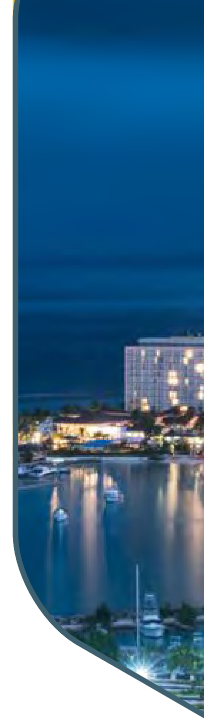
JAMPRO
TRADE & INVESTMENT JAMAICA

ANNUAL REPORT FY2018/19

CONTENTS








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), LOCATED AT 18 TRAFALGAR ROAD, KINGSTON 10, FOR THE APRIL 2018 TO MARCH 2019 FINANCIAL YEAR AND THE PROSPECTS FOR THE 2019-2020 FINANCIAL YEAR.

OUR COMPANY AND
WHO WE ARE

We are the premier trade and investment promotions corporation on behalf of the Government of Jamaica. Established as a statutory body under the JAMPRO Act, 1990, we promote business opportunities in export and investment to the local and international private sector. In facilitating the implementation of investment and export projects, the organization is a key policy advocate and advisor to the Government in matters pertaining to the improvement of Jamaica's business environment and the development of new industries. Jamaica Promotions Corporation is currently operating under the Ministry of Industry, Commerce, Agriculture and Fisheries (MICAF).

Corporate Imperatives

1 ACTIVELY **PROMOTE AND ENABLE** EXPORTS AND INVESTMENTS

- Grow exports
- Grow Investments
- Maximize linkage opportunities
- Conduct proactive research to guide decision/strategies

2 **BUILD GLOBAL** BUSINESS **RELATIONSHIPS** THROUGH EFFECTIVE MANAGEMENT

- Increase engagement with key and strategic stakeholders
- Increase awareness of JAMPRO

3 **FOSTER** AN ENABLING **BUSINESS** ENVIRONMENT

- Drive policy change and development
- Deliver effective services that add value to our customers
- Accelerate business facilitation

4 **BUILD** AN ENGAGED, HIGH PERFORMING, **COLLABORATIVE TEAM**

- Foster a satsified team
- Strengthen the technical competencies to improve productivity

OUR MISSION

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

OUR VISION

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

DoBusiness JAMAICA.com

OUR CORE VALUES

- Integrity
- Respect
- Innovation
- Excellence

SENATOR
DON G. WEHBY, C.D.
CHAIRMAN

MESSAGE TO ALL

FROM CHAIRMAN WEHBY

The 2018-19 financial year was one in which JAMPRO remained committed to its overall mission to drive Jamaica's economic transformation by boosting business investment and exports. The activities for the past 12 months reflected this promise to the Jamaican people.

The improvement of the business environment was one of our main strategies towards these objectives. The results of the 'Ease of Doing Business' initiative have created reductions in the cost of conducting business that benefit all sectors. This combined with its impact on Jamaica's image as the prime location for doing business in the region has encouraged us to retain this objective going forward. I am pleased to report that a roadmap has been developed by the International Finance Corporation of the World Bank which, if executed in a timely manner, will take Jamaica into the top 10 of the World Bank's Doing Business Report. The recommendations were approved by Cabinet and this will be the impetus for the development of a new Business Environment Reform Agenda for the 2019-2021 period.

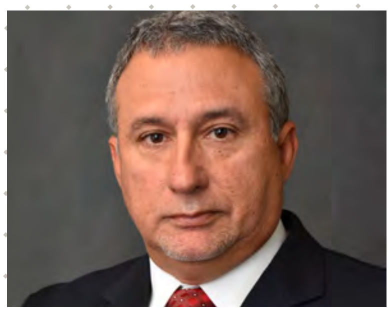
The National Investment Policy (NIP) and National Business Portal (NBP) also made progress, with Phases II and III of the NBP to be funded in the upcoming fiscal year. The policy was submitted to the Ministry of Industry, Commerce and Fisheries (MICAF) for review and subsequent tabling to the Cabinet.

As we implemented activities to improve the business environment, the development of industries received increased focus. Manufacturing, Agribusiness, and Outsourcing received special attention, with strategic plans and interventions recommended to strengthen and capitalise on those sectors. The 5-Year National Manufacturing Strategy was submitted in draft to MICAF and the National 5-year Agribusiness Strategy was also drafted by JAMPRO. The Loan Agreement for the Global Services Skills (GSS) Project was also signed in January 2019, kicking off an initiative that will redefine Jamaica's outsourcing sector and get Jamaicans ready for the 4th industrial revolution.

The strategic direction of the Agency is bearing fruit, and we will continue this winning trend to make the upcoming fiscal year one of continued accomplishments. On behalf of the Board of Directors, I would like to congratulate the JAMPRO team for its achievements and recognise their persistence in working to build Jamaica. We thank our partners and clients for their support during the past year, and we look ahead to the great success to come.

OUR
DIRECTORS

Senator Don G. Wehby, C.D., *Chairman*



Metry Seaga, Deputy Chairman

Zachary Harding

Ian K. Levy, O.D., C.D.

Lisa Soares Lewis

Christopher Williams

Yoni Epstein

Gary Sadler, O.D.

Delano Seiveright

Dr. André Gordon

Gillian Wilkinson McDaniel

Deborah Newland

Executive Management Team

JAMPRO's day-to-day operations are governed by an Executive Management Team led by a President. The Agency's mandate is executed through five (5) Divisions with responsibilities as follows:

PRESIDENT'S DIVISION	SALES AND PROMOTIONS DIVISION	MARKETING DIVISION	RESEARCH ADVOCACY AND PROJECT IMPLEMENTATION DIVISION	FINANCE AND CORPORATE SERVICES DIVISION
Includes the President's Office, Corporate Planning, Corporate Initiatives and the Legal and Audit functions.	Focused on promoting investment and export across sectors of focus.	Responsible for driving and developing key marketing channels including the Integrated Marketing Communications Department, Contact Management Centre and four (4) Regional Offices focusing on Western Jamaica, Europe, North America and other New and Emerging Markets.	Plays a critical role in conducting research, implementing JAMPRO assisted projects and advocating for reforms to the business environment.	Incorporates Human Resources, Finance, Administration and Management Information Systems Departments.

***Diane Edwards,** President*

***Claude Duncan,** Vice President Sales & Promotions*

***Gabriel Heron,** Vice President Marketing*

Shullette Cox, Vice President Research, Advocacy and Project Implementation

***Wendy Lyttle Pryce,** Vice President Finance & Corporate Services*

JAMPRO
TRADE & INVESTMENT JAMAICA

DIANE EDWARDS
PRESIDENT

PRESIDENT'S REPORT

OUR VISION PLAN

JAMPRO's performance in the 2018-2019 financial year was strong; the Corporation exceeded its targets, achieving US$646. 6 million in investment spend (CAPEX), 16, 540 jobs created by clients, and US$837. 6 million in export sales. We also achieved a staggering 94% client satisfaction, the highest reported in recent times.

These outstanding figures are the result of improved operations, and intensified sales and marketing strategies that aim to expand JAMPRO's reach internationally and locally. In the period, JAMPRO reopened its New York Office to intensify our targeting of the USA for investment and export. Additionally, the organisation renewed its thrust towards improving JAMPRO's digital marketing strategy to promote the Corporation and country on the global stage. In addition, the organisation strengthened its outreach to local companies, in an atmosphere of growing Local Direct Investment.

These and other new marketing strategies, including the use of in-market partners, have allowed us to widen our reach internationally to cement Jamaica's place in the global economy. We continue to see positive signals that the economy is growing, and these indicators have motivated us to pursue success with fervour until we achieve our ultimate goal of Jamaica being the place to do business. I want to express my gratitude to the excellent team at JAMPRO, who have worked tirelessly to make the achievements a reality. With the support of the Board of Directors, which we are thankful for, and the partnerships we have built with clients and stakeholders, I believe that JAMPRO will have even greater achievements in the upcoming financial year. We are optimistic about the future, and JAMPRO will continue to increase its contribution to Jamaica's economic growth.

Corporate Performance and Achievement of Targets

JAMPRO remained committed to implementing initiatives as outlined in its three-year Strategic Business Plan FY 2017-18 to FY 2019-20. The organisation was focused on its mission of achieving economic development and surpassed its targets which is comparable to the previous year's performance. JAMPRO's impact on economic development is measured through the facilitation of and services offered to its clients via the following Corporate Key Performance Indicators (KPIs):

- value of capital expenditure (of clients facilitated by JAMPRO);
- the number of jobs created (by clients facilitated by JAMPRO);
- value of export sales (by clients facilitated by JAMPRO); and
- client Satisfaction Survey Score.

The achievements against targets are summarised below.

US$646.6M

LOCAL & FOREIGN
Direct Investments

ACHIEVEMENT **103%**

Target: US$625.5m

16,540

NUMBER OF
Jobs Created

ACHIEVEMENT **117%**

Target: 14,156

US$837.6M

VALUE OF
Export Sales

ACHIEVEMENT **156%**

Target : US$534.7m

94%

CLIENT
Satisfaction Survey Score

ACHIEVEMENT **115%**

Target: 82%

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

JAMPRO exceeded its target for the period under review by realizing capital expenditure of US$646.56M achieving 103% of the target. The top performers were the Energy, Information Technology Enabled Services, Tourism and Logistics sectors. Together, the top CAPEX performers accounted for 93% of the total achievement.

The strong performance of the Energy sector was driven by extensive work by projects to diversify Jamaica's energy mix such as the JPS Old Harbour 190 MW project, New Fortress Energy's investment in liquefied natural gas (LNG) floating dock and pipelines to its various projects, as well as the Eight Rivers 37 MW solar energy project. All projects are scheduled for completion during the 2019-20 fiscal year. Ongoing maintenance of JPS infrastructure also significantly impacted the capital expenditure within the sector. These projects contributed US $420 million to CAPEX accounting for the highest contribution, approximately 64%, of capital expenditure.

The ITES accounted for the second highest contribution, at 12.5%, of total capital expenditure generated, resulting in US$80.7 million. During the year, telecommunications company, FLOW, made significant expenditure on maintenance and upgrades to their infrastructure. Tenured operations such as Conduent, Sutherland Global Services, ITEL BPO, Teleperformance, Alorica and Hinduja Global Services continued to aggressively grow their business process outsourcing companies during the year and relatively new entrants, VXI Jamaica Ltd. (VXI Global Solutions), also grew substantially throughout the year.

The Tourism sector was the third most significant contributor to CAPEX with a total of US$57.8 million, accounting for 9% of total CAPEX. Major developments during the fiscal year include the completion of Grupo Excellence's 315-room resort, Excellence Oyster Bay in St. James and the construction of Ocean Coral Spring Hotel in Trelawny by the Spanish five-star hotel chain, H10; which is expected to deliver 1,000 new rooms.

The Logistics sector closed out the top four CAPEX performers with a contribution of 7%, totaling US$43.6 million. Work being undertaken at Sangster International Airport, West Indies Petroleum and Kingston Wharves accounted for the expenditure in this sector.

Throughout the 2018-19 fiscal year, the JAMPRO team generated 452 qualified leads (exceeding the target by 2%) and 166 prospects (110% over the target), which were further converted to facilitate a mixture of 37 new and expansion projects (109% achieved against target). JAMPRO facilitates its investment clients through various stages of their projects, measured by the generation and conversion of leads, prospects and projects.

