

Jamaica Social Investment Fund

JAMAICA SOCIAL INVESTMENT FUND

22nd Annual Report 2017-2018



Corporate Information



Registered Office

11 Oxford Road
(Ground floor the Dorchester Building)
Kingston 5,
(Entrance on Norwood Avenue)
Jamaica, WI
Tel: 876- 968-4545
Toll Free: 888-991-2356/7
Fax: 876-929-3784
E-mail: info@jsif.org or feedback@jsif.org
Website: www.jsif.org

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



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



Investing for Community Development.



Table of Contents

Mission Statement	3
Guiding Principles	3
Notice of Annual General Meeting	4
Board of Directors	5
2017/18 Board Committees	6
Senior Management Team	7
Chairman's Statement	8
Managing Director's Report	10
Project Highlights	17
Directors' Report To The Shareholder	20
Financial Statements	21
Board of Directors' Compensation	48
Projects Approved	49
Projects Completed	52

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



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-second Annual General Meeting of **JAMAICA SOCIAL INVESTMENT FUND** will be held at 11 Oxford Road, Kingston 5 on Wednesday, November 28, 2018 at 2:00 p.m. for the following purposes:

RESOLUTIONS

1. Audited Accounts

To receive the Accounts for the period ended 31st March, 2018 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. Election of Directors

Article 100 of the Company's Articles of Association provides that after the third Annual General Meeting, one-third ($\frac{1}{3}$) of the Directors, or, if their number is not a multiple of three (3), then the number nearest to one-third ($\frac{1}{3}$) shall retire from office at each Annual General Meeting. The Directors retiring under this Article are Dr. Wayne Henry, Mr. Robert Lawrence, and Mr. Mark Azan, and being eligible under Article 103 of the Company's Articles of Association, offer themselves for re-election.

The proposed resolutions are therefore as follows:

- (i) "That Director, Dr. Wayne Henry, retiring pursuant to Article 100 of the Company's Articles of Association, be and is hereby re-elected."
- (ii) "That Director, Mr. Robert Lawrence, retiring pursuant to Article 100 of the Company's Articles of Association, be and is hereby re-elected."
- (iii) "That Director, Mr. Mark Azan, retiring pursuant to Article 100 of the Company's Articles of Association, be and is hereby re-elected."

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

Dated this 23rd day of October, 2018

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

Director of Finance, Early
Childhood Commission



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

2017/18 Board Committees

01

Finance Committee

- **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

- 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

- **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

- **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)



05

Human Resource Committee

- **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

2018



In its twenty-second year, the Jamaica Social Investment Fund (JSIF) continues to adapt and undertake activities to support national development in line with the Sustainable Development Goals and Vision 2030 Jamaica – National Development Plan.

JSIF's support for these development objectives, in particular those which seek to mitigate evolving vulnerabilities have been evident during the year.

This was demonstrated through the Fund's advancement of activities in the realm of climate change adaptation and risk reduction as well as continued focus on citizens' security and public safety. During the year, the entity sought to re-double its efforts to share knowledge and build the capacity of public entities, communities and civil society in areas complementary to JSIF's traditional activities, as part of its commitment to holistic and evidence-based interventions.

While the profile of JSIF's interventions continue to be heavily focused on social and economic infrastructure, the Fund is working to leverage its investments by strategically directing technical assistance to further close the development loop. One area being targeted is the end to end development of dense, and ad hoc urban spaces requiring not only improved infrastructure but improved housing. As part of this effort, JSIF participated in and co-sponsored the first Regional Housing Conference in October 2017. The event was hosted by the Ministry of Economic Growth and Job Creation under the theme: Providing Safe, Legal and Affordable Housing for All: From Policy to Implementation. Participants included key local and regional stakeholders, senior government ministers, donor agencies, private sector and practitioners. JSIF participated in a plenary on Housing Management and made three presentations which addressed a range of areas including rural housing as a driver of community development, climate change and the housing sector, and a necessary paradigm shift regarding informal settlements.

As a key stakeholder in Jamaica's social development landscape, JSIF participated in the second Best Practices Symposium for Community

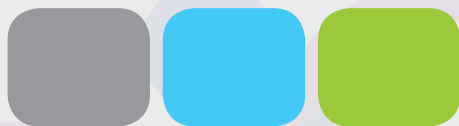
Development held on November 22nd under the theme Joint Action for Total Solution. The Fund played a key role in the event as a sponsor, making presentations throughout the day and hosting a segment titled "JSIF's Best Practices in Community Development Over 20 Years" in recognition of the Fund's 20th Anniversary. JSIF shared lessons learned in the areas of the environment, gender, alternative livelihoods, governance through Community Based Contracting, public private sector partnerships and infrastructure. This event showcased not only what JSIF has accomplished over the years and the diverse methodologies used to meet the objectives, but how the organization has kept itself current and innovative in its approaches.

JSIF's success in encouraging behavior change and implementing infrastructure projects in volatile communities has been recognized with the Fund's Managing Director named Deputy Chair of the Social Activities Committee which coordinates the delivery of social services in the Zones of Special Operations (ZOSO). During the reporting period, Mount Salem and Denham Town were declared ZOSOs and there have been extensive activities undertaken to meet the Act's objectives. JSIF coordinated the implementation of a slate of social activities in the communities which included drain cleaning, road rehabilitation, community training and capacity building for improved governance, parenting support initiatives, provision of civil documentation including birth certificates, as well as skills training and certification, in addition to other interventions.

Given Jamaica's high vulnerability to climate change impacts and threats, the Government of Jamaica is working toward accessing the Green Climate Fund (GCF), which provides funding to assist developing

countries to respond to natural disasters. To streamline the engagement process with the GCF, Jamaica nominated the Planning Institute of Jamaica (PIOJ), JSIF and the Development Bank of Jamaica (DBJ) as National Implementing Entities (NIEs) to develop proposals, manage and monitor projects and programmes. This decision validates the Fund's continuous performance of meeting international donor standards and achieving the required varied objectives for multiple Projects concurrently. JSIF has started the GCF Accreditation Application process which is designed to verify whether the entity has the required policies and procedures in place to ensure effective implementation. This funding will support Jamaica's efforts to meet the Vision 2030 Jamaica Outcome of hazard risk reduction and climate change adaptation. Climate change, adverse natural events and man-made hazards such as fires, are recognized to have the greatest impact on the most vulnerable, who have a diminished capacity to recover from these hazards.

JSIF's relevance continues to grow, not only because of its track record in project implementation and fund management, but also its dynamism and ability to respond to and support national efforts to address development threats. In my capacity as Chairman, I look forward to providing the required oversight and policy support for the organization as it embarks on many exciting activities. JSIF remains committed to assisting Jamaica to address issues of security and climate resilience, even as we pursue our core mandate of poverty reduction through growth and development. It is our hope that these efforts will aid in advancing the national goal of 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, 2018

Managing Director's Report

Rural Economic Development Initiative Project
Investing in Rural Communities... Creating Economic Opportunities

The Jamaica Social Investment Fund has this year continued to strategically move from an entity with a narrowly defined role, to one that participates more on a national level while using its expertise and resources to assist other Ministries.



Departments and Agencies (MDAs) to meet national and international standards. Through these activities JSIF strives to not only improve the situation for communities, but also to strengthen the capacity of the Government.

