



STATISTICAL INSTITUTE OF JAMAICA



Annual Report and Statement of Accounts

A Review of Operations

April 1, 2014 - March 31, 2015



Statistical Institute of Jamaica

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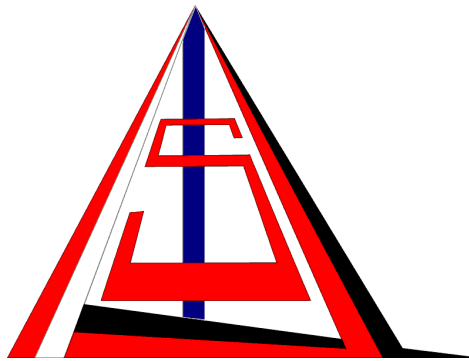
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VISION

To be a learning organization that is on the cutting edge of information and technology and is responsive to the needs of our clients.



MISSION

To provide relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients.

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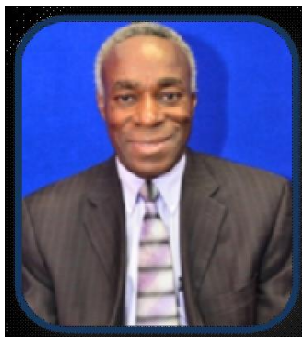
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CHAIRMAN'S REPORT



The fiscal year April 1, 2014 to March 31, 2015 was a challenging one for the Statistical Institute of

Jamaica (STATIN) given the reduction in its financial resources. This reduction was part of the Government's effort to contain expenditure in the public sector as it sought to meet the targets under the Extended Fund Facility agreement with the International Monetary Fund (IMF).

There have been many changes in Jamaica's socio-economic landscape and as such there is a growing demand for more detailed and timely statistics as more individuals and the public in general require information for critical decision making.

In an ever changing environment, STATIN with renewed efforts is

committed to 'provide relevant, timely and accurate information'; to employ a more proactive approach to understanding and responding to clients' needs; improved quality of data generally, increased serviceability and improved effectiveness and efficiency of the organization.

Despite the challenges and changes in this period STATIN has demonstrated its tenacity to discharge its mandate in providing statistics for the nation. The regular short term indicators were produced as well as the Annual Statistical Reports which were tabled in the House of Representatives at the start of the Budget Debate.

I wish to take this opportunity to express my gratitude to the members of the Board of Directors who served in this period, the loyal members of staff who have served and continue to serve the Institute over these many years as well as the numerous stakeholders and the general public who acknowledge and support STATIN's contribution to nation building.

A handwritten signature in black ink, appearing to read 'Alvin G. Wint'. The signature is stylized and includes a large, sweeping flourish at the end.

Alvin G. Wint
Chairman, Board of Directors

BOARD OF DIRECTORS



From left to right:

- Mr. Courtney Williams
- Mrs. Peteranne Donaldson
- Ms. Carol Coy (Director General)
- Professor Alvin Wint (Chairman)
- Dr. Joy Moncrieffe
- Ms. Marva Thompson (Corporate Secretary)
- Mr. Keith Collister
- Dr. Jide Lewis (absent)

DIRECTOR GENERAL'S REPORT



Fiscal year 2014/2015 presented its fair share of challenges for the organisation. The main challenge was the reduced budgetary support from the Ministry of Finance and Planning (MoFP). This required exercising prudence in the management of the financial resources whilst making the adjustments necessary to ensure that the Institute remained viable. Nevertheless, STATIN continued to demonstrate its resolve to discharge its mandate to provide timely, relevant and accurate statistical information to its clients.

During the period of review, emphasis was placed on capacity building and training. The objective was to strengthen the in-house technical skill sets as well as to provide the existing cadre of Statisticians with the environment within which they would grow professionally.

The Institute lost key technical personnel through retirement and/or separation, including the Deputy Director General and efforts were made to identify and recruit suitable candidates to fill these vacancies. Regardless, STATIN was able to meet its

deadlines in delivering its products and services.

The following publications were completed for the period under review:

Monthly Bulletins

- International Merchandise Trade
- Consumer Price Index (CPI)
- Producer Price Index (PPI)

Quarterly Reports

- Gross Domestic Product (GDP)
- Labour Force Statistics

Annual Statistical Reports

- Labour Force Statistics
- Consumer Price Index
- Demographic Statistics
- Jamaica's Environment in your Pocket 2015
- Social Statistics at a Glance 2014

Adhoc

- Detailed 2011 Population & Housing Census Reports covering a variety of demographic and social themes.

In keeping with the strategic objectives, work continued on the development of new statistical products. One such product is the Social Statistics at a Glance 2014. Work also continued on the revision of the classification systems as well as the updating of sampling

frames, methodological improvements and the production of ICT statistics.

The organization continued to participate in a number of inter-agency Committees some of which are listed below:

- Data Standards Monitoring Committee – this committee has the responsibility to guide Jamaica in meeting the criteria for participating in the International Monetary Fund’s (IMF) ‘Special Data Dissemination Standard (SDDS). STATIN, Bank of Jamaica (BoJ) and the Ministry of Finance and Planning (MoFP) are the members of this Committee. The focus is to improve the coverage, periodicity and timeliness of statistics produced.
- Bureau of Women’s Affairs-Gender Focal Point

- Vision 2030 Thematic Working Groups
- Diaspora Mapping Project
- Data research Information Systems
- Vital Statistics Technical Committee

In spite of the challenges, STATIN remains committed to its mandate of providing “relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients”.

Sincere thanks are extended to all members of staff and its stakeholders who have served and continue to serve the Institute. We extend gratitude to all respondents and other data providers who continue to support STATIN’s mandate to provide statistics for the nation.



Carol Coy
Director General

OPERATIONS REVIEW

During the 2014/2015 Financial Year, the performance of the organisation was geared towards achieving six (6) strategic objectives as defined in the Institute's five year Strategic Plan. This represented the continuation of work started in the previous period. These objectives were as follows:

- to strengthen the legal framework and to establish and maintain a National Statistics System (NSS);
- to provide coherent, accurate, relevant and timely statistics;
- to improve organisational effectiveness and efficiency;
- to maintain and enhance a client-focused service culture;
- to maintain and expand information, communication and technological infrastructure to support STATIN's operations; and
- to obtain adequate funding to support the Institute's operations.

LEGAL FRAMEWORK

The organisation sought to strengthen the legal framework to guide the coordination, production and dissemination of official statistics. To achieve this, Cabinet granted approval to amend the Statistics Act. The revision of the Statistics Act includes the establishment of a Statistics Commission for the establishment of a National Statistics System (NSS). STATIN will play the lead role in coordinating the NSS which will incorporate all the units of the government engaged in the provision of official statistics in Jamaica.

A project for the development of a National Statistics System (NSS) began in 2009; the funding ended in December 2012. This project was funded by the United Nations Development Programme (UNDP). The development of the NSS was however put on hold in the 2013/2014 and 2014/2015 fiscal years as there was no budgetary support. The intention is to renew efforts to revitalise this programme in the 2015/2016 as it is critical to the provision of quality statistics in Jamaica.

Table 1: Statistical Highlights - 2014 and 2013

Category	Comparative Results		Comments
	2014	2013	
Population - End of year	2,723,246	2,717,991	At the end of 2014 the Jamaican population was estimated to be 2,723,246, representing an increase over the estimate for 2013.
Births	37,892	38,480	
Deaths	17,619	17,350	
Migration	(14,889)	(14,744)	
Labour Force (October)	1,310,700	1,304,500	There was a 0.5% increase in the Labour Force in October 2014 over October 2013; 55% were male and 45% were female.
Male	717,000	713,500	
Female	593,700	591,000	
Unemployed Labour Force	186,200	194,000	As at October 2014, there were 7,800 less unemployed persons compared to October 2013. This represented a 4% reduction.
Male (39%)	71,100	75,800	
Female (61%)	115,100	118,200	
Unemployment Rate	14.2%	14.9%	Reduction in the unemployed labour force was reflected in the unemployment rate. It resulted in a marginal reduction of 0.7% from the 14.9% as at October 2013.
Male	9.9%	10.6%	
Female	19.4%	20.0%	
Employed Labour Force	1,124,500	1,110,500	The employed labour force increased by 14,000, showing a 1.3% increase above the October 2013 figure.
Male	645,900	637,700	
Female	478,600	472,800	
Underemployed Persons	10,900	13,200	The number of underemployed persons decreased by 2,300 in comparison to the October 2013 figure.
	Ja\$M	Ja\$M	The Jamaican economy grew by 0.5 per cent for the period January to December 2014 when compared with the similar period in 2013.
Gross Domestic Product (Constant Prices)	736,133	732,255	
Merchandise Trade	US\$M	US\$M	For the 2014 calendar year the total expenditure on merchandise imports between Jamaica and its trading partners fell by 4.8%. Likewise, earnings from exports was 8.1% less than in 2013. The trade deficit also moved down, 3.6% lower than the value for 2013.
Total Imports	5,838.20	6,129.90	
Total Exports	1,452.00	1,580.40	
Total Deficit	4,386.20	4,549.50	
Traditional Domestic Exports	782.30	779.60	
Non-Traditional Domestic Export	606.1	719.6	
Consumer Price Index	% Change	% Change	Inflation rate for All Jamaica increased by 6.4% for the calendar year 2014, 3.1 percentage points below the 9.5% that was recorded for 2013.
All Jamaica (All Divisions)	6.4	9.5	
Greater Kingston Metropolitan	8.6	9.6	
Other Urban Areas	5.7	10.1	
Rural Areas	4.9	9	
Producer Price Index	% Change	% Change	For the 2014 calendar year, the Mining and Quarrying industry registered a 17.7% increase in output prices, 7.9 percentage points higher than in 2013. The Manufacturing industry on the other hand advanced by 2.0% in 2014, 5.1 percentage points lower than in the previous year.
Mining & Quarrying	17.7	9.8	
Manufacturing	2.0	7.1	

STATISTICAL PROGRAMMES AND SERVICES

The production of accurate and timely reports and publications of social, economic and environment statistics is the core of the Institute's work programme. This work programme was guided by the needs of stakeholders, as well as CARICOM's Regional Statistical Work Programme (RSWP).

In order to satisfy changing user needs and to ensure that the statistics reflect the structural changes in the Jamaican economy, the Institute continued the development of new statistical products as well as revisions to a number of its programmes. These activities also ensured that the statistical systems are in line with international methodologies and guidelines.

Demographic and Social Statistics

2011 Population and Housing Census

The main focus of work under this programme was the production of Parish level reports. These reports were not part of the publications for the previous Population and Housing Census (2001) but were prepared during this round in order to satisfy stakeholders' needs. The Parish reports provide information for each parish on the following indicators:

- Age and Sex
- Marital Status and Union Status
- Ethnic Origin
- Religious Affiliation
- Education
- Disability Indicators
- Birthplace, Residence and Migration
- Economic Activity
- Fertility and Mortality
- Living Conditions and Household Composition,
- Information and Communication Technology and Mode of Road Transportation

Demographic Statistics

The Demographic Statistics Report 2014 is the third in the series based on the results of the 2011 Population Census and continued to give information on current population trends. The areas covered were population size and structure, births, deaths, migration, marriages, divorce and family planning.

At the end of 2014, the population of Jamaica was estimated at 2,723,246, of which there were 1,348,043 males and 1,375,203 females. Births were estimated at 37,892 and deaths at 17,619, a natural increase of 20,273 persons. Net migration was estimated at (-14,889) resulting in a population change of 5,384 (see Table 2).

Table 2: Components of Population Growth: 2010 - 2014

Year	Births	Deaths	Natural Increase	Net Migration
2010	40,508	21,503	19,005	-9,718
2011	39,673	16,926	22,747	-14,488
2012	39,553	16,998	22,555	-15,000
2013	38,480	17,350	21,130	-14,744
2014	37,892	17,619	20,273	-14,889

The focus of the 2014 Demographic Statistics report was population ageing, a phenomenon which has been observed worldwide and in the Caribbean region for some years. With the phenomenon of ageing, there are implications for the development of a country due to the changing age structure. Population ageing is due mainly to the declining trend of birth rates and improved death rates of adults. It results in a reduction in the proportion of children, an increase in the share of people in the working age and an increase in the percentage of older persons in the population.

Statistics on population, mortality and living arrangements as it relates to the aged both globally and in Jamaica were also presented in the report.

The elderly are those individuals in the population 65 years and older, as age 65 is generally associated with the end of working life and the entry into retirement. The median age is one of the indicators used to assess the ageing of the population and is the age at

which the population is divided into two equal parts. In Jamaica, the median age of the population increased from 22 years in 1991 to 27 years in 2011.