> ***JAMPRO generated US$646.5M in CAPEX from its clients achieving 103% of the annual target. The top performing sectors were Energy, ITES, Tourism & Logistics.***

CAPEX Generated by Sector for FY 2018-19 (US$)

SECTORS	ENERGY	INFORMATION TECHNOLOGY ENABLED SERVICES (ITES)	TOURISM	LOGISTICS	MINING
Actual CAPEX for FY 2018/19 (USD)	$420,163,997	$80,713,580	$57,868,481	$43,636,299	$27,839,616
% Contribution	64.98%	12.48%	8.95%	6.75%	4.31%

The organization continued to perform excellently in the area of job creation, achieving 117% of the annual target through the creation of 16,540 jobs.The top performing sectors were the ITES, Energy and Film, Animation and Music sectors.

Number of Jobs Created by Clients

Together, the top performers accounted for 94% of the total achievement.

The IT-Enabled Services sector, which includes Outsourcing, accounted for 77% of the total jobs created during the fiscal year. Outsourcing operators such as Teleperformance, Conduent, Alorica, Sutherland Global Services, and ITEL BPO were again the top job generators during the year. The Creative sector, specifically the Film industry, benefited from high-profile international feature films, TV productions and documentaries that generated 1,964 jobs with a contribution of approximately 12% to the total job count for the fiscal year. Some notable productions were Netflix's Top Boy, Reggae Sumfest and Bond 25. The Energy sector completed the top three performers with a 5% contribution totalling 836 jobs from Eight Rivers Energy Company and JPS Old Harbour 190 MW project.

The Mining, Logistics and Manufacturing sectors made minimal contributions to employment targets during the period under review.

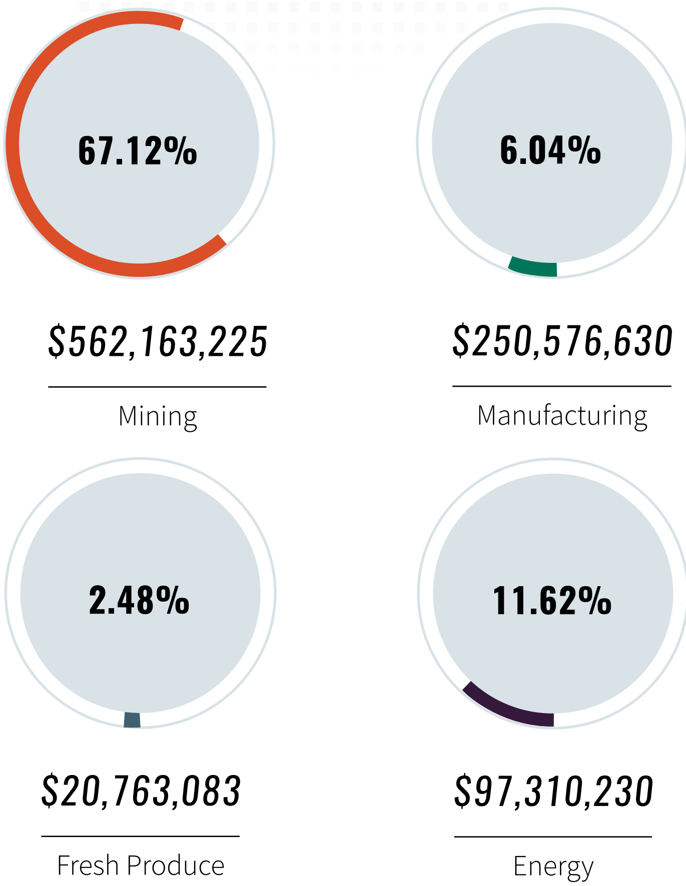
Jobs Created by Sector for FY 2018-19

Jobs	%	Sector
12,658	76.53%	Information Technology Enabled Services
1,964	11.87%	Film, Animation & Music (FAM)
836	5.05%	Energy
506	3.06%	Tourism
230	1.39%	Infrastructure
172	1.04%	Agriculture
144	0.87%	Mining
24	0.15%	Logistics
6	0.04%	Manufacturing
16,540	**100%**	**TOTAL**

INFRASTRUCTURE	MANUFACTURING	FILM, ANIMATION & MUSIC	AGRICULTURE	**TOTAL**
$6,942,757	$3,661,676	$3,424,842	$2,307,702	**$646,558,952.52**
1.07%	0.57%	0.53%	0.36%	**100%**

Value of Export Sales by Clients

Export Sales by Sector for FY 2018-19



JAMPRO's export clients had a stellar performance during FY 2018-19, recording US$837.6 million in export sales to achieve 156% of the target.

The mining sector accounted for 67% of export sales led by companies such as JISCO/Alpart, and Desnoes and Geddes. The agro-processing and energy sectors accounted for approximately 13% and 12% respectively with clients such as WINDALCO and Petrojam Limited. Together the manufacturing and fresh produce sectors accounted for 8% of the total sales reported, with top performing clients such as Grace Food International Ltd., Rainforest Seafoods Ltd., Seprod Ltd., Jam Island Company Ltd. and Carita (Jamaica) Ltd.

The effort in the facilitation of our export clients is measured by the generation and conversion targets for export leads, orders and re-orders. Nine hundred and forty-five (945) export leads (exceeding the target by 39%), 502 orders (48% over the target), and 218 requests for re-orders (321% achieved against target) were generated during the fiscal year.

Additionally, JAMPRO's promotional efforts and mandate to maintain a register of approved local exporters saw 106 new exporters being registered during the fiscal year. This increased the total number of active registered exporters to 635. The highest concentration of exporters remains in the Agro-Processing (113), Manufacturing (109) and Agriculture (98) sectors. The number of renewals for the period totalled 553.

Client Satisfaction

JAMPRO's clients indicated a 94% level of satisfaction with the services they received during the fiscal year via an externally administered survey which is the most outstanding score in recent years. This superb performance is attributed to our deliberate action to becoming a more sales-oriented organisation, thus, improving the service level in facilitating clients and building key business relationships.

Brand Perception

The baseline for Jamaica's business brand perception score has now been established and will measure the rate of awareness of JAMPRO locally and the rate of awareness of Jamaica's business brand globally in alternating fiscal years. As such, each measure will be determined every two years. Beginning in FY 2019-20, the rate of awareness of JAMPRO locally will be measured against a target of 60%.

Financial Performance *(GoJ Subvention and Income Generated)*

For the FY 2018-19 the Corporation received GoJ Subvention of J$884.6 million, generated internal income of J$39.2 million and generated a sum of J$54.1 million in sponsorship towards our signature programme, Jamaica Investment Forum 2018.

Sector Highlights

Tourism

Jamaica is one of the leading tourist destinations in the Caribbean for stop over arrivals and cruises. The hospitality sector continued to perform well with the arrival of over 4.31 million visitors during 2018 and earnings of J$3.3 billion representing an 8.6% growth from the previous year. During the 2018-19 fiscal year, the following took place within the sector:

- Jamaica was voted Best Destination in the Caribbean and among the 14 best destinations in the World in the 2019 TripAdvisor Travelers' Choice Awards
- Grupo Excellence completed and opened its 315-room adult-only, all-inclusive hotel in St. James. The project, which was completed after 18 months, employed 1,000 temporary workers during construction and now employs over 700 permanent employees. It is expected that this hotel will be quickly followed by other hotel projects by Grupo Excellence in close proximity to this new flagship property;
- H10's Ocean Coral Spring Hotel in Trelawny broke ground and is expected to record over US$200 million in capital expenditure and add 1,000 new rooms; and
- Half Moon Hotel added 57 new rooms, restaurants and a great house, among other amenities, on its site in St. James.

Other projects being facilitated by JAMPRO are Amaterra Group and Las Marinas Beach Condominiums which will add 800 rooms and 104 rooms, respectively to the local room count. 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.

Information Technology Enabled Services (ITES)

Jamaica remains a leading outsourcing location in the English-speaking Caribbean and has firmly established its reputation as a strong and highly competitive destination for Business Process Outsourcing (BPO) due to its location, talent pool, infrastructure and business-friendly environment.

During FY 2018-19, the BPO industry saw expansions of existing BPO companies, entrance of new BPO brands, progression towards higher level outsourcing services and initiatives to enhance the labour pool. The sector has enjoyed the highest employment growth rate of any sector in the last decade, accounts for more than 35,000 jobs across the island and is home to major global players, all of whom have been continuously reinvesting in Jamaica.

Some notable developments facilitated by JAMPRO were the launch of KPMG's shared services centre, which illustrates the country's readiness for the world of shared services, as well as the expansion of operations of Sutherland Global in Manchester and Concentrix in Kingston. New entrant National Pen, a sister company to Vistaprint Jamaica Limited, established its operation in the Montego Bay Free Zone, employing approximately 200 persons. During the fiscal year, JAMPRO also engaged an in-market broker for outsourcing through which a Targeting & Engagement Strategy for Outsourcing was developed and twenty-three (23) investment leads generated and referred to JAMPRO to facilitate conversion.

Agriculture

Several initiatives were undertaken during the fiscal year to stimulate the growth of the Agriculture sector. The upgrading and development of infrastructure, the introduction and promotion of new technology in farming and the upgrading of and Global Gap Certification for four agro-parks were key among these. In addition, several large-scale investors came on board under various value chain projects implemented through the Jamaica Business Fund which was established under the Government of Jamaica and the World Bank's Foundation for Competitiveness and Growth Project (FCGP) to provide financial support to small and medium-sized enterprises (SMEs) working with a lead firm (Anchor/Mother Farm). Among the large investors that undertook expansion projects during the year were Caribbean Broiler's Imagination Farms, Grace

Kennedy Agro-Processors and the Jamaica Standard Products, each employing the Mother Farm approach.

JAMPRO bolstered its efforts to promote and reposition Jamaican coffee brands – Jamaica Blue Mountain (JBM) and Jamaica High Mountain (JHM) coffee, globally. A strategic alliance was forged with the Jamaica Agricultural Commodities Regulatory Authority (JACRA) and the Jamaica Coffee Exporters Association (JCEA) via the signing of a Memorandum of Understanding in January 2019 to develop a robust marketing plan to reposition Jamaican coffee brands. This will see the crafting of a five-year coffee marketing strategy, placement of billboards in strategic across the island as well as international promotional support through participation in key trade shows. The prestige of the JBM coffee brand was reinforced with Japan legislating that January 9th be proclaimed Jamaica Blue Mountain Coffee Day in Japan. This is in recognition of the date when the largest shipment of JBM coffee arrived in Japan from Kingston in 1967.

> *JAMPRO's export clients had a stellar performance, recording US$837.6M in export sales to achieve 156% of the annual target. The top performing sectors were Mining, Agro-processing & Energy.*

Manufacturing

The Manufacturing industry sustains its immense potential for the growth of the country's economy. JAMPRO worked closely with the newly formed Jamaica Manufacturers' and Exporters Association (JMEA) in promoting manufacturing for investment and export with a focus on opportunities in agro-processing, as well as cosmetics, castor oil, fertilizers, medical products, electronics, bamboo, paper products, medicinal cannabis and value-added mineral processing.

JAMPRO garnered significant interest in bamboo, cosmetics, and castor oil through focused promotional efforts including, but not limited to, the hosting of the first Caribbean International Bamboo Symposium which was held in Jamaica during the fiscal year.

