



**JAMAICA  
BAUXITE INSTITUTE**

# ANNUAL REPORT FY 2023/2024



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## THE JBI LOGO



The ochre “**J**” represents the influence of the iron mineral goethite in Jamaican bauxite. The behaviour of this mineral during Bayer processing is one of our areas of research.

The reddish “**B**” represents the influence of the iron mineral haematite in our bauxite.

The white “**I**” represents alumina - the end product in Jamaica.

The silver globe indicates aluminium and our world-wide interest in the product.

## LIST OF ACRONYMS

Bauxite Community Development Programme (BCDP)  
Bauxite Land Titling Committee (BLLTC)  
Caribbean Cement Company (CCC)  
Global Industry Standard on  
Global Industry Standard on Tailings Management (GISTM)  
Gross Domestic Product (GDP)  
Inductively Coupled Plasma Spectrometer (ICP)  
International Monetary Fund (IMF)  
London Metal Exchange (LME)  
National Environment and Planning Agency (NEPA)  
Public Procurement Commission (PPC)  
Rare Earth Elements (REE)  
Reduce emissions from deforestation and forest degradation in developing countries (REDD+)  
Rural Agricultural Development Authority (RADA)  
Rural Economic Development Initiative (REDI)  
Special Exclusive Prospecting License (SEPL)  
Special Mining Lease (SML)  
United Arab Emirates (UAE)  
University of the West Indies (UWI)  
World Economic Outlook (WEO)  
X-ray Diffractometer (XRD)  
X-ray Fluorescence Spectrometer (XRF)

# THE ORGANISATION

## AS OF APRIL 1, 2023, THE BOARD COMPRISED:

Mr. Alston Douglas, O.D., J.P. (Chairman)

Mr. Angus Gordon (Deputy Chairman)

Mrs. Sharon Hay Webster

Bishop Casbert Bryan

Mr. Dameon McNally

Mr. Roy Nicholson

Mrs. Kayon Whyne

Ms. Nyekah Adams

Ms. Julliet Rose

## PRINCIPAL OFFICERS:

Miss Yolanda Drakopoulos, *Acting General Manager*

Mr. Kemoy Lindsay, *Director - Bauxite Lands*

Mr. Worrell Lyew-You, *Director - Process Monitoring & Environmental Services*

Mr. Richard Hanson, *Director - Analytical Services*

Mrs. Joan Thomas Levy, *Director - Administration & Finance*

## ROLE & FUNCTION



The Jamaica Bauxite Institute was established by the Government of Jamaica in 1975 to, *inter alia*:

- (a) monitor and study the aluminium industry and provide technical advice on, and personnel for, the negotiations of various agreements;
- (b) undertake research and development activities on various problems related to the processing of Jamaican bauxite;
- (c) continually assess and ensure rationalization in the use of Jamaica's bauxite reserves and (bauxite) lands; and
- (d) monitor and make recommendations to ensure adequate pollution controls and other environmental programmes in the industry.

In addition, the Jamaica Bauxite Institute has diversified its laboratory to analyze not only bauxite, its products and by-products, but also a range of industrial and agricultural materials.

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## CHAIRMAN'S MESSAGE



True to its mandate of scholarly research and industry expertise, the Jamaica Bauxite Institute has continued to be an incomparable asset to Jamaica, successfully navigating the financial year 2023 – 2024. As we reflect on the past year of significant milestones, challenges, and advancements within the bauxite and alumina industry - I am pleased to present the annual report of the Institute.

Firstly, the global economy exceeded expectations in 2023 but still slowed to a 3.2% GDP growth rate, down from 3.5% in 2022. Divergent performance across different regions and economies persisted with Advanced Economies growing modestly, albeit with significant variances. Meanwhile, emerging markets showed robust growth despite some setbacks, more so in China, whose economy fell short of expectations upon reopening in 2023 after Covid-19 restrictions were lifted. However, a

buoyant US economy contributed to global growth and countered the pessimistic outlook.

Locally, our bauxite and alumina sector remains a cornerstone of the economy. During the 2022-2023 period, we witnessed steady production levels despite facing several operational challenges. The resilience of our industry is a testament to the dedication and hard work of our stakeholders, including employees, contractors, and partners.

The economic impact of the bauxite and alumina industry cannot be overstated. It continues to provide employment opportunities, stimulate local economies, and contribute significantly to national revenue. We have seen positive developments in infrastructure and community projects funded by revenues from the industry, enhancing the quality of life for many Jamaicans. This has been particularly

demonstrated through the Bauxite Community Development Programme (BCDP) that has spent over JMD \$52 million for the year in projects across agriculture, education and infrastructure ensuring “*Life After Bauxite*”.

### **Sustainability and Innovation**

Sustainability remains at the forefront of our strategic initiatives. The JBI has been actively promoting best practices in environmental stewardship and sustainable mining operations. Over the past year, we have implemented several projects aimed at reducing and managing the environmental footprint caused by operations. These efforts are crucial in ensuring the long-term viability of the industry while protecting our natural resources.

### **Challenges and Opportunities**

The 2023-2024 period was not without its challenges. Global economic uncertainties, supply chain disruptions, and fluctuating market prices have posed significant hurdles. However, these challenges have also presented opportunities for growth and adaptation. The industry has demonstrated remarkable resilience, leveraging

strategic partnerships and exploring new opportunities to mitigate the impact of these disruptions.

### **Looking Ahead**

As we move forward, the JBI remains committed to fostering a robust and sustainable bauxite and alumina industry. Our focus will be on enhancing productivity, promoting innovation, and ensuring environmental sustainability. We will continue to engage with stakeholders to address emerging challenges and capitalize on new opportunities.

To conclude, I extend my heartfelt gratitude to all our stakeholders for their unwavering support and dedication. I specially wish to express my gratitude to the Members of the JBI Board and staff of the Institute for the exceptional role they have played in our success.

Together, we will continue to build a prosperous future for Jamaica's bauxite and alumina industry.

