



TPDCO ANNUAL REPORT 2019-2020

TABLE OF CONTENTS

| | |
|--|---------|
| MESSAGE FROM THE MINISTER OF TOURISM | 3 |
| MESSAGE FROM THE CHAIRMAN | 4 |
| MESSAGE FROM THE EXECUTIVE DIRECTOR | 5 - 6 |
| COMPANY PROFILE | 7 |
| OVERVIEW | 8 |
| BOARD OF DIRECTORS | 9 |
| EXECUTIVE MANAGEMENT TEAM | 10 - 11 |
| EXECUTIVE LEVEL ORGANIZATION STRUCTURE | 12 |
| PRODUCT QUALITY & TRAINING | 13 - 15 |
| LICENCE PROCESSING UNIT | 16 - 17 |
| PRODUCT DEVELOPMENT AND COMMUNITY TOURISM | 18 - 22 |
| PROJECTS DEPARTMENT | 23 - 26 |
| DESTINATION ASSURANCE | 27 - 30 |
| VISITOR SAFETY & EXPERIENCE | 31 - 32 |
| CRAFT DEVELOPMENT UNIT | 33 - 34 |
| CORPORATE COMMUNICATIONS & COMMUNITY AWARENESS | 35 - 36 |
| MANAGEMENT INFORMATION SYSTEMS | 37 |
| FACILITIES | 38 |
| RIVER RAFTING AUTHORITY | 39 - 40 |
| CORPORATE SOCIAL RESPONSIBILITY | 41 |
| CORPORATE GOVERNANCE | 43 - 44 |
| BOARD AND COMMITTEE ATTENDANCE | 45 |
| RISK MANAGEMENT FRAMEWORK | 46 - 47 |
| DIRECTOR FEES 19/20 | 48 |
| SENIOR EXECUTIVE COMPENSATION 19/20 | 49 - 50 |
| FINANCIAL REVIEW | 51 - 83 |

MESSAGE FROM THE MINISTER OF TOURISM



Honourable Edmund Bartlett,
CD, MP
Minister of Tourism

It's another year in the bag for tourism, and we are grateful for the consistent growth in the sector. At the end of 2019, we welcomed 4.3 million visitors, which comprised 2.7 million in stopover arrivals, and 1.6 million arrivals, which earned us an impressive USD 3.64 billion dollars. Compared to the last period, we have seen an 8.4% increase in stopover arrivals and a 10.3% increase in earnings.

Organizations such as TPDCo, have been crucial to our success. We have seen, over the past couple of decades, how instrumental this public body has been to the tourism sector. TPDCo has remained diligent and consistent in its efforts to give Jamaica a competitive edge and ensure that the destination remains top of mind.

TPDCo's involvement in the growth of the sector has been achieved through a myriad of ways; the training programmes have improved the knowledge and skills of service providers, anti-harassment and destination assurance remains a crucial focus in safeguarding the reputation of the destination, and the standards/licensing portfolio of the organization ensures that all entities who wish to enter or remain operational, adhere to all laws and regulations. TPDCo, represents the gatekeepers of the sector, with their diverse range of skills, achieved through highly qualified staff members, we have witnessed the importance of teamwork and passion for one's duties. The tourism sector, no doubt, changes frequently; interests die, and new trends arise. With this in mind, we keep our ears to the ground to keep on top of current and new information. After all, tourism, being the highest earning sector, has impacted the livelihood of thousands of Jamaicans. We have facilitated the bolstering of many skills and have opened the doors for many new opportunities, which we wish to continue for as long as possible.

However, with the presence of the Coronavirus (COVID-19) in Jamaica, and the highly infectious

nature of the virus, we understand that changes may well be on the horizon, and that the closing of borders will negatively impact the tourism sector and our service providers. Planning is already on the way, and based on the serious nature of the pandemic, we are moving with alacrity to mitigate the anticipated fall-out. As such we have been holding frequent discussions with the Ministry of Health and Wellness and the National Disaster Risk Management Council, which is chaired by our Prime Minister, the Most Honourable Andrew Holness. We will be discussing a most important aspect of managing the pandemic, that is, the safety protocols to be agreed on and adopted by tourism entities.

We remain keen to ensure that we protect our service providers and their families through the implementation of safety protocols and other measures in which TPDCo will be heavily involved. The organization will be lending its support in assisting operators in the tourism sector with their application for benefits under the COVID-19 Allocation of Resources to Employees (CARE) programme. Specially assigned staff members of the Tourism Product Development Company (TPDCo), who are a part of the newly developed Stakeholder Risk Management Unit, will closely monitor the implementation of the protocols. There is more to come, and with the cooperation of the entire sector and the country, we hope to come out of this unexpected event, stronger and better.

Thank you TPDCo for your support and immeasurable contribution to Jamaica's leading sector.

A stylized, handwritten signature in black ink, appearing to read 'Edmund Bartlett'.

Honourable Edmund Bartlett, CD, MP,
Minister of Tourism

MESSAGE FROM THE CHAIRMAN



Ian Dear
Chairman

Tourism Product Development Company Ltd. (TPDCo.) continues to hold a special place in the lives of many Jamaicans and even my own. This organization, year after year, continues to highlight its importance to the tourism sector and the many individuals and businesses involved. I am pleased to see that we are trending upwards, and despite the looming threat of the unexpected Coronavirus (COVID-19) pandemic on our shores, we have armored ourselves to ensure that we are ready to give our full support to not only the sector, but the country at large.

Our 2019 and early 2020 efforts were concentrated on the organization's services. The various departments were focused on their deliverables, which continue to impact our service providers and the various tourism entities that we serve. We have logged over 1800 quality assessments, for which the team must be commended, after not having the full complement of the Product Quality team, assisting with the Tourism Service Excellence Awards, and taking on specialized roles to conduct COVID-19 assessments. I am proud to know that our team members are willing, flexible, and adaptable, no matter what happens.

Our other services also continue to make their mark in the sector. The training unit, and its responsibility to improve the knowledge and skills of those both internal and external to the sector surpassed its target of Approved Training Partners. We are now able to expand the reach and accessibility of the Team Jamaica training even more, as the programme maintains its popularity within the sector. As it relates to licensing of tourism entities, some Five Thousand, Six Hundred and Forty (5,640) Licenses were processed for the period April 2019 - March 2020, and although the COVID-19 pandemic understandably resulted in a decrease in the number of applicants, the department has been charged to provide support through the GOJ CARE programme, which will assist some service providers with much needed financial support.

The organization is still committed to providing support to local tourism businesses through our Product Development and Community Tourism unit and its unique niche. The team has achieved all their targets and has facilitated several useful trainings, loan information through a collaboration with the Jamaica National Small Business Loan (JNSBL) and, guidance for some thirteen enterprises.

The Projects Unit continues to see value for money, and their work provides visual evidence of improvements across the island. At the community level, knowledge has improved through the provision of resource centres and the development of community centres, which should improve the lives and wellbeing of our citizens. Our other projects provide functional improvements to the existing infrastructure, such as the building of a new bridge for vehicular traffic minimizing contamination of waterfall flows for Hollywell and its surrounding communities.

TPDCo has once again proven itself, and I applaud the entire team for their efforts and diligence in serving the sector and the country. Based on our numbers and even testimonials from those who have benefited, the team is motivated and passionate about their various roles. I am proud to be part of the team, and as we prepare for uncertain times, I encourage everyone to stay safe and unite in our various efforts as we commence the planning and implementation of resilience strategies to allow us to weather these unforeseen times.

A stylized, handwritten signature in white ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Ian Dear,
Chairman

MESSAGE FROM THE EXECUTIVE DIRECTOR



Dr. Andrew Spencer

Executive Director
Tourism Product Development Company
Ltd.

It is remarkable when an organization produces impressive results. These outstanding numbers demonstrate the high level of productivity of the agency. This however, would not be possible without cognitive, technical and stakeholder-inclusive skills of the entire TPDCo team. All the roles within the organization serve an important purpose, and most of the behind-the-scenes activities require persistence and significant power of will. As we enter uncertain times, we will learn to adapt to many incoming changes that are designed for our own safety.

I am sure that at this point we understand the seriousness of the COVID-19 pandemic and its likely impact on the local tourism sector. TPDCo has been charged to play a vital role in helping to minimize the damage against the sector and its providers. We are ready, willing, and able to participate in leading the charge. I am sure with the teamwork and unity to which we are accustomed, we will come out with many lessons, new and valuable skills, and an even better tourism sector. We were pivotal in the formulation of the world-renowned safety protocol manual, which became the benchmark for the World Travel and Tourism Council (WTTC) and the Caribbean Hotel and Tourist Association (CHTA). This further established our agency as the leading product development in the Caribbean.

Notwithstanding pandemic related challenges, we were able to achieve many goals, and for that we are grateful. The organization, which places its human capital at the pinnacle and the center of all we do, facilitated the completion of multiple training programmes, to meet the needs our target groups. Three Thousand Five Hundred (3500) participants were targeted for training. Three Thousand Five Hundred & Eighteen (3518) completed the programme and most importantly we facilitated improvement in the skills

and knowledge of our service providers who interface with visitors daily. The team also surpassed their goal of 20 Approved Training Partners by 2, which will assist in our efforts to expand the reach and generate even more exposure of the organization's flagship programme - "Team Jamaica."

For our quality assurance assessments, some 1890 assessments were conducted, even as the unit grappled with limited human resource, and rotated their time to assist with the Tourism Service Excellence Awards programme and changes brought on by COVID-19. Their assistance in coming months will be even more crucial to the new measures to be implemented as we shift gears to safeguard the sector and our valuable human resource against the pandemic and its effects. I am, however, elated to report that the team surpassed their goal and managed to provide visitor information at all TPDCo manned information kiosks across the island, logging some 465,832 enquires, representing a 116% outcome.

Versatility has become even more paramount during these times, and while facilitating the processing of some 6,025 over the past year, the licensing unit has also had to include some crucial tasks which included providing support to operators to receive GOJ CARE grants and liaising with the Programme Coordinator at the Ministry of Finance and the Public Service to clarify data regarding the Covid-19 allocation of resources for employees. We continue to lend our support in many ways during these unprecedented times.

The projects unit, for which a major chunk of responsibility has been allocated, continues to facilitate the implementation of many projects across the island. The

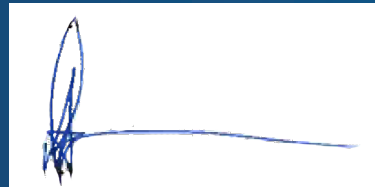
team's budget of \$1.2B included the ongoing Tourism Resort maintenance programme, sub-projects such as "Spruce up Pon Di Corna" which has improved many communities and its residents, the building of a new bridge in Holywell, which has improved transportation in the community, the creation of fitness spaces for locals and even more. All these projects have enhanced the destination areas of Jamaica to add to efforts of making Jamaica a clean and functional place for both its visitors and locals alike.

Our various departments continue on their path of providing improvements to Community Tourism enterprises through the Product Development and Community Tourism Unit. The Destination Assurance Unit has collaborated with training and projects for improvements in their various resort areas, for which much success has been recorded.

The Visitor Safety and Experience Unit, with its mandate to create a safe, secure, and seamless environment by reducing incidents of harassment through collaborative works with critical stakeholders logged a major achievement for this fiscal year. Through the assistance of international expert, Dr. Peter Tarlow, the security audit provided a precise overview of the security practices and security architecture of hotels, tourism enterprises, attractions and places of

interest that are components of tourism in Jamaica. The team, through the audit was able to create and complete a Tourism Ethics Manual, which provides a visitor and stakeholder code of conduct to guide acceptable behavior within the tourism industry.

All our divisions, departments and units have contributed to our milestones, day by day, bit by bit, brick by brick, towards the most magnificent cathedral. The result is a full alignment of our operations with the overall strategy and policy of the Ministry of Tourism and the Government. The work we do may not be seen as much as it is felt. Every opportunity a guest has to walk in the streets and visit a community, in a safe, clean, aesthetically pleasing environment while being served with the highest quality customer service is testament of our inputs. The work of the TPDco contributes to the macro economy while giving attention to the microenvironment, resulting in an improved quality of life for all Jamaicans.

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a horizontal line.

.....
Dr. Andrew Spencer
Executive Director

COMPANY PROFILE



Who are we?

A central agency mandated to facilitate the maintenance, development and enhancement of Jamaica's tourism product.

A registered private company under the Ministry of Tourism and has been in operation since April 5, 1996.

Designed to support government and quasi-government agencies in the development of the tourism industry, particularly by coordinating and facilitating prompt action between public and private sector interests.



What we do?

Collaborate with stakeholders to set and promote standards and licensing guidelines for the industry to attain global competitiveness.

Design, organize and conduct training programmes to facilitate human resource development in the tourism sector.

Ensure that the destination experience is one that is safe, seamless and secure.

Development of heritage and community tourism.

Execute transformational and beautification projects across destination areas.



OVERVIEW

TPDCo has the following core responsibilities as an agency of the Ministry of Tourism (MOT) with its aim to stimulate economic growth and development, generate employment and contribute to reducing poverty and greater social inclusion in Jamaica by accelerating the expansion of the Tourism Sector.

PRODUCT ENHANCEMENT AND DEVELOPMENT

Selected transformational and beautification projects are designed, scoped and executed across resort areas according to timelines and budgets.

QUALITY MANAGEMENT

Quality standards and monitoring established for all major sub-sectors of the tourism sector according to regional and international standards and compliance.

LICENCE PROCESSING AND COMPLIANCE SUPPORT

All applications for all tourism entities are processed on behalf of the JTB and recommended to the JTB for approval while applications for Travel Agencies are processed on behalf of the MOT for their approval. Database is maintained on behalf of the JTB and the MOT of applications processed.

DESTINATION ASSURANCE

Implement tactical programmes to reduce the levels of visitor harassment in resort areas, especially at cruise ports, to improve the levels of visitor safety and visitor satisfaction.

DIVERSIFICATION AND MAINTENANCE OF THE TOURISM PRODUCT

Upgrade attractions and places of interest with a focus on promoting community tourism and creating community tourism enterprises. In addition, to provide entrepreneurial opportunities for Jamaican craftsmen.

TOURISM TRAINING

Design, organize and conduct training programmes which will facilitate human resource development in the tourism sector. In addition, tourism training provides access to specialized training through skills upgrading and community tourism.