Another indicator is the aged-child ratio. In 1991, the ratio was 20.9 persons 65 years and older per 100 persons under 15 years old. In 2001, the ratio was 23.6 persons 65 years and older per 100 persons under 15 years old. The ratio increased to 1.1 in 2011.

Over the years concerns have been raised about the data quality of the vital statistics generated by the Civil Registration System. The project for the modernisation of the System of Vital Registration has resulted in improvement in the quality of data sets of occurrences and registration of births. However, concerns about the quality of the death data still linger but efforts are being made to rectify the situation. A death validation study, conducted in 2011 by a consultant employed under the Modernisation of the Civil Registration and Vital Statistics Project, shows the lag which exists in

the registration of deaths that impact significantly on the data quality. The study is currently under review and where necessary adjustments will be made to the data.

Labour Force

The Labour Force Survey is one of the principal household surveys conducted by the Institute. It is done on a quarterly basis and captures data on the economically active and inactive population of Jamaica aged 14 years and over. The survey is administered to persons living in private dwellings and excludes persons living in institutions such as hospitals, homes for the aged, prisons and military barracks. The main objectives of the survey are to:

- Determine the level and rate of employment and unemployment;
- Provide data on the structure of the working population and on the persons who are unemployed or outside the labour force;
- Provide data on the underemployed and Informal Sector Employment; and
- Determine the participation rate of different sub-groups of the labour force.

During the period April 2014 to March 2015, four quarterly surveys were fielded with visits made to approximately 8,100 private dwellings

during each survey period. A module to collect data on the impact of the Chikungunya virus on the labour force was attached to the January 2015 Labour Force Survey. The results of this module will be released during 2015/2016 financial year.

In October 2014 the Jamaican Labour Force stood at 1,310,700; an increase of 6,200 persons, 0.5 per cent higher than the 1,304,500 recorded in October 2013.

There were 1,124,500 employed persons in October 2014; 14,000 more persons (1.3%) than the 1,110,500 recorded in October 2013. When analysed by gender, employment increased for both males and females. For males, employment increased by 8,200 (1.3%) between October 2013 (637,700) and October 2014 (645,900). Similarly, employment for females moved upward by 1.2 per cent from 472,800 persons in October 2013 to 478,600 in October 2014.

The number of unemployed persons decreased from 194,000 in October 2013 to 186,200 in October 2014; representing a reduction of 4.0 per cent. This resulted in a decline in the Unemployment Rate to 14.2 per cent for October 2014, a decrease of 0.7 percentage point when compared to 14.9 per cent in October 2013. The Unemployment Rate among youth (14-

24 years) also declined during the period, moving from 37.7 per cent in October 2013 to 36.0 per cent in October 2014.

Survey of Living Conditions (SLC)

The 2014 Jamaica Survey of Living Conditions (JSLC) was undertaken during the period. The JSLC has been conducted annually since 1988 as a joint effort between the Planning Institute of Jamaica (PIOJ) and STATIN. This is a household survey, designed to collect data on a variety of topics such as household consumption, education and health. It is also used to inform policies that effectively target vulnerable groups and the population that are deemed to be 'at risk'. The sample used in this survey is a subset of the sample used in the April Labour Force Survey (LFS). This facilitates linkages and integrated analyses of the data between both

surveys. The data collection exercise was however negatively impacted by the outbreak of the Chikungunya virus.

Social Statistics

Social Statistics at a Glance 2014, published in March 2015 is the first in a series of social statistics publications that will be published by the Institute. Social statistics help in the analysis of the social status of a population. This edition presented data in the areas of: Population and Housing, Health, Education and Crime and Justice.

This publication will enrich the available statistics on social issues and will provide pertinent social indicators for assessment and monitoring.

Tables 3 to 6 below are examples of data included in the social statistics report.

Table 3: Annual Growth Rates of Selected Age Groups by Sex: Censuses 2001 and 2011

Age Group	2001			2011		
	Total	Male	Female	Total	Male	Female
0–4	-0.07	-0.04	-0.09	-2.72	-2.8	-2.65
5–14	0.24	0.31	0.17	-1.53	-1.47	1.59
15–24	0.44	-0.38	-0.49	1.23	1.44	1.02
15–59	1.3	1.32	1.28	1.26	1.35	1.17
15–64	1.26	1.29	1.23	1.47	1.45	1.49
60 & over	0.99	1.14	0.86	1.55	1.78	1.35
65 & over	1.21	1.37	1.08	0.96	1.08	0.85
80 & over	1.98	2.15	1.86	2.02	2.09	1.97
Total	0.88	0.91	0.84	0.36	0.41	0.31

Source: Statistical Institute of Jamaica

Notes: 2001 reflects change between 1991 and 2001 censuses.

2011 reflects the change between 2001 and 2011 censuses.

Table 4: Immunisation Coverage of Children under 5 Years Old: 2010 – 2013 (%)

Vaccine	2010	2011	2012	2013
Measles, Mumps and Rubella (MMR)	88.5	86.5	93	94
Bacillus Calmette-Guerin (BCG)	95.1	98	97	92.7
Diphtheria, Pertussis, Tetanus (DPT/DT)	94	91.4	96	93.1
Hepatitis B (HepB)	94	91.5	96	92.8
Poliomyelitis (Polio)	94	92.3	96	86
Haemophilus Influenza Type B (Hib)	94	91.4	96	93.1

Source: Ministry of Health (MOH)

Note: Children aged < 5

Values are expressed in percent (%)

Table 5: Number of Students Enrolled at Primary Level, by Sex 2010/11 - 2012/13

Year	Male	Female	Total	Females per 100 Males
Public Schools				
2010/11	132,309	126,273	258,582	95.44
2011/12	129,491	123,749	253,240	95.57
2012/13	126,651	119,454	246,105	94.32
Independent Schools				
2010/11	7,518	7,269	14,787	96.7
2011/12	7,178	7,822	15,000	109
2012/13	9,033	9,260	18,293	102.55

Source: Ministry of Education

Table 6: Number of Murders by Type of Implement Used: 2010 - 2013

Implement	2010	2011	2012	2013
Gun	1,095	793	765	881
Knife	180	162	157	152
Knife	0	0	7	8
Machete	60	57	54	63
Others	110	121	104	102
Total	1,445	1,133	1,087	1,206

Source: Police Statistics Division

Informal Sector Survey

STATIN has partnered with the Inter-American Development Bank (IDB) to execute a survey of the informal sector in Jamaica. The Informal Sector Survey aims to explore different dimensions of this sector in order to improve the knowledge of the characteristics and constraints that persons and organisations in the informal sector may face.

Informal Sector Surveys (ISS) are designed to provide a more in-depth understanding of the informal sector and to help to identify different policy options available to improve the livelihood of persons involved in the informal economy. Additionally, the ISS provides insight into other factors that may influence the increase in productivity of the firms in the informal sector and consequently improve the earnings of their employees and even their job security.

There is limited data available on the characteristics of the informal sector in Jamaica. The last major study of the informal sector was conducted in 2006 and since then there has been no national study of the informal sector in Jamaica. STATIN currently produces statistics on employment in the informal sector from data gathered through the Labour Force survey. There is however

need for additional statistics to explore the detailed characteristics of the sector and its contribution to Gross Domestic Product (GDP).

The Informal Sector Survey (ISS) is being conducted in two phases. The first phase is the identification of informal sector units which will make up the sample frame for the second phase of the survey. The second phase will be a survey of a sample of the informal production units identified in Phase I. A listing of establishments was undertaken in the period of review. Data collection was conducted over an 8-week period and information was collected for a total of 11,296 establishments. This listing of establishments will form the sample frame for the main survey.

Economic Statistics

National Accounts

The focus of work during the 2014/2015 period was the implementation of a programme for producing estimates of Quarterly Gross Domestic Product by Expenditure (QGDPE) and the continued work on implementing the 2008 System of National Accounts (SNA 2008). The provision of statistics on economic activities with respect to production, consumption and investment were also achieved. These included:

- *The National Income and*

Product (NIP) 2013 report which also contained the tables on tourism satellite account (TSA).

- *Quarterly GDP reports*
Four quarterly GDP reports presented data on GDP at current and constant prices. The Quarter 4, 2014 report included preliminary annual GDP estimates at both current and constant prices.
- *A Gross Domestic Special Report* with data from January – September 2014 was also prepared as part of the reports submitted to Parliament during the budget exercise. This was required as the 2015/2016 budget exercise occurred much earlier than in previous years and before the scheduled release of the December 2014 quarterly GDP report.

As part of the improvement of the GDP estimates some of the recommendations from the Caribbean Regional Technical Assistance Centre (CARTAC) consultant on the production of the quarterly GDP estimates were implemented. This included the new benchmarking programme, XLPBM, an EXCEL based function. The recommended seasonal adjustment programme will be adopted in fiscal year 2015/16.

A programme to develop quarterly GDP by expenditure for Jamaica was started during the year. This is a project sponsored by the Bank of Jamaica (BOJ).

Work on the 2008 System of National Accounts (SNA 2008) implementation including the preparation of a Supply and Use Table (SUT) continued to be another major undertaking during the year being reviewed. An important milestone in this regard was the revision and the development of new questionnaires to capture the changing structure of the economy as well as making them SNA 2008 compliant. The progress of the work was, however, constrained by a lack of data. The data collection operation at Tax Administration Jamaica was not as successful as anticipated as the financial statements collected fell short of the projections. The progress of the work was also impacted by the unavailability of the revised Jamaica Industrial Classification (JIC).

Technical assistance was sought and provided by CARTAC to assist the Institute in developing a methodology for estimating consumption of fixed capital including that for government services industry. A second mission is planned for late 2015 to finalize this programme.

Economic Performance Summary

Review

The Jamaican economy grew by 0.9 per cent for the fiscal year 2013/2014 when compared with the fiscal year 2012/2013. Higher levels of output were experienced in all industries except for Manufacturing, Electricity & Water Supply, Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment and the Producers of Government Services.

Preliminary estimates indicate that for the calendar year 2014, the economy experienced a growth of 0.4 per cent in 2014. This growth was however constrained by the prolonged period of drought which the country experienced. There was a 0.6 per cent increase in the output of the Services industries while

the Goods Producing industries declined by 0.1 per cent (See Table 7).

Trade in Services Statistics

The need for data on Trade in Services has become critical given the introduction of the CARICOM Single Market and Economy (CSME) as well as ongoing international trade negotiations. The Institute has embarked on a joint programme with the

Bank of Jamaica to produce statistics on Foreign Direct Investment (FDI) and Foreign Affiliate Trade in Services (FATS). Compilation of the variables relevant to STATIN continued during the year.

Table 7: Annual Rate of Growth of Value Added by Industry at Constant Prices

Industries	2010	2011	2012	2013	2014
	% change				
Agriculture, Forestry & Fishing	0	10.3	2.3	-0.7	-0.4
Mining & Quarrying	-4.2	19.1	-8.7	2.7	0.9
Manufacturing	-4.1	1.7	-0.7	-0.5	-1.2
Construction	-1.3	0.8	-4.4	1.9	1.4
Electricity & Water Supply	-4.3	0.3	-2.2	-2	-1.2
Wholesale & Retail Trade; Repairs; Installation of Machinery & Equipment	-3.8	0.3	-1.4	-0.1	0.2
Hotels & Restaurants	3.4	2	1.8	1.2	2.9
Transport, Storage & Communication	-2.7	-1.9	-0.1	0.4	1.1
Finance & Insurance Services	-3.4	-0.3	0.7	0.4	0.2
Real Estate, Renting & Business Activities	-1	-0.4	-0.5	0.3	0.5
Producers of Government Services	0.3	0.5	-0.2	-0.2	-0.2
Other Services	-1.4	0.4	1.2	0.2	1.2
Less Financial Intermediation Services Indirectly Measured (FISIM)	-12.7	-4.1	-2.9	-0.4	-0.3
Total	-1.5	1.4	-0.5	0.2	0.4

Consumer Price Index

The Consumer Price Index (CPI) measures the changes in the general level of prices of consumer goods and services purchased by private households. The CPI is consistently viewed as the most commonly used indicator for the rate of change in headline inflation in Jamaica.

This index number assists individuals with having a better understanding of business and economic conditions, as the CPI reflects the movement of the prices they pay when they purchase consumer goods and services. The data

are largely used for the settlement of personal injury awards, wage and contract negotiations and in trend analysis. The price data also allows for international price comparisons to enable the purchasing power parity of the Jamaican Dollar to be assessed vis-à-vis other currencies.