*Alston Douglas*

Alston Douglas, O.D., J.P.

## GENERAL MANAGER'S MESSAGE



It is my privilege to present an overview of our activities and achievements over the duration of the past year. The Jamaica Bauxite Institute continues to serve as the cornerstone of Jamaica's bauxite and alumina industry, guided by our unwavering commitment to scholarly and market-based research, environmental stewardship, and community development.

The JBI plays a crucial role in supporting and advancing the bauxite and alumina industry through comprehensive research, technical expertise, and policy advice. Our mission encompasses facilitating investment in plant expansion and renewal while ensuring that these activities do not compromise environmental integrity.

Global bauxite usage, up by 0.3% year-on-year in 2023 to 361 Mt, was pushed by strong bauxite consumption from the United Arab Emirates (UAE). Over this period, the UAE consumed nearly 11 Mt of

bauxite, up 46% year-on-year, as the country's alumina production rose by 45% year-on-year. Additionally, global bauxite demand is expected to rise by 0.3% in 2024, with more rapid growth projected through the rest of the outlook period. World bauxite output is forecast to grow by 3.3% in 2024 to 402 Mt. Growth has been affected in the short-term by an explosion at the main fuel depots in Guinea and by Indonesia's bauxite export ban, which is having short-term effects on production. After 2024, world bauxite production is projected to increase by 3.2% a year, reaching 464 Mt by 2029. Australia and Guinea are expected to contribute most to this rise.

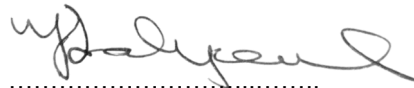
In line with global trends toward sustainable development, the JBI has embraced a paradigm shift, placing greater emphasis on post-mining life through initiatives such as the Bauxite Community Development Programme (BCDP).

Environmental stewardship is a core value of the JBI. This commitment is a response to environmental concerns and a proactive stance to ensure the industry's longevity and positive impact on local ecosystems. We continued to prioritize environmental monitoring and resource management in our operational areas, including Jamalco, JISCO, Windalco Ewarton Works, and Discovery Bauxite. Additionally, we maintained our regular environmental review site meetings, audits at all facilities, and verification monitoring of surface and groundwater resources. These efforts demonstrate our dedication to ecological preservation and the well-being of communities and ecosystems in bauxite areas.

Within the context of infrastructural development, a primary objective for the 2023/24 financial year was to achieve ISO 17025 accreditation for two of our laboratory testing methods. While this process is still ongoing, we anticipate completion by the first quarter of the 2024/25 fiscal year. Achieving this accreditation will position the JBI laboratory as Jamaica's first ISO 17025-accredited bauxite laboratory, underscoring our commitment to maintaining the highest standards of quality and accuracy in our testing processes.

Under the BCDP, farmers, students, residents and other community stakeholders in bauxite areas continue to benefit from the earnings of the industry via significant injections in education, healthcare, agriculture and infrastructural development. Three major initiatives included the Broiler production project in collaboration with Nutramix, the implementation of repairs to damaged greenhouses under the Rural Economic Development Initiative (REDI) phase I and the renovation and reopening of the Broadleaf Community Clinic which was done at a cost of JMD \$14M dollars. Positively, we continue to showcase that there is *"Life After Bauxite"*.

I extend my gratitude to the Board of Directors, management and staff of the JBI, our stakeholders and the communities we serve for their continued support and collaboration. I am confident that we will navigate the evolving landscape of the bauxite and alumina industry, ensuring its sustainability and prosperity for future generations.



.....  
Yolanda Drakapoulos (Acting)

# BOARD OF DIRECTORS' REPORT

For the Financial Year 2023/2024, the Board played a crucial role in providing guidance, overseeing management, and setting the strategic direction for the Jamaica Bauxite Institute (“Institute”). This oversight is instrumental in ensuring that the Institute meets its obligations, achieves its purpose, and remains a recognized repository of information on bauxite and alumina. Throughout the reporting period, the Board emphasized accountability, proper documentation of information and research, public relations, the strategic plan, and staff welfare.

In addition to the monthly reports from the General Manager, the Board periodically heard reports from each Committee to maintain accountability and efficiency. The General Manager’s Report gave the Board insight into, among other things, the Institute’s finances, divisional reports, and initiatives being undertaken by the Institute. Board meetings continued monthly, where pertinent matters were discussed, and actions requiring an update were followed up.

The Board discussed and implemented several initiatives to keep with its mandate and the objectives of the Institute. The initiatives were geared towards strengthening the core functions of the Institute, providing support to communities within the bauxite areas, and improving the public profile of the Institute. Some of these initiatives are summarized as follows:

**Revamping the documentation system at the Institute** – The Board was keen on creating an efficient documentation system for the Institute. As such, the Board approved the engagement of a Library Consultant to develop the library and institute proper record-keeping procedures. The Library Consultant was mandated to prepare a Three Year (3) Strategic Revitalization Plan for the JBI Library and prepare a Records Management Status Report. The Terms of Reference for the Library Consultant was completed during the reporting period.

**JBI Journal** - The Board was ardent about the Institute fulfilling its mission as a repository of information on bauxite and alumina with a solid reputation for research. The Institute undertook to publish a journal encompassing a rich collection of articles and research papers on bauxite and alumina. The Institute relayed to the Board that eight articles for the JBI Journal were peer-reviewed, and all the scientific papers were ready for compilation during the reporting period.

**Public Profile of JBI** – The Board took a keen interest in raising the public profile of the Institute. It was a top priority to the Board for the public to be aware of the role and function of the Institute and the myriads of impactful projects being undertaken by the Institute. The Institute’s social media platforms were monitored to ensure the mandate was being fulfilled. The importance of raising the Institute’s public profile generated robust discussions at Board meetings during the reporting period.

**JBI New Organizational Chart** - The Institute revised and updated its Organizational Chart during the reporting period. The Board approved the new Organizational Chart, which was then submitted to the Parent Ministry for review.

