



THE JAMAICA SOCIAL INVESTMENT FUND

23rd ANNUAL REPORT

2018-2019



ISO 14001: 2015 Certified

COMPANY OVERVIEW

Attorneys At Law

**Phillips, Malcolm,
Morgan & Matthies**
Attorneys-at-Law
Lee Gore Business Centre
31 Upper Waterloo Road
Unit 17, 2nd Floor
Kingston 10

Company Secretary

Howard N. Malcolm
Lee Gore Business Centre
31 Upper Waterloo Road
Unit 17, 2nd Floor
Kingston 10

Auditor

BDO
Chartered Accountants
26 Beechwood Avenue
Kingston 5

Bankers

**Bank of Nova Scotia
Jamaica Ltd**
2 Knutsford Boulevard
Kingston 5

National Commercial Bank
(Private Banking Sector)
The Atrium
32 Trafalgar Road
Kingston 10

Sagicor Bank
60 Knutsford Boulevard
Kingston 5

Bank of Jamaica
Nethersole Place
Kingston

Registered Office

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(Ground floor the Dorchester Building)
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Investing for Community Development

MISSION STATEMENT

The Jamaica Social Investment Fund (JSIF) mobilizes resources and channels these to community-based socio-economic infrastructure and social services projects. Through a national partnership between central and local government, communities and private and public organizations, the JSIF addresses the immediate demands of communities in a manner that is quick, efficient, effective, transparent and non-partisan.

In fulfilling its mandate, the JSIF facilitates the empowerment of communities and assists in building national capacity to effectively implement community-based programmes aimed at social development.



GUIDING PRINCIPLES

In addressing the development priorities of the most underserved communities in Jamaica, the JSIF operates under the following principles.

- ✓ Improvements in public safety
- ✓ Building social capital
- ✓ Poverty reduction focus
- ✓ Development focus
- ✓ Promoting partnerships for development
- ✓ Ensure value for money
- ✓ Technical quality to international standards
- ✓ Environmental soundness
- ✓ Maximizing opportunities for employment
- ✓ Knowledge transfer



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-third Annual General Meeting of **JAMAICA SOCIAL INVESTMENT FUND** will be held at Spanish Court Hotel Worthington, 16 Worthington Avenue, Kingston 5 on Thursday, January 30, 2020 at 10:00 a.m. for the following purposes:

RESOLUTIONS

1. Audited Accounts

To receive the Accounts for the period ended 31st March, 2019 and the Reports of the Directors and Auditors thereon.

2. Appointment of Auditors and their Remuneration

To consider and, if thought fit, pass the following Resolution:

"That BDO, having signified their willingness to serve, continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors."

3. To consider any other business that may be conducted at an Annual General Meeting.

Dated this 27th day of December, 2019

BY ORDER OF THE BOARD



Howard N. Malcolm
COMPANY SECRETARY

BOARD OF DIRECTORS

Chairman



Dr. Wayne Henry

Director General,
Planning Institute of Jamaica



Omar Sweeney

Managing Director, Jamaica
Social Investment Fund



Jason Smith

Company Secretary, Strategic
Management & Training
Consultants Ltd.



Deveta McLaren

Manager, Retail Sales & Marketing,
Access Financial Service



Carey Peterkin

Chief Financial Officer, Tax
Administration of Jamaica



Omar Frith

Deputy Executive Director,
Strategic Planning and
Communications, SDC



Stephen Newland

Director, Sunflower Environment/
Idea Factory Ja Ltd



Brian Bennett Easy

General Manager, Digicel
Business



Robert Lawrence






Managing Director, Electronic
Data Interface Solutions Ltd.



Mark Azan

Businessman

2018/2019 BOARD COMMITTEES

01	Finance Committee	<ul style="list-style-type: none"> • Carey Peterkin - Chair (JSIF Board Member) • Omar Sweeney - (Managing Director, JSIF) • Marjorie Johnson (Ministry of Finance & Planning) • Orville Hill (Finance & Procurement, JSIF) (Ex Officio) • Elvis Gregory (Finance & Procurement, JSIF) (Ex Officio) 	
02	Audit Committee	<ul style="list-style-type: none"> • Dr. Wayne Henry - Chair (JSIF Board Chairman) • Robert Lawrence - (JSIF Board Member) • Jason Smith (JSIF Board Member) • Sacha Lawrence (Ministry of Finance & Planning) • Carol Perry (Internal Audit, JSIF) (Ex Officio) 	
03	Projects Committee	<ul style="list-style-type: none"> • Mark Azan - Chair (JSIF Board Member) • Omar Frith (JSIF Board Member) • Stephen Newland (JSIF Board Member) • Deveta McLaren (JSIF Board Member) • Antonette Richards (Planning Institute of Jamaica) • Emile Spence (Jamaica National) • Loy Malcolm (Technical Services, JSIF) (Ex Officio) • Earl Richards 	
04	Procurement & Contracts Committee	<ul style="list-style-type: none"> • Brian Bennett-Easy - Chair (JSIF Board Member) • Mark Azan (JSIF Board Member) • Elvis Gregory (Finance, JSIF) • Dale Colquhoun (Technical Services, JSIF) • Keslyn Gilbert Stoney (Legal & Governance, JSIF) • Dwight Ricketts (Standards & Procurement, JSIF) 	
05	Human Resource Committee	<ul style="list-style-type: none"> • Deveta McLaren - Chair (JSIF Board Member), • Dr. Wayne Henry (Chairman JSIF) • Robert Lawrence (JSIF Board Member) • Rhonda Lumsden Lue (Corporate Services, JSIF) (Ex Officio) • Keslyn Gilbert Stoney (Legal & Governance, JSIF) (Ex Officio) • Marcia Dacres Robertson (Human Resource, JSIF) (Ex Officio) 	

SENIOR MANAGEMENT



Omar Sweeney
Managing Director



Rhonda Lumsden-Lue, MBA, JP
General Manager, Corporate Services



Loy Malcolm, M. Phil
General Manager, Technical Services



Orville Hill, ACCA, FCCA, MBA, JP
General Manager, Finance & Procurement



Dwight Ricketts, JP
Senior Manager, Field Operations



Mona Sue Ho MBA, M.Sc.
Social Development Manager



Rhian Holder
Project Manager Social Development/M&E



Elvis Gregory
Acting General Manager, Finance & Procurement



Keslyn Gilbert-Stoney
Manager, Legal & Governance



Carol Perry M.Sc., FCCA, FCA, CIA
Internal Auditor

CHAIRMAN'S STATEMENT



During its twenty-third year, the Jamaica Social Investment Fund (JSIF) continued to use the Vision 2030 Jamaica – National Development Plan and the Sustainable Development Goals (SDGs) as the overarching guides in undertaking its activities.

In keeping with the Government of Jamaica (GoJ)'s growth agenda, the JSIF implemented a series of programmes targeting workforce development; employment for youth in targeted volatile and vulnerable communities; Citizen Security and strengthening resilience to disasters.

During the next financial year four projects will be coming to an end, namely the Integrated Community Development Project (ICDP), the Poverty Reduction Programme IV (PRP IV), the PetroCaribe Development Fund (PDF) and the Basic Needs Trust Fund 9 (BNTF 9). The teams have been working assiduously to meet the required deadlines and ensure that the development objectives are met.

Activities undertaken during the 2018/2019 fiscal year included providing birth certificates and temporary employment, facilitating internships with companies, undertaking summer camps with children from volatile areas and providing education and skills training, all aimed at engaging youth in the targeted communities. Support, via training of personnel, was

also provided to the Ministry of Education, Youth and Information for the implementation of their School Wide Positive Behavior Intervention & Support (SWPBIS) Programme. In tandem with the Ministry's Programme, the JSIF undertook behaviour change projects with children and parents/guardians in targeted volatile communities.

In addition, support was provided to social development aspects of the Mt. Salem and Denham Town Zones of Special Operations (ZOSOs), training of community mediators in volatile communities, and technical assistance to the Jamaica Crime Observatory to strengthen their evidence-based crime fighting efforts.

As JSIF continues its efforts to become a significant participant in community development, the organization made strides to formalize the process of resettlement during implementation and sensitize staff, contractors, consultants and community members on its importance. As countries continue to undertake the upgrading and development of rural and urban spaces at a faster pace to support the needs of their population, it has become critical

that the most vulnerable in society are not further marginalized by the loss of livelihood or property as a result of construction activities. Traditionally, 'resettlement' conjures up images of movement of persons from one location to another. However, JSIF's approach in treating with the issue takes account of the potential loss of income, assessing any adverse impact on the environment, and considerations regarding ensuring accessibility to areas that provide livelihood. This has led to the development of extensive resettlement guidelines which detail the way in which persons' rights are to be protected. Multi-lateral agencies across the globe have adopted similar guidelines which are applicable to all countries that access their funds to facilitate programme implementation. This formal and standardized approach which guides the provision of compensation ensures that the development process does not adversely impact the most vulnerable.

As the size and complexity of JSIF projects have increased over the years, greater attempts are being made to institute mechanisms to facilitate

the reporting of issues associated with project implementation, by beneficiaries. In this regard, JSIF is in the process of enhancing its online reporting portal which, when complete, will place the Fund more in line with international standards for grievance reporting.

In the upcoming fiscal year, JSIF will implement projects, guided by the cross-cutting Government Medium-Term Strategic Priorities, particularly outcomes related to Rule of Law & Timely Justice; Inclusive Sustainable Economic Growth and Job Creation; Human Capital Development and Social Protection. There will also be an expansion of training and educational opportunities for youth in vulnerable and volatile communities; construction/rehabilitation of fire stations, health centers and police stations to strengthen the Government health, security and emergency response services; as well as improvement to drainage in areas affected by flooding to increase climate change resilience.

JSIF continues to integrate international procedures and processes in its operations as it seeks to become a social development leader while supporting the Government in making Jamaica, the place of choice to live, work, raise families and do business.



Wayne Henry, PhD, JP
Chairman

Dated this 25th day of July, 2019

Managing Director's Report



The Jamaica Social Investment Fund (JSIF) continues to undertake activities in the context of contributing to the Government of Jamaica (GoJ)'s achievement of local and international development targets, including the outcomes of Vision 2030 Jamaica - National Development Plan, and the relevant goals for the Agenda 2030 for Sustainable Development. JSIF's activities also align with the Medium Term Socio-Economic Policy Framework and the priorities of the Government of Jamaica through strategic deployment of its resources.

The key areas in which JSIF continues work are: Human Capacity Development, Access to Basic Services, Economic Growth, Security & Justice, Disaster Vulnerability Reduction and Technical Assistance to Ministries, Departments and Agencies (MDAs).

For the 2018/2019 financial year expenditure was JM \$2.45 billion and administrative cost as a percentage of total disbursement reduced from 33.9% (2017/18) to 26.2%. This was due primarily to increase in implementation of the Integrated Infrastructure Projects under the Integrated Community Development Project portfolio.