During this fiscal year, the work programme continued to be the compilation of the Consumer Price Index (Low/Middle Income) based on the 'basket' of goods and services compiled from the Household Expenditure Survey (HES) conducted

June 2004 to March 2005. This CPI series has a price and weight reference base period of December 2006.

Twelve (12) Monthly Consumer Price Index Bulletins and the 2014 Annual Review were published for the fiscal year 2014/2015.

The All Jamaica 'All Divisions' Consumer Price Index for the month of March 2015 was 222.7. This resulted in a 4.0 per cent rate of inflation for the 2014/2015 fiscal year. This movement was 4.3 percentage points below the 8.3

per cent that was recorded for 2013/2014 fiscal year.

In the Greater Kingston Metropolitan Area's (GKMA) region the fiscal year inflation was 5.9 per cent compared to the 9.3 per cent recorded for fiscal year 2014/2015. In the Other Urban Centres (OUC) the inflation rate for the 2014/15 fiscal year was 3.5 per cent while that for the fiscal year 2013/14 was 8.2 per cent. The index for the Rural Areas increased by 2.7 per cent compared to 7.6 per cent for the similar period the previous year.

Table 8: Consumer Price Index - Inflation Rates

		All Jamaica	Greater KMA	Other Urban Centres	Rural Areas
Fiscal Year	March 2014 – March 2015	4	5.9	3.5	2.7
Calendar Year	Ending - December 2014	6.4	8.6	5.7	4.9
Calendar Year 2014	Mean Annual	8.3	9.5	7.9	7.4

Source: Statistical Institute of Jamaica

Annual Inflation

The rate of inflation for the calendar year ending December 2014 was 6.4 per cent (see figure 1). This movement was 3.1 percentage points lower than the 9.5 per cent recorded in 2013.

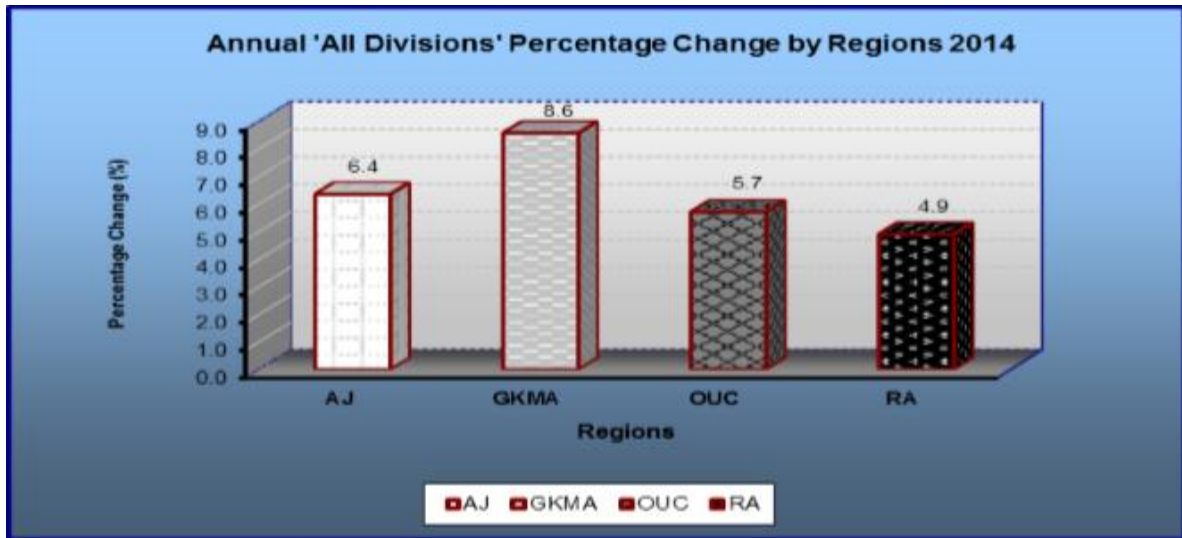
This 6.4 per cent rate of inflation was due largely to increases in the index for the divisions 'Food and Non-Alcoholic Beverages' 10.1 per cent and 'Transport' 4.6 per cent. These movements were

however tempered by the 2.0 per cent downward movement in the index for the division 'Housing, Water, Electricity, Gas and Other Fuels'. The Mean Annual Index for 2014 increased by 8.3 per cent compared to the 9.4 per cent in 2013. Factors impacting prices throughout the 2014 calendar year were:

- The devaluation of the Jamaican dollar against its major trading currency, the United States dollar.

- The movement in world oil prices, grains and cereals.
- Weather conditions.
- The increase in bus fares.
- The increase in the National Minimum Wage.

Figure 1: Annual 'All Divisions' Percentage Change by Regions 2014



Source: Statistical Institute of Jamaica

Household Expenditure Survey

Plans are underway to conduct a Household Expenditure Survey (HES) in 2016. To this end, the work plan and budget were completed during the fiscal year under review. Two committees were formed (Planning and Technical) and these worked on various aspects of the programme.

The achievements under this project included:

- Completion of the list of items to be included in the questionnaires. This was reviewed by both internal and external stakeholders.
- Development of a draft questionnaire

Technical assistance to review the sampling methodology was provided by United Nations Economic Commission for Latin America and the Caribbean (UNECLAC). The consultant also assessed the sampling procedures used for the last Household Expenditure Survey and made recommendations to improve the procedures for the 2016 survey.

The main purpose of the Household Expenditure Survey (HES) is to obtain information on the goods and services purchased by private households in order to determine the general pattern of expenditure throughout the economy. The data are used to determine the 'basket' of goods and

services for which prices will be collected as well as the weights used in the compilation of the CPI. The current weights used in the CPI are based on the 2004/2005 HES and therefore need to be updated. It is important that the weighting pattern used in the compilation of the CPI adequately reflect the spending habits of the Jamaican population. Since that time consumption patterns and tastes have changed. New products have entered the market and some products which were being consumed during the last survey may have become obsolete. These variations in consumer expenditure therefore need to be captured.

Producer Price Index

The Producer Price Index (PPI) was first published in Jamaica in 2007, with data going back to 2005 for the Mining and Quarrying and Manufacturing industries. It was developed as an output based PPI since it provided an indication of the average change over time in the prices of the final products leaving the place of production.

The PPI like the Consumer Price Index (CPI), and the Export and Import Price Indices (XMPI), is one of the closely watched indicators of macro-economic performance and is one of the direct indicators of the purchasing power of money. Price indices are important as they are an indication of the extent to

which the prices of goods and services have risen over specific time periods.

The PPI is used:

- to facilitate the compilation of Gross Domestic Product (GDP) at constant prices.
- as a short term indicator of inflationary trends
- as an analytical tool for local and international businesses and organizations, and by researchers for economic monitoring and comparison.

Twelve (12) Monthly Bulletins and the Annual 2014 Report were published during the year.

For the 2014/15 fiscal year, producer prices rose by 7.2 per cent for the Mining & Quarrying industry reflecting the increase in the PPI for Bauxite Mining and Alumina Processing. Output prices for the Manufacturing industry fell by 0.5 per cent. This was due to the 31.2 per cent decline in Refined Petroleum Products as lower oil prices on the international market impacted petroleum price movements in Jamaica.

There was a 25.0 per cent increase in the mean annual producer price index for the Mining & Quarrying industry during the 2014 calendar year when compared with 2013. This movement was mainly influenced by the major group 'Bauxite Mining & Alumina

Processing', which rose by 24.5 per cent. The other major group 'Other Mining & Quarrying' advanced by 15.2 per cent.

The mean annual index for the Manufacturing industry advanced by 17.0 per cent for the calendar year 2014. The heaviest weighted major group 'Food, Beverages & Tobacco' recorded a 17.3 per cent increase in its index. There was also an increase in the second highest weighted major group 'Refined Petroleum Products' of 16.9 per cent. The depreciation of the Jamaican dollar vis-à-vis the United States dollar and higher raw material

costs were some factors influencing output prices in the Manufacturing industry. The lower price of oil especially during the second half of the year however resulted in lower energy and transportation costs.

Work continued during the 2014/15 fiscal year on the development of the Producer Price Index for Agriculture (A-PPI). This initiative however remains constrained by resources, and the low response rate of price providers. The timeline for the development of the APPI was revised to incorporate new strategies devised to handle the challenges faced by this exercise.

Table 9: Fiscal Year to Date Change in the Producer Price Index by Industry - 2014/2015

INDUSTRY	Fiscal Year
	Apr-14 to 15-Mar
MINING & QUARRYING	7.2
Bauxite Mining & Alumina Processing	7.2
Other Mining & Quarrying	7.9
MANUFACTURING	-0.5
Food, Beverages & Tobacco	7
Textile, Wearing Apparel and Leather Products	2.1
Wood, Wood Products and Furniture	4.6
Paper and Paper Products	3.9
Chemicals and Chemical Products	6.2
Refined Petroleum Products	-31.2
Rubber & Plastic Products	4
Other Non-Metallic Mineral Products*	3.4
Fabricated Metal Products excl. Machinery & Equipment	9.5
Other Manufacturing n.e.c.	6.8

Source: Statistical Institute of Jamaica

International Merchandise Trade Statistics (IMTS)

The Institute, in the 2014-2015 review period, compiled, analysed and disseminated data on imports and exports generated from records supplied by the Jamaica Customs Agency as well as major importers and exporters. Efforts to improve the coverage as well as the timeliness of dissemination to various stakeholders continued. The improvement in

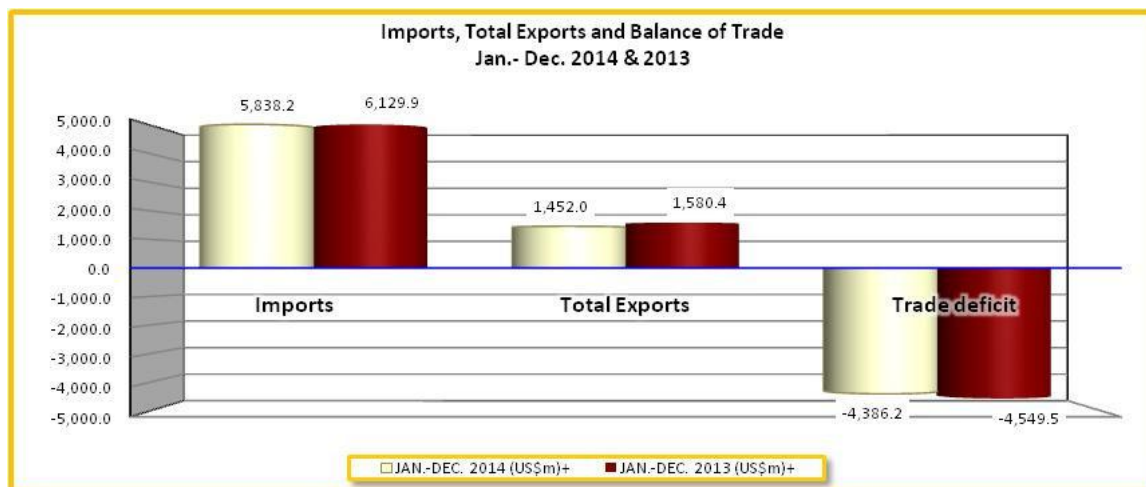
timeliness is especially critical in light of Jamaica's plans to subscribe to the International Monetary Fund's (IMF) Special Data Dissemination Standard (SDDS). Jamaica Customs is in the process of converting to the ASYCUDA World Trade System and this should also contribute to improving the timeliness of the trade data. The Institute is also playing an active role in the testing and review of the Jamaica Customs' ASYCUDA system.

Twelve monthly International Merchandise Trade bulletins were produced during this fiscal year. Data are also available at the detailed commodity level by volume, value and country of origin/destination on an annual basis.

As part of the development of quarterly GDP by expenditure work continued on the compilation of monthly and quarterly indices using the Unit value approach. This programme is funded by the Bank of Jamaica (BOJ).

Total expenditure on merchandise imports in 2014 fell by 4.8 per cent or US\$291.6 million to US\$5,838.2 million when compared to 2013. Earnings from total exports also decreased, moving down by US\$128.4 million or 8.1 per cent to US\$1,452.0 million. This resulted in the trade deficit at the end of 2014 moving down by 3.6 per cent to US\$4,386.2 million compared to the US\$4,549.5 million recorded for 2013 (See Figure 2).