In January 2019, the Government of Jamaica imposed a ban on single use plastic bags, straws and polystyrene. The ban covers the importation, manufacture and distribution of the materials thereby impacting the manufacturing sector. Nevertheless, an innovative response to the ban is the production of added-value bamboo products, as alternatives, including bamboo straws, and bamboo material replacing Styrofoam. The manufacture of paper products to replace Styrofoam and plastic products is also being explored.

Logistics and Infrastructure

During the 2018-19 fiscal year, the Logistics and Infrastructure sectors saw the establishment of value-added logistics and warehousing space, the creation of brand equity and awareness around Jamaica as a logistics destination and attracted increased flows of high impact investments totaling US$43.6 million. JAMPRO was integral in driving and facilitating strategic public and private infrastructure projects such as the divestment of the Norman Manley International Airport (NMIA) and facilitating the continued engagement of partners interested in undertaking the financing and management of the Caymanas Special Economic Zone and the development of Kingston Logistics Park.

Mining

During the fiscal year, JAMPRO continued to facilitate the revival of the Mining industry, which is attributed to key players such as Jiuquan Iron and Steel Company (JISCO), WINDALCO RUSAL, JAMALCO and Noranda. Over the period January-December 2018, exports in mining and quarrying commodity group increased by 74.6% to value US$1.14 billion, up from the US$654.10 million recorded in 2017, due primarily to higher volumes of alumina and bauxite (primarily alumina) being exported during the period.

The Corporation also made significant in-roads in facilitating the development of the cultured marbled sector. A local investor was facilitated through the participation in the annual cast polymer sector event, POLYCON, providing the client with the tools and contacts necessary to establish their operation. It is anticipated that the plant will be in operation by the third quarter of 2019-20.

Energy

The long-awaited Integrated Resource Plan is at an advanced stage and is set to guide the development of a modernised energy sector in Jamaica. The plan will establish the projected electricity demand over a twenty-year period, determine the generation capacity and technologies to be used to satisfy this demand and establish agreements on transmission and distribution infrastructure for generations. JAMPRO's promotional efforts within the sector for electricity generation towards the grid, are stymied pending the finalisation of the Plan.

Ultimately, the intent is to create a framework that will guide a vibrant energy sector and give rise to new renewable energy ventures in keeping with the National Energy Policy. The policy focuses on fuel diversification to ensure 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. JAMPRO currently facilitates projects contributing to the renewable energy mix from JPS Co. Ltd., New Fortress Energy and Eight Rivers energy company.

Film, Animation and Music

Jamaica's creative economy continues to demonstrate its competitive advantage and potential for growth with its pull of 104 unique international film productions. Together, these productions recorded a total value of actual film production expenditure within the local economy of J$2.3 billion. The top transactional productions were the feature film Bond 25, the staging of Reggae Sumfest and TV production Top Boy. Other feature films included The Swing of Things, SYN (Asegaya) and Running Bulls.

Of the 104 film productions registered with the Film Commission (housed at JAMPRO), 51 were shot in Kingston, with other sought-after locations being St. James, St. Ann, St. Andrew and Portland. Forty-two originated from the USA and 21 from the UK, as the top originating locations. Television productions led the genres, with 23 productions and 21 documentaries being shot on the island. JAMPRO facilitated 224 requests for the processing the Productive Inputs Relief (PIR) within the portfolio sectors.

One of the most significant developments for FY 2018-19, was the selection of Jamaica as one of the filming locations for the 25th anniversary film of the James Bond franchise. This project required extensive production facilitation and collaboration among a multitude of private and public sector stakeholders including location scouting and lobbying on behalf of the Bond team to ensure that production was impeccable. The ability to secure this production despite the lack of traditional incentives and the successful filming on the island, represents a high point in Jamaica's film industry, netting over 500 local jobs and estimating film production expenditure of J$1.7 billion. Filming in Jamaica is scheduled for completion in FY 2019-20.

Significant work was also undertaken to advance the improvement of the local creative industries environment. The comprehensive Guide to Filming publication was completed during the fiscal year with a compilation of film-related information provided by various government agencies and film practitioners in Jamaica. The Guide outlines existing policies and procedures relevant to the Jamaican film industry targeted at local and international filmmakers and other visual storytellers. The information provided is intended to afford a more efficient and enjoyable experience when creating screen-based projects in Jamaica.

JAMPRO also advanced the amendment of the Jamaica Promotions Corporation 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. The proposed legislative structure is intended to create a transparent process for the administration of a licensing regime through the functionality of the Film Commission of Jamaica. JAMPRO conducted significant stakeholder consultations during the fiscal year to sensitize and receive feedback from impacted partners on how the amendments are to be operationalized. The drafting instructions were finalized for Cabinet submission in May 2018. Work continues towards the amendment of the Act through MICAF.

Services - Internationalisation of Education

The organization's Services portfolio continued to focus on the internationalization of higher education aimed at attracting increased numbers of international students to Jamaica, as a contribution towards Jamaica's export of services. As a burgeoning sector, JAMPRO continued to promote Jamaica as an international study destination and facilitate clients to assess and enhance their capabilities. Through JAMPRO's promotional efforts, there is interest in Jamaica as a study destination for English as a Second Language and Medicine.

Key Marketing Initiatives

To augment the organisation's promotional efforts along sector lines, several marketing initiatives were developed and implemented during the year, including, but not limited to: Invest in Jamaica videos, sector-specific promotional videos, new and improved digital marketing campaigns (including sponsored campaigns on social media), engagement in a range of traditional media campaigns and more strategic #DoBizJa branding for corporate exhibition spaces at local and international trade shows. Key marketing initiatives undertaken during the fiscal year are summarised below.

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Nation Branding Campaign

The Office of the Prime Minister commissioned JAMPRO to lead the development of Jamaica's country brand to capitalize on both a local and broader global recognition. The Nation Branding Campaign includes three components namely:

- Component #1: Development of a Nation Brand Strategy
- Component #2: Creative concept, development and production
- Component #3: Media placement in local and international channels

During FY 2018-19, research was conducted locally and internationally to ascertain the awareness and recognition of Jamaica as a brand to guide the strategy development. Additionally, local stakeholder engagements were undertaken to secure buy-in for the execution of the campaign. A Cabinet Submission was also prepared for which approval is anticipated in FY 2019-20 to proceed with the initiative.

Corporate Awareness Campaign

A Local Perception Survey was conducted in FY 2018-19 which highlighted a low awareness of JAMPRO's role in attracting and facilitating investments and exports into Jamaica. Using the insights gleaned from the survey, work began to undertake a Corporate Awareness Campaign to raise JAMPRO's profile locally and inform the general public of the services provided for businesses ready to export or invest in Jamaica. The Campaign, which will target both digital and traditional media, will be rolled out in FY 2019-20.

Global Public Relations and Advertising

As part of the organisation's focus on globally promoting Jamaica as a business brand, several initiatives were undertaken including advertising campaigns, in-market promotions, and local and international public and media relations. Of note, were the Do Business Jamaica advertising campaigns which were launched at the Norman Manley International Airport in Kingston and the Sangster International Airport in Montego Bay geared towards local and international business audiences. Additionally, articles, editorials, features, supplements and advertisements in recognised industry-specific magazines in English, Spanish and Mandarin were published across multiple markets during the fiscal year to increase awareness of Jamaica as a destination for investment and export.

Digital Marketing

During FY 2018-19, an increased focus was placed on digital marketing campaigns by the organisation following an assessment of the digital marketing channels that would best reach JAMPRO's target audience involved in the export and investment arenas. Resulting from this was a 43% increase in the number of times content was displayed on the platforms and a 12% increase in website views. Digital campaigns were developed and implemented around key events in Agriculture, Logistics, IT-Enabled Services, Animation and Manufacturing promoting Jamaica as a destination for investment and export. A campaign dedicated to building the capacity of local exporters for the overseas markets was also undertaken which impacted oversubscription to the Export Max III programme.

JAMPRO
TRADE & INVESTMENT JAMAICA

MEMORABLE
MOMENTS

JAMPRO surpasses all corporate targets

Jamaica Promotions Corporation (JAMPRO) surpassed all its corporate targets in FY 2018-19 for investments, jobs, export sales and client satisfaction.

Kingston named BPO Nearshore City of the Year

The city of Kingston was named the Nearshore City of the Year for its performance in Business Process Outsourcing (BPO) in June 2018 by Nearshore Americas. JAMPRO has played a critical role in Jamaica securing more BPO investments and a rising profile on the global outsourcing sector.

Grupo Excellence opens its doors

Grupo Excellence, a longstanding client of JAMPRO, opened its 315-suite adult-only, all-inclusive resort in Trelawny in October 2018 which represents a US$110 million investment.

JIF 2018 hailed a success

Jamaica Investment Forum (JIF) 2018 was successfully staged in June 2018 and had over 175 international investors in attendance, generated 16 investment leads and advanced 7 investment opportunities.

JAMPRO's social media presence ramps up

JAMPRO intensified its social media presence with campaigns focused on promoting investment and export using **#DoBizJa, #InvestinJamaica, #BuyJamaican and #ConnectforBusiness.**

H10 hotel project landed

JAMPRO landed Spanish hotel investment project, H10, when ground was broken in February 2019 which is the chain's first hotel development in Jamaica. It is anticipated that the first 500 rooms will be completed in FY 2019-20.

Expo Jamaica secures record number of buyers

In April 2018 as part of a partnership between the Jamaica Manufacturers' and Exporters' Association and JAMPRO, Expo Jamaica was held. JAMPRO implemented a Buyer Recruitment programme in order to boost export sales coming out of Expo Jamaica and recorded 563 buyers and 111 export leads.

JAMPRO New York Office Re-Opened

JAMPRO officially re-opened its office in New York City in September 2018 as part of a revamped marketing strategy to intensify targeting of the USA for investment and exports. The office joins JAMPRO's Toronto location to form the agency's North American Regional Office (NARO).

GSS Project takes off

The Loan Agreement of US$15 million for the Global Services Sector (GSS) Project was signed in January 2019 to upskill and prepare industry workers for higher value-added GSS IT-enabled activities. The project will be executed by various stakeholders including JAMPRO.

Locally Directed Feature Film Sprinter receives numerous awards

Locally directed feature film Sprinter won the Best Narrative Feature award, Audience award and Best Director award at the American Black Film Festival in June 2018. JAMPRO provided all facilitation services, organized and hosted a media launch and breakfast for Sprinter ahead of the cast travel to the American Black Film Festival, and has promoted Sprinter at all market attendance opportunities since its launch.

Improving Jamaica's Competitiveness

Sector Development Initiatives

Medical Tourism Policy

JAMPRO facilitated the final revisions to the Medical Tourism Draft Green Paper, including input from the insurance industry, and prepared notes for the Cabinet Submission. The documents were submitted to JAMPRO's parent ministry MICAF in August 2018 for forwarding to the lead ministry, Ministry of Health, as well as partner ministry, Ministry of Tourism which has pledged its support for the Policy. Despite several efforts, there was no progress in the thrust to expand the listing for the health-related Productive Input Relief incentives. JAMPRO continues its lobbying effort in this regard.

Manufacturing Strategy

Following validation by key stakeholders, the 5-Year National Manufacturing Strategy was submitted in draft to MICAF in May 2018 for finalisation and preparation of the Cabinet Submission. Going forward, MICAF will assume leadership of the completed document and champion the Strategy in Cabinet and beyond. The strategy focuses on driving initiatives in the business ecosystem that are necessary to grow and expand Jamaica's manufacturing sector and increase its contribution to the country's economic development goals. It is anticipated that it will be tabled in Cabinet in FY 2019-20 by MICAF for implementation thereafter.