Agencies and organizations which will have the multiplier effect of increasing the capabilities of Jamaica as a whole.

The JSIF's experience with holistic interventions in volatile urban communities resulted in the Prime Minister appointing JSIF in a key coordination role for social interventions within the Zones of Special Operation (ZOSOs). JSIF and other MDA partners have undertaken numerous activities under the 'clear, hold and build' strategy to support efforts to transform the designated areas into peaceful communities.

As a Gender Equality-certified institution committed to mainstreaming gender in national development, in 2017/18 the JSIF implemented a project where targeted MDAs, civil society organisations and CBOs were trained in gender issues.

During the 2017/2018 year the Board of Directors approved 32 project submissions valued at approximately \$3.315 billion. These included, provision of drip irrigation equipment, sports related projects, access

to basic services and community aesthetic improvement, major drain rehabilitation and social programmes targeting children and the youth and alternative livelihoods which provides nontraditional skills development.

A total of 39 projects were completed during the reporting period benefiting approximately 122,000 beneficiaries across Jamaica at a contracted cost of over \$1.058 billion. These projects included expansion and rehabilitation of primary schools to reduce overcrowding and the number of schools on the shift system; construction of agro-processing facilities to support rural economic growth; a national public education programme to reduce child abuse; training for Special Education Needs Coordinators to improve detection and management of special needs issues in schools; provision of flush toilets to replace pit latrines in primary schools and activities to foster effective management of solid waste in densely populated urban communities.

For the 2017/2018 financial year expenditure was JMD \$2.02 billion and administrative cost as a percentage of total disbursement increased from 26.1% (2016/17) to 33.9%. This was due primarily to delays in implementation of the Integrated Infrastructure Projects under the Integrated Community Development Project portfolio as well as the non-implementation of the Grant Agreement IV under the School's Sanitation project funded by the Petro Caribe Development Fund due to approval delays. Cumulative disbursement over twenty years of operation has been JMD \$23.3 billion or approximately US \$283 million used in executing over 1,800 sub-projects across the country.



Project **Activities** 2017-2018

During the period three Projects ended after having successfully met all their stated objectives, namely the Rural Economic Development Initiative (REDI) and the Basic Needs Trust Fund (BNTF) 7th and 8th programmes which closed in July 2017 and March 2018 respectively.

Table 1: Projects Portfolio as at 31/03/ 2018

Project Name	Donor (s)	Implementation Period	Loan/Grant Value			JMD\$
			Donor	GOJ Counterpart	Exchange Rate ¹	
PROJECTS FUNDED BY GRANTS						
Basic Needs Trust Fund 7 (BNTF 7)	Caribbean Development Bank	2013-2017 ²	USD 6.89M	USD 0.96M	95.22	791M
Basic Needs Trust Fund 8 (BNTF 8)	Caribbean Development Bank	2013-2017 ³	USD 1.82M	USD 0.09M	119.35	328M
Basic Needs Trust Fund 9 (BNTF 9)	Caribbean Development Bank	2017-2020	USD 7.52M	USD 1.084M	128.87	1,109M
PetroCaribe Development Fund (PDF) School Sanitation	Government of Venezuela	2014-2017	JMD 160M ⁴	0	N/A	160M
Poverty Reduction Programme IV (PRP IV)	European Union	2014-2018	EUR 12M	EUR 0.54M	141.42	1,773M
PROJECTS FUNDED BY LOANS						
Rural Economic Development Initiative (REDI)	World Bank	2010-2017	USD\$15M	USD \$0.5M	89.2	1,383M
Integrated Community Development Project (ICDP)	World Bank	2014-2020	USD\$42M	0	108.58	4,560M
Jamaica Disaster Vulnerability Reduction Project	World Bank	2016-2022	USD\$30M	0	126.28	3,788M

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

Table 2: Project Management Support as at 31/03/ 2018

Project Name	Funding Source	Implementation Period	Project Cost
JPSEmpowered	Jamaica Public Service Company	2017-2018	JMD \$46.5M

1. The exchange rate on the day the Project financing agreement was signed was used to arrive at the Jamaican figures
 2. Extension of programme granted until March 2018
 3. Extension of programme granted until March 2018
 4. Funded through grant awards 2 (JMD \$35M) & 3 (JMD \$125M)

Sub-Project Requests⁵

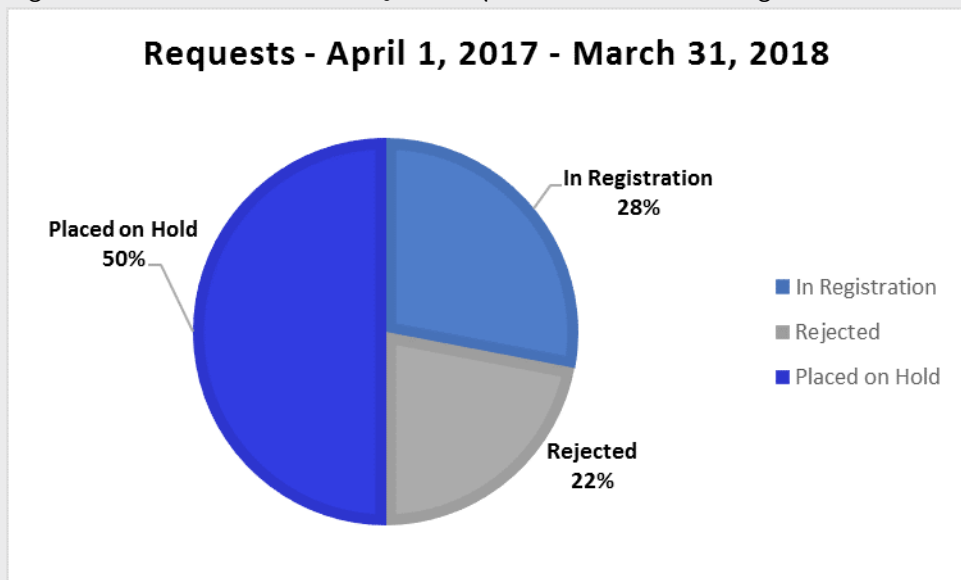
Requests refer to identified needs submitted to the JSIF by community representatives etc and it is these Requests that are converted into projects for investment once funds are available and other established criteria met. For the Financial Year 2017/2018 the JSIF received 100 requests up from 99 in 2016/2017.

New Requests: Of the 100 requests received; 22 were rejected, 50 were placed on hold until a suitable funding source is identified and 28 are in registration awaiting further information/documentation before they can continue to be processed.

