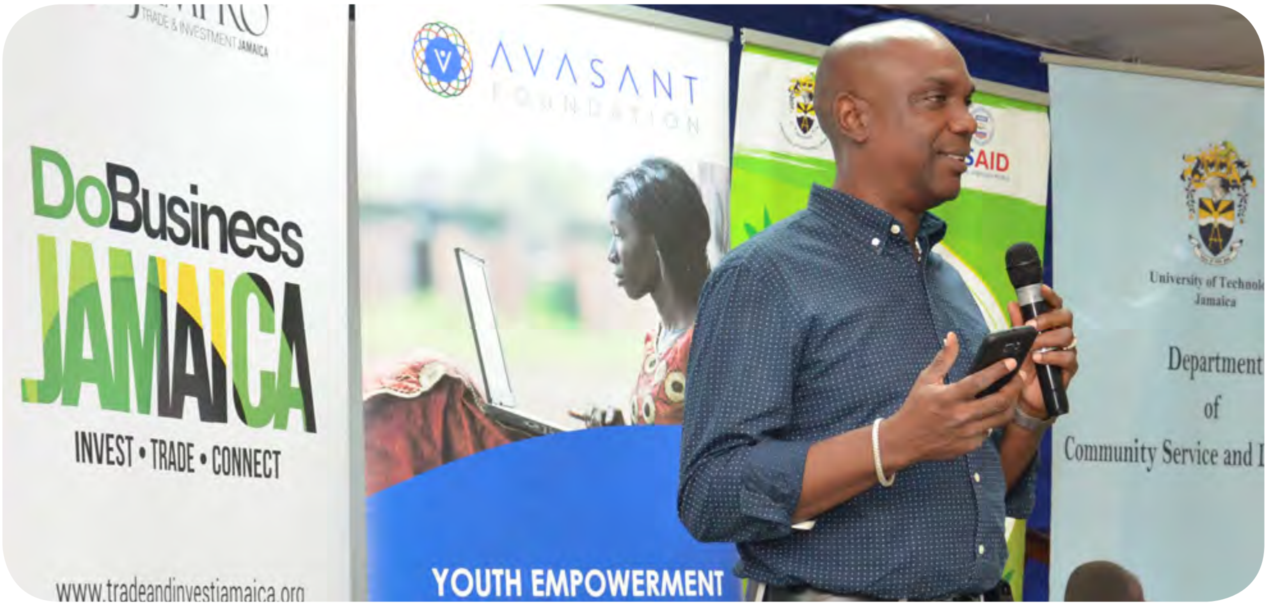
During the fiscal year, the mining portfolio took on new life as the Chinese-owned Jiuquan Iron and Steel Company (JISCO) invested heavily in the refurbishment and upgrading of the ALPART facility. The re-opening of the ALPART facility under JISCO's management saw the generation of additional jobs, significant investment and increased exports of bauxite and alumina. JAMPRO conducted due diligence and facilitated JISCO's investment in ALPART.

JAMPRO also promoted and facilitated investment and export of one of Jamaica's most abundant mineral resources – limestone and its applications, for example cultured marble. This was achieved through a series of activities including, but not limited to, partnering with the Ministry of Transport and Mining in hosting an investment forum during National Minerals Week. Another initiative was the recruitment of an in-market broker in India to generate orders for the export of limestone.

9.7 ENERGY

Jamaica's energy sector continues to advance due to the collective focus of all stakeholders on the deliverables under the National Energy Policy. The policy focuses on fuel diversification to ensure that the nation achieves the goal of having at least 30% of power supplied to the national grid generated from renewable resources such as wind, solar and hydro.

The addition of new generating capacity to the national grid is highly regulated and involves a bidding process. To facilitate this process, JAMPRO continued



to provide interested investors with information on the energy landscape, the opportunities that are available and those that will become available.

During the fiscal year, no new opportunities became available as the Ministry of Energy conducted research to develop an Integrated Research Plan (IRP) which will serve as a guide on the volume of power to be added to the national grid and the type of generation to be deployed. Notwithstanding, JAMPRO continued to facilitate energy projects that were being deployed, such as the Old Harbour 192 MW and the Eight Rivers 33 MW solar power plants.

9.8 FILM, ANIMATION AND MUSIC

During FY 2017-18, JAMPRO facilitated a total of 234 unique requests for processing under the Productive Inputs Relief (PIR). Of the 124 film productions undertaken during the period, major projects included the feature film YARDIE, the stage show Reggae Sumfest, TV production The Amazing Race: Israel and TV Commercial Mumm the Party. The total value of production budgets was recorded as approximately US$51.8 million of which 5% was spent in Jamaica. This reflects a contribution of J$1.23 billion to the local economy. Eighty-eight of the 124 film productions registered local expenditure of over J1$ million each within the local economy.

9.9 SERVICES

The organization's Services Portfolio focused on the internationalization of higher education aimed at attracting increased numbers of international students to Jamaica, as a contribution towards Jamaica's exports of services. As a burgeoning sector, JAMPRO continues to promote Jamaica as an international study destination, facilitate clients to assess and enhance their capabilities, and has identified the need for a sector development plan.

10 Client Experience

CARITA (JAMAICA) LTD.

Rita Hilton, Managing Director

Export Max II opened up my mind to the possibilities of research. The growth has been phenomenal. We have exceeded all our market and sales revenue targets. It's amazing that a customer we met in Canada, through Export Max, has just come on stream and has contributed millions to our sales in just four months.

As at August 31, 2017, Carita Jamaica Ltd. secured orders of fresh produce and agro-processed goods totaling CAN$61,000 from a buyer JAMPRO introduced to the company. The substantial increase in export sales has resulted in Carita having to relocate to new factory space to be able to fulfil the demand.

FREE FORM FACTORY

Vivalyn Downer Edwards, Company Secretary

With JAMPRO's guidance, we realised we could expand into other parts of the region, as our products are suitable for tropical climates and could be exported.

GK FOODS

Oral Richards, Business Development Manager

JAMPRO has been extremely helpful and committed to the development and facilitation of our exports to new markets. Their thrust over the years and commitment to Cuba, in particular, is not only seen in the hosting of inward missions and facilitation of outward missions but through the installation of an in-market broker to bridge the gaps in communication and culture and being able to follow up on critical issues. Grace Foods received approval from the Cuban Government in November 2017 as a supplier to the Cuban market and negotiations are advanced.

BOSS FURNITURE

Omar Azan, CEO

In one month, alone, we had 21 containers .... before, the largest number of containers the company exported was nine....We were exporting to only one Caribbean island in 1997, but now we are exporting to 14 different countries in the region – Barbados, Guyana, Suriname, the US Virgin Islands, to name a few.

WISYNCO

Stephen Dawkins, Group Export Manager

The JAMPRO Trade Missions have become an important calendar event for Wisynco as we access new markets and create awareness of our products through trade shows. The JAMPRO team was simply amazing, meticulously ensuring all areas were covered and helped us generate new leads.

IRIE ROCK

Following the company's participation in a JAMPRO-facilitated in-store promotion in the UK, Irie Rock products will now be carried in 10 locations across the United Kingdom.

ANSEL DEVELOPMENT

Following the company's participation in a JAMPRO facilitated in-store promotion in the UK, Ansel Development secured orders from eight (8) of the ten (10) buyers with whom we met, totaling over £7,000!

PERFECT HAIR & SKIN

As a result of our participation in an Inward Mission to Jamaica, Perfect Hair & Skin secured an order of US$2,000 of retail Jamaica Black Castor Oil.

ISLAND PRODUCTS MANUFACTURING

Island Products Manufacturing was proud to be one of the top three companies securing orders/conversions from the JAMPRO-facilitated Caribbean Road Show 2017. Following our participation in Export Max II, we significantly increased our exports and became a successful exporting company.

IBEX GLOBAL

We thank JAMPRO for facilitating the establishment of the IBEX Global Service Centre in Jamaica by assisting us to find the ideal location for our offices in Portmore as well as providing us with stakeholder linkages and market intelligence.

FUSION

Our entrance into the Jamaican market was facilitated in part by JAMPRO which assisted us in finding space, accessing stakeholder linkages and market intelligence.

CONCENTRIX

JAMPRO introduced Concentrix to Jamaica and assisted us in finding a suitable location in the Montego Bay Free Zone. The organization also helped us to access stakeholder linkages and market intelligence.

CONTINENTAL BAKING COMPANY

Continental Baking Company participated in all of the initiatives JAMPRO undertook in the 2017/2018 period to introduce Cuba as a trading partner for Jamaican businesses and received approval from the Cuban Government to be a supplier to the Cuban market. Negotiations with interested buyers are advanced.