**Socio-Economic Survey** - The Board approved the engagement of a consultant to conduct a socio-economic survey for the Institute on the socio-economic impact of bauxite. A survey team from the University of the West Indies (UWI) was selected. The Board was keen on the researchers being very clear on the objectives of the survey. The survey team was re-sensitized on the objectives of the survey at an inception meeting. The survey commenced in March 2024.

**Alexandria Hospital** - The Alexandria Hospital project was completed during the reporting period. It was executed at a cost of \$6,597,825. The work

included sealing the cracks in the water catchment area, fencing and conducting repairs and cleaning the tanks.

**Citrus Project** - The project is an initiative to reinvigorate the citrus industry in Jamaica which was decimated due to disease. The first meeting of the Citrus Committee was held during the reporting period. Meetings are scheduled to be held monthly to track the project's progress.

**Lab ISO Accreditation** – The Institute has taken steps to get ISO certification for certain procedures used in the Laboratory. The process was reported as being approximately 85% - 90% completed during the reporting period.

**Lab Repairs** - The Board approved repair to the roof of the lab at a cost of approximately Nineteen Million (\$19,000,000).

The Board recognized that staff welfare is of the utmost importance to the efficient operation of the Institute. During the reporting period, the board approved several initiatives geared toward Staff welfare. Some of these initiatives include the JBI Health Fair, JBI Wellness Programme, JBI Sports Day, JBI Olympics, Dominoes/Ludo Tournament, additional health coverage, and the placement of a uniformed security officer at the entrance of the premises.

The Board was keen on the Institute operating at maximum capacity. Periodic updates were sought on the steps to fill the vacant posts. The Board was particularly concerned about the Internal Auditor post. Several vacant posts were filled during the reporting period.

In keeping with the Institute's core function, the Board encouraged undertaking a number of research projects. These were carried forward from the previous reporting period. The Board received periodic updates on the status of the research. The research undertaken by the Institute included:

- Rare Earth Element Project
- Research on the feasibility of gallium extraction
- Research on the feasibility of sodium oxalate
- Socio-economic impact of bauxite

- Creation of bricks through the combination of high silica bauxite and cement; and
- Viability of large scale castor production on mined-out lands

The Honourable Floyd Green was appointed as the Minister of the parent ministry in May 2023. In keeping with the Corporate Governance Framework for Public Bodies, the Board tendered its resignation in May 2023. The Board has not received acceptance of its resignation, so the Board continued with its mandate and the business of the Institute but refrained from making major decisions.

The following activities were also undertaken during the financial year 2023/2024:

1. Repairs were being done on the Greenhouses built under the Rural Economic Development Initiative (REDI) Phase I. Some of the clusters had started the repair works while materials were being procured for others.
2. The Board approved the renovation of the Institute's second floor and received periodic updates on its progress. The projected cost is 21 million.
3. The Board approved the Institute's participation at the Denbigh Agricultural and Industrial Food Show in Clarendon and the Fast Markets Conference in Miami. The Board was keen on the Institute receiving value for money from its participation in local and overseas events. Accordingly, the Board requested qualitative and quantitative reports of the benefits derived from the Institute's involvement.
4. The Board was amenable to utilizing the Institute's Greenhouse for academic purposes. The Board recognized that the Institute's resources could be, in suitable circumstances, be utilized for students' development. The Papine High School expressed interest in using the Greenhouse in their agricultural science programs. The Papine High School submitted a draft MOU to the Institute for review during the reporting period. Discussions were also ongoing

with the University of Technology for the utilization of the pilot plant for teaching purposes.

5. The Board approved the installation of a Generator in the Institute's main building. The Board recognized the importance of maintaining electrical power during a power outage to prevent the disruption in operations. The Board received periodic updates on the installation progress.
6. The Institute pledged support to the Bauxite companies in resolving estate matters that had prevented them from releasing titles to individuals. A draft Agreement was submitted to Winalco for final review, and a meeting was scheduled between the Institute and Jamalco for an update on their progress on the land titling matters during the reporting period.
7. The Institute began preparatory works for the implementation of the second phase of Rural Economic Development Initiative Water Harvesting and Green House Cluster Project (REDI II), and the board received periodic updates on the status.
8. The Board closely monitored succession planning activities, particularly those of senior

staff whose retirement was approaching. The Board underscored the importance of retaining expertise and related knowledge amassed over the years within the Institute, which also aligned with the Board's direction to revamp the Institute's documentation system.

9. The Board monitored and obtained periodic reports on environmental disruptions; for instance, there was a minor fish kill in Rio Cobre on March 2, 2024. There was, however, no evidence of Winalco's involvement.
10. It was reported that as of March 2024, the total funds held (inclusive of BCDP) was Twenty Nine Million Five Hundred Seven Thousand, Seven Hundred Fourteen Dollars and Sixty Five Cents (\$29,507,714.65), and deposits amounted to Two Hundred Nineteen Million, One Hundred Thirty One Thousand, Three Hundred Fifty Eight Dollars (\$219,131,358.00).

The Board remained committed to acting in the best interest of the Institute throughout the financial year 2023/2024.

### THE BAUXITE COMMUNITY DEVELOPMENT PROGRAMME (BCDP)

The Bauxite Community Development Programme, established in October 1996 by the Government of Jamaica, with the Jamaica Bauxite Institute (JBI) as the managing agency, is a beacon of hope for communities impacted by bauxite and alumina operations. The programme aims to reinvest earnings from the bauxite/alumina industry into long-term sustainable projects. These investments have led to significant improvements in socio-economic conditions in the affected communities, paving the way for a promising “Life after Bauxite.”