Total Request Portfolio: The number of requests in the portfolio for April 2017 – March 2018 stands at 547, inclusive of the 78 eligible new requests received. The breakdown is follows:

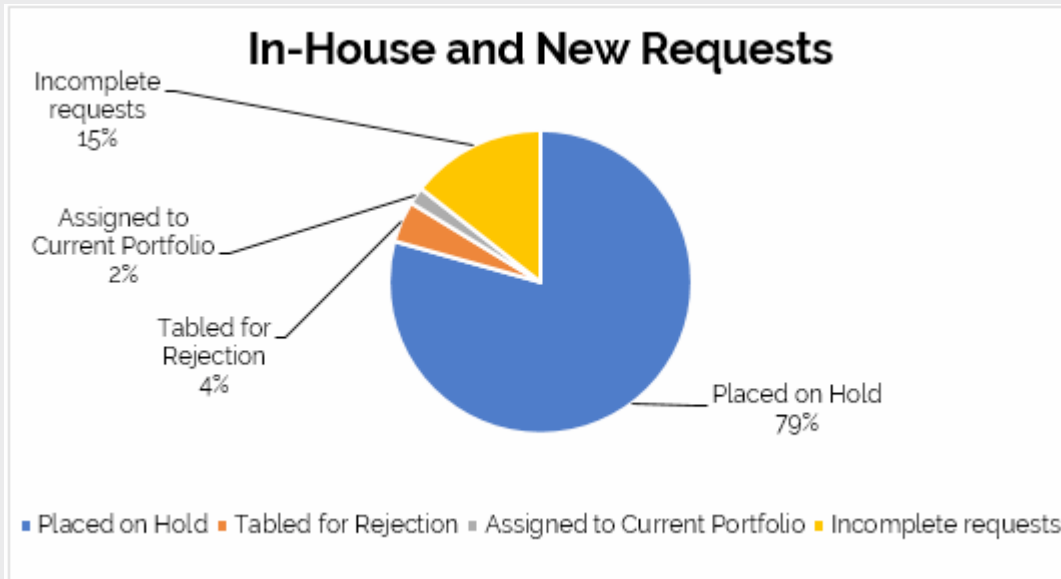
- **458** have been ranked per the JSIF Poverty Ranking Score (JPRS); 24 of this 458 are tabled for rejection as they are below the JPRS minimum score while the remaining 434 have been placed on "On Hold" until suitable funding is identified.
- **10** have been assigned to the BNTF g Project Portfolios for possible funding.
- **79** are incomplete due to lack of critical documentation needed for the registration process such as proof of land ownership, JSIF application form, Early Childhood Commission rationalization and/or an Operational/Maintenance Plan.

Figure 1: Breakdown of Sub Project Requests submitted during 2017/2018



5. Requests refer to identified needs submitted to the JSIF by community representatives etc. and these are converted into projects for investment once funds are available and the established criteria are met.

Figure 2: Breakdown of All Requests in the Portfolio



Procurement Outputs

During the fiscal year 2017-2018, the JSIF signed a total of 388 contracts valued at \$1,817,160,275.49 compared to 469 contracts valued \$1,544,215,631.88 in the previous fiscal year (2016-2017). This represents 81 fewer contracts signed at a value of \$272,944,643.61. Contracts entered into during the fiscal year were classified as follows:

Table 3: Details of Contracts Entered Into As At 31/03/2018

PROJECT ACTIVITY	# CONTRACTS	VALUE OF CONTRACTS
Civil Works	21	762,821,051.57
Goods & Equipment	64	267,985,139.59
Formulation & Supervision	10	251,023,985.18
Formulation	2	262,385,455.54
Supervision	10	15,255,183.00
Training/ Services	281	395,568,824.49
	388	\$1,817,160,275.49

Figure 3: Value of Contracts - April 1, 2017 to March 31, 2018 (%)

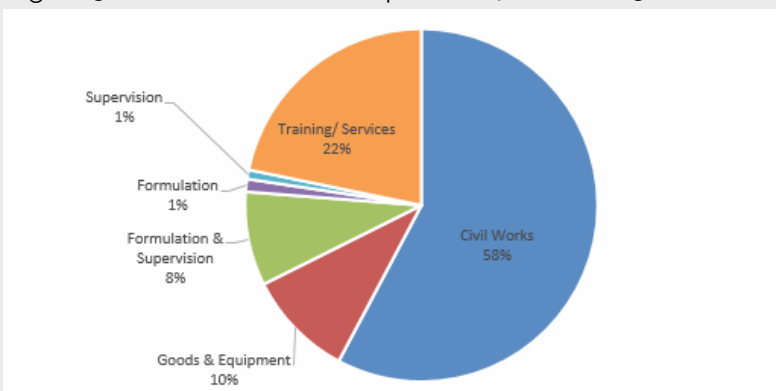
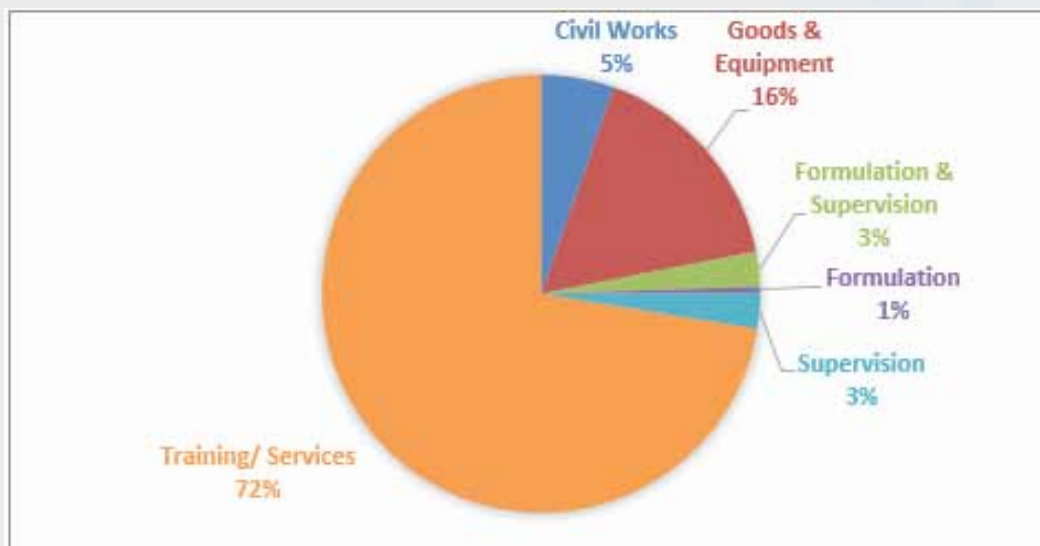


Figure 4: Number of Contracts - April 1, 2017 To March 31, 2018 (%)



Financial Management 2017/2018

Budget Allocation:

The JSIF started the 2017/18 fiscal year with approved fiscal space of JMD \$2.31 billion which was 6.5% lower than the final budget for the previous fiscal year. The budget was subsequently increased in the December 2017 Supplementary Budget by JMD \$300 million, bringing the total budget space for the financial year 2017/18 to JMD \$2.61 billion.

Funding:

The organization received JMD \$589 million from the GOJ through the monthly warrant allocation including amounts totalling \$31 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, JMD \$1.2 billion was received from donor/loan agencies during the year and JMD \$1.3 billion was disbursed from donor/loan funds held in designated bank accounts at the start of the financial year. Additionally, \$1.1 billion was returned to the European Commission representing unspent balances on expired Programme Estimates. These amounts will be renewed under new agreements and Programme Estimates.

At the end of the fiscal year, funds available in the respective designated and project bank accounts were JMD \$356 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 JMD \$2.02 billion was disbursed towards the implementation of various sub-projects and administrative expenses. The budget space for the Rural Economic Development Initiative (REDI), Basic Needs Trust Fund 7th and 8th programmes which all ended during the financial year exceeded their respective budget space that were allocated in the Approved Estimates and therefore additional fiscal space were requested in the Supplementary Estimates to facilitate the closing out of these projects. Other projects which also contributed significantly to disbursements were the Integrated Community Development Project (\$694 million) and the Poverty Reduction Project IV (\$160 million).