Agribusiness Strategy

In keeping with the government's thrust to develop the agricultural sector, JAMPRO developed a National 5-Year Agribusiness Strategy. The strategy identifies and outlines clear and concise programmes and activities designed to address the challenges inhibiting the expansion of the agribusiness industry. This strategy is expected to feed into MICAF's 10-year strategy for the agriculture sector that is to be developed. Extensive stakeholder consultations were conducted island-wide to inform the strategy. The Final Strategy, including an Action Plan, is to be completed in FY 2019-20.

Global Services Sector Project

The Loan Agreement for the Global Services Sector (GSSP) Project was signed in January 2019 by the Ministry of Finance & Public Service and the Inter-American Development Bank. GSS is a five-year project valued at US$15 million which is focused on upskilling and preparing industry workers for the digital economy, particularly higher value-added GSS Information Technology (IT)-enabled activities, in Business Process Outsourcing (BPO), Information Technology Outsourcing (ITO), and Knowledge Process Outsourcing (KPO).

The GSS Project is comprised of two components. Component 1 is focused on skills development for the GSS and strengthening of the Skills Development System. Generally, it seeks to improve the skills development system to provide the GSS with better skilled workers, particularly, in higher value-added segments. Component 2 speaks to strengthening Jamaica's institutional capacity to increase investment and promote exports in the GSS. The objective of this component is to strengthen Jamaica's capacity to attract investment and increase exports in higher value-added segments.

Component 1 is primarily executed by the Ministry of Education, HEART Trust/NTA & the Business Process Industry Association of Jamaica (BPIAJ). The Global Services Sector Board (GSSB) was also established to give guidance in the execution of Component 1 activities.

JAMPRO is the main executing agency for Component 2 and in executing its activities, will facilitate the engagement of a consultant to develop the Digital Services Strategy to guide the implementation of the component. Other key activities will include the consultancy to develop recommendations for the legislative and regulatory changes to create a differentiated regime for specific service-related industries within Jamaica's Special Economic Zone as well as promotion of Jamaica as a destination for investment in digital services.

By the end of FY 2018-19, work commenced on these areas. Implementation of the project will advance in FY 2019-20.

National Coordinator for Outsourcing

To advance key elements in the 5-Year National Strategy for the Development of Jamaica's Outsourcing Industry, a consultant was engaged to focus on enhancing the ecosystem. The contract came to an end in December 2018, however, it was determined that the issues concerning the provision of industry-ready real estate and the generation of a cadre of skilled labour force required further attention, and as such, the contact was extended.

The GSSP benefitted greatly from the consultant's experience in the promotion of the Business Process Outsourcing industry which yielded a more articulate understanding of the new regulatory regime for the Special Economic Zones (SEZs).

In collaboration with key stakeholders, the following were undertaken in FY 2018-19 to improve the outsourcing industry ecosystem:

- Strategy drafted to grow Jamaica's outsourcing sector in targeted higher value-added segments. The strategy, themed as Growing Up the Value Chain, speaks to consolidating Jamaica's strength in complex customer service while increasing the share of segments such as Finance &

- Accounting, HR services, clinical services, technical support and knowledge-driven shared services.

- HEART Trust/NTA lobbied to begin tracking and measuring the placement rate of the graduates of its BPO training programmes, as a key indicator of quality of the programmes, rather than focus on the quantity of trainees.

- A comprehensive public awareness and communications campaign formulated for the outsourcing sector.

- The Jamaica Constabulary Force's Criminal Records Office (CRO) engaged to modify its process to provide background checks for prospective employees to the outsourcing sector.

Business Environment Initiatives

National Investment Policy

The development of a National Investment Policy (NIP) is a critical initiative of the organisation as outlined in the Three-Year Strategic Business Plan. The NIP seeks to establish a comprehensive policy framework to guide the process of investment promotion and facilitation across Government and all other relevant investment stakeholders.

Enhancing work undertaken on the development of the Policy in FY 2017-18, the following were realised in FY 2018-19:

- Development of the Draft Green Paper in July 2018;

- Hosting of a Policy Forum in collaboration with the Management Institute for National Development (MIND) to facilitate further stakeholder consultations with stakeholders from 25 Ministries, Departments and Agencies (MDAs) of Government;

- Review and incorporation of comments provided by 11 MDAs, including the Attorney General's Chambers and the Ministry of Finance and Public Service; and

- Submission of the Draft Green Paper to MICAF in March 2019 for review and subsequent tabling to the Cabinet in the new fiscal year.

Once the Draft Green Paper is tabled in Parliament and the feedback received, JAMPRO will work with MICAF to push for the development of the NIP White Paper.

National Business Portal

The creation of a National Business Portal (NBP) will complement and support implementation of the NIP through the development of an online platform that will house the Business-to-Government online interface for all Government entities involved in the investment or business facilitation process. The portal is being developed 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 a transactional interface for the engineered processes.

Key areas under Phase I of the project which were undertaken during the review period include:

- the design and development of the website architecture;

- development of content for the business processes to be displayed on the platform; and

- engagement of the Business Facilitation Partners that facilitate investment through the signing of MOUs.

For the Phases I and II, the engagement of beneficiaries and procurement under the FCGP were the key activities undertaken during FY 2018-19. Work will continue in FY 2019-20 to advance implementation of the Portal.

The development of the NBP will also complement other activities being undertaken under the wider Trade Facilitation Programme, notably the recently completed Jamaica Trade Information Portal (JTIP) and the on-going development of the Jamaica Single Window for Trade (JSWIFT). The intention is for there to be seamless integration of these platforms to create a more predictable and transparent business environment for investors and traders.

National Competitiveness Council (NCC

During the fiscal year, the primary focus of the work with the NCC was to advance the efforts to take all necessary steps to get Jamaica to a top 10 ranking within the Doing Business Report (DBR). The International Finance Corporation (IFC) of the World Bank produced a Doing Business Reform Memorandum for Jamaica which is a composite and strategic matrix of reforms designed to address the challenges facing the business sector and compromising Jamaica's global competitiveness.

In FY 2018-19 the IFC outlined 69 recommendations for improving Jamaica's ranking across all 10 indicators recorded in the DBR to ultimately improve the country's overall ranking. Following these recommendations, several public and private sector entities were engaged to better understand the challenges for implementation which resulted in a general agreement with the recommendations. The recommendations were approved by Cabinet and set the framework for the development of a new Business Environment Reform Agenda for the 2019-2021 period.

The release of the 2019 DBR in October 2018 recorded a slippage in Jamaica's ranking from 70th to 75th, despite a slight improvement in the country's score . This reiterated the fact that the slow pace of reform negatively impacts the country's DBR ranking as other countries continue to implement reforms faster than Jamaica.

Throughout the review period, JAMPRO recorded several advancements in various reforms. Key amongst them included:

- Advanced the implementation of the Electronic Business Registration Form. The BETA test has been completed;
- Completed recommendations for the organisational review for the establishment of the Government Electrical Regulator (GER) as well as the advancement of the GER platform;
- Developed Project Plan and government budget allocation confirmed for the introduction of the electronic land titling system;
- Advanced development of the Jamaica Trade Information Portal (JTIP);
- Completed 90% of the work on the Single Electronic Window for the first phase participating entities; and
- Increased usage of the Port Community System as all commercial maritime vessels entering Jamaican waters report using the platform and 90% of all transhipment parcels are moved via the system.

Foundations for Competitiveness and Growth Project

The Government of Jamaica has secured a loan from the World Bank to finance a project entitled Foundations for Competitiveness and Growth (FCGP). The Project Executing Agency is the Planning Institute of Jamaica (PIOJ), with key Project Components to be implemented by JAMPRO and the Development Bank of Jamaica (DBJ) as the Lead Coordinating Agencies. The overall objective of the project is to strengthen the business environment in Jamaica for private sector investment by promoting broad-based private sector-led growth, improving the investment climate, modernizing infrastructure and logistics, as well as enhancing entrepreneurship and competitive industries.

Component 1 of the project, which is coordinated by JAMPRO, seeks to enhance competition in the business environment. The initiatives under the project are expected to strengthen the enabling environment for private sector competitiveness to help Jamaica unleash its potential for productivity and growth. During FY 2018-19, JAMPRO's work related to FCGP focused on expediting the implementation of the various projects within Component 1's portfolio which now has 47 projects, of which 18 were closed by the end of March 2019.

Key projects supported by FCGP in FY 2018-19 included:

- Roll-out of the Application Management and Data Automation (AMANDA) Public Portal II System, which was rebranded Jamaica Development Applications Platform (JDAP) in late 2018. Roll-out is still in progress as the implementation faced several challenges, including loss of key project personnel and delays in securing information from the relevant government entities;
- Development of the Municipal Transformation Programme which will facilitate the development of strategic plans, performance assessment instruments, business process re-engineering, change management & legislative reform for the three (3) pilot municipal corporations and the commenting entities;
- Support to JAMPRO's Export Max III programme in the sum of US$200,000. The programme is an enterprise-focused export development and market penetration programme;
- Procurement of a consultant to drive the re-organisation of the border regulatory agencies that will directly impact the ease with which trading is done in the country and will drive the improvement of Jamaica's ranking in the Doing Business Report; and
- Development of the framework for NLA to introduce electronic land titles and revolutionize the process of registering titles in Jamaica.

Phases II and III of the NBP will be funded by FCGP in the coming Fiscal Year.

National Export Strategy II

Sector development under the NES II was undertaken in five priority sectors (agro-processing, light manufacturing, mining, film and animation, and ITES) and the five cross cutting sectors (capacity building, market access, export financing, standards and quality management, and logistics). The project faced several challenges including inconsistent progress reporting and insufficient financial and technical support for the completion of the NES activities. As NES II is scheduled to close in 2019, an audit of the NES was undertaken and the final report with recommendations is to be delivered in the new fiscal year.

Other Policy Interventions

As part of its role in 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, trade policy, visa policy (recommending the introduction a new category of visas specific for the investors), the Special Economic Zone (SEZ) Regime and its handling of services-based industries like Outsourcing, and amendments to the Casino Gaming (Integrated Resort Development) Act.

Signature Events

Expo Jamaica

JAMPRO partnered with the Jamaica Manufacturers' Association & Jamaica Exporters' Association on the biennial staging of Expo Jamaica which was held from April 19-22, 2018 under the theme Expo Jamaica: Advancing Breakthroughs. JAMPRO implemented a Buyer Recruitment programme to boost export sales coming out of Expo Jamaica.

Over 15 sectors were featured including Beverage, Chemicals, Electronics and Electrical, Food and Agro, Processed Food, Information and Technology, Minerals, Packaging and Labelling, Cosmetics, Nutraceuticals and Pharmaceuticals.

The main objective of the buyer recruitment programme was to recruit and host 500 quality buyers willing and capable to do business with Jamaican manufacturers and exporters. JAMPRO secured a record number of buyers with 563 in attendance. Approximately 329 meetings were held with buyers and exporters and 111 export leads generated at the event. Work continues to facilitate the leads and convert them into export orders and sales.

Jamaica Investment Forum 2018

Under the auspices of the Most Honourable Andrew Holness - Prime Minister of Jamaica, JAMPRO hosted the third staging of the Jamaica Investment Forum (JIF), from June 12-14, 2018, at the Montego Bay Convention Centre under the theme, 'Connect for Business'. JIF is the country's premier investment promotion event which showcases the best of business brand Jamaica and provides an opportunity for top tier global investors to see the myriad of investment opportunities that Jamaica offers across several priority sectors.