The programme, currently in its seventh (VII) phase, was launched officially in September 2020. As of March 2024, the BCDP has spent a significant amount of JMD 122,719,457 on projects in all five bauxite parishes. Since its inception in 1996, the BCDP has spent over JMD 890 million executing its mandate, demonstrating a solid commitment to the programme's goals. This unwavering dedication and determination have led to the completion of over 400 projects in agriculture, sports, skills training, community infrastructure development, and road rehabilitation in over 300 bauxite communities, instilling confidence in the stakeholders about the programme's future prospects.

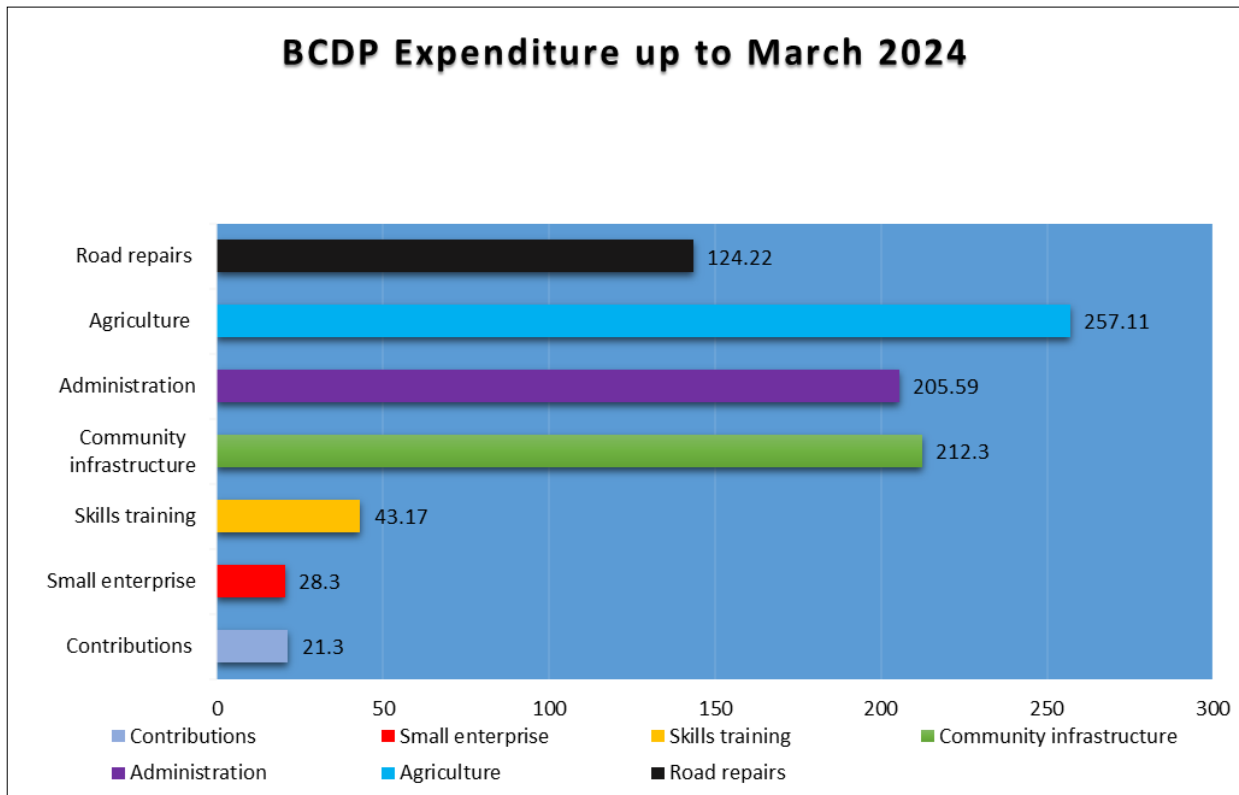


Figure 1: Expenditure by Project Type

As the chart above illustrates, agricultural projects account for the largest share of projects, followed by community infrastructure and road repairs. Notably, a substantial portion of the support given to agriculture over the 2023/24 year was directed towards poultry farmers. Over JMD 20M was spent supporting more than 200 small poultry farmers across the five bauxite parishes, a testament to our unwavering commitment to their success. This support, which included training, provision of baby chicks, feed, and medication, has empowered many farmers and instilled a sense of achievement and success, enabling them to create a sustainable source of income for themselves and their families.

### **Education Support**

In the 2023/24 financial year, the BCDP extended its support to schools in three bauxite parishes, St. Ann, St. Elizabeth, and Clarendon, at a cost of almost JMD 20M. The largest of these investments was made to Aboukir High School in St. Ann. The school faced a severe space crisis, with 60 new students entering for the new school year. The investment relieved this critical pressure point by constructing two containerized classrooms, currently housing the school's Grade 7 population. Similar investments were made to the Vere Technical High School in Clarendon and Fyffe's Pen Primary School in St. Elizabeth, ensuring a brighter future for education in these communities.

### **Health Support**

The BCDP completed its investment in renovating and reopening the Broadleaf Clinic in Manchester. The clinic was closed for over two years due to various structural and safety issues identified during the inspection. As a result of the closure, over 5000 residents in the community of Broadleaf and surrounding areas were left without a community health centre. The JBI, through the BCDP, funded the renovation of the clinic to the tune of over JMD 14M and reopened the clinic in 2023. Works at the Alexandria Hospital to repair their water catchment and storage facilities were also completed in the year at a cost of just over JMD 6M.

### **Agricultural Support**

The JBI continues to invest extensively in Jamaica's agriculture. As of March 2024, the BCDP has invested over JMD 257M in supporting small to medium farming enterprises in and around bauxite spaces. The year saw close to JMD 30M directed primarily to Greenhouse and poultry farmers. During the 2023/24 FY, over 200 poultry farmers were provided the necessary inputs (including training) to start or restart their poultry enterprise. Many have since developed a sustainable income-generating activity from this initial investment and continue to thrive. Repairs at several greenhouse clusters began, and 24M will be reinvested into these clusters to bring them back to total productivity.

