MONTEGO BAY
CONVENTION CENTRE
JAMAICA

ANNUAL REPORT

2020 - 2021

ANNUAL REPORT
01APR2020-31MAR2021

MISSION STATEMENT: 'Create a five-star experience in a world-class facility building economic growth and prosperity'.

VISION: To be recognized as the premier convention Centre in the Caribbean.

Registered Office
Rose Hall
Montego Bay, St. James

BOARD OF DIRECTORS

1. The Hon. Godfrey G. Dyer, OJ, CD, JP (**Chairman**)
2. Dr. Andrew Spencer
3. Mrs. Andrea Lyle
4. Mr. Courtney Hamilton, CD, JP
5. Robert Russell
6. John Lynch (Chairman transition to Resource Person)
7. Bert Wright (Director transition to Resource Person)

SENIOR MANAGERS
Mr. Karron Benjamin, Interim General Manager
Mrs. Patrice Jones, Director of Finance
Miss Mavoy Smith, Director of Sales & Events
Mr. Randie Anderson, Director of Culinary & Executive Chef

Auditors
KPMG
Unit #14 Fairview Office Park
Alice Eldemire Drive
P.O. Box 220
Montego Bay

Bankers
National Commercial Bank Jamaica Ltd.
Half Moon Shopping Village
Half Moon
Montego Bay, St. James

Table of Contents

EXECUTIVE SUMMARY

The MBCC faced significant challenges in 2020 due to the COVID-19 pandemic, leading to event cancellations and revenue decline. The management team responded with cost-cutting measures, including staff reductions and renegotiation of vendor contracts. The Board focused on maintaining the facility's readiness for future events and exploring self-management options post the ASM Global contract. Despite the difficulties, the Board was satisfied by the management's leadership and financial prudence. Efforts included developing virtual and hybrid meeting capabilities to ensure the MBCC's viability as the industry recovers.

Throughout 2020 and 2021, MBCC adhered to strict COVID-19 protocols, ensuring compliance with health and safety standards. Key initiatives included cost management, facility maintenance, and energy efficiency improvements. The center explored new services like converting rooms into "smart rooms" for hybrid events. Despite the pandemic, the Sales and Marketing department continued to engage clients through virtual means and social media. The team successfully hosted several events, demonstrating resilience and adaptability.

Finance: The financial year 2020/2021 started strong with numerous contracted and prospective events but was severely impacted by the pandemic.

Sales & Marketing: The Sales and Events Department faced significant staff reductions and a shift to virtual sales activities. Despite the challenges, the sales department maintained client engagement through creative solutions and virtual platforms. The department focused on virtual sales calls, social media engagement, and ensuring "Safe Meetings" to retain and prospect new business. Key activities included local trade shows and increased online presence. The MBCC emphasized trust and transparency with event professionals, preparing for a robust rebound as vaccinations increased.

Events Services: The MBCC serviced 20 contracted events and 30 in-house events, with approximately 2,378 attendees. The department adhered to COVID-19 protocols, ensuring safe event execution. Despite the downturn, efforts were made to maintain high standards of service and client satisfaction.

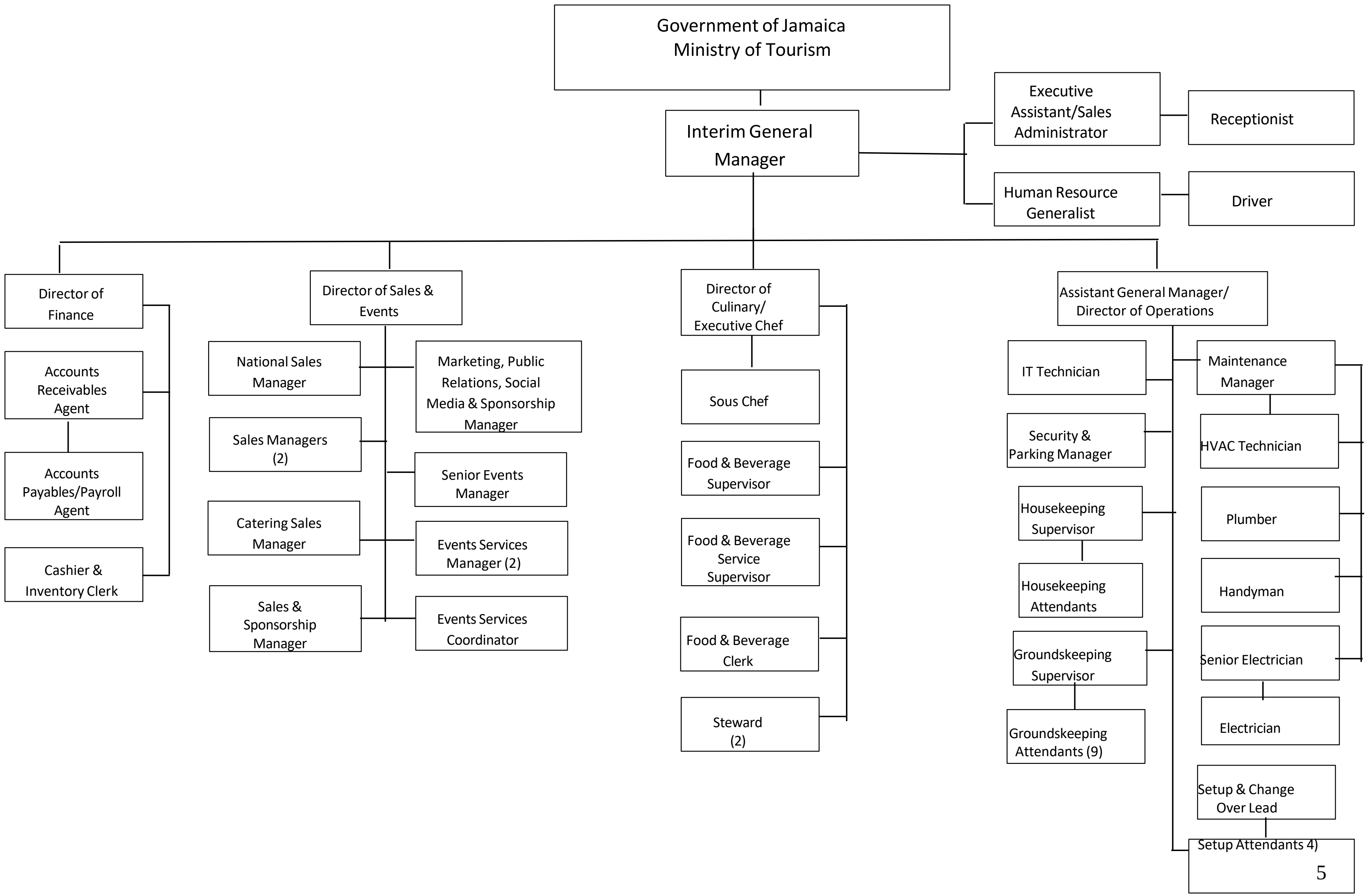
Food & Beverage: The department experienced a significant downturn due to the pandemic but maintained service quality and compliance with health protocols. Energy-saving measures and preventive maintenance were implemented to manage costs and preserve resources.

Operations & Engineering: Housekeeping adhered to stringent sanitization protocols, and significant cost mitigation measures were implemented. The landscaping staff was reduced, and equipment maintenance was prioritized. The department focused on compliance with health and safety standards, ensuring the facility's readiness for future events.

The Montego Bay Convention Centre demonstrated resilience and adaptability in navigating the unprecedented challenges posed by the COVID-19 pandemic. With strategic cost management, innovative solutions, and a commitment to health and safety, the MBCC is well-positioned to thrive in the post-pandemic era.

ORGANIZATIONAL CHART

Montego Bay Convention Centre



MBCC's Annual Report Message 2020-2021

MESSAGE FROM THE MINISTER OF TOURISM
Hon. Edmund Bartlett

As our nation and by extension the wider international community, grapple with the ravages of the COVID-19 pandemic, I want to place on record my sincere appreciation for the hard work done by the dedicated team at the Montego Bay Convention Centre (MBCC) during the period under review. This annual report highlights our achievements, challenges, and the steadfast resilience of our tourism industry during an unprecedented time in global history. The MBCC has long been a cornerstone of our tourism sector, serving as a premier destination for events, conferences, and exhibitions.

The 2020-2021 fiscal year presented significant challenges due to the global pandemic, testing our ability to adapt and innovate. Despite these hurdles, I am proud to report that the MBCC has shown remarkable resilience and adaptability.

In 2021, the MBCC hosted a number of events, attracting numerous attendees from various sectors, both locally and internationally. This growth underscores our commitment to excellence and our ability to adapt to the changing landscape. Our team's innovative approach to event management and our investment in state-of-the-art virtual and hybrid event technologies have enabled us to not only maintain but enhance our service offerings. This progress is a testament to the hard work and devotion of our staff and tourism partners.

Sustainability remains at the heart of our tourism growth strategy. The MBCC has implemented several green initiatives, aimed at reducing our carbon footprint and increasing our use of renewable energy sources. These efforts align with Jamaica's broader commitment to environmental stewardship and sustainable tourism development.

As we move forward, the MBCC will continue to play a pivotal role in Jamaica's tourism industry. We are committed to further enhancing our facilities, expanding our service offerings, and strengthening our partnerships to ensure continued growth and success. Our focus will remain on providing exceptional experiences for our visitors while contributing to the economic development of our beloved island nation. With the ongoing support of our stakeholders, I am confident that despite the challenges we will achieve and even exceed these goals.

I would like to extend my heartfelt gratitude to the Board of Directors, management and staff of the Montego Bay Convention Centre for their unwavering commitment. I also wish to thank our partners, clients, and other stakeholders for their continued support and trust in our vision.

Together, we will continue to build a vibrant, resilient, and sustainable tourism industry that benefits all Jamaicans.

Hon. Edmund Bartlett, CD, MP
Minister of Tourism

Hon. Godfrey Dyer, OJ, CD, JP

CHAIRMAN'S REPORT

The past year has been exceptionally challenging for the Montego Bay Convention Centre (MBCC) due to the unprecedented impact of the COVID-19 pandemic on the global tourism and events industry. Despite the significant disruptions, the MBCC has demonstrated resilience and adaptability in navigating these difficult times.

In 2020, the MBCC's operations were severely affected by the pandemic, leading to numerous event postponements and cancellations, which resulted in a substantial decline in revenue. In response to these challenges, the management team implemented various cost-cutting measures, including staff reductions, renegotiation of vendor contracts, and the temporary shutdown of high-energy consumption equipment. These efforts aimed to align operational expenses with the reduced government subvention.

The Board of Directors focused on ensuring the Centre's resilience and preparedness for the eventual recovery of the tourism industry. Key efforts included maintaining the facility's readiness to host events while adhering to strict health and safety protocols. Discussions were held with the Ministry of Tourism and the Cabinet regarding the future management structure of the MBCC, considering the option of self-management after the expiration of the management contract with ASM Global on June 30, 2020.

Another impactful change the MBCC encountered was a planned Board transition overseen by the Ministry of Tourism in November 2020. Mr. John Lynch and Mr. Bert Wright transitioned to being "Resource Persons" rather than Directors. The new Board members welcomed during this transition were Mrs. Trina Delisser and Mr. Stephen Edwards. Minister Bartlett thanked the outgoing members and welcomed the new members, indicating this was a planned Board transition overseen by the Ministry of Tourism.

Despite the ongoing challenges and changes, the Board was impressed by the management's steadfast leadership and prudent financial stewardship. The Centre focused on targeted cost reduction initiatives and meticulous maintenance to ensure long-term viability. The Board supported the development of new virtual and hybrid meeting capabilities, which will be crucial for revenue generation as the industry gradually recovers.

The Board expresses sincere gratitude to the management team and staff for their dedication and hard work during these unprecedented times. We also extend our appreciation to the Ministry of Tourism, the Tourism Enhancement Fund, and other stakeholders for their continued support and guidance. As we look ahead, the MBCC remains determined to adapt to the evolving landscape and explore innovative approaches to position itself as a premier destination for conventions, meetings, and events in the post-pandemic era.