During the 2018/2019 year the Board of Directors approved funding for 47 projects valued at approximately \$4.3 billion. These included, police stations, health centres, fire stations, rehabilitation of roads, training/capacity building and rehabilitation of schools among others.

A total of 17 projects were completed during the reporting period benefiting over 48,122 beneficiaries across Jamaica at a contracted cost of over \$1.1 billion. These projects included zinc fence removal and replacement, summer camps, support for rural micro enterprise development, equipment and infrastructure to support the national seismic network, rehabilitation of basic community infrastructure and alternative livelihood training.



Crops being grown for the school feeding programme in the Roehampton Primary School greenhouse

In the reporting period the JSIF executed the Basic Needs Trust Fund 7 Co-ordination Component Rural Micro Enterprise Enhancement Pilot Project, which complemented the World Bank (WB) funded Rural Economic Development Initiative (REDI) Project, also implemented by JSIF. The Project Development Objective (PDO) of REDI was to improve market access for micro and small-scale rural agricultural producers and tourism product and service providers. While REDI achieved its PDO with eighty-six percent (86%) of the rural enterprises in agriculture and tourism increasing their market access, the Rural Micro Enterprise Enhancement Pilot Project funded by the Caribbean Development Bank (CDB) under Basic Needs Trust Fund 7 (BNTF 7) sought to close crucial gaps remaining to allow both the Tobolski Community Council and selected Community Tourism Enterprises to further enhance their access to markets and improve their revenue. The project duration was from April 30th – December 31st, 2018

Procurement Outputs

During the fiscal year 2018-2019, the JSIF signed a total of 159 contracts valued at \$2,380,598,585.22 compared to 388 contracts valued \$1,817,160,275.49 in the previous fiscal year (2017-2018). This represents an increase of \$563,438,309.73 in the value of contracts signed, due to the cost of the contracts during the reporting period being higher than those processed in 2017/2018. Details of contracts entered into during the fiscal year are shown in table 1 below:

Table 1: Details of Contracts Entered Into As At 31/03/2019

PROJECT ACTIVITY	# CONTRACTS	VALUE OF CONTRACTS
Civil Works	26	1,343,113,851.82
Goods & Equipment	22	442,648,881.23
Formulation & Supervision	17	135,519,907.87
Formulation	0	-
Supervision	5	15,608,814.00
Training/ Services	89	443,707,130.30
	159	2,380,598,585.22

Figure 1: Value of Contracts - April 1, 2018 To March 31, 2019 (%)

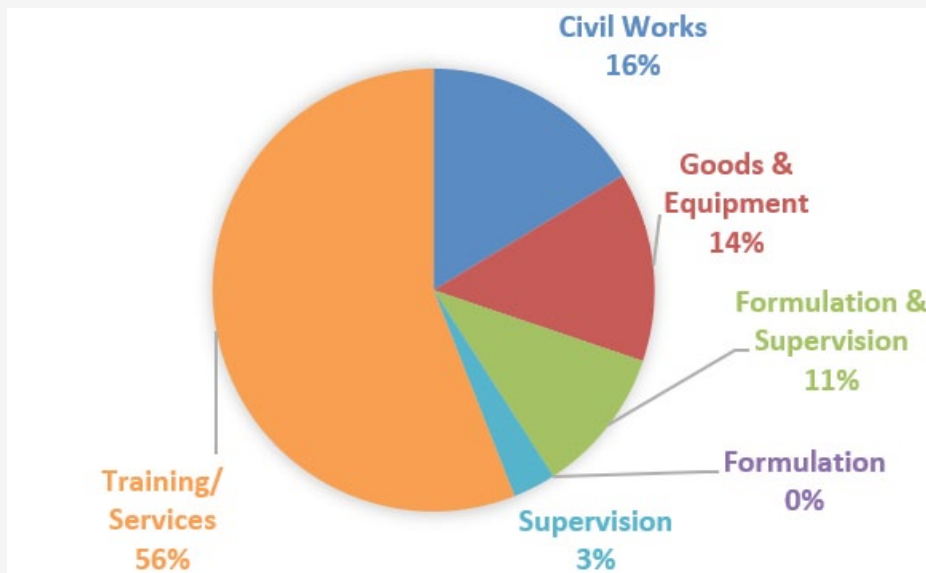
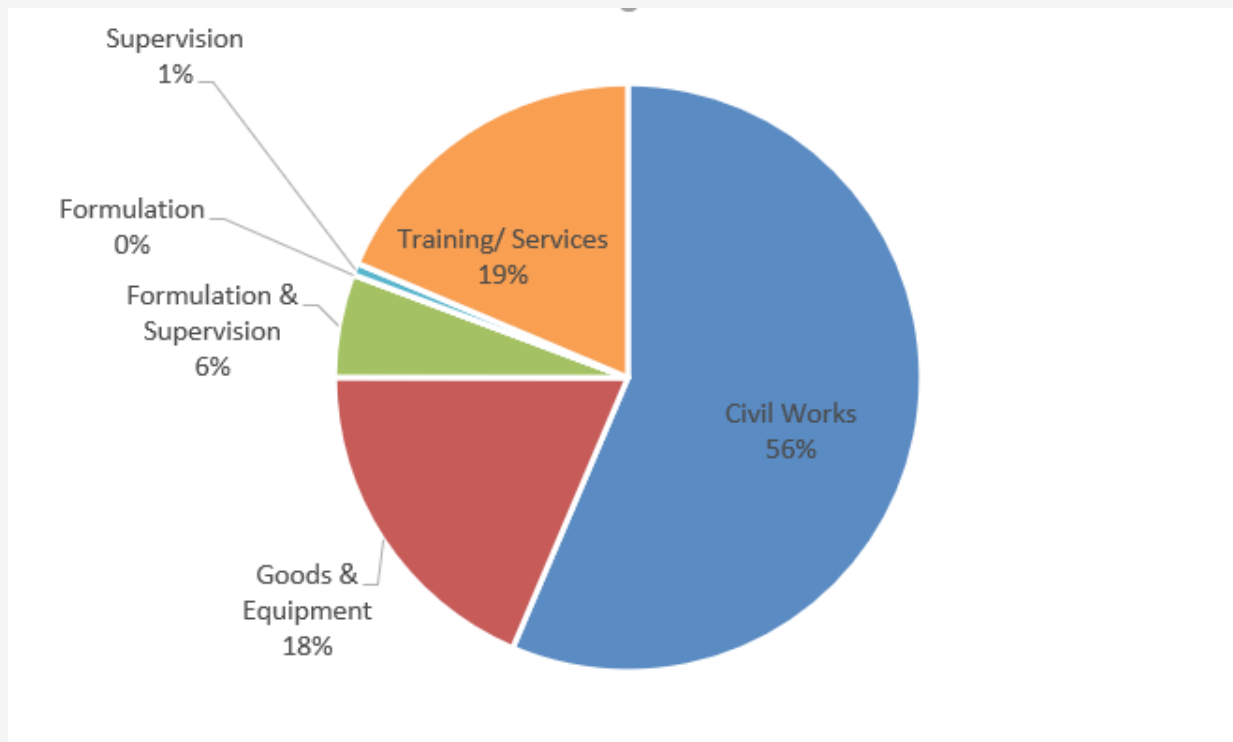


Figure 2: Number of Contracts April 1, 2018 To March 31, 2019 (%)

Financial Management 2018/2019

Budget Allocation:

The JSIF started the 2018/19 fiscal year with approved fiscal space of JM \$2.77 billion which was 6% higher than the final budget for the previous fiscal year of JM \$2.66 billion. The budget was subsequently reduced via Supplementary Budgets by JM \$543 million, bringing the total budget space for the financial year 2018/19 to JM \$2.23 billion.

Funding:

The organization received JM \$481 million from the GOJ through the monthly warrant allocation including amounts totalling JM \$1.803 million from the Ministry of Economic Growth and Job Creation and the Ministry of Finance and Planning for social interventions in the ZOSO designated communities under the Law Reform Act 2017.

In addition to GOJ funding, JM \$2.7 billion was received from donor/loan agencies during the year and JM \$2.4 billion was disbursed from donor/loan funds held in designated bank accounts at the start of the financial year. Additionally, JM \$49 million was returned to the European Commission representing unspent balances on expired Programme Estimates.

At the end of the fiscal year, funds available in the respective designated and project bank accounts were JM \$1.135 million with the funds being committed to specific projects in accordance with Donor grant/loan agreements signed with the JSIF/GOJ.

Disbursements:

During the reporting period JM \$2.45 billion was disbursed towards the implementation of various sub-projects and administrative expenses. The budget space for the Integrated Community Development Project (ICDP) was increased by JM \$400 million, resulting in an overall contribution of JM \$1.4M to the overall disbursement.

Project Activities 2018-2019

JSIF undertook activities under four grants and two loans during the year in both rural and urban areas. See details in Table 2 below

Table 2: Projects Portfolio As At 31/03/ 2019

Project Name	Donor (s)	Implementation Period	Loan/Grant Value		Total ¹ JMD
			Donor	GOJ Counterpart	
PROJECTS FUNDED BY GRANTS					
Rural Micro Enterprise Enhancement Pilot Project ²	Caribbean Development Bank	2018-2018 ³	USD 530,000	USD 119,187	81.379M
Basic Needs Trust Fund 9 (BNTF 9)	Caribbean Development Bank	2017-2020	USD 7.52M	USD 1.084M	1,073M
PetroCaribe Development Fund (PDF) School Sanitation	Government of Venezuela	2018-2020	JMD 145M ⁴	0	145M
Poverty Reduction Programme IV (PRP IV)	European Union	2014-2018 ⁵	EUR 12M	EUR 0.54M	1,395M
PROJECTS FUNDED BY LOANS					
Integrated Community Development Project (ICDP)	World Bank	2014-2020	USD 42M	0	4,671M
Jamaica Disaster Vulnerability Reduction Project	World Bank	2016-2022	USD 30M	0	3,791M

1. The exchange rate the date the Project financing agreement was signed was used to arrive at the Jamaican figures

2. Project funded under the Basic Needs Trust Fund 7 Regional Co-ordination Component

3. This project started April 30th 2018 and ended December 31st 2018

4. Funded through grant award⁴

5. Extension of programme granted until June 2022. The implementation phase ends April 2020 and the closure phase continues until June 2022

During the reporting period JSIF provided Project Management oversight for social and technical activities in support of electricity regularization on behalf the Jamaica Public Service company in targeted inner-city communities.