NEWPORT FERSAN

Newport Fersan signed a CAN$7 million contract with a Cuban buyer and distributor of fertilizers, pesticides, herbicides, insecticides, fungicides and other products. The first shipment was sent in March 2018 and was facilitated under the EXIM Bank Cuba Line of Credit. We are now in advanced discussions with the buyer for a second shipment which is scheduled for the summer of 2018.

H10

JAMPRO worked closely with Spanish hotel chain H10 to facilitate its investment in Jamaica's hotel sector. The chain will add 900 rooms to the stock in Montego Bay with the construction of two beach front hotels. JAMPRO was instrumental in assisting the company to resolve issues with the National Works Agency (NWA). The organization also facilitated our establishment by providing the requisite market intelligence and other supporting data, arranging stakeholder meetings and providing assistance with logistical arrangements for client's partners during country visits.

HARD ROCK HOTEL

JAMPRO assisted our investment in the construction of an 800-room hotel in Montego Bay, by providing market intelligence and other supporting data, stakeholder introductions, assistance with business approvals, and logistical arrangements during country visits.

ELIESE RESORT & SPA

Eliese Resort appreciated the assistance JAMPRO provided with stakeholder linkages, introductions to service providers, sourcing capital, market intelligence and resolving issues relating to the start up of construction of our 128-room boutique hotel in Farquhar Beach, Clarendon.

11 Investment Successes

11.1 MAJOR INVESTMENT PROJECTS LANDED DURING FY 2017-18

11.1.1 IBEX Global Expansion [ITES Outsourcing]

JAMPRO was instrumental in facilitating the investment represented by the entry of IBEX Global, a leading provider of contact center services and other business process outsourcing (BPO) solutions, into the Jamaican market by providing the client with industry information. JAMPRO guided IBEX in identifying facilities and securing business approvals. IBEX Global Jamaica launched its Portmore operation in October 2016. In October 2017, the company added 23,000 square feet to this location, making the IBEX Portmore site a total of 65,800 square feet. The new area includes a spacious contact center on the first floor with 400 additional seats as well as a second floor which includes three training rooms, conference rooms and additional administrative spaces. IBEX Global also recently acquired three floors of the DIGICEL building in Downtown Kingston in which it established its regional head office. JAMPRO assisted in the coordination of the opening ceremony.

11.1.2 ITEL BPO Expansion [ITES Outsourcing]

Local outsourcing operator ITEL BPO conducted two major expansions in this fiscal year. The company moved into their own state of the art, purpose-built outsourcing space in Montego Bay. ITEL later expanded their operation to Kingston by leasing a building; the expansions created 900 new jobs. JAMPRO assisted ITEL in exploring and identifying facilities and securing business approvals, along with providing general support to the client.

11.1.3 Breathless Resorts [Tourism]

AM Resorts (Secrets Jamaica) began constructing a new hotel under the brand Breathless in early 2015. The hotel consists of 150 rooms and targets the adult market. The resort was officially opened in September 2017. JAMPRO provided general project support to the client and recently intervened on behalf of the client to facilitate the clearance of equipment and furniture for the project.

11.1.4 JISCO - Plant Modernization & Upgrade [Mining]

The JISCO Plant was reopened in July 2017, after undergoing extensive renovations to accommodate the refinement process. In October 2017 JISCO signed a bilateral agreement with the GOJ and made its first export shipment of 35,000 tons of alumina on December 29, 2017. From the initial expression of interest, JAMPRO has worked with JISCO providing industry information including matters related to SEZ, facilitating high-level meetings, and providing general support to the project.

11.2 LEADS, PROSPECTS AND PROJECTS

JAMPRO facilitates investment clients through different stages of their projects which is measured by the generation and conversion targets of leads, prospects and projects. The efforts of the JAMPRO team during the year yielded: 467 qualified leads (exceeding the target by 7%); 115 prospects (47% over the target); and 47 projects (124% achieved against target). The Corporation, therefore, achieved 47 new and expansions projects which required after care services throughout the 2017/2018 fiscal year.

12 Export Successes

12.1 TOP PERFORMING EXPORT CLIENTS FOR FY 2017-18

Windalco, Petrojam Ltd., J. Wray & Nephew Ltd., the GraceKennedy Group and Jamaica Cane Products Sales Ltd. accounted for the majority of the Corporation's export sales target. Other players such as Carita, Tortuga Caribbean Rum Cake Jamaica Ltd. and Seprod also made noteworthy contributions to the target.

12.2 EXPORTER REGISTRATION

In the 2017/2018 fiscal year, 122 new exporters were registered, increasing the total number of active registered exporters to 629. The highest concentration of exporters remains in the Agriculture (104), Agro-Processing (111) and Manufacturing sectors (108). The number of renewals for the period totalled 565.

12.3 LEADS, ORDERS AND RE-ORDERS

JAMPRO facilitates export clients through different stages. Success is measured by the generation and conversion targets of export leads, orders and re-orders. The efforts of the JAMPRO team yielded: 813 leads (exceeding the target by 5%); 339 orders (3% over the target); and 65 re-orders (114% achieved against target).

13 Improving Jamaica's Competitiveness

13.1 SECTOR DEVELOPMENT

13.1.1 Medical Tourism

The 2017/18 fiscal year saw major advancements in the finalization of the medical tourism policy. The key achievement was the revision of the Ministry of Health's (MOH) position on its leadership role in the development of the policy and the industry. The new Minister of Health committed the ministry to taking the lead in advancing the policy and therefore JAMPRO revised the policy document accordingly.

13.1.2 Manufacturing Strategy

JAMPRO in collaboration with key partners, namely the Jamaica Manufacturers' Association (JMA) and the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF), started work to develop a five-year manufacturing strategy that focuses on the business ecosystem necessary to grow and expand Jamaica's manufacturing sector and increase its contribution to the country's economic development goals.

13.1.3 Castor Industry

The infrastructure for the development of the Jamaican Black Castor Oil (JBCO) sub-sector was initiated by JAMPRO and is to be further developed by the newly-merged Jamaica Manufacturers & Exporters Association (JMEA). JAMPRO supports the development of the Castor Industry through its advisory role to the newly-formed Jamaica Castor Industry Association (JCIA) in 2017-18, market development programmes, and market penetration initiatives. Along with key stakeholders, JAMPRO continues work towards making Jamaica the recognized supplier of authentic Jamaican Black Castor Oil.

13.1.4 National Coordinator for Outsourcing

To advance key elements in the Five-Year National Strategy for the Development of Jamaica's Outsourcing Industry and focus on enhancing the ecosystem, JAMPRO engaged a consultant as the National Coordinator for Outsourcing. In collaboration with key stakeholders including JAMPRO, HEART Trust/NTA, Business Process Industry Association of Jamaica

(BPIAJ) and the Ministry of Education and Youth, the following were undertaken in FY 2017-18:

- Launch of a 120-hour Customer Engagement Finishing School Programme by HEART Trust/NTA. Over 3,800 persons were trained and certified between August 2017 and March 2018.
- Execution of BPO Career Fairs in Kingston and Montego Bay targeted at students in grades 11 through 13.
- Development and implementation of a public relations campaign for the BPO sector.
- Simplification of the application process for the Special Economic Zone Authority licence.
- Development of Training Subsidy Agreement for BPO companies

13.1.5 Film

Advances were made in the development of the Jamaica Film Fund during FY 2017-18 which will serve as the primary means through which JAMPRO will be able to support and incentivize the development of the local film industry and promote Jamaica as a premier film destination. Additionally, approval was received and work continued to amend the JAMPRO Act (1990) to reinstate the legislative and regulatory framework for the granting of film licences that had been inadvertently removed upon the repeal of the Motion Picture Industry (Encouragement) Act (MPIEA) in 2013.

13.2 BUSINESS ENVIRONMENT INITIATIVES

13.2.1 National Competitiveness Council

For FY 2017-18, the National Competitiveness Council (NCC) focused on facilitating the implementation of reforms to transform the way business is done in Jamaica with a view to being listed as one of the Top 10 places to do business in the World Bank's Doing Business Report (DBR) by October 2020. To facilitate this process, JAMPRO's plan – dubbed the 'Getting to Top 10 DBR by 2020' – was endorsed by Cabinet. Moreover, throughout the period, a number of business environment reforms were advanced including Getting Electricity, Trading across Borders, Resolving Insolvency, Dealing with Construction Permits and Registering a Property. The NCC's work in implementing reforms to improve Jamaica's Doing Business ranking forms an enabling platform on which the Trade Facilitation reform agenda will be built, which is being coordinated by the Ministry of Industry, Commerce, Agriculture and Fisheries.