BOARD OF DIRECTORS



MR. IAN DEAR



MRS. LAURA HERON



MR. BRIAN WALLACE



MS. VANA TAYLOR



MRS. MARILYN BURROWES



MR. CHRISTOPHER JARRETT



MR. ROBIN DE LISSER



**MR. CHRISTOPHER
WHYMS-STONE**



MS. LATOYA HARRIS



MR. EVATT BLOOMFIELD



MR. MICHAEL BAUGH



MR. TYRONE ROBINSON



MR. OLUDIAD BROWN



MR. JOHN GOURZONG



MS. TONI SPENCE

EXECUTIVE MANAGEMENT TEAM



Dr. Andrew Spencer
Executive Director



Ms. Tova Hamilton
Deputy Executive Director



Mr. Julian Patrick
Director, Attractions
Development



Ms. Georgeia Robinson
Director, Corporate
Services (Acting)



Kimecia Griffiths-Buchanan
Corporate & Strategic
Management Specialist
(Acting)



Marline Stephenson Dalley
Corporate Communications
& Community Awareness
Co-ordinator



**Mrs. Karen Forrester -
McPherson** - Chief Audit &
Risk Executive



Mr. Dave Walker
Director, Visitor Safety &
Experience



Mrs. Ruth Harris
Executive Tourism Training
Manager



**Mrs. Erica Brown
Whittingham** - Executive
Human Resource Manager
(Acting)



Ovel Brown
Financial Controller (Acting)



**Mrs. Deanne Keating -
Campbell** - Director, Product
Quality & Tourism Training



Sheryll Lewis
Licence Processing &
Registration Manager & Craft
Coordinator (Acting)



Mrs. Donna Johnson-Fowler
Director, Public Procurement



Mr. Stephen Edwards
Director, Special Projects



Mr. Winston Campbell
Chief Information Officer

EXECUTIVE MANAGEMENT TEAM



Mr. Stainton Baker
Destination Manager,
Falmouth



Mr. Lionel Myrie
Destination Manager,
Negril



Mr. Daryl Whyte-Wong
Destination Manager, Portland
& St. Thomas



Ms. Anntonette Bernard
Destination Manager,
Ocho Rios



Mrs. Kenya Keddo-Laing
Destination Manager,
Montego Bay



Mr. Jonathan Bamidele
Destination Manager,
Kingston & South Coast

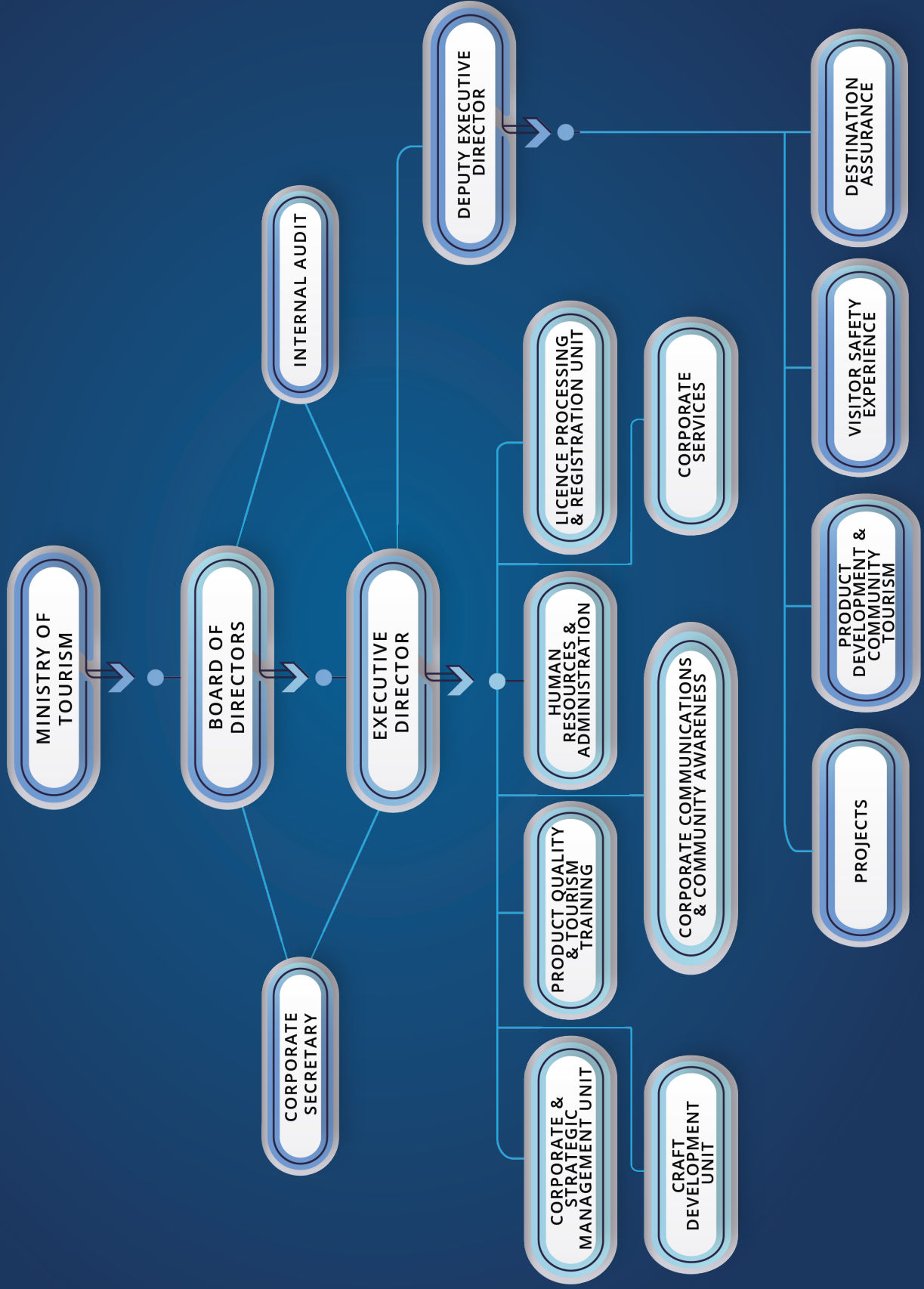
NICOLE HAUGHTON-WRIGHT
Corporate Strategist
up to May 2019

DERON DIXON
Director of Corporate Services
up to February 2020

VIOLET CRUTCHLEY
Craft Coordinator
up to September 2019

DUANE NELSON
Executive Human Resource Manager
up to July 2019

EXECUTIVE LEVEL ORGANIZATION STRUCTURE



DEPARTMENT

PRODUCT QUALITY & TRAINING

PRODUCT QUALITY

Background: The Product Quality and Training Department, as it monitored standards within the tourism sector, promoted high standards in the industry and assisted all stakeholders to attain/maintain high quality within the sector. Engagement with supporting regulatory agencies such as the Public Health Department, the Tourism Liaison Police and the Jamaica Fire Brigade continued with a view of representing the concerns of the sector and of effecting compliance with standards at a minimum cost. As it relates to training, efforts were made to develop partnerships with educational institutions such as HEART/NTA in order to have a greater reach in training sector workers. This was in a bid to develop and facilitate the upgrading of skills of industry workers while focusing on efficiency and excellence in service.

HIGHLIGHTS FOR 2019-2020

| Planned Activity: To conduct 1890 quality assurance assessments of all tourism entities. | | |
|---|--------------------|---|
| Targeted Outcome: Increase in standard levels and compliance within the tourism sector | | |
| Status | % Outcome Achieved | Remarks |
| One thousand three hundred and fifty-seven (1,357) assessments were conducted at hotels, non-hotels, homestays, attractions, craft markets, travel agencies, water sports, bike rentals, travel halts, car rentals, tour operators, places of interest and in-bond shops. | 72% achieved | Re-allocation of human resources to address other key issues within the organization contributed to the shortfall in reaching the target. |

| Planned Activity: To plan, execute and post evaluate three SMTE training and compliance workshops in collaboration with the UK based Travel Foundation. | | |
|--|--------------------|--|
| Targeted Outcome: SMTE Operators trained in Business Basics, toolkit usage and licensing process. | | |
| Status | % Outcome Achieved | Remarks |
| NEGRIL – 45 trainers delivered course material to 63 participants SOUTH COAST - 39 trainers delivered course material to 36 tourism workers. ST. THOMAS/PORTLAND - 36 trainers delivered course material to 78 tourism workers. | 100% | Participants were receptive to the training received as they easily identified the benefit of the training on their operation. |

PRODUCT QUALITY & TRAINING - PRODUCT QUALITY

As seen in Figure 1 below, 78 or 44% of the 177 persons trained were from St. Thomas and Portland. The remaining 99 were from the South Coast and Negril.

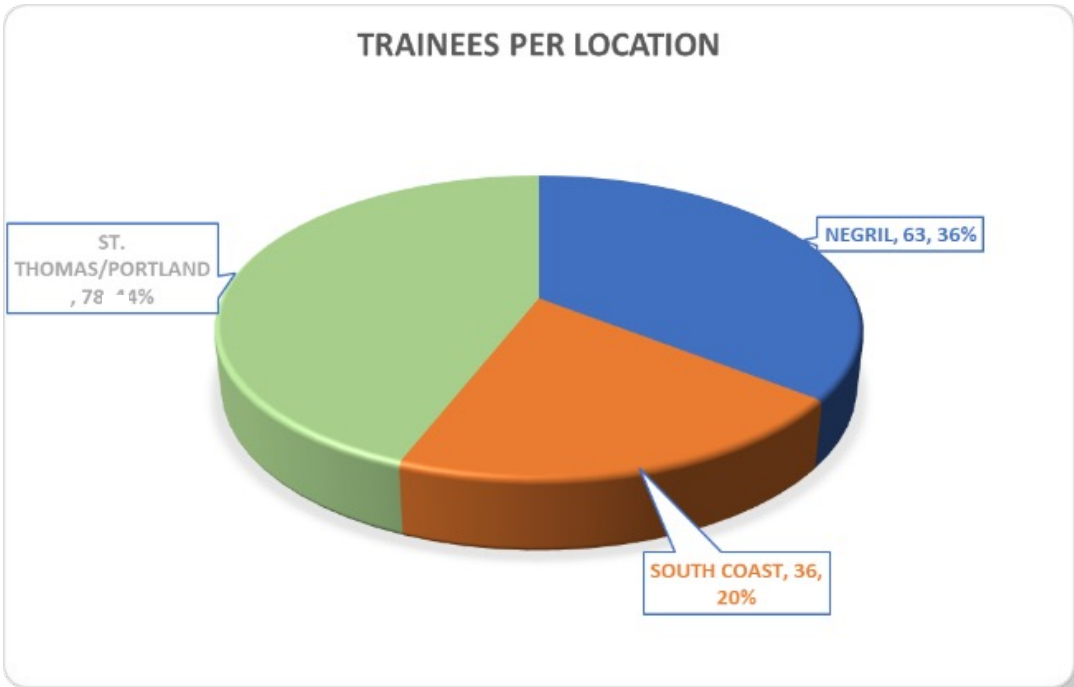
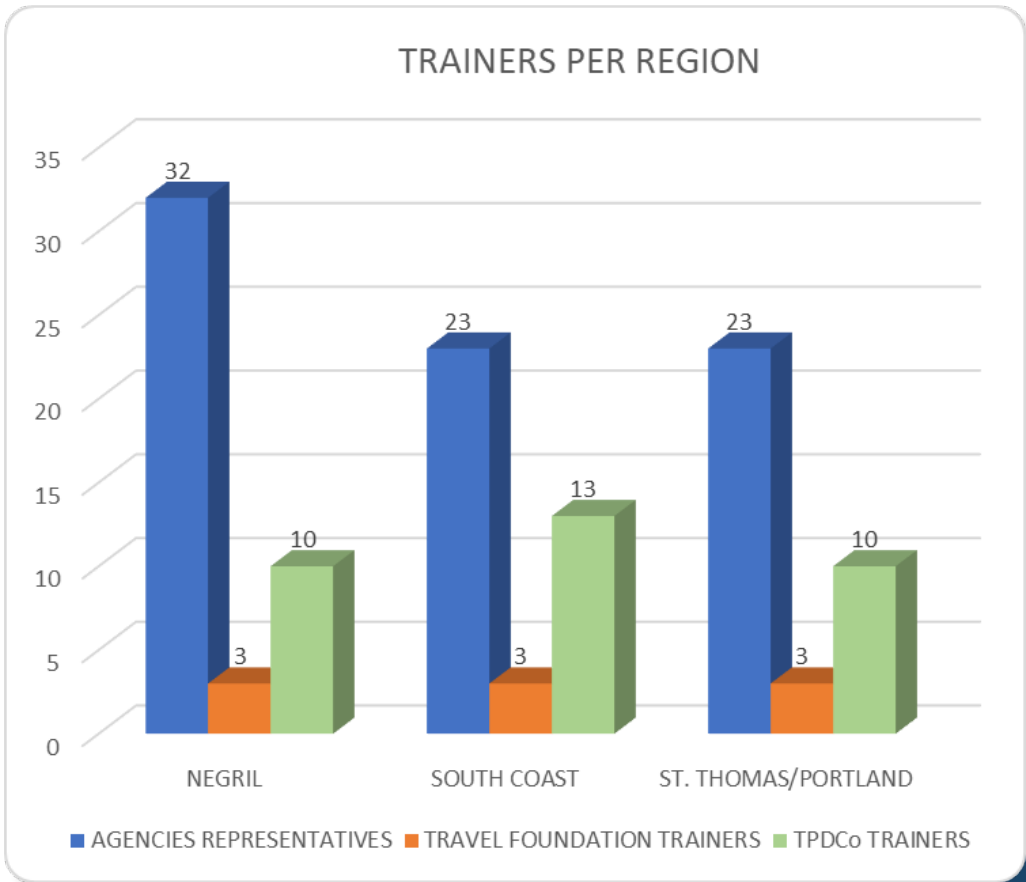


Figure 2 below gives a breakdown of the composition of trainers in each region.





PRODUCT QUALITY & TRAINING - PRODUCT QUALITY

Planned Activity: To provide visitor information to 400,000 visitors at all TPDCo manned information kiosks across the island.

Targeted Outcome: Visitors (cruise passengers and stopovers) are equipped with the necessary information contributing to the safe, seamless and secure experience they are promised.

| Status | % Outcome Achieved | Remarks |
|--|--------------------|--|
| Number of visitors to kiosks - 460,207 Number of queries responded to - 465,832 | 116% | Information shared with visitors allowed them to plan their activities within the destination areas. |

Planned Activity: To contract 20 Approved Training Partners (ATPs) to deliver the TEAM Jamaica programme island wide.

Targeted Outcome: Increase in access to TEAM Jamaica Training

| Status | % Outcome Achieved | Remarks |
|---|--------------------|--|
| 22 Approved Training Partners contracted as at March 2020 | 110% achieved | Surpassing this target is greatly beneficial as the company seeks to step away from conducting training session for individuals and focus on groups. |

Planned Activity: To train and certify 3,500 Tourism Industry workers in TEAM Jamaica

Targeted Outcome: Improvement in service delivery by the industry workers.

| Status | % Outcome Achieved | Remarks |
|--|--------------------|---|
| 3518 persons trained and certified in TEAM Jamaica | 100.5% | This is the company's flagship training Junia and contuse to be in demand within the sector and the wider population. |

Planned Activity: To develop and facilitate skills upgrading of 1,500 workers within the tourism sector

Targeted Outcome: Improve the income generating capabilities of persons in the industry.

| Status | % Outcome Achieved | Remarks |
|--|--------------------|--|
| 1473 persons trained in skills programmes. | 98% | The onset of COVID-19 resulted in the company falling short of the target. |

Planned Activity: Conduct 72 HIV/AIDS sensitization sessions

Targeted Outcome: Improve the awareness of HIV/AIDS among sector workers.

| Status | % Outcome Achieved | Remarks |
|-----------------------|--------------------|---|
| 65 sessions delivered | 90% Achieved | Workers are educated on safer sexual relations habits to foster a healthier environment. The onset of COVID-19 resulted in the company falling short of the target. |

DEPARTMENT

LICENCE PROCESSING UNIT

Background: The Licensing Processing Unit is responsible for coordinating all licensing functions on behalf of the Jamaica Tourist Board (JTB). It is also responsible for generating all statistical data with regards to the various tourism entities.