Human Resources

The year ended with a staff complement of 94, compared to 93 during the last period. The employee numbers remained stable as the organization ensures there is the required staff available for the implementation activities related to the new projects. Our ability to contain the staff complement during the period aligns with the government's mandate to exercise restraint in employment in order to meet the commitment to the 9% wage/GDP ratio conditionality of the International Monetary Fund (IMF) Extended Fund Facility to Jamaica. The organization continued with human resource initiatives introduced previously: (1) to motivate employees to continue with good performance and loyalty to company by recognizing achievements that contribute to the overall objectives and success of the JSIF, and (2) the staff assistance programme, which cash and kind are provided by staff donations for poor families and children in need – to date this particular initiative has assisted 4 families and approximately 20 wards who were resident in the former Christian Boys Home.

The Way Forward

Based on the JSIF's strong performance undertaking the Rural Economic Development Initiative (REDI) the Fund is currently in discussions with the World Bank to implement the REDI 2. When these negotiations are finalized within the first part of the upcoming year it will allow the Fund to build on the achievements made under the previous Project.

In keeping with the national move to strengthen emergency response mechanisms the Disaster Vulnerability Reduction Project (DVRP) will, in the upcoming year, focus on the national crisis response infrastructure with the construction and equipping of fire stations in three parishes. In order to assist the agencies who need data to support the design of strategies to provide resilience against disaster events it will also establish data collection systems to provide more streamlined risk information which can be used to inform policy decisions. In addition, the design and procurement of a revetment project on Port Royal Street to address the coastal vulnerabilities in the downtown area will be undertaken to protect a crucial access area to the airport and significant national entities.

JSIF was selected by the GOJ as a National Implementing Entity to develop proposals and implement projects under the Green Climate Fund (GCF) and is getting the required GCF Accreditation. Because the DVRP, focuses on Jamaica's resilience to disaster and climate risk, this development harmonizes with other activities the Fund has been developing and executing to improve Jamaica's ability to recover from natural disasters and climate change events.

In the upcoming year the staff and I are excited about the Fund's upcoming activities, and look forward to moving Jamaica closer to meeting the Vision 2030 goals as we continue to look for new ways to address the issues and challenges that are being faced not only by the underserved but by every Jamaican.



Omar Sweeney
Managing Director

Dated this 25th day of July 2018

Project Highlights



Zones of Special Operations (ZOSO)

(L-R) Major General Anthony Anderson, Commissioner of Police, Lt. Col. Murphy Pryce, Commanding Officer of the 1st Battalion of the JDF, Omar Sweeney, JSIF Managing Director, Prime Minister, Andrew Holness on a tour of the Zone of special operations in Denham Town



Health and social services being offered at JSIF/ICDP community fair held in Denham Town.



Integrated Community Development Project



(L-R) Opposition Leader, Dr. Peter Phillips, Omar Sweeney, JSIF Managing Director, Ann Marie Baker, Contractor, Get it Straight Construction & Rohan Williams Maxfield Park CBO President at the Maxfield Park zinc fence removal and replacement project ground breaking. The ICDP is undertaking zinc fence removal and replacement in targeted communities to improve aesthetics and increase the residents' perception of safety.



4 of the 40 schools receiving training and equipment under the ICDP School Ancillary Worker Training Project attended the equipment Handing Over Ceremony. From left: Shunelle Nevers, Social Officer, JSIF, Francine Maxfield, Principal St. Albans Primary, Mona Sue-Ho Social Development Manager JSIF, Kerry Ann Harris CPR Instructor, Heart Foundation of Jamaica, Omar Thomas, Vice Principal St. Andrew Primary, Floyd McLean, Acting Assistant Commissioner Jamaica Fire Brigade, Loy Malcolm, GM, Technical Services, JSIF - Bryan Guscott, Principal Greenwich All Age, Evadnie James, Vice Principal Boys Town All Age



Completed fences in Maxfield Park

Basic Needs Trust Fund 7

The Basic Needs Trust Fund 7(BNTF7) funded the construction of ten (10) classrooms and provided furniture for the Christiana Moravian Primary in Manchester to alleviate overcrowding. The BNTF 7 constructed 60 classrooms across six (6) schools towards alleviating overcrowding and assisting schools off the shift system.



(L-R) Rupert and Jana Bent, KQC Enterprises, Omar Sweeney, Managing Director, JSIF and Diahann Gordon Harrison, Children's Advocate, engage students at the launch of the Storybook 'The Tribe' which was created to help children Identify, Respond and Report Sexual Abuse committed or attempted against them.



PetroCaribe Development Fund



The PetroCaribe Development Project replaced pit latrines at the Smithville Primary School in Clarendon with an eight seater sanitation block valued at approximately JMD 5 million



Children with multiple disabilities from the Step Center visiting the Hope Zoo to engage animals



Flyer for the PetroCaribe Development Project funded Programme for Education & Psychosocial Support For Vulnerable Groups, implemented with the Hope Zoo. The targeted groups were children with special needs, in state care and from underserved communities.



THE WORLD BANK

Poverty Reduction Programme IV



Some of the 62 interns of the PRP IV Employment Internship Programme attending a Personal Development Workshop on Conflict Resolution and Stress Management.



Some of the 172 beneficiaries of the PRP IV Tertiary Scholarship Programme along with school administrators and other stakeholders, at the Recognition Ceremony for scholarship awardees.



Project Tour of PRP Schools held on May 4, 2017. Head of the Delegation of the European Union to Jamaica, Belize, The Bahamas, Turks and Caicos Islands and Cayman Islands- Ms. Malgorzata Wasilewska (right); Managing Director of JSIF, Mr. Omar Sweeney (middle), principal of the Jones Town Church of God Basic School – Mrs. Sonia DaCosta and students from the school.



Rural Economic Development Initiative



The Hon. Dr. Horace Chang MP, Minister without Portfolio Ministry of Economic Growth and Job Creation (left), tours product displays by project beneficiaries at the Official Closing Ceremony & Symposium of the REDI project. Accompanying the Minister is Galina Sotirova, Country Manager, World Bank, Dr. Wayne Henry, Director General PIOJ and Omar Sweeney, Managing Director, JSIF.



REDI constructed and equipped, in partnership with RADA, seven (7) multi-use agro-processing incubators across the island that meets local and international manufacturing requirements. The facilities are at the RADA parish offices in: St. Catherine, Trelawny, Hanover, Westmoreland, St. Mary, St. Elizabeth, St. James

Disaster Vulnerability Reduction Project

(R-L) From Right: Loy Malcolm, JSIF's General Manager - Technical Services hands-over equipment to Paul Williams, UWI, Mona Earthquake Unit - Network Manager, which will strengthen Jamaica's Seismic monitoring capacity. This initiative is undertaken by the Disaster Vulnerability Reduction Project (DVRP). Looking on are Stacey-Ann Preston, JSIF's Environmental Officer and Andrea C. Whyte, JSIF's Marketing & Communications Consultant.