## **HIGHLIGHTS OF ACTIVITIES**

### **BAUXITE LANDS**

The Bauxite Lands Division ensures that bauxite lands are prudently managed and protected as part of Jamaica's overall reserves management programme. Protecting bauxite lands against sterilization is necessary to secure the reserves required for future mining and to maintain the industry's viability. The Division is also charged with facilitating the optimum utilization of lands before, during, and after mining, monitoring the use of these lands, and ensuring that the legal obligations of the government and the bauxite companies regarding land agreements are fulfilled.

### **Processing of Applications for Sub-divisions on Bauxite Lands**

During the period April 2023 - March 2024, the JBI, in collaboration with NEPA and the Local Planning Authorities, received and processed 318 subdivision applications across the parishes of Clarendon, Manchester, St. Ann, St Catherine St. Elizabeth, and Trelawny. Many of the applications received were from St. Elizabeth and Manchester parishes. Of the 318 applications received, the JBI issued "no objections" for 315 and objected to the subdivision of 3.

## Land Titling

Delivery of Land Titles Work progressed in facilitating the delivery of titles through the Bauxite Land Titling Committee (BLLTC), chaired by the State Minister in the Ministry of Agriculture, Fisheries, and Mining, Hon. Franklin Witter. The JBI continued to work closely with the bauxite companies to accelerate the pace of title deliveries. Additionally, the JBI has been partnering with the Bauxite Companies to fund the legal costs for residents to obtain grants of probate and letters of administration for titles locked up in estate issues. An agreement was finalized with Jamalco, which will see 35 titles delivered to the heirs of original title beneficiaries. Once completed, the project will see close to 100 titles being handed over to the heirs of estates who have been unable to collect these titles, thereby unlocking the full economic potential of their property.

## Partnerships

The JBI's project partnership framework was also very robust over the financial year as the Institute partnered with public and private sector entities during the 2023/24 financial year. A successful application was made to the Digicel Foundation to support the renovations and repairs needed at two greenhouse clusters: Myersville in St. Elizabeth and Clapham in St. Ann. The total value of the support from Digicel was JMD 5M, which was used to purchase materials needed for the greenhouses.

The JBI also successfully partnered with Newport Mills/Nutramix to implement poultry projects in St. Catherine, Clarendon, St. Ann, and Manchester. The partnership saw the JBI obtain all inputs needed for the project at a below-market price, free training for all beneficiaries, and free delivery.

Partnerships were also maintained with perennial partners: the Municipal Corporations, RADA, and several other government agencies that implement projects across several sectors.

Under its mantra "life after bauxite," the BCDP continues to support the 14 joint bauxite community

councils in areas impacted by bauxite/alumina operations close to the mines, railways, ports, and refineries. With its focus on sustainability, the programme will continue to implement projects that positively impact the lives of Jamaicans residing in bauxite-bearing areas by utilizing environmentally sustainable and socially responsible methods.

## BAUXITE RESERVES

The JBI, as a key player, has continued to uphold a robust presence in the mining and rehabilitation operations of the bauxite companies. This steadfast commitment ensures that all stages of their operations adhere to the regulations outlined in the Mining Act and regulations. The companies, in general, have consistently surpassed safety KPIs, setting a high standard for the mining industry. There is an overall improvement in bauxite production post-covid. However, each company has faced its unique challenges.

## Winalco

With legal access being given to mine SML 174, Winalco has put a lot of effort into constructing the haul road to access the ore required for the refinery. However, the delay in converting their SEPL to a mining lease continues to negatively impact their operations as their mining has become ad hoc, leading to increases in the overall cost of mining. They aim to complete the haul road to access additional bauxite reserves. In the interim, the company faces a shortage of reserves of the required quality. Several options to access SML 174 were considered, including traversing trucks through the Claremont and Barrett Hall communities. These options were, however, abandoned after consultation with community groups and the Parish Council. The focus is now placed on their main haul road construction, which is currently estimated at being 15% completed.

## Discovery Bauxite

Discovery Bauxite has faced significant financial challenges in the past year, impacting every aspect of its operations. The lifting of an injunction granted

access to mine a permitted section of SML 173, but the restriction of mining to only this section has severely impacted mining activities. This limitation has hindered their ability to optimally blend bauxite to meet specifications. The quality within the permitted area is not ideal for blending with much of the bauxite within SML 172, leading to a constant need for haul road development and adding to the financial burden being faced by the company.

### **Jamalco**

The change in ownership at Jamalco has resulted in a general uplift in the energy of all stakeholders. This is mainly because the new owners, Century Aluminium, are well respected in the bauxite industry and are expected to bring the expertise required, for example, to utilize reserves considered problematic due to low and variable quality. Therefore, the company initiated the use of bauxite in North Manchester in 2023 and has been successfully blending this lower-than-average quality material without challenges. This is monumental since this area represents a significant portion of the company's bauxite reserves. Its utilization is, therefore, a step in the right direction in optimizing the bauxite reserves allocated to Jamalco.

### **Alpart**

Alpart remains closed. However, in a meeting with members of JBI's Reserves Division in 2023, the company expressed an interest in reopening with an increased capacity. They have indicated their intention to continue their exploration drilling programme and are interested in JBI conducting the exploration on their behalf.

No major exploration projects were undertaken during this period. However, the JBI continues to conduct small-scale quality drilling, which has aided in updating and producing orebody quality maps and processing subdivision applications. These drilling activities are, therefore, a proactive approach to preventing further sterilization of the country's bauxite reserves, which has been a major problem in the industry historically.

In 2023, three (3) companies presented lands for certification, for which a total of **196.35** ha were presented for certification. Of this amount, 193.76 ha were accepted as satisfactorily rehabilitated. This figure represented a decline of 22.89 % from the previous year when 251.27 ha were certified restored. This was primarily due to a reduction in lands presented by Jamalco and Discovery Bauxite due to the absence of reclamation contracts and financial instability, respectively.