With vaccines rolling out and improvements on the horizon, the Board firmly believes brighter days lie ahead for the MBCC. The Centre's stunning location, modern amenities, and status as the Caribbean's largest convention space position it well to recapture its central role in Jamaica's meetings, incentives, conferences, and exhibitions (MICE) tourism engine. The Board eagerly looks forward to a strong industry rebound that will allow the Montego Bay Convention Centre to resume making its vital economic contribution to Jamaica's tourism sector.

Karron Benjamin

INTERIM GENERAL MANAGER'S REPORT

Throughout 2020 and 2021, the Montego Bay Convention Centre (MBCC) diligently maintained the health and safety requirements set by the Ministry of Health and Wellness and the Tourism Product Development Company. The Centre was certified as COVID-19 compliant, ensuring all manuals, safety programs, and control plans were up-to-date with a focus on housekeeping, logistics, documentation, service operations, and event-specific safety plans.

Key operational highlights included:

- **COVID-19 Protocols:** Strict adherence to enhanced cleaning/sanitization, social distancing measures, PPE requirements for staff and suppliers, temperature checks, and detailed safety plans for events.
- **Cost Management:** Efforts to reduce operational expenses, such as removing the Executive Offices from the chiller system, installing split AC units, and shutting down high electricity usage equipment. Staffing reductions, renegotiation of service contracts, and tight expense management were also critical.
- **Facility Maintenance:** Projects included AC unit installations, lift station pump replacements, roadway repairs, air wall/partition repairs, and exterior upgrades. The Centre's lift station, installed in 2011, required significant repairs or replacement due to wear and tear.
- **Energy Efficiency:** Initiatives to improve energy efficiency included converting meeting rooms to independent HVAC units and assessing demand charges to reduce electricity consumption.
- **New Services:** The MBCC explored converting six rooms in Block C into "smart rooms" equipped with technology for streaming meetings globally, focusing on hosting hybrid events.

Despite the pandemic's challenges, the Sales and Marketing department continued efforts through phone blitzes, virtual sales calls, and site inspections. From June to November 2020, the MBCC hosted 12 events with over 3,000 attendees. The team worked on removing ASM Global's logos from the Centre's website, advertisements, and public materials.

The MBCC team has worked diligently to manage the Centre's resources through an incredibly difficult period. With the current availability of vaccines and new creative ways for hosting events, the Centre is positioning itself to ramp up operations robustly to meet the pent-up demand for meetings, conventions, and events. Our dedicated staff look forward to welcoming guests back to our world-class facilities in Montego Bay.

In conclusion, despite the severe impacts of the COVID-19 pandemic, the Montego Bay Convention Centre remains committed to maintaining high standards of health and safety, managing costs effectively, and exploring innovative solutions to adapt to the changing landscape. We are optimistic about the future and prepared to seize opportunities as the industry recovers.

FINANCE

MONTEGO BAY CONFERENCE CENTRE LIMITED

FINANCIAL STATEMENTS

MARCH 31, 2021

KPMG
Chartered Accountants
P.O. Box 220
Unit #14 Fairview Office Park
Alice Eldemire Drive
Montego Bay
Jamaica, W.I.
+1 (876) 684 9922
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
MONTEGO BAY CONFERENCE CENTRE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Montego Bay Conference Centre Limited ("the company"), set out on pages 5 to 34, which comprise the statement of financial position as at March 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at March 31, 2021, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Financial Reporting Standards (IFRS Accounting Standards) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MONTEGO BAY CONFERENCE CENTRE LIMITED

Report on the Audit of the Financial Statements (Continued)

Basis for Opinion (continued)

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MONTEGO BAY CONFERENCE CENTRE LIMITED

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
MONTEGO BAY CONFERENCE CENTRE LIMITED

Report on additional matters as required by the Jamaican Companies Act

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

In our opinion, proper accounting records have been 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 Companies Act in the manner required.

KPMG

Chartered Accountants
Montego Bay, Jamaica

May 8, 2024

MONTEGO BAY CONFERENCE CENTRE LIMITED

Statement of Financial Position
March 31, 2021
(Expressed in United States Dollar)

	Notes	2021	2020
CURRENT ASSETS			
Cash and cash equivalents		611,882	309,896
Accounts receivable	4	232,362	392,562
Inventories	5	224,142	217,056
		1,068,386	919,514
NON-CURRENT ASSET			
Property, plant and equipment	6	52,074,403	53,433,261
TOTAL ASSETS		$53,142,789	54,352,775
CURRENT LIABILITIES			
Accounts payable and accrued charges	7	4,233,379	4,050,448
Current portion of deferred income	8	-	60,000
Due to related parties	9(a)	3,117,082	-
Current and past due portion of finance lease	10	62,000	31,000
Loan payable	11	-	7,500
		7,412,461	4,148,948
NON-CURRENT LIABILITIES			
Deferred income	8	-	15,000
Due to related parties	9(a)	-	3,374,719
Obligation under finance leases	10	-	31,000
		-	3,420,719
TOTAL LIABILITIES		7,412,461	7,569,667
EQUITY			
Share capital	12	64,292,952	64,292,952
Accumulated deficit		(18,562,624)	(17,509,844)
		45,730,328	46,783,108
TOTAL LIABILITIES AND EQUITY		$53,142,789	54,352,775

The financial statements on pages 5 to 34 were approved for issue by the Board of Directors on May 8, 2024, and signed on its behalf by:

Director
Bert Wright

Director
Andrea Lyle

The notes on pages 9 to 34 are an integral part of these financial statements.

MONTEGO BAY CONFERENCE CENTRE LIMITED

Statement of Profit or Loss and Other Comprehensive Income
Year ended March 31, 2021
(Expressed in United States Dollar)

	Notes	2021	2020
Gross operating revenue	13	308,326	2,419,846
Cost of operating revenue	14(a)	(81,177)	(981,897)
Gross profit		227,149	1,437,949
Expenses:			
Employee costs	14(b)	(449,371)	(1,007,824)
Administrative, marketing and selling expenses	14(c)	(3,237,403)	(4,035,162)
		(3,686,774)	(5,042,986)
Operating loss		(3,459,625)	(3,605,037)
Impairment losses recovered	4(b)	43,590	21,802
Grant income	15	1,774,024	1,712,156
Amortization of deferred income	8	75,000	60,000
Loss before net finance income		(1,567,011)	(1,811,079)
Finance income	16	515,464	437,972
Finance cost	16	(1,233)	(8,069)
Net finance income		514,231	429,903
Loss, being total comprehensive loss for the year		$(1,052,780)	(1,381,176)

The notes on pages 9 to 34 are an integral part of these financial statements.

MONTEGO BAY CONFERENCE CENTRE LIMITED

Statement of Changes in Equity
Year ended March 31, 2021
(Expressed in United States Dollar)

	Share capital (note 12)	Accumulated deficit	Total
Balances at March 31, 2019	64,292,952	(16,128,668)	48,164,284
Loss, being total comprehensive loss for the year	-	(1,381,176)	(1,381,176)
Balances at March 31, 2020	64,292,952	(17,509,844)	46,783,108
Loss, being total comprehensive loss for the year	-	(1,052,780)	(1,052,780)
Balances at March 31, 2021	$64,292,952	(18,562,624)	(45,730,328)

The notes on pages 9 to 34 are an integral part of these financial statements.

MONTEGO BAY CONFERENCE CENTRE LIMITED

Statement of Cash Flows
Year ended March 31, 2021
(Expressed in United States Dollar)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(1,052,780)	(1,381,176)
Adjustments for:			
Depreciation	6	1,553,987	1,542,656
Impairment losses recovered		(43,590)	- *
Deferred income amortized	8	(75,000)	(60,000)
Interest income	16	(20)	(283)
		382,597	101,197
Decrease/(increase) in current assets:			
Accounts receivable		203,790	(7,609)
Inventories		(7,086)	81,073
Increase/(decrease) in current liabilities:			
Accounts payable		182,931	185,069
Loan payable		(7,500)	7,500
Net cash provided by operating activities		754,732	367,230
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	6	(195,129)	(34,715)
Interest received		20	283
Net cash used by investing activities		(195,109)	(34,432)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of due to related party		(257,637)	(231,215)
Obligation under finance leases		-	(31,000)
Repayment of due from related party		-	106,446
Net cash used by financing activities		(257,637)	(155,769)
Net increase in cash and cash equivalents		301,986	177,029
Cash and cash equivalents at the beginning of the year		309,896	132,867
Cash and cash equivalents at the end of the year		$ 611,882	309,896

* The comparative amount of $21,802 is included in accounts receivable and is immaterial to restate the financial statements.

The notes on pages 9 to 34 are an integral part of these financial statements.

1. The company

Montego Bay Conference Centre Limited (the company) is incorporated and domiciled in Jamaica and is a wholly-owned subsidiary of the Government of Jamaica. The company's principal place of business is located at Rose Hall, Montego Bay and the registered office is located at Rose Hall, Montego Bay, St. James.

The principal activities of the company are the renting of ballrooms and meeting rooms, and the hosting of events, which includes the sale of food, at its property known as the "Montego Bay Convention Centre". The Convention Centre was built under a concessionary loan agreement dated June 1, 2007, between the Government of Jamaica represented by the Ministry of Finance and Planning, and the Export-Import Bank of China. Under the agreement the Urban Development Corporation was named the "End-User" with responsibility for implementing the project.

The company entered into a management agreement with SMG Latin America, LLC, (management company), dated January 14, 2011, for the management of the company's operations over a period of ten years, which commenced on July 1, 2011. The management agreement was terminated on June 30, 2020. Prior to the commencement of the contract, the management company provided consultancy services to the company for the period January 1, 2011 to June 30, 2011 [see also notes 8 and 14(c)].

2. Basis of preparation

(a) Statement of compliance:

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with the provisions of the Jamaican Companies Act.

Amended standards that became effective during the year:

During the year, certain amended standards became effective, none of which had any significant impact on the amounts and disclosures in the financial statements.

Amended standards issued but not yet effective:

At the date of authorisation of the financial statements, certain amended standards have been issued which are not yet effective for the current year and which the company has not early-adopted. The company has assessed the relevance of all such amendments to standards with respect to its operations and has determined that the following may be relevant to its operations.

- Amendments to IAS 1 *Presentation of Financial Statements*, will apply retrospectively for annual reporting periods beginning on or after 1 January 2023. The amendments promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

Amended standards issued but not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements,* (continued)

  Under existing IAS 1 requirements, entities classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the requirement for a right to be unconditional has been removed and instead, the standard requires that a right to defer settlement must have substance and exist at the reporting date. An entity classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting date. It has now been clarified that a right to defer exists only if the entity complies with conditions specified in the loan agreement at the reporting date, even if the lender does not test compliance until a later date.

  With the amendments, convertible instruments may become current. In light of this, the amendments clarify how an entity classifies a liability that includes a counterparty conversion option, which could be recognized as either equity or a liability separately from the liability component under IAS 32. Generally, if a liability has any conversion options that involve a transfer of the entity's own equity instruments, these would affect its classification as current or non-current. It has now been clarified that an entity can ignore only those conversion options that are recognized as equity when classifying liabilities as current or non-current.

- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The amendments introduce a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

  The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

  Developing an accounting estimate includes both:

  - selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 *Financial Instruments*; and

  - choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

  The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies is unchanged.

2. Basis of preparation (continued)

(a) Statement of compliance (continued):

Amended standards issued but not yet effective (continued):

- Amendments to IAS 1 *Presentation of Financial Statements* are effective for annual reporting periods beginning on or after January 1, 2023 and may be applied earlier. The amendments help entities provide useful accounting policy disclosures.

  The key amendments to IAS 1 include:

  - requiring entities to disclose their *material* accounting policies rather than their *significant* accounting policies;

  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and

  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

  The amendments are consistent with the refined definition of material:

  "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."

Management is evaluating the impact that the foregoing amendments to standards may have on its financial statements when they are adopted.

(b) Basis of measurement and functional currency:

The financial statements are prepared on the historical cost basis and are presented in United States dollars ($), which is the functional currency of the company.