Table 3: Project Management Support as at 31/03/ 2019

Project Name	Funding Source	Implementation Period	Project Cost
JPSEmpowered	Jamaica Public Service Company	2017-2019	JMD 46.5M

JSIF also implemented a variety of social interventions in the Zones of Special Operation (ZOSOs) communities of Denham Town and Mount Salem. Since March 2018 the Zones have been in the “build phase” where a number of psycho-cultural, social capital, leadership and organization building/support related interventions are being undertaken. Actions undertaken included rehabilitation of roads, water and sewage, removal and replacement of zinc fences, establishment of a Parent Place^[6], parenting training^[7], provision of birth certificates, capacity building training for community groups to form neighbourhood watches, skills training, an Entrepreneurship Programme^[8] and solid waste management sensitization among others. It is hoped that with the activities achieved so far the communities can manage and sustain their own peace. With the input of other MDA partners efforts continue to be made to transform the designated areas into peaceful communities.

Sub Project Requests

New Requests: Of the 62 requests received between April 2018 - March 2019

- 6 were rejected,
- 23 were placed on hold until a suitable funding source is identified and
- 33 are in registration awaiting additional information/documentation before further processing.

Request Portfolio Total: The number of requests in the portfolio stands at 609

- **364** have been ranked per the JSIF Poverty Ranking Score (JPRS); 40 requests tabled for rejection^[9], while the remaining 324 have been placed on “On Hold” until a suitable funding source is identified.
- **2** have been assigned to the BNTF 9 Project Portfolio for possible funding.
- **243** are considered incomplete due to lack of critical documentation needed for the registration process such as proof of land ownership, an official completed JSIF application form, confirmation of the status of institution under the Early Childhood Commission rationalization and an Operational/Maintenance Plan for school related submissions.

6. In Mount Salem

7. Mount Salem & Denham Town`

8. Includes business training and an opportunity to be considered for a grant to use to develop individual enterprises

9. These fall below the JPRS minimum score to be considered for funding

Of the requests in the portfolio, there are 150 from urban areas and 459 from rural locations. This shows that there is a strong demand for interventions to meet basic needs from rural communities, but currently the majority of the funding JSIF is managing targets volatile communities in urban and peri-urban areas. This gap in the supply of funds is the primary contributing factor to the three hundred and twenty four (324) requests being placed On Hold until funding is found.

Schools, roads, integrated community spaces and water accessibility are the top four requests that are received from community groups. While integrated community spaces are currently not a priority on the JSIF's menu, the volume of requests received for the other categories show the strong demand for interventions to meet basic needs in rural areas.

Figure 3: REQUESTS ON HOLD BROKEN DOWN BY LOCATION

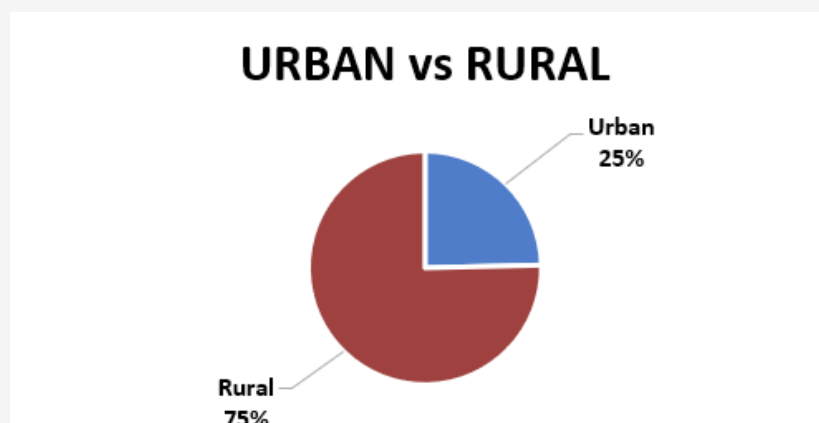
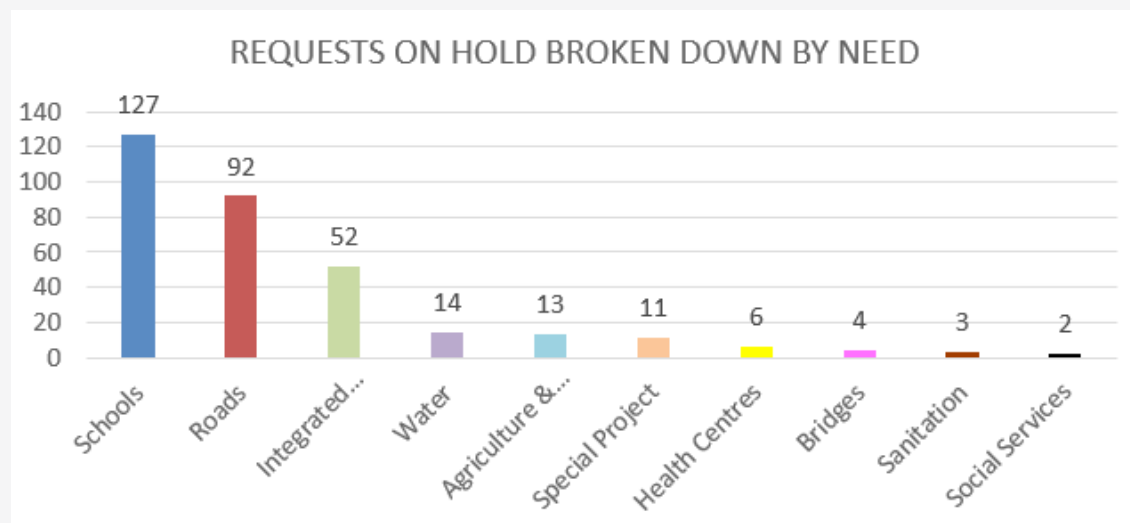


Figure 4: REQUESTS ON HOLD BROKEN DOWN BY NEED



Human Resources

The year ended with a staff complement of 96, compared to 94 during the last period. The HR function continued to support the mandate of the organization by preparing employees, through training and development, for the demands of the organization to meet disbursement objectives established for improving the lives of beneficiaries. During the period under review, employee training and development initiatives accounted for 6,318.10 man-hours of available training man-hours at an investment of \$3,573,107.16. Also, the organization continued to employ internal mobility in retaining expertise, experience and talent, by enabling employees to pursue individual career goals as well as change roles within departments and across departments. Employee's health and wellness continued to be a focus of the organization. Encouraged by the Ministry of Health initiative, Jamaica Moves campaign, JSIF Moves was created to give employees a sustainable opportunity over a period of 3-months to get engaged in physical activities and nutrition consultation. Overall, for the last year the organization could boast a productive, health and motivated workforce.

The Way Forward

During the upcoming year four (4) projects will be ending or ceasing their substantive implementation activities these are the Basic Needs Trust Fund 9, the European Union Poverty Reduction Programme IV ^[10], the Petro Caribe Development Fund and the Integrated Community Development Project. The various teams are finalizing their projects' implementation activities to ensure that all deadlines are met.

At the end of fiscal year 2018/2019, the JSIF engaged in activities to secure additional funds to support increased growth by stimulating rural development through enhanced linkages of the Agriculture and Tourism Sectors and increased productivity of the Sectors through the development of rural enterprises. These funds, which have been approved by the Public Investment Management Committee (PIMC), will form the second phase of the Rural Economic Development Initiative (REDI II) and allow the Fund to build on the achievements made under the previous project (REDI).

JSIF continues to undertake the extensive requirements to qualify for GCF Accreditation under the Green Climate Fund (GCF). It is anticipated that this will be completed by the end of the upcoming financial year.

For the upcoming year the Disaster Vulnerability Reduction Project (DVRP) will be undertaking significant construction and equipping projects which include the construction and equipping of fire stations, the upgrading of drainage for a densely populated residential area and the improvement of major coastal infrastructure in Downtown Kingston to improve the area's resilience to natural disasters and climate change.

10. Project implementation phase ends April 2020 and the closure phase continues until June 2022

The upcoming year will present many challenges, but also an equal number of opportunities for the Fund to not only fulfill its mandate but expand on it as the staff and I strive to exceed expectations and contribute to Jamaica becoming a stronger and more resilient country as it moves closer to meeting the Vision 2030 goals.



Omar Sweeney
Managing Director

Dated this 25th day of July 2019

PROJECT HIGHLIGHTS

Zones of Special Operations (ZOSO)

Peace Day, March 6, 2019: The JSIF in collaboration with the St. Albans Primary School, Joint Force, Denham Town ZOSO and Kingston Western Division, Community Safety and Security Branch participated in a dove ceremony at the St. Albans Primary School. White doves were pinned on the school wall by students and parents with the assistance of the stakeholders listed above. Residents were also encouraged to pin doves on the gates as a symbol of peace.



Youth in Denham Town participating in a community sports day which was held to promote unity, team building and community integration. The activities held included football, a talent show, boxing, track & field events and cheerleading.



Zinc fence removal and replacement in Denham Town



Piggot Street road rehabilitated and zinc fence removed and replaced through the efforts of JSIF and other stakeholders (e.g. National Works Agency, Mt. Salem Community Development Committee & Ministry of Economic Growth & Job Creation) to improve basic social infrastructure in Mt. Salem



(L-R) Kaysia Kerr, CEO National Parent Support Commission, Homer Davis, Mayor, Montego Bay Municipal Corporation, James Burrows, USAID Mission Director, Counsellor Kerry Thomas, Mount Salem Division, MP Marlene Malahoo Forte, Grace Mclean, Permanent Secretary, MOEYI at the launch of the Mount Salem Parent Place. Under this joint enterprise USAID rehabilitated & equipped the facility, MOEYI trained the parenting mentors and JSIF co-ordinated logistics.



Persons in Mt. Salem who were Trained and Certified in Level 1 - Construction Management under the HEART Hope Programme

Integrated Community Development Project



Roehampton Primary School students working in the greenhouse which contributes to the school feeding programme with all surplus being sold for income generation. The crops raised include tomatoes, pak choi, sweet peppers, cabbage and hot peppers. JSIF has constructed greenhouses at eighteen (18) primary/all age schools in targeted communities.



Bickersteth Primary School students use reusable plates and forks provided by the JSIF Schools Environmental Programme. Targeted schools in St. James, St. Catherine, St. Ann, Kingston & St. Andrew are to be provided with non-disposable (Bisphenol A (BPA) free) plastics to replace Styrofoam lunch boxes. The items include plates, bowls, stainless steel spoons and forks and plastic microwave covers. This project is targeting approximately 14,000 students across twenty-eight (28) primary schools within the ICDP communities.



Presentation of the trophy to the winning netball team at the York Town JSIF Sports Day held on October 13, 2018. I-r: Omar Sweeney, Managing Director, JSF, members of the Settlement Netball Team, Member of Parliament Noel Arcsott.