Seismic station at Mount Edgecomb in Westmoreland, which was built by the Disaster Vulnerability Reduction Project (DVRP), to house machinery which will monitor earthquake activity. This forms part of the net-work of monitoring stations which is being established across Jamaica

Directors' Report To The Shareholder

The Directors are pleased to submit this report along with the Audited Financial Statements for the year ended March 31, 2018.

Financial Position

The financial position of the JSIF at March 31, 2018 is shown in the following financial statements.

Below is a summary of the financial position:

Summary of Financial Position

	\$(J)
Current Assets	805,034,441
Current Liabilities	805,033,441
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 continue in office as Auditors of the Company until the conclusion of the next Annual General Meeting.

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

SIGNED ON BEHALF OF THE BOARD



Wayne Henry, PhD

Dated this 25th day of July, 2018

Financial Statements



Tel: (876) 926-1616/7, 926-4421
 Fax: (876) 926-7580
 www.bdo.com.jm

Chartered Accountants
 26 Beechwood Avenue
 P.O. Box 351
 Kingston 5, Jamaica

Page 1

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 26, which comprise the statement of financial position as at 31 March 2018, 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 2018, 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.

Responsibilities of Management and Board of Directors 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.

The Board of Directors is responsible for overseeing the company's financial reporting process.





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

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.
- 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.



INDEPENDENT AUDITORS' REPORT (CONT'D)

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

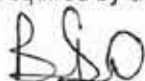
Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Board of Directors 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.



Chartered Accountants
25 July 2018

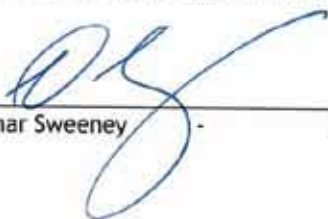
**JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)**

STATEMENT OF FINANCIAL POSITION

31 MARCH 2018

	<u>Note</u>	<u>2018</u> ₤	<u>2017</u> ₤
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and bank balances	6	355,868,911	1,747,658,012
Advances to contractors and other receivables	7	<u>449,165,530</u>	<u>168,008,132</u>
		<u>805,034,441</u>	<u>1,915,666,144</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	303,266,862	1,662,815,308
Accounts payable	10	<u>501,766,579</u>	<u>252,849,836</u>
		<u>805,033,441</u>	<u>1,915,665,144</u>
		<u>805,034,441</u>	<u>1,915,666,144</u>

Approved for issue by the Board of Directors on 25 July 2018 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 2018

	<u>Note</u>	<u>2018</u> \$	<u>2017</u> \$
CASH FLOWS FROM INVESTING ACTIVITIES:			
Advances to contractors and other receivables		(281,157,398)	(161,247,826)
Accounts payable		248,916,743	(151,226,558)
Expenditure on JSIF projects		<u>(2,040,191,202)</u>	<u>(1,700,996,326)</u>
Cash used by JSIF projects	6	<u>(2,072,431,857)</u>	<u>(2,013,470,710)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Loans received		988,652,788	850,920,920
Grants (refunded)/received		(897,823,615)	1,400,066,046
GOJ subvention and miscellaneous funding		<u>589,813,583</u>	<u>417,790,571</u>
Cash provided by financing activities	6	<u>680,642,756</u>	<u>2,668,777,537</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,391,789,101)	655,306,827
Cash and cash equivalents at beginning of year		<u>1,747,658,012</u>	<u>1,092,351,185</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	6	<u>355,868,911</u>	<u>1,747,658,012</u>

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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 2018

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 2018

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 2018

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 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 and No. 3* grant agreements dated 22 April 2014 and 8 September 2014 in the amount of J\$35 Million and J\$125 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 2018

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.
 - (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.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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 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.

(a) **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), 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 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

The preparation of financial statements in conformity with IFRSs 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 amendments and interpretations are immediately relevant to its operations:

Amendments to IAS 7, 'Statement of Cash Flows', (effective for accounting periods beginning on or after 1 January 2017), requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

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 9, 'Financial Instruments', (effective for accounting periods beginning on or after 1 January 2018). The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the existing guidance in *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets - amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(a) Basis of preparation (cont'd)

New standards, amendments and interpretations not yet effective and not early adopted (cont'd)

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 is assessing the impact that these standards and amendments to standards will have on the financial statements when they are adopted.

(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.

(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.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):

(d) Financial instruments (cont'd)

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.

(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.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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

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

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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

(b) **Financial instruments by category**

Financial assets

	Loans and receivables	
	<u>2018</u>	<u>2017</u>
	\$	\$
Cash and bank balances	355,868,911	1,747,658,012
Advances to contractors and other receivables	<u>436,692,401</u>	<u>131,346,913</u>
Total financial assets	<u>792,561,312</u>	<u>1,879,004,925</u>

Financial liabilities

	Financial liabilities at amortised cost	
	<u>2018</u>	<u>2017</u>
	\$	\$
Accounts payable	<u>442,739,634</u>	<u>185,153,409</u>
Total financial liabilities	<u>442,739,634</u>	<u>185,153,409</u>

(c) **Financial instruments not measured at fair value**

The fair values of financial instruments that are not traded in an active market are deemed to be/determined as follows:

The carrying values less any impairment provision of financial assets and liabilities with a short term nature of less than one year are estimated to approximate their fair values. These financial assets and liabilities are cash and cash equivalents, advances to contractors and other receivables and accounts payable.

(d) **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:

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) 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\$15,028,804 (2017 - J\$114,228,532) and J\$110,904,324 (2017 - J\$97,993,273) 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 4% (2017 - 6%) depreciation and a 2% (2017 - 1%) appreciation of the Jamaican dollar against the US dollar and Euro.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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

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

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

Foreign currency sensitivity (cont'd)

<u>Currency</u>	<u>% Change in Currency Rate 2018</u>	<u>Effect on Net Resources for Project Expenditure 2018 ₤</u>	<u>% Change in Currency Rate 2017</u>	<u>Effect on Net Resources for Project Expenditure 2017 ₤</u>
USD	-4	601,152	-6	6,853,712
EURO	-4	4,436,173	-6	5,879,596
USD	+2	(300,576)	+1	(1,142,285)
EURO	+2	(2,218,086)	+1	(979,933)

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

	<u>USD</u>	<u>EURO</u>
31 March 2018	<u>124.65</u>	<u>150.04</u>
31 March 2017	<u>127.77</u>	<u>132.45</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.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) 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>2018</u>	<u>2017</u>
	₤	₤
Cash and bank balances	355,868,911	1,747,658,012
Advances to contractors	<u>91,835,506</u>	<u>9,429,908</u>
	<u>447,704,417</u>	<u>1,757,087,920</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.

**JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

5. FINANCIAL RISK MANAGEMENT (CONT'D):

(d) 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:

	2018		
	<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>
	2017		
	<u>Carrying Amount</u> ₤	<u>Contractual Cash Flows</u> ₤	<u>1-12 Months</u> ₤
Accounts payable	<u>185,153,409</u>	<u>185,153,409</u>	<u>185,153,409</u>
	<u>185,153,409</u>	<u>185,153,409</u>	<u>185,153,409</u>

(e) 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.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

6. CASH AND CASH EQUIVALENTS:

	Available Cash Resources as at <u>1 April 2017</u>	Funds Received/ (Refunded) During the Year ended <u>31 March 2018</u>	Project Outflows (net of recoveries) <u>31 March 2018</u>	Available Cash Resources as at <u>31 March 2018</u>
	\$	\$	\$	\$
GOJ	49,513,434	588,983,583	(559,568,653)	78,928,364
EU (PRP11)	98,022,638	-	12,906,005	110,928,643
EU (PRP111)	127,160,406	(127,115,916)	(418)	44,072
EU (PRP IV)	1,189,369,539	(971,238,417)	(210,690,595)	7,440,527
IBRD (ICDP)	8,214,320	789,939,512	(716,013,805)	82,140,027
IBRD (REDI)	67,991,387	76,597,758	(144,589,145)	-
IBRD (DVRRP)	20,187,212	122,115,518	(89,392,130)	52,910,600
CDB (BNTF7)	65,573,286	110,788,564	(176,156,634)	205,216
CDB (BNTF8)	72,012,871	56,205,777	(128,094,340)	124,308
JPS Step-Up	887,623	32,456,377	(29,882,202)	3,461,798
PETROCARIBE	48,725,296	1,080,000	(30,514,342)	19,290,954
GOJ (ZOSO)	-	830,000	(435,598)	394,402
	<u>1,747,658,012</u>	<u>680,642,756</u>	<u>(2,072,431,857)</u>	<u>355,868,911</u>

The cash resources as at 31 March 2018 for GOJ includes an amount of \$25,822 (\$30,000 net of bank charges) which was received from GOJ to open the BNTF 9 project bank account. This will be reimbursed to GOJ when funds for the project are received.

The cash resources as at 31 March 2018 for EU (PRP 11) includes an amount of \$97,804,670 for funds received representing the Jamaican dollar equivalent of EURO 725,200 which was incorrectly deposited by the European Union on 28 February 2017 to that bank account instead of EU (PRP 111). The amount of \$12,906,005 represents foreign exchange revaluation gains of \$12,876,450 and interest earned of \$29,555 respectively, on the EURO funds held at the year end.

An amount of \$30,955,487 granted for the ZOSO Project was lodged to the GOJ/WB2 bank account at the end of the financial year and is reflected in the GOJ funds received for the current financial year. This amount was transferred to the ZOSO Project bank account subsequent to the year end. The \$30,955,487 is comprised of \$26,000,000 and \$3,455,487 received from The Ministry of Economic Growth and Job Creation for the Zinc Fence Substitution Project in Mount Salem, St. James and Denham Town, respectively. \$1,500,000 was also received from the Minister of Finance and Planning for the administration of the ZOSO Project.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

6. CASH AND CASH EQUIVALENTS (CONT'D):

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

	<u>2018</u> ₡	<u>2017</u> ₡
Cash and bank balances -		
Bank of Jamaica (Foreign currency)	11,538,304	41,058,515
National Commercial Bank (Foreign currency)	111,087,776	164,189,105
National Commercial Bank	113,216,181	1,464,555,394
Bank of Nova Scotia (Foreign currency)	3,307,049	6,974,185
Bank of Nova Scotia	15,689,657	14,152,253
Sagicor Bank	<u>101,029,944</u>	<u>56,728,560</u>
	<u>355,868,911</u>	<u>1,747,658,012</u>

7. ADVANCES TO CONTRACTORS AND OTHER RECEIVABLES:

	<u>2018</u> ₡	<u>2017</u> ₡
Advances on sub-project contracts	91,835,506	9,429,908
Contractual deposit	1,495,083	1,495,083
Project receivables	<u>343,361,812</u>	<u>120,421,922</u>
Total financial assets classified as loans and receivables	436,692,401	131,346,913
Prepayments	1,517,294	1,517,294
Staff advances	245,785	128,124
Other receivable	<u>10,710,050</u>	<u>35,015,801</u>
Total advance to contractors and other receivables	<u>449,165,530</u>	<u>168,008,132</u>

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

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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>2018</u>	<u>2017</u>
	₤	₤
(a) Funds advanced/(reimbursable) for project expenditure as at 31 March:		
International Bank for Reconstruction and Development (DVRP)	52,245,712	20,109,819
International Bank for Reconstruction and Development (ICDP)	114,828,518	6,259,631
Government of Jamaica	26,735,632	3,965,986
Commission of the European Communities (EU)	184,540,331	1,421,083,740
Caribbean Development Bank	(126,723,170)	103,740,073
International Bank for Reconstruction and Development (RED1)	-	61,313,916
PetroCaribe	18,749,631	46,083,862
Government of Jamaica (ZOSO)	31,228,548	-
Jamaica Public Service Company Limited (JPS Step-Up)	<u>1,661,660</u>	<u>258,281</u>
	<u>303,266,862</u>	<u>1,662,815,308</u>

This represents cash resources available to fund project activities.

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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

(b) Total expenditure by categories is as follows:

	<u>2018</u>	<u>2017</u>
	<u>₤</u>	<u>₤</u>
<u>Administrative Expenditure</u>		
Compensation of employees	336,515,195	297,548,089
Travel expenses and subsistence	80,941,128	77,684,317
Rental of property	24,259,549	20,626,714
Public utility services	15,420,234	13,367,843
Purchase of other goods and services	196,000,613	109,162,447
Interest/Finance payments	1,936,657	998,089
Grants and contributions	16,279,321	14,923,264
Purchase of equipment	<u>11,148,277</u>	<u>5,416,854</u>
Total Administrative Expenditure	<u>682,500,974</u>	<u>539,727,617</u>
<u>Sub-Project Expenditure</u>		
Social infrastructure	687,908,789	765,979,064
Economic infrastructure	202,505,419	441,849,720
Social services	205,304,256	167,869,303
Organization strengthening	224,585,857	114,465,216
Project concept development, advertising and printing	<u>12,473,295</u>	<u>31,340,245</u>
Total Sub-Project Expenditure	<u>1,332,777,616</u>	<u>1,521,503,548</u>
Total Expenditure	<u>2,015,278,590</u>	<u>2,061,231,165</u>

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

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

(c) Property, Plant and Equipment:

<u>Category</u>	<u>Balance 1 April 2017</u> ₤	<u>Current year additions</u> ₤	<u>Balance 31 March 2018</u> ₤	<u>Adjustment to reconcile book balance to physical count</u> ₤	<u>Assets available for use by the projects 31 March 2018</u> ₤
Furniture & fixtures	11,028,440	418,565	11,447,005	-	11,447,005
Motor vehicles	24,555,072	5,988,130	30,543,202	-	30,543,202
Office equipment	7,001,203	965,136	7,966,339	-	7,966,339
Computers	67,517,835	3,103,130	70,620,965	(17,365,367)	53,255,598
Leasehold improvements	<u>6,238,206</u>	<u>673,316</u>	<u>6,911,522</u>	-	<u>6,911,522</u>
Total	<u>116,340,756</u>	<u>11,148,277</u>	<u>127,489,033</u>	<u>(17,365,367)</u>	<u>110,123,666</u>

Due to the nature of the company, assets used by the company totaling \$127,489,033, financed by funds received from the IBRD, IDB, EU, CDB, the Government of Japan and the GOJ, have been accounted for as project expenditure. Of this amount \$17,365,367, representing computer hardware has been disposed/written off during the year in accordance with GOJ regulations. Items being disposed/written off are approved by either JSIF's internal Board of Survey or the Board of Survey at the Ministry of Finance, the bodies that are assigned this responsibility. These assets have not been reflected in these financial statements other than by way of this note.