Figure 2: Imports, Total Exports and Balance of Trade, January to December 2014 & 2013



Source: Statistical Institute of Jamaica

During 2014 the top 5 trading partners from which the nation imported goods were the United States of America (USA), the Bolivarian Republic of Venezuela, Trinidad & Tobago, China and Mexico. The major destinations for Jamaica's exports were the USA,

Canada, Netherlands, United Kingdom and the Russian Federation.

Goods imported from the USA (Jamaica's main trading partner) were valued at US\$2,248.4 million in 2014, compared to US\$2,051.1 million in 2013, increasing by 9.6 per cent or

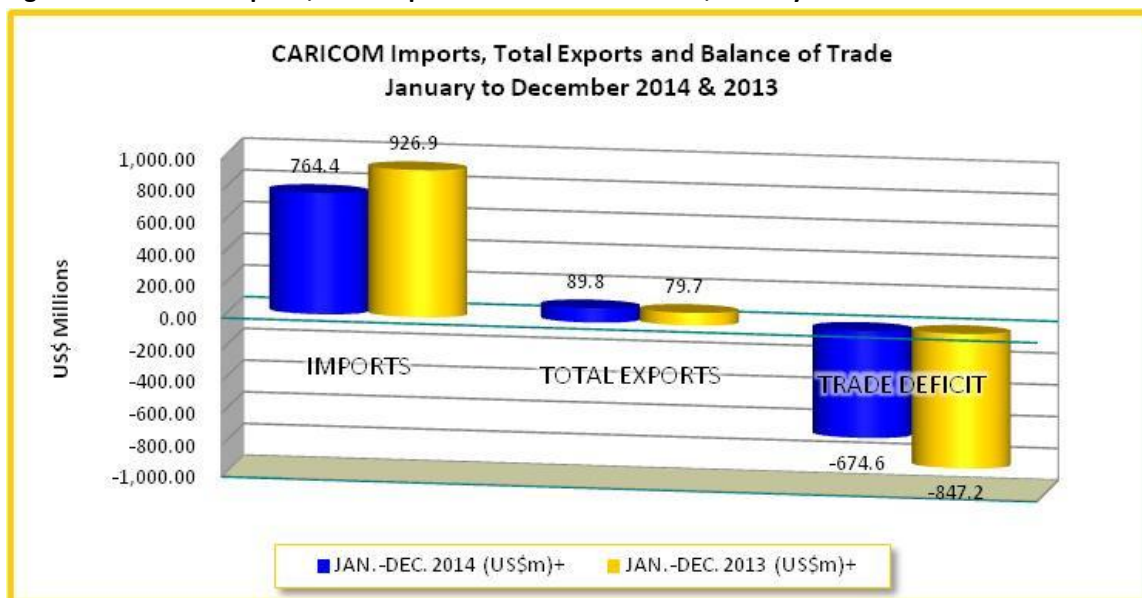
US\$197.3 million. This represented approximately 38.5 per cent of Jamaica's total expenditure on imports in 2014, up from 33.5 per cent in 2013. The value of total exports of goods to this country fell by 25.5 per cent or US\$195.5 million to US\$571.6 million in 2014. Approximately 39.4 per cent of Jamaica's exports went to the United States of America in 2014, compared to 48.5 per cent in 2013. At the end of 2014 the trade deficit with the USA stood at US\$1,676.8 million, moving up from US\$1,284.0 million in 2013.

Jamaica imported US\$764.4 million worth of goods from her CARICOM partners in 2014; a decrease of US\$162.5 million or 17.5 per cent when compared to 2013. This was due mainly to decreased spending on "Mineral Fuels etcetera", which fell by US\$142.1 million or 21.9 per cent to US\$507.6 million, as a result of lower imports of 'petroleum, petroleum products and other related materials'. "Food", the second highest imported item also declined and was valued at US\$147.1 million down from the US\$162.7 million

recorded in 2013. This decline was as a result of lower imports of 'vegetables and fruit', 'sugars and sugar preparations' and 'miscellaneous edible products and preparations'. Other commodity groups recording decreases were "Beverages & Tobacco", "Manufactured Goods" and "Misc. Manufactured Articles". These were valued at US\$35.1 million, US\$21.3 million, and US\$13.3 million respectively, a fall of 9.8 per cent, 10.2 per cent and 7.0 per cent. Total exports to the region increased by US\$10.1 million or 12.7 per cent and was valued at US\$89.8 million in the current 2014 review period. Trinidad and Tobago remained Jamaica's leading trading partner in the CARICOM region.

During the twelve (12) month review period of 2014, Jamaica recorded a trade deficit of approximately US\$674.6 million with her CARICOM partners, compared to US\$847.2 million in the similar January to December 2013 period. The trade deficit, therefore, narrowed by US\$172.6 million or 20.4 per cent.

Figure 3: CARICOM Imports, Total Exports and Balance of Trade, January to December 2014 & 2013



Source: Statistical Institute of Jamaica

Employment and Earnings

STATIN collects data on employment, earnings and hours worked on a quarterly basis from a sample of establishments selected from the Central Register of Establishments. These establishments are selected based on their employment size and major economic activity, and are representative of all sectors of the economy, with the exception of agriculture, government, the free zones and private educational institutions. The data are published on an annual basis but there are plans to publish quarterly in order to meet the International Monetary Fund's Special Data Dissemination Standard (IMF's SDDS) requirements. This survey was negatively impacted by the low response from establishments. This

survey is currently being reviewed as improvement in its timeliness is a requirement for the country to subscribe to the International Monetary Fund's (IMF) 'Special Data Dissemination Standard (SDDS).

Inflation Expectation Survey (IES)

The Inflation Expectation Survey is undertaken by STATIN on behalf of the Bank of Jamaica. The primary objective of the survey is to collect information from key personnel in business establishments on their individual expectations as to the future movement of prices, interest rates, growth rates, foreign exchange and the level of wage/salary increases expected over specific time periods.

The Central Bank which is responsible for setting monetary policies uses this

information as a gauge on the expectation for inflation and growth of the major players in the economy. For the period April 2014 to March 2015, the Institute successfully executed and delivered reports for a total of eight (8) surveys.

Environmental and Multi-domain Statistics

Environment Statistics

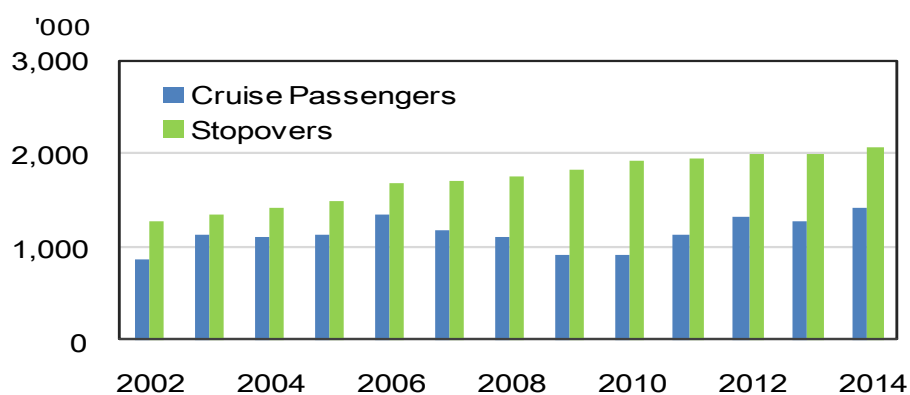
Jamaica's Environment in Your Pocket 2015 was published in March 2015 using the revised Framework for the

Development of Environment Statistics (FDES) of the United Nations. The report focused on using the core statistics and indicators from the FDES, along with other environmental information of relevance to a small-island developing state such as Jamaica. This report included data on areas such as tourism and agriculture. Some information from the publication is presented below in Table 10 and Figure 4.

Table 10: Households by Method of Garbage Disposal: 2001 and 2011 Censuses

Method of disposal	2001	%	2011	%
Public collection	357,341	47.8	557,060	63.2
Regular	313,243	41.9	460,333	52.2
Irregular	44,098	5.9	96,727	11
Dumping	44,988	6	31,127	3.5
Sea/River/Pond	7,475	1	6,360	0.7
In own yard	20,520	2.7	8,484	1
At municipal site	10,185	1.4	11,480	1.3
Other	6,808	0.9	4,803	0.5
Private collection	3,411	0.5	4,202	0.5
Burn	321,944	43	264,872	30.1
Bury	8,723	1.2	4,844	0.5
Other methods	2,046	0.3	1,937	0.2
Not reported	9,876	1.3	17,036	1.9
Total	748,329	100	881,078	100

Source: Statistical Institute of Jamaica

Figure 4: Number of Visitors by Type: 2002 - 2014

Source: Jamaica Tourist Board

Jamaica, through STATIN, was one of the countries invited by the United Nations Statistics Division (UNSD) to participate in the revision of the FDES. The FDES is a multi-purpose conceptual and statistical framework that provides an organizing structure to guide the collection and compilation of environment statistics at the national level. It brings together data from the various relevant subject areas and sources. With the completion of the FDES in 2012, the UNSD organised an Expert Group on Environment Statistics (EGES) to develop an Action Plan for putting the FDES to work which was endorsed by the United Nations Statistical Commission. During 2014/15 further work by the EGES has been the development of draft methodologies, including metadata, on various topics from the FDES. In the coming fiscal year, work will continue on the methodologies and the production of a handbook on the use and construction of environment statistics.

STATIN also participated in the Development and Strengthening of Official Environmental Statistics by Creating a Regional Framework in Latin America and the Caribbean project. This four-year project is supported by Economic Commission for Latin America and the Caribbean (ECLAC), Chile, and funded by the IDB with the Instituto Nacional de Estadística Geográfica e Informática (INEGI), Mexico as the executing agency. A regional assessment of current situation of environment statistics in the countries and region was carried out and presented at a regional workshop in January 2015.

Information and Communication Technology Statistics (ICT)

The core Information and Communication Technology (ICT) Access and Use indicators (for households and individuals) were submitted to the International Telecommunications Union (ITU) in compliance with

Jamaica's membership obligations. During the fiscal year, there was continued collaboration with the Office of Utilities Regulation (OUR) for the receipt of subscription rates to measure service penetration for telephony. The suite of ICT indicators computed was also expanded to include indicators of the trade in ICT goods. The finalization of an ICT report was delayed pending the revision of weights used to compute the indicators on Access and Use (for households and individuals) for 2012 and 2013.

STATISTICAL INFRASTRUCTURE

In line with the strategic objective of the organization, work on improving the quality and technical soundness of the Institute's statistical outputs continued. This included the continuation of work on the revision of classification systems along with the updating of sampling frames and methodological improvements.

Design and Development

The selection of samples for STATIN's regular household and establishment surveys and for ad hoc surveys, development of sampling proposals for external clients, development of questionnaires and new statistical products were some of the activities undertaken during the year.

As part of the sampling related activities, the computation of the

variance estimates was expanded, by employing the use of the Statistical Analysis System (SAS). This allowed for the creation of a wider suite of variance estimates in a shorter timeframe. Work has also started on the documentation of STATIN's approach to sample design, selection and variance estimation.

The financial challenges faced by the Institute during the year adversely impacted the completion of the household "listing" exercise. This exercise which started in the latter part of 2013 is part of improvement to the sampling frame for the selection of households. A listing exercise is usually conducted after each housing and population census and every four to five years so as to avoid going to the same respondents over an extended period for surveys. This both lessens the chance of the respondents being fatigued and enhances the response rate for the survey.

Classifications and Standards

In order to allow for easy exchange and comparability of occupational data, the Jamaica Standard Occupational Classification (JSOC) was revised based on the 2008 International Standard Classification of Occupations (ISCO '08). A consultant was hired to verify the accuracy of a sample of the occupational definitions written. These changes were incorporated and a final document including the structure,

occupation definitions, conversion tables and an index was completed.

Revision of the Jamaica Industrial Classification (JIC) 2005 is being undertaken to align with the fourth revision of the International Standard Industrial Classification (ISIC). This will also support the implementation of the 2008 System of National Accounts (SNA 2008). A draft revision structure as well as a revision of the preliminary conversion table was completed.

Data Collection Activities

The outbreak of the Chikungunya Virus as well the problem of crime and violence in many of the areas in which the staff had to work, presented some threat to the smooth operations in the field. Despite this however, the agreed timelines were in most instances adhered to and that facilitated the completion of the work programmes of the technical divisions.

Geographic Services

Lack of funding prevented the Geographic Services Unit (GSU) of the Institute from operating at its full capacity. Despite this challenge, the Unit continued to serve both internal and external clients with mapping, geography and GIS Information and products. There was participation in the Land Information Council of Jamaica (LICJ) projects and programs such as National Emergency Response

Geographic Information Systems Team (NERGIST) and Geography Awareness Week. STATIN also collaborated with the Social Development Commission (SDC) in the development of a Community Grid Mapping Project. The objective of this is to provide data, especially from the Census, at the community level.