13.2.2 National Investment Policy

One critical initiative of the Three-Year Strategic Business Plan was the development of a National Investment Policy (NIP) to establish a comprehensive policy framework to guide the process of investment promotion and facilitation across government and all other relevant investment stakeholders. Ultimately, the NIP will articulate the government's position regarding the role of investment in the country's economic development. Following the Cabinet's approval for the creation of the Policy in February 2017, the focus during the 2017-18 fiscal year was on:

- Establishing a Policy Steering Committee to provide technical guidance and assist in crafting a policy document that reflects the critical needs of the key stakeholders.
- Establishing Working Groups to manage the consultations relating to the six key thematic areas of the policy framework – Fiscal Incentives, Labour & Immigration, Development Approvals, Protection of Investor Rights, Promotion & Marketing and Access to Land
- Managing the Policy Consultant recruited to assist the Steering Committee in crafting the policy document.

13.2.3 National Business Portal

The National Business Portal (NBP) will complement and support the implementation of the NIP through the development of an online platform that will house the Business-to-Government (B2G) interface for all government entities involved. The project will be undertaken in three (3) phases: (i) informational site with investment registration engine and GoJ back-end discussion board; (ii) targeted business re-engineering and design for select investment processes; and (iii) creation of transactional online interface for the reengineered processes. During the 2017-18 fiscal year, project approval from both the ICT Council of Jamaica and the Foundations for Competitiveness & Growth Project (FCGP) of the World Bank to fund Phase 1 was sought and the consultant to develop the Phase 1 of the portal identified. Other components of the project were advanced to include the creation of the website infrastructure and the refining of content for inclusion on the portal.

13.2.4 National Export Strategy

Sector development under the National Export Strategy (NES2) has been undertaken in five priority sectors (agro-processing, light manufacturing, mining, film and animation and ITES) and the five cross cutting areas (capacity building, market access, export financing, standards and quality management, and logistics). In total, 98 initiatives were scheduled for implementation across these priority sectors and cross cutting areas by August 2017. Of the 69 priority sector initiatives, 10 have been implemented and 27 progressed. Of the 29 cross cutting initiatives, 5 have been implemented. Work continues to advance implementation on the priority sector and cross cutting initiatives.

13.2.5 Global Services Sector Project

Global services which includes Information Technology Enabled Services (ITES), are services that have been transformed by information and communications technology, enabling them to be digitized, codified and fragmented, and undertaken at any distance from the core business and final customer. The proposed project has two (2) main components. Firstly, the project will design and implement critical activities to support the development programmes for the Global Services Sector (GSS) in Jamaica by strengthening the institutional capacity of JAMPRO for the preparation and implementation of the skills development programme. Secondly, the project seeks to improve capacity of the skills development system to provide quality training, improved human capital, generate quality employment opportunities and increase exports and FDI in the GSS. FY 2017-18 focused on establishing the appropriate structure for the project and JAMPRO will commence implementation in 2018-19.

13.2.6 Other Policy Interventions

As part of its commitment to driving the economic development of Jamaica, JAMPRO undertook several policy interventions to enhance the business environment for investors and exporters. This included policy interventions in relation to fiscal incentives, trade facilitation, authorised economic operator (AEO) status, duty-free movement of samples for the Creative Industries, exporter registration, amendments to the Casino Gaming Act and proposals to the visa regime as it relates to the Jamaica Economic Residency Programme (JERP).

14 Signature Events

14.1 #ILOVEBPO CAREER FAIRS

JAMPRO, in partnership with HEART Trust/NTA, the Ministry of Education, Avasant Foundation and the BPIAJ, conceptualized, organized, and hosted the #ILoveBPO Career Expos in Kingston and Montego Bay. The fairs sought to create public awareness of the BPO sector & career opportunities within the sector, provide operators with the opportunity to create awareness of their brands and recruit employees, and provide the public with the opportunity to meet operators, participate in job interviews and secure jobs within the sector. Over 2,000 students attended the fairs in which 14 BPO companies participated and over 80 persons were recruited.

14.2 AGRICULTURE INFORMATION FORUM – KINGSTON

In an effort to stimulate interest and investments in the agri-business sector, JAMPRO, in collaboration with stakeholders including the Ministry of Industry Commerce Agriculture and Fisheries, Rural Agricultural Development Agency, Agriculture Investment Corporation, CASE College of Agriculture, Development Bank of Jamaica and the National People's Coorperative Bank, hosted a forum to highlight agriculture as an important business opportunity and underscore the Government's commitment to supporting the growth of the sector. Over 100 participants registered and the event received wide publicity.

14.3 REAL ESTATE FORUM

The Real Estate Forum provided an interactive platform to encourage the creation of operational BPO spaces at competitive rates. The dialogue between JAMPRO and the real estate providers was necessary to provide improved spaces to new and emerging investors. This forum educated, excited and encouraged real estate developers to create suitable spaces which will appeal to the BPO investors, hence supporting JAMPRO's efforts in attracting investors and increasing job growth. The Forum increased the awareness of over 80 developers and realtors on the essential property factors for an operational BPO space and advocated for the timely delivery of suitable office space to meet growing demand.

15 Signature Programmes

15.1 EXPORT MAX II

In delivering on its mandate to promote and effectively grow Jamaica's exports, JAMPRO initiated the Export Max – Enterprise Development for Export Growth Programme which focuses the organization's resources on export-ready firms with the potential to grow and supply export markets in a sustainable manner. Encouraged by the initial successes achieved under the 2011 pilot programme, Export Max II was implemented among nineteen (19) Jamaican exporting and export ready firms. Export Max II retained the main elements of the pilot programme and added some new features including Business Coaching, Mentorship and Packaging & Labelling Initiatives. The programme was also extended from two to three years.

Export Max II came to a close in September 2017, and over the duration of the programme the achievements in key performance areas are provided below:

EXPORT MAX II ACHIEVEMENTS

PERFORMANCE AREA	TARGET	ACHIEVEMENTS
Export sales achieved	J$523M	J$1.001B[a]
% increase in export sales	50%	91%[a]
New jobs created	5%	173 new jobs (13%)[b]
# of companies exporting	19	19
Min. of 1 new market accessed	100%	84%[c]

a. *Information for 3 companies have been excluded due to unavailability of data for 2 companies and discrepancy in the data for the 3rd.*

b. *The number of jobs moved from 1,356 to 1,529 at the end of June 2017. The number of jobs for 5 companies was held constant due to discrepancies in the data. Further verification underway.*

c. *Based on data to end-June 2017.*

Some Export Max II client highlights are outlined below.

- Island Products: exported chemicals in the Region for the first time.
- AG Chem Plant: solidified its relationship with an existing government buyer resulting in an order.
- Carita Jamaica: received an order for processed products from The Bahamas despite the competition/proximity of the US market.
- Country House: exported to The Bahamas for the first time.
- Crimson Dawn: broke into the Barbados secondary school market.

15.2 JAFTA PROPELLA

In collaboration with the Jamaica Film and Television Association (JAFTA), JAMPRO implemented Propella which is a script to screen programme that nurtures Jamaican content creators and enables them to tell their stories cinematically by providing funding and in-kind support. Through a blind selection process, five filmmakers were identified for talent discovery. The cohort received:

- training in script consultation, directing for short films, and festival strategy;
- a financial grant of J$500,000 each from the CHASE Fund to produce a short film; and
- funding to represent their film projects as a part of the Jamaican delegation to select international film festivals

15.3 IN-MARKET BROKERS

15.3.1 Outsourcing

The Government of Jamaica, through the Jamaica Promotions Corporation (JAMPRO) and under the auspices of the Foundations for Competitiveness and Growth Project, contracted a Global Investment Broker to identify and convert new investment opportunities/ projects in the business process outsourcing sector. This initiative is consistent with the Cabinet approved National Five-Year Strategy for the Development of Jamaica's Outsourcing Industry, and with JAMPRO's own strategic thrust to expand its promotional efforts in targeted overseas markets for increased direct investment flows into Jamaica.

15.3.2 Manufacturing

JAMPRO contracted the services of a Manufacturing In-Market Broker with intimate knowledge of the medical products and electronics industries in North America and Europe to focus on developing a targeted engagement strategy and conducting investor targeting for referral to JAMPRO. The in-market broker is expected to complete the deliverables in FY 2018-19.