10. ACCOUNTS PAYABLE:

	<u>2018</u> ₤	<u>2017</u> ₤
Contractors' retention	51,123,401	67,199,506
Contractors' levy	6,704,749	7,018,953
Contractors' claims	-	(14,149)
Project payables	<u>384,911,484</u>	<u>110,949,099</u>
Total financial liabilities	442,739,634	185,153,409
Other payables	<u>59,026,945</u>	<u>67,696,427</u>
Total accounts payable	<u>501,766,579</u>	<u>252,849,836</u>

JAMAICA SOCIAL INVESTMENT FUND
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2018

11. COMMITMENTS:

- (a) At 31 March 2018, commitments in respect of contracts approved by the Board but not yet executed amounted to approximately \$2.557 billion (2017 - \$2.231 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>2018</u> \$	<u>2017</u> \$
Year 1	22,001,448	18,247,433
Year 2	20,942,033	8,798,700
Year 3	<u>12,187,541</u>	<u>1,675,974</u>

12. FUNDS AVAILABLE FOR DRAW-DOWN:

As at 31 March 2018, 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>2018</u> \$	<u>2017</u> \$
Available over the next twelve months	2,771,756,000	2,021,109,000
Available over the next 1-3 years	<u>6,874,986,000</u>	<u>10,842,885,000</u>

13. RELATED PARTY TRANSACTIONS AND BALANCES:

	<u>2018</u> \$	<u>2017</u> \$
(a) Transactions during the year between the company and its related party		
Government funding	<u>589,813,583</u>	<u>417,790,571</u>
(b) Key management compensation		
Key management includes directors		
Fee	1,420,650	875,700
Salaries and other short-term employee benefits	<u>49,869,202</u>	<u>46,231,099</u>
	<u>51,289,852</u>	<u>47,106,799</u>

Board of Directors' Compensation

Name and 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	265,750	N/A	N/A	N/A	265,750
Carey Peterkin - Director	194,550	N/A	N/A	N/A	194,550
Brian Bennett Easy - Director	233,300	N/A	N/A	N/A	233,300
Deveta McLaren - Director	113,100	N/A	N/A	N/A	113,100
Jason Smith - Director	78,050	N/A	N/A	N/A	78,050
Stephen Newland - Director	116,850	N/A	N/A	N/A	116,850
Robert Lawrence - Director	135,150	N/A	N/A	N/A	135,150
Mark Azan - Director	142,100	N/A	N/A	N/A	142,100
Omar Frith - Director	141,800	N/A	N/A	N/A	141,800
Omar Sweeney - 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

- 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.

Projects Approved



#	Project Name	Funding Project	Donor	Sub Project Cost JMD	Date Approved	Parish	Community
1	Wilton Gardens/Rema Integrated Infrastructure Project	ICDP	WB	156,898,909	April 27, 2017	St. Andrew	Wilton Gardens
2	Denham Town Integrated Infrastructure Project	ICDP	WB	223,518,043	April 27, 2017	Kingston	Denham Town
3	Rural Micro Enterprise Project	BNTF 7	CDB	69,620,000	April 27, 2017	Multi-Parish	Multi-District
4	Retirement Integrated Infrastructure Project	ICDP	WB	189,485,245	May 31, 2017	St. James	Retirement / Bellevue
5	Greenwich Town Integrated Infrastructure Project	ICDP	WB	202,401,850	May 31, 2017	St. Andrew	Greenwich Town Fishing Village
6	ICDP Alternative Livelihood & Skills Development Cycle 2	ICDP	WB	69,975,000	May 31, 2017	Multi-Parish	Multi-District
7	JPSEMPOWERED CYCLE III	JPSEMPOWERED	JPS	44,736,000	May 31, 2017	Multi-Parish	Multi-District
8	Labour Day 2017 - Barrett Town & Maxfield Park	ICDP	WB	1,225,000	May 31, 2017	Multi-Parish	Multi-District
9	Maxfield Park Integrated Infrastructure Project (Maxfield Park IIP)	ICDP	WB	150,162,487	June 28, 2017	St. Andrew	Maxfield Park
10	Rose Town Integrated Infrastructure Project (IIP)	ICDP	WB	224,268,789	June 28, 2017	St. Andrew	Rose Town
11	York Town Integrated Infrastructure Project	ICDP	WB	160,539,865	June 28, 2017	Clarendon	York Town
12	Caanan Heights integrated Infrastructure Project (IIP)	ICDP	WB	196,872,000	July 26, 2017	Clarendon	Caanan Heights
13	ICDP Maxfield Park Sports complex	ICDP	WB	52,000,000	July 26, 2017	St. Andrew	Maxfield Park

#	Project Name	Funding Project	Donor	Sub Project Cost JMD	Date Approved	Parish	Community
14	ICDP YER Cycle 3	ICDP	WB	38,000,000	July 26, 2017	Multi-Parish	Multi-District
15	Majesty Gardens Integrated Infrastructure Project (IIP)	ICDP	WB	314,838,400	September 27, 2017	St. Andrew	Majesty Gardens
16	Ellerslie Gardens Zinc Fence Substitution	ICDP	WB	7,006,073	September 27, 2017	St. Catherine	Ellerslie Pen
17	Tawes Meadows Community Centre Construction / Morgan's Basic School Construction	EU PRP IV	EU	61,225,000	September 27, 2017	St. Catherine	Tawes Pen
18	Steer Town Integrated Infrastructure Project	ICDP	WB	124,617,720	October 25, 2017	St. Ann	Steer Town
19	ICDP - Rehabilitation of Green Spaces & Recreational Facilities	ICDP	WB	222,846,911	October 25, 2017	Multi-Parish	Multi-District
20	ICDP Sports Development & Need Analysis Project	ICDP	WB	108,800,000	October 25, 2017	Multi-Parish	Multi-District
21	ICDP Enterprise Development Project	ICDP	WB	110,000,000	November 21, 2017	Multi-Parish	Multi-District
22	Church Pen 1 & 2 Drainage Improvement Project	JDVRP	WB	107,080,729	November 21, 2017	St. Catherine	Church Pen
23	NSWMA Technical Assistance - Fukoka Method	ICDP	WB	27,104,900	November 21, 2017	St. James	Retirement / Bellevue
24	ICDP Safe Passages Project	ICDP	WB	60,416,469	November 21, 2017	St. Andrew	Maxfield Park
25	ICDP Community Safety Project	ICDP	WB	53,000,000	February 28, 2018	Multi-Parish	Multi-District
26	Bull Savanna Farmers Group Drip Irrigation	BNTF 9	CDB	30,486,716	February 28, 2018	St. Mary	Multi-District
27	Southfield Drip Irrigation Project	BNTF9	CDB	30,486,716	February 28, 2018	St. Elizabeth	Southfield
28	ICDP Alternative Livelihood & Skills Development Cycle 3	ICDP	WB	138,750,000	February 28, 2018	Multi-Parish	Multi-District
29	PRP Community Development Grants for NSAs	EU PRP IV	EU	49,500,000	March 28, 2018	Multi-Parish	Multi-District