(c) Going concern

Management continues to have reasonable expectation that the company has adequate resources to continue operating for at least the next 12 months from the date of approval of the financial statements. The preparation of the financial statements in conformity with IFRS assumes that the company will continue in operational existence for the foreseeable future. This means, in part, that the statements of financial position and profit or loss and other comprehensive income assume no intention or necessity to liquidate or to terminate operations. This is commonly referred to as the going concern basis. Management has concluded that the going concern basis of preparation remains appropriate.

2. Basis of preparation (continued)

(c) Going concern (continued)

The company has accumulated deficit of $18,562,624 (2020: $17,509,844) and a net current liability position of $6,344,075 (2020: $3,229,434) and therefore relies on the financial support of the Ministry of Tourism to continue meeting its obligations as and when they fall due. The advent of the COVID-19 pandemic (see note 19) has significantly impacted the operations and operational cashflows of the company due to the prohibition of mass events and the impact on international travel.

The company is being funded by the Ministry of Tourism. The government has allocated resources to the company for the financial year and has given its commitment to fund the company for subsequent years. Based on projections, management is of the view that the amounts allocated or committed should allow the company to cover projected shortfalls in cash flows from operations. The amounts allocated take into account the impact of COVID-19 on the company. Management has also adopted cost cutting measures and postponement of capital expenditure to manage the company's cashflows and preserve liquidity.

In addition, as indicated in note 20, subsequent to the reporting date, amounts due to two government related entities have been written back. As a result, long-term liabilities with related parties will be eliminated, improving the company's net asset position.

Based on these factors, management has reasonable expectation that the company has adequate resources to meet its obligations as and when they fall due.

(d) Use of estimates, assumptions and judgements:

The preparation of the financial statements to conform with IFRS requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, contingent assets and contingent liabilities at the reporting date and the income and expenses for the year then ended. Actual amounts could differ from those estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and future years if the revision affects both current and future years.

Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with significant risk of material adjustments in the next financial year are discussed below:

2. Basis of preparation (continued)

(d) Use of estimates, assumptions and judgements (continued):

Judgement

Impairment of financial assets:

Establishing the criteria for determining whether credit risk on financial assets has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into measurement of expected credit loss (ECL) and the selection and approval of models used to measure ECL require significant judgement.

Estimate

Allowance for impairment losses:

In determining amounts recorded for impairment of financial assets in the financial statements, management makes assumptions in determining the inputs to be used in the ECL measurement model, including incorporation of forward-looking information.

Under this ECL model, the company segments its trade receivables in a matrix by days past due and determined for each age bracket an average rate of ECL, considering actual credit loss experience over the last 6 months and analysis of future delinquency, that is applied to the balance of the trade receivables. The average ECL rate increases in each segment of days past due until the rate is 100% for the segment of 120 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

In determining the amounts recorded for impairment losses on receivables in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, due to default or adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks [see note 3(h)].

3. Significant accounting policies

(a) Cash and cash equivalents:

Cash and cash equivalents comprise cash and bank balances and are measured at cost. Cash equivalents are short-term highly liquid instruments readily convertible to known amounts of cash, are subject to insignificant risk of change in value and are used for short-term commitments.

3. Significant accounting policies (continued)

(b) Accounts receivable:

Accounts receivable are measured at amortized cost, less impairment losses if any.

(c) Inventories:

Inventories are measured at the lower of cost, determined on the weighted average basis, and net realizable value.

(d) Property, plant and equipment:

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of day-to-day servicing of property, plant and equipment is recognized in profit or loss as incurred.

Depreciation is provided on the straight-line basis at annual rates estimated to write-down the cost of the assets to their estimated residual values over their expected useful lives.

The depreciation rates are as follows:

Building	2.5%
Machinery and equipment	20%
Furniture and fixtures	20%
Computer equipment	20%
Motor vehicle	10%

No depreciation is charges on land and capital work-in-progress.

The depreciation methods, useful lives and residual values are reassessed at each reporting date.

(e) Leases:

(i) Determining whether an arrangement contains a lease:

At inception of an arrangement, the company determines whether an arrangement is or contains a lease. If the company concludes for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognized as the amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the company's incremental borrowing rate.

3. Significant accounting policies (continued)

(d) Property, plant and equipment (continued):

(ii) Leased assets:

Assets held by the company under leases that transfer to the company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

The depreciation rates applied to leased assets are consistent with similar owned assets, except where there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, in which case the asset is depreciated at the shorter of the lease term and its useful life.

Assets held under other leases are classified as operating leases and are not recognized in the company's statement of financial position.

(iii) Lease payments:

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(f) Accounts payable and accrued charges:

Accounts payable and accrued charges are measured at amortized cost.

(g) Deferred income:

Deferred income is classified as a liability and measured at amortized cost. It is recognized in income on a straight-line basis over a ten-year period.

3. Significant accounting policies (continued)

(h) Impairment:

(i) Non-financial assets:

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

– Calculation of recoverable amount:

The recoverable amount of non-financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

– Reversal of impairment:

An impairment loss is reversed, if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

(ii) Financial assets:

The company recognizes a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset for which credit risk has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve-month ECL.

Measurement of ECLs at each reporting period reflects reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

3. Significant accounting policies (continued)

(h) Impairment (continued):

(ii) Financial assets (continued):

For trade receivables, the company applies the simplified approach to provide for expected credit losses, which allows the use of a lifetime expected loss provision. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information.

Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after initial recognition of the asset, and that the loss event has an impact on the future cash flows of the asset that can be estimated reliably. Objective evidence that financial assets are impaired includes default or indications that a customer or counterparty will enter bankruptcy.

The recoverable amount of the company's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

(i) Taxation:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in equity, in which case it is recognized in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Foreign currencies:

Foreign currency transactions during the year are converted to United States dollars at the rates of exchange ruling on transaction dates. Assets and liabilities denominated in foreign currencies are translated to United States dollars at the rates of exchange prevailing at the reporting date. Gains or losses arising on translation are reflected in profit or loss.

3. Significant accounting policies (continued)

(j) Foreign currencies (continued):

For the purpose of the statement of cash flows, all foreign currency gains and losses recognized in profit or loss are treated as cash items and included in cash flows from operating activities along with the principal balances.

(k) Revenue recognition:

Revenue from services provided and sale of goods is measured at fair value of the consideration received or receivable, net of volume rebates and sales taxes.

Performance obligations and revenue recognition policies:

The nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are as follows:

Type of products and services	*Nature and timing of satisfaction of performance obligations, including significant payment terms*	*Revenue recognition under IFRS 15*
Rendering of services	Customers obtain control of service when accommodation and ancillary services have been provided. Invoices for services are generated at that point in time. Invoices are usually payable within 30 days.	The company recognizes revenue over time as services are provided.
Sale of goods	Customers obtain control of goods when the good is transferred to the customer. Invoices for goods are generated at that point in time.	Revenue is recognized at a point in time in the amount of the price, before tax on sales, expected to be received by the company for goods supplied as a result of their ordinary activities, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenues are decreased by any trade discounts granted to customers.

3. Significant accounting policies (continued)

(l) Expenses:

Expenses are recognized on the accrual basis.

(m) Finance income and costs:

(i) Finance income comprises interest earned on funds invested and foreign exchange gains. Interest is recognized in profit or loss as it accrues, taking into account the effective yield on the asset.

(ii) Finance costs comprise bank charges and are recognized on the accrual basis.

(n) Share capital:

Ordinary shares are classified as equity and measured at cost.

(o) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. In these financial statements, financial assets comprise cash and cash equivalents and accounts receivables. Financial liabilities comprise due to related parties, accounts payable, loan and leases.

- Recognition and initial measurement

  Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

  A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

- Classification and subsequent measurement

  The financial assets that meet both of the following conditions and are not designated as at fair value through profit or loss: a) are held within a business model whose objective is to hold assets to collect contractual cash flows, and b) whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified as “Held to collect” and measured at amortized cost.

3. Significant accounting policies (continued)

(o) Financial instruments (continued):

- Classification and subsequent measurement (continued)

  Amortized cost represents the net present value ("NPV") of the consideration receivable or payable as of the transaction date. This classification of financial assets comprises the following captions:

  - Cash and cash equivalents
  - Accounts receivable

  Due to their short-term nature, the company initially recognizes these assets at the original invoiced or transaction amount less expected credit losses.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in the particular recognition methods disclosed in their individual policy statements associated with each item.

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(Expressed in United States Dollar)

4. Accounts receivable

	2021	2020
Trade receivables (a)	12,963	85,204
Prepayments	6,500	92,157
GCT recoverable	196,553	185,872
Other receivables and deposits	17,339	79,080
	233,355	442,313
Less: allowance for impairment (b)	(993)	(49,751)
	$232,362	392,562

(a) The aging of trade receivable at the reporting date was:

	2021	2020
Due 0 – 30 days	9,478	16,594
Past due 31 – 60 days	2,527	54,096
Past due 61 - 90 days	-	103
More than 90 days	958	14,411
	$12,963	85,204

(b) Allowances for impairment:

The movement in allowances for impairment in respect of trade receivables during the year was as follows:

	2021	2020
Balance at beginning of year	49,751	74,428
Debt written off during the year	(5,168)	(2,875)
Allowance recovered during the year	(43,590)	(21,802)
Balance at end of year	$ 993	49,751

5. Inventories

	2021	2020
Food and beverage	21,491	28,907
Linen, chinaware and other kitchen supplies	181,726	181,726
Petrol	20,925	6,423
	$224,142	217,056

During the year, inventory write-offs and amounts recognized as cost of operating revenue amounted to $1,042 (2020: $1,318) and $34,743 (2020: $267,526), respectively.

(Expressed in United States Dollar)

8. Property, plant and equipment

	Land sand building	Machinery and equipment	Furniture and fixture	Computer equipment	Motor vehicle	Capital work-in progress	Total
Cost:							
March 31, 2019	59,039,501	187,649	663,220	577,279	31,194	-	60,498,843
Additions for the year	-	33,889	-	826	-	-	34,715
March 31, 2020	59,039,501	221,538	663,220	578,105	31,194	-	60,533,558
Additions for the year	-	54,674	-	1,541	-	138,914	195,129
March 31, 2021	59,039,501	276,212	663,220	579,646	31,194	138,914	60,728,687
Depreciation:							
March 31, 2019	5,057,964	74,735	268,147	146,402	10,393	-	5,557,641
Charge for the year	1,279,236	30,252	114,562	112,350	6,256	-	1,542,656
March 31, 2020	6,337,200	104,987	382,709	258,752	16,649	-	7,100,297
Charge for the year	1,278,851	42,189	114,562	112,129	6,256	-	1,553,987
March 31, 2021	7,616,051	147,176	497,271	370,881	22,905	-	8,654,284
Net book values:							
March 31, 2021	$51,423,450	129,036	165,949	208,765	8,289	138,914	52,074,403
March 31, 2020	$52,702,301	116,551	280,511	319,353	14,545	-	53,433,261

Property, plant and equipment acquired under a finance lease arrangement (note 10), is included in furniture and fixture category as follows:

	2021	2020
Cost	169,119	169,119
Accumulated depreciation	(115,001)	(81,084)
Net book value	$ 54,118	88,035

7. Accounts payable and accrued charges

	2021	2020
Trade payables (a)	11,204	103,736
Statutory deductions	3,757,579	3,640,629
Deposits	51,468	81,435
Other payables and accruals	413,128	224,648
	$4,233,379	4,050,448

(a) Trade payables include $Nil (2020: $45,725) due to SMG Latin America, LLC, (see note 1).

(Expressed in United States Dollar)

8. Deferred income

	2021	2020
Balance at the beginning of the year	75,000	135,000
Less: Amount recognized in income	(75,000)	(60,000)
Balance at the end of the year	-	75,000
Less: Current portion	-	(60,000)
	$ -	15,000

Under a management agreement, dated January 14, 2011, SMG Latin America, LLC, is required to make an interest-free advance to the company, which is only refundable if the contract is terminated. The contract is for 10 years and the amount refundable is in proportion to the period remaining on the contract at the time of termination. The amount is therefore being amortized over a ten-year period (see note 1).