## **SPECIAL PROJECTS**

### **1. Research Project – Brick production using low-quality/rejected bauxite**

The first phase of this project was to make landscaping bricks under lab-controlled conditions utilizing varying additives, namely pozzolan and cement with low-quality bauxite. This phase was completed with the basic plasticity and strength tests and ratios selected for the best-expected outcome. To continue with experimentation, the JBI has been exploring possibilities of collaboration with a well-established local brick manufacturing company, which has agreed to carry out the production of bricks using the chemical ratios that will be provided by the JBI, utilizing formulas developed using miniature bricks that were produced in phase one of the project. The bricks created from this process will be installed at the JBI to monitor their performance in real-life scenarios over time.

### **2. Utilization of bauxite residue (red mud) in cement.**

To reduce waste, contribute to the global sustainability initiative in mining/industry, and reduce our carbon footprint, the JBI, through the Reserves Division, has initiated the research of utilizing bauxite residue in cement manufacture in collaboration with the Caribbean Cement Company (CCC). The role of the JBI in this project is to utilize information garnered from international research and gained from direct involvement as a member of the IAI's (International Aluminium Institute) working group. This information will be shared with CCC to guide

**TABLE 1**  
**SUMMARY OF LAND CERTIFICATIONS 2023**

Company	Area Presented	Area Accepted	Swell Area	Area Rejected	Area Conditionally Certified
DISCOVERY	51.07	50.17	19.77	0.00	0.90
JAMALCO	62.67	52.38	14.73	0.00	1.37
WINDALCO EWARTON	82.77	82.29	38.01	0.00	0.48
<b>TOTAL</b>	<b>196.35</b>	<b>193.76</b>	<b>74.95</b>	<b>0.00</b>	<b>2.75</b>

*\*All areas are stated in hectares*

*Source: Mines and Geology Division*

the process and share the results. JBI will provide samples upon request so that residue with varying chemistry can be considered in the testing phase to ensure the best outcome.

Given the international and local interest and potential uses of the bauxite residue, including for the extraction of Rare Earth Elements, it is prudent that a policy decision be made on its ownership and appropriate utilization. The JBI, with its expertise in bauxite residue, will lead this charge to ensure that Jamaica gets the most benefit from this extremely “useful waste” material.

### **PROCESS MONITORING & SERVICES**

In 2023, the operational areas were Jamalco, Windalco Ewarton Works, and Discovery Bauxite. They are all subject to the government’s environmental monitoring and management programme, which aims to minimize impacts on adjacent communities and the public. Windalco Kirkvine Works and Mines remain mothballed from the other locations and are now involved in court action with Rusal. JISCO Alpart has been temporarily shut down since September 2019 to facilitate plant upgrades.

Public concerns remain centered on emissions,

regulation, and risk assessment. The Jamaica Bauxite Institute has undertaken regular environmental review site meetings, audits at all facilities, and verification monitoring of surface and groundwater resources. Companies consistently comply with the air quality standards, and where there were breaches, action plans were developed to address the issues. Nevertheless, dust nuisance remained a concern, particularly in St. Elizabeth, in relation to JISCO’s operations during dry and windy conditions, even during the shutdown, as the residue disposal area was a potential source of fugitive dust. The JBI has been building its air quality programme. A new feature of the JBI’s environmental management programme is the commencement of baseline data collection for PM<sub>2.5</sub> in operating areas; this will improve the organization’s ability to participate in the national dialogue on air quality for this parameter. In early 2024, JISCO-Alpart had dusting challenges from its operations.

Discovery Bauxite remains active before the Courts regarding mining in St. Ann and Trelawny. Jamalco has returned to total production after the fire at the powerhouse in 2021.

The quality of surface and groundwater resources in the vicinity of bauxite/alumina facilities is constantly

monitored, and the potable water supply is in good condition. Holding capacities at the facilities are being monitored, as risks of environmental incidents have recently been related to storms and excessive rainfall. Concerning waste management, though some facilities are not operational, the JBI continues to monitor all sites where bauxite residue (red mud) has been deposited. Also, some environmental legacy issues exist at various operational sites in the industry. In general, the integrity of the bauxite disposal areas in Jamaica remains within the standard established for the industry. As the global community becomes more oriented to the need to address the energy transition, the role of alumina production in Jamaica's sustainable development agenda is being re-examined for the industry's climate adaptation and the continued focus on dyke and dam stabilities and safety factors.

The JBI Environment Unit participated in the regional and global meetings of the UNEP on the Environmental Aspects of Minerals and Metals Management and published on Jamaica's efforts at the ICSOBA conference in late 2023.

The closure of the out-of-use bauxite residue disposal pond at Mt Rosser has progressed to the extent that the area has been re-vegetated approximately 80%. The dam works were interrupted by the COVID-19 pandemic and will be reviewed to meet the Global Industry Standard on Tailings Management (GISTM) criteria. The JBI continued monitoring the water quality around Mount Rosser Pond throughout the year. Data analysis supports the ongoing improvements, which were expected with the implementation of the closure plan.

The research and development activities on the recovery of gallium moved into the laboratory phase with the determination of gallium levels in Bayer liquor. This will be expected to continue with extraction procedures in the coming year. Gallium is a critical element of the future used extensively in electronic components and is particularly important in solar applications. It is present in trace amounts in bauxite; It dissolves in the Bayer Process for

extracting alumina from bauxite. The Bayer Process is the primary source of gallium production.

## **ANALYTICAL SERVICES**

The Analytical Services Division was negatively impacted by the two X-ray spectroscopic equipment being in disrepair. The X-ray Diffractometer (XRD) and the X-ray Fluorescence Spectrometer (XRF) are used to quantify and identify constituents in solid phases such as bauxite, alumina, and red mud. Their importance to commercial activities and laboratory research at the JBI cannot be overstated. The same company supplies both pieces of equipment, which they could repair. However, the supplier has not met the requirements to be registered with the Public Procurement Commission (PPC) to be eligible for the contract award for repairs. Efforts are still ongoing to remedy this situation. The ability of the laboratory to offer X-ray analysis to commercial customers has severely impacted the laboratory's productivity. Planned research activities on rare earth elements (REE) were limited to what could be done without the XRD and XRF.