Before and after photos for the Integrated Infrastructure Project on Hope Street in York Town Clarendon

BNTF 7 Regional Co-ordination Component Rural Micro Enterprise Enhancement Pilot Project

Acting Colonel of the Charles Town Maroons Marcia 'Kim' Douglas accepts her Certificate of Participation for the Boot-camp for Community Tourism Marketing & Sales for Tourism Enterprises from Loy Malcolm, JSIF's General Manager Technical Services. Also sharing in the occasion are Omar Sweeney, JSIF's Managing Director (left) Chris Seek and Gabriel Seder from Solimar International and Judy Karwacki from Small Planet Consulting.





Representatives of eight (8) Community Tourism Enterprises sign contracts with Caribic Vacations which will offer marketing, reservations and fulfillment services for an initial contract period of one (1) year. At centre is Mr. Omar Sweeney, Managing Director of the Jamaica Social Investment Fund, which brokered the deal and R-L are Lilieth Lynch, Treasure Beach Women’s Group, Hugh Dixon, Cockpit Country Adventure Tours, Moya Black, Caribbean Coastal Area Management Foundation (C-CAM), Toni English, Blue and John Crow Mountains UNESCO World Heritage Site, Karin Bakker and Laverne Huggins, Caribic Vacations, Actg. Colonel Marcia Douglas of the Charles Town Maroons, Clover Gordon, Bunkers Hill Experience, Evadne Green-Gray, Bowden Pen Farmers Association and Arlene McKenzie, Rastafari Indigenous Village.



Packing Crates and Digital Scale delivered to the Water Valley Grading, Packing and Cold Storage Facility



Water Valley Grading, Packing and Cold Storage Facility, which will directly benefit 100 farmers



European Union Poverty Reduction Programme IV

L-R: Mr. Omar Sweeney, Managing Director, Jamaica Social Investment Fund, Ms. Malgorzata Wasilewska, EU Ambassador to Jamaica, and Mr. Luca Trinchieri, Desk Officer, European Union Headquarters during a tour of project sites funded by the EU, and undertaken by the JSIF's Poverty Reduction Programme IV. The delegation visited the St. Paul's United Church Basic School, Tawes Meadows Community Centre and the Spanish Town Police Station.



Tawes Meadows Community Centre and Basic School benefitted from four classrooms being built for the school and the community centre being rehabilitated



On March 27, 2019, twenty-seven beneficiaries from the Granville and Tucker communities graduated from the PRP IV Behaviour Modification Initiative Community-based Behaviour Change Programme, executed by the Family and Parenting Centre in St. James. Seated among the graduates are from L-R: Ta'Sheka Dawson, Senior Social Officer, and Mona Sue Ho, Social Development Manager at the Jamaica Social Investment Fund, Beverley Scott, Director of the Family and Parenting Centre, and Rashaun Stewart, St. James Junior Mayor and Head Boy at Cornwall College.

Disaster Vulnerability Reduction Project



A structure was built to replace a dwelling which had to be demolished so a major drain in the Church Pen, Old Harbour could be upgraded to prevent major flooding in the community. Under the JSIF Resettlement Policy and the World Bank Environmental and Social Standards, pre-existing infrastructure damaged or demolished in the course of project works has to be either replaced or compensation paid.



PetroCaribe Development Fund



New sanitation block at the Dundee Primary School, Westmoreland. This is one of the ten (10) sanitation blocks constructed at rural Primary / All Age Schools and funded by PDF Grant 4. This project was implemented in conjunction with the Ministry of Education, Youth and Information pit latrine replacement programme.



Children at the Essex Hall Primary, St. Andrew taking part in Water, Sanitation and Hygiene (WASH) training with their teacher to guide them on how to use and take care of the new facility. WASH training is given to all beneficiaries of sanitation projects to ensure sustainability of the infrastructure and instill the knowledge of good hygiene practices

Directors' Report To The Shareholders

The Directors are pleased to submit this report along with the Audited Financial Statements for the year ended March 31, 2019.

FINANCIAL POSITION

The financial position of the JSIF at March 31, 2019 is shown in the following financial statements.

Below is a summary of the financial position:

SUMMARY OF FINANCIAL POSITION

	\$(J)
Current Assets	1,321,117,166
Current Liabilities	1,321,116,166
Financed by Members' Equity	1,000

DIVIDENDS

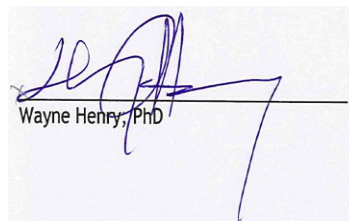
No dividends were recommended for payment, in accordance with the prohibition contained in the company's Memorandum of Association

AUDITORS

BDO have signified their willingness to serve, continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting, at a remuneration to be agreed with the Directors.

The Directors wish to thank the Management and staff for their continued commitment and efforts throughout the company's Twenty Third year of operation.

SIGNED ON BEHALF OF THE BOARD



Wayne Henry, PhD

Dated this 25th day of July, 2019



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Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Members of
Jamaica Social Investment Fund
(A company limited by guarantee)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jamaica Social Investment Fund (the company) set out on pages 4 to 28, which comprise the statement of financial position as at 31 March 2019, and the statement of 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 company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Jamaica Social Investment Fund
(A company limited by guarantee)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Members of
Jamaica Social Investment Fund
(A company limited by guarantee)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

A handwritten signature in black ink, appearing to be 'BDO' with a stylized flourish above the letters.

Chartered Accountants

31 July 2019

Page 4

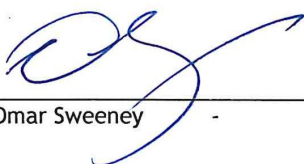
JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

STATEMENT OF FINANCIAL POSITION

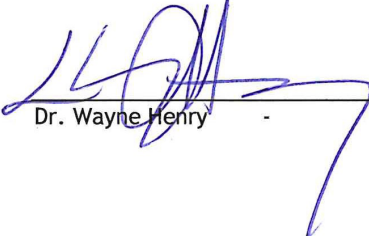
31 MARCH 2019

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and bank balances	6	1,135,554,893	355,868,911
Advances to contractors and other receivables	7	<u>185,562,273</u>	<u>449,165,530</u>
		<u>1,321,117,166</u>	<u>805,034,441</u>
<u>EQUITY AND LIABILITIES</u>			
MEMBERS' EQUITY:			
Members' deposits	8	<u>1,000</u>	<u>1,000</u>
CURRENT LIABILITIES:			
Net resources for project expenditure	9	1,087,939,813	303,266,862
Accounts payable	10	<u>233,176,353</u>	<u>501,766,579</u>
		<u>1,321,116,166</u>	<u>805,033,441</u>
		<u>1,321,117,166</u>	<u>805,034,441</u>

Approved for issue by the Board of Directors on 31 July 2019 and signed on its behalf by:



Omar Sweeney - Director



Dr. Wayne Henry - Chairman

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2019

	<u>Note</u>	<u>2019</u> ₤	<u>2018</u> ₤
CASH FLOWS FROM INVESTING ACTIVITIES:			
Advances to contractors and other receivables		263,603,257	(281,157,398)
Accounts payable		(268,590,226)	248,916,743
Expenditure on JSIF projects		<u>(2,444,201,361)</u>	<u>(2,040,191,202)</u>
Cash used by JSIF projects	6	<u>(2,449,188,330)</u>	<u>(2,072,431,857)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans received		1,702,631,665	988,652,788
Grants received/(refunded)		1,043,118,254	(897,823,615)
GOJ subvention and miscellaneous funding		<u>483,124,393</u>	<u>589,813,583</u>
Cash provided by financing activities	6	<u>3,228,874,312</u>	<u>680,642,756</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		779,685,982	(1,391,789,101)
Cash and cash equivalents at beginning of year		<u>355,868,911</u>	<u>1,747,658,012</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	<u>1,135,554,893</u>	<u>355,868,911</u>

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

The Jamaica Social Investment Fund (JSIF) is a temporary, autonomous Government of Jamaica (GOJ) sponsored project designed to address some of the most pressing socio-economic needs of the poorest. In order to achieve this, JSIF mobilizes resources from GOJ, donors and lending agencies.

Jamaica Social Investment Fund (the company) is incorporated in Jamaica under the Companies Act as a company limited by guarantee. The company is the vehicle used to carry out all the activities of the Jamaica Social Investment Fund (JSIF). The registered office of the company is 11 Oxford Road, Kingston 5, Jamaica, W.I.

The company receives funding, enters into contracts and pays expenses with respect to the project. The company neither earns any income nor incurs expenditure on its own account.

The company has been approved as a charitable organization under Section 12(i) of the Income Tax Act.

(a) Initial Funding:

The initial JSIF project was funded in its first six years, that is, up to 31 March 2003, by a series of grants and loans as follows:

- (i) Initial project preparation costs were funded under the Grant Agreement No. TF 029209 between the GOJ and the Government of Japan.

Other financing arrangements made to fund the project's activities were:

- (ii) *Loan Agreement No. 4088 JM* between the GOJ and International Bank for Reconstruction and Development (IBRD) dated 2 October 1996 to borrow US\$20 million. Disbursement was completed in March 2002.
- (iii) *Loan Contract No. 1005/OC-JA* between the GOJ and the Inter-American Development Bank (IDB) dated 25 July 1997 to finance up to US\$10 million. The final disbursement was made in August 2002.
- (iv) *Grant Agreement No. TF024816* between the GOJ and the Government of Netherlands (GON), IBRD being the Administrator on behalf of the Netherlands Minister for Development Cooperation, dated 26 March 1997 for funds totaling US\$3 million (5,250,000 Netherlands Guilders (NLG)). Disbursement was completed in August 2001.
- (v) *Memorandum of Understanding* between the GOJ, JSIF and the European Union dated 12 December 1996 for funds totaling \$91 million (US\$2.6 million). This sum forms a part of the GOJ counterpart funding referred to in (b) (v) below.
- (vi) *Implementation Letter* from GOJ and JSIF to IBRD dated 2 October 1996 confirming the availability of the minimum counterpart funding of US\$10 million.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONT'D):

(a) Initial Funding (cont'd):

- (vii) *Loan Agreement No. 685P* between the GOJ and the Organization for Petroleum Exporting Countries (OPEC) dated 21 April 1997 to borrow US\$2 million. Disbursement was completed in February 2002.
- (viii) Arrangement between the GOJ and the Government of the United Kingdom of Great Britain and Northern Ireland dated 16 May 1997 to make available a technical cooperation grant through the Department for International Development (DFID), previously Overseas Development Administration (ODA) up to £476,000. The grant expired in December 2001.
- (ix) *Loan Agreement No. 10/SFR-OR-JAM* between the GOJ, JSIF and the Caribbean Development Bank (CDB) dated 26 May 2000 to finance up to US\$14.128 million.
- (x) *Grant Agreement No. GA10/JAM* between the JSIF and the CDB dated 26 May 2000 for funds totaling US\$124,000.
- (xi) *Grant Agreement No. 6349/JM* between the GOJ and the Commission of the European Communities (EU) dated 11 December 2000 from the resources of the European Development Fund of EUR 6 million.
- (xii) *Loan Agreement No. 7148-JM* between the GOJ and IBRD dated 31 October 2002 to provide US\$15 million for the funding of the National Community Development Project (NCDP).
- (xiii) Beneficiaries and sponsors obligated to contribute a minimum of 5% of the estimated sub-project cost of sub-projects were in the form of donated labour, local materials and project preparation and supervision services.