15.3.3 Mining

JAMPRO, with funding from the Commonwealth Secretariat, engaged an in-market broker for mining during the year for which deliverables were completed at the end of March 2018. JAMPRO received six (6) limestone buyer opportunities to pursue.

15.4 CUBA MARKET DEVELOPMENT PROGRAMME

JAMPRO designed a three-year Development Plan geared towards building Jamaica's export presence

in the Cuban market commencing 2017-18. Targeted buyer and stakeholder engagement initiatives were prioritized under the programme, including the facilitation of an inward trade mission to Jamaica of key decision makers in Cuba's government buying entities. Other key components of the programme included ongoing direct buyer engagement opportunities by JAMPRO, participation in relevant trade initiatives in Cuba, and collaboration with the EXIM Bank on the line of credit facility specific to the market. During the fiscal year, two Jamaican companies received approval as suppliers to the Cuban market.

15.5 CANADA MARKET DEVELOPMENT PROGRAMME

During the period under review, JAMPRO undertook a strategic market development approach to build Jamaica's exports to Canada. An important initiative was the execution of two training workshops, in collaboration with the Canadian High Commission, on "Doing Business in Canada" and "Packaging and Labelling" to highlight the labelling requirements for the Canadian and other key markets. JAMPRO also undertook an outward mission to the Restaurant Canada Show with six established Jamaican food manufacturers. Key activations included participation in Restaurant Canada (RC) Show 2018, hosting of a JAMPRO breakfast meeting and networking forum, in-market trade visits and culinary demonstrations on TV Morning Show Features in Canada. Thirty-four (34) export leads were generated at the end of the mission.

15.6 FILM LAB "MAKING DEVELOPMENT WORK"

In 2017, JAMPRO piloted a three-year partnership with the British Council and the Jamaica Film and TV Association (JAFTA) to deliver a feature film script development programme titled 'Making Development Work', led by UK-based script development expert Ludo Smolski. The results led the British Council, JAFTA, and the Film Commission to agree to maintain the partnership. The rebranded Film Lab JA aims to increase the quality and quantity of investment-ready commercially-viable local content, resulting in export lead generation and ultimately financing and distribution contracts for local content. Successes in Year 1 include:

- three of the 15 total participants had projects which were successfully accepted to 2018 JAFTA Propella
- one of the five screenwriters was hired to adapt a screenplay for an international production
- one of the five screenplays was a finalist in the Cannes Golden Plume screenwriting contest.

16 Market Activations

Overall the organisation engaged in 89 missions across 23 countries.

23 Countries

89 Overall

31 Inward

58 Outward

89 Missions

Country	Overall	Inward	Outward
Bahamas	01	-	1
Barbados	05	-	5
Bermuda	01	-	1
Canada	05	2	3
Cayman	01	1	-
China	03	2	2
Colombia	04	-	4
Costa Rica	01	-	1
Cuba	03	1	2
Dominican Republic	01	-	1
France	01	-	1
Germany	05	-	5
India	02	1	1
Guatemala	01	1	-
South Korea	01	-	1
Mexico	05	2	3
Netherlands	01	-	1
New Zealand	01	-	1
Singapore	01	-	1
Spain	01	-	1
Trinidad	04	2	2
UK	06	5	1
USA	36	15	21

17 Looking Ahead FY 2018-19

Guided by the 2017/18 – 2019/20 3-Year Strategic Plan, JAMPRO's efforts at investment and export promotion and facilitation are directly aligned with the government's national growth strategy and thus reflect a commitment to its revised vision "to be a world class business enabler and promotions agency, making Jamaica the premier destination to do business".

Efforts will continue to implement various strategic initiatives over the course of the next 2 fiscal years including:

- Embedding the change management programme
- Implementing export and investment regimes to improve Jamaica's competitiveness and appeal to local and international investors, including implementation of Export Max III, promulgation of the National Investment Policy, fast-tracking priority investment projects via the National Business Portal 'one stop shop' facility and development of targeted sector road maps.
- Expanding performance-based work programmes for strategic partners such as Foreign Service Offices and increased used of in-market brokers.
- Implementing targeted innovative marketing programmes focused on JAMPRO's digital assets, executing Ministerial roadshows, and contracting an international marketing agency.
- Continuing the drive for implementation of key strategic projects

Moreover, the organisation remains committed to achieving its targets and driving Jamaica's economic development through investment and exports.

18 Audited Financial Statements

For the fiscal year ended March 31, 2018, JAMPRO received Gross Operating Revenue of J$799.5m compared to the fiscal year ended March 31, 2017 in which J$649.3m was received. This reflected an increase of 23% over the previous year. During the year, JAMPRO received J$755.1m in Government Grants which represents 94% of Gross Operating Revenue.

Operating Expenses totalled J$782.7m comprising Promotional of J$228.5m, Staff Related J$450.5m and General & Administrative of J$103.7m. Total Operating Surplus for the year was J$20.8m. When adjusted to reflect the Defined Benefit Pension Plan of J$67.5m, the Total Comprehensive Income for the year was J$88.3m.

YEAR ENDED 31 MARCH 2018

EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED

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INDEPENDENT AUDITOR'S REPORT

To the Members of Jamaica Promotions Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Promotions Corporation (the Corporation), which comprise the statement of financial position as at 31 March 2018 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Corporation as at 31 March 2018, and of the Corporation's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management and the Board of Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS, and for such internal control as Management and the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management and the Board of Directors either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

The Corporation's Board of Directors are responsible for overseeing the financial reporting process.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Jamaica Promotions Corporation (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Corporation's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

Building a better working world

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the Members of Jamaica Promotions Corporation (Continued)

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Chartered Accountants
Kingston, Jamaica

16 July 2018

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018
(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

	Notes	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	3	56,110,044	41,263,762
Securities purchased under resale agreements	3	134,613,619	93,061,101
Trade and other receivables	4	21,367,963	10,110,903
		212,091,626	144,435,766
CURRENT LIABILITIES			
Trade and other payables	5	223,408,975	154,009,379
Grant received in advance	6	8,805,550	8,397,621
Deferred income	10	12,607,880	1,338,680
		244,822,405	163,745,680
NET CURRENT LIABILITIES		(32,730,779)	(19,309,914)
NON- CURRENT ASSETS			
Property & equipment	7	172,533,716	145,570,815
Employee benefit asset	8	299,611,000	224,844,000
		472,144,716	370,414,815
		439,413,937	351,104,901
FINANCED BY:			
ACCUMULATED SURPLUS		241,784,251	153,475,215
CAPITAL RESERVES	9	197,629,686	197,629,686
		439,413,937	351,104,901

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

The financial statements were approved by the Board of Directors on 16 July 2018 and signed on its behalf by:

Don Wehby - Chairman

Diane Edwards - President

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2018
EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED

	Notes	2018 $	2017 $
Gross operating revenue	11	799,451,276	649,338,209
Operating expenses:			
Promotional	12(i)	228,477,487	109,216,320
Staff-related	12(ii)	450,511,149	419,612,112
General and administrative	12(iii)	103,717,770	86,538,350
		782,706,406	615,366,782
Operating surplus for the year		16,744,870	33,971,427
Other income:			
Interest income		3,544,813	2,368,265
Miscellaneous income		480,353	81,700
Surplus for the year		20,770,036	36,421,392
Other comprehensive income:			
Items that will never be reclassified to profit or loss			
Re-measurement gain on defined benefit plan	8(iv)	67,539,000	14,817,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		88,309,036	51,238,392

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

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2018

(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

	Accumulated surplus $	Capital reserve $	Total $
Balance at 1 April 2016	102,236,823	197,629,686	299,866,509
Surplus for the year	36,421,392	-	36,421,392
Other comprehensive income:			
Remeasurement gain on defined benefit plan	14,817,000	-	14,817,000
Total comprehensive income for the year	51,238,392	-	51,238,392
Balances at 31 March 2017	153,475,215	197,629,686	351,104,901
Surplus for the year	20,770,036	-	20,770,036
Other comprehensive income:			
Remeasurement gain on defined benefit plan	67,539,000	-	67,539,000
Total comprehensive income for the year	88,309,036	-	88,309,036
Balances at 31 March 2018	241,784,251	197,629,686	439,413,937

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

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2018
EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED

	Notes	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		20,770,036	36,421,392
Adjustments for:			
Depreciation	7, 12(iii)	15,198,174	12,338,858
Employee benefits		(7,228,000)	(4,716,000)
Amortisation of deferred income	10, 12(iii)	(1,338,680)	(150,993)
Interest income		(3,544,813)	(2,368,265)
Foreign exchange losses	12(iii)	3,702,492	458,797
		27,559,209	41,983,789
(Increase)/Decrease in a trade and other receivables		(11,257,060)	11,176,737
Increase/(Decrease) in trade and other payables and grants received in advance		82,415,405	(17,065,504)
Net cash provided by operating activities		98,717,554	36,095,022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property & equipment	7	(42,161,075)	(11,621,171)
Interest received		3,544,813	2,368,265
Securities purchased under resale Agreements (net)		(41,552,518)	(43,426,134)
Net cash used in investing activities		(80,168,780)	(52,679,040)
Net increase/(decrease) in cash and cash equivalents		18,548,774	(16,584,018)
Cash and cash equivalents at beginning of year		41,263,762	58,306,578
Effect of exchange rate fluctuations on cash and cash equivalents		(3,702,492)	(458,798)
CASH AND CASH EQUIVLENTS AT END OF YEAR	3	56,110,044	41,263,762

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018
(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

1. IDENTIFICATION AND PRINCIPAL ACTIVITY

Jamaica Promotions Corporation (the 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. The Corporation is incorporated and domiciled in Jamaica with its registered office located at 18 Trafalgar Road, Kingston 10, Jamaica.