For the second year in a row, the number of samples analyzed by the laboratory is below typical numbers from previous years. Only 485 samples were analyzed, comprising 207 commercial samples and 266 samples per statutory obligations.

Despite the challenges of not having functional X-ray spectroscopic equipment, there were some positive outcomes. Extensive work was done to improve and expand the analytical capabilities of the lab and, thereby, the capacity for income generation, through the development of new lab testing methods. Most importantly, alternative methods for analyzing alumina and silica were developed to replace the traditional labor-intensive manual methods. Method development for analyses using the inductively coupled plasma spectrophotometer (ICP) was also done for research activities on creating an economically viable process for recovering rare earth elements (REE) from Jamaican red mud. However, this project was limited by the

unavailability of the XRD and XRF and the frequent unavailability of argon gas for the ICP. Literature research became the focus, and some laboratory research activities were completed with the available resources.

The Division continued its efforts to attain ISO/IEC 17025 accreditation for two laboratory testing

methods. Laboratory operating systems were developed significantly to meet the accreditation requirements. The process is expected to be finalized early in the fiscal year 2024/25.

## PICTORIAL HIGHLIGHTS



The Honourable. Floyd Green, Minister of Agriculture, Fisheries and Mining and JBI's Information and PR Manager discussing a model depicting JBI's work rehabilitating mined-out lands.

General Manager of the Jamaica Bauxite Institute (JBI), Yolanda Drakapoulos (right), in discussion with the Director of Process Monitoring and Services (centre) and Charge d' Affaires, Korean Embassy in Kingston, Jin-wook Kim, during a Courtesy Call.





A beneficiary of the boiler production training at the Ewarton Windalco Community Council which was offered in collaboration with Nutramix through the BCDP (Bauxite Community Development Programme).



Director of Process Monitoring conducting a tour with Teachers on tour of the JBI's Pilot Plant as part of the Scientific Research Council's (SRC) Summer Attachment Programme 2023.



Members of Parliament, Minister of Agriculture, Fisheries and Mining, General Manager of the JBI and other stakeholders from the Ministry of Health and Wellness strike a pose in front of the newly renovated building done by the JBI at a cost of JMD \$11 million.

General Manager of the JBI, Yolanda Drakopoulos (3<sup>rd</sup> right) and members of the BCDP team accept a grant from the Digicel Foundation on behalf of the Rose Hill Community Council toward greenhouse repairs.





Baby chicks packaged for distribution to participants of the Boiler Production Training under the BCDP.

Team JBI pose with the Jamaica Fire Brigade instructor following a Fire Safety training session.



Managing Director of Jamalco, Marvin Jackson and General Manager of the JBI pose with the latest issue of the JBI Journal - a culmination of scholarly research conducted and published by the Institute.

# CORPORATE GOVERNANCE REPORT

Jamaica Bauxite Institute continues to strive for compliance in accordance with the Corporate Governance Framework for Public Bodies, in keeping with the general thrust of the public sector. This report outlines initiatives and activities undertaken by the entity in furtherance of its obligations under the Framework.

There was continued reliance on the internal legislative compliance and Corporate Governance schedule, which was created to assist with reporting timeline compliance. There was no Board Retreat for the financial year 2023/2024 because the Board tendered its resignation to the newly appointed Minister. The Board continued to act without appointment but refrained from making major decisions.

The following components of the Corporate Governance Framework have been implemented:

- Appointment of Company Secretary
- JBI Framework Document
- Procurement Committee
- Evaluation and Tender Committee
- Audit Committee
- Annual Report
- Audited Financial Statements
- Corporate Plan
- Quarterly Report
- Annual Returns
- Annual Asset Declaration
- Quarterly/Annual Summary of awards contract

## ESTABLISHED COMMITTEES

### Audit Committee

#### Membership

The Audit Committee comprised of the following members at the beginning and at the end of the reporting period:

- Mr. Dameon McNally (Chairman)
- Mr. Angus Gordon
- Ms. Sharon Hay Webster
- Mr. Shayne Kerr

The Internal Auditor, where applicable, was required to be in attendance at the meetings. The General Manager and Board Chairman attended on the invitation of the Committee Chairperson to specific meetings.

### Meetings

The Committee met two (2) times during the reporting period.

### Activities

The Committee relied primarily on the work of the Internal Auditor to the extent that an individual was employed to the post. For the relevant period, the Institute had a person contractually engaged (short-term) as an Internal Auditor at the beginning of the reporting period. The following activities were undertaken:

- Reviewed the Monthly and Fortnightly Salaries – May 2023 (100 % audit was done).
- Reviewed Payables/Invoices for June 2023.
- Reviewed Record keeping and Stock Control—The Internal Auditor's Report identified that inadequate record-keeping leads to unplanned purchases and inaccurate and substandard reporting.
- Reviewed Audited Financial Report for the year ending March 31, 2023 - The Internal Auditor Report identified that the Institution is exempted from With-holding Tax on Income earned. This amount is received after rigorous correspondence with the TAJ.
- Reviewed the Updated Fixed Asset Register
- The Committee acknowledged that several posts needed to be filled to allow the Institute to operate efficiently. The Committee urged the HR Department to fill these posts, which included the Internal Auditor for the most part.
- Discussed and reviewed the Agreement for the increase in the Life Insurance Policy between Guardian Life and JBI.
- Recommended that a Risk Assessment Committee be established at the JBI in full compliance with the Corporate Governance Framework.
- Discussed the implementation of new policies to mitigate risks within the Institute in conjunction with the HR Department.
- Monitored several projects undertaken by the Institute, two of which were the Castor Bean Project and the Land Titling Initiative. These projects were monitored closely, given the expenditure of funds involved on the part of the Institute.