9. Related party balances and transactions

(a) The statement of financial position includes advances due to related parties as follows:

	2021	2020
Current:		
Due to related parties:		
Tourism Enhancement Fund [see (i) below]	1,036,782	-
Due to other related parties [see (i) below]	2,080,300	-
	$3,117,082	-
Non-current:		
Due to related parties:		
Tourism Enhancement Fund [see (i) below]	-	1,122,476
Urban Development Corporation [see (i) below]	-	2,252,243
	$ -	3,374,719

(i) The balances above are unsecured and interest free. In the prior year, the amounts were not due for settlement before March 31, 2021. The decision was made during the year to write off the balances, hence they are classified as current (see note 20).

(b) The statement of profit or loss and other comprehensive income includes the following transaction arising in the ordinary course of business with related parties (see also note 15):

	2021 $	2020 $
Key management personnel compensation [included in employee costs note 14(b)]	235,716	262,509

(Expressed in United States Dollar)

10. Obligations under finance leases

This represents finance lease arrangement entered into by the company with the Van Wagner Sports & Entertainment, LLC Collegiate Services Division for certain property, plant and equipment. Future payments under these leases relative to the reporting date are as follows.

	2021	2020
Within one year	63,550	32,550
Between two and five years	-	31,000
Total minimum lease payments	63,550	63,550
Less: Future finance charges	(1,550)	(1,550)
Present value of minimum lease payments	62,000	62,000
Less: Current portion	(62,000)	(31,000)
	$ -	31,000

11. Loan payable

This represented a loan with Multiview for marketing expenses, based on a contract between Multiview and the company, dated August 29, 2019, valued at $30,000. Quarterly payments of $7,500 are due under the contract. This loan is interest-free and was fully repaid on June 18, 2020.

12. Share capital

	2021	2020
Authorized, issued and fully paid:		
10,000 ordinary shares at no par value	$64,292,952	64,292,952

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

(Expressed in United States Dollar)

13. Gross operating revenue

Gross operating revenue represents income from the rental of ballrooms and meeting rooms, provision of services in hosting events and sale of food, net of General Consumption Tax.

	2021	2020
Billed income	7,422	252,884
Contracted sales	19,732	436,561
Food sales	72,500	1,062,804
Other income	20,702	59,284
Rental income	180,846	511,338
Service charge	7,124	96,975
	$ 308,326	2,419,846

Gross operating revenue incudes related party transactions with the Tourism Product Development Company Limited in the amount of $88,824 (2020: $91,483).

14. Nature of expenses

	2021	2020
(a) Cost of operating revenue:		
Allocated labour	11,318	39,384
Audio visual	1,057	39,074
Equipment rental	9,030	213,246
Food and beverage	52,273	508,202
Insurance	-	8,732
Novelties	-	65,753
Other service	5,170	78,898
Security	1,287	27,290
Spoilage	1,042	1,318
	$81,177	981,897

(Expressed in United States Dollar)

14. Nature of expenses (continued)

		2021	2020
(b)	Employee costs:		
	Salaries, wages and related expenses	403,581	906,173
	Payroll taxes	45,790	101,651
		449,371	1,007,824
(c)	Administrative, marketing and selling expenses:		
	Advertising and promotion	84,366	163,021
	Audit fees	15,782	11,882
	Depreciation (note 6)	1,553,987	1,542,656
	Personnel training and employee relations	-	8,628
	Dues and subscriptions	927	3,120
	General expenses	101,970	27,480
	Insurance	185,753	150,212
	Interest and penalties	415,082	581,822
	Management fees charged by the management company (note 1)	41,250	165,000
	Meetings and conventions	-	61,855
	Miscellaneous expenses	13,569	40,519
	Office expenses	22,664	28,650
	Operational supplies	43,166	103,386
	Professional fees	20,440	51,843
	Repairs and maintenance	294,608	352,715
	Security	142,376	145,980
	Travel	1,349	29,921
	Utilities	300,114	566,472
		3,237,403	4,035,162
	Total expenses	$3,686,774	5,042,986

15. Grant income

This balance represents grants received from the Tourism Enhancement Fund during the year.

(Expressed in United States Dollar)

16. Net finance income

Finance income

	2021	2020
Interest earned	20	283
Foreign exchange gains	515,444	437,689
	515,464	437,972
Finance cost		
Bank charges	(1,233)	(8,069)
	$514,231	429,903

17. Taxation

(a) At March 31, 2021, taxation losses, available for set-off against future taxable profit, subject to agreement by the Commissioner General, Tax Administration Jamaica, amounted to approximately $29.1 million (2020: $25.8 million). If these losses are unutilised, they can be carried forward indefinitely. However, the use of the tax losses is restricted to 50% of the taxable profits in any one year.

(b) A deferred tax asset of approximately $6.09 million (2020: $7.3 million), relating to tax losses, has not been recognized at the reporting date, as management does not expect to utilise the losses within the foreseeable future.

18. Financial instruments

(a) Financial risk management:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

18. Financial instruments (continued)

(a) Financial risk management (continued):

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit department of a related party assists the company in monitoring adherence to policies and procedures through periodic reviews.

(i) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and cash and cash equivalents.

The maximum exposure to credit risk at the reporting date is represented by the carrying amount of the company's financial assets and there is no significant concentration of credit risk.

Cash and cash equivalents

The company limits its exposure to credit risk by placing cash resources with financial institutions that are appropriately licensed and regulated and management considers them to be financially strong based on ratings done by international rating agencies. Therefore, the risk of default is considered low by management.

Accounts receivable

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is concentration of a small group of receivables with customers within the hospitality industry.

The company does not require collateral in respect of trade and other receivables.

The aged receivable balances are regularly monitored. Allowances are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are recognized over their term.

Expected credit loss assessment for trade receivables

The company estimates expected credit losses ("ECL") on trade receivables using a provision matrix based on historical credit loss experience as well as the credit risk and expected developments for each group of customers.

(Expressed in United States Dollar)

18. Financial instruments (continued)

(a) Financial risk management (continued):

(i) Credit risk (continued)

Accounts receivable (continued)

Expected credit loss assessment for trade receivables (continued)

The following table provides information about the ECL's for trade receivables:

2021

Age buckets	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
0 - 30 days	-	9,478	-	No
31-60 days	1.39%	2,527	35	No
Over 90 days	100%	958	958	Yes
		$12,963	993	

2020

Age buckets	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
0 - 30 days	11.33%	16,594	2,918	No
31-60 days	38.46%	54,096	32,319	No
61-90 days	100%	103	103	Yes
Over 90 days	100%	14,411	14,411	Yes
		$85,204	49,751	

(ii) Liquidity risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

(Expressed in United States Dollar)

18. Financial instruments (continued)

(a) Financial risk management (continued):

(ii) Liquidity risk (continued):

Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses. Additional financing is provided by a related party when required.

The maturity profits of the liabilities are as follows:

	2021				
	Carrying amount	Contractual cash flows	1 year or less	2-5 years	Over 5 years
Accounts payable	4,233,379	4,233,379	4,233,379	-	-
Due to related party	3,117,082	3,117,082	3,117,082	-	-
Finance lease obligation	62,000	63,550	63,550	-	-
Total financial liabilities	$7,412,461	7,414,011	7,414,011	-	-

	2020				
	Carrying amount	Contractual cash flows	1 year or less	2-5 years	Over 5 years
Accounts payable	4,050,448	4,050,448	4,050,448	-	-
Due to related party	3,374,719	3,374,719	-	-	3,374,719
Long-term loan	7,500	7,500	7,500	-	-
Finance lease obligation	62,000	63,550	32,550	31,000	-
Total financial liabilities	$7,494,667	7,496,217	4,090,498	31,000	3,374,719

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

(Expressed in United States Dollar)

18. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued)

(a) Foreign currency risk:

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The company is exposed to currency risk on transactions that are denominated in a currency other than the functional currency of the company, primarily the Jamaica dollar (J$).

The company's net exposure at the reporting date was:

	2021		2020	
	J$	US$ equivalent	J$	US$ equivalent
Financial assets:				
Cash and cash equivalents	81,447,994	568,878	27,095,996	204,455
Accounts receivable	30,067,547	210,009	35,988,429	271,554
	111,515,541	778,887	63,084,425	476,009
Financial liabilities:				
Accounts payable and accrued charges	(572,895,132)	(3,908,507)	(142,715,110)	(1,054,097)
Due to related party	(456,030,179)	(3,117,082)	(456,905,965)	(3,374,719)
	(1,028,925,311)	(7,025,589)	(599,621,075)	(4,428,816)
Net foreign currency liabilities	(917,409,770)	(6,246,702)	(536,536,650)	(3,952,807)

Exchange rates, for the United States dollar, were as follows:

March 31, 2021 US$1: J$146.22
March 31, 2020 US$1: J$135.39

A 6% (2020: 6%) strengthening of the US$ against the J$ would decrease loss for the year by $374,802 (2020: $237,168). A 2% (2020: 2%) weakening of the US$ against the J$ would increase loss for the year by $124,934 (2020: $79,056).

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis was performed on the same basis for 2020.

(Expressed in United States Dollar)

18. Financial instruments (continued)

(a) Financial risk management (continued):

(iii) Market risk (continued)

(b) Interest rate risk:

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

The company contracts financial liabilities at fixed interest rates. These primarily relates to leases, which are subject to interest rates fixed in advance.

Interest-bearing financial assets mainly comprise cash and cash equivalents.

At the reporting date, the company's interest-bearing financial instruments was as follows:

	2021	2020
Fixed rate instruments:		
Financial liabilities	$(62,000)	(62,000)
Variable rate instruments:		
Financial assets	$39,575	105,440

Cash flow sensitivity analysis for variable rate instruments

An increase or decrease in basis points (bps) in interest rates at the reporting date would have increased/(decreased) loss for the year by amounts shown below.

	2021		2020	
	Increase 100bp	Decrease 100bp	Increase 100bp	Decrease 100bp
Effect on loss for the year - decrease/(increase)	$396	(396)	1,054	(1,054)

This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2020.

The company has no financial instruments that are carried at fair value; therefore a change in interest rates would not affect the value of the company's financial instruments.

18. Financial instruments (continued)

(b) Capital management:

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders.

The Board seeks to maintain a strong capital base so as to sustain future development of the business. The company defines capital as total equity. The company is not subject to any externally imposed capital requirements and there was no change in how the company manages and measures capital.

(c) Fair values of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Market price is used to determine fair value where an active market exists as it is the best evidence of the fair value of a financial instrument.

The company does not carry any financial instrument at fair value and where fair value approximates the carrying value of the financial instruments, no fair value computation or disclosure of the fair value hierarchy is done.

The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued charges and loan payable are assumed to approximate their carrying value, due to their short-term nature. The fair value of amount due to related parties is assumed to approximate carrying value due to its short-term nature or ability to effect set-off in the amount due.

19. Impact of Covid-19

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on March 11, 2020 and the Government of Jamaica declared the island a disaster area on March 13, 2020. Hence, the company suspended its operations, as mass events have been prohibited. The pandemic and the measures to control its spread have resulted in disruptions to economic activities, business operations and asset prices. This condition has significant negative financial effects on the company, the extent of which depends on factors such as (i) the duration and spread of the outbreak, (ii) the restrictions and advisories from Government of Jamaica and/or the authorities of other jurisdictions (namely, the source tourism markets), (iii) the effects on the financial markets, and (iv) the effects on the economies overall, all of which are highly uncertain and their ultimate impact cannot be accurately estimated at this time.

The company has performed various assessments and stress testing of its business plans under multiple scenarios, as part of its business continuity and contingency planning. Assessments revealed that there was a significant business interruption arising from supply chain disruptions, closure of commercial facilities, travel restrictions and logistics disruption. The company experienced significant declines in sales, earnings and operating cash flows.

19. Impact of Covid-19 (continued)

In response to the downturn in revenue arising from the effects of the pandemic on the company's operations and the industry, during the period the company was not in operation, management took certain measures to contain costs and to manage cashflows as indicated in note 2(c).

The Ministry of Tourism has formally informed the company that it would be providing a grant worth J$230.2 million for the financial years ended March 31, 2022 and 2023 and J$260.2 million for the financial years ended March 31, 2024 and 2025 to assist in meeting its obligations as and when they fall due.