#	Project Name	Funding Project	Donor	Sub Project Cost JMD	Date Approved	Parish	Community
30	Mount Salem Development Project	GOJ	GOJ	50,000,000	March 28, 2018	St. James	Mt. Salem
31	ICDP Summer Camp 2018	ICDP	WB	37,000,000	March 28, 2018	Multi-Parish	Multi-District
32	Central Village Drain Rehabilitation/ Completion	GOJ	GOJ	2,500,000	March 28, 2018	St. Catherine	Central Village

* The figures under "Sub Project Cost" are the amounts which were originally approved by the Board of Directors and include both the JSIF and Community contributions

Projects Completed



#	Project Name	Funding Project	Donor	Date Completed	Contracted Amount JMD	Parish	Community	Estimated Beneficiaries
1	Black River Primary School Expansion and Rehabilitation - Access to the Physically Challenged	BNTF 8	CDB	December-17	31,346,930	St. Elizabeth	Black River	1,133
2	Morant Bay Primary School Expansion and Rehabilitation - Access to the Physically Challenged	BNTF 8	CDB	September-17	30,384,580	St. Thomas	Morant Bay	1,012
3	Port Antonio Primary School Expansion and Rehabilitation - Access to the Physically Challenged	BNTF 8	CDB	November-17	57,129,566	Portland	Port Antonio	1,054
4	RADA Hanover - Construction of Agro Processing Facility & Resource Centre	REDI	WB	April-17	16,772,203	Hanover	Haughton Grove	25
5	Rural Agricultural Development Authority St. Catherine / Tortilla Factory	REDI	WB	July-17	22,378,160	St. Catherine	Linstead	25
6	National Irrigation Commission Ltd. - Provision of Industrial Well Pump Set	REDI	WB	July-17	30,179,758	Manchester	New Forest	580
7	(Super 18) Sustainable Programme for Environmental Resilience Project	ICDP	WB	December-17	8,232,000	Multi-Parish	Multi-District	80,000
8	SUPER 18 ZIK V Intervention	ICDP	WB	October-17	27,276,158	Multi-Parish	Multi-District	0
9	SUPER 18 Waste Management Enclosures Supervision St James Package 5	ICDP	WB	October-17	11,669,974	St James	Anchoy / Catherine Mount	0

#	Project Name	Funding Project	Donor	Date Completed	Contracted Amount JMD	Parish	Community	Estimated Beneficiaries
10	Browns Hall Primary School Rehabilitation, Fencing & Sanitation	BNTF 7	CDB	June-17	49,627,146	St. Catherine	Browns Hall	327
11	Christiana Moravian Primary School Expansion & Rehabilitation	BNTF 7	CDB	June-17	69,262,192	Manchester	Christiana	1,150
12	Discovery Bay All Age Expansion & Rehabilitation	BNTF 7	CDB	October-17	74,090,422	St. Ann	Discovery Bay	440
13	REDI Agroprocessing Project Equipping	REDI	WB	June-17	24,335,837	Multi-Parish	Multi-District	170
14	Sanitation Pkg 7 - Epworth Primary (St. Ann)	PDF	PDF	June-17	5,758,000	St. Ann	Epworth	156
15	Sanitation Pkg 7 - Mount Hermon Primary & Junior High (Westmoreland)	PDF	PDF	June-17	7,443,154	Westmoreland	Lamb's River	129
16	Haddington - New Milns Road Repairs	BNTF 7	CDB	August-17	50,071,000	Hanover	Haddington	906
17	ICDP Alternative Livelihood Cycle 1	ICDP	WB	August-17	40,000,000	Multi-Parish	Multi-District	460
18	Roper Road Rehabilitation	BNTF 7	CDB	December-17	46,117,100	St. James	Roper	300
19	FSMA Infrastructure for Water Users Groups	REDI	WB	May-17	13,248,680	Multi-Parish	Multi-District	334
20	Institutional Strengthening in Gender Mainstreaming	BNTF 7	CDB	March-18	11,632,780	Multi-Parish	Multi-District	60
21	May Pen School of Special Education - Landscaping Completion	BNTF 7	CDB	July-17	11,809,421	Clarendon	May Pen	89
22	Sanitation Pkg 8 - Salem Primary & Junior High	PDF	PDF	May-17	4,780,590	Westmoreland	Beeston Spring	150
23	Sanitation Pkg 8 - St. Ann's Bay Primary	PDF	PDF	September-17	5,934,880	St. Ann	St. Ann's Bay	1,400
24	BNTF 7 School Equipping Project	BNTF 7	CDB	September-17	13,185,621	Multi-Parish	Multi-District	7,536
25	Chepstowe Water Supply	BNTF 7	CDB	October-17	47,083,950	Portland	Chepstowe	900

#	Project Name	Funding Project	Donor	Date Completed	Contracted Amount JMD	Parish	Community	Estimated Beneficiaries
26	Special Education Needs Coordinators Training	BNTF 7	CDB	October-17	9,687,870	Multi-Parish	Multi-District	1,382
27	Youth at Risk - Violence Prevention Against Children	BNTF 7	CDB	August-17	11,957,579	Multi-Parish	Multi-District	8,071
28	Grierfield Road Rehabilitation	BNTF 8	CDB	March-18	69,766,150	St. Ann	Grierfield	2,000
29	BNTF 8 WASH Training	BNTF 8	CDB	June-17	3,604,000	Multi-Parish	Multi-District	3,231
30	BNTF 8 Maintenance Training	BNTF 8	CDB	December-17	6,189,800	Multi-Parish	Multi-District	125
31	Hope Zoo Programme for Education & Psychosocial Support For Vulnerable Groups	PDF	PDF	June-17	20,000,000	Multi-Parish	Multi-District	6,140
32	Zinc Fence Substitution - Barrett Town	ICDP	WB	July-17	17,556,050	St. James	Jenkins Ave	0
33	Zinc Fence Substitution - Granville	ICDP	WB	October-17	22,582,050	St. James	Granville / Pitfour	0
34	Zinc Fence Substitution - Hannah Town	ICDP	WB	October-17	27,120,940	Kingston	Hannah Town	0
35	Zinc Fence Substitution - Maxfield Park	ICDP	WB	October-17	8,454,440	St. Andrew	Maxfield Park	0
36	Seismic Support Project	DVRP	WB	December-17	76,117,543	Multi-Parish	Multi-District	7
37	ICDP Summer Camp 2017	ICDP	WB	September-17	32,750,000	Multi-Parish	Multi-District	1,800
38	JPSEMPowered CYCLE III	JPS	JPS	October-17	31,709,444	Multi-Parish	Multi-District	1,120
39	ICDP Safe Passages Project	ICDP	WB	February-18	11,294,163	St. Andrew	Maxfield Park	0

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

* The sub projects that have zero for beneficiary amounts are for communities that have benefited from previous interventions; the aim is to reduce double counting

* The project that has 80,000 beneficiaries is taking place in 18 highly populated urban areas

Kingston 5,

11 Oxford Road
(Ground floor the Dorchester Building)

(Entrance on Norwood Avenue)
Jamaica, WI

Website: www.jsif.org
Email: feedback@jsif.org
Tel: 876-968-4545
Toll Free: 888-991-2356/7
Fax: 876-929-3784