Key highlights from JIF 2018 included:

- 563 persons in attendance, of which 175 were overaeas investors and 77 were local investors from 19 countries;
- Approximately 16 investment leads generated, and 7 investment opportunities progressed;
- At least 123 formal meetings conducted;
- Event attended by 14 international and 16 local media groups. An international media Familiarisation Trip was coordinated, which included a business tour prior to the event to showcase Jamaica's various industries;
- Generated in excess of USD$500,000 (J$67.5 million) in free media exposure for the conference and key sectors;
- Over 3 million media impressions made;
- The Business Year: Jamaica 2018 Magazine was launched which highlights Jamaica's economic capabilities; and
- An app was created to capture and share information related to the registration of attendees and issue resource material.

International Ministerial Roadshow - Reopening of JAMPRO New York Office

In September 2018, the Hon. Audley Shaw – Minister of Industry, Commerce, Agriculture and Fisheries led an international Ministerial roadshow in New York. The roadshow included the reopening of the New York Office, which is also part of JAMPRO's strategic business plan. Minister Shaw also engaged in several activities including an Exporters' Roundtable to promote Jamaican products to suppliers and distributors in the market, as well as an Investor Luncheon to present business opportunities to potential investors, including members of the diaspora. The events that were a part of the roadshow attracted over 100 participants across multiple sectors. Media coverage was facilitated by 15 international and local media houses, including Bloomberg and Nearshore Americas.

Signature Programmes

Export Max III

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 Export Max I and II, the Export Max III programme was launched during the Fiscal Year.

The launch was supported by an extensive digital marketing campaign leading to the receipt of 225 expressions of interest to participate from potential exporters resulting in 67 applications. Fifty (50) participants are being targeted. Jamaica Business Development Corporation (JBDC) and Jamaica Manufacturers' & Exporters Association (JMEA) are collaboration partners for the implementation of Export Max III. During the fiscal year, key activations to support the implementation of Export Max III included securing sponsorship, evaluating and assessing the applications and developing key components of the Programme. The 3-year programme will commence in FY 2019-20.

Screen-Based Development Programmes

During FY 2018-19, JAMPRO implemented several screen-based development programmes to develop the capabilities and quality of screen-based content for promotion. Highlighted below are the key programmes and successes in FY 2018-19:

- Jamaica Film and TV Association (JAFTA) PROPELLA is a script-to-screen programme which provides training and development for Jamaican content creators to develop and promote short films. Through a selection process, four (4) film projects were identified for talent discovery, namely, ***Going Down*** by Mezan Morrison, ***Flight*** by Kia Moses, ***Safe Harbour*** by Kaiel Eytle and ***Agwe*** by Ina Sotirova. Kia Moses' ***Flight*** won 3 awards including Best in Festival at the Black Women Film Summit and secured a meeting with HBO. Flight also won Best Short Film Fiction at the Pan African Film Festival in Cannes and has been selected for the Short Film Corner at the Cannes Film Festival in May 2019.

- Film Lab is a 3-year script development programme through a partnership between JAMPRO, the British Council and JAFTA for training

and development for the production of feature films. In FY 2018-19, the cohort of participants comprised four (4 screenwriters, four (4 script editors and four (4 producers who underwent script development training, mentoring and had opportunities to pitch to corporate financiers locally and internationally. Two feature film projects in the programme received local seed funding following pitch competitions namely Tony Hendriks' *Shoot the Girl* (which was a Propella 2017 short) and Letay Williams' *Traytown*.

- The Business of Sustainability for Studios (BOSS) Program, focuses on the development of the animation industry in Jamaica and had seven (7) production studios and creative entrepreneurs involved in growing their businesses into sustainable and profitable production and animation entities. During the fiscal year, the cohort attended 2 international animation promotional events and two (2) international animation productions were outsourced to local production companies, including a full scale 44-episode project for a Jamaican animation series.
- In support of the development programmes for screen-based industries, work towards establishing a Film Fund was advanced.

Cuban Market Development Programme

JAMPRO designed a three-year Development Programme geared towards building Jamaica's export presence in the Cuban market which continued in FY 2018-19. 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 from 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 ongoing support to Jamaican companies in making regular visits to the market. Critical to the programme was the continued engagement of an in-market broker in Cuba to assist in securing contracts for Jamaican exporters with Cuban buyers and providing pointed market intelligence. Under the Cuba Market Development Programme, a total of 9 companies have been approved as suppliers to the market and 6 have received orders.

Collaboration with the EXIM Bank on the Line of Credit facility specific to the market continued as the increase in orders has resulted in an exhaustion of the facility and JAMPRO, in collaboration with EXIM Bank, continues to lobby the Government for an expansion of the facility.

Organisational Development Initiatives

Underpinning effective and efficient client delivery to achieve the organisation's targets is a commitment to human resources and corporate development. Summarised below are the key initiatives that were undertaken in FY 2018-19:

Human Resource Development

- Coaching and Management development;
- Strategic Training in Project Financing and Financial Analysis;
- Development of a Succession Planning Framework; and
- Development and execution of culture change and reinforcement activities as part of the change management programme following the restructuring exercise in FY 2017-18.

Corporate Development

- Development and documentation of the process flows for all core and support business operations of the organisation improving corporate efficiency by minimizing any overlap in function and operations, and by identifying the necessary systems for efficient operations;
- Review of the current Client Relationship Management tool assessing its fit for purpose of business needs and identification of potential alternate solutions;
- Website redevelopment started with the revamped website to be completed and launched in FY 2019-20;
- Digitisation of select corporate services including purchase requisitions and orders as well as online payments to suppliers; and
- Development and use of an app for management of administrative collections and deliveries.

Board of Directors Report

Overview

The Corporation is governed by a Board of Directors who is appointed by the Portfolio Minister. The new term of the Board of Directors commenced with the re-appointment of the Board of Directors on May 7th, 2018. FY 2018-19 saw the addition of three (3) new members namely, Gillian Wilkinson McDaniel, Delano Seiveright and Dr. Andre Gordon and new Sub-Committees were constituted on June 21st, 2018. The Board of Directors supports the GOJ Ten Dimensions of Good Board Performance and continues to drive excellence in corporate governance for the Corporation.

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	3 years	Manufacturing, Financial Services and Agribusiness	7 of 8 meetings	-	$129,500
Metry **Seaga**	Deputy Chairman Chairperson, Finance & Procurement Sub-Committee	Independent Non-Executive	3 years	Manufacturing	7 of 8 meetings	3 of 3 meetings	$112,250
Yoni **Epstein**	Director Chairperson, Audit Sub-Committee and Member of the Marketing and Projects Sub-Committee	Independent Non-Executive	3 years	Business Process Outsourcing	6 of 8 meetings	4 of 4 meetings	$100,100
Zachary **Harding**	Director Chairperson, Marketing and Projects Sub-Committee	Independent Non-Executive	3 years	Marketing and Finance	3 of 8 meetings	2 of 2 meetings	$62,500
Lisa **Soares Lewis**	Director Chairperson, Human Resources Sub-Committee	Independent Non-Executive	3 years	Human Resources	6 of 8 meetings	2 of 2 meetings	$73,500
Deborah **Newland**	Director Member of Finance and Procurement Sub-Committee and Member of Human Resources Sub-Committee	Independent Non-Executive	3 years	Legal	6 of 8 meetings	3 of 5 meetings	$82,650
Christopher **Williams**	Director Member of Human Resources Sub-Committee	Independent Non-Executive	3 years	Financial Services and Real Estate	6 of 8 meetings	2 of 2 meetings	$49,550
Gary **Sadler**, O.D.	Director Member of Human Resources Sub-Committee	Independent Non-Executive	3 years	Tourism	3 of 8 meetings		$33,000
Ian **K. Levy,** O.D., C.D.	Director Member of Audit Sub-Committee	Independent Non-Executive	3 years	Construction, Real Estate and Gaming	6 of 8 meetings	2 of 2 meetings	$79,000
Delano **Seiveright**	Director Member of Marketing and Projects Sub-Committee	Independent Non-Executive Director	11 months	Tourism	3 of 8 meetings	1 of 2 meetings	$38,550s
Gillian **Wilkinson McDaniel**	Director Member of Marketing and Projects Sub-Committee	Independent Non-Executive Director	11 months	Culture and Investment	5 of 8 meetings	1 of 2 meetings	$60,550
Dr. Andre **Gordon**	Director Member of Audit Sub-Committee and Finance and Procurement Sub-Committee	Independent Non-Executive Director	11 months	Agriculture	6 of 8 meetings	3 of 5 meetings	$83,600

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 $29,650.

> ***During the Fiscal Year, the (Audit) 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.***

Marketing and Projects

The Marketing and Projects Sub-Committe (MPSC) provides oversight of marketing and promotions for the Corporation. For the FY 2018-19, the following projects and initiatives were undertaken by the Committee, among others:

- Review and approval of key strategies including the Communications, Media Relationship and Digital Marketing Strategies
- Oversight on the execution of JAMPRO's Do Business Jamaica Marketing Campaigns
- Oversight of the redesign and redevelopment of the organization's corporate website which will be finalized in FY 2019-20
- Review and approval of the Corporation's current Crisis Communication Plan and Corporate Social Responsibility Strategy.

The membership of the MPSC for FY 2018-19 was Zachary Harding (Chair), Yoni Epstein (Director), Gillian Wilkinson McDaniel (Director) and Delano Seiveright (Director). Non-Voting Members included Diane Edwards (President), Claude Duncan (Vice President – Sales and Promotions), Shullette Cox (Vice President, Research, Advocacy & Project Implementation), Gabriel Heron (Vice President – Marketing), Keneshia Nooks (Manager – Integrated Marketing Communications) and Arlyn Gordon (Corporate Secretary).

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. 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 for the Audit Sub-Committee for FY 2018-19 included: Yoni Epstein (Chairman), Ian K. Levy (Director), Dr. Andre Gordon, (Director), Douglas Robinson, (Sub-Committee Member), Colin Maxwell (Sub-Committee Member, resigned July 11th, 2018). 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).

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 monitors 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 2018-19, the FPSC worked assiduously along with the Board, in seeking to secure additional government grants from the Ministry of Finance & Public Service to ensure that JAMPRO's operations are aligned with the government's growth strategy; ensured the Corporation's financial system was adequately monitored; reviewed and analysed monthly budget reports and analysed any significant variances; 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; and strategized on the operation of the Corporation's Treasury and Cash Management activities, especially funds held on Fixed Deposits. One of the key areas of review for the FPSC in the review period was enhancing the internal procurement policy to foster increased engagement of Jamaican expertise, particularly manufactured goods and consultancy services.

The membership of the FPSC for FY 2018-19 was Metry Seaga (Chair), Deborah Newland (Director), Dr. Andre Gordon (Director), Lennox Channer (Sub-Committee Member), Heather Lee (Sub-Committee Member) and Diane Edwards (President). Non-Voting Members included Wendy Lyttle Pryce (Vice President - Finance and Corporate Services) and Arlyn Gordon (Corporate Secretary).

Human Resources

The Human Resources Sub-Committee of the Board (HRSC) gives oversight, insight and strategic direction to the Human Resource functions of the organization.

During the 2018-19 fiscal year, the HRSC provided key inputs into the development and review of the Succession and Development Plan for the Executive positions as well as aligning the succession plan to its medium and long-term strategy while ensuring talent availability for emergencies. The HRSC was also involved in recruiting and selecting Vice Presidents for the Marketing and Sales & Promotions Divisions. Oversight also extended to reviewing and providing advice on pension matters, the performance incentive policy and the Executive Coaching process which was an outcome of the Change Management exercise in FY 2017-18.