The items denoted as (a)(viii), (a)(ix) and (a)(x) were not included in the total of US\$47.4 million classified as the initial programme.

(b) Continuing project activities are financed as follows:

- (i) *Grant Agreement No. GA19/JM* between the GOJ, JSIF and the CDB dated 16 June 2003 for funds totalling US\$2,866,897 under the Basic Needs Trust Fund (BNTF) fifth programme jointly funded by the CDB and the Canadian International Development Agency (CIDA).

During 2009, the Government of Jamaica (GOJ) was allocated an additional amount not exceeding the equivalent in United States dollars of Can\$887,773.

The agreement seeks to make the additional CIDA grant available to GOJ to correct the currency of allocation of the previous grant from CIDA resources to BNTF5 from US\$2,866,897 to Can\$4,157,000.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONT'D):

- (b) Continuing project activities are financed as follows (cont'd):
- (ii) *Letter Agreement No. P4140* dated 24 February 2005 between the GOJ and the World Bank for US\$650,000 for the preparation of the Inner City Basic Services Project (ICBSP). This Project Preparation Facility was later incorporated into Loan Agreement No. 4819-JM between the GOJ and the IBRD (see (iv) below).
 - (iii) *Grant Agreement No. TF 054629* dated 10 May 2005 between the GOJ and the World Bank in the capacity of administrator of grant funds of US\$650,000 provided by the Government of Japan for preparation of the Inner City Basic Services Project (ICBSP).
 - (iv) *Loan Agreement No. 4819-JM* between the GOJ and IBRD dated 4 May 2006 to provide US\$29,300,000 for the funding of the Inner City Basic Services Project (ICBSP).
 - (v) *Grant Agreement PRP II/9EDF/JM/GC-01* between the JSIF, the Planning Institute of Jamaica (PIOJ) and the Commission of the European Communities to provide EUR 6,550,000 of which EUR 400,000 is to be contributed by the GOJ. The project implementation period, was December 2007 to December 2011.
 - (vi) *Grant Agreement B-7 8710/856/32* between the GOJ and the Commission of the European Communities (EU) dated 24 December 2008 to provide EUR 1,156,000 for social and economic infrastructure in the traditional banana growing communities of Jamaica.
 - (vii) *Loan Agreement No. 19/SFR-JAM* between CDB, Jamaica and JSIF dated 20 April 2009 to borrow US\$12,085,000 for the enhancement of social and economic infrastructure, social services and organizational strengthening activities in poor rural communities.
 - (viii) *Grant Agreement No. TF094380*, titled Jamaica: JSDF Grant for Community Crime and Violence dated 14 May 2009, between the GOJ and the IBRD, acting as administrator of grant funds provided under the Japan Social Investment Fund, extended a grant in an amount not to exceed US\$2,650,000. The project is to develop social capacity to impact the Government of Jamaica's efforts in reducing the incidence of crime and violence in high risk and vulnerable inner-city communities.
 - (ix) *Grant Agreement No. GA 26/JAM* between CDB and JSIF dated 3 June 2009 for funds totalling US\$4,777,487 for the construction of basic community infrastructure and skills training.
 - (x) *Loan contract No. 7769JM* between the GOJ and IBRD dated 2 November 2009 to borrow US\$15 million to improve market access for micro and small scale rural agricultural producers and tourism product and service providers.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONT'D):

(b) Continuing project activities are financed as follows (cont'd):

- (xi) *Memorandum of agreement MOU & Supplemental Memorandum of Understanding* between JSIF and Petrocaribe Development Fund dated 2 August 2011 and 1 May 2013, respectively to administer and implement projects that are consistent with Vision 2030 Jamaica and the Government's Community Renewal Programme. The amounts administered under this MOU are grant funding disbursed to JSIF based on the recommendations of the Petrocaribe Loans and Investment Committee.
- (xii) *Grant Agreement No. 2013/297/267* between the JSIF, the Planning Institute of Jamaica (PIOJ) and the Commission of the European Communities to provide EUR 10,040,000 of which EUR 540,000 is to be contributed by the GOJ. The Project implementation period is May 2013 to May 2016.
- (xiii) *Grant Agreement GA32/JAM* between GOJ and CDB dated 12 February 2013 for funds totaling US\$6,890,058 for the enhancement of social and economic infrastructure, social services and organizational strengthening activities in the poor and rural communities. The agreement was extended and expired on 31 December 2017.
- (xiv) *Grant Agreement GA39/JAM* between GOJ and CDB dated 08 October 2015 for funds totaling US\$1,916,276 of which US\$91,251 is to be provided by GOJ, for the enhancement of social and economic infrastructure, social services and organizational strengthening activities in the poor and rural communities. The agreement was extended and expired on 31 December 2017.
- (xv) *PDF/JSIF Schools Sanitation Project No. 2, No. 3, and No. 4* grant agreements dated 22 April 2014, 8 September 2014 and 25 June 2018 in the amount of J\$35 Million, J\$125 Million and J\$145 Million, respectively. The grant projects were awarded in accordance with the existing Memorandum of Understanding between the PCDF and JSIF. The agreements were established with an implementation period of twelve months.
- (xvi) *Loan Agreement No. 8356-JM* dated 6 May 2014 between the GOJ and IBRD in the amount of US\$42 Million for the financing of activities under the Jamaica Integrated Community Development Project (ICDP). The objective of this project is to enhance access to basic urban infrastructure and services, and contribute towards increased community safety in selected economically vulnerable and socially volatile inner city communities in Jamaica. The agreement has a closing date of 1 May 2020.
- (xvii) *JSIF/JPS Step-Up Grant Agreement (MOU 1)* dated 18 November 2014 in the amount of J\$13,257,800. The agreement was extended to include an additional J\$32,318,373. The purpose of this agreement is to reduce non-technical losses in the electricity provision sector (electricity theft) in areas identified by the Jamaica Public Service Company Limited (JPS) as red zones. The agreement was established with an implementation period of twelve months.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONT'D):

- (b) Continuing project activities are financed as follows (cont'd):
- (xviii) *Grant Agreement 2013/024/834* between the JSIF, the Planning Institute of Jamaica (PIOJ) and the Commission of the European Communities to provide EUR 12,000,000 of which EUR 540,000 is to be contributed by the GOJ. The Project implementation period is November 2014 to November 2018.
 - (xix) *Hope Zoo Education Programme Grant Award No. 2* dated 8 January 2016. The intended use of the grant is to expose approximately 6,000 children and youth with guided tours and audio-visual presentations to animal and wildlife, flora and fauna at the Zoo. The project is funded by the Petrocaribe Development Fund (PCDF).
 - (xx) *Loan Agreement No. 8581-JM* dated 1 July 2016 between the GOJ and IBRD in the amount of US\$30 Million for the financing of activities under the Jamaica Disaster Vulnerability Reduction Project (JDVRP). The objective of this project is to enhance the borrower's resilience to disaster and climate risk.
 - (xxi) *JSIF/JPS Step-Up Grant Agreement #2 (MOU 2)* dated 1 April 2016 in the amount of J\$79,587,693. The purpose of this agreement is to reduce non-technical losses in the electricity provision sector (electricity theft) in areas identified by the Jamaica Public Service Company Limited (JPS) as red zones. The agreement was established with an implementation period of twelve months.
 - (xxii) *JSIF/JPS Step-Up Grant Agreement #3 (MOU 3)* dated May 2017 in the amount of J\$46,525,440. The purpose of this agreement is to reduce non-technical losses in the electricity provision sector (electricity theft) in areas identified by the Jamaican Public Service Company Limited (JPS) as red zones. The agreement was established with an implementation period of twelve months. No objection dated 2 November 2018 for third MOU increased amount by J\$6,457,141.
 - (xxiii) *Grant agreement GA50/JAM* between GOJ and CDB dated 10 October 2017 for funds totaling US\$8,604,813 for the enhancement of social and economic infrastructure, social services and organizational strengthening activities for the poor and rural communities. The agreement expires 31 December 2020.
 - (xxiv) *JSIF/MEGJC MOU* dated 16 March 2018 in the amount of J\$26,000,000 for the implementation of social interventions under the Law Reform (Zone of Special Operations - ZOSO) (Special Security and Community Development Measures) Act 2017. Activities include the design, construction and supervision of work for the Zinc Fence Substitution Project for the Mount Salem community. An additional \$3,455,487 was received from MEGJC as support for the Zinc Fence Substitution Project in Denham Town and \$1,500,000 from the MOFP for administrative support.
 - (xxv) *JSIF/CDB Contract Agreement* dated 26 March 2018 in the amount of US\$649,187 of which US\$119,187 is to be contributed by GOJ for the Rural Micro Enterprise Enhancement Pilot Project. The objective of the project is to demonstrate the extent to which the economic earning capacity of rural farmers and Community Tourism Enterprises can be enhanced by strengthening micro and small scale enterprises in the agricultural and tourism sectors to formally operate and compete in local, regional and international markets. The agreement was established with an implementation period of ten months which was extended to 31 May 2019.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES (CONT'D):

(c) Other completed project activities have been financed as follows:

- (i) *Loan Agreement No. 1007P* dated 21 April 2005 between Jamaica and the OPEC Fund for International Development, approving a loan in the amount of US\$5 million to provide counterpart funding for the World Bank Loan No. 7148-JM.
- (ii) *Grant Agreement, titled Jamaica PHRD Grant for Preparation of Jamaica Catastrophe Insurance (Grant No. TF 055128)* between GOJ and the IBRD concluded 25 October 2005, in the sum of US\$800,000 provided by Japan, and administered by the Bank for the purpose of assisting in the financing of preparation of Jamaica Catastrophe Insurance Project.
- (iii) *Grant Agreement No. TF 055129* between the IBRD and Antigua and Barbuda, Commonwealth of Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines concluded 12 January 2006 in the sum of US\$1 million for the preparation of OECS Catastrophe Insurance.
- (iv) *Loan Agreement No. 4878-JM* between the GOJ and IBRD dated 8 January 2008 to provide US\$10M for the funding of Hurricane Dean Emergency Recovery Project which expired on 20 June 2009.
- (v) *Grant Agreement No. TF09322* between the GOJ and IBRD dated 19 December 2007 to provide US\$500,000 for the preparation of the second National Community Development Project (NCDP).
- (vi) *Grant Agreement No. TF097314* between GOJ and IBRD dated 5 October 2010 for funds totaling EUR 1,728,587 to support levels of service in selective community infrastructure at a minimum to pre-tropical GUSTAV storm level.