## **Finance Committee**

### Membership

At the beginning of the reporting period the Finance Committee comprised of the following members:

- Bishop Casbert Bryan (Chairman)
- Mr. Dameon McNally
- Ms. Kayon Whyne

The Committee is also supported by the Accountant, Assistant Accountant, the Director of Administration and Finance and the Director of Bauxite Lands of JBI. The General Manager attends Finance Committee meetings.

#### Meetings

The Committee met ten (10) times during the reporting period.

#### Activities:

- Reviewed monthly Financial Statements to ensure proper accountability of JBI's funds and to ensure that a high level of accounting standard is maintained.
- Reviewed monthly Income and Expenditure Statements for the Bauxite Community Development Programme (BCDP).
- Reviewed monthly, negative and positive variances with respect to the Institute's expenditure. Discussed and made the necessary adjustments to the Budgetary Forecast for the 2024/2025 Financial Year.
- Reviewed the Finance Committee Terms of Reference.
- Discussed King Alarm's contract concerning the increase in rates.
- Discussed how the canteen may be utilized to generate income.
- Monitored closely the approval and expenditure of the lab upgrade.
- Discussed and analyzed the expenditure with respect to the procurement of assets for the Institute, including but not limited to a generator and laboratory equipment.
- Discussed and approved several activities concerning expenditure, including the renovation of the second floor.
- Funding from the Capital Development Fund was received.

### **Human Resource and Corporate Governance Committee**

#### Membership

For the reporting period, the Human Resource and Corporate Governance Committee comprised of the following members:

- Ms. Juliet Rose (Chairperson)
- Mrs. Sharon Hay Webster
- Bishop Casbert Bryan
- Ms. Nyekah Adams
- Mrs. Kayon Whyne

- Mr. Vaughn McDonald  
The Committee is supported by the Human Resource Manager and Human Resource Consultant.

#### Meetings

The Committee met ten (10) times during the reporting period.

#### Activities:

- The Committee continued the Policy Review Process. The Committee reviewed existing policies and new policies.
- Reviewed and completed the Institute's new Organizational Chart, which was submitted to the Parent Ministry for review during the reporting period.
- Reviewed and completed the Staff Handbook, which was submitted to the IT Department for formatting during the reporting period.
- The Committee received a monthly report from the HR Manager, in which the Committee is advised on HR-related matters within the Institute.
- Discussed and actioned the filling of vacant posts. Approval was received from the Ministry of Finance during the reporting period for posts including Legal Counsel, Corporate Planner, and Internal Auditor.
- Reviewed the governance structure for weaknesses threatening its compliance with established and approved GOJ policies and directives.
- Discussed the status of the steps being taken to revive the Staff Association.
- Discussed the status of the performance evaluations by the Board and Management.
- Engaged in discussions on the status of the amendment to the JBI/Clarendon Alumina Production Pension Scheme.
- Explored the possibilities of Personal Accident Insurance coverage for staff.

### **Bauxite Community Development Programme Advisory Board**

#### Membership

The BCDP Advisory Board is comprised of the following members:

- Mr. Angus Gordon (Chairman)
- Mrs. Sharon Hay Webster
- Ms. Roy Nicholson
- Ms. Nyekah Adams

The Advisory Board is supported by the Director of Bauxite Lands, BCDP Project Coordinator, Project Officer, and Agricultural Research Specialist of JBI, who is expected to join all meetings. The General Manager attends these meetings.

### Meetings

The Advisory Board met ten (10) times during the reporting period.

### Activities

- Continued the development of agreements between the JBI and the Cluster Managers (Operators) and with individual farmers associated with the JBI/JSIF Water Harvesting and Greenhouse Cluster Project.
- Discussed, approved, and monitored the disbursement of funds for Members of Parliament projects.
- Discussed and approved the utilization of the Institute Greenhouse for academic purposes.
- Explored the possibilities of a JBI Scholarship for tertiary students residing in Bauxite communities.
- Planned Budget for and participated in the Denbigh Showcase.
- Monitored the repairs to the Clusters under the Rural Economic Development Initiative (REDI I)
- Monitored the implementation of the Rural Economic Development Initiative programme (REDI II)
- Monitored the implementation of the Socio-Economic Survey.
- Placed great emphasis on utilizing the BCDP projects for PR opportunities.
- The Committee received updates on the status of projects, including the Broiler Project, Castor Bean Project through partnership with the Jamaica Castor Industry Association and the Adopt-a-Clinic Project, where assistance would be provided to various hospitals and clinics. Another project that was monitored by the Advisory Board was the Land Titling Project, where JBI, through BCDP, sought to assist members of the bauxite communities in acquiring titles for the lands they legally own.

### **Director's Information**

Table 2 and 3 below outlines the names, expertise, length of service, meeting attendance records and list of other directorships, for the JBI Board members.

**TABLE 2**

<b>NAME</b>	<b>EXPERTISE</b>	<b>LENGTH OF SERVICE</b>
<b>Mr. Alston Douglas-Chairman</b>	Industrial Engineer	Chairman July 2018 - Present
<b>Mrs. Sharon Hay Webster</b>	Social Engineer	May 2016 - Present
<b>Ms. Julliet Rose</b>	Attorney-at-Law	February 2017- April 2022 & January 2023 - Present
<b>Bishop Casbert Bryan</b>	Theology	July 2018 - Present
<b>Ms. Nyekah Adams</b>	Human Resource Management & Development and General Administration	May 2022 - Present
<b>Mr. Angus Gordon</b>	Finance and IT	July 2018 - Present
<b>Mr. Dameon McNally</b>	Accounting, Auditing & Corporate Governance	May 2022 - Present
<b>Mr. Roy Nicholson</b>	Mining	May 2022 - Present
<b>Mrs. Kayon Whyne</b>	Educator	July 2021 - Present

TABLE 3

NAME	MEETING ATTENDANCE RECORD TOTAL MEETINGS HELD - 11	OTHER DIRECTORSHIPS
<b>Mr. Alston Douglas-Chairman</b>