As at June 2020, the company re-started hosting mass events within social distancing protocols – which is approximately 66% of the business, compared to tourism (covered below) which would be approximately 34% of business.

Also, in June 2020, the Government of Jamaica put in place several measures to facilitate tourist arrivals to the country, these measures included:

- reopening the borders to tourists;
- establishing testing protocols for tourists; and
- establishing a resilient corridor, an area designated for tourists.

The company is located in the resilient corridor and enjoys the provisions put in place by the Government of Jamaica. On that basis, events involving tourists can be organized at the centre.

As at the date of approval of these financial statements, the Jamaica economy has recovered from the effects of the pandemic. The company is now able to host events and Management notes that the company continues to meet its financial obligations. The going concern assessment is outlined in note 2(c).

20. Subsequent event

As at April 12, 2021, under the Cabinet Decision No.17/21, the Ministry of Tourism gave approval to the Removal of Amounts Reflected on the Financial Statement of Montego Bay Convention Centre Limited as a liability by:

(a) The write-back in the amount of J$304,933,039 (US$2,080,300) as a liability to the Urban Development Corporation;

(b) The write-back in the amount of J$151,097,140 (US$1,036,782) as a liability to the Tourism Enhancement Fund.

SALES

&

MARKETING

OVERVIEW

The Montego Bay Convention Centre contracted and executed 20 meetings, weddings, graduations and banquets in this pandemic financial year April 01, 2020 – March 31, 2021.

The financial year 2020/ 2021 was poised to be one of our best financial years. Starting the new financial year, we already had 17 contracted events, 48 firm definite events, 58 tentative events and well over 100 prospective events. Notwithstanding the aggressive nature from the sales team to go out and acquire more business during this period. However, all this hard work was cut short with the introduction of COVID- 19.

The ruthless march of COVID-19 throughout the globe is first and foremost a human tragedy, affecting the health of millions of people. The consequences and measures taken worldwide to curb the pandemic is still having a major impact on the hospitality industry and of course the MICE industry. Some of the impacts on our industry is the migratory nature of the hospitality work force, hundreds of thousands of people out of jobs. The pause on global travel, border closures, government protocols, postponements of meetings and conventions which later resulted in many cancellations which was pretty much, inevitable.

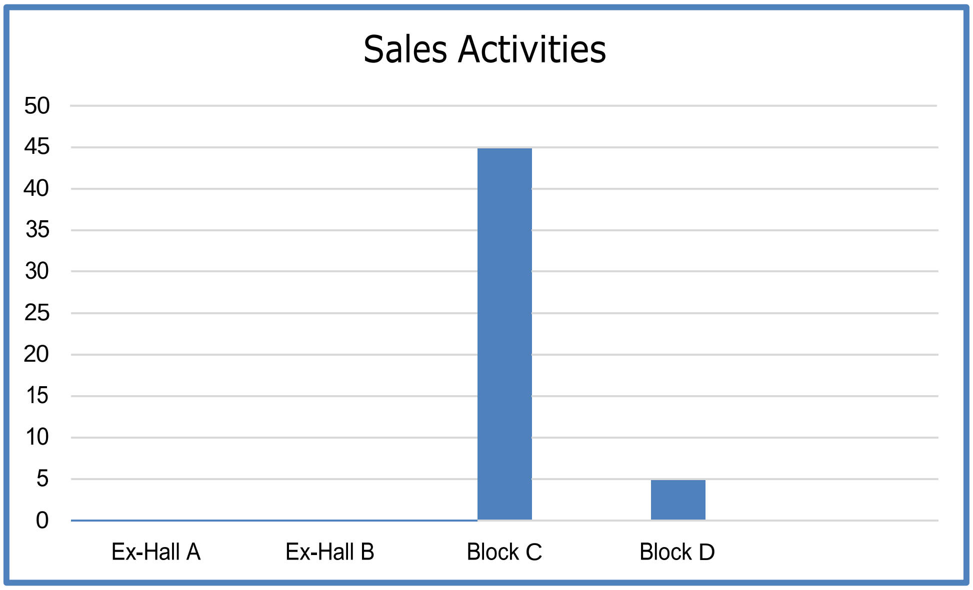
Without a blueprint to follow, as at no point in history has such an incident occurred where businesses in almost 200 countries have been paralyzed due to a common factor, COVID-19. As a result, the Sales and Events Department lost 7 of its 9 team members. Hunting business was no longer the priority as globally we were all faced with the same challenge. It would have been cold and heartless to be prospecting business when we were all faced with an insurmountable challenge. However, to stay relevant, we had to find creative ways to secure our industry. As a result, we contracted social media personnel to monitor the different social sites, such as Facebook, Instagram and Twitter. In addition, we upped our customer relationship management skills as we periodically touched bases with our existing clients to remain top of mind.

The MBCC's sales and events strategies took on a paradigm shift. Sales calls were now conducted virtually. In prospecting new business and retaining old business the first order of business is to speak about "Safe Meetings" as this is now a priority for all concerned. As a result, in our strategic marketing plan, it was important to include "the institution of smart meeting rooms, improved infrastructure." Meeting Planners are interested in what are the capabilities of attendees joining meetings from anywhere in the world virtually.

In person sales and events activities halted between March 10, 2020, to June 10, 2020. After a very long event drought, we safely executed our first in person event on June 10, 2020. We were anxious to get back out there and do what we know best. All COVID-19 protocols were observed, and the 5 days meeting was a success. As the months progressed, we did a few in person events. These were all local events. However, in October 2020 we hosted our first in person international event, Land Xchange. This was made possible and spearheaded by the JTB.

With vaccinations ramping up, the return to normal is fast approaching and we are excited. It is important for us to create a feeling of trust and reassurance with our event professionals through a practical approach that focuses on safety and transparency. We are ready for the rebound.

SALES ACTIVITIES



LOCAL TRADE SHOWS ATTENDED (2)

- Land Xchange (Hyatt Ziva and Zilara Montego Bay), October 01 – 03, 2020 (Face to face)
- JAPEX, November 09 – 10, 2020 (Virtual)

Land Xchange Tradeshow – Group Dinner at MBCC

MARKETING AND SOCIAL MEDIA ACTIVITIES

The COVID-19 pandemic led to increases in our social media and marketing activities. In the initial stages of the pandemic, social media was solely utilized as a tool for identifying products and services. As a result, our marketing and social media activities took on a whole new look of everything virtual. We upped our online presence in securing the services of a part-time social media personnel to manage our social media sites.

He focused predominantly on our different social sites and monitored the daily content that was uploaded on each application. MBCC's best practices in living in a pandemic always take center stage, as we are all about restoring trust and comfort in our clients. Close attention was also placed on what is happening in the global space, especially in the MICE industry. We utilized social media as a powerful tool for message exposure.

Sites such as Facebook, Instagram and Twitter were also used to push our content on food and beverage. Videos were shot on our Executive Chef Randie Anderson teaching our viewing audience how to prepare meals, a drink or just giving some insight on nutrition. These videos gave the public an idea of what we can produce and what to ask for when next they visit for an event.

ADVERTISEMENTS

MBCC tension fabric AD secured at the immigration area at MBJ Airport

Digital Network AD at MBJ Airport Departure Lounge

PRESS RELEASES/ FEATURE ARTICLES

- MBCC's Interim General Manager participated in a panel discussion on Jamaican Tourism Partners adhering to COVID-19 protocols
- MBCC's representatives attended the LandXchange cocktail reception held at MBCC was pictured with Board Members and General Manager from the Hyatt Ziva and Zilara in the Western Mirror
- MBCC participated in paying tribute to the late Gordon 'Butch' Stewart that was featured in the Jamaica Observer on February 07, 2021
- MBCC featured in the Daily Gleaner on the Tourism Health and Wellness Conference

Page 5 - The Western Mirror, Wednesday, November 25, 2020

Jamaican tourism partners adhering to COVID protocols

Recently, the Miami-based eGroup Communications email marketing company earned the undisputed reputation as the pioneers to have hosted the first global face-to-face travel industry conference of 2020 - the Land X-Change MICE (Meetings Incentives Conventions and Events) conference in Montego Bay. All health protocols were strictly adhered to.

Tourism stakeholders on the island continue to openly express their gratitude to eGroup Communications for selecting Jamaica as the first and only country to have hosted the MICE conference.

And even more recently, eGroup's president and CEO, Bob Burke, was at the helm at the MICE Travel segment of the annual two-day Jamaica Product Exchange (JAPEX) tradeshow.

Burke, in his provocative, but enquiring intellect, sought to get insightful answers from some Jamaican tourism stakeholders and policy-makers. Burke asked: "How are you employing some of the COVID-19 safety protocols in your business to ensure good health and safety of your staff and guests?"

VOX POP

Martin Young, Director of Meeting and Incentive Sales, Playa Resorts: "In conjunction with our brand partners, we have developed an extensive list of protocols that we have branded under 'Playa Stay Safe.' They impact each aspect of the guests' experience from the time they leave the airport, to arriving at the hotel, up to the time they check out. So, we have looked at each aspect of the guest experience and have put measures in place to ensure their safety and good health."

Karron Benjamin, Interim General Manager of the Montego Bay Convention Centre: "We have looked at three strategies surrounding our new COVID-19 philosophy, which is a human first approach. The first strategy we had looked at is how we respond and how we have dealt with the present situation. Our response consists of three basic strategies namely - operational, team members and the clients. Through operations, we have adopted not only the recommendations from the health authorities, but we also look at the expectations of the international market place. The centre is COVID-19 compliant and is a safe facility."

Bert Wright, Executive Vice President, Jamaica Tours Limited: "Every employee, as well as guests boarding our vehicles, must have their temperature checked, have their hands sanitized and must wear face masks throughout their journey. When checking luggage, drivers must wear a pair of gloves, which are disposed of on completion of checking each set of luggage. Given the present situation, we only accommodate 70 per cent of the seating capacity on our busses. There are no stops between the airport and hotels or attractions and vice versa."

John Byles, Executive Director, Chukka Caribbean Adventures: "We are the largest nature operators in Jamaica, with nine locations in close proximity to hotels. As a country and as stakeholders in the tourism industry, we are relying on and adhering to the established protocols. The scientific protocols are what works and as an industry, we all have to take a collective approach to mitigate against the spread of the pandemic. It is very evident that all partners locally, have been taking a disciplined approach to following the protocols and it is important that we all do this."

John Woodrock, Groups and Conventions Manager of the Jamaica Tourist Board (Miami office), spoke specifically to the new protocols regarding entry to Jamaica, as specified by the Jamaican government. "Trust and confidence have become the top priority for planners who want to work with destinations that have strong protocols, but protocols that work seamlessly. Jamaica has been able to register this strategy quite perfectly, through a partnership between the government and the private sector. Visitors entering Jamaica now have to have a negative PCR test (or antigen test) result. This test can be done up to 10 days ahead of one's date of travel. This certificate is presented upon arrival in Jamaica. As an option, a travel authorization can be requested via the JAM COVID website between 2-5 days prior to travel. Jamaica has been very fortunate to have some tremendous partners who have come together in the spirit of making business move forward in a very safe and reliable manner."