2. REPORTING CURRENCY:

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

3. SIGNIFICANT ACCOUNTING POLICIES:

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention. They are also prepared in accordance with the requirements of the Jamaican Companies Act.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following new standards are relevant to its operations:

In these financial statements, the company adopted IFRS 9, Financial Instruments with a transitional date of 1 April 2018. The standard was applied on a retrospective basis, with certain exceptions. As permitted, the company did not restate its prior period comparative financial statements.

The nature and the impact of the new standards are described below:

IFRS 9, 'Financial Instruments', (effective for accounting periods beginning on or after 1 January 2018). IFRS 9 replaces IAS 39 as at 1 January 2018. The company has not restated comparative information for 2018 for financial instruments in the scope of IFRS 9. Therefore, the 2018 comparative information is reported under IAS 39 and is not comparable to the information presented for 2019. Changes arising from the adoption of IFRS 9 are disclosed in note 14.

Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVPL), available for sale (AFS), held-to-maturity and loans and receivables at amortised cost) have been replaced by:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

IFRS 9, 'Financial Instruments', (effective for accounting periods beginning on or after 1 January 2018) (cont'd).

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements are presented in OCI with no subsequent reclassification to the income statement.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

The company's classification of its financial assets and liabilities is explained in note 3(d) and the impact of applying IFRS 9 as at 1 April 2018 is disclosed in note 14.

Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the company's accounting for doubtful debt provision by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) three stage approach which is based on the change in credit quality of financial assets since initial recognition. IFRS 9 requires the company to record an allowance for ECLs for receivables. The allowance is based on the immediate ECLs associated with probability of default in the next twelve months, unless there has been a significant increase in credit risk since origination which would then require impairment to be measured using lifetime ECL rather than 12 month ECL.

IFRIC 22, 'Foreign Currency Transactions and Advance Consideration', (effective for accounting periods beginning on or after 1 January 2018). The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts. Management has assessed the impact on the financial statements and noted that the impact is not material.

JAMAICA SOCIAL INVESTMENT FUND
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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2019

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

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

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

IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 January 2019). The new standard eliminates the classification by a lessee of leases as either operating or finance. Instead all leases are treated in a similar way to finance leases in accordance with IAS 17. Leases are now recorded in the statement of financial position by recognizing a liability for the present value of its obligation to make future lease payments with an asset (comprised of the amount of the lease liability plus certain other amounts) either being disclosed separately in the statement of financial position (within right-of-use assets) or together with property, plant and equipment. The most significant effect of the new requirements will be an increase in recognized lease assets and financial liabilities. An optional exemption exists for short term and low-value leases. The accounting by lessors will not significantly change.

The company expects to adopt the standard using a modified retrospective approach where the cumulative effect of initially applying it is recognized as an adjustment to the opening balance of retained earnings and comparatives are not restated. The company is still assessing the impact of the adoption of this standard, however it is not expected to be significant.

(b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the net resources for project expenditure in the statement of financial position.

(c) Net resources for project expenditure

These represent the unused balances of loans, grants or other financing received which have not yet been utilized in the JSIF project at the reporting date and for which the company would therefore have an obligation to justify their subsequent use in project activities.

These are recognized at their nominal amounts, adjusted for advances disbursed and contractual claims against the fund.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) **Financial instruments**

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

Policy applicable after 1 April 2018

Financial assets

(i) **Recognition and derecognition**

Financial assets are initially recognised on the settlement date, which is the date that an asset is delivered to the company. This includes regular purchases of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains all or substantially all the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognised financial assets that is created or retained by the company is recognised as a separate asset or liability.

(ii) **Classification**

The company classifies all its of financial instruments at initial recognition based on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets recorded at FVPL, transaction costs are added to, or subtracted from, this amount.

The company classifies its financial assets as those measured at amortised cost.

(iii) **Measurement category**

Amortised cost

These assets arise principally from the provision of goods and services to customers (eg. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instruments (cont'd)

Policy applicable after 1 April 2018 (cont'd)

Financial assets (cont'd)

(iii) Measurement category (cont'd)

Amortised cost (cont'd)

The company's financial assets measured at amortised cost comprise cash and cash equivalents and advances to contractors and other receivables in the statement of financial position.

Cash and cash equivalents are carried in the statement of financial position at fair value. For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Financial liabilities

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date accounts payable was classified as a financial liability.

Policy applicable before 1 April 2018

Financial assets

(i) Classification

The company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

The company's loans and receivables comprise advances to contractors and other receivables and cash and cash equivalents. They are included in current assets.

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank balances and bank overdraft.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) **Financial instruments (cont'd)**

Policy applicable before 1 April 2018 (cont'd)

Financial assets (cont'd)

(ii) **Recognition and measurement**

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For loans and receivables impairment provisions are recognized when there is objective evidence that the company will not collect all of the amounts due under the terms receivable.

Financial liabilities

The company's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. At the reporting date accounts payable was classified as a financial liability.

4. CRITICAL ACCOUNTING JUDGEMENTS:

Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the company's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

5. FINANCIAL RISK MANAGEMENT:

The company is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Other market price, and
- Liquidity risk

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(a) Principal financial instruments

The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Advances to contractors and other receivables
- Cash and cash equivalents
- Accounts payable

(b) Financial instruments by category

Financial assets

	<u>Amortised cost 2019</u> \$	<u>Loans and receivables 2018</u> \$
Cash and cash equivalents	1,135,554,893	355,868,911
Advances to contractors and other receivables	<u>151,973,427</u>	<u>436,692,401</u>
Total financial assets	<u>1,287,528,320</u>	<u>792,561,312</u>

Financial liabilities

	<u>Amortised cost</u>	
	<u>2019</u> \$	<u>2018</u> \$
Accounts payable	<u>177,177,214</u>	<u>442,739,634</u>
Total financial liabilities	<u>177,177,214</u>	<u>442,739,634</u>

(c) Financial risk factors

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed on a regular basis and reflect changes in market conditions and the company's activities. The company's risk management policies also include the functions of its internal audit department which undertakes both regular and ad-hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors. Further details regarding these policies are set out below:

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk

Market risk arises from the company's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises primarily from cash and cash equivalents that are denominated in a currency other than the Jamaican dollar.

The company manages this risk by ensuring that the exposure on foreign assets and commitments for the foreign currency portion of net resources for project expenditure is kept to an acceptable level.

Management further manages the risk by converting foreign currency only at the point that such amounts are needed to meet local expenditure.

Concentration of currency risk

The company is exposed to foreign currency risk in respect of US dollar and Euro cash and cash equivalents amounting to J\$327,580,256 (2018 - J\$15,028,804) and J\$54,536,510 (2018 - J\$110,904,325) respectively.

Foreign currency sensitivity

The following table indicates the sensitivity of net resources for project expenditure to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances and adjusts their translation at the year-end for 6% (2018 - 4%) depreciation and a 4% (2018 - 2%) appreciation of the Jamaican dollar against the US dollar and Euro.

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) **Financial risk factors (cont'd)**

(i) **Market risk (cont'd)**

Foreign currency sensitivity (cont'd)

<u>Currency</u>	<u>% Change in Currency Rate 2019</u>	<u>Effect on Net Resources for Project Expenditure 2019 \$</u>	<u>% Change in Currency Rate 2018</u>	<u>Effect on Net Resources for Project Expenditure 2018 \$</u>
USD	-6	19,654,815	-4	601,152
EURO	-6	3,272,191	-4	4,436,173
USD	+4	(13,103,210)	+2	(300,576)
EURO	+4	(2,181,460)	+2	(2,218,086)

Exchange rates, in terms of the Jamaican dollar, were as follows:

	<u>USD</u>	<u>EURO</u>
31 March 2019	<u>123.57</u>	<u>134.41</u>
31 March 2018	<u>124.65</u>	<u>150.04</u>

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The company does not have any exposure and as such, market price fluctuations are not expected to have an effect on the net resources for project expenditure.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the company to cash flow interest rate risk, whereas fixed rate instruments expose the company to fair value interest rate risk.

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5. FINANCIAL RISK MANAGEMENT (CONT'D):

(c) Financial risk factors (cont'd)

(i) Market risk (cont'd)

Cash flow and fair value interest rate risk (cont'd)

As the company has no significant interest bearing assets or liabilities, the company's operating cash flows are substantially independent of changes in market interest rates. The company does not hold any fixed rate financial instruments that are subject to material changes in fair value.

(ii) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from cash and cash equivalents and advances to contractors.

Cash and cash equivalents

Cash and cash equivalents are placed with reputable financial institutions which are believed to have high credit ratings with minimal risk of default. The company has policies that limit the amount of credit exposure to any one financial institution.

Advances to contractors

Advances to contractors are recovered by way of deductions from amounts due to such contractors.

Maximum exposure to credit risk:

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash and bank balances	1,135,554,893	355,868,911
Advances to contractors	<u>146,096,620</u>	<u>91,835,506</u>
	<u>1,281,651,513</u>	<u>447,704,417</u>

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities.

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5. **FINANCIAL RISK MANAGEMENT (CONT'D):**

(c) **Financial risk factors (cont'd)**

(iii) **Liquidity risk (cont'd)**

The management of the company maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments arising particularly from the funding of ongoing projects. Donor agencies and the Government of Jamaica enter into agreements for funding of identified projects. Funding is provided throughout the life of the projects based on agreed budgets, cash flows and timelines for project activities which are closely monitored by management so as to meet obligations as they fall due.

Cash flows of financial liabilities

An analysis of the contractual maturities of the company's financial liabilities is presented below:

	<u>2019</u>		
	<u>Carrying Amount</u> ₤	<u>Contractual Cash Flows</u> ₤	<u>1-12 Months</u> ₤
Accounts payable	<u>177,177,214</u>	<u>177,177,214</u>	<u>177,177,214</u>
	<u>177,177,214</u>	<u>177,177,214</u>	<u>177,177,214</u>
	<u>2018</u>		
	<u>Carrying Amount</u> ₤	<u>Contractual Cash Flows</u> ₤	<u>1-12 Months</u> ₤
Accounts payable	<u>442,739,634</u>	<u>442,739,634</u>	<u>442,739,634</u>
	<u>442,739,634</u>	<u>442,739,634</u>	<u>442,739,634</u>

(d) **Capital disclosure**

The company manages resources available by continuously identifying development projects and complying with the requirements of funding agencies over the disbursement and subsequent reimbursement or justification of amount expended from committed resources.

The capital structure of the company consists of members' deposit and net resources for project expenditure.