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) as issued 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.

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

Certain new, revised and amended standards and interpretations which were in issue came into effect for the current year. The adoption of these amendments did not result in any change to the presentation and disclosures in the financial statements. The pronouncements were effective from 1 January 2017, unless otherwise indicated.

The following amendments to IFRS Practice Statement and published standards are mandatory for the Corporation's accounting period beginning on or after 1 January 2017:

IFRS Practice Statement 2: Making Materiality Judgements

Companies are permitted to apply the guidance in the Practice Statement (PS) to financial statements prepared any time after 14 September 2017. The PS contains non-mandatory guidance to help entities making materiality judgements when preparing general purpose IFRS financial statements. The PS may also help users of financial statements to understand how an entity makes materiality judgements in preparing such financial statements.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New and revised standards and interpretations that became effective during the year (continued)

IFRS Practice Statement 2: Making Materiality Judgements (continued)

The PS comprises guidance in three main areas:

- General characteristics of materiality
- A four-step process that may be applied in making materiality judgements when preparing financial statements. This process describes how an entity could assess whether information is material for the purposes of recognition, measurement, presentation and disclosure.
- How to make materiality judgements in specific circumstances, namely, prior period information, errors and covenants and in the context of interim reporting.

Furthermore, the PS discusses the interaction between the materiality judgements an entity is required to make and local laws and regulations.

Amendments to IAS 7: Disclosure Initiative
The amendments to IAS 7 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses
The amendments clarify that an entity needs to consider whether the tax law restricts the sources of taxable profits against which it may make deductions on the reversal of deductible temporary difference related to unrealised losses.

Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profits may include the recovery of some assets for more than their carrying amount.

The IFRS practice statement and amendments have no impact on the Corporation's financial position or performance.

Annual Improvements to IFRSs 2014 - 2016 Cycle

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12

The amendments clarify the scope of IFRS 12 by specifying that its disclosure requirements, except for those in paragraphs B10-B16 (summarized financial information for subsidiaries, joint ventures and associates), apply to an entity's interests irrespective of whether they are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018
(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New and revised standards and interpretations that became effective during the year (continued)

Annual Improvements to IFRSs 2014 - 2016 Cycle (continued)

Amendments to IFRS 12 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12 (continued)
As at 31 March 2018, the Corporation do not have any subsidiaries or associates classified as held for sale; therefore, the amendments have no impact on the Corporation's financial statements.

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation
The Corporation has not early adopted any new or revised IFRSs that have been issued but not yet effective. The following have been issued and their impact is currently being assessed by management. The Corporation intends to adopt these standards, if applicable, when they become effective.

Long-term interests in associates and joint ventures - Amendments to IAS 28
The amendments clarify that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 *Investments in Associates and Joint Ventures*.

This amendment is effective for annual periods beginning on or after 1 January 2019. Entities must apply the amendments retrospectively, with certain exceptions. Early application of the amendments is permitted and must be disclosed.

Transfers of Investment Property (Amendments to IAS 40)
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

Transfers of Investment Property (Amendments to IAS 40) (continued)
Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight.

Early application of the amendments is permitted and must be disclosed. This amendment is effective for annual periods beginning on or after 1 January 2018.

IFRS 2 Classification and Measurement of Share-based Payment Transactions– Amendments to IFRS 2

The amendments address three main areas:

- **The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction** - The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments.

- **The classification of a share-based payment transaction with net settlement features for withholding tax obligations** - This amendment adds an exception to address the narrow situation where the net settlement arrangement is designed to meet an entity's obligation under tax laws or regulations to withhold a certain amount in order to meet the employee's tax obligation associated with the share based payment. This amount is then transferred, normally in cash, to the tax authorities on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement may permit or require the entity to withhold the number of equity instruments that are equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise (or vesting) of the share-based payment ('net share settlement feature').

- **The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity settled -** The amendment clarifies that, if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. Any difference (whether a debit or a credit) between the carrying amount of the liability derecognised and the amount recognised in equity on the modification date is recognised immediately in profit or loss.

The effective date for these amendments is 1 January 2018. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. Early application is permitted.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018
(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

IFRS 9 Financial Instruments

IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and the business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

(i) Classification and measurement of financial assets and financial liabilities
An entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.

Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.

For financial liabilities designated as FVTPL using the fair value option, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in the profit or loss, unless presentation in the OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.

(ii) Impairment
IFRS 9 requires entities to record expected credit losses (ECL) on all of its debt securities, loans and receivables. Entities are required to recognise 12-month ECL on initial recognition (or when the commitment or guarantee was entered into) and thereafter as long as there is no significant deterioration in credit risk. However, if there has been a significant increase in credit risk on an individual or collective basis, then entities are required to recognise lifetime ECL.

(iii) Hedge accounting
A risk component of a financial or non-financial instrument may be designated as the hedged item if the risk component is separately identifiable and reliably measureable. The time value of an option, any forward element of a forward contract and any foreign currency basis spread can be excluded from the hedging instrument designation and can be accounted for as costs of hedging.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

Prepayment Features with Negative Compensation - Amendments to IFRS 9

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The basis for conclusions to the amendments clarified that the early termination can result from a contractual term or from an event outside the control of the parties to the contract, such as a change in law or regulation leading to the early termination of the contract.

The amendments are intended to apply where the prepayment amount approximates to unpaid amounts of principal and interest plus or minus an amount that reflects the change in a benchmark interest rate. This implies that prepayments at current fair value or at an amount that includes the fair value of the cost to terminate an associated hedging instrument, will normally satisfy the SPPI criterion only if other elements of the change in fair value, such as the effects of credit risk or liquidity, are small.

Modification or exchange of a financial liability that does not result in derecognition
In the basis for conclusions to the amendments, the IASB also clarified that the requirements in IFRS 9 for adjusting the amortised cost of a financial liability, when a modification (or exchange) does not result in derecognition, are consistent with those applied to the modification of a financial asset that does not result in derecognition. This means that the gain or loss arising on modification of a financial liability that does not result in derecognition, calculated by discounting the change in contractual cash flows at the original effective interest rate, is immediately recognised in profit or loss.

The IASB made this comment in the basis for conclusions to the amendments as it believes that the existing requirements in IFRS 9 provided an adequate basis for entities to account for modifications and exchanges of financial liabilities and that no formal amendment to IFRS 9 was needed in respect of this issue.

This amendment is effective for annual periods beginning on or after 1 January 2019. The amendments must be applied retrospectively; earlier application is permitted. The amendment provides specific transition provisions if it is only applied in 2019 rather than in 2018 with the remainder of IFRS 9.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

IFRS 10 *and* IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to* IFRS 10 *and* IAS 28

The amendments address the conflict between IFRS 10 *Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

This amendment is effective for annual periods beginning on or after 1 January 2019. The amendments must be applied prospectively. Early application is permitted and must be disclosed.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. The standard establishes a five-step model to account for revenue arising from contracts with customers and also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted.

In April 2016, the IASB issued amendments to IFRS 15 to address several implementation issues discussed by the Joint Transition Resource Plan for Revenue Recognition.