MBCC's Interim General Manager, Karron Benjamin featured in the Daily Gleaner on how the MBCC is adhering to COVID-19 protocols

PHOTO MOMENT: *After attending the four-day MICE (Meetings, Incentives, Conferences and Events) Land X-Change convention, held at the Hyatt Ziva/Hyatt Zilara and the Montego Bay Convention Centre recently, it was time to record a photo moment for these individuals. From left are Godfrey Dyer (left), chairman of the Tourism Enhancement Fund; his wife Odette – the Regional Director of the Jamaica Tourist Board (JTB); John Lynch, Chairman of the JTB; Panna Utpaul (left), Area General Manager – Jamaica, Playa Hotels and resorts; John Woolcock, Groups and Conventions Manager at the JTB (Miami office); Mavoy Smith, Manager at the Montego Bay Convention Centre. Jamaica was selected as the first and only country to host the event since its inception 10 years ago by the Miami-based eGroup Communications, the leading internet marketing company in the hospitality sector worldwide.*

MBCC's Senior Managers and Board Directors shared lens time with JTB representatives and General Manager for the Hyatt Ziva and Zilara during the Land Xchange reception

OBSERVER WEST | 6

Thursday, November 26, 2020

Moderator Dr Guyan Arscott of Emed Spa (right) makes a point during the panel discussion on the topic 'Healing Waters and Spas in Jamaica', while the panellists (from left) Diane Sommerville of Milk River Bath; Tanya Vassell of Fern Tree Spa of Half Moon Hotel and Geoffrey Marshall of the Water Resource Authority listen attentively. (Photos: Anciee Cunningham)

Montego Bay Conference Centre hosts health and wellness conference

ROSE HALL, St James

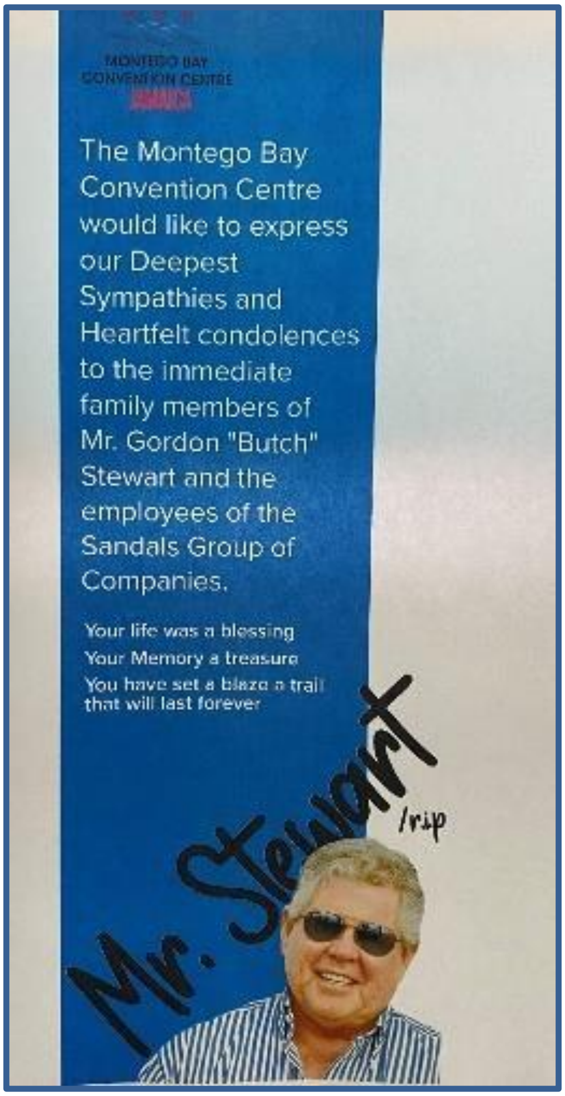
THE Montego Bay Convention Centre hosted the second annual Jamaica Health and Wellness Tourism Conference under the theme: 'Reimagine, Reset, Restore' from November 18 -19, 2010.

The conference, organised by the Tourism Linkages Network, a division of the Tourism Enhancement Fund, aims at bringing together

The two- day event, which featured a mix of in- person attendees and speakers, was streamed in real time with interactive online platforms.

Several panel discussions and presentations were conducted over the days and involved wide ranging topics on the tourism industry. Panellists and presenters included Dr Guyan Atrscott of Emed Spa, Terry-Ann Segree of the Inter-American Development Bank,

Minister Bartlett speaking during the Tourism Health and Wellness Conference



MBCC's feature on Gordon 'Butch' Stewart

EVENTS SERVICES

NUMBER OF EVENTS SERVICED

For the period under review there were twenty (20) contracted events and thirty (30) in-house events.

TYPES OF EVENTS

Figure I – Event Categories (April 2020 - March 2021)

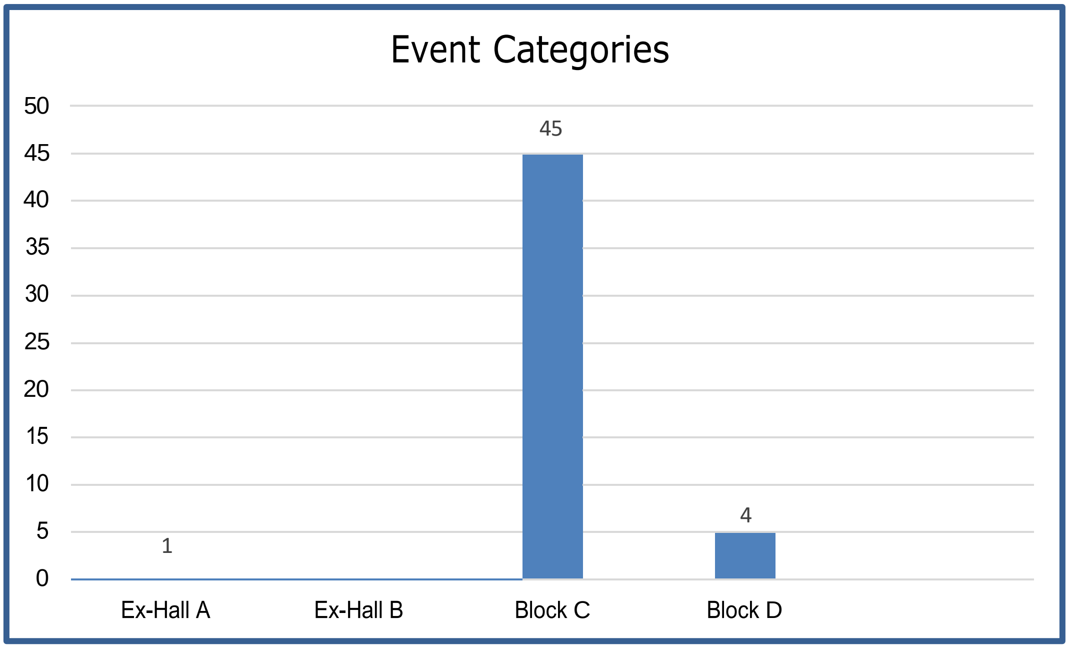
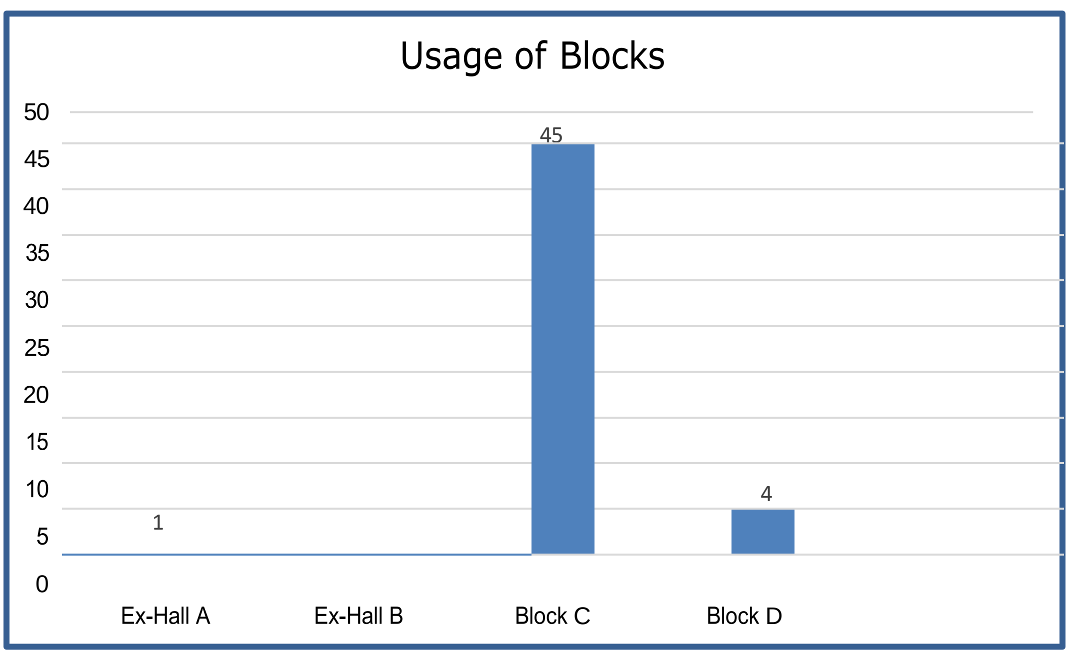


Figure II – Usage of Blocks as per contracted events and in-house events (April 2020 - March 2021)



ATTENDEES

There were approximately 2,378 attendees for the period of April 2020 to March 2021.

CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

Twelve (12) surveys were sent, however, to date none have been returned. The Department continues to follow up.

FOOD & BEVERAGE

The Food & Beverage Department experienced a downturn in business due to the COVID-19 pandemic. Scheduled events were lost due to the health protocols that are in place to alleviate the spread of the virus. As a result, the Centre experienced a huge reduction in the number of events that we would have serviced over the year.

Events that required food and beverage service were catered to with minimal challenges. All COVID-19 protocols were in place and patrons complied to all guidelines.

Walk-in and reach-in coolers and freezers as well as lights that are not being used remain turned off to save on the electricity consumption. Much of the equipment and small wares have been showing ongoing signs of rust and corrosion due to lack of use. Quarterly employment of casual workers has assisted in the cleaning and restoration of deteriorated items that could have been restored and permanently damaged ones separated. This project is planned to be consistent for the upcoming year. The monthly preventative pest control procedures continued. Due to a decrease in use of food and beverage areas, treatment can sit for a longer period yielding better results. Deep cleaning has been routinely done throughout the year of the floors, walls and equipment which has allowed us to maintain the physical structure and resources despite their age and signs of wear and tear. The drain covers are routinely removed, and cleaning done as per our monthly cleaning schedule. All Ministry of Health documents have been kept up to date and have been available for inspection all year.

We did 2 Christmas / Staff Luncheons which were well received, however that number is indicative of a downturn during what usually is a busy period. A total of 8 videos were done advertising our facility from a Food and Beverage perspective. The events we did during the year were catered to with minimal challenges from our staff operating according to the new protocols and the clients played their part and responded very well. Our staff have grasped our new way of service without affecting our high standards and quality of both food and service. Our Liquor license was approved on December 10th which is valid for one year. Two inspections by the Ministry of Health and Wellness were done to certify the property as a food and beverage safe facility. On our first inspection, old damaged and broken-down equipment were requested to be removed from the kitchen and service areas. Several structural repairs were also required and were done. Upon the follow-up inspections for our food establishment certificate, we came out successful and a hard copy of the certificate was issued by the Ministry of Health and Wellness, collected and is available upon request. We had no staff related concerns and our team members worked safely and were very supportive and just a few are still available for work with the numbers reducing as they have received employment elsewhere.

OPERATIONS
&
ENGINEERING

HOUSEKEEPING

Throughout the FY2020-2021, the housekeepers consistently adhered to chemical applications and importance of proper labelling, chemical containers, health and safety and upkeep and maintenance of assigned area/s and our property control plan.

There was however a significant increase in the consumption of hand sanitizer as year saw a different approach in how applications were done due to the onset of COVID- 19 and adhering to the protocols. Some of the strategies we put in place were which not necessarily reduced cost across the department but to comply with COVID- 19 protocols were:

1. Completed installation of touchless hand soap and sanitizing dispensers in occupied areas
2. Completed installation of portable touchless hand sanitizers for entry, exits and outdoor event spaces
3. Phasing in and installation of hand washing and sanitizing techniques through posted signs adhering to OSHA, WHO, Jamaica's Ministry of Health and Wellness and CDC
4. Utilization of our control and conference safety plan for housekeepers in building and crowd interaction
5. Increase in surface sanitizing of high touch areas, restroom, and furniture by housekeepers
6. Personal protective equipment for all housekeeping personnel to include
    a. Nitrile and disposable gloves
    b. Face mask and shields
    c. Disposable aprons
    d. Disposable gowns

For the year, there were cuts in permanent staff as part of the cost mitigation which saw the department comprising of one team member (supervisor). For events, additional staffing was called in on a temporary basis as needed.