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6. CASH AND CASH EQUIVALENTS:

	Available Cash Resources as at 1 April 2018	Funds Received (net of refunds) During the Year ended 31 March 2019	Project Outflows (net of recoveries) 31 March 2019	Available Cash Resources as at 31 March 2019
	\$	\$	\$	\$
GOJ	78,928,364	481,321,393	(518,946,207)	41,303,550
EU (PRP11)	110,928,643	-	(56,366,602)	54,562,041
EU (PRP111)	44,072	-	(1,212)	42,860
EU (PRP IV)	7,440,527	549,625,770	(105,961,345)	451,104,952
IBRD (ICDP)	82,140,027	1,330,471,508	(1,395,569,498)	17,042,037
IBRD (DVRP)	52,910,600	372,160,157	(174,284,822)	250,785,935
CDB (BNTF7)	205,216	51,800,826	(18,320,191)	33,685,851
CDB (Rural Micro)	-	62,168,961	(63,330,471)	(1,161,510)
CDB (BNTF8)	124,308	28,961,459	(15,865,030)	13,220,737
CDB (BNTF9)	-	195,707,286	(27,313,803)	168,393,483
JPS Step-Up	3,461,798	9,853,952	(8,766,453)	4,549,297
PETROCARIBE	19,290,954	145,000,000	(66,506,902)	97,784,052
GOJ (ZOSO)	394,402	1,803,000	2,044,206	4,241,608
	<u>355,868,911</u>	<u>3,228,874,312</u>	<u>(2,449,188,330)</u>	<u>1,135,554,893</u>

This represents the balances of funds being managed to finance project expenses which are held at the following institutions:

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash and bank balances -		
Bank of Jamaica (Foreign currency)	295,233,258	11,538,304
National Commercial Bank (Foreign currency)	71,196,872	111,087,776
National Commercial Bank	633,871,306	113,216,181
Bank of Nova Scotia (Foreign currency)	15,686,636	3,307,049
Bank of Nova Scotia	4,802,053	15,689,657
Sagicor Bank	<u>114,764,768</u>	<u>101,029,944</u>
	<u>1,135,554,893</u>	<u>355,868,911</u>

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7. ADVANCES TO CONTRACTORS AND OTHER RECEIVABLES:	<u>2019</u>	<u>2018</u>
	<u>₡</u>	<u>₡</u>
Advances on sub-project contracts	146,096,620	91,835,506
Contractual deposit	3,879,288	1,495,083
Project receivables	<u>1,997,519</u>	<u>343,361,812</u>
Total financial assets classified as loans and receivables	151,973,427	436,692,401
Prepayment	1,517,294	1,517,294
Staff advances	822,210	245,785
Other receivable	<u>31,249,342</u>	<u>10,710,050</u>
Total advance to contractors and other receivables	<u>185,562,273</u>	<u>449,165,530</u>

Advance on sub-project contracts represents mobilization payments made to contractors under the terms of the project contract.

Prepayment represents advance payment to Jamaica Public Service.

8. MEMBERS' DEPOSIT:

The company is limited by guarantee and the maximum potential liability of each member has been deposited with the company.

9. NET RESOURCES FOR PROJECT EXPENDITURE:

	<u>2019</u>	<u>2018</u>
	<u>₡</u>	<u>₡</u>
(a) Funds advanced/(reimbursable) for project expenditure as at 31 March:		
International Bank for Reconstruction and Development (DVRP)	325,280,489	52,245,712
International Bank for Reconstruction and Development (ICDP)	(42,192,846)	114,828,518
Government of Jamaica	5,973,410	26,735,632
European Communities (EU)	492,854,746	184,540,331
Caribbean Development Bank	210,539,928	(126,723,170)
PetroCaribe	89,758,907	18,749,631
Government of Jamaica (ZOSO)	1,767,188	31,228,548
Jamaica Public Service Company Limited (JPS Step-Up)	<u>3,957,991</u>	<u>1,661,660</u>
	<u>1,087,939,813</u>	<u>303,266,862</u>

This represents cash resources available to fund project activities.

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9. NET RESOURCES FOR PROJECT EXPENDITURE (CONT'D):

(b) Total expenditure by categories is as follows:

	<u>2019</u>	<u>2018</u>
	<u>₤</u>	<u>₤</u>
<u>Administrative Expenditure</u>		
Compensation of employees	368,662,671	336,515,195
Travel expenses and subsistence	88,508,818	80,941,128
Rental of property	24,932,174	24,259,549
Public utility services	16,870,862	15,420,234
Purchase of other goods and services	97,060,837	196,000,613
Interest/Finance payments	5,201,734	1,936,657
Grants and contributions	17,256,760	16,279,321
Purchase of equipment	<u>23,295,560</u>	<u>11,148,277</u>
Total Administrative Expenditure	<u>641,789,416</u>	<u>682,500,974</u>
<u>Sub-Project Expenditure</u>		
Social infrastructure	1,338,787,605	687,908,789
Economic infrastructure	100,796,089	202,505,419
Social services	292,464,431	205,304,256
Organization strengthening	72,267,461	224,585,857
Project concept development, advertising and printing	<u>8,081,633</u>	<u>12,473,295</u>
Total Sub-Project Expenditure	<u>1,812,397,219</u>	<u>1,332,777,616</u>
Total Expenditure	<u>2,454,186,635</u>	<u>2,015,278,590</u>

(c) Property, Plant and Equipment:

<u>Category</u>	<u>Balance</u> <u>1 April 2018</u>	<u>Current</u> <u>year</u> <u>additions</u>	<u>Assets</u> <u>available for</u> <u>use by</u> <u>the projects</u> <u>31 March 2019</u>
	<u>₤</u>	<u>₤</u>	<u>₤</u>
Furniture & fixtures	11,447,005	1,085,205	12,532,210
Motor vehicles	30,543,202	12,914,685	43,457,887
Office equipment	7,966,339	46,369	8,012,708
Computers	53,255,598	6,495,424	59,751,022
Leasehold improvements	<u>6,911,522</u>	<u>2,753,877</u>	<u>9,665,399</u>
Total	<u>110,123,666</u>	<u>23,295,560</u>	<u>133,419,226</u>

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9. NET RESOURCES FOR PROJECT EXPENDITURE (CONT'D):

(c) Property, Plant and Equipment (cont'd):

Due to the nature of the company, assets used by the company totaling \$133,419,226, financed by funds received from the IBRD, IDB, EU, CDB, the Government of Japan and the GOJ, have been accounted for as project expenditure. These assets have not been reflected in these financial statements other than by way of this note.

10. ACCOUNTS PAYABLE:

	<u>2019</u> \$	<u>2018</u> \$
Contractors' retention	136,853,087	51,123,401
Contractors' levy	8,520,532	6,704,749
Project payables	<u>31,803,595</u>	<u>384,911,484</u>
Total financial liabilities	177,177,214	442,739,634
Other payables	<u>55,999,139</u>	<u>59,026,945</u>
Total accounts payable	<u>233,176,353</u>	<u>501,766,579</u>

11. COMMITMENTS:

- (a) At 31 March 2019, commitments in respect of contracts approved by the Board but not yet executed amounted to approximately \$3.930 billion (2018 - \$2.557 billion).
- (b) The company has entered into lease agreements for office and storage space with expiration dates up to 31 October 2020. The total annual rental to be paid is:

	<u>2019</u> \$	<u>2018</u> \$
Year 1	23,462,653	22,001,448
Year 2	24,679,433	20,942,033
Year 3	<u>25,963,938</u>	<u>12,187,541</u>

12. FUNDS AVAILABLE FOR DRAW-DOWN:

As at 31 March 2019, JSIF through loan and grant agreements signed between the Government of Jamaica and respective donors/lending agencies, has funding available for draw-down as follows:

	<u>2019</u> \$	<u>2018</u> \$
Available over the next twelve months	5,192,904,997	2,771,756,000
Available over the next 1-3 years	<u>3,197,177,997</u>	<u>6,874,986,000</u>

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13. RELATED PARTY TRANSACTIONS AND BALANCES:

	<u>2019</u> \$	<u>2018</u> \$
(a) Transactions during the year between the company and its related party		
Government funding	<u>481,321,393</u>	<u>589,813,583</u>
(b) Key management compensation		
Key management includes directors		
Fee	883,000	1,420,650
Salaries and other short-term employee benefits	<u>54,960,155</u>	<u>49,869,202</u>
	<u>55,843,155</u>	<u>51,289,852</u>

14. CHANGES IN ACCOUNTING POLICIES:

The company has adopted IFRS 9 for the financial year ended 31 March 2019 which resulted in a change in the company's accounting policies. As explained in note 3, IFRS 9 was generally adopted without restating comparative information. The reclassifications and adjustments arising from the new impairment rules are therefore not reflected in the statement of financial position at 31 March 2018.

The effect of initially applying the standard is mainly attributed to additional disclosures related to IFRS 9.

Except for the changes below, the company has consistently applied the accounting policies as set out in note 3 to all periods presented in these financial statements.

IFRS 9 - Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement. The requirements of IFRS 9 represent a significant change from IAS 39. The new standard brings significant changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The key changes to the company's accounting policies and the full impact resulting from its adoption of IFRS 9 are summarized below.

IFRS 9 contains three principal classification categories for financial assets:

- amortised cost
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL).

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14. CHANGES IN ACCOUNTING POLICIES (CONT'D):

IFRS 9 - Financial Instruments (cont'd)

IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. The standard eliminates the previous IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale.

The new accounting policies are set out in note 3. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the company's financial assets as at 1 April 2018.

Original Classification	New classification under IFRS 9	IAS 39 carrying amount at 31 March 2018	Re-measurement	IFRS 9 carrying amount at 1 April 2018	
		\$	\$	\$	
Financial assets					
Cash and cash equivalents	Loans and receivables	Amortised cost	355,868,911	-	355,868,911
Advances to contractors and other receivables	Loans and receivables	Amortised cost	<u>436,692,401</u>	<u>-</u>	<u>436,692,401</u>
			<u>792,561,312</u>	<u>-</u>	<u>792,561,312</u>

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39. There was no material impact to the balances reported associated with this change.