The amendments:
- Clarify when a promised good or service is distinct within the context of the contract
- Clarify how to apply the principal versus agent application guidance, including the unit of account for the assessment, how to apply the control principle in service transactions and reframe the indicators
- Clarify when an entity's activities significantly affect the intellectual property (IP) to which the customer has rights, which is a factor in determining whether the entity recognises revenue for licences over time or at a point in time.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

IFRS 15 Revenue from Contracts with Customers (continued)

- Clarify the scope of the exception for sales-based and usage-based royalties related to licences of IP (the royalty constraint) when there are other promised goods or services in the contract
- Add two practical expedients to the transition requirements of IFRS 15 for: (a) completed contracts under the full retrospective transition approach; and (b) contract modifications at transition

The amendments have an effective date of 1 January 2018, which is the effective date of IFRS 15. Entities are required to apply these amendments retrospectively. The amendments are intended to clarify the requirements in IFRS 15, not to change the standard.

IFRS 16 Leases

The scope of this standard includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Key features

- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).
- Lessees recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).
- Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.
- Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.
- Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

This standard is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. Early application is permitted, but not before an entity applies IFRS 15.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018
(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation
Or
(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

Early application of interpretation is permitted and must be disclosed. This interpretation is effective for annual periods beginning on or after 1 January 2018.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:
- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation (Continued):

New standards and revised or amended standards that are not yet effective and have not been early adopted by the Corporation (continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (continued)

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

Annual Improvements *2014-2016 Cycle*

The amendments from the 2014-2016 annual improvements cycle are as follows:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendments) - Deletion of short-term exemptions for first-time adopters (effective 1 January 2018)

- IAS 28 Investments in Associates and Joint Ventures (Amendment) - Clarification that measuring investees at fair value through profit or loss is an investment-by investment choice (effective 1 January 2018)

Annual Improvements *2015-2017 Cycle*

The amendments from the 2015-2017 annual improvements cycle are as follows:

- IFRS 3 Business Combinations (Previously held Interests in a joint operation) - (effective 1 January 2019)
- IFRS 11 Joint Arrangements (Previously held Interests in a joint operation) - (effective 1 January 2019)
- IAS 12 Income Taxes (Income tax consequences of payments on financial instruments classified as equity) - (effective 1 January 2019)
- IAS 23 Borrowing Costs (Borrowing costs eligible for capitalization) - (effective 1 January 2019)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 estimate is 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 estimate with a significant risk of material adjustment in the next financial year are discussed below:

Pension and other post-employment benefits:

The amounts recognised in the statement of financial position and profit or loss for pension and other post-employment 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 net plan assets 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. (Note 8)

(d) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances including short term deposits that have an original maturity of between one and three months.

(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 difference between the purchase and resale price is treated as interest and accrued over the lives of the agreements.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Trade and other receivables:

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

(g) Trade and other payables and accrued charges:

Trade and other payables are measured at amortised cost. No interest is charged on outstanding balances as these are settled within a twelve month period.

(h) Property & equipment:

Property & equipment are measured 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 and equipment is recognised in profit or loss.

(i) Depreciation:

Property & 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%
Computers	20%
Motor vehicles	20%

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

(j) Foreign currencies:

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Corporation operates ('the functional currency'). The financial statements are presented in Jamaican dollars which is the Corporation's functional and presentation currency.

Transactions and balances
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.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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, National Insurance Scheme contributions paid, annual unused 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.

(ii) Defined benefit pension plan:

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 plan 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 plan 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.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (Continued):

(ii) Defined benefit pension plan (continued):

Remeasurements of the net defined benefit liability/(asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCl).

The Corporation determines the net interest expense/(income) on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/(asset), taking into account any changes in the net defined benefit liability/(asset) during the period as a result of contributions and benefit payments. Net interest expense and other expense related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Corporation recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(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.

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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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).

(viii) The entity or any member of a group of which it is a part, provides key management services to the Corporation.

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

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 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, securities purchased under resale agreements and accounts receivable. Similarly, financial liabilities include accounts payable and grants received in advance.

NOTES TO THE FINANCIAL STATEMENTS
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2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Deferred income:

Where property & equipment are received as gifts from, or acquired out of funds granted by donors, the amount of the grant, determined by the cash received or, in the case of gifts in kind, the fair value of the asset received, is credited to deferred income.

An amount equivalent to the depreciation charged on the property & equipment in 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 as revenue in the profit or loss.

Government and other grants received are deferred where the grant is represented by property & equipment. Annual transfers, equivalent to depreciation charged on property & equipment funded by a grant, are made from the deferred income account to the statement of profit or loss and other comprehensive income [see Note 2(p)].

For grants received and ear-marked for use to carry out certain project, to ensure matching these amounts are recognized as income in the profit or loss, when the expenditure is incurred in the profit or loss for the same project.

Finance income comprise 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.

Rental income earned from the property owned by the Corporation, is recognised as revenue in the profit or loss on a straight line basis over the lease term.

(r) Expenses:

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 surplus:

Surplus is determined as the difference between the revenues from the services rendered and the costs and other charges incurred during the year.

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2018
(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Fair value disclosures:

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

3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS

(a)

	2018	**2017**
	$	**$**
Cash at bank	55,774,306	40,678,267
Cash on hand	335,738	585,495
	56,110,044	41,263,762

Interest is earned on Euro dollar bank balances at an average rate of 0.004% per annum (2017: 0.10%) and for United States dollar bank balances at an average rate of 0.02% per annum (2017: 0.10%). Bank balances held in United States dollars for the year ended 31 March 2018 is $163,492 (2017 – $79,781).

(b)

	2018	**2017**
	$	**$**
Securities purchased under resale agreements – JMD	51,493,254	39,057,342
Securities purchased under resale agreements – USD	83,120,365	54,003,759
	134,613,619	93,061,101

Interest is earned on Jamaica dollar deposit balances at an average rate of 4.65% per annum (2017: 5.20%) and for United States dollar deposit balances at an average rate of 1.14% per annum (2017: 1.30%). These deposits will mature within one month after the year end. Deposit balances held in United States dollars for the year ended 31 March 2018 is $666,806 (2017 – $422,677).

Underlying securities such as Government of Jamaica Bonds, Government of Bermuda Bonds and certain Corporate Bonds are held as collateral for securities purchased under resale agreement as at 31 March 2018 amounting to US$883,606 and JM$11,673,628.

(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

3. CASH AND CASH EQUIVALENTS AND SECURITIES PURCHASED UNDER RESALE AGREEMENTS (CONTINUED)

(c) Included in cash and cash equivalents and securities purchased under resale agreements are the following amounts that were received in respect of specific projects:

(i) $13,796,635 (2017: $15,844,644) 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)]. This amount has been deemed restricted cash, only to be used to carry out this project and is included as a part of the cash at bank figure above.

(ii) Nil (2017: $539,180) received in advanced for specified investment promotion activities on behalf of the CART Fund project [see Note 5(ii)]. This amount was deemed restricted cash, only to be used to carry out this project.

(iii) $4,381,306 (2017: $4,381,306) received for specified investment promotion activities [see Note 5(iii)].

(iv) $8,805,550 (2017: $8,397,621) 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 (see Note 6). Movement in balance represents interest earned during the year. This amount has been deemed restricted cash, only to be used to carry out this project and is included as a part of the securities purchased under resale agreements figure above.

(v) $12,607,880 (2017: nil) received from Planning Institute of Jamaica - PIOJ with respect to Sponsorship of the Jamaica Investment Forum 2018 to be held on June 12-14, 2018. No interest was earned on this amount during the year (see Note 10).

4. TRADE AND OTHER RECEIVABLES

	2018 $	2017 $
Prepaid expenses	1,658,675	2,192,260
CART Fund (see Trade and Other Payables - Note 5 (ii))	6,598,654	-
Other receivables	13,110,634	7,918,643
	21,367,963	10,110,903

Included in other receivables is an amount of $4,796,407 (2017: $4,796,407) due from the Government of Jamaica relating to General Consumption Tax Recoverable.

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5. TRADE AND OTHER PAYABLES

	2018 $	2017 $
Jamaica International Financial Services Authority (i)	13,796,635	15,844,644
CART Fund (See Trade and Other Receivables – Note 4)	-	539,180
Trade Payables (Others)	24,078,786	8,948,581
Sponsorship – Tourism Conference	1,259,850	-
In-Market Broker Services	12,598,500	-
Digital Marketing Service	2,067,799	-
Business Environment Advisory Services	12,598,500	-
Accrued Expenses (Others)	29,424,815	21,217,774
Cuba Inward Mission Accommodation	1,594,239	-
Booth Design & Décor Services	3,784,068	-
IT Audit Services	1,527,514	-
Country Perception Survey Services	598,455	-
JIFF 2018 Project Management Services	2,748,500	-
Change Management Coaching Services	2,600,000	-
Process Mapping Services	487,500	-
Staff Costs Payable	82,266,634	75,631,252
General Consumption Tax Payable	24,038,464	16,331,970
Other Payables (iii)	7,938,716	15,495,978
	223,408,975	154,009,379

(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.