The membership of the HRSC for 2018-19 was Lisa Soares Lewis (Chair), Deborah Newland (Director), Christopher Williams (Director), and Gary Sadler (Director). Non-voting members included Diane Edwards (President), Wendy Lyttle Pryce (Vice President - Finance and Corporate Services) and Jennifer Williams (Manager – Human Resources)

Executive Management Team Compensation Table

Executive Compensation Table

Position of Senior Executive	Year	Basic Salary (J$)	Gratuity & Performance Incentive ($)	Travelling Allowance/ Assigned Motor Vehicle	Retirement Benefits	Other Allowances & Payments	Health & Group Life Insurance ($)	Total ($)
President	2018/2019	9,201,692	3,220,592	1,806,492	37,500	-	316,912	14,583,188
VP - Finance & Corporate Services	2018/2019	6,648,038	2,659,215	1,109,030	37,500	782,233	260,416	11,496,432
VP - Research Advocacy & Project Implementation	2018/2019	6,541,081	2,289,378	851,665	37,500	249,647	345,202	10,314,473
VP - Sales and Promotion	Apr 1, 2018 - Feb 28, 2019	6,094,035	2,437,614	802,101	34,375	1,526,376	323,815	11,218,315
VP – Marketing	Apr 1, 2018 - Jun 8, 2018	2,367,104	177,533	379,443	9,375	255,694	61,814	3,250,963
VP – Marketing	Nov 19, 2018 - Mar 31, 2019	2,229,609	769,215	507,412	15,625	-	89,361	3,611,223
TOTAL		**33,081,559**	**11,553,548**	**5,456,143**	**171,875**	**2,813,950**	**1,397,520**	**54,474,595**

Market Activations

Overall the organisation engaged in

101 missions

across

27 countries

Outward Missions – 50
Inward Missions – 51

1	**BAHAMAS**	Inward - 0	Outward - 1
4	**BARBADOS**	Inward - 2	Outward - 2
1	**BELGIUM**	Inward - 0	Outward - 1
13	**CANADA**	Inward - 8	Outward - 5
1	**CHILE**	Inward - 0	Outward - 0
6	**CHINA**	Inward - 4	Outward - 2
3	**COLOMBIA**	Inward - 0	Outward - 3
1	**COSTA RICA**	Inward - 0	Outward - 1
3	**CUBA**	Inward - 1	Outward - 2
2	**DENMARK**	Inward - 0	Outward - 2
2	**DOMINICA REPUBLIC**	Inward - 1	Outward - 1
4	**FRANCE**	Inward - 1	Outward - 4
2	**GERMANY**	Inward - 0	Outward - 2
1	**GUYANA**	Inward - 1	Outward - 0
1	**INDIA**	Inward - 0	Outward - 1
1	**JAPAN**	Inward - 1	Outward - 0
3	**MEXICO**	Inward - 0	Outward - 3
1	**NETHERLANDS**	Inward - 0	Outward - 1
1	**NIGERIA**	Inward - 0	Outward - 1
1	**PANAMA**	Inward - 0	Outward - 1
1	**PORTUGAL**	Inward - 0	Outward - 1
2	**QUATAR**	Inward - 2	Outward - 0
1	**SPAIN**	Inward - 0	Outward - 1
2	**SWITZERLAND**	Inward - 0	Outward - 2
1	**TRINIDAD**	Inward - 0	Outward - 1
20	**UK**	Inward - 16	Outward - 4
22	**USA**	Inward - 12	Outward - 10

LOOKING AHEAD

Guided by the 2017-18 to 2019-20 3-Year Strategic Plan, JAMPRO will remain focused on investment and export promotion and facilitation around the strategic growth areas for Jamaica in fulfilling its critical role in making Jamaica the premier destination to do business. Efforts will continue to implement various strategic initiatives over the course of the FY 2019-20 such as:

IMPLEMENTATION

Continuing the drive for the implementation of strategic projects.

INNOVATIVE

Implementing targeted innovative marketing campaigns focused on building awareness of Jamaica as a business destination and JAMPRO as a key enabler.

COMPETITIVENESS

Improving Jamaica's competitiveness and appeal through the implementation of export and investment regimes, including promulgation of the National Investment Policy and the National Business Portal.

DEVELOPMENT

Driving the development of a nation brand campaign.

EFFICIENCY

Enhancing corporate efficiency, client servicing and staff development.

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

COMMENTARY ON THE

FINANCIALS

For the fiscal year ended March 31, 2019, JAMPRO received Gross Operating Revenue of J$914.2 million compared to the fiscal year ended March 31, 2018 in which J$799.5 million was received. This reflected an increase of 14% over the previous year. During the fiscal year, JAMPRO received J$819.2 million in Government Grants which represents 90% of Gross Operating Revenue.

Operating Expenses totalled J$904.5m comprising Promotional of J$273.7 million, Staff Related J$505.2 million and General & Administrative of J$125.6 million. Total Operating Surplus for the year was J$11.4 million. When adjusted to reflect the Defined Benefit Pension Plan of -J$90.8 million, the Total Comprehensive Income for the year was -J$79.4 million.

INDEPENDENT AUDITORS REPORT

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

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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 2019 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 2019, 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

Ernst & Young
Chartered Accountants
Kingston, Jamaica

17 July 2019

STATEMENT OF
FINANCIAL POSITION

AS AT 31 MARCH 2019
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	3	20,134,997	56,110,044
Securities purchased under resale agreements	3	130,870,221	134,613,619
Trade and other receivables	4	45,896,799	21,367,963
		196,902,017	212,091,626
CURRENT LIABILITIES			
Trade and other payables	5	218,549,799	223,408,975
Grant received in advance	6	9,024,863	8,805,550
Deferred income	10	2,087,199	12,607,880
		229,661,861	244,822,405
NET CURRENT LIABILITIES		(32,759,844)	(32,730,779)
NON- CURRENT ASSETS			
Property and equipment	7	180,754,447	172,533,716
Employee benefit asset	8	212,066,000	299,611,000
		392,820,447	472,144,716
		360,060,603	439,413,937
FINANCED BY:			
ACCUMULATED SURPLUS		162,430,917	241,784,251
CAPITAL RESERVES	9	197,629,686	197,629,686
		360,060,603	439,413,937

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

The financial statements were approved by the Board of Directors on 17 July 2019 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 2019

(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $	2018 $
Gross operating revenue	11	914,218,535	799,451,276
Operating expenses:			
Promotional	12(i)	261,044,102	228,477,487
Staff-related	12(ii)	505,202,411	450,511,149
General and administrative	12(iii)	138,259,408	103,717,770
		904,505,921	782,706,406
Operating surplus for the year		9,712,614	16,744,870
Other income:			
Interest income		1,660,052	3,544,813
Miscellaneous income		37,000	480,353
Surplus for the year		11,409,666	20,770,036
Other comprehensive (loss)/ income:			
Items that will never be reclassified to profit or loss			
Re-measurement (loss)/ gain on defined benefit plan	8(iv)	(90,763,000)	67,539,000
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		(79,353,334)	88,309,036

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

STATEMENT OF
CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2019
(Expressed in Jamaican dollars unless otherwise indicated)

	Accumulated surplus $	Capital reserve $	Total $
Balances at 1 April 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
Surplus for the year	11,409,666	-	11,409,666
Other comprehensive income: Remeasurement loss on defined benefit plan	(90,763,000)	-	(90,763,000)
Total comprehensive loss for the year	(79,353,334)	-	(79,353,334)
Balances at 31 March 2019	162,430,917	197,629,686	360,060,603

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

STATEMENT OF
CASH FLOWS

YEAR ENDED 31 MARCH 2019
(Expressed in Jamaican dollars unless otherwise indicated)

	Notes	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		11,409,666	20,770,036
Adjustments for:			
Depreciation	7, 12(iii)	19,763,702	15,198,174
Employee benefits	8 (i)	(2,548,000)	(6,610,000)
Amortisation of deferred income	10, 12(iii)	(12,607,880)	(1,338,680)
Interest income		(1,660,052)	(3,544,813)
		14,357,436	24,474,717
Increase in a trade and other receivables		(24,528,836)	(11,257,060)
(Decrease)/Increase in trade and other payables and grants received in advance		(2,552,664)	82,415,405
Employer portion- contributions paid	8 (i)	(670,000)	(618,000)
Net cash (used in)/provided by operating activities		(13,394,064)	95,015,062
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	7	(27,984,433)	(42,161,075)
Interest received		1,660,052	3,544,813
Securities purchased under resale Agreements (net)		3,743,398	(41,552,518)
Net cash used in investing activities		(22,580,983)	(80,168,780)
Net (decrease)/increase in cash and cash equivalents		(35,975,047)	14,846,282
Cash and cash equivalents at beginning of year		56,110,044	41,263,762
CASH AND CASH EQUIVLENTS AT END OF YEAR	3	20,134,997	56,110,044

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

(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.

The Corporation is exempted from Income Tax under the provision of the Jamaica Promotions Corporation Act 1990.

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, revised and amended 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. Although these new standards and amendments were applied for the first time in 2019, except for the extent of additional disclosures, they did not have a material impact on the annual financial statements of the Corporation. The pronouncements were effective from 1 April 2018, unless otherwise indicated.

The following new, revised and amended standards and interpretations are mandatory for the Corporation's accounting period beginning on or after 1 April 2018:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(i) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortized cost, or fair value through OCI. The classification is based on two criteria: the Corporation's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Corporation's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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

(b) Basis of preparation (Continued):

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

IFRS 9 Financial Instruments (continued)

(i) Classification and measurement (continued)

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Corporation. Specifically, cash and bank balances, trade and other receivables and securities purchased under resale agreements classified as loans and receivables as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These continue to be classified and measured at amortized cost as at 1 April 2018.

There was no reclassification of financial assets in the current year. Further, management has not classified any financial instruments at fair value through other comprehensive income or fair value through profit or loss.

(ii) Impairment

The adoption of IFRS 9 has fundamentally changed the Corporation's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Corporation to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

In respect of cash and bank balances and securities purchased under resale agreements, funds are held with institutions with a good credit ratings. Accordingly, the financial instruments are considered to have a low credit risk as they have a low risk of default and the institutions have a strong capacity to meet its contractual cash flow obligations in the near term. Based on the foregoing, management has assessed the ECLs as immaterial to the financial statements.

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Corporation has used historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using historical data. All receivables at the end of the year were current and the Corporation has had no loss experience as all trade receivables during the period of operations, were collected within the 30 days credit period. No past due amounts have been noted and are unlikely based on the nature of these receivable balances being rental payment due from tenants. Accordingly, management has assessed any possible ECLs to be immaterial to the financial statements.

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

(b) Basis of preparation (Continued):

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

IFRS 9 Financial Instruments (continued)

(ii) Impairment (continued)

For intercompany receivables, there is no formal agreement and the amounts outstanding are interest free. Management has obtained a guarantee from the ultimate parent company, for the collection of such outstanding amounts, in the event that the related companies are unable to repay. As a result, management had not recorded any ECLs in this regard in these financial statements.

Management reassesses the expected credit loss rates at the end of each reporting period.

(iii) Hedge accounting

This requirements of IFRS 9 do not apply on initial application as the Fund does not apply hedge accounting.