Sub-Projects Approved

#	Project Name	Funding Project	Donor	Sub Project Cost JMD ⁶	Date Approved	Parish	Community
1	Bog Walk Police Station, Rehabilitation, Expansion & Equipping	EU PRP IV	EU	55,619,675	May 30, 2018	St. Catherine	Shenton
2	Bog Walk Health Centre Expansion & Dental Unit Construction	EU PRP IV	EU	42,646,866	May 30, 2018	St. Catherine	Knollis
3	Central Village Health Centre Rehabilitation	EU PRP IV	EU	40,301,216	May 30, 2018	St. Catherine	Central Village
4	Anchovy Integrated Infrastructure Project	ICDP	WB	393,540,150	May 30, 2018	St. James	Anchovy/Catherine Mount
5	Capacity Building & Training Tourism / Agriculture BNTF 9	BNTF 9	CDB	25,125,114	May 30, 2018	Multi-Parish	Multi-District
6	Spanish Town Police Station rehabilitation & Equipping	EU PRP IV	EU	52,199,823	June 27, 2018	St. Catherine	Spanish Town Central
7	Montego Bay (Barnett Street) Fire Station Construction	DVRP	WB	499,751,800	June 27, 2018	St. James	Montego Bay Central
8	Pineapple Lane Road Rehabilitation	EU PRP IV	EU	53,762,887	July 25, 2018	St. Catherine	Berwick
9	Treadlight Integrated Infrastructure Project	ICDP	WB	217,665,476	July 25, 2018	Clarendon	Treadlight
10	Bia & Henly Road Rehabilitation & Drain Construction	EU PRP IV	EU	52,722,887	July 25, 2018	St. Andrew	Waterhouse
11	Port Maria Fire Station Construction	DVRP	WB	260,749,894	July 25, 2018	St. Mary	Port Maria
12	Yallahs Fire Station Construction	DVRP	WB	129,367,671	July 25, 2018	St. Thomas	Yallahs
13	Port Royal Street Coastal Revetment	DVRP	WB	930,610,972	July 25, 2018	Kingston	Port Royal
14	SUPER 18 PHASE III	ICDP	WB	171,919,400	July 25, 2018	Multi-Parish	Multi-District
15	Understanding Risk - NRIP, Coastal Assessments & Risk Atlas	DVRP	WB	332,167,500	July 25, 2018	Multi-Parish	Multi-District
16	Enhancement to Water Supply - Compliance	ICDP	WB	155,820,039	July 25, 2018	Multi-Parish	Multi-District

#	Project Name	Funding Project	Donor	Sub Project Cost JMD ⁶	Date Approved	Parish	Community
17	Enhancement to Water Supply - Access	ICDP	WB	39,000,000	July 25, 2018	Multi-Parish	Multi-District
18	Lionel Town Police Station Expansion	EU PRP IV	EU	44,991,685	Sept. 26, 2018	Clarendon	Lionel Town
19	Four Paths Police Station Expansion & Rehabilitation	EU PRP IV	EU	44,877,561	Sept.. 27, 2018	Clarendon	Four Paths
20	Olympic Gardens Police Station Construction	EU PRP IV	EU	45,904,000	Sept. 28, 2018	St. Andrew	Olympic Gardens
21	Franklyn Town Police Station Construction	EU PRP IV	EU	46,578,850	Sept. 29, 2018	Kingston	Franklyn Town
22	Adelphi Health Centre Construction	EU PRP IV	EU	47,349,935	Oct. 31, 2018	St. James	Adelphi
23	Flanker Health Centre Rehabilitation	EU PRP IV	EU	43,436,661	Oct. 31, 2018	St. James	Flankers
24	Granville Health Centre Rehabilitation	EU PRP IV	EU	43,879,500	Oct. 31, 2018	St. James	Granville/Pitfour
25	Barrett Town Health Centre Rehabilitation	EU PRP IV	EU	38,163,410	Oct. 31, 2018	St. James	Vietnam
26	ICDP Youth Enrichment Project	ICDP	WB	42,250,000	Oct. 31, 2018	Multi-Parish	Multi-District
27	BNTF 9 WASH Training	BNTF 9	CDB	5,300,000	Oct. 31, 2018	Multi-Parish	Multi-District
28	Youth at Risk - Capacity Building for Social Workers & Caregivers in Children's Homes	BNTF 9	CDB	7,928,906	Oct. 31, 2018	Multi-Parish	Multi-District
29	ICDP School Rehabilitation - Maxfield Park Primary School	ICDP	WB	28,136,990	Nov. 28, 2018	St. Andrew	Maxfield Park
30	ICDP School Rehabilitation - Greenwich Primary School	ICDP	WB	11,949,117	Nov. 28, 2018	St. Andrew	Greenwich Town Fishing Village
31	ICDP School Rehabilitation - Steer Town Primary & Junior High School	ICDP	WB	8,760,832	Nov. 28, 2018	St. Ann	Steer Town
32	ICDP School Rehabilitation - Granville All Age School	ICDP	WB	12,454,648	Nov. 28, 2018	St. James	Retirement / Bellevue
33	ICDP School Rehabilitation - Anchovy Primary School	ICDP	WB	27,812,406	Nov. 28, 2018	St. James	Granville Proper

#	Project Name	Funding Project	Donor	Sub Project Cost JMD ⁶	Date Approved	Parish	Community
34	ICDP School Rehabilitation - St. Albans Primary School	ICDP	WB	20,014,400	Nov. 28, 2018	Kingston	Denham Town
35	ICDP School Rehabilitation - St. Anne's Primary	ICDP	WB	9,342,681	Nov. 28, 2018	Kingston	Denham Town
36	ICDP School Rehabilitation - St. Anne's Career Advancement Programme	ICDP	WB	10,856,704	Nov. 28, 2018	Kingston	Denham Town
37	ICDP School Rehabilitation - Denham Town Primary School	ICDP	WB	18,404,361	Nov. 28, 2018	Kingston	Denham Town
38	ICDP School Rehabilitation - Chetolah Park Primary School	ICDP	WB	19,789,283	Nov. 28, 2018	Kingston	Hannah Town
39	ICDP School Rehabilitation - Rousseau Primary School	ICDP	WB	10,246,914	Nov. 28, 2018	St. Andrew	Maxfield Park
40	ICDP School Rehabilitation - St. Andrew Primary School	ICDP	WB	14,701,961	Nov. 28, 2018	St. Andrew	Greenwich Town
41	ICDP School Rehabilitation - Lethe Primary School	ICDP	WB	13,226,503	Nov. 28, 2018	Hanover	Lethe
42	ICDP School Rehabilitation - Roehampton Primary School	ICDP	WB	12,931,643	Nov. 28, 2018	St. James	Anchoy/Catherine Mount
43	ICDP School Rehabilitation - Bickersteth Primary & Infant School	ICDP	WB	11,941,662	Nov. 28, 2018	St. James	Anchoy/Catherine Mount
44	Olympic Gardens Health Centre Expansion, Rehabilitation & Equipping	EUPRP IV	EU	47,127,543	Feb. 27, 2019	St. Andrew	Olympic Gardens
45	Marlie Mount Primary Expansion & Sanitation	BNTF9	CDB	84,346,777	Feb. 27, 2019	St. Catherine	Marlie Mount
46	ICDP Stakeholders Capacity Building Project	ICDP	WB	67,250,000	Feb. 27, 2019	Multi-Parish	Multi-District
47	Mount Salem Police Station Construction	EUPRP IV	EU	48,252,000	Feb. 27, 2019	St. James	Mt. Salem
Grand Total				4,341,178,303			

Sub-Projects Completed

#	Project Name	Funding Project	Donor	Month Completed	Contracted Amount JMD ⁷	Parish	Community	Estimated Beneficiaries
1	Assessment of Capacity Needs & Capacity Building Training of CDCs & CBOs in Communities Targeted by PRP	EU PRP IV	EU	Aug. 18	34,480,560	Multi-Parish	Multi-District	400
2	PRP Employment Internship Programme III	EU PRP IV	EU	Jan. 19	37,054,500	Multi-Parish	Multi-District	50
3	Zinc Fence Substitution - Denham Town	ICDP	WB	Jul. 18	20,065,600	Kingston	Denham Town	6,279
4	Zinc Fence Substitution - Greenwich Town	ICDP	WB	Sep. 18	21,331,389	St. Andrew	Greenwich Town	4,460
5	Zinc Fence Substitution - Rose Town	ICDP	WB	Dec. 18	44,273,794	St. Andrew	Rose Town	2,500
6	ICDP School Ancillary Worker Training Project	ICDP	WB	Apr. 18	9,390,009.00	Multi-Parish	Multi-District	246
7	Seismic Support Project	DVRP	WB	Jun. 18	79,288,317	Multi-Parish	Multi-District	7
8	Mineral Heights Primary School Expansion	BNTF 7	CDB	Jun. 18	87,707,433	Clarendon	Mineral Heights	1,473
9	Tivoli Gardens Integrated infrastructure Project (IIP)	ICDP	WB	Dec. 18	152,294,112	Kingston	Tivoli Gardens	16,031
10	Hannah Town Integrated Infrastructure Project (IIP)	ICDP	WB	Nov. 18	108,360,983	Kingston	Hannah Town	2,240
11	Russia Integrated Infrastructure Project	ICDP	WB	Feb. 19	105,432,570	Westmoreland	Russia	4,648
12	York Town Integrated Infrastructure Project	ICDP	WB	Mar. 19	114,010,156	Clarendon	York Town	4,271
13	Barrett Town Integrated Infrastructure Project	ICDP	WB	Mar. 19	154,236,144	St. James	Barrett Town	2,017
14	Rural Micro Enterprise Project	BNTF 7 (Regional)	CDB	Mar. 19	52,229,679	Multi-Parish	Multi-District	100

The figures under "Contracted Amount" are the amounts that service providers (consultants, contractors and suppliers) were contracted for to undertake sub project activities

#	Project Name	Funding Project	Donor	Month Completed	Contracted Amount JMD ⁷	Parish	Community	Estimated Beneficiaries
15	ICDP Alternative Livelihood & Skills Development Cycle 2	ICDP	WB	Jul. 18	68,481,580	Multi-Parish	Multi-District	300
16	Mount Salem Development Project	GOJ	GOJ	Dec. 18	26,000,000	St. James	Mt. Salem	600
17	ICDP Summer Camp 2018	ICDP	WB	Dec. 18	36,450,000	Multi-Parish	Multi-District	2,500
	Grand Total				1,151,086,826			48,122

Board of Directors' Compensation

Position of Director	Fees (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Wayne Henry - Chairman	168,500	N/A	N/A	N/A	168,500
Carey Peterkin - Director	136,000	N/A	N/A	N/A	136,000
Brian Bennett Easy - Director	137,500	N/A	N/A	N/A	137,500
Deveta McLaren - Director	52,000	N/A	N/A	N/A	52,000
Jason Smith - Director	28,500	N/A	N/A	N/A	28,500
Stephen Newland - Director	74,500	N/A	N/A	N/A	74,500
Robert Lawrence - Director	94,000	N/A	N/A	N/A	94,000
Mark Azan - Director	105,500	N/A	N/A	N/A	105,500
Omar Frith - Director	86,500	N/A	N/A	N/A	86,500
Omar Sweeney - JSIF Managing Director	N/A	N/A	N/A	N/A	N/A

Mr. Omar Sweeney as the JSIF Managing Director is not eligible to receive Board Fees

Notes

1. Where a non-cash benefit is received (e.g. government housing), the value of that benefit is quantified and stated in the appropriate column above. There was no "non-cash" benefit.

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