HIGHLIGHTS FOR 2019-2020

Planned Activity: To process applications for 6,025 operators for the Jamaica Tourist Board.

Targeted Outcome: Raise the level of compliance within the industry and maintain up to date database of entities that offer services in keeping with regulatory requirements.

| Status | % Outcome Achieved | Remarks |
|---|--------------------|--|
| Five Thousand, Six Hundred and Forty (5,640) Licences were processed for the period April 2019- March 2020. | 93.61% | Due to the effects of Covid-19 pandemic, there was a decrease in the number of persons applying for their JTB Licences hence the inability to meet the desired target. |

Table 1 below gives the details of entities licensed against what was projected.

| ENTITIES FOR LICENSING | PLANNED | ACTUAL | PERCENTAGE LICENSED (%) |
|---|---------|--------|-------------------------|
| Attractions | 40 | 26 | 65 |
| Bike Rentals | 7 | 5 | 71 |
| Car Rentals | 58 | 49 | 84 |
| Domestic Tours | 150 | 148 | 94 |
| Contract Carriage Operators | 3,990 | 3,797 | 95 |
| Domestic Tour Contract Carriage Operators | 510 | 569 | 112 |
| Water Sports Operators | 100 | 114 | 114 |
| Craft Vendors | 1,100 | 912 | 83 |
| Travel Halts | 5 | 0 | 0 |
| Hotels | 12 | 8 | 67 |
| Non-Hotels | 40 | 7 | 17.5 |
| Places of Interest | 4 | 0 | 0 |
| Homestays | 9 | 5 | 55.5 |
| Total | 6,025 | 5,640 | 93.6 |

LICENCE PROCESSING UNIT

Table 1 – Comparison of planned versus actual licensed entities

| Planned Activity: Process on behalf of the Ministry of Tourism 768 Duty Concession, 4 Travel Agency and 591 Work Permits. Targeted Outcome: Increase in support provided to sector operators in order to influence the availability of service. | | |
|--|----------------------|--|
| STATUS | % Outcome Achieved | Remarks |
| Five Hundred and Fifty (550) vehicles were granted concession. | 71.57% was achieved. | Due to the Covid-19 pandemic, there was a decrease in the number of persons applying for concessions hence the inability to meet the desired target. |
| 1 travel agency was issued a certificate | 25% | |
| Five Hundred and Ninety-One (591) Work Permit applications were processed with Four Hundred and Thirty-Four (434) being granted approval | | |

| Planned Activity: Conduct a carrying capacity study of Contract Carriage Operators in the tourism industry by the Transport Authority of Jamaica. Targeted Outcome: Determine the correct number of operators that are needed to adequately serve the tourism sector. | | |
|--|--------------------|--|
| STATUS | % Outcome Achieved | Remarks |
| The first draft of the Carrying Capacity report was submitted on July 5, 2019. | 90% | Discussions are ongoing regarding the study. This is critical as it is important to ensure the contract carriage sub-sector is not over saturated. |
| The second draft was submitted on January 14, 2020. | | |
| A review is currently being done to ensure that all requested deliverables have been satisfied. | | |

| Planned Activity: To collate, verify and submit to the Ministry of Finance and the Public Service all required data for the Jamaica Tourist Board (JTB) licensed tourism entities and other relevant tourism employees and workers to aid in the successful execution of the COVID-19 CARE Programme. Targeted Outcome: Provision of financial support to eligible operators within the industry affected by COVID-19. | | |
|---|--------------------|--|
| Status | % Outcome Achieved | Remarks |
| Data was collated, verified and submitted to the Ministry of Finance and the Public Service all required for the Jamaica Tourist Board (JTB) licensed tourism entities and other relevant tourism employees and workers. | 100% | Re-verified all Jamaica Tourism Board licensed entities to ensure their Tax Registration Number (TRN) was on file as of March 31, 2020. |
| | | Disseminated emails on behalf of the Ministry of Tourism to the Tourism Industry to gather information on the Entities' Staff Plan as a result of COVID-19. |
| | | Liaised with the Programme Coordinator at the Ministry of Finance and the Public Service to clarify data regarding the Covid-19 Allocation of Resources for employees. |

DEPARTMENT

PRODUCT DEVELOPMENT AND COMMUNITY TOURISM

BACKGROUND

The Product Development and Community Tourism Department has the responsibility of ensuring resilience for the Jamaican tourism product through strategic and tactical initiatives, whilst enshrining the principles of destination assurance – such as Safety, Security and Seamlessness. Tactical initiatives are undertaken by the various departments namely; Business Development Unit, Property Management Unit, Community Tourism Unit and Urban Planning and Heritage Unit.

The Business Development Unit within the Tourism Product Development Company (TPDCo) offers services that help businesses to plan for expected and unexpected events in business. The unit is focused on working hand-in-hand with businesses to unearth and mitigate operational risks as well as identify opportunities for growth in tourism. The Property Management Unit was tasked with the responsibilities of overseeing the general administration, monitoring of operational activities and the maintenance of sixteen (16) properties. Community Tourism focuses on guiding the development of new and existing tourism enterprises into market ready and sustainable Community Tourism Enterprises (CTEs). Whilst the Urban Planning and Heritage Unit is tasked to safeguard our culture for future generations whilst, helping to drive the sustainable development of Jamaica. Restoration and development of historic spaces will support the diversification of the tourism industry, as Tourism continues to be the vehicle of economic growth.

HIGHLIGHTS FOR 2019/2020

Planned Activity: Collaborate with Jamaica National Building Society to host 2 JNSBL Loan Drives (Negril and Montego Bay) and Business Consultations.

Targeted Outcome: Increase uptake of JNSBL tourism loans

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|--|--------------------|---|
| Negril and Montego Bay 28 prospects for an approximate value of \$50,000,000 1 approved and disbursed 2 pre-approved applications are undergoing final processing. | 100% | The company's participation in this initiative allowed for knowledge exchange that will strengthen future applications. |

Planned Activity: Monitor the 8 properties leased to independent operators to ensure adherence to lease agreements.

Targeted Outcome: Ensure lessees' continue to comply with lease agreements

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---|--------------------|--|
| Ongoing monitoring of all entities to ensure activities on the properties are not in breach of agreements and regulations | 83% | Two (2) operators have fallen behind in their lease payments. One (1) cited bank operations as the reason as their bank transfers the funds to TPDCo's bank account. The other claims infrastructural conditions hampered operations and ultimately income. Additionally, proposals for infrastructural development at 3 of the properties were submitted for approval with 1 being completed during the year. |

PRODUCT DEVELOPMENT & COMMUNITY TOURISM

Planned Activity: Facilitate the development of 5 tourism enterprises in the destination areas through formulating partnerships with private sector, public sector and NGOs

Targeted Outcome: Improvement in inclusive growth within the sector.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|--|--------------------|--|
| <p>Guided and assisted thirteen (13) tourism enterprises and 1 group of 19 Street Food Vendors in areas of:</p> <ul style="list-style-type: none"> • Regulatory Guidance (business registration and regularisation) • Business Development Facilitation and Training • Product Development Facilitation • Management Plan Development • Website Development Facilitation • Business Model Development Facilitation • Funding Application Facilitation • Market Identification Facilitation • Concept Development Facilitation | 220% | Creation of Small and Medium Tourism Enterprises not only fosters inclusive growth, but also strengthens the country's retention rate. |

Planned Activity: Effective management of TPDCo's 8 managed properties, strengthening development, regularization of tenureship, upgrades and divestment.

Targeted Outcome: Improve the income generating potential of the properties.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---|--------------------|---|
| 2 properties have been identified for development prior to divestment. 1 was scoped and the other is awaiting approval. | 30% | The company is aiming to divest all the properties under its purview. |
| 2 properties were identified for divestment. Discussions and plans continue. | 55% | |
| During the period TPDCo commenced discussions and prepared draft MOUs to regularize tenureships of 2 properties. | 40% | |
| 2 properties that are currently in operation needed upgrades to improve the facilities. | 75% | |

Planned Activity: Install 25 story boards across the island. To research historic information on selected spaces/sites and fabricate storyboards to assist the enhancement of Jamaica's tourism product.

Targeted Outcome: Increase the accuracy of the narratives surrounding Jamaica's historical sites.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|--|
| Completed | 97.5% | Storyboards promote the protection, preservation and promotion of historic narratives and spaces/sites; as well as aid in improving the experience of both locals and visitors at the locations. |

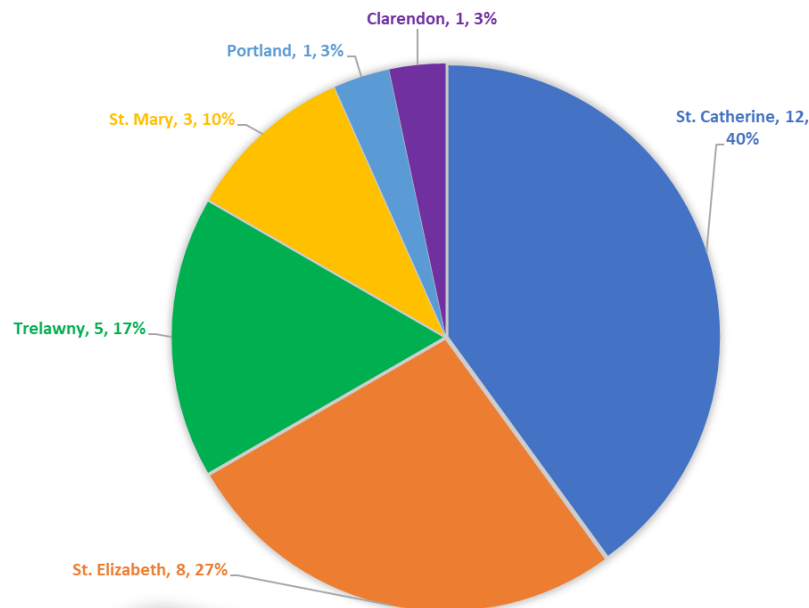
PRODUCT DEVELOPMENT & COMMUNITY TOURISM

Figure 3 below gives a graphical representation of the distribution of storyboards across the island. The storyboards included historical information on the sites and ruins in each area. Some of the sites that benefited are:

- The Portland Parish Church
- The Black River Hospital
- The entrance to the Black River Health Centre
- Invercauld Great House
- The Black River Court House
- Waterloo Guest House
- The St. Elizabeth Parish Church
- The J.A.G. Myers Municipal Park
- The entrance to the Black River Primary School
- The Black River Bridge
- Scott's Hall Maroon Community
- The Castleton Botanical Gardens
- The Old Cast Iron Bridge
- The People's Museum
- Emancipation Square
- The St. Jago De La Vega Cathedral
- Philippo Baptist Church
- The Milk River Hotel and Spa
- The entrance to the Falmouth Market
- The Trelawny Parish Church
- The William Knibb Memorial Baptist Church
- The Phoenix Foundry
- The Falmouth Jewish Cemetery
- The Falmouth Primary School
- (Fort Balcarres)
- The grounds of the Falmouth Court House

Figure 3 - Distribution of storyboards across the island

DISTRIBUTION OF STORYBOARDS



TRELAWNY PARISH CHURCH

EMANCIPATION SQUARE

BLACK RIVER BRIDGE

PRODUCT DEVELOPMENT & COMMUNITY TOURISM

Planned Activity: 18 Heritage Sites/Ruins Enhancement Project.

Targeted Outcome: Improvement in the aesthetical appeal at the targeted locations.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---|--------------------|---|
| Beautification works at all the locations were completed. | 100% | These enhancement projects saw to an increase in the country's heritage sites that could welcome visitors to the space. |

Planned Activity: All island Signage Project – Providing directional signs to major towns and attractions across Jamaica, color coding signs so that areas and sites with heritage values can be differentiated.

Targeted Outcome: Contribute to a safe, secure and seamless experience of the visitor

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---------|--------------------|---|
| Ongoing | 50% | Locations for signs in all 14 parishes were identified. The project was executed in phases with the first phase covering 7 parishes. To date the installation of directional signs for three parishes have already been completed: Westmoreland - 13, St. Ann - 10 and St. Thomas -17, and designs for the others are being reviewed. |

Planned Activity: Create and distribute brochures (as needed); providing information on heritage tourism in Jamaica

Targeted Outcome: Educate our young stakeholders (students), as well as the general public who we engage in community forums, on the link between heritage and tourism.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|---|
| Completed | 100% | The unit researched and composed scripts, sourced photographs and settled on a design. A first batch of 300 brochures was printed. All have been distributed via various public forums. |

Planned Activity: Fabricate and install 15 Directional Signs for the Rio Grande Attraction

Targeted Outcome: Improvement in seamlessly directing visitors to the Rio Grande Attraction

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|--|
| Completed | 100% | The activity will result in; easier access to the space, elimination of the discomfort of guests losing their way, and ensuring the experience is safe, secure and seamless. |

PRODUCT DEVELOPMENT & COMMUNITY TOURISM

Planned Activity: Jamaica Bond Trail Development

Targeted Outcome: Increase Jamaica's visibility on the international stage.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---------|--------------------|---|
| Ongoing | 30% | <p>The unit is involved in the Department's efforts in creating what is termed as "The Bond Trail" through collaboration with the JTB.</p> <p>To date the unit has researched and written preliminary scripts for filming locations for all three Bond movies that were filmed on the island. The scripts provide information on the scene filmed on the location as well as other interesting facts on the area.</p> |

Planned Activity: Cultural Agencies Collaboration for Heritage Promotion:

- Black River Day Exhibition
- Revival Tribute – Late Hon. Edward Seaga

Targeted Outcome: Increase in the awareness of locals and visitors of Jamaica's rich heritage.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|--|
| Completed | 100% | <p>A partnership was forged with the African Caribbean Institute of Jamaica/Jamaica Memory Bank (ACIJ/JMB) in an attempt at executing the above-mentioned projects.</p> <ul style="list-style-type: none"> • Black River Day - The partnership with the ACIJ/JMB yielded a successful exhibition which included research materials, brochures and artefacts. The information from this exhibition has been used to create two permanent storyboards which have been erected in the town. • In honoring the cultural legacy of the past Prime Minister, the Late Hon. Edward Seaga, the TPDCo forged a partnership with the institution bestowed with the responsibility of being Jamaica's focal point for intangible cultural heritage; the ACIJ/JMB. This saw the staging of a Revival Tribute at the Orange Park located at 12 Ocean Blvd. Kingston. It also saw the mounting of an exhibition at the office of the ACIJ/JMB, as well as media releases in which the TPDCo was noted as a supporter of this cultural promotion. |

Planned Activity: Support the Development of New CTEs

Targeted Outcome: Establish two (2) new CTEs across the island.