There is no impact on the financial statements as at 1 April 2018 on transition to IFRS 9 as management has assessed that no impairment allowance is required given the nature and condition of the financial assets held by the Corporation.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11, 'Construction Contracts', IAS 18, 'Revenue' and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Corporation's accounting policies for its revenue streams are disclosed in detail in Note 2 p) below. The application of IFRS 15 has not had any impact on the financial position and/or financial performance of the Corporation's to IFRS 15 on 1 April 2018.

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

(b) Basis of preparation (Continued):

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation

IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. 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. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The amendments are not applicable as the Corporation does not have share-based payments.

Annual Improvements 2014-2016 Cycle (issued in December 2016)

These improvements include:

- IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

  Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. The amendment is effective from 1 January 2018. This amendment is not applicable to the Corporation.

- IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

  The amendments clarify that:
  - An entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
  - If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

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

(b) Basis of preparation (Continued):

New, revised and amended standards and interpretations that became effective during the year but are not applicable to the Corporation (continued)

IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments Standard, IFRS 9, before implementing the new insurance contracts standard that the Board has developed to replace IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are effective for annual periods beginning on or after 1 January 2018. These amendments were not applicable to the Corporation.

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 recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date 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 recognized 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.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. The adoption of this interpretation had no impact on the Corporation’s financial statements.

Amendments to IAS 40 - Transfers of Investment Property

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.

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

(b) Basis of preparation (Continued):

New, revised and amended standards and interpretations that became effective during the year but not applicable (continued)

Amendments to IAS 40 - Transfers of Investment Property (continued)

Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. These amendments are not applicable to the Corporation.

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 non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date 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.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Since the Corporation's current practice is in line with the Interpretation, the Corporation does not expect any effect on its financial statements.

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

IFRS 3 Business Combination - Definition of a Business - Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

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

(b) Basis of preparation (Continued):

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

IFRS 3 Business Combination - Definition of a Business - Amendments to IFRS 3 (Continued)

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 with earlier application permitted. The amendments are not expected to have any impact on the financial statements of the Corporation.

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. The amendments are not expected to have any impact on the financial statements of the Corporation.

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 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).

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

(b) Basis of preparation (Continued):

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

IFRS 16 Leases (continued)

- 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. The impact of this standard is currently being assessed by the Corporation.

IFRS 17 Insurance Contracts

The standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity.

IFRS 17 is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. This standard is not applicable to the Corporation.

Amendments to IAS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 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 amendments 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, recognized as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 "Investments in Associates and Joint Ventures".

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Corporation does not have such long-term interests in its associate and joint venture, the amendments will not have an impact on the Corporation's financial statements.

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

(b) Basis of preparation (Continued):

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

Amendments to IFRS 9 Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortized 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 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. The amendments are effective for annual periods beginning on or after 1 January 2019. These amendments are not expected to have any impact on the Corporation's financial statements.

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

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. The interpretation is not expected to have any impact on the Corporation's financial statements.

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

(b) Basis of preparation (Continued):

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

IAS 1 and IAS 8 - Definition of Material - Amendments to IAS 1 and IAS 8

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The amendments are effective for annual periods beginning on or after 1 January 2020 and the impact of the adoption of this amendment on the financial statements of the Corporation is being assessed.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments are not expected to have an impact on the financial statements.

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

(b) Basis of preparation (Continued):

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

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)

These amendments are not expected to have an impact on the financial statements of the Corporation.

(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. A revision 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 and other comprehensive income 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.

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

(c) Estimates and judgements (Continued)

Pension and other post-employment benefits: (continued)

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. For further details on classification, measurement and impairment of these financial assets with the adoption of IFRS 9, see Note 2 b) i) and Note 2 b) ii).

(f) Trade and other receivables:

Trade and other receivables are measured at amortised cost, less impairment losses. For further details on classification, measurement and impairment of these financial assets with the adoption of IFRS 9, see Note 2 b) i) and Note 2 b) ii).

Interest is not recognized on these amounts as it is immaterial in amount.

(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.

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

(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 cost of the assets net of their residual values 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.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

(Expressed in Jamaican dollars unless otherwise indicated)

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 the payment is made.

(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 (OCI).

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.

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) 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.

Financial assets

<u>Policy prior to 1 January 2018</u>

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All financial assets classified as loans and receivables are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date or settlement date basis.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are recognized on the trade date.

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are subsequently measured at amortized cost using the effective interest rate method less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest rate method

The effective interest rate method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period to its net carrying amount on initial recognition.

<u>Policy effective 1 January 2018</u>

Financial assets are classified, at initial recognition at fair value, and subsequently measured at amortized cost. This classification depends on the financial assets contractual cash flow characteristics and the Corporation’s business model of managing them. For a financial asset to be classified and measured at amortized cost, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This is referred to as the SPPI test and is performed at an instrument level.

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

(n) Financial instruments (continued):

Financial assets (continued)

Policy effective 1 January 2018 (continued)

The Corporation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace and are recognized on the trade date.

Financial assets are subsequently measured at amortized cost if both of the following conditions are met:

- The financial asses is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized costs are subsequently measured using the effective interest rate method and are subject to impairment. Gains or losses are recognized in profit or loss when the asset is recognized or impaired.

(a) *Impairment of financial assets*

Policy prior to 1 January 2018

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

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

(n) Financial instruments (continued):

Financial assets (continued)

(a) *Impairment of financial assets (continued)*

Policy prior to 1 January 2018 (continued)

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment will not be reversed in subsequent periods.

For financial assets carried at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Policy effective 1 January 2018

The Corporation assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets carried at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Corporation applies a simplified approach in calculating ECLs. Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Corporation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

(n) Financial instruments (continued):

Financial assets (continued)

(b) *Derecognition of financial assets*

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset.

(o) Deferred income:

Where property and 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.

(p) Revenue recognition:

Government subventions are accounted for when received as revenue, in the profit and loss in the period that matches the related expense.

Government and other grants received are deferred where the grant is represented by property and 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(o)].

For grants received and ear-marked for use to carry out a particular 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.

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

(q) 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.

(r) 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.

(s) Current versus non-current classification

The Corporation presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is either:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when either:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

(t) Fair value disclosures:

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

(Expressed in Jamaican dollars unless otherwise indicated)

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

(a)

	2019 $	2018 $
Cash at bank	19,529,414	55,774,306
Cash on hand	605,583	335,738
	20,134,997	56,110,044

Interest is earned on Euro dollar bank balances at an average rate of 0.004% per annum (2018: 0.004%) and for United States dollar bank balances at an average rate of 0.01% per annum (2018: 0.02%). Bank balances held in United States dollars, Pound Sterling, Euro and Canadian dollar respectively as at 31 March 2019 are as follows: US$56,242, £11,844 €2,449 and CAD$15,555 (2018 – US$163,492, £7,573, €2,048, CAD$2,262).

(b)

	2019 $	2018 $
Securities purchased under resale agreements – JMD	47,372,945	51,493,254
Securities purchased under resale agreements – USD	83,497,276	83,120,365
	130,870,221	134,613,619

Interest is earned on Jamaica dollar deposit balances at an average rate of 1.83% per annum (2018: 4.65%) and for United States dollar deposit balances at an average rate of 1.22% per annum (2018: 1.14%). These deposits will mature within one month after the year end. Deposit balances held in United States dollars for the year ended 31 March 2019 is US$675,689 (2018 – US$666,806).

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 2019 amounting to US$675,689 and JM$47,373,130 (2018 – US$883,606 and JM$11,673,628).

(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) $20,166,345 (2018: $13,796,635) 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 securities purchased under resale agreements figure above.

(ii) $4,381,306 (2018: $4,381,306) received for specified investment promotion activities [see Note 5(iii)]. 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.

(Expressed in Jamaican dollars unless otherwise indicated)

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

(c) (Continued)

(iii) $9,024,863 (2018: $8,805,550) 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.

(iv) $2,087,199 (2018: $12,607,880) received from Sponsors (JACRA & JCEA) - with respect to Sponsorship of the Coffee Specialty Trade Show during 11th, - 14th, April 2019 in the USA. No interest was earned on this amount during the year (see Note 10). 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.

4. TRADE AND OTHER RECEIVABLES

	2019 $	2018 $
Prepaid expenses	3,725,536	1,658,675
CART Fund (i)	15,032,189	6,598,654
Global Services Sector Project (GSSP) (ii)	20,100,102	-
Other receivables (iii)	7,038,972	13,110,634
	45,896,799	21,367,963

(i) The Corporation advanced funds on behalf of the CART Fund for specified investment promotion activities. This amount will be reimbursed by the CART Fund for expenditure incurred on behalf of the project.

(ii) These represent amounts due from the Global Services Sector Project (GSSP), for advanced payments made on behalf of the project as the Executing Agency for the Skills Development for Global Services, funded by the IDB loan.

(iii) Included in other receivables is an amount of $Nil (2018: $4,796,407) due from the Government of Jamaica relating to General Consumption Tax Recoverable, which is written off in current year.

(Expressed in Jamaican dollars unless otherwise indicated)

5. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Jamaica International Financial Services Authority (i)	20,166,345	13,796,635
Trade Payables	35,090,315	24,078,786
Sponsorship – Tourism Conference	-	1,259,850
In-Market Broker Services	12,646,660	12,598,500
Digital Marketing Service	2,267,165	2,067,799
Business Environment Advisory Services	819,000	12,598,500
Accrued Expenses (Others)	22,324,325	29,424,815
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	1,050,000	487,500
Staff Costs Payable	31,472,175	27,548,242
Incentives and Gratuities	61,502,872	54,718,392
General Consumption Tax Payable	25,355,209	24,038,464
Other Payables (ii)	5,855,733	7,938,716
	218,549,799	223,408,975

(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) Included in other payables is $4,381,306 (2018: $4,381,306) received in advance for specific investment promotions activities [see Note 3(c)(ii)].

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) (iii)].

(Expressed in Jamaican dollars unless otherwise indicated)

7. PROPERTY & EQUIPMENT

	Land, buildings and leasehold improvements $	Furniture Equipment and Computers $	Motor vehicles $	Total $
At cost or deemed cost:				
1 April 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
Additions	8,764,922	15,380,367	3,839,144	27,984,433
31 March 2019	212,458,214	149,443,607	36,084,281	397,986,102
Depreciation:				
1 April 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
Charge for the year	5,020,862	8,605,134	6,137,706	19,763,702
31 March 2019	85,661,748	120,126,837	11,443,070	217,231,655
Net book values:				
31 March 2019	126,796,466	29,316,770	24,641,211	180,754,447
31 March 2018	123,052,406	22,541,537	26,939,773	172,533,716

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.

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(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:

	2019 $	2018 $
Pension asset:		
Fair value of plan assets	2,096,448,000	2,093,369,000
Present value of defined benefit obligation	(339,408,000)	(378,425,000)
Net assets	1,757,040,00	1,714,944,000
Asset not recognised due to limitation in economic benefits	(1,544,974,000)	(1,415,333,000)
Asset recognized in the statement of financial position	212,066,000	299,611,000

	%	2019	%	2018
Plan assets consist of the following:				
Pooled Equity Fund	19	384,627,000	14	294,161,000
Pooled Fixed Income Fund	5	105,608,000		-
Pooled Foreign Currency Fund	5	99,881,000	5	96,310,000
Pooled CPI Fund		-	4	97,262,000
		590,116,000		487,733,000
Diversified Investment Fund	69	1,452,356,000	73	1,519,104,000
Ordinary shares	-	6,581,000	-	6,581,000
Purchased annuities	3	62,392,000	3	60,926,000
Net benefit adjustments	(1)	(14,997,000)	1	19,025,000
	100	2,096,448,000	100	2,093,369,000

The expected contributions to the plan for the twelve months ending 31 March 2020 amount to $9,436,000.