For the laundry applications, we continued with Four Diamond Laundry services that covered food and beverage linen to include tablecloth, napkins, trestle covers and skirting. We realized throughout the year that collection continued to be inconsistent, mixing of items which does not always belong to us and press finish quality. We had hoped to alleviate these issues in this financial year by procuring a commercial washer, dryer, and expansion of the present laundry room. This was not realized based on the property's cost mitigation exercise which enabled cost cutting in all areas to remain within budget.

HORTICULTURE/LANDSCAPING

Due to cost mitigation at the onset of the pandemic, our grounds keeping staff was reduced to three from nine (9) personnel with duties to keep, care and clean the landscaping environs. In the coming fiscal, we will be looking at the cost feasibility to increase the complement by one (1) as additional labour is needed to address areas with overgrowth.
The landscaping department utilized organic fertilizer during the period and minimal insecticide for vector control. Equipment to include riding mower, mechanical weed trimmers, blowers, lawnmowers, and mechanical wood – chip maker were serviced for upkeep and maintenance throughout the period. Reminders were given to cover the following areas:

1. Chemical management and usage
2. Job safety and job hazard for equipment and chemicals
3. Personal protective equipment
4. COVID-19 protocol monitoring and adherence

Irrigation was seldomly used throughout the period as the cost mitigation strategies and concerns for high water cost from Rose Hall Development.

EVENT SERVICES – SETUP

Throughout the year the setup department was reduced to zero staffing due to the significant reduction of events brought on by the pandemic. Setting up of event spaces was executed by retained staff and outsourcing as needed.

For retained and temporary personnel, training continued over the period to cover techniques necessary for event services. Training mostly targeted the pandemic protocols and monitoring.

INFORMATION TECHNOLOGY

Daily maintenance and monitoring continued over the period with focus on:

1. Data infrastructure – both wired and wireless
2. Telecommunications and operating platforms inclusive of user interfaces
3. Software, applications, and equipment

Projects:

Financial year 19/20 saw many of our equipment reaching their useful life or been defective. We, however managed to rectify some of these areas in the 20/21 FY with reliability and efficiency as the major outcome. The following projects were effected during the period *(See under projects)*:

1. **Network Switches –** During the period we managed to procure five (5) replacement switches. This was approximately 35% of the total replacement necessary for full replacement and upgrade. At the beginning of the last quarter, we were assisted with financing from the Tourism Enhancement Fund for the remaining 65%. Products are expected to be delivered during the first quarter of financial year 21/22.

2. **Fibre Upgrade** - The Montego Bay Convention Centre's Network Backbone is currently being served by outdated and inadequate multimode fibre. This severely impacted operations and limiting the network capabilities that we are currently able to offer to our clients. As such, it was recommended that the current Fibre Optics Network, which is currently Multimode Fibre, be replaced with the more robust Single-mode fibre optics, which would allow us to link all the buildings with a 10G Network Backbone and switches. At the beginning of the last quarter, we were assisted with procurement administrative assistance and financing from the Tourism Enhancement Fund for the fibre replacement. Works are expected to be completed during the first quarter of financial year 21/22.

3. **CCTV Upgrade –** Due to the limitation of our present Bosh system installed since 2009, updates and additional coverage are not applicable to the platform. Especially for additional coverage, it ties back to the limitations of the Cisco 3750 obsolete switches replacement that is in progress. From the police inspection for our attractions license it was also recommended that we expand the CCTV coverage. At the beginning of the last quarter, we were assisted with procurement administrative assistance and financing from the Tourism Enhancement Fund for the camera replacement. Works are expected to be completed during the first quarter of financial year 21/22.

4. **Uninterrupted Power Supply (UPS) –** We completed the procurement of the UPS that was needed for the user interfaces, data and CCTV rooms. This will now result in a safer operational approach during surges and public supply power intermittency.

SECURITY, PARKING, AND SAFETY

During the year, we continued training and update current and new officers in hospitality services, crowd control, and risk assessment. This continued to prove important to our operations as it improved our customer service at the first point of contact in addition to a 100% success in risk assessment. We continue to invest in training, especially in hospitality as we strive to ensure that visitors are met with a welcoming personality but balanced with vigilance.

For events, during the period, our approach reduced mishaps that occurred during the last reporting year. We had lesser issues this year as compliance, particularly to independent client security which was much more organized. We ensured additional property orientation was completed with client security officers and clients themselves. It is to be noted as well that the number of events with independent security supply was far less compared to the last fiscal year.

All were also trained and updated on the protocol requirements for entry and monitoring relating to COVID-19. The content of these additional duties was:

- Continue to use the infrared temperature scanner for all persons entering buildings
- Sanitization of hands
- COVID-19 related questions to ask visitors and staff.

Due to the low activity on property, we maintain the increased security complement - additional officer at Block C and a roaming canine unit property wide.

The perimeter fence at the front of the facility is deteriorating where the grills are oxidized based on the poor material that was used in their construction. We have a few structural cracks in some areas that are caused by the settlement. Both areas were forecast to be remedied during the period but due to budgetary constraints this was not achieved. Closer to the end of the upcoming fiscal and based on our cost mitigating strategies, we will be able to determine if project can be accomplished. The idea will be to replace the metal grills with solid concrete while keeping the design similar and consistent.

We installed manual boom gates at intersections of Ex-Hall A, Parking Lot, and Executive Offices. Installation of an electronic boom gate was done at the entry and exit of the facility *(See under projects)*.

First Aid/Incident Cases

There were no event or operational related cases.

Lost and Found Items

No lost and found for the period.

Suppression System – (Reels and extinguishers only)

All units are certified and in good condition. Servicing of hose reels and extinguishers was completed during the period.

Certifications

- The property’s fire department compliance was done in December 2020 and January 2021.
- The property’s COVID- 19 Certification was extended to June 2021.

- Food and beverage licenses – *See under food and beverage*.

ENGINEERING AND PROJECTS

Staffing - The department saw a reduction in staff to curtail expenses, budget revision and cost mitigation at the onset of the pandemic. The Maintenance Manager and Senior Electrician were the only positions that were retained to provide continued operational support of the facility.

ENGINEERING - HVAC, MECHANICAL, ELECTRICAL & PLUMBING (M.E.P.)

HVAC

Inspections were carried out by the maintenance manager throughout the period. Some areas were found to be challenging however, adjustments were made, and most areas make good per their operations.

Chillers and Cooling Towers

- *Cooling Towers*
  Both towers functioned as required however tower #2 needs repair to fins and accompanying parts to effectively produce the required heat exchange. This will be looked at during the upcoming fiscal but based on activities and finances.

- *Chillers*
  During the quarter, we continued with in-house preventative maintenance and monitoring of the chillers. Chiller #1 is down due to low oil flow and as such, the replacement of oil pump. Wire looms for electronics has reached their useful life and is scheduled for repairs during the first or second quarter of the upcoming financial year.

Nalco Water Treatment:

We had discontinued water treatment, dispensing of treatment chemicals, and emptying of the cooling towers during the period as Chillers remained off 90% of the operating period. As activities picked up with over thirty-five events, on property treatment for towers to control water hardness and algae was carried out prior to and after events held.

DUCTING, PIPES, AND AHU'S (and chiller electronics/communication system)

Pipes – Concerns are still present regarding the metal chill water pipes as it relates to pitting, corrosion, and insulation. As reported prior, due to the inferior insulation of the pipes, deterioration has been seen in all areas. We have thus included in the capital projects for FY20/21 to have these pipes replaces with high pressure high schedule water lines. Rescheduling was necessary based on activity and funding.

LIFT PUMP STATION

Pump #1 was replaced during the year. Re-wiring above ground, electronics, surge protection and automation was caried out as new installations for the new pump. Pump #2 will be addressed during the upcoming fiscal year.

ELECTRICAL/LIGHTING/ARRESTERS:

Electrical

We continued with our PM program and troubleshooting areas that were of concern.

Generators - During the year, the generators quarterly service contract was executed which took into consideration areas to cover maintenance of:

1. Electronic components
2. Generator units #1 and #2
3. Batteries
4. Oils
5. Governor assessment and calibration

The generators are in good working conditions. PM load testing was done weekly for the period.

Lighting

We continued the retrofitting exercise of high energy consumption luminaires to LED types. Areas covered were roadway lights, exhibition Hall B, building D, block C and building port coheres. Luminaires were 5W-220V-MR16's, 150W-220V streetlamps, 150W-220V corn bulbs (omni-directional) and 30W-220V-2'x2' panels. The installation of these units will see a significant reduction between 65% - 75% in the overall consumption of the lighting contribution to our electrical utilities.

Arresters

The lightning arresters are in good repair and continue to play their part in building protection during lightning strikes.

BUILDING AND MAINTENANCE

Carpentry

During the period, repairs were carried out covering panels, door jambs and facia boards *(see projects).* These repairs occurred due to material ageing and damage caused from termites *(see under pest control).*

Kitchen

During the period, we continue with equipment inspection and maintenance. Based on lack of use or frequent use, we saw rust of metal hotline surfaces and small - wears. The department manager brough on additional labour to address cleaning of same.

- The walk – in coolers and freezers were maintained throughout the period. All freezers are in working condition. Two coolers will need:
    1. Condensers – deteriorated over the years and has reached their useful life
    2. Six fan motors - deteriorated over the years and has reached their useful life

  These will be addressed in the new fiscal year.

- Hotline – we had assessed the ranges, grills, flat tops and ovens. Repairs to 15% of the units will be effected during the next fiscal as some unit show:
    1. Worn burners
    2. Defective electronic components

Structure

We continue to report on the wall structures for all buildings. Since 2013, we have observed capillary cracks on horizontal and vertical surfaces:

1. Cracks on vertical walls in offices and meeting spaces
2. Cracks in the exhibition halls concrete flooring to include .5CM - 1 CM drop of a section of the flooring at Exhibition Hall A
3. Pulling away of wall joints

Especially for the exhibition halls slab roof, we have seen cracks from settlement affecting the areas that were previously sealed. These, however, should be lessened or discontinued once total building settlement is observed. We continue to fill and patch such areas, as necessary.

BUILDING SMOKE EXTRACTION SYSTEM/SUPPRESSION

Extraction

Extractors for client user areas were again inspected and run manually. None of the fire damper electronic circuits were connected. This will not prevent them from operating; however, we are looking at getting the expertise to ensure the system is connected and fully automated. These areas were included in the overall assessment.

Other extractors to be commissioned are in the chiller room and power room. These units were partially installed. These extractors will become necessary should there be excess smoke/heat in these enclosed areas. Some extractors need ductwork while others are lacking electrical switchgear and wiring. We will be addressing these in the next capital allocation based on affordability.