Development of the capacity of CTEs and Tourism Clusters through training programmes and technical assistance that benefit their members

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---|---|--|
| <p>12 of the 16 persons targeted for TEAM Jamaica training in the Seven Rivers Tourism Cluster were trained.</p> <p>The St. Thomas Tourism Cluster was also formed and operators received training in:</p> <ul style="list-style-type: none"> - Team Jamaica - Life Guard - Tour Guiding - TUI Travel Foundation Training <p>Charles Town Tourism Cluster training programme for 20 persons:</p> <ul style="list-style-type: none"> - Marketing & Management - Team Jamaica - Tour Guiding | <p>Two (2) new CTEs established.</p> <p>65% of planned training achieved.</p> | <p>The COVID-19 pandemic resulted in a halt in the training aspect of the Seven Rivers Tourism Cluster. Only the TEAM Jamaica training was done.</p> |

DEPARTMENT

PROJECTS DEPARTMENT

ACHIEVEMENTS

For the period ending March 2020 the Projects Department undertook a total of thirteen (13) projects with varying budgets and scopes, which included sixty-three (63) sub-projects. The sub-projects included the 'Spruce Up Pon Di Corner' Programme which incorporated works across the length and breadth of the country, and the 'Parish Marker Programme', which involved the design and construction of Parish Markers at the Parish boundaries along the North Coast. Nine (9) of the projects were completed within the period, while others are generally at advanced stages of project lifecycles.

HIGHLIGHTS FOR 2019/2020

Planned Activity: Tourism Resort Maintenance Programme – Cutting of verges and disposal of debris.

Targeted Outcome: All verges along the North Coast Highway and Resort towns along the South Coast are maintained

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|------------------|
| Completed | 100% | \$441,001,838.52 |

Planned Activity: Spruce Up Pon Di Corner - implement 63 projects within the constituencies across Jamaica

Targeted Outcome: Increase in impact of tourism within communities

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|------------------|
| Total: 63 Completed: 22 On-going: 28 Mobilisation: 3 Procurement: 3 Scoping: 6 Project to be verified: 1 | 34% | \$254,282,390.47 |

Comments: The verification/identification phase of the programme saw some significant delays

Planned Activity: Parish Marker Programme

Targeted Outcome: To enhance the visitor experience.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---------|--------------------|--------------|
| ongoing | 90% | \$46,464,849 |

Comments: Programme on track to be completed by the end of June 2020

PROJECTS DEPARTMENT

Planned Activity: Construction of Boundary Wall – Trench Town Entertainment Park.

Targeted Outcome: To secure the space and improve overall aesthetics of the area.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|-----------------|
| Completed | 100% | \$18,136,743.74 |

Planned Activity: Flanker Fruit Vending Stalls – construction of vending stalls

The establishment and formalization of vending stalls at Flankers.

Targeted Outcome: A formalized fruits vending area.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|-----------------|
| Completed | 100% | \$15,147,028.04 |

Planned Activity: Flankers Sport Complex

The construction of a multi-purposed sporting court and concrete spectator stand

Targeted Outcome: A space that fosters socialization and sports development

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|-----------------|
| Works have achieved Practical Completion | 100% | \$16,957,168.28 |

Planned Activity: Montego Bay Round-about Landscaping

The beautification of the roundabout and surrounding traffic islands in the vicinity of the Donald Sangster International Airport in Montego Bay, St. James.

Targeted Outcome: Creation of a welcoming and aesthetically pleasing space

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---------------------------|--------------------|----------------|
| Works have been completed | 100% | \$8,500,204.27 |

PROJECTS DEPARTMENT

Planned Activity: Holywell Bridge Construction

Targeted Outcome: Minimize the contamination of the water flowing down the flows

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---|--------------------|----------------|
| Construction completed. Final Accounts. | 100% | \$2,833,363.75 |

Planned Activity: Salem Beach Development

Targeted Outcome: Upgrading of the Salem beach and expansion of the restroom facility and sewage treatment

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|-----------------|
| Completed | 100% | \$19,592,580.00 |

Planned Activity: Rafters Rest Sewerage Upgrade

Targeted Outcome: Improvement in the sewage treatment capacity of the property.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|----------------|
| Completed | 100% | \$5,864,725.13 |

Planned Activity: Construction of the Content Community Center

Targeted Outcome: Provide a space for community members to conduct various activities

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|-----------------|
| Completed | 100% | \$21,671,728.93 |

Planned Activity: Black River Streetscape

Targeted Outcome: Creating a welcoming and aesthetically pleasing space

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---------------|--------------------|------------------|
| Works ongoing | 80% | \$ 17,891,900.86 |

Remarks: The project is on track to be completed by end of May 2020

PROJECTS DEPARTMENT

Planned Activity: Negril Mini-Stadium Phase 2

- Realignment of football field
- Water Harvesting from pavilion roof for irrigation water supply
- Irrigation of the football field and grounds
- Parking Lot
- Landscaping
- External Lighting
- Additional Seating
- Rehabilitation of existing court (Basketball, Netball, Badminton, Volleyball).

Targeted Outcome: Improvement in Sports Development in the area

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|---|------------------|
| Works are ongoing. Parking lot, rehabilitation of multipurpose court, external lighting, additional stands, water harvesting, installation of irrigation and realignment of football field have been completed | Phase 2A – 98% Phase 2B – 75% Overall – 86.5% | \$ 49,459,180.27 |
| Comments: The football field to be seeded in order to complete project | | |



THE BLACK RIVER STREETSCAPE



PARISH MARKERS



FLANKERS SPORT COMPLEX

DEPARTMENT

DESTINATION ASSURANCE

HIGHLIGHTS FOR 2019/2020

Planned Activity: Dispatch System at the Montego Bay Cruise Ship Pier

Targeted Outcome: Improved traffic flow and reduction of harassment in the area

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---|--------------------|--------------|
| Dispatch system is in operation, traffic flow has improved, and harassment has been reduced. | 90% | \$153,000.00 |
| Comments: A few operators are soliciting from Shopping Centre next door to the Pier. Programme suspended on March 14, 2020 due to Covid-19. | | |

Planned Activity: Partnership with Recycling Partners of Jamaica

Targeted Outcome: Increased awareness and management of environmental conservation

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---|--------------------|-----------------|
| Montego Bay Destination Area Bottle drive competition among primary schools. | 90% | \$20,000.00 |
| St. Ann and St. Mary Destination Area Bottle drive competition among high schools. | 100% | \$285,996.00 |
| Negril Destination Area Procurement of dry body truck as part of partnership with Recycling Partners of Jamaica to assist in the removal of recyclables. | 100% | \$10,400,000.00 |
| Comments: Presentation ceremony for the dry body truck scheduled for the Montego Bay Destination Area on March 12, 2020 was cancelled due to Covid-19. | | |

Planned Activity: To fabricate, brand and install garbage skips

Targeted Outcome: Improvement in solid waste management

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---|--------------------|----------------|
| St. Ann and St. Mary Destination Area | 100% | \$682,072.50 |
| Kingston and South Coast Destination Area | | \$1,485,400.00 |
| Portland and St. Thomas Destination Area | | \$4,000,000.00 |

DESTINATION ASSURANCE

| Planned Activity: To beautify strategic locations within the destination areas | | |
|---|--------------------|-----------------|
| Targeted Outcome: Improvement in the aesthetic appeal and generation of tourism activities | | |
| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
| <u>St. Ann and St. Mary Destination Area</u> Landscape the Mammee Bay Round-a-Bout | 70% | \$3,520,440.00 |
| <u>Kingston and South Coast Destination Area</u> Beautification of the Trench Town Area (drain upgrade, road patching, drain cleaning, painting of curb walls and general clean-up of the area) | 100% | \$37,812,810.00 |
| Beautification of Kitson Town Heritage Trail (clean up and bushing) | 90 % | \$1,840,000.00 |
| Beautification of Tombstone (Clean up, painting and rock garden) | 90% | \$1,949,984.13 |
| Beautification of Melrose Yam Park to include installation of gazebos and dining areas | 100% | \$1,998,518.00 |
| <u>Portland and St. Thomas Destination Area</u> The beautification of Spring Hill River, Buff Bay, Portland including construction of gazebo and benches, landscaping and installation of solar lights | 100% | \$1,980,000.00 |

| Planned Activity: Construction of Information Kiosk along Rodney Street in Falmouth | | |
|--|--------------------|----------------|
| Targeted Outcome: Improvement in the existing dispatch system Falmouth. | | |
| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
| Awaiting the official handing over of the Kiosk from the Trelawny Municipal Corp. (TMC) | 100% | \$2,000,000.00 |
| Comments: Once the facility is handed over, the procurement of equipment for furnishing will commence. | | |

| Planned Activity: Construction of a Drop-in Centre in Falmouth in collaboration with TMC | | |
|--|--------------------|-------------|
| Targeted Outcome: Improvement in support for the mentally ill and homeless and reduction in the number of persons roaming the streets on a daily basis. | | |
| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
| Drop-in Centre is completed, awaiting official opening. | 100% | - |

DESTINATION ASSURANCE

Planned Activity: Development of vending areas

Targeted Outcome: Improvement in aesthetics and uniformity.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|----------------|
| <u>Falmouth Destination Area</u> Construction and completion of 14 uniformed Stalls for Officer's Alley | 60% | \$3,000,000.00 |
| <u>Portland and St. Thomas Destination Area</u> Provision of logo aprons to the Yallahs Pan Chicken Vendors | 100% | \$85,045.00 |

Planned Activity: Beach Development

Targeted Outcome: Improvement in the functionality of the spaces.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|----------------|
| <u>Kingston and South Coast Destination Area</u> Clean-up and construction of sanitary convenience for fishermen at Galleon Beach | 100% | \$3,914,614.00 |
| <u>Portland and St. Thomas Destination Area</u> One bathroom constructed at Fisherman's Beach | 100% | \$1,507,900.00 |

Planned Activity: Welcome Signs for Communities in South West – St Elizabeth

Targeted Outcome:

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|----------------|
| Five communities in the constituency of SW St Elizabeth received welcome signs. (Slipe, Watchwell, Barbary Hall, Williams field and Parrottee) | 100% | \$1,512,500.00 |

Planned Activity: Provision of Uniforms for the Blue Lagoon Alliance of the Seas Fisher Folks, Portland

Targeted Outcome: Regularization of the group for easy identification and association.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---|--------------------|-------------|
| 49 shirts (embroidered & screen printed) provided | 100% | \$59,000.00 |
| Comments: This initiative was the effort of the Tourism Product Development Company and stakeholders within the destination. The shirts were distributed between September 27-30, 2019. | | |

DESTINATION ASSURANCE

Planned Activity: Cacti Propagation

Targeted Outcome: Preservation of the different species of the cacti plant in Milk River Clarendon

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|--------------|
| The project is in its initiation phase | 20% | \$685,509.00 |

Planned Activity: Construction of 6 Divisional Entry & Exit Signs for Portland

Targeted Outcome: Improvement in visitors' experience by enhancing seamless and easy movement

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|--------------|
| Locations placed: Long Bay, Dolphin Bay St Margaret's Bay, Breast Work & Port Antonio | 100% | \$300,000.00 |

Planned Activity: Vector Control Programme

Targeted Outcome: Reduction in mosquito infestation.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|-----------------|
| Assist communities in the execution of vector control activities | 100% | \$10,000,000.00 |

Planned Activity: Monitor the process to control beach erosion by developing a coral reef nursery

Targeted Outcome: Aide the process to control beach erosion

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|----------------|
| Completed | 100% | \$1,500,000.00 |

DEPARTMENT

VISITOR SAFETY & EXPERIENCE

BACKGROUND

Customer satisfaction is paramount to the Ministry of Tourism, and it depends on favourable interactions between visitors and the hosts. These interactions affect positive word of mouth advertising, repeat business and growth in the industry. The Tourism Product Development Company Ltd. (TPDCo) - the agency with responsibility for enhancement of the tourism product has, under the direction of the Ministry of Tourism established a Visitor Safety and Experience Unit. The unit has the responsibility to enhance visitor safety and experience by creating a safe, secure and seamless environment by reducing incidents of harassment through collaborative works with critical stakeholders.

HIGHLIGHTS FOR 2019/2020

Planned Activity: Treat Our Visitors Right (Public education awareness campaign)

Targeted Outcome: Increased awareness of appropriate behaviors and improved attitudes of citizens, when interacting with visitors.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---------|--------------------|--------------|
| Ongoing | 18% | \$600,000.00 |

Comments: There were six activities planned on the budget for 19/20, however only one was held for the period. This was primarily due to lack of human resources and after further analysis it was determined that these activities were very expensive and yielded the least amount of assured returns, based on our overall objectives. A review of this project is ongoing.

Planned Activity: Visitor Safety and Experience Youth Enhancement Summer Programme.

Targeted Outcome: Improvement in development and inclusive growth among the target group

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|----------------|
| Completed | 100% | \$3,500,000.00 |

Comments: The Summer Youth Enhancement Program engaged children and adolescents between the ages of 10 & 19 during the months of July and August in daily workshops, training sessions and six-a-side football competitions in the communities of Flankers and Barrett Town in St James

Planned Activity: Illegal Horseback Riding Removal Operation - Negril.

Targeted Outcome: Deter persons from providing illegal horseback riding hence making the resort area safer and less harassing to visitors.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---------|--------------------|--------------|
| Ongoing | 16% | \$260,000.00 |

VISITOR SAFETY & EXPERIENCE

Planned Activity: School Outreach – Engage Tourism Action clubs and Tourism studies majors

Targeted Outcome: To spread awareness of the benefits and importance of tourism to our economy, the existence of tourist harassment, and the threats it poses to the industry and strategies to combat its negative impacts.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---------|--------------------|-------------|
| Ongoing | 57% | \$30,000.00 |

Comments: 7 were on the budget however 4 schools were engaged, using less resources as the presentations took different formats than originally planned.

Planned Activity: Tourism Security Audit

Targeted Outcome: To create a precise overview of the security practices and security architecture of hotels, tourism enterprises, attractions and places of interest that are components of tourism in Jamaica.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|----------------|
| Completed | 100% | \$7,500,000.00 |

Comments: The document has highlighted some of the physical security deficiencies that exist within the industry as well as the need for further audits to be conducted.

Planned Activity: Tourism Ethics Manual

Targeted Outcome: Provide a visitor and stakeholder code of conduct to guide acceptable behavior within the tourism industry

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|-----------|--------------------|----------------|
| Completed | 100% | \$1,500,000.00 |

Comments: A comprehensive manual was created which is intended to form a go to document to guide the behavior of our local stakeholders and visitors alike. With proper distribution this should result in significant decreases in harassment across the industry.



DEPARTMENT

CRAFT DEVELOPMENT UNIT

BACKGROUND

The Craft Development Unit is responsible for the development of the Craft Sector through the implementation of its free Craft Skills Training programme in communities across Jamaica. That will support individuals becoming entrepreneur and adding new authentic items to the inventory of items available for sale. The Craft Development Unit also acts as a liaison between craft markets interest and industry stakeholders.