(ii) This represents net amount advanced on behalf of the Caribbean Development Bank to fund the CART Fund project of the Jamaica Coalition of Service Industries and Business Processing Outsourcing Coordinator project.

(iii) Included in other payables is $4,381,306 (2017: $4,381,306) received in advance for specific investment promotions activities [see Note 3(c)(iii)].

As at 31 March 2018, certain contracts were signed before the year end for which commitments have been made amounting to $14,773,126, these amounts have not been included in the payable balances above.

6. GRANTS RECEIVED IN ADVANCE

These are unspent balances in respect of funds received from the Ministry of Industry, Commerce & Technology for aiding in the development of cultural art [see Note 3(c) (iv)].

NOTES TO THE FINANCIAL STATEMENTS
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7. PROPERTY & EQUIPMENT

	Land, buildings & leasehold improvements $	Furniture Equipment And Computers $	Motor vehicles $	Total $
At cost or deemed cost:				
1 April 2016	201,352,295	111,199,356	7,678,905	320,230,556
Additions	455,972	11,165,199	-	11,621,171
31 March 2017	201,808,267	122,364,555	7,678,905	331,851,727
Additions	1,885,025	11,698,685	28,577,365	42,161,075
Disposals	-	-	(4,011,133)	(4,011,133)
31 March 2018	203,693,292	134,063,240	32,245,137	370,001,669
Depreciation:				
1 April 2016	70,776,125	96,216,976	6,948,953	173,942,054
Charge for the year	4,843,899	7,035,159	459,800	12,338,858
31 March 2017	75,620,024	103,252,135	7,408,753	186,280,912
Charge for the year	5,020,862	8,269,568	1,907,744	15,198,174
On Disposals	-	-	(4,011,133)	(4,011,133)
31 March 2018	80,640,886	111,521,703	5,305,364	197,467,953
Net book values:				
31 March 2018	123,052,406	22,541,537	26,939,773	172,533,716
31 March 2017	126,188,243	19,112,420	270,152	145,570,815

8 EMPLOYEE BENEFIT ASSET

The Corporation operates a defined benefit pension plan for all permanent employees. The plan 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.

The Board of Trustees of the pension fund is comprised of representatives from both the employer and members of the plan. The Board of Trustees of the pension fund is required by law to act in the interest of the fund and all relevant stakeholders.

The Plan's investment portfolio is managed by Sagicor Life Jamaica Limited and the fund administrator is Employee Benefits Administrator Limited.

(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

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

	2018 $	2017 $
Pension asset:		
Fair value of plan assets	2,093,369,000	1,712,367,000
Present value of defined benefit obligation	(378,425,000)	(307,252,000)
Net assets	1,714,944,000	1,405,115,000
Asset not recognised due to limitation in economic benefits	(1,415,333,000)	(1,180,271,000)
Asset recognized in the statement of financial position	299,611,000	224,844,000

	2018	%	2017	%
Plan assets consist of the following:				
Pooled Equity Fund	294,161,000	14	278,818,000	16
Pooled Mortgage and Real Estate Fund	-		623,238,000	36
Pooled Fixed Income Fund	-		229,614,000	13
Pooled Money Market Fund	-		164,010,000	10
Foreign Currency Fund	96,310,000	5	-	-
Pooled CPI Fund	97,262,000	4	114,807,000	7
Pooled International Equity fund	-	-	49,203,000	3
	487,733,000		1,459,690,000	85
Global Bonds Fund	-	-	180,411,000	11
Diversified Investment Fund	1,519,104,000	73	-	-
Ordinary shares	6,581,000	-	4,093,000	-
Purchased annuities	60,926,000	3	52,947,000	3
Net benefit adjustments	19,025,000	1	15,226,000	1
	2,093,369,000	100	1,712,367,000	100

The expected contributions to the plan for the twelve months ending 31 March 2019 amount to $8,204,000.

Weighted average duration of obligation is approximately 33 years in 2018 and 27 years in 2017.

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8. EMPLOYEE BENEFIT ASSET (CONTINUED)

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

	2018 $	2017 $
Balance at beginning of year	224,844,000	205,311,000
Employer's contributions	618,000	535,000
Change recognised in profit or loss	6,610,000	4,181,000
Remeasurements recognised in OCI	67,539,000	14,817,000
Balance at end of year	299,611,000	224,844,000

(ii) Movement in plan assets:

	2018 $	2017 $
Fair value of plan assets as at 1 April	1,712,367,000	1,589,116,000
Contributions paid into the plan	7,743,000	6,949,000
Benefits paid by the plan	(16,027,000)	(26,808,000)
Interest income on plan assets	162,419,000	142,855,000
Value of annuities purchased	2,795,000	-
Remeasurement - changes in assumptions	6,927,000	(1,657,000)
Remeasurement - experience adjustments	217,145,000	1,912,000
Fair value of plan assets as at 31 March	2,093,369,000	1,712,367,000
Actual return on plan assets	23%	9%

(iii) Change recognised in profit or loss:

	2018 $	2017 $
Current service costs	15,098,000	14,603,000
Interest on obligations	28,585,000	26,294,000
Expected return on plan assets	(162,419,000)	(142,855,000)
Interest on effect of the asset ceiling	112,126,000	97,777,000
	(6,610,000)	(4,181,000)

(iv) Items in other comprehensive income:

	2018 $	2017 $
Change in financial assumptions	135,135,000	(25,578,000)
Experience adjustments	(325,610,000)	14,677,000
Change in effect of the asset ceiling	122,936,000	(3,916,000)
	(67,539,000)	(14,817,000)

NOTES TO THE FINANCIAL STATEMENTS
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(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

v) Present value funded obligation:

	2018 $	2017 $
Present value of funded obligation at 1 April	307,252,000	297,395,000
Current service cost	15,098,000	14,603,000
Interest cost on defined benefit obligation	28,585,000	26,294,000
Members' contributions	7,125,000	6,414,000
Benefits paid	(16,027,000)	(26,808,000)
Value of annuities purchased	2,795,000	-
Remeasurement-changes in assumptions	142,062,000	(27,235,000)
Remeasurement-experience adjustments	(108,465,000)	16,589,000
Present value of defined benefit obligation at 31 March	378,425,000	307,252,000

(vi) Movement in effect of asset ceiling:

	2018 $	2017 $
Effect of asset ceiling at 1 April	1,180,271,000	1,086,410,000
Interest on asset	112,126,000	97,777,000
Remeasurement effect	122,936,000	(3,916,000)
Effect of asset ceiling at 31 March	1,415,333,000	1,180,271,000

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

	2018	2017
Discount rate	7.50%	9.50%
Inflation (Pay Growth)	4.50%	6.50%
Pension Increases	4.50%	5.50%
Administrative Expenses (% of Salary)	2.00%	1.50%
Inflation	4.50%	6.50%
Minimum funding rate	0.25%	0.25%

(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

(viii) Sensitivity analysis

The calculation of the projected obligation is sensitive to the assumptions used. The table below summaries how the defined benefit obligation measured at the end of the reporting period would have increased/decreased) as a result of a change in the perspective assumptions by one percentage point. In preparing the analysis for each assumption, all other were held constant.

	2018		2017	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	$	$	$	$
Discount rate	(59,687,000)	81,010,000	(45,283,000)	60,678,000
Salary growth	36,907,000	(31,237,000)	28,455,000	(24,180,000)
Pension increase	42,160,000	(35,693,000)	31,349,000	(26,773,000)
Life expectancy	7,445,000	(7,457,000)	5,432,000	(5,464,000)

The four year trend for the fair value of plan assets, the defined benefit obligation, the surplus in the plan and experience adjustments for the plan asset and liabilities is as follows:

	2018	2017	2016	2015
	$	$	$	$
Fair value of plan assets	2,093,369,000	1,712,367,000	1,589,116,000	1,243,130,000
Assets not recognised due to limitation in economic benefits	(1,415,333,000)	(1,180,271,000)	(1,086,410,000)	(794,139,000)
Defined benefit obligations	(378,425,000)	(307,252,000)	(297,395,000)	(260,644,000)
Surplus	299,611,000	224,844,000	205,311,000	188,347,000
Experience adjustments -				
Fair value of plan assets	217,145,000	1,912,000	237,827,000	(35,059,000)
Defined benefit obligations	(108,465,000)	16,589,000	(18,083,000)	(8,802,000)

Risks associated with pension plans and other employee benefit plans
Through its defined benefit pension plan, the Corporation is exposed to a number of risks, the most significant of which are detailed below:

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

As the plan matures, the Corporation intends to reduce the level of investment risk by investing more in assets that better match the liabilities. This process includes monitoring and rebalancing the asset classes and the maturity profile of assets within these classes. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Corporation believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Corporation's long term strategy to manage the plans efficiently.