OPERATIONAL EFFICIENCY

Over the last fiscal year, the Institute continued to make strides in its effort to achieve organizational effectiveness and efficiency. Improvement in corporate governance, training and human resource development and the development of a Quality Assurance Framework were some achievements during the year. The Institute also began a review of its operational structure with a view to reduce costs while improving the organization's efficiency and ensuring that the high quality of its products, service and support are maintained. To this end, job descriptions for all posts within the Institute are being revised and updated.

Corporate Governance

STATIN has a long history in the provision of statistical services for the nation. By virtue of the nature of the work of the Institute, it is expected that good corporate governance is practiced. The Ministry of Finance and Planning (MoFP) has portfolio responsibility for STATIN. It monitors the performance

and progress of the work of the Institute. This is achieved through the preparation and submission of quarterly and annual reports to this Ministry. The Board of Directors also monitors the work of the Institute as well as provides guidance.

In promoting good corporate governance, STATIN ensures that it adheres to the relevant regulations and requirements in carrying out its daily operations. The Statistics (Amendment) Act of 1984 outlines the roles and responsibilities of the Institute as well as regulations which govern the Institute. This includes the need to maintain confidentiality of the data provided by individuals and establishments. In order to promote compliance with the provisions of the Statistics Act, all employees are required to sign the Official Secrets Act and an Oath that indicates commitment to upholding confidentiality as stipulated under the Statistics Act. The Institute is also guided by International standards and guidelines such as the United Nations Fundamental Principles of Statistics.

In early 2014 the Institute embarked on activities to ensure the continued maintenance of good corporate practices. Terms of references for the various internal committees were revised and a Project Monitoring Committee was established to ensure the proper oversight of all projects.

Quality Management

As part of its commitment to ensuring the highest quality of its statistics, STATIN started the development of a Quality Assurance Framework. Assistance in its development was received from Statistics Canada with a working visit by a Quality Consultant in January 2015. The framework when completed will not only assess the accuracy of the information produced by the Institute, but will also assess the following dimensions of quality: Relevance, Reliability, Timeliness, Punctuality, Accessibility, Clarity, Coherence, Comparability, Interpretability, Metadata, Credibility, Integrity, Methodological soundness, Serviceability, Awareness-building, Sustainability, Continuity, Topicality, Specificities.

Human Resource Management

The Human Resource Management Unit continued to effectively handle the recruitment, development and utilization of the human resources at the Institute during the period of review.

At the commencement of the 2014/2015 financial year, there were three hundred and fifty-five (355) persons on staff of which three hundred and twenty-nine (329) were permanent and twenty-six (26) on project. At the end of the financial year there were three hundred and forty-three (343) persons on staff - three hundred and seventeen (317) permanent, two (2) on

contract and twenty-four (24) project staff.

Employment levels averaged 91.0 per cent throughout the year. Approval was sought and received from the Post Operations Committee of the Ministry of Finance and Planning for the operation of all vacant posts. Despite persistent efforts to fill the

vacant posts, recruitment proved challenging especially at the senior levels.

During the period under review five staff members retired. These individuals served the Institute for a number of years. The persons are as follows:

Table 11: Retirees - Fiscal Year 2014/2015

Name	Position	Years of Service
Kermith Afflick	Statistical Officer II	37 years
Marjorie Cain	Senior Secretary/Stenographer	32 years
Pauline Miller	Interviewer II	37 years
Patricia Tomlin	Interviewer II	18 years
Lorna Reid	Director	36 years

Training

Staff members benefitted from training and development initiatives that were facilitated locally and overseas. These sessions which were funded primarily by international sponsors. The areas of focus of the training sessions were National Accounts; Poverty Analysis; Gender Statistics; International Merchandise Trade Statistics; Time Use Surveys; Survey Design; Data Analysis, Crime and Justice Statistics; as well as Environment Statistics.

All members of staff in the Data Collection Unit participated in a comprehensive training programme covering areas such as interviewing techniques, overview of the

organization and the surveys, data collection, quality issues and personal security. Other staff members benefitted from training in the following areas:

- Public Speaking and Presentation Skills;
- Systems Development
- Customer Service Capacity Building
- Supervisory Management
- Internal Auditing
- GIS Mapping and other related activities

SERVICE CULTURE

STATIN is committed to improving its service delivery. This is evidenced in its drive to achieve and maintain a

responsive, client-focused organization. To this end, there have been sustained efforts to increase public awareness of the products and services offered by the Institute and most importantly, increasing customers' understanding of statistical information.

The timely press releases, the Institute's website and its annual calendar were the main media used to disseminate information. An Advance Release Calendar (ARC) is posted on the website to provide clients with the release dates of the high frequency publications. The website is currently being redesigned, in an effort to improve the dissemination of information to the public. The annual calendar was also another medium used to provide ready reference information from surveys and reports published by the Institute as well as to highlight the work of the organization.

The Institute participated in a number of school presentations and expositions held across the island. Presentations were made to students and teachers of high schools and tertiary institutions and display booths were mounted at the expos to promote the products and services of the Institute.

The highlight of the year was the hosting of a statistical symposium staged under the theme "Youth, Ages 15-24 – A Situational Analysis". The aim of the symposium was to publicise some

of the work of STATIN as well as to encourage more research among the statisticians. The symposium formed part of STATIN's activities in celebration of CARICOM Statistics Day. Feature articles were also published in the *Gleaner* and *Jamaica Observer* publications to highlight the Labour Force Survey and the work of the Geographic Information Services unit.

As part of the Institute's corporate stewardship, work experience opportunities were afforded to participants from the Mico University College, University of Technology, and the Citizen Security and Justice Programme (CSJP).

INFORMATION AND COMMUNICATION

There was sustained maintenance and effective management of the Information and Communication Technology (ICT) infrastructure to ensure that the systems remained efficient and were able to meet the needs of the Institute's programmes and operations. In 2012, the Institute introduced the Computer-Assisted Personal Interviewing (CAPI) initiative achieved through the development of its Electronic Data Collection System (eDaCS). Since then, this system has been used to collect data for a number of the household and establishment surveys. There has been continued enhancement to the application for various surveys to facilitate greater

effectiveness and efficiency in the collection and processing of data.

Other key activities included:

- Upgrading of the Institute's network infrastructure to a managed service from FLOW/CBS which provides for greater integration within the Institute. This helped to achieve higher network availability, reduced downtime, maintain accessibility and improve robustness to meet the daily operations. The system also facilitated interconnectivity of field offices with the head office as each office was equipped with telephone, data communication and internet service. This further enhanced the data collection and retrieval functions of the eDaCS platform.
- Replacement of the telephone system with a cloud-based telephony service from FLOW/CBS. This realized significant cost savings in initial capital expenditure and operation cost. This system also allows the flexibility to add and remove handsets, features and capabilities on demand while lowering the organization's total cost of ownership.
- Improvement in hardware

including upgrades to the tablet computers used in data collection and server computers to improve the robustness of the eDaCS platform. This will help to resolve data delivery issues and also establish a foundation to better manage network accessibility and improve security.

FUNDING

Inadequate funding was one of the most critical challenges facing the Institute during the year.

The Institute's budget request for 2014-2015 was \$859.05 million, inclusive of \$846.06 million for recurrent expenditure and \$12.99 million under Capital 'A'. The budget request however was reduced by 15% with the total amount approved being \$733.71 million. There was a further reduction to \$657.88 million in the budget when the Supplemental Estimates for 2014-2015 were tabled.

There was a Capital 'A' request for support of the Household Expenditure Survey in the sum of \$12.99 million. This was not supported. There was also a request for support of the Statistical Capacity Development Project, under Capital B funding, for the sum of \$21.57 million which was initially approved, but this was subsequently reduced to \$13 million in the Supplementary Estimates

tabled.

Tight fiscal constraints during the year resulted in the Ministry of Finance making further adjustments subsequent to the tabling of Supplemental Estimates. During the last 6 months of

the year, funding was received solely for Compensation, Rental and some Utilities.

The budget approved by Parliament for the financial year 2014-2015 is reflected in Table 12 below:

Table 12: Approved Budget - Fiscal Year 2014/2015

	Approved Budget (\$M)
Compensation	485.17
Travel Expenses	78.50
Rental of Property	69.10
Public Utilities	30.91
Other Goods & Services	39.00
Capital Goods	31.02
	733.70

OTHER ACTIVITIES

Annual General Staff Meeting

On December 10, 2014 the Annual General Staff meeting was held at the Jamaica Pegasus Hotel, Kingston under theme "Fostering the Vision to see Beyond the Ordinary". The Guest Speaker was Mrs. Kasaun Troupe, Principal of Denbigh High School. The day's activities included a presentation on STATIN's Pension Plan by Sagicor Life Jamaica Ltd., a Retirees Award Ceremony and the Employee of the Year Award Function.

Divisional Employee of the Year Awards

In the seventh year since the inception of the Divisional Employee of the Year

Awards, the Institute continued to recognize employees who performed exceptionally during the year. Nominees are selected by their peers for outstanding contribution to their division in the areas of teamwork, positive role model/mentor, leadership and attitude. For 2014 there were six (6) awardees, notably: Thelma Walker, Novelette Bowen, O'Dayne Plummer, Rohan Marsh, Neslene McLean and Kadi-Ann Hinds. These staff members were honoured at the Annual General Staff Meeting.

STATIN Sports & Social Club

The STATIN Sports and Social Club is the social arm of the Institute. Its core function is to provide social and recreational activities for staff members that will help in improving staff morale and efficiency.

During the fiscal year 2014/2015, the STATIN Sports and Social club hosted a variety of activities. These activities ranged from fund-raising to celebratory to competitive.

The highlight activity for the period was the annual Sports Month. This event was once again celebrated in the month of June; and employees in their houses competed in indoor games such as dominoes, scrabble,

ludo and table tennis. There were also outside games such as basketball, football and netball. The highpoint of the sports month was Sports Day, a track and field competition. The Sports Day provided an excellent avenue for staff members to show their athletic prowess. There was also a colourful display as supporters from the four houses cheered for their team members.

Divisional Employee of the Year 2014



Neslene McLean (right)
Field Services Division (Area 2)



Novelette Bowen (right)
Corporate Services Division



Kadi-Ann Hinds (right)
Research, Design & Evaluation Division



Rohan Marsh (right)
Field Services Division

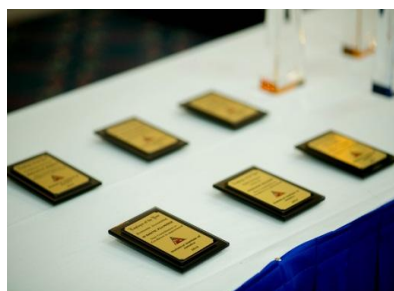


O'Dayne Plummer (left)
Economic Accounting Division



Thelma Walker (right)
Administrative Statistics Division

Highlights from the 2014 Annual General Meeting



Highlights from Sports Month 2014 - Awards Ceremony



APPENDIX A

Directors' Compensation: April 1, 2014 - March 31, 2015

Position of Director	Fees (\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman	150,000	0	0	0	150,000
Director 1	110,000	0	0	0	110,000
Director 2	90,000	0	0	0	90,000
Director 3	75,000	0	0	0	75,000
Director 4	52,500	0	0	0	52,500
Director 5	45,000	0	0	0	45,000

Note: The only payment made to the Board members was for their attendance at meetings

APPENDIX B

Senior Executive Compensation - 2014/2015

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Director General	5,134,520		975,720		12,000		6,122,240
Deputy Director General	122,802		2,710				125,512
Director, Administrative Statistics	4,861,529		687,740				5,549,269
Director, Censuses Demography & Social Statistics	3,939,337		975,720				4,915,057
Director, Information & Technology	3,483,653		930,283				4,413,936
Director, Economic Accounting	3,547,277		975,720				4,522,997
Director, Field Services	2,741,944		865,558				3,607,502
Director, Corporate Services	4,155,496		975,720				5,131,216
Director, Surveys	4,155,496		975,720				5,131,216
Director, Research, Design & Evaluation	2,983,969		894,410				3,878,379
Corporate Secretary/Legal Officer	5,565,950		514,500				6,080,450

Notes:

Except where stated otherwise, all compensation packages include:

1. Group Life: Non-contributory; equivalent to two (2) times annual basic salary upon death.
2. Group Health: Contributory scheme under GEASO with Sagcor Life Jamaica Limited.
3. Annual Vacation Leave Entitlement of twenty-five (25) days.