HIGHLIGHTS FOR 2019/2020

Planned Activity: Development of Human Capital and introduction of new products through Training in New Craft Skills

Targeted Outcome: To train Three Hundred (300) persons in soft skill and craft skills covering seven (7) designs/techniques using Nine (9) media for the period April 1, 2019 – March 30, 2020

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|--|--------------------|---|
| Two Hundred and Eighteen (218) persons were trained in technical skills areas such as applique design, tie die, garment construction, screen printing, basketry/weaving, and bag construction. | 83% | The scheduled Executive Leadership Training for approximately sixty-five (65) Craft Traders was postponed as a result of COVID-19 pandemic. |
| Soft Skills Training were delivered in the areas of bookkeeping and executive leadership to thirty-two (32) craft traders. | | |

The following five (5) new product lines were introduced during the period:

- Shopping bags using paper
- Tote bags using mixed media e.g. burlap and cotton; some designed with embroidery, applique, etc.
- Screen Printing
- Applique Art to create story skirts
- Table linen designed using applique

CRAFT DEVELOPMENT

FIGURE 4: NUMBER AND PERCENTAGE OF PARTICIPANTS THAT PARTICIPATED IN EACH TECHNICAL SKILL TRAINING

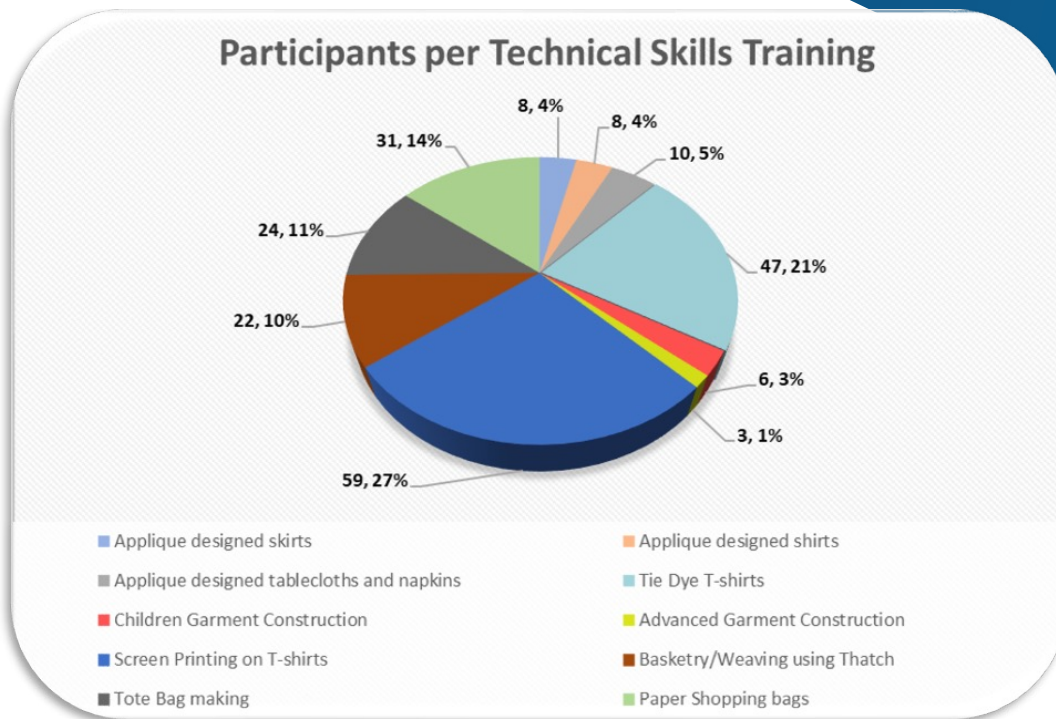
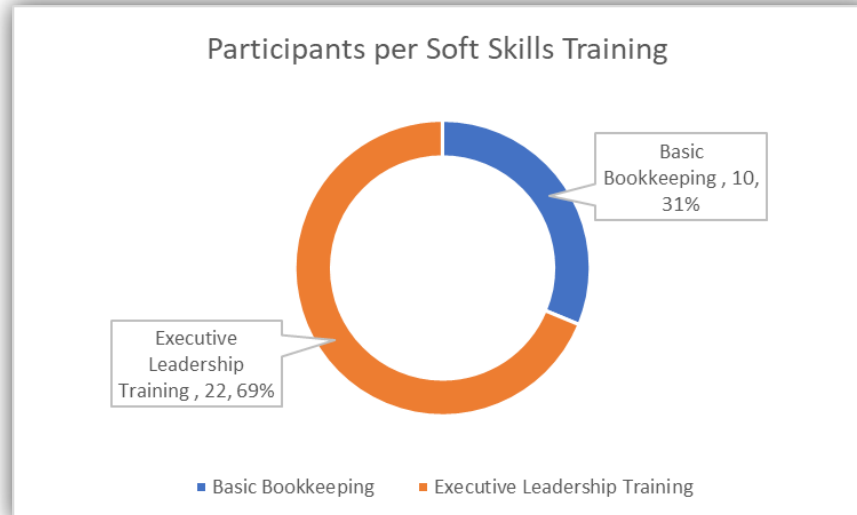


FIGURE 5: DATA FOR THE SOFT SKILLS TRAINING



Planned Activity: Stage the annual craft fair

Targeted Outcome: To provide local Artisans with an opportunity to showcase their locally made products and grow their brand.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|--|--------------------|----------------|
| Forty-One (41) local Artisans displayed their products at a Craft fair held on December 13, 2019 under the theme 'CRAFT-ing for Christmas' at the Emancipation Park in New Kingston. | 100% | \$3,115,872.58 |

DEPARTMENT

CORPORATE COMMUNICATIONS & COMMUNITY AWARENESS

BACKGROUND

The Corporate Communications & Community Awareness Department during the period under review had several accomplishments. In addition to providing communications support for all departments, managing the media and interfacing with our various publics, the department undertook some special projects all designed to build awareness, positive attitudes and behaviours in the tourism industry.

HIGHLIGHTS FOR 2019/2020

Planned Activity: TPDCO Tourism Quiz 2019

Targeted Outcome: A more informed and aware cohort of students on the importance of tourism

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|---|
| Completed | 100% | The quiz targeted 32 schools from across the six resorts and targeted areas such as tourism awareness, marketing of brand Jamaica, Spanish, Jamaican heritage, culture, geography, environmental awareness. Matches were held on location in Negril, Montego Bay and Ocho Rios and the final seven games (quarter finals) recorded in studio at TVJ in Kingston and later aired with a rebroadcast on the same station. Mona Prep won this second staging of the competition with Broughton Primary from Westmoreland coming in a close second. Cash and kind sponsorship were received from Television Jamaica, JAMVAC, TEF, JTB and the Ministry of Tourism. Exciting prizes were secured from tourism industry partners and feedback on the competition was very positive, the cost of executing the initiative was \$8,572,571. |

Planned Activity: Animation of two episodes of the Adventures of Sprucey and Limey and production of the second edition of the comic.

Targeted Outcome: A more informed ages 8 to 12 cohort of students on the importance and benefits of tourism.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|--|
| Completed | 100% | The Department completed two animated episodes of the adventures of Sprucey & Limey. The first which was released in the period under review was well received on TPDCo's social media platforms. The second will be released in April 2020. The episodes in the second edition of the comic were also, thanks to the Gleaner's Children's Own newspaper, shared with thousands of children across Jamaica, through its inclusion in that publication. The initiative cost JMD \$417,092.34. |

Planned Activity: Youth Expo & Career Fair

Targeted Outcome: sensitization of 300 students/teachers on careers in tourism

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|--|
| Completed | 100% | Two Youth Expo and Career Fairs were successfully held in Kingston (November 2019) and in Mandeville (February 2020). High school students were given an opportunity to explore various careers in the industry and better understand the demands of the industry. Students who attended learnt a lot from the interaction with different entities (including the TPDCo.) that were represented. Of note our Executive Director was present at the Kingston staging and was able to share his journey in tourism with the students drawn from corporate area schools. The cost of staging the fairs was \$1,074,639.35 |



CORPORATE COMMUNICATIONS & COMMUNITY AWARENESS

Planned Activity: TPDCConnect – Company news E-Zine targeting internal customers

Targeted Outcome: E-zine written and published via TPDCo's intranet, Joomag and ISSU

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|--|
| Completed | 100% | During the period under review we produced six editions of this e-zine which is meant to highlight the achievements, organization happenings and industry news and views. Thanks to the contributing staff and our readers who continue to partake of the information which also serves to connect staff in the different geographic locations of the company. |

Planned Activity: Establishment of the Rose Hall Marching Band

Targeted Outcome: Trained youngsters in the art of marching band music in order to make competent and provide opportunity for income generation

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|----------|--------------------|---|
| On-going | 50% | During the period under review work continued with the training of approximately twenty-five youngsters from vulnerable communities in the Rose Hall area. New instruments were received to add to the stock at hand and the John Rollins Primary School was secured in order to safely house them. Twenty members went to the Band Face off in May of 2019 and we are proud of those who were part of their first performance at a Poppy appeal function at Half Moon Hotel, where they shared stage with the Jamaica Military band. |

Planned Activity: Website and Social Media Enhancement

Targeted Outcome: To increase our presence in the social media space and utilize our website as a major information sharing avenue that is current, accurate and engaging

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|-----------|--------------------|---|
| Completed | 100% | During the financial year April 2019- March 2020 the department did very well to increase its digital footprint in instances by way over 100%. Face Book followers moved from 2156 in April 2019 to 4885 in March 2020. Instagram moved from 2216 to 4105 and twitter which was the latest platform to come on stream moved from 33 followers to 195. Our website was regularly updated with new information. Our newsfeed and blogs being the on-going additions to information on the site alongside special campaigns. |

DEPARTMENT

MANAGEMENT INFORMATION SYSTEMS

BACKGROUND

The Management Information Systems Department began a rationalization project in order to enhance its institutional value by the realignment of staffing and procurement to reduce cost, increase efficiency and foster innovation.

HIGHLIGHTS FOR 2019/2020

Planned Activity: Implement Enterprise Server platform to prevent data loss, reduce footprint and infrastructure maintenance cost. Consolidate all servers and networking into a single platform with built in data protection and monitoring.

Targeted Outcome: Consolidated Server and Network platform with Disaster Recovery options built in with the ability to quickly scale and meet the demands of TPDCo.

| STATUS | % OUTCOME ACHIEVED | EXPENDITURE |
|---|--------------------|-----------------|
| Nutanix platform deployed and functioning as expected. Migration of all critical servers completed and are protected. Decommissioning of old servers suspended due to COVID-19 | 99% | \$17,000,000.00 |

Planned Activity: Complete Rollout of Office365 to Tourism Product Development Co, Tourism Enhancement Fund and Jamaica Vacations

Targeted Outcome: Increase availability of all data and services provided resulting in less downtime.

| STATUS | % OUTCOME ACHIEVED | REMARKS |
|---|--------------------|--|
| Rollout and basic orientation completed. Training planned for new financial year | 100% | Streamlined Knowledge — Sharing Through Cloud Document Management Enhanced Mobile Access For Anywhere, Anytime Productivity The Ability to Work Remotely Simplified Virtual Communication Advanced Security Features File Storage and Sharing Capabilities |

DEPARTMENT FACILITIES

BACKGROUND

A division of Corporate Services, the Facilities unit seeks to provide an enabling work environment that supports improved levels of productivity.

HIGHLIGHTS FOR 2019/2020

For the period under review, in addition to its day to day functions, the Facilities Unit identified a new location for the Negril office and additional work space in the Kingston Office. These changes were necessary in order to provide staff members with a working space that is safe, hazard free, provides adequate spacing and fosters productivity. The staff in the Negril office relocated to the Boardwalk Village Shopping Centre and business operations resumed on July 1, 2019. At the end of the period, a lease agreement for additional space for the Kingston Office was being revised.

DEPARTMENT

RIVER RAFTING AUTHORITY

OVERVIEW

The River Rafting Authority (RRA) is mandated to conduct annual and bi-annual (follow-up) assessments, process raft captain licences and monitoring and licensing of all commercial activities on the 7 gazetted rivers, these are:

1. Milk River
2. Cabarita River
3. Rio Grande
4. White River
5. Martha Brae
6. Black River
7. Great River

Currently, activities only take place on five (5) of these rivers – The Rio Grande, White River, Martha Brae, Great River and the Black River.

OPERATORS ON GAZETTED RIVERS

For the period under review the RRA conducted assessments on twelve (12) entities operating on the rivers. These are:

- Chukka White River
- Chukka Montpelier (Great River)
- Chukka Lethe (Great River)
- Animal Farm (Great River)
- Chukka Good Hope (Martha Brae)
- River Raft Limited (Martha Brae)
- Rock Wharf Limited (Martha Brae)
- The Rio Grande (Rio Grande River)
- Black River Safari Tours (Black River)
- St. Elizabeth Safari Tours (Black River)
- BREDS Treasure Beach (Black River)
- Calypso Rafting (White River)

Of the twelve (12) rivers assessed, ten (10) received permits as the other 2 did not meet all the requirements.

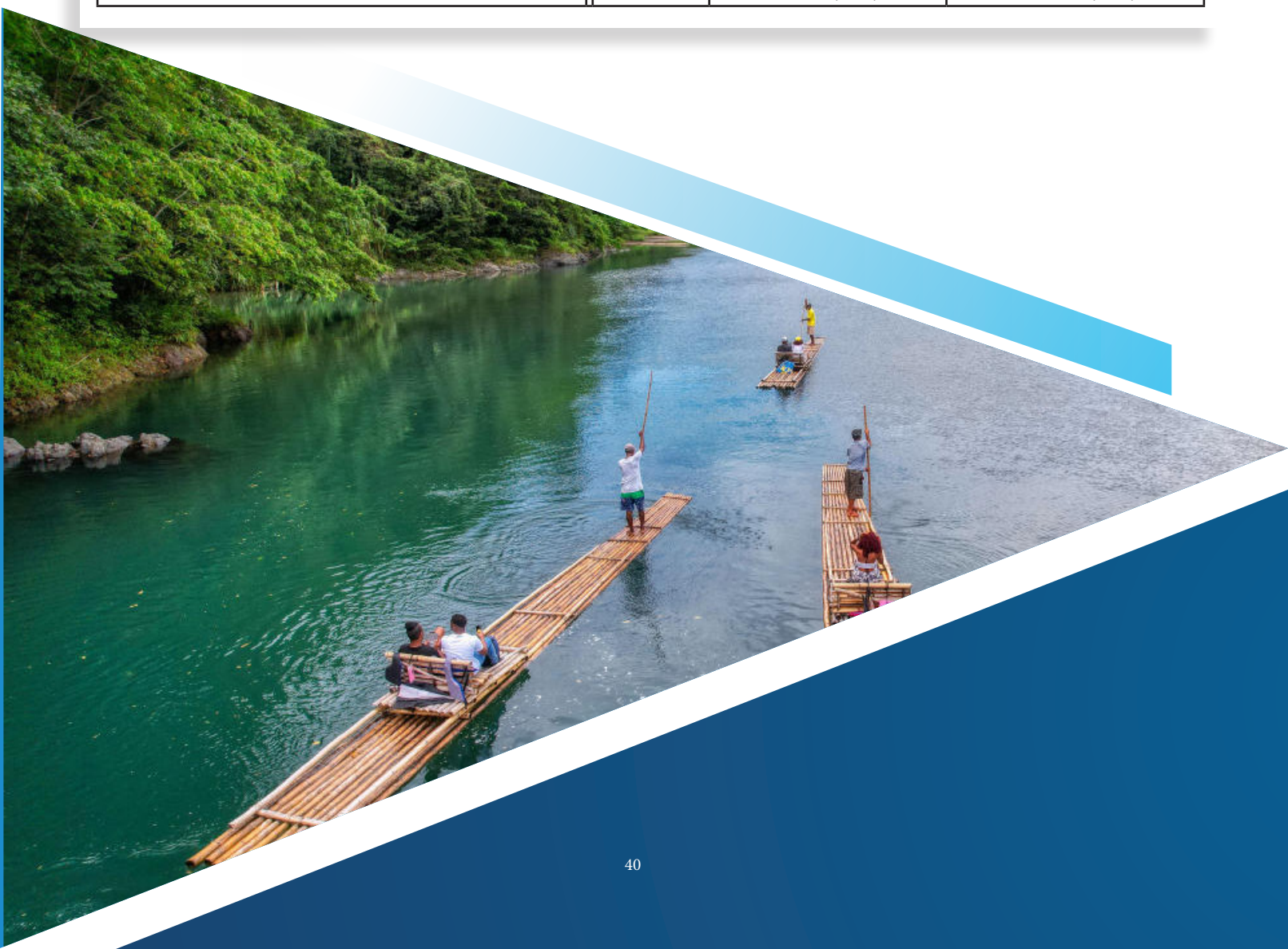
RAFT CAPTAINS LICENCES

Licences were issued to One Hundred and Forty-One (141) raft captains of the Two Hundred and Thirty-Four (234) on record.