NOTES TO THE FINANCIAL STATEMENTS
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8. EMPLOYEE BENEFIT ASSET (CONTINUED)

Changes in bond yields
A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk
Higher inflation will lead to higher liabilities in the event that discretionary pension increases are granted. This risk is managed by the plan not having significant investment in fixed rate securities.

9. CAPITAL RESERVES

	2018 $	2017 $
Gain on disposal of land and building	16,420,395	16,420,395
Surplus on disposal of real estate	80,215,145	80,215,145
Excess of the value of assets over liabilities vested in the Corporation	1,675,556	1,675,556
Realised surplus on disposal of buildings	86,002,348	86,002,348
Realised surplus on disposal of equipment	591,000	591,000
Unrealised surplus on revaluation of furniture & fixtures	9,656,146	9,656,146
Unrealised surplus on revaluation of computers	3,069,096	3,069,096
	197,629,686	197,629,686

10. DEFERRED INCOME

	2018 $	2017 $
Balance at beginning of the year	1,338,680	1,489,673
Addition	12,607,880	-
Amortisation during the year	(1,338,680)	(150,993)
Balance at end of the year	12,607,880	1,338,680

During the year, J$12,607,880 was received by the Corporation as Sponsorship towards the Jamaica Investment Forum to be held June 12 - 14, 2018.

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11. GROSS OPERATING REVENUE

	2018 $	2017 $
Government grants	755,147,761	589,828,639
Certification fees	2,710,663	2,693,379
Rental income	21,474,307	19,948,986
Sponsorship income	1,000,000	10,310,764
Other income	19,118,545	26,556,441
	799,451,276	649,338,209

This represents gross income from government grants, certification fees and miscellaneous income. During the year, monies received from the Government of Jamaica for JIFSA, by JAMPRO of $46,946,167, has been excluded from JAMPRO's Gross Operating Revenue and Disclosure of Expenses (Note 12). The comparative amount of $38,576,577 has also been excluded. This exclusion of JIFSA's revenue and expense has no impact on the net financial results of JAMPRO.

12. DISCLOSURE OF EXPENSES

	2018 $	2017 $
(i) Promotional		
Advertising and Promotion (Others)	56,178,719	42,533,349
Foreign and Local Travel and Subsistence	49,508,758	31,937,802
Professional Fees (Others)	38,395,681	24,829,356
In-Market Brokers Services	12,598,500	-
Business Environment Advisory Services	12,598,500	-
JIFF 2018 Activities and Project Management	11,116,579	-
Entertainment	9,642,293	4,773,938
Books, Publications and Subscription	9,263,756	5,141,875
Sponsorship (Tourism, Outsource, IQPC, Bauxite)	7,455,023	-
Change Management Programme	4,400,000	-
Booth Design & Décor Services	3,784,068	-
Office 365 Licences	3,421,500	-
Canada Restaurant Week	2,762,017	-
Digital Marketing Services	2,067,799	-
IT Audit Services	1,527,514	-
Film Fund Consultancy	1,385,835	-
Montego Bay BPO Fair	1,284,990	-
Country Perception Survey Services	598,455	-
Process Mapping Services	487,500	-
	228,477,487	109,216,320

NOTES TO THE FINANCIAL STATEMENTS
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(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

12. DISCLOSURE OF EXPENSES (CONTINUED)

	2018 $	2017 $
(ii) Staff-related		
Salaries, statutory payments and gratuities	363,153,224	331,654,516
Staff benefits	85,127,710	88,529,788
Pension benefit, net (Note 8)	(6,610,000)	(4,181,000)
Unused vacation leave	8,047,561	2,327,200
Staff training	792,654	1,281,608
	450,511,149	419,612,112

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The average number of persons employed by the Corporation during the year was 101 (2017: 101).

	2018 $	2017 $
(iii) General and administrative		
Utilities	24,944,051	22,889,881
General Consumption Tax expense	15,458,498	9,743,274
Depreciation, net of allocation to tenants	15,198,174	12,338,858
Repairs and maintenance	11,720,625	13,692,293
Office supplies and other operating expenses	8,322,273	5,154,322
Other expenses	5,326,415	1,848,435
Foreign exchange losses	3,702,492	458,797
Insurance	3,404,149	2,475,778
Security	2,771,485	2,506,689
Motor vehicle and travelling	2,642,956	3,547,504
Office rental	2,608,504	1,798,820
Professional fees	2,250,716	2,808,347
Stationery	1,927,562	2,792,566
Audit fees	1,850,000	1,850,000
Bank charges	1,467,150	1,366,591
Directors' fees	1,461,400	1,417,188
Amortisation of deferred income	(1,338,680)	(150,993)
	103,717,770	86,538,350
Total expenses	782,706,406	615,366,782

NOTES TO THE FINANCIAL STATEMENTS
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(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

13. 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:

	2018 $	2017 $
Trade and other receivables:		
Government of Jamaica	4,796,407	4,796,407
Trade and other payables:		
Government of Jamaica	24,038,464	16,407,028

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

	2018 $	2017 $
(iii) Compensation of key management Personnel	55,844,219	54,956,426

14. 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.

	2018 $	2017 $
Trade and other receivables	14,912,881	3,122,236
Cash and cash equivalents	55,774,306	40,678,267
Securities purchased under resale agreements	134,613,619	93,061,101
	205,300,806	136,861,604

(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

14. FINANCIAL RISK MANAGEMENT

(i) Credit risk (Continued):

Trade and other 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.

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.

There were no financial assets that are considered past due but not impaired or there was no impairment of financial assets for the current or the prior year.

(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 contractual outflows as at 31 March 2018 and 2017, for accounts payable (excluding amounts received in advance) are represented by their statement of financial position carrying amount and require settlement within 12 months at the reporting date.

(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:

	2018				2017			
	US$	**£**	**€**	**CAD$**	**US$**	**£**	**€**	**CAD$**
Cash and cash equivalents	163,492	7,573	2,048	2,262	79,781	8,655	1,498	6,032
Securities purchases under resale agreements	666,806	-	-	-	422,677	-	-	-
Trade and other receivables	8,603	-	-	-	-	-	-	-
Trade and other payables	(267,855)	(22,318)	-	(5,375)	(40,136)	(11,416)	-	-
Net exposure	571,046	(14,745)	2,048	(3,113)	462,322	(2,761)	1,498	6,032

NOTES TO THE FINANCIAL STATEMENTS
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(EXPRESSED IN JAMAICAN DOLLARS UNLESS OTHERWISE INDICATED)

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued):

(a) Foreign currency risk (Continued):

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

	US$	**£**	**€**	**CAD$**
31 March 2018	124.65	175.48	150.04	96.01
31 March 2017	127.77	157.86	132.97	95.74

Sensitivity analysis
A 2% (2017: 1%) strengthening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at 31 March, would have reduced surplus for the year by $1,372,037 (2017: $594,117).

A 4% (2017: 6%) weakening of the Jamaica dollar against the United States dollar, Pound Sterling, Euro and Canadian dollar against the Jamaica dollar at March 31, would have increased surplus for the year by $2,744,073 (2017: $3,564,703). 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:

	2018 **$**	**2017** **$**
Financial assets:		
Cash and cash equivalents	307,313	199,126
Securities purchased under resale agreements	134,613,619	93,061,101
	134,920,932	93,260,227

The Corporation does not account for any financial instruments at fair value due to their short term nature, therefore a change in interest rates, at the reporting date, would not affect the carrying value of the Corporation's financial instruments. Likewise, all the Corporation's financial instruments are at fixed rates, therefore a change in interest rates would not affect its cash flows.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is done on the same basis as in 2017.

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Capital management:

For the purpose of the Corporation's capital management, capital includes accumulated surplus and capital reserves. The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern so as to continue to carry out its mandate as defined by the Government of Jamaica of stimulating, facilitating and promoting the development of trade and industry, export trade and investment activities in all sectors of the Jamaican economy. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 2017.

(v) Fair values:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate the value.

Financial Instruments	Method
Cash equivalents, resale agreements, trade and other receivables and accounts payables	Assumed to approximate their carrying values, due to their short-term nature

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