Additional Note: Compensation for the Deputy Director General reflects final payment to said Director subsequent to resignation of the individual.

APPENDIX C**FINANCIAL STATEMENTS**

STATISTICAL INSTITUTE OF JAMAICA

YEAR ENDED 31ST MARCH 2015

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
STATISTICAL INSTITUTE OF JAMAICA**

Report on the Financial Statements

We have audited the accompanying financial statements of Statistical Institute of Jamaica which comprise the statement of financial position as at 31st March 2015, the statements of comprehensive income, changes in capital and reserve funds and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility 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 (IFRS) and the Jamaican Statistics Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control.

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE BOARD OF DIRECTORS OF
STATISTICAL INSTITUTE OF JAMAICA**

Auditors' Responsibility (cont'd)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements, give a true and fair view of the financial position of Statistical Institute of Jamaica as of 31st March 2015, and of its financial performance, changes in capital and reserve funds and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Statistics Act.

Report on additional requirements of the Jamaican Statistics 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 maintained, so far as appears from our examination of those records, and the financial statements which are in agreement therewith, give the information required by the Jamaican Statistics Act, in the manner required.

UHY Dawgen

UHY Dawgen

UHY DAWGEN CHARTERED ACCOUNTANTS

Signature

16th July 2015

STATISTICAL INSTITUTE OF JAMAICA
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST MARCH 2015
 (expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2015 \$	2014 \$
ASSETS			
<u>Non-Current Assets</u>			
Property, Plant and Equipment	4	45,609,638	40,064,247
		<u>45,609,638</u>	<u>40,064,247</u>
<u>Current Assets</u>			
Inventories	5	1,173,674	1,165,325
Trade and Other Receivables	6	11,378,307	9,998,610
Prepayments		3,247,935	4,539,806
Short Term Investments	7	13,784,871	12,968,866
Cash and Cash Equivalents	8	41,413,081	42,645,067
		<u>70,997,868</u>	<u>71,317,674</u>
Total Assets		<u>116,607,506</u>	<u>111,381,921</u>
EQUITY AND LIABILITIES			
<u>Capital and Reserves</u>			
Capital Fund	9	27,094,141	25,553,911
Capital Grants	10	4,589,773	4,589,773
General Reserve Fund		(66,329,756)	(67,227,798)
		<u>(34,645,842)</u>	<u>(37,084,114)</u>
<u>Current Liabilities</u>			
Trade and Other Payables	11	103,385,124	96,265,994
Projects and Contracts	12	47,868,224	52,200,041
		<u>151,253,348</u>	<u>148,466,035</u>
Total Equity and Liabilities		<u>116,607,506</u>	<u>111,381,921</u>

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

APPROVED FOR ISSUE BY THE BOARD ON 16TH JULY 2015 AND SIGNED ON
 ITS BEHALF BY:


 Alvin Wint
 Chairman


 Carol Coy
 Director General

STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

	<u>Notes</u>	2015 \$	2014 \$
Revenue:			
Government Grants	13	645,172,637	656,443,492
Transfer of surplus on closed projects	12	6,656,020	4,483,441
Other Income	14	<u>12,234,782</u>	<u>10,353,486</u>
		664,063,439	671,280,419
(Gain)/ Loss on Disposal of Property, Plant and Equipment		<u>(825,268)</u>	<u>953,682</u>
		664,888,707	670,326,737
Expenses	15	<u>663,990,665</u>	<u>695,822,771</u>
Surplus/(Deficit) for the year		<u>898,042</u>	<u>(25,496,034)</u>

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

STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF CHANGES IN CAPITAL AND RESERVE FUNDS
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

	Capital Fund	Capital Grants	General Reserve	Total
	\$	\$	\$	\$
Balance at 31st March 2013	25,732,870	4,589,773	(41,731,764)	(11,409,121)
Net movements in the year	(178,959)	-	-	(178,959)
Deficit for the Year	<u>-</u>	<u>-</u>	<u>(25,496,034)</u>	<u>(25,496,034)</u>
Balance at 31st March 2014	25,553,911	4,589,773	(67,227,798)	(37,084,114)
Net movements in the year	1,540,230	-	-	1,540,230
Surplus for the Year	<u>-</u>	<u>-</u>	<u>898,042</u>	<u>898,042</u>
Balance at 31st March 2015	<u>27,094,141</u>	<u>4,589,773</u>	<u>(66,329,756)</u>	<u>(34,645,842)</u>

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

STATISTICAL INSTITUTE OF JAMAICA
STATEMENT OF CASH FLOWS
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

	2015	2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) for the year	898,042	(25,496,034)
Adjustments to reconcile net Surplus/(Deficit) for the year to net cash provided by/(used in) Operating Activities:		
Depreciation on donated property, plant and equipment	(734,808)	(475,070)
Depreciation on purchased property, plant and equipment	12,743,613	10,078,591
(Gain)/Loss on Disposal of property, plant and equipment	(825,268)	953,682
	<u>12,081,579</u>	<u>(14,938,831)</u>
<u>Decrease/(Increase) in Current Assets:</u>		
Inventories	(8,349)	370,412
Trade and Other Receivables	(1,379,697)	2,894,909
Prepayments	1,291,871	605,951
<u>(Decrease)/Increase in Current Liabilities:</u>		
Trade and Other Payables	7,119,130	(41,989,761)
Projects and Contracts	(4,331,817)	1,992,011
Net cash provided by/(used in) Operating Activities	<u>14,772,717</u>	<u>(51,065,309)</u>
<u>Cash flows from Investing Activities:</u>		
Purchase of property, plant and equipment	(18,605,980)	(6,869,750)
Proceeds on Disposal of property, plant and equipment	1,142,244	-
Short-Term Investments	(816,005)	(677,799)
Net cash used in Investing Activities	<u>(18,279,741)</u>	<u>(7,547,549)</u>
<u>Cash flows from Financing Activities:</u>		
Capital Grant	2,275,038	296,111
Net cash provided by Financing Activities	<u>2,275,038</u>	<u>296,111</u>
Net Decrease in Cash and Cash Equivalents	(1,231,986)	(58,316,747)
Cash and Cash Equivalents at beginning of year	<u>42,645,067</u>	<u>100,961,814</u>
Cash and Cash Equivalents at end of year	<u>41,413,081</u>	<u>42,645,067</u>

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

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

1. Identification:

The Statistical Institute of Jamaica was established by the Statistics (Amendment) Act Number 3 of 1984 and amended by Number 11 of 2003.

The main functions of the Institute are:-

- (a) To collect, compile, analyse, abstract and publish national statistical information relating to the commercial, industrial, social, economic and general activities and conditions of the people of Jamaica.
- (b) To take any census in Jamaica.

2. Adoption of Standards, Interpretations and Amendments.

a) Standards, Interpretations and Amendments to published standards that are in effect:

The International Accounting Standards Board (IASB) issued certain new, revised and amended standards and interpretations, which became effective during the year under review. The Institute has assessed and adopted those which are relevant to its operations.

IAS 32 Financial Instruments: Presentation (Amendments) (Effective January 2014)

The objective of this amendment to IAS 32 is to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: i) the meaning of 'currently has a legally enforceable right of set-off'; ii) the application of simultaneous realisation and settlement; iii) the offsetting of collateral amounts; and iv) the unit of account for applying the offsetting requirements.

Amendments to IAS 36: Impairment of Assets: Recoverable Amount Disclosures for Non Financial Assets (Effective January 2014) -

The Amendments reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IFRIC 21- Levies (Effective January 2014) -

This provides guidance on accounting for levies in accordance with the requirements of *IAS 37, Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with Legislation. It requires an entity to recognize a liability for a levy when and only when the triggering event specified in the legislation occurs.

The Institute's management has assessed the relevance of new standards, interpretations and amendments and has adopted and applied in these financial statements, those standards which are considered relevant to its operations.

STATISTICAL INSTITUTE OF JAMAICA
 NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
 YEAR ENDED 31ST MARCH 2015
 (expressed in Jamaican Dollars unless otherwise indicated)

2. **Adoption of Standards, Interpretations and Amendments (cont'd):**

b) **Standards, Interpretations and Amendments to published standards that are not yet effective:**

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective at the reporting date, and which the Institute has not early adopted.

IFRS 9: Financial Instruments (Effective January 1, 2018)

This replaces the existing guidance in *IAS 39, Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. The determination of classification will be made at initial recognition and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

Management has determined that the standard is relevant to existing policies for its current operations, but has not yet assessed the impact on adoption.

Improvements to IFRSs 2010–2012 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

• **IFRS 13: Fair Value Measurement (Effective July 2014)**

Clarifies that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure certain short-term receivables and payables on an undiscounted basis (amends basis for conclusion only).

• **IAS 16 - Property, Plant and Equipment (Effective July 2014)**

Proportionate restatement of accumulated depreciation under the revaluation method.

For all depreciable assets:

The depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life [IAS 16.50].

The residual value and the useful life of an asset should be reviewed at least at each financial year-end and, if expectations differ from previous estimates, any change is accounted for prospectively as a change in estimate under IAS 8. [IAS 16.51]

The depreciation method used should reflect the pattern in which the asset's economic benefits are consumed by the entity [IAS 16.60]; a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate. [IAS 16.62A]

The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8. [IAS 16.61] Expected future reductions in selling prices could be indicative of a higher rate of consumption of the future economic benefits embodied in an asset. [IAS 16.56]

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not yet effective (cont'd):

Improvements to IFRSs 2010–2012 cycle (cont'd)

IAS 16 - Property, Plant and Equipment (Effective July 2014) (cont'd)

Depreciation should be charged to profit or loss, unless it is included in the carrying amount of another asset [IAS 16.48].

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle. [IAS 16.55]

IAS 24 - Related Party Disclosures (Effective July 2014)

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. [IAS 24.9]

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity*. [IAS 24.17A, 18A]

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not yet effective (cont'd):

Improvements to IFRSs 2011–2013 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after July 1, 2014. The main amendments are as follows:

- **IFRS 13: Fair Value Measurement (Effective July 2014)**

Scope of paragraph 52 (portfolio exception)

Clarifies that the scope of the portfolio exception defined in paragraph 52 of IFRS 13 includes all contracts accounted for within the scope of IAS 39 Financial Instruments: Recognition and Measurement or IFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32 Financial Instruments: Presentation.

- **IAS 24, Related Party Disclosures (Effective July 2014)**

This has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. The reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services provided by the management entity but it is not required to disclose compensation paid by the management entity to the individuals providing the key management personnel services.

Improvements to IFRSs 2012–2014 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2016. The main amendments are as follows:

- **IFRS 5 : Non-current Assets Held for Sale and Discontinued Operations**

Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

- **IFRS 7: Financial Instruments: Disclosures**

Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

- **IAS 19: Employee Benefits**

Clarifies that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid.

The Institute does not expect these amendments to have any significant impact on its 2016 financial statements.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not yet effective (cont'd):

IAS 1: Presentation of Financial Statement (Effective January 2016)

The amendment addresses perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- Clarifies that information should not be obscured by aggregating or by providing immaterial information materiality consideration apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- Clarifies that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregated as single line items based on whether or not it will subsequently be reclassified to profit or loss; and
- Provides additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need to be presented in the order so far listed in paragraph 114 of IAS 1.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

2. Adoption of Standards, Interpretations and Amendments (cont'd):

b) Standards, Interpretations and Amendments to published standards that are not yet effective (cont'd):

IFRS 15 - Revenue from Contracts with Customers (IAS 18 will be superseded by IFRS 15 Revenue from Contracts with Customers) (Effective January 1, 2017)

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers.

The five steps in the model are as follows:

- Identify the contract with the customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contracts
- Recognize revenue when (or as) the entity satisfies a performance obligation

Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

These amendments will affect financial statements for accounting periods beginning on or after the first day of the months stated. The Institute is evaluating the impact that these standards and amendments will have on the financial statements.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies:

(a) Statement of Compliance and Basis of Preparation -

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the International Financial Reporting Committee of the IASB and comply in all material respects with the provisions of the Statistics Act. They have been prepared under the historical cost convention and are expressed in Jamaican Dollars.

(b) Property, plant and equipment -

Property, plant and equipment are stated at historical cost less depreciation less any impairment losses.

Depreciation of property, plant and equipment is provided on the straight-line basis calculated at annual rates estimated to write off the cost of each asset over the term of its useful life. The rates of depreciation in use are as follows:-

Buildings	2%
Furniture, Fixtures and Office Equipment	10%
Motor Vehicles	20%
Computer Software & Equipment	25%
Leasehold Improvements	10%

Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to the recoverable amount.