FINANCIAL REPORT OF THE RIVER RAFTING AUTHORITY FOR 2019-2020

| RIVER RAFTING AUTHORITY | | | |
|---|--------------|-------------------|-------------------|
| | | | |
| FINANCIAL REPORT FOR THE PERIOD APRIL 1, 2019- March 31, 2020 | | | |
| | | | |
| EXPENDITURE: | | YE MARCH 31, 2020 | YE MARCH 31, 2019 |
| COMPENSATION OF EMPLOYEE | | 3,563,822.31 | 2,860,685.26 |
| TRAVEL EXPENSE AND SUBSISTENCE | | 904,304.80 | 945,169.16 |
| RENTAL OF PROPERTY AND MACHINERY | | - | - |
| OTHER GOODS AND SERVICES | | 363,754.25 | 729,584.29 |
| | | | |
| | TOTAL | 4,831,881.36 | 4,535,438.71 |
| | | | |
| INCOME: | | | |
| FEES COLLECTED | | 270,657.92 | 230,150.00 |
| NET FUNDING SUPPORT FROM TPDCo. | | 4,561,223.44 | 4,305,288.71 |
| | | | |
| | TOTAL | 4,831,881.36 | 4,535,438.71 |



CORPORATE SOCIAL RESPONSIBILITY

The Company takes seriously its role as a good corporate citizen, as such it participated in the activities listed below. It believes such participation touches the lives of its stakeholders in a tangible way, build stronger partnerships at the community level and bring the benefits of tourism closer to local communities.

Activities participated in:

- Contributed well needed items to The Refuge of Hope, St Ann's Bay Infirmary, Lucea Police station, Cousin's Cove Basic School, the District Constables programme and the Falmouth All Age School. The contributions were well received and improved standard of living for the recipients.
- Partnered with Jamaica Environmental Trust for International Coastal Clean up in destination Areas.
- Supported the Black River Chamber of Commerce in staging Black River Day 2019.
- Collaborated with the Municipal Corporation in Portland in its Labour Day activities which was the construction of a bus shed in the Buff Bay Valley.
- Collaborated with the Municipal Corporation in St. Thomas in its Labour Day activities which was the rebuilding of classrooms at the Seaforth High School.



CORPORATE GOVERNANCE

BOARD'S ROLE AND OBJECTIVE

The Board of Directors is responsible for guiding the strategic direction and policy framework of the Tourism Product Development Company Limited. Its purpose is to support the management to effectively execute its objectives, through the maintenance of high and effective governance standards, enhancement of value to industry stakeholders, the renewal and development of human capital, and to use its resources efficiently and effectively. Policy and strategy are implemented in accordance with stated GOJ guidelines in a fiscally responsible manner to ensure the Company's financial viability.

BOARD COMPOSITION



CORPORATE GOVERNANCE

BOARD'S COMMITTEES

Seven (7) Committees provide support to the Board to assist in achieving its critical corporate governance oversight. The Committees meet monthly, except for Audit and Risk Management that meets on a quarterly basis. The Committees are as follows:

- Audit and Risk Management
- Human Resource
- Finance
- Product Development and Community Tourism
- Product Quality and Tourism Training
- Projects
- Visitor Safety and Experience

A Director of the Board is nominated to chair each Committee which is guided by a Terms of Reference. The Committee reviews and monitors submissions by Executive Management on policies, strategies, and projects proposals. Proposals and/or projects approved by the Committees are submitted to the Board for consideration and ratification where appropriate. Committees are supported by a Senior Manager from the respective unit.

OVERVIEW OF BOARD AND COMMITTEE MEETINGS

Ten (10) regular monthly Board meetings were held during the period. The absence of the annual Board and Executive Management Retreat was due to the effects of the global COVID 19 pandemic. The Committees continued their monthly meetings, in which they responded to, and provided timely submissions to the Board regarding matters within their sphere of activity.

RISK MANAGEMENT FRAMEWORK

BOARD'S ROLE AND OBJECTIVE

The Tourism Product Development Company Limited (TPDCo) is committed to identifying and managing risk wherever it occurs in the organization, so that the company's strategic and operational objectives are achieved in the most efficient and economical manner.

TPDCo has established a Risk Management Policy. This policy:

- a) Outlines the framework upon which risks are identified, assessed, monitored, managed, and responded to within TPDCo.
- b) Establishes the critical control points in each department to identify and prevent or eliminate risks before they occur.
- c) Recommends the risk appetite, the amount and type of risk that the organization is prepared to pursue, retain, or take.
- d) Exercises oversight of the TPDCo management responsibilities and reviews the risk profile of the organization to ensure that mechanisms are implemented that seek to maintain risk at a tolerable level.
- e) Takes appropriate measures to achieve prudent balance between risk and reward in both existing and new business activities.

TPDCo has identified the following as the types of risks in which the organization is willing to pursue or retain.

OPERATIONAL RISK

TPDCo is committed to ensuring our operations are aligned with our strategies. This is achieved by the implementation of risk tolerance and aversion strategies in the execution of all our tasks.

COMPLIANCE RISK

TPDCo operates under the provisions of all relevant acts and regulations, Government of Jamaica (GoJ) guidelines, internal policies and Standard Operating Procedures. We recognize our responsibilities under these acts and ensure that our internal operating procedures allow for the observance of the provisions of these acts. TPDCo as required under the aforementioned acts and other guidelines such as those established by our parent Ministry, has reporting and accountability responsibilities which we recognize and are ensuring our systems are in place to respond in a timely manner.

FINANCIAL AND PROCUREMENT RISK

TPDCo collects revenue and receives Warrants from the GoJ and therefore, recognizes the risks attendant to accounting and reporting for those funds. TPDCo manages its financial obligations by adhering to International Financial Reporting Standards (IFRS) and the Financial, Administration and Audit Act (FAA). TPDCo is guided by the Public Procurement Act, the Contractor General's Act and the Government of Jamaica Handbook of Public Sector Procurement Procedures in procuring works, goods and services for the organization.

HUMAN CAPITAL RISK

TPDCo is guided by the Jamaica Labour Laws, Staff Orders of Jamaica and the internal Human Resource policies. We will act in accordance with these laws and policies in order to foster a culture that values continuous learning and collaboration.

TECHNOLOGY AND INFORMATION RISK

TPDCo will ensure that there is an Information Technology service management framework in place to guide operations of implementing new systems and to control change management practices. TPDCo will operate strong internal control processes and utilise robust technology solutions to address any threat to its assets arising from external malicious attacks. TPDCo is committed to ensuring that information from and/or on the company is authentic, appropriately classified, properly conserved and managed in accordance with legislative and business requirements of Jamaica.

LEGAL RISK

As a public body, TPDCo will seek to meet all mandatory legal and regulatory expectations.

STRATEGIC RISK

Any risks encountered will jeopardize the achievement of TPDCo's goals and objectives. Proper management of the strategies include responsiveness to changes in the internal and external operating environments. TPDCo will ensure that its corporate plan is implemented effectively by pursuing the short-term and medium-term strategies which will allow us to achieve our corporate objectives.

ENVIRONMENTAL RISK/HAZARD

TPDCo is committed to the protection of the environment and will uphold environmental standards. The company seeks to mitigate the impact of environmental risks and/or hazards through the establishment of insurance policies, protection contracts and by implementing disaster response policies.

A low-angle, upward-looking photograph of several modern skyscrapers. The buildings feature glass facades and dark, angular architectural elements. The sky is a pale blue with soft, wispy clouds. A large, dark blue triangular graphic overlay is positioned on the right side of the image, pointing towards the center. The text "FINANCIAL REVIEW" is written in white, uppercase letters within this blue area. A warm, golden-yellow light flare is visible in the bottom right corner, partially obscuring one of the buildings.

FINANCIAL REVIEW

FINANCIAL STATEMENTS

REVENUES

Total revenue for the financial year ending March 31, 2020 was \$2.12B representing a decrease of \$40.2M or 1.9% below the revenue of \$2.16B realized for the financial year ending March 31, 2019. The slight decrease in total revenue is due largely to a reduction in funding from the Tourism Enhancement Fund in keeping with GOJ policy.

PROJECT EXPENDITURE

Total project expenditure for the financial year was \$1.23B reflecting an increase of \$228.9M or 22.9% when compared with the expenditure of \$999.8M for the previous financial year. The increase resulted from more projects implemented within the period compared to prior year.

RECURRENT EXPENDITURES

Recurrent Expenditures for the financial year ending March 31, 2020 was \$1.21B reflecting an increase of \$217.9M or 22.1% above the expenditure of \$987.78M incurred for the previous financial year. There was an increase in departmental and Destination Assurance programme related activities for the period.

FIXED ASSETS

The value of fixed assets acquired within the year was \$23.23M. Netbook value increased to \$82.47M as at March 31, 2020, up from the \$76.74M value the previous year.

The Audited financial statement reflects a deficit of \$317.33M (after providing for doubtful debts, taxation and depreciation charges), compared to a surplus of \$169.57M recorded the previous year. This resulted mainly from several projects being carried forward from the previous year, where funding was secured. The deficit was funded by accumulated surpluses from prior years.

The Audited financial statements, with the related disclosures and figures presented therein, have been reviewed by management and can be relied on as reflecting a true and fair view of the state of the company's affairs as at March 31, 2020.

Tourism Product Development Company Limited

Financial Statements

For Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Tourism Product Development Company Limited

Year Ended 31 March 2020

Index

| | Page |
|-----------------------------------|-------|
| Independent Auditor's Report | 55-56 |
| FINANCIAL STATEMENTS | |
| Statement of Comprehensive Income | 57 |
| Statement of Financial Position | 58 |
| Statement of Changes in Equity | 59 |
| Statement of Cash Flows | 60 |
| Notes to the Financial Statements | 61-83 |



10 Holborn Road, Kgn. 5, Ja., W.I.
Tel: (876) 926-4546, 926-6310, 631-8533 - Cell: (876) 386-2618
TeleFax: (876) 631-7555 - E-mail: crhylton@yahoo.com



Independent Auditor's Report

To the Members of Tourism Product Development Company Limited

Opinion

We have audited the accompanying financial statements of Tourism Product Development Company Limited (the Company), which comprise the statement of financial position as at 31 March 2020, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of 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 2020, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Responsibilities of Management and the Directors for the financial statements

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

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

Those Directors are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (Continued)

To the Members of Tourism Product Development Company Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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 accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.



Chartered Accountants
Kingston, Jamaica
September 27, 2022

Tourism Product Development Company Limited

Statement of Comprehensive Income

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2020 \$'000 | 2019 \$'000 |
|---|-------------|-------------------------|------------------------|
| Revenue | | 1,880,653 | 1,770,262 |
| Other operating income | 6 | 236,260 | 386,830 |
| Operating expenses | 7 | <u>(2,434,244)</u> | <u>(1,987,527)</u> |
| (Deficit) surplus before taxation | | (317,331) | 169,565 |
| Taxation | 10 | <u>-</u> | <u>-</u> |
| (DEFICIT) SURPLUS, BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>(317,331)</u></u> | <u><u>169,565</u></u> |

Tourism Product Development Company Limited

Statement of Financial Position

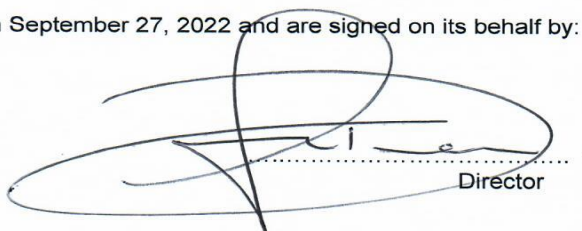
As at 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Notes | 2020 \$'000 | 2019 \$'000 |
|-------------------------------|-------|----------------|----------------|
| Non-current assets | | | |
| Property, plant and equipment | 11 | 82,467 | 76,738 |
| Current assets | | | |
| Inventory | | 1,122 | 1,122 |
| Receivables | 12 | 48,114 | 72,966 |
| Taxation recoverable | | 902 | 733 |
| Cash and bank balances | 13 | 148,194 | 416,751 |
| | | <u>198,332</u> | <u>491,572</u> |
| Current liabilities | | | |
| Payables and accruals | 14 | 136,489 | 116,528 |
| Taxation payable | | 3,133 | 3,128 |
| | | <u>139,622</u> | <u>119,656</u> |
| Net current assets | | <u>58,710</u> | <u>371,916</u> |
| Net total assets | | <u>141,177</u> | <u>448,654</u> |
| Shareholders' equity | | | |
| Share capital | 15 | 1 | 1 |
| Capital reserve | 16 | 10,179 | 325 |
| Accumulated surplus | | 130,997 | 448,328 |
| | | <u>141,177</u> | <u>448,654</u> |

Approved for issue by the Board of Directors on September 27, 2022 and are signed on its behalf by:


 Director


 Director

Tourism Product Development Company Limited

Statement of Changes in Equity

Year Ended 31 March 2019

(Expressed in Jamaican dollars unless otherwise indicated)

| | Number of Shares | Share capital \$'000 | Capital reserve \$'000 | Accumulated surplus \$'000 | Total \$'000 |
|---|-----------------------------|-------------------------------------|---------------------------------------|---|-------------------------|
| Balances at 1 April 2017 | 2 | 1 | 325 | 111,643 | 111,969 |
| Surplus being total comprehensive income for the year | - | - | - | 167,120 | 167,120 |
| Balances at 31 March 2018 | 2 | 1 | 325 | 278,763 | 279,089 |
| Surplus being total comprehensive income for the year | - | - | - | 169,565 | 169,565 |
| Balances at 31 March 2019 | 2 | 1 | 325 | 448,328 | 448,654 |
| Deficit being total comprehensive income for the year | - | - | 9,854 | (317,331) | (307,477) |
| Balances at 31 March 2020 | 2 | 1 | 10,179 | 130,997 | 141,177 |

Tourism Product Development Company Limited

Statement of Cash Flows

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

| | Note | 2020 \$'000 | 2019 \$'000 |
|---|-------------|------------------------|------------------------|
| Cash Flows from Operating Activities | | | |
| Net (deficit) surplus | | (317,331) | 169,565 |
| Items not affecting cash resources | | | |
| Depreciation | | 17,502 | |
| Change in capital reserve | | 9,854 | 16,525 |
| Retained earnings adjustment | | - | (7,989) |
| Interest income | 6 | (1,315) | (458) |
| Changes in operating assets and liabilities: | | | |
| Inventory | | - | (1,122) |
| Receivables | | 24,852 | (6,555) |
| Payables | | 19,961 | (19,550) |
| Cash (used in) provided by operations | | (246,477) | 150,416 |
| Taxation paid | | (169) | (1,779) |
| Net cash (used in) provided by operating activities | | (246,646) | 148,637 |
| Cash Flows from investing activities | | | |
| Interest received | | 1,320 | 458 |
| Purchase of property, plant and equipment | | (23,231) | (38,203) |
| Cash used in investing activities | | (21,911) | (37,745) |
| (Decrease) increase in cash and cash equivalents | | (268,557) | 110,892 |
| Cash and cash equivalents at the beginning of year | | 416,751 | 305,859 |
| Cash and cash equivalents at the end of the Year | 13 | 148,194 | 416,751 |

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

1. IDENTIFICATION AND ACTIVITIES⁹

The Tourism Product Development Company Limited (the Company) was incorporated in Jamaica as a private company on 25 July 1975 and is owned by the Accountant General on behalf of the Government of Jamaica.