Suppression

During the period areas of the sprinkler systems were addressed by location:

Main Room

1. Installed stop/start switches for automation. Those that came with the system became non-functional which resulted in manual functions. Replacement of these brought the system back to an automatic operation
2. Jockey pump – repairs were completed to pump #2 for automatic functioning and leaks. These pumps are booster units which maintains the appropriate psi for water supply
3. Main pumps – there are three main pumps within the system's operation. These pumps were shimmed, realigned, installation of rubber couplings and installation of seals

Building D

1. Installation of new sprinkler heads for those that were defective
2. Lines pressured

Buildings A, B, C and F

1. Lines pressured

PROJECTS:

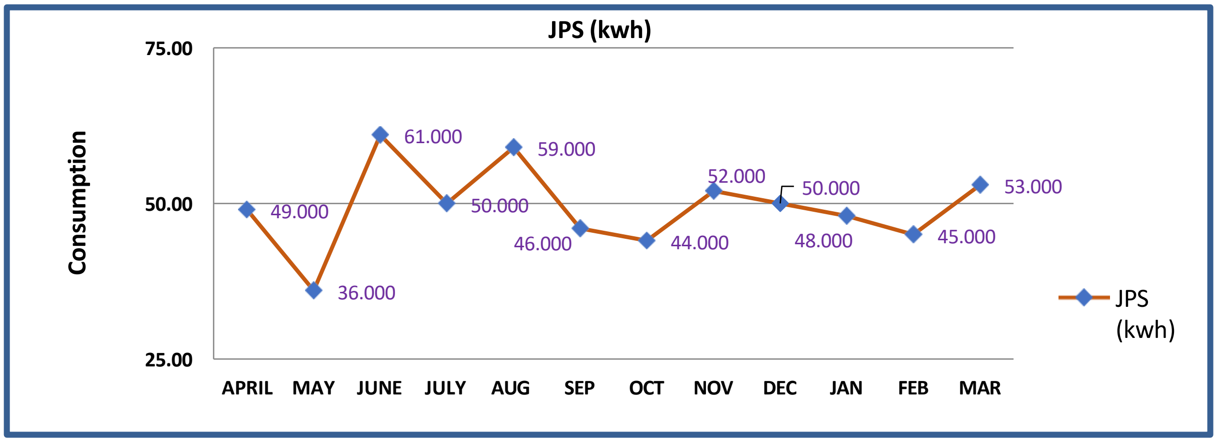
During the period, we completed (or began) planned and unplanned projects namely:

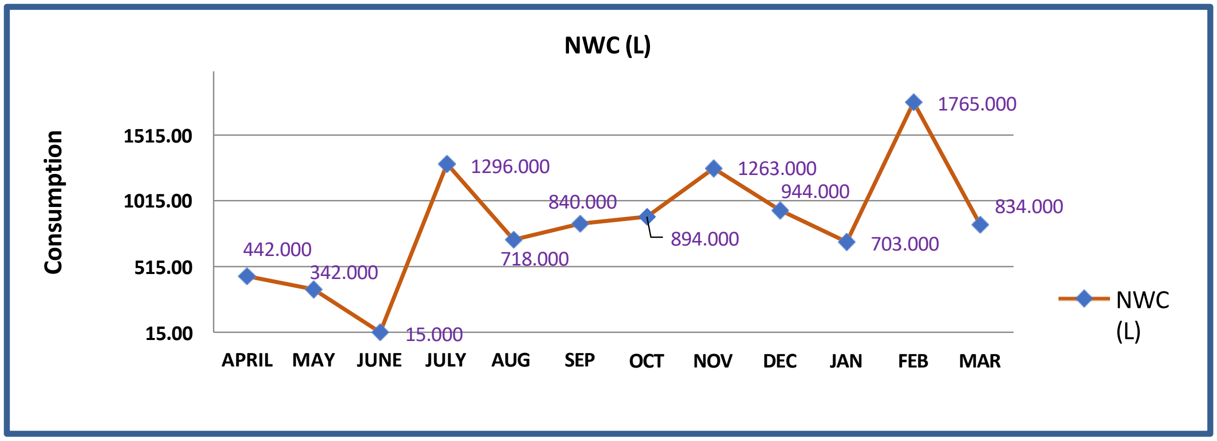
a. Facia boards repairs (buildings A, B, C, D, E, F and G) - estimated completion date April 2021
b. Server installation (Information systems) - estimated completion date April 2021

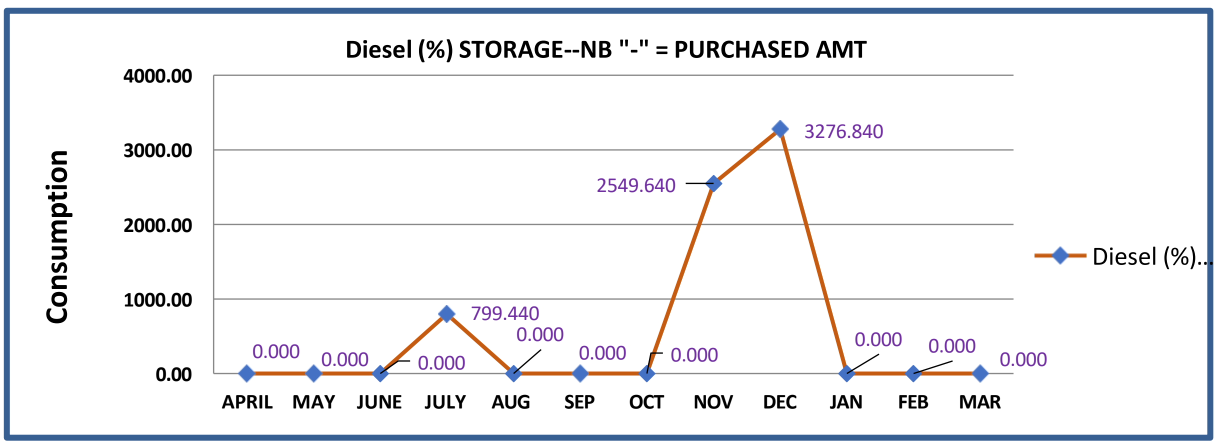
c. Network switches - estimated completion date June 2021
d. Entry motorized boom gate (entry/exit) – ***Completed***
e. Boardwalks (conversion to concrete and pavers) - Estimated completion date April 2021
f. Reflecting pool (1 – repairing of leaks and resurfacing) - Estimated completion date April 2021
g. Chiller parts - Estimated completion date June 2021
h. Road repairs – ***Completed***
i. Entrance & Exit gates - Estimated completion date June 2021
j. Fibre optics cabling- Estimated completion date June 2021
k. CCTV Installation - Estimated completion date June 2021
l. AC installation - Estimated completion date September 2021
m. Airwall repairs - ***Completed***
n. Storage Blocks C and B - Estimated completion date June 2021
o. Slab roof repairs exhibition halls - Estimated completion date May 2021
p. Sofa Repairs - Completed
q. LED retrofit – ***Completed***

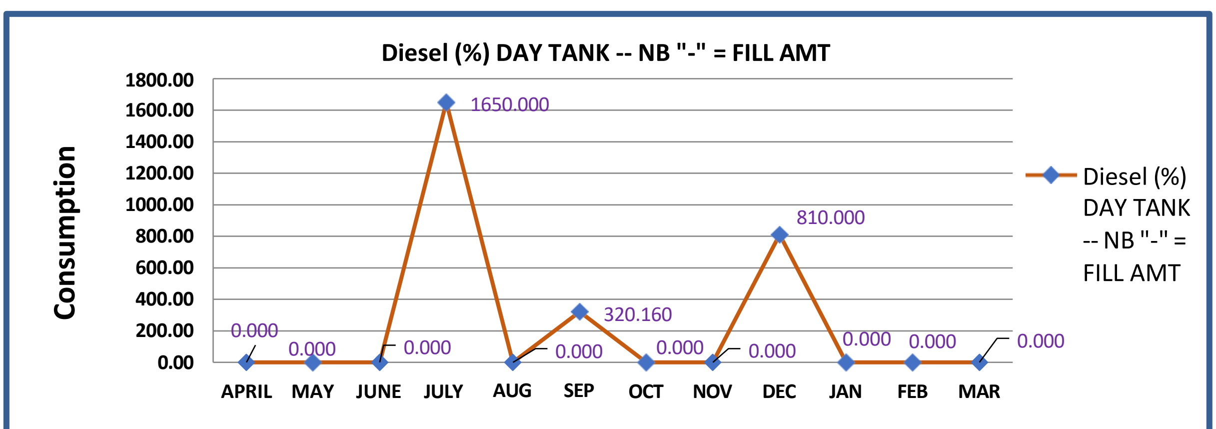
For those projects that were carried over to FY21/22, the major causes were that of the limited working hours and stay at home order that affected traversing, labour, and supplies availability.

UTILITIES


JPS (kwh)
Consumption
75.00
50.00
25.00
49.000
36.000
61.000
50.000
59.000
46.000
44.000
52.000
50.000
48.000
45.000
53.000
APRIL MAY JUNE JULY AUG SEP OCT NOV DEC JAN FEB MAR
JPS (kwh)


NWC (L)
Consumption
1515.00
1015.00
515.00
15.00
442.000
342.000
15.000
1296.000
718.000
840.000
894.000
1263.000
944.000
703.000
1765.000
834.000
APRIL MAY JUNE JULY AUG SEP OCT NOV DEC JAN FEB MAR
NWC (L)


Diesel (%) STORAGE--NB "-" = PURCHASED AMT
Consumption
4000.00
3000.00
2000.00
1000.00
0.00
0.000
0.000
0.000
799.440
0.000
0.000
0.000
2549.640
3276.840
0.000
0.000
0.000
APRIL MAY JUNE JULY AUG SEP OCT NOV DEC JAN FEB MAR
Diesel (%)...


Diesel (%) DAY TANK -- NB "-" = FILL AMT
Consumption
1800.00
1600.00
1400.00
1200.00
1000.00
800.00
600.00
400.00
200.00
0.00
0.000
0.000
0.000
1650.000
0.000
320.160
0.000
0.000
810.000
0.000
0.000
0.000
APRIL MAY JUNE JULY AUG SEP OCT NOV DEC JAN FEB MAR
Diesel (%) DAY TANK -- NB "-" = FILL AMT

OUTLOOK FOR FY2021 – 2022

For FY2021-2022 we had indicated in our budget submission several projects and asset procurement to be considered for upkeep and maintenance of the property. These projects ranged from phase 2 for chiller repairs, landscaping equipment, AV equipment, property entry sign, panel replacements and perimeter fencing replacement inclusive of wall grills.

RENEWABLE ENERGY, CONSERVATION AND ENERGY MANAGEMENT

Energy Audit – We will be reengaging the Jamaica Public Service (JPS) for an energy audit on the premise of us retrofitting the property with LED luminaires, removing the executive offices and meeting rooms C1-2, 3, 7 and 8-9 from the chiller. The objectives are:

1. Since we have accomplished retrofitting, this enables us to request a reduction in our demand charge.
2. Based on #1 above, we are targeting a reduction in our estimated peak demand of 8 – 10 KVA; a move from 29.5 KVA for lighting.
3. A reduction in the use of the chillers and replacing usages of the named spaces with energy efficient inverter AC units, we are targeting a reduction in our estimated peak demand of 350 – 380 KVA; a move from 497.3 KVA for ventilation and air conditioning.

See below extract from previous audit that was completed:

Equipment	Estimated Peak Demand (kVA)	% of Peak Demand
Ventilation & Air Conditioning	497.3	83.7%
Refrigeration	37.7	6.3%
Lighting	29.5	5.0%
Electronics	17.7	3.0%
Kitchen	10.2	1.7%
Miscellaneous	1.2	0.2%
Water Heating	0.3	0.1%
TOTAL	593.8	100.0%

SENIOR EXECUTIVE COMPENSATION 2020 - 2021								
Name and Position of Senior Executive	Year 2020/ 2021	Salary ($)	Gratuity or Performance Incentive ($)	Travelling Allowance or Value of Assigned Motor Vehicle ($)	Pension or Other Retirement Benefits ($)	Other Allowances ($)	Non-Cash Benefits ($)	Total ($)
Karron Benjamin Interim General Manager		$10,079,823.36		$462,000.00				$10,541,823.36
Patrice Jones Director of Finance		$6,452,498.89		$396,000.00				$6,848,388.48
Mavoy Smith Director of Sales		$6,452,388.48		$396,000.00				$6,848,388.48
Randie Anderson Director of Culinary & Executive Chef		$8,907,837.02		$354,876.92				$9,262,713.94

DIRECTORS COMPENSATION 2020 - 2021					
Name and Position of Director	Fees ($)	Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle ($)	Honoraria ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	Total ($)
John Lynch - Chairman	$118,834	$15,040			$133,874
Godfrey Dyer - Director	$90,600				$90,600
Dr Andrew Spencer - Director	$36,000				$36,000
Robert Russell - Director	$48,000				$48,000
Andrea Lyle - Director	$60,000				$60,000
Courtney Hamilton - Director	$60,000				$60,000
Bertram Wright - Director	$59,000				$59,000

Ministry of Tourism

MONTEGO BAY CONVENTION CENTRE JAMAICA

Half Moon P.O. 4058
Rose Hall, St. James
Jamaica W.I.

Telephone: (876) 622 9330 – 2
Fax: (876) 622 9360
Email: mobaysales@mobaycentre.com
Website: www.mbconventioncentre.com

facebook.com/mobaycentre | instagram.com/mobaycentre | twitter.com/mobaycentre