Weighted average duration of obligation is approximately 32 years in 2019 and 33 years in 2018.

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

	2019 $	2018 $
Balance at beginning of year	299,611,000	224,844,000
Employer's contributions	670,000	618,000
Change recognised in profit or loss	2,548,000	6,610,000
Remeasurements (loss)/ gain recognised in OCI	(90,763,000)	67,539,000
Balance at end of year	212,066,000	299,611,000

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(Expressed in Jamaican dollars unless otherwise indicated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

(ii) Movement in plan assets:

	2019 $	2018 $
Fair value of plan assets as at 1 April	2,093,369,000	1,712,367,000
Contributions paid into the plan	9,217,000	7,743,000
Benefits paid by the plan	(16,663,000)	(16,027,000)
Interest income on plan assets	156,777,000	162,419,000
Value of annuities purchased	1,315,000	2,795,000
Remeasurement - changes in financial assumptions	2,012,000	6,927,000
Remeasurement - experience adjustments	(149,579,000)	217,145,000
Fair value of plan assets as at 31 March	2,096,448,000	2,093,369,000
Actual return on plan assets	0%	23%

(iii) Change recognised in profit or loss:

	2019 $	2018 $
Current service costs	20,262,000	15,098,000
Interest on obligations	27,817,000	28,585,000
Expected return on plan assets	(156,777,000)	(162,419,000)
Interest on effect of the asset ceiling	106,150,000	112,126,000
	(2,548,000)	(6,610,000)

(iii) Items in other comprehensive income:

	2019 $	2018 $
Change in financial assumptions	37,745,000	135,135,000
Experience adjustments	29,527,000	(325,610,000)
Change in effect of the asset ceiling	23,491,000	122,936,000
	90,763,000	(67,539,000)

(Expressed in Jamaican dollars unless otherwise indicated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

v) Present value funded obligation:

	2019 $	2018 $
Present value of funded obligation at 1 April	378,425,000	307,252,000
Current service cost	20,262,000	15,098,000
Interest cost on defined benefit obligation	27,817,000	28,585,000
Members' contributions	8,547,000	7,125,000
Benefits paid	(16,663,000)	(16,027,000)
Value of annuities purchased	1,315,000	2,795,000
Remeasurement-changes in assumptions	39,757,000	142,062,000
Remeasurement-experience adjustments	(120,052,000)	(108,465,000)
Present value of defined benefit obligation at 31 March	339,408,000	378,425,000

(vi) Movement in effect of asset ceiling:

	2019 $	2018 $
Effect of asset ceiling at 1 April	1,415,333,000	1,180,271,000
Interest on asset	106,150,000	112,126,000
Remeasurement effect	23,491,000	122,936,000
Effect of asset ceiling at 31 March	1,544,974,000	1,415,333,000

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

	2019	2018
Discount rate	7.00%	7.50%
Pay Growth	3.00%	4.50%
Pension Increases	3.00%	4.50%
Administrative Expenses (% of Salary)	2.00%	2.00%
Inflation	3.00%	4.50%
Minimum funding rate	0.25%	0.25%

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31 MARCH 2019

(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 assumptions by one percentage point. In preparing the analysis for each assumption, all other were held constant.

	2019		2018	
	1% Increase $	1% Decrease $	1% Increase $	1% Decrease $
Discount rate	(50,730,000)	65,240,000	(59,687,000)	81,010,000
Salary growth	27,938,000	(23,772,000)	36,907,000	(31,237,000)
Pension increase	36,024,000	(30,666,000)	42,160,000	(35,693,000)
Life expectancy	5,543,000	(5,589,000)	7,445,000	(7,457,000)

The five-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:

	2019 $	2018 $	2017 $	2016 $	2015 $
Fair value of plan assets	2,096,448,000	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	(1,544,974,000)	(1,415,333,000)	(1,180,271,000)	(1,086,410,000)	(794,139,000)
Defined benefit obligations	(339,408,000)	(378,425,000)	(307,252,000)	(297,395,000)	(260,644,000)
Surplus	212,066,000	299,611,000	224,844,000	205,311,000	188,347,000
Experience adjustments -					
Fair value of plan assets	(149,579,000)	217,145,000	1,912,000	237,827,000	(35,059,000)
Defined benefit obligations	(120,052,000)	(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:

(Expressed in Jamaican dollars unless otherwise indicated)

8. EMPLOYEE BENEFIT ASSET (CONTINUED)

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.

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

	2019 $	2018 $
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

	2019 $	2018 $
Balance at beginning of the year	12,607,880	1,338,680
Addition	2,087,199	12,607,880
Amortisation during the year	(12,607,880)	(1,338,680)
Balance at end of the year	2,087,199	12,607,880

During the year, J$2,087,199 was received by the Corporation as Sponsorship towards the Coffee Specialty Trade Show in Boston, Massachusetts USA to be held 11th, - 14th, April 2019.

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31 MARCH 2019

(Expressed in Jamaican dollars unless otherwise indicated)

11. GROSS OPERATING REVENUE

	2019 $	2018 $
Government grants	819,169,119	755,147,761
Certification fees	2,384,169	2,710,663
Rental income	19,147,842	21,474,307
Sponsorship income	54,080,915	1,000,000
Other income	19,436,490	19,118,545
	914,218,535	799,451,276

This represents gross income from government grants, certification fees and miscellaneous income. Sponsorship Income represents gross amounts received as contribution towards the Jamaica Investment Forum (JIFF) 2018 held June 12-14, 2018. J$12,607,880 was recognized as deferred income in prior year (see note 10) and was recognized as sponsorship income in 2019.

12. DISCLOSURE OF EXPENSES

	2019 $	2018 $
(i) Promotional		
Advertising and Promotion (Others)	36,197,235	56,178,719
Foreign and Local Travel and Subsistence	57,913,453	49,508,758
Professional Fees (Others)	24,133,162	38,395,681
In-Market Brokers Services	2,339,646	12,598,500
Business Environment Advisory Services	-	12,598,500
ICT/BPO Industry Coordinator	2,723,998	-
Website Design and Development	4,791,575	-
National Export Strategy Coordinator	2,000,000	-
Agri-Industry 5 year Strategic Plan Development	1,616,912	-
National Business Portal	800,000	-
Export Max III	7,831,323	-
Film Lab Jamaica	1,372,156	-
JIFF 2018 Activities and Project Management	60,391,087	11,116,579
Entertainment	10,252,066	9,642,293
Books, Publications and Subscription	14,955,485	9,263,756
Sponsorship (Tourism, Outsource, IQPC, Bauxite)	19,606,063	7,455,023
Change Management Programme	1,820,000	4,400,000
Booth Design & Décor Services	11,686,260	3,784,068
Office 365 Licences	3,549,201	3,421,500
Canada Restaurant Week	-	2,762,017
Digital Marketing Services	1,771,321	2,067,799
IT Audit Services	-	1,527,514
Film Fund Consultancy	324,069	1,385,835
Montego Bay BPO Fair	1,591,509	1,284,990
Country Perception Survey Services	3,391,246	598,455
Process Mapping Services	2,594,215	487,500
	273,651,982	228,477,487

*Expense incurred to host the JIFF 2018 which was held on June 12-14, 2018.

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31 MARCH 2019

(Expressed in Jamaican dollars unless otherwise indicated)

12. DISCLOSURE OF EXPENSES (CONTINUED)

	2019 $	2018 $
(ii) Staff-related		
Salaries, statutory payments and gratuities	476,320,677	363,153,224
Staff benefits	20,402,103	85,127,710
Pension benefit, net (Note 8)	(2,548,000)	(6,610,000)
Unused vacation leave	7,696,270	8,047,561
Staff training	3,331,361	792,654
	505,202,411	450,511,149

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The average number of persons employed by the Corporation during the year was 101 (2018: 101).

	2019 $	2018 $
(iii) General and administrative		
Utilities	27,250,241	24,944,051
General Consumption Tax expense	16,460,877	15,458,498
Depreciation, net of allocation to tenants	19,763,702	15,198,174
Repairs and maintenance	14,617,707	11,720,625
Office supplies and other operating expenses	10,035,254	8,322,273
Other expenses	3,957,422	5,326,415
Foreign exchange losses	4,075,743	3,702,492
Insurance	4,174,031	3,404,149
Security	2,897,837	2,771,485
Motor vehicle and travelling	3,053,399	2,642,956
Office rental	5,844,985	2,608,504
Professional fees	1,617,522	2,250,716
Stationery	2,134,877	1,927,562
Audit fees	1,952,000	1,850,000
Bank charges	2,085,124	1,467,150
Directors' fees	934,400	1,461,400
General consumption tax recoverable written - off	4,796,407	-
Amortisation of deferred income	-	(1,338,680)
	125,651,528	103,717,770
Total expenses	904,505,921	782,706,406

(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:

	2019 $	2018 $
Trade and other receivables:		
Government of Jamaica	-	4,796,407
Trade and other payables:		
Government of Jamaica	25,355,209	24,038,464

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

	2019 $	2018 $
Compensation of key management Personnel	51,655,769	55,844,219

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.

	2019 $	2018 $
Trade and other receivables	42,171,263	19,709,288
Cash and cash equivalents	19,529,414	55,774,306
Securities purchased under resale agreements	130,870,221	134,613,619
	192,570,898	210,097,213

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(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. There was no impairment of financial assets for the current or the prior year.

The Corporation's financial assets subject to the expected credit loss model within IFRS 9 are cash and other receivables. Based on Management's assessment the impact of the impairment were considered immaterial. There is no concentration of credit risk within these assets. None of these assets are considered impaired and no amounts have been written off in the period.

These financial assets are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due.

(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 2019 and 2018, for trade payable, staff costs payable and gratuity (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 amounting to $128,065,362 (2018: $106,345,420)

(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.

(Expressed in Jamaican dollars unless otherwise indicated)

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued):

(a) Foreign currency risk:

The Corporation's exposure to foreign currency risk is as follows:

	2019				2018			
	US$	£	€	CAD$	US$	£	€	CAD$
Cash and cash equivalents	56,242	11,844	2,449	15,555	163,492	7,573	2,048	2,262
Securities purchases under resale agreements	675,689	-	-	-	666,806	-	-	-
Trade and other receivables	63,000	-	-	-	8,603	-	-	-
Trade and other payables	(170,274)	(39,928)	-	(5,768)	(267,855)	(22,318)	-	(5,375)
Net exposure	624,657	(28,084)	2,449	9,787	571,046	(14,745)	2,048	(3,113)

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

	US$	£	€	CAD$
31 March 2019	123.57	163.58	134.41	90.08
31 March 2018	124.65	175.48	150.04	96.01

Sensitivity analysis
A 6% (2018: 2%) 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 increase surplus for the year by $4,428,340 (2018: $1,372,037).

A 10% (2018: 4%) 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 $7,380,567 (2018: $2,744,073). 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:

	2019 $	2018 $
Financial assets:		
Cash and cash equivalents	4,119,046	307,313
Securities purchased under resale agreements	130,870,221	134,613,619
	134,989,267	134,920,932

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(Expressed in Jamaican dollars unless otherwise indicated)

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Market risk (Continued):

(b) Interest rate risk continued:

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 2018.

(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 to enable the Corporation 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 2019 and 2018.

(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

There are no financial instruments that are carried to fair value in the financial statements.

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