The Company's principal activities are to facilitate the development of the Jamaican tourism product, promote tourism awareness programmes, set and monitor quality standards for tourism destinations and conduct training for employees in the industry.

The Company's operations are primarily financed by cash grants from the Government against operating budgets prepared annually by the Company. Income earned from fees charged and the temporary investment of surplus funds are credited to the statement of comprehensive income.

2. SUMMARY OF 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 and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the relevant requirements of the Jamaican Companies Act.

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2.1 New and amended IFRS that are mandatorily effective for the current year

In the current year, the company has applied for the first time IFRS 16 *Leases* issued by the International Accounting Standards Board (IASB), effective for annual periods beginning on or after January 1, 2019. The application of this new standard has had a significant impact on the amounts reported and the presentation and disclosures in these financial statements for the current year.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of the new accounting policy are described in note 4. The impact of the adoption of IFRS 16 on the company's financial statements is described below. The date of initial application of IFRS 16 for the company is 1 April 2019.

The company has applied IFRS 16 using the cumulative catch-up approach which:

- Requires the company to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

Impact of the new definition of a lease

The company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 April 2019.

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 *New and amended IFRS that are mandatorily effective for the current year (continued)*

IFRS16 Leases (continued)

Impact on Lessee Accounting

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 April 2019 (whether it is a lessor or a lessee in the lease contract). The company has carried out an assessment of all its leases in implementation of the new standard which has shown that the new definition in IFRS 16 has not significantly change the scope of contracts that meet the definition of a lease for the company.

(a) Former operating leases

IFRS 16 changes how the company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the company:

(i) Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii);

(ii) Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss in the statement of comprehensive income;

(iii) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (for example, tablets and personal computers, small items of office furniture and telephones), the company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

The company has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

(i) The company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(ii) The company has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.

(iii) The company has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 *New and amended IFRS that are mandatorily effective for the current year (continued)*

IFRS16 Leases (continued)

(iv) The company has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(v) The company has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

(b) Former finance leases

For leases that were classified as finance leases applying IAS 17, the carrying amount of the leased assets and obligations under finance leases measured applying IAS 17 immediately before the date of initial application is reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the company has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying IFRS 16 from 1 January 2019.

Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Financial impact of initial application of IFRS 16 (IFRS 16 C12)

There was no impact on retained earnings as at 1 April 2019 on the initial application of IFRS 16 as the company had no leases that qualified for recognition as finance leases on application. All leases were short-term or of low value.

The following additional new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 *New and amended IFRS that are mandatorily effective for the current year (continued)*

| | | Effective for annual periods beginning on or after |
|--------------------------------|--|--|
| <u>Amendments to Standards</u> | | |
| IFRS 9 | Financial Instruments | |
| | - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities | 1 January 2019 |
| IFRS 3, 11, IAS 12, 23, | Amendments arising from 2015 – 2017 Annual Improvements to IFRS | |
| | - Measurement of previously held interest in a joint operation (IFRS 3&11); Income tax consequences of payments on financial instruments classified as equity (IAS 12); Borrowing costs eligible for capitalisation (IAS 23) | 1 January 2019 |
| IAS 19 | Employee Benefits | 1 January 2019 |
| | -Plan Amendment, Curtailment or Settlement | |
| IAS 28 | Investments in Associates and Joint Ventures | 1 January 2019 |
| | - Amendments regarding long –term interest in associates and joint ventures | |
| <u>New Interpretation</u> | | |
| IFRIC 23 | Uncertainty over Income Tax Treatments | 1 January 2019 |

2.2 **New and Revised IFRS in issue but not yet effective**

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not effective or early adopted for the financial period being reported on:

| | | Effective for annual periods beginning on or after |
|--|--|--|
| <u>New Standards</u> | | |
| IFRS 17 | Insurance Contracts | 1 January 2021 |
| <u>Amended Standards</u> | | |
| IFRS 3 | Business Combinations | 1 January 2020 |
| | - Definition of a business | |
| IFRS 7, 9, IAS 39 | Financial Instruments | |
| | - Amendments regarding pre-replacement issues in the context of the IBOR reform | 1 January 2020 |
| IAS1, IAS 8 | Presentation of Financial statements; Accounting Policies, Accounting Estimates and Errors | |
| | - Definition of material | 1 January 2020 |
| <u>Conceptual Framework of Financial Reporting</u> | | 1 January 2020 |

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New and Revised IFRS in issue but not yet effective (continued)

The company has assessed the impact of these new and revised Standards and Interpretations in issue but not yet effective and consider that the following are relevant to the operations of the company and are likely to impact amounts reported in the company's financial statements:

- **Amendments to IAS1 and IAS 8 Definition of Material (effective for annual periods beginning on or after 1 January 2020)**

The amendment aligned the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, '*Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.*' Materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. It explains that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information such as, if information regarding a material item, transaction or other event is scattered throughout the financial statements, or disclosed using a language that is vague or unclear, or if inappropriately aggregated or disaggregated. The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' therefore clarifying that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users. The IASB reference to 'primary users' instead of 'users' in the original standard helped to narrow a wide interpretation of 'users'. The amendment is applied prospectively with early application permitted if disclosed.

- **Conceptual Framework for Financial Reporting (Issued March 2018)**

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard. Its purpose is to assist the IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. It sets out a comprehensive set of concepts for financial reporting, standard setting, and guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. New concepts, clarification of important concepts, updated definitions and recognition criteria for assets and liabilities are included.

The revised framework is arranged in eight chapters and is accompanied by a Basis for Conclusions. A separate accompanying document, 'Amendments to References to the Conceptual Framework in IFRS Standards', was issued by the IASB which sets out the amendments to affected standards in order to update references to the Conceptual Framework.

The revised framework is effective immediately for the IASB and the IFRS Interpretation Committee (IC). For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

The revised framework is not expected to have any impact on the company.

2.3 Financial instruments

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

Recognition

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

2.3.1 Financial Assets

Classification

The company classifies financial assets at initial recognition based on the financial asset's contractual cash flow characteristic and the company's business model for managing the instruments. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3.1 Financial Assets (Continued)

for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Measurement category

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are recognised immediately in profit or loss.

Trade receivables that do not contain a significant financing component are measured on initial recognition at their transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Amortised cost:

These assets arise principally from the provision of goods and services to customers as well as other types of financial assets held within a business model where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest (SPPI) on the principal amount outstanding. The SPPI test is performed at an instrument level. After initial recognition, they are subsequently carried at amortised cost using the effective interest method, less any impairment.

The company's financial assets at amortised cost comprise trade and other receivables including contract assets, due from related parties and cash and bank balances.

- **FVTPL and FVOCI**
Equity instruments are measured at FVTPL, unless the asset is not held for trading purposes and the company makes an irrevocable election on an instrument-by-instrument basis to designate the asset as FVOCI. As a result of the election, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses and their reversal are not reported separately from other changes in fair value. Dividends representing a return on such investments are recognised in profit or loss as other income when the company's right to receive payments is established. Where the asset is held within a business model where the objective is both to collect contractual cash flows and selling the financial assets and the SPPI test is met, the assets are measured subsequently at FVOCI with gains and losses recycled to profit or loss on derecognition.

Derecognition

A financial asset or group of similar financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired or

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

- The company has (i) transferred its rights to receive the cash flows from the asset or (ii) has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either the company

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3.1 Financial Assets (Continued)

- FVTPL and FVOCI (Continued)
 - (a) has transferred substantially all the risk and rewards of ownership of the asset, or
 - (b) has neither transferred substantially all the risk and rewards of ownership of the asset, but has transferred control of the asset

Where the transfer does not qualify for derecognition as above, the company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Impairment

The company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate.

The company recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Trade receivables and contract assets

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. They are generally due for settlement within 30 days and therefore are all classified as current. The company recognises lifetime ECL at each reporting date for trade receivables and contract assets applying a simplified approach. The expected credit losses on these financial assets are estimated based on the company's historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Significant increase is assessed as the change in the risk of a

default over the expected life of the financial asset as at the reporting date with the risk of default on the instrument occurring at the date of initial recognition, considering reasonable and supportable information that is available without undue cost or effort. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The credit risk on a financial instrument is assumed not to have increased significantly if it is determined to have a low credit risk at the reporting date taking into consideration all the terms and conditions of the instrument from the

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

perspective of market participants or by use of other methodologies that are consistent with assessing low credit risk for the particular instrument. 12-month ECL are applied to the company's debt securities determined to have low credit risk and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3.1 Financial Assets (Continued)

- FVTPL and FVOCI (Continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due and a financial asset to be in default when the financial asset is more than 90 days past due and/or internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. The maximum period considered when estimating ECL is the maximum contractual period over which the company is exposed to credit risk.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows in its entirety or a portion thereof. For trade receivables, the company has a policy of writing off the gross carrying amount when the financial asset is 270 days past due based on historical experience of recoveries of similar assets. Nevertheless, the company makes individual assessments regarding the timing and amount of write-off based on whether there is reasonable expectation of recovery. Write off takes place when the company's internal collection efforts have been unsuccessful in collecting the amount due. No significant recovery is expected from amounts written off.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

2.3.2 Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value, and except for financial liabilities not at fair value through profit or loss (FVTPL), net of directly attributable transaction costs of issue. Financial liabilities are subsequently measured at amortised cost, except for any financial liabilities at fair value through profit or loss which are subsequently measured at fair value.

Measurement category

- FVTPL

A financial liability is classified as FVTPL if it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The company has no financial liabilities at FVTPL.

Other financial liabilities

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

The company's financial liabilities measured at amortised cost comprise trade and other payable and due to related party.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Derecognition

A financial liability is derecognised when the obligation under the instrument is extinguished by being discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3.2 Financial liabilities (Cont'd)

Derecognition (Cont'd)

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

(b) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(c) 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 of another entity.

Financial assets

The Company's financial assets comprise receivables and cash and bank balances.

Financial liabilities

The Company's financial liabilities comprise payables and bank overdraft-

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. The determination of the fair values of the Company's financial instruments is discussed in Note 3.

(d) Property, plant and equipment

Motor vehicles and certain computer equipment are shown at deemed cost, less subsequent depreciation. All other property, plant and equipment are stated at historical cost less accumulated depreciation.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Depreciation is calculated using the straight-line method at such rates that will write off the carrying value of the assets over the period of their expected useful lives as follows:

| | |
|--------------------|----------|
| Office equipment | 5 years |
| Office furniture | 10 years |
| Motor vehicles | 5 years |
| Computer equipment | 5 years |

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus/ (deficit). Repairs and renewals are charged to the statement of comprehensive income when the expenditure is incurred.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The cost of major renovations is included in the carrying amount of the asset when it is possible that future economic benefits are in excess of the originally assessed standard of performance of the existing asset that will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

(e) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lower levels for which there are separately identifiable cash flows.

(f) Receivables

Receivables are carried at original invoice value less provision for impairment of these receivables. A provision for impairment of trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest. Bad debts are written off during the period in which they are identified.

(g) Cash and cash equivalents

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 and in hand, net of bank overdraft.

(h) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable and is recognised in the accounting period in which the services are rendered on a time-proportionate basis. Revenue is recognised as follows:

Government grants

Government grants are recognised in the period received and are based on amounts approved by the Ministry of Finance.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Sales of services

Fees for services to the Tourism Enhancement Fund (TEF) and other fees (including licensing fees, management fees etc.) are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Interest income

Interest income is recognised on a time-proportionate basis using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Employee benefit costs

The Company participates in a defined contribution scheme. The pension scheme is funded by payments from employees and by the Company. A defined contribution scheme is one in which the Company pays fixed contributions, into a separate entity and will have no legal or constructive obligation to pay further contributions if the scheme does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods.

Once the contributions have been paid, the Company has no further payment obligations. The Company's contributions to the scheme are charged to the statement of comprehensive income in the year to which they relate.

(j) Payables

Trade payables are recognised initially at fair value and are subsequently measured at amortised cost.

(k) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(l) Leases

(i) As lessee

The leases entered into by the Company are primarily operating leases. The total payments made under operating leases are charged to other operating expenses in the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) As lessor

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned assets. Rental income is recognised on a straight-line basis over the lease term.

(m) Income taxes

Taxation expense in the statement of comprehensive income comprises current charges.

The Company is exempt from taxation on normal operating activities. Current tax charges are based on interest income and other income not exempt from taxation and are calculated at rates that have been enacted at the statement of financial position date.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

Deferred taxation is not recognised in these financial statements as a result of the Company's exemption from taxation on normal operating activities and the fact that no significant temporary differences arise in respect of income subject to taxation.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

3. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks, credit risk, liquidity risk and market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

Audit Committee

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by the Internal Audit department which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Credit risk

The Company takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Company by failing to discharge their contractual obligations. Credit risk is important for the Company's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Company's receivables from customers. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties and to industry segments.

Credit review process

Management performs ongoing analyses of the ability of borrowers and other counterparties to meet repayment obligations.

(i) Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established policies under which each customer is analysed individually for creditworthiness prior to the Company offering them this facility.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Company has a moderately high concentration of trade or other receivables credit risk, as 44% (2019: 49%) of the total receivables is due from Tourism Enhancement Fund.