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 or deficit.

Freehold land is not depreciated.

(c) Inventories -

Inventories are valued at the lower of cost and net realisable value.

(d) Trade and Other Receivables -

Trade and Other Receivables are carried at original amounts less provisions made for bad debts and impairment losses. A provision for bad debts is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. The amount of any provision is the difference between the carrying amount and the expected recoverable amount.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(e) Provisions -

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

(f) Impairment of Assets -

Property, plant and equipment and other long-lived assets are reviewed for impairment losses 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 selling price or value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(g) Revenue Recognition -

i) *Government Grants*

Revenue from government grants are recognised when there is reasonable assurance that the grant will be received.

ii) *Income from Closed-out Projects*

Revenue from projects is recognised when the projects have been completed and comprises the net income earned after the deduction of expenses incurred or allocated to the project.

iii) *Interest Income*

Interest income is accrued on the principal outstanding on fixed deposits.

iv) *Sale of Publications, Subscriptions for Publications and Maps*

Revenue comprises the fair value of consideration received or receivable for the provision of publications and maps in the ordinary course of the Institute's activities. The revenue is shown net of discounts.

(h) Foreign Currency Transactions -

During the period, transactions in foreign currencies are converted into Jamaican dollars at the rates of exchange ruling on the dates of those transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Gains or losses arising from fluctuation in the exchange rates are reflected in the Statement of Comprehensive Income.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015
(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(i) Use of Estimates and Judgements -

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires directors and management to make estimates and assumptions that affect the amount reported in the financial statements and accompanying notes. These estimates are based on historical experience and directors and management's best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

(j) Employee Benefits -

Pension

The company operates a defined contribution plan. The pension plan is funded by payments from employer and employees, taking into account the recommendations of the independent qualified actuaries.

The company's contributions to the pension plan are charged to the statement of comprehensive income in the period to which the contribution relates.

Vacation Accrued

The Institute's vacation leave policy allows a maximum of seventy-five (75) days unused vacation leave to be carried forward for staff. The charge of all outstanding leave is recognised in the statement of comprehensive income in the period to which it relates.

(k) Actuarial Valuation -

In accordance with the Trust Deed, Actuarial Valuations of the Plan are to be done as prescribed by the Pensions (Superannuation Funds and Retirement Schemes) Act 2004. The Trustees have determined that such valuations are to be done at regular intervals provided that no longer than three (3) years elapse between each valuation. The last Actuarial Valuation was done as at 31st December 2011 and the report revealed a surplus of \$226,719,000 being the excess of accumulated assets over the value of the past service liabilities of the plan. The next valuation was due no later than 31st December 2014.

(l) Short-Term Investments -

Short-term investments are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognised valuation techniques.

STATISTICAL INSTITUTE OF JAMAICA
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
YEAR ENDED 31ST MARCH 2015

(expressed in Jamaican Dollars unless otherwise indicated)

3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(m) Cash and Cash Equivalents -

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, foreign and local savings accounts and current accounts held at banks.

(n) Comparative Information -

Where necessary, comparative figures have been re-classified to conform to changes in presentation in the current year. In particular, comparatives have been adjusted to take into account the requirements of IFRS.

(o) Related Party Balances and Transactions -

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24, Related Party Disclosures as the “reporting entity”).

- (a) A person or a close member of that person’s family is related to the reporting entity if that
- (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to the reporting entity if any of the following conditions applies:
- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

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3. Statement of Compliance, Basis of Preparation and Significant Accounting Policies (Cont'd):

(o) Related Party Balances and Transactions (Cont'd) -

(b) An entity is related to the reporting entity if any of the following conditions applies:

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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(expressed in Jamaican Dollars unless otherwise indicated)

4. Property, Plant and Equipment:

	Land	Buildings	Leasehold Improvements	Furniture, Fixtures & Equipment	Computer Software & Equipment	Motor Vehicles	Total
	₹	₹	₹	₹	₹	₹	₹
Cost or Valuation:							
31st March 2013	113,268	5,705,891	13,591,295	45,280,961	179,461,282	5,856,172	250,008,869
Additions	-	-	-	550,653	6,319,097	-	6,869,750
Disposal	-	-	-	(3,171,544)	(2,955,044)	-	(6,126,588)
31st March 2014	113,268	5,705,891	13,591,295	42,660,070	182,825,335	5,856,172	250,752,032
Additions	-	-	-	4,662,168	18,782,669	-	23,444,837
Disposal	-	-	-	(3,702,019)	(800,781)	-	(4,502,800)
Transfer of Assets	-	-	-	(1,033,415)	(3,805,442)	-	(4,838,857)
31st March 2015	113,268	5,705,891	13,591,295	43,620,219	200,807,223	5,856,172	264,855,212
Accumulated Depreciation:							
31st March 2013	-	1,324,584	13,452,574	26,880,765	161,036,524	3,087,652	205,782,100
Charge for the year	-	114,118	40,291	2,774,099	6,172,959	977,124	10,078,591
Released on Disposal	-	-	-	(2,217,862)	(2,955,044)	-	(5,172,906)
31st March 2014	-	1,438,702	13,492,865	27,437,002	164,254,439	4,064,776	210,687,785
Charge for the year	-	114,118	14,765	3,172,671	8,464,934	977,125	12,743,613
Released on Disposal	-	-	-	(3,702,019)	(483,805)	-	(4,185,824)
31st March 2015	-	1,552,820	13,507,630	26,907,654	172,235,568	5,041,901	219,245,574
Net Book Value:							
31st March 2013	113,268	4,153,071	83,665	16,712,565	28,571,655	814,271	45,609,638
31st March 2014	113,268	4,267,189	98,430	15,223,068	18,570,896	1,791,396	40,064,247
31st March 2015	113,268	4,381,307	138,721	18,400,195	18,424,758	2,768,520	44,226,769

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5. Inventories:

	2015	2014
	\$	\$
Printery	203,323	286,479
General	970,351	878,846
	<u>1,173,674</u>	<u>1,165,325</u>

6. Trade and Other Receivables:

	2015	2014
	\$	\$
Trade	288,440	1,853,483
Subvention Receivable	6,163,725	-
Staff Loans	144,093	97,860
Motor Vehicle Revolving Loan (i)	3,000,000	3,000,000
Other	1,782,049	5,047,267
	<u>11,378,307</u>	<u>9,998,610</u>

- (i) The motor vehicle revolving loan fund was established in June 1996 as a part of the 1994/1996 wage settlement. The Ministry of Finance and Planning agreed to provide the sum of three million dollars (\$3m) for the establishment of this loan fund which is managed by the Accountant General's Department.

7. Short-Term Investments:

	2015	2014
	\$	\$
Sagicor Bank - Repurchase Agreement	13,699,331	12,883,806
Fixed Deposit Account - NCB	85,540	85,060
	<u>13,784,871</u>	<u>12,968,866</u>

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8. Cash and Cash Equivalents:

	2015	2014
	\$	\$
Current accounts-		
- Main	7,124,243	7,536,462
- Projects	1,270,754	7,865,229
Retained account-		
- Main (2015: US\$287,166; 2014 - US\$249,789)	32,877,110	27,225,616
Cash in Transit	114,974	11,760
Petty Cash	26,000	6,000
	<u>41,413,081</u>	<u>42,645,067</u>

9. Capital Fund:

	2015	2014
	\$	\$
Balance brought forward	25,553,911	25,732,870
Property, plant and equipment donated (Caricom)	2,275,038	-
Measuring Boards donated (UNICEF)	-	296,111
Depreciation Charges	(734,808)	(475,070)
Balance carried forward	<u>27,094,141</u>	<u>25,553,911</u>

The fund was established in 1984 and the initial balance represented the value of assets taken over from the Government of Jamaica via the former 'Department of Statistics'.

10. Capital Grants:

Included in this balance is an amount of \$4,027,733 which represents a contribution received from the Ministry of Finance towards the purchase of computer equipment.

11. Trade and Other Payables:

	2015	2014
	\$	\$
Trade	22,454,724	29,123,128
Vacation Leave Accrued	59,114,511	62,485,214
Other	21,815,889	4,657,652
	<u>103,385,124</u>	<u>96,265,994</u>

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12. Projects and Contracts:

	2015	2014
	\$	\$
Balance at beginning of year	<u>52,200,041</u>	<u>50,208,030</u>
Receipts:		
Cash	<u>46,359,925</u>	<u>29,558,085</u>
Payments:		
Compensation of employees	18,637,521	19,731,444
Travelling and subsistence	1,494,149	1,295,937
Purchase of goods and other services	22,961,321	1,114,877
National Insurance Scheme	410,744	388,070
National Housing Trust	531,987	548,385
Finance Charge	-	3,920
	<u>44,035,722</u>	<u>23,082,633</u>
Net Surplus for year	2,324,203	6,475,452
Transfer of surplus on closed projects	<u>(6,656,020)</u>	<u>(4,483,441)</u>
Balance at end of year	<u>47,868,224</u>	<u>52,200,041</u>

13. Government Grants:

This represents the cash received from the government of Jamaica for operational activities.

14. Other income:

	2015	2014
	\$	\$
Interest income	880,282	794,087
Publications and subscriptions	558,076	712,371
Revenue Maps	862,457	515,313
Gain on foreign exchange	1,479,906	3,679,561
Miscellaneous	8,454,061	4,652,154
	<u>12,234,782</u>	<u>10,353,486</u>

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15. Expenses:

	2015	2014
	\$	\$
Compensation of employees	391,812,525	426,372,806
National Insurance Scheme	8,553,933	9,137,185
National Housing Trust	12,048,351	12,779,027
Group Life Insurance	5,661,905	5,665,418
Pension	23,545,173	24,457,735
Travelling and subsistence	78,834,493	75,748,093
Electricity	30,425,657	30,004,355
Telephone	6,296,058	3,265,817
Water	351,321	762,179
Purchase of goods and other services	17,943,336	21,350,012
Rent	71,503,968	71,203,004
Directors' fees	522,500	407,500
Auditors' remuneration	1,265,000	1,265,000
Depreciation	12,008,804	9,603,520
Security	2,278,631	2,313,061
Training	939,010	1,488,059
	<u>663,990,665</u>	<u>695,822,771</u>

16. Taxation:

The Institute is exempt from income tax, stamp duty and taxation under the Transfer Tax Act, by virtue of Section 3 (J) of the Statistics Act.

17. Pension:

The Institute participates in a defined contribution Pension Plan for its employees which is administered by Life of Jamaica Limited, now Sagicor Life Jamaica Limited. The Plan is funded by contributions from employees and employer. Pension benefits are based on contributions plus accumulated interest. The Institute's contribution during the year amounted to \$23,545,173 (2014: \$24,457,735).

18. Related Party Balances:

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

The Institute has the following income and expenses incurred in transactions with related parties (other agencies under common control by the Government of Jamaica), in the ordinary course of business:

	2015	2014
	\$	\$
Expenses paid to Related Parties	<u>31,335,025</u>	<u>27,984,875</u>
Income received from Related Parties	<u>26,120,283</u>	<u>22,129,748</u>

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19. Financial Instruments & Financial Instruments Risk Management:

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents and trade and other receivables. Financial liabilities have been determined to include trade and other payables.

The activities of the Institute expose it to certain financial risks which require evaluation, acceptance and management. Operational risks are an inevitable consequence of being in business. The Board of Directors aims to achieve an appropriate balance between risk and return and thereby minimising any potential adverse effects on the Institute's financial performance. The Board of Directors is responsible to the Ministry of Finance and Planning as the operations of the Institute now falls under the ambit of that Ministry.

The main types of risks to which the Institute is exposed are credit risk, liquidity risk and market risk. Market risk is further broken down into interest rate risk and currency risk. The management policies of the Institute are designed to identify and analyse these risks, to set up appropriate controls, and to monitor the risks by means of up-to-date information.

The Director General has overall responsibility for the day to day management and operation of the Institute. Through its various divisional heads, the functions of the Institute are carried out. The internal control procedures of the Institute are further enhanced by the Internal Audit function that reports directly to the Board of Directors.

(a) Credit risk

The Institute is exposed to credit risk, which is the risk that its customers, or counter-parties will cause a financial loss for the Institute by failing to discharge their contractual obligations. The Institute's exposure to credit risk is considered minimal as only 2% (2014: 3%) is earned through invoicing of customers. Also, the trade receivables represent only 0.4% of current assets (2014: 2%). Management however carefully manages its exposure to credit risk in order to minimise losses. The accounts department ensures that amounts billed are collected on a timely basis and where amounts are considered doubtful or uncollectible, the necessary provisions or write off are done after careful review and approval by the Board of Directors.