(ii) Cash

Cash transactions are limited to high credit quality financial institutions. The Company has policies in place to limit the amount of exposure to any one financial institution

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (continued)

Exposure to credit risk for trade receivables

The following table summarises the Company's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------------------|------------------------------|------------------------------|
| Rental/lease properties | 54,382 | 80,398 |
| Less: Provision for credit losses | <u>(25,808)</u> | <u>(25,808)</u> |
| | <u>28,574</u> | <u>54,590</u> |

Ageing analysis of trade receivables that are past due but not impaired

Trade receivables that are less than 30 days past due are not considered impaired. As of 31 March 2020, trade receivables of \$539,000(2019: \$972,833.35) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables was as follows:

| | 2020 \$'000 | 2019 \$'000 |
|------------|------------------------------|------------------------------|
| 31-60 days | <u>539</u> | <u>973</u> |

Ageing analysis of trade receivables that are past due and impaired

As of 31 March 2020, trade receivables of \$7,432 (2018: \$93,854) were impaired and an impairment provision assessed. The aging of these receivables was as follows:

| | 2020 \$'000 | 2019 \$'000 |
|--------------|------------------------------|------------------------------|
| Over 90 days | <u>7,432</u> | <u>2,055</u> |

Movement analysis of provision for impairment of trade receivables

The movement on the Expected Credit Loss Reserve was as follows:

| | 2020 \$'000 | 2019 \$'000 |
|------------------------|------------------------------|------------------------------|
| At 1 April | 93,855 | 93,855 |
| Change during the year | <u>-</u> | <u>-</u> |
| At 31 March | <u>93,855</u> | <u>93,855</u> |

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

3. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (continued)

The creation and release of provision for impaired receivables have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Company's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure the Company if required;
- (ii) Optimising returns on invested cash

Undiscounted cash flows of financial liabilities

The maturity profile of the Company's financial liabilities at year end based on contractual undiscounted payments was as follows:

| | Within 1 Month \$'000 | 1 to 3 Months \$'000 | 3 to 12 Months \$'000 | Total \$'000 |
|------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------|
| 2020 | | | | |
| Financial Liabilities | | | | |
| Payables | 7,698 | 279 | - | 7,977 |
| | 7,979 | 279 | - | 8,258 |
| 2019 | | | | |
| Financial liabilities | | | | |
| Bank overdraft | - | - | - | - |
| Payables | 8,680 | 374 | - | 9,054 |
| | 8,680 | 374 | - | 9,054 |
| 2018 | | | | |
| Financial liabilities | | | | |
| Bank overdraft | 59,704 | - | - | 59,704 |
| Payables | 79,375 | - | - | 79,375 |
| Payables | 139,079 | - | - | 139,079 |

Assets available to meet all of the liabilities and to cover financial liabilities include receivables and cash balances.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

3. FINANCIAL RISK MANAGEMENT (Continued)

(c) **Market risk**

The Company takes on exposure to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Company manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Company has no significant exposure to currency risk at 31 March 2020 and 31 March 2019.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk. The Company has no significant exposure to interest rate risk at 31 March 2020 and 31 March 2019.

(d) **Capital management**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure.

There were no changes to the Company's approach to capital management during the year, and this is monitored by the Board of Directors.

The Company is not subject to externally imposed capital requirements.

4. FAIR VALUE ESTIMATION

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market prices used to determine fair value where an active market (such as a recognized stock exchange) exists as it is the best evidence of the fair value of a financial instrument. In assessing the fair value of financial instruments, the Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period.

The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities are cash and bank, receivables and payables.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) **Critical accounting estimates in applying the Company's accounting policies**

In the process of applying the Company's accounting policies, management has arrived at no judgements which it believes would have a significant impact on the amounts recognised in these financial statements.

(b) **Key sources of estimation uncertainty**

Management has derived no estimates for inclusion in these financial statements which it believes has a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year except as follows:

(i) *Depreciable assets*

Management exercises judgement in determining whether the costs incurred can accrue significant future economic benefits to the company to enable the value to be treated as a capital expense.

Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The company applies the straight-line method in an effort to arrive at these estimates from which actual results may vary.

Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

(ii) *Impairment of trade receivables*

The company periodically assesses the collectability of its trade receivables. Provisions are established or increased as described in Note 3. There is, however, no certainty that the company will collect the total remaining unimpaired balance, as some balances that are estimated to be collectible as at the end of the reporting period may subsequently become doubtful. Trade receivables amounted to approximately \$54.48 million at the end of the reporting period (2019: \$54.59 million) net of a provision of \$25.808 million (2019: \$24.055 million) See Note 12.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

6. OTHER OPERATING INCOME

| | 2020 | 2019 |
|--|----------------|----------------|
| | \$'000 | \$'000 |
| Tourism Enhancement Fund | 134,291 | 278,650 |
| Income from fees and tourist attractions | 101,066 | 107,313 |
| Interest income | 1,315 | 458 |
| Foreign exchange (loss)/gain | (412) | 409 |
| | <u>236,260</u> | <u>386,830</u> |

7. EXPENSES BY NATURE

Total direct, administration and other operating expenses:

| | 2020 | 2019 |
|--|------------------|------------------|
| | \$'000 | \$'000 |
| Advertising and promotions | 24,068 | 9,099 |
| Audit fees | 1,600 | 1,600 |
| Destination Programs | 126,463 | - |
| Bank charges | 2,741 | 2,724 |
| Beautification projects | 1,228,576 | 999,754 |
| Depreciation (Note 11) | 17,502 | 16,525 |
| Directors' fees | 1,791 | 1,283 |
| Insurance | 2,909 | 2,499 |
| Legal and professional fees | 17,461 | 13,704 |
| Office expenses | 54,816 | 45,502 |
| Other goods and services | 26,333 | 9,926 |
| Rental property and equipment | 99,613 | 76,815 |
| Repairs and maintenance | 49,643 | 34,137 |
| Rio Grande related expenses | 42,106 | 39,049 |
| Lovers Leap related expenses | - | 2,345 |
| Roaring River related expenses | 10,328 | 13,402 |
| Salaries and wages (Note 8) | 656,152 | 629,127 |
| Travelling and subsistence | 45,931 | 50,190 |
| Prior years' over accrual of expenses reversed * | (18,022) | - |
| Utilities | 44,233 | 39,846 |
| | <u>2,434,244</u> | <u>1,987,527</u> |

* A number of expenses were accrued for and subsequent information revealed they were already settled by the entity resulting in duplications.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

8. STAFF COSTS

| | 2020 \$'000 | 2019 \$'000 |
|-------------------------|----------------|----------------|
| Duty allowance | 11,204 | 10,051 |
| Gratuity | 18,051 | 22,475 |
| Laundry allowance | 6,245 | 5,899 |
| Meal allowance | 19,624 | 18,062 |
| Motor vehicle upkeep | 134,861 | 95,061 |
| Pension costs | 7,946 | 7,049 |
| Performance incentive | 23,781 | 21,888 |
| Statutory contributions | 43,486 | 52,670 |
| Uniform | 17,796 | 8,309 |
| Wages and salaries | 360,839 | 363,392 |
| Other | 12,319 | 24,271 |
| | <u>656,152</u> | <u>629,127</u> |

9. OPERATING LEASE COMMITMENTS

The Company leases office space under various non-cancellable operating lease agreements. The lease terms are between 5 and 10 years and are renewable at the end of their term at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

| | 2020 \$'000 | 2019 \$'000 |
|--|----------------|----------------|
| Up to 1 year | 5,700 | 4,485 |
| More than 1 year but less than 5 years | 55,678 | 42,548 |
| 5 years and later | 190,856 | 170,223 |
| | <u>252,234</u> | <u>217,256</u> |

10. TAXATION

- (a) The Company is exempt from taxation on surpluses arising from normal operating activities.
- (b) Taxation is charged on interest and other income received during the year, adjusted for taxation purposes and comprises income tax at 25%:

| | 2020 \$'000 | 2019 \$'000 |
|-------------|----------------|----------------|
| Current tax | <u>-</u> | <u>-</u> |

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2020

(Expressed in Jamaican dollars unless otherwise indicated)

10. TAXATION (CONT'D)

(c) Reconciliation of applicable tax charges to effective tax charge:

| | 2020 \$'000 | 2019 \$'000 |
|-------------------------------------|----------------|----------------|
| (Loss) surplus before tax | (338,732) | 174,421 |
| Tax calculated at a tax rate of 25% | - | 43,605 |
| Net revenue not subject to tax | - | (43,605) |
| Tax charge | - | - |

11. PROPERTY, PLANT AND EQUIPMENT

| | Office Equipment \$'000 | Office Furniture \$'000 | Motor Vehicles \$'000 | Computer Hardware \$'000 | Computer Software \$'000 | Total \$'000 |
|------------------------|-------------------------------|-------------------------------|-----------------------------|--------------------------------|--------------------------------|-----------------|
| At Cost | | | | | | |
| At 1 April 2018 | 89,234 | 32,511 | 24,464 | 42,368 | 7,675 | 196,252 |
| Additions | 2,109 | 4,373 | 5,789 | 7,294 | 18,638 | 38,203 |
| 31 March 2019 | 91,343 | 36,884 | 30,253 | 49,662 | 26,313 | 234,455 |
| Additions | 637 | 9,554 | 6,585 | 6,455 | - | 23,231 |
| 31 March 2020 | 91,980 | 46,438 | 36,838 | 56,117 | 26,313 | 257,686 |
| Depreciation | | | | | | |
| At 1 April 2018 | 85,403 | 21,232 | 12,042 | 18,722 | 3,793 | 141,192 |
| Charge for the year | 629 | 1,567 | 3,642 | 6,187 | 4,500 | 16,525 |
| 31 March 2019 | 86,032 | 22,799 | 15,684 | 24,909 | 8,293 | 157,717 |
| Charge for the year | 604 | 3,380 | 3,902 | 6,008 | 3,606 | 17,502 |
| Disposal for the Year | - | - | - | - | - | - |
| 31 March 2020 | 86,637 | 26,179 | 19,586 | 30,917 | 11,899 | 175,219 |
| Net book values | | | | | | |
| 31 March 2020 | 5,344 | 20,258 | 17,253 | 25,199 | 14,414 | 82,467 |
| 31 March 2019 | 5,313 | 14,086 | 14,569 | 24,672 | 18,016 | 76,738 |

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

(Expressed in Jamaican dollars unless otherwise indicated)

12. RECEIVABLES

| | 2020 \$'000 | 2019 \$'000 |
|------------------------------------|----------------|----------------|
| Trade receivables | 54,382 | 80,398 |
| Less: Provision for impairment | (25,808) | (25,808) |
| | <u>28,574</u> | <u>54,590</u> |
| Tourism Enhancement Fund (Note 19) | 68,047 | 68,047 |
| Less: provision for impairment | (68,047) | (68,047) |
| | <u>-</u> | <u>-</u> |
| Staff loans and advances | 9,335 | 15,811 |
| Prepayments | 2,563 | 2,563 |
| Other | 7,642 | 2 |
| | <u>19,540</u> | <u>18,376</u> |
| | <u>48,114</u> | <u>72,966</u> |

13. CASH AND CASH EQUIVALENTS

| | 2020 \$'000 | 2019 \$'000 |
|------------------------|----------------|----------------|
| Cash and bank balances | <u>148,194</u> | <u>416,751</u> |
| | <u>148,194</u> | <u>416,751</u> |

Cash includes amounts held in current accounts and cash on hand and at bank. The weighted average effective interest rates on bank accounts denominated in Jamaican dollars was 0.3% and on bank accounts denominated in United States dollars was 0.1%.

The bank overdraft results from cheques drawn at year end but not presented to the bank.

14. PAYABLES AND ACCRUALS

| | 2020 \$'000 | 2019 \$'000 |
|---|----------------|----------------|
| Trade payables | 7,977 | 9,062 |
| Accrued charges | 27,788 | 33,494 |
| Contractor's levy, retention and deposits payable | 52,863 | 31,163 |
| Statutory payables | 4,943 | 4,883 |
| Accrued vacation | 12,906 | 14,240 |
| Stale dated cheques payable | 29,238 | 23,480 |
| Other payables | 774 | 206 |
| | <u>136,489</u> | <u>116,528</u> |

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

(Expressed in Jamaican dollars unless otherwise indicated)

15. CAPITAL

| | 2020 | 2019 |
|--|------------|------------|
| | \$ | \$ |
| Authorised - | | |
| 100 Ordinary shares - at the beginning and end of the year | | |
| Issued and fully paid - | | |
| 2 Ordinary shares – at the beginning and end of the year | | |
| Stated capital | <u>200</u> | <u>200</u> |

The stated capital is denoted as \$1,000 in the statement of financial position to recognize a balance.

16. CAPITAL RESERVE

This represents the donation of motor vehicle and computer equipment from the Planning Institute of Jamaica.

17. CONTINGENCIES AND OTHER COMMITMENTS

A lawsuit was filed against the Company on 2 February 2004 by Exterior III Constructions Ltd. a former contractor. The claim is in respect of work done on the Portland Craft Village for which final payment of \$5,894,136 was not received. The Company has filed a counter suit in response, claiming \$9,613,200 in damages, interest and costs. The matter has been dormant for several years but the Company's legal counsel, received referral from the Supreme Court for the matter to be set for mediation before 20 September 2012. To date, the lawyer has not received any written communication from the claimant's attorney regarding the schedule for the mediation.

18. PENSION SCHEME

The Company operates a defined contribution pension scheme, which is open to all permanent employees and administered by an outside agency.

The scheme is funded by employee contributions at 5% of salary with the option to voluntarily contribute an additional amount provided that their total contributions to the scheme do not exceed 20% of salary. See Note 8 for the amount recognised in the statement of comprehensive income for the year. Pension at normal retirement age is based on the amount that can be obtained from both the employer's and employees' accumulated contributions, with interest.

Tourism Product Development Company Limited

Notes to the Financial Statements

Year Ended 31 March 2018

(Expressed in Jamaican dollars unless otherwise indicated)

19. RELATED PARTY TRANSACTIONS AND BALANCES

- (a) The statement of comprehensive income includes the following transactions with government agencies:

| | 2020 \$'000 | 2019 \$'000 |
|--|------------------------------|------------------------------|
| Ministry of Finance | | |
| Subvention fee income | 1,880,653 | 1,770,262 |
| Tourism Enhancement Fund | | |
| Subsidiary income and project reimbursement | 132,791 | 274,805 |
| Other income | 1,500 | 3,845 |
| | <u>2,014,944</u> | <u>2,048,912</u> |
| Bad debt provision recognised against Tourism Enhancement Fund | <u>(68,047)</u> | <u>(68,047)</u> |

- (b) The statement of financial position includes the following balances with government agencies:

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------------------|------------------------------|------------------------------|
| Due from Tourism Enhancement Fund | <u>68,047</u> | <u>68,047</u> |

The balances due from TEF of \$68.047 million was fully provided during the year and included in expenses (Note 7).

- (c) Key Management compensation

| | 2020 \$'000 | 2019 \$'000 |
|---------------------------|------------------------------|------------------------------|
| Salaries and wages | 89,832 | 88,845 |
| Gratuity | 7,576 | 7,675 |
| Other short-term benefits | 51,678 | 42,394 |
| | <u>149,086</u> | <u>139,914</u> |

| | 2020 \$'000 | 2019 \$'000 |
|-----------------------|------------------------------|------------------------------|
| Directors' emoluments | | |
| Fees | <u>1,791</u> | <u>1,283</u> |



HEAD OFFICE KINGSTON:

The Tourism Centre, 4th Floor
64-70 Knutsford Boulevard, Kingston 5
Tel: 968-3441; 968-3626; Fax: 929-8269

MONTEGO BAY:

Block G, Montego Bay Convention Centre, Rose Hall, St. James
Tel: 979-7987; 979-7988; 940-0374; Fax: 952-2868

NEGRIL

NEPT Building, Norman Manley Boulevard, Negril Westmorland
Tel; 957-3962 Fax: 957-9371

OCHO RIOS:

Office # 3, Ocean Village Shopping Centre, Ocho Rios
Tel; 974-2093; 974-7705; Fax: 974-2586

MANDEVILLE

Suite #5 The Ashlar, 71 Manchester Road, Mandeville, Manchester
Tel: 603-4782-3; Fax: 603-4782

WEBSITE ADDRESS:

www.tpdco.org

BANKERS:

The Bank of Nova Scotia Jamaica Limited

AUDITORS:

C.R. Hylton and Company

ATTORNEYS-AT-LAW

Attorney General's Department