Credit Review Process

The Institute has established a credit quality review process and has credit policies and procedures which require regular analysis of the ability of counter-parties to meet their payment obligations.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(a) Credit risk (Cont'd)

Maximum Exposure to Credit Risk	2015	2014
	\$	\$
Trade receivables	288,440	1,853,483
Other Receivables	11,089,867	8,145,127
Short-Term Investments	13,784,871	12,968,866
Cash and Cash Equivalents	<u>41,413,081</u>	<u>42,645,067</u>
	<u>66,576,259</u>	<u>65,612,543</u>

(i) Trade Receivables

Trade receivable balances are not considered high risk. Management closely monitors its customers to minimise the level of bad debts. The Institute has established a credit quality review process and has instituted credit policies and procedures which require regular analysis of the ability of debtors to meet their obligations.

(ii) Other Receivables

Other receivables includes the \$3,000,000 motor revolving loan, amounts recoverable from the revenue authorities with regard to General Consumption Tax and Withholding Tax, staff loans and other miscellaneous amounts. Credit risk with respect to these items is considered low.

(iii) Short-Term Investments and Cash and Cash Equivalents

Short-Term Investments and Cash and cash equivalents comprise current and savings accounts, and deposits held with financial institutions. The Institute limits its exposure to credit risk by placing its cash and cash equivalents with counter-parties that have high credit quality. Accordingly, management does not expect any counter-party to fail to meet its obligations.

There has been no change in the Institute's exposure to credit risk or the manner in which it measures and manages the risk.

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(b) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to creditors and also to complete projects.

The income generated by the Institute represents only 1.85% (2014: 2%) of total income. If the Institute was totally dependent on internally generated income, it would have faced liquidity risk in that regard. The Institute however, is funded mainly by Government Subvention which is pre-determined in the fiscal budget. Total income is usually sufficient to cover expenses. At 31st March 2015, the Institute's current liabilities exceeded its current assets by \$80,482,860 (2014:

Liquidity management process

The Institute's liquidity management process, as carried out within the Institute and monitored by the Accounts Department, includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows in relation to payment obligations.
- (ii) Monitoring Balance Sheet Liquidity ratios against internal requirements. The most important of these is to maintain limits on the ratio of net liquid assets to customer liabilities.

There has been no change in the Institute's liquidity risk or the manner in which it measures and manages the risk.

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(b) Liquidity risk (Cont'd)

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2015

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Trade and Other Receivables				
Trade	288,440	288,440	-	-
Other	11,089,867	6,163,725	144,093	4,782,049
Prepayments	3,247,935	3,247,935	-	-
Short-Term Investments	13,784,871	13,784,871		
Cash and cash equivalents	<u>41,413,081</u>	<u>-</u>	<u>-</u>	<u>41,413,081</u>
	<u>69,824,194</u>	<u>23,484,971</u>	<u>144,093</u>	<u>46,195,130</u>
Trade and Other Payables				
Trade	22,454,724	22,454,724	-	-
Accruals/other payables	80,930,400	21,766,671	-	59,163,729
Projects & Contracts	<u>47,868,224</u>	<u>47,868,224</u>	<u>-</u>	<u>-</u>
	<u>151,253,348</u>	<u>92,089,619</u>	<u>-</u>	<u>59,163,729</u>
Net Current (Liabilities)/Assets	<u>(81,429,154)</u>	<u>(68,604,648)</u>	<u>144,093</u>	<u>(12,968,599)</u>

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(b) Liquidity risk (Cont'd)

The following are the contractual maturities of financial assets and liabilities including interest payments as at:

31st March 2014

	Carrying Amount and Contractual Cash Flow	0 - 6 months	6 - 12 months	No specific maturities
	\$	\$	\$	\$
Trade and Other Receivables				
Trade	1,853,483	1,853,483	-	-
Other	8,145,127	4,389,406	97,860	3,657,861
Prepayments	4,539,806	4,539,806	-	-
Short-Term Investments	12,968,866	12,968,866		
Cash and cash equivalents	<u>42,645,067</u>	<u>-</u>	<u>-</u>	<u>42,645,067</u>
	<u>70,152,349</u>	<u>23,751,561</u>	<u>97,860</u>	<u>46,302,928</u>
Trade and Other Payables				
Trade	29,123,128	29,123,128	-	-
Accruals/other payables	67,142,866	4,608,434	-	62,534,432
Projects and Contracts	<u>52,200,041</u>	<u>52,200,041</u>	<u>-</u>	<u>-</u>
	<u>148,466,035</u>	<u>85,931,603</u>	<u>-</u>	<u>62,534,432</u>
Net Current (Liabilities)/Assets	<u>(78,313,686)</u>	<u>(62,180,042)</u>	<u>97,860</u>	<u>(16,231,504)</u>

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. This arises mainly from changes in interest rates, foreign currency rates and equity prices. The Institute's operations are impacted by changes in interest rates and foreign currency movements, but not by changes in equity prices. The effect of these changes however, are not considered significant. The objective of market risk management is to monitor and control market risk exposures within acceptable parameters, while optimising the return on investments. Market risk exposures are measured using sensitivity analyses.

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd)

(i) Interest rate risk

Interest rate risk arises when the value of a financial instrument fluctuates during a specified period due to changes in the market interest rates.

The Institute is exposed to interest rate risk in respect of its cash on deposit and foreign currency savings account. The Institute manages this risk by maintaining net earning assets and procuring the most advantageous interest rates. It also has a policy which requires that the maturities of interest-bearing financial instruments are closely monitored.

Financial Assets

The Institute's fixed deposit accounts are used to secure bank guarantees issued to landlords while the savings accounts are used to settle foreign currency liabilities. The interest rates on fixed deposits are based on contractual arrangements and are therefore not affected by short term fluctuations in the market interest rates. The interest rates paid on savings accounts will fluctuate from time to time but are usually reflective of the market conditions.

At the reporting date, the interest rate profile of the Institute's interest-bearing financial instruments were:

	Interest Rate	2015	Interest Rate	2014
	<u>%</u>	<u>\$</u>	<u>%</u>	<u>\$</u>
<u>J\$ Bank balances</u>				
Guarantee Account	6.00 - 6.50	13,699,331	5.55 - 6.00	12,883,806
Fixed Deposit	0.75	85,540	0.75	85,060
<u>US\$ Bank balances</u>				
Retained Account -Main	0.20	<u>32,877,110</u>	0.50	<u>27,225,616</u>
		<u>46,661,981</u>		<u>40,194,482</u>

Financial Liability

The Institute has no interest-bearing liability and therefore is not exposed to interest rate risk in this regard.

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd)

(i) Interest rate risk (cont'd)

Interest rate sensitivity

There have been insignificant movements in the interest rates over the last reporting date. A two and a half percent (2.5%) (2014: one percent (1%)) for Jamaican interest-bearing financial assets and a two percent (2.0%) (2014: one percent (1%)) for US \$ interest-bearing financial assets movement in interest rate at the reporting date would have increased/(reduced) the reported (deficit)/surplus and accumulated fund by the amounts shown below:

	2015	2014
	\$	\$
<u>Increase in interest rates</u>		
<u>J\$ Bank balances (2.5% (2014: 1%))</u>		
Guarantee Account	342,483	128,838
Fixed Deposit	2,139	851
<u>US\$ Bank balances (2.0% (2014: 1%))</u>		
Retained Account -Main	<u>657,542</u>	<u>272,256</u>
Increase in surplus/deficit and accumulated fund	<u>1,002,164</u>	<u>401,945</u>
	2015	2014
	\$	\$
<u>Decrease in interest rates</u>		
<u>J\$ Bank balances (1% (2014: 1%))</u>		
Guarantee Account	(136,993)	(128,838)
Fixed Deposit	(855)	(851)
<u>US\$ Bank balances (0.5% (2014: 1%))</u>		
Retained Account -Main	(164,386)	(272,256)
Decrease in surplus/deficit and accumulated fund	<u>(302,234)</u>	<u>(401,945)</u>

Effective March 31, 2015 the interest rate payable on Bank of Jamaica 3 - 6 months decreased by 90 basis points from 6.04% to 5.14%. The rate movement subsequent to the year end is expected to be insignificant as there has been some amount of stabilizing of the rates.

This analysis assumes that all other variables, in particular exchange rates, remain constant.

(ii) Foreign currency risk

Foreign currency risk is the risk that the market value of, or the cash flows from financial instruments will vary because of exchange rate fluctuations. The Institute is exposed to foreign currency risk due to fluctuations in exchange rates on transactions and balances that are denominated in currencies other than the Jamaican dollar. A foreign currency bank account is maintained at a level which partially meets foreign currency obligations. During the period 1st April 2014 to 31st March 2015, the Institute was a net expender of foreign currency.

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd)

(ii) Foreign currency risk (cont'd)

The Institute's foreign currency asset at the reporting date is as follows:

Cash and Cash Equivalents:

	2015 <u>US\$</u>	2014 <u>US\$</u>
Retained Account -Main	<u>287,166</u>	<u>249,789</u>

Sensitivity analysis

Exchange rates in terms of Jamaican Dollars which is the Institute's reporting currency, were as follows:

	<u>US\$</u>
1st June 2015	115.57
31st March 2015	114.48
31st March 2014	108.99

Over the period March 2014 to March 2015 there was a 5.03% depreciation of the Jamaican dollar against the US dollar. Between March 2015 and May 2015 there has been a further 1% depreciation of the Jamaican dollar against the US dollar.

The appreciation/depreciation of the Jamaican dollar to the extent shown against the United States dollar would have reduced/increased income and equity by the amounts shown below.

	<u>Movement</u>	<u>2015</u>	<u>Movement</u>	<u>2014</u>
	%	J\$	%	J\$
United States dollar	10	<u>3,287,476</u>	2	<u>544,490</u>
United States dollar	-1	<u>(328,748)</u>	-2	<u>(544,490)</u>

The analysis is computed on the same basis for 2014 and assumes that all other variables, in particular, interest rates, remain constant.

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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(c) Market Risk (cont'd)

(ii) Foreign currency risk (cont'd)

It is not anticipated that any appreciation of the Jamaican dollar against the major currencies would be to any significant extent and this should therefore have marginal adverse effect on the Institute's foreign currency financial instruments. Should there be an appreciation of the Jamaican dollar against the United States Dollar by say, 2% this would increase/reduce deficit/surplus and accumulated fund as shown below:

	Movement	2015	2014
	<u>%</u>	<u>J\$</u>	<u>J\$</u>
United States dollar	10	<u>3,287,476</u>	<u>544,490</u>

The analysis assumes that all other variables, in particular, interest rates, remain constant. The analysis is performed on the same basis for 2014.

(d) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Institute's processes, personnel, technology and infrastructure, and from external factors other than financial risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Institute's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to identify operational risk is assigned to Senior Management. This responsibility is supported by overall standards for the management of operational risk in the following areas:

- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- Requirements for the appropriate segregation of duties, including the independent authorisation of transactions.
- Requirements for the reconciliation and monitoring of transactions.
- Compliance with regulatory and other legal requirements.
- Documentations of controls and procedures.
- Requirements for the reporting of operational losses and proposed remedial action.

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NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
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19. Financial Instruments & Financial Instruments Risk Management (cont'd):

(d) Operational risk (Cont'd):

- Development of contingency plans.
- Training and professional development.
- Ethical and business standards.
- Risk mitigation, including insurance where this is effective.

Compliance with the Institute's policies is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal audit reviews are discussed with the Chief Accountant, with summaries submitted to senior management.

(e) Fair value:

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.

The carrying value of each class of financial instrument approximates to its fair value.

(f) Capital Management:

The main objectives of the Board when managing capital are to safeguard the ability of the Institute to continue as a going concern and to ensure that there are adequate revenue reserves. The Board of Directors and the Director General monitor and maintain an appropriate balance between revenue and expenditure to ensure that the subvention received is used only for intended purposes and that adequate levels of liquidity is maintained. There is also close monitoring of the projects undertaken by the Institute to ensure that there are no cost overruns, or that such overruns are kept to a minimum.

There were no changes to the Institute's approach to capital management during the year.

The Institute's capital comprises:

	2015	2014
	\$	\$
Capital Fund	27,094,141	25,553,911
Capital Grants	4,589,773	4,589,773
General Reserve Fund	<u>(66,329,756)</u>	<u>(67,227,798)</u>
	<u>(34,645,842)</u>	<u>(37,084,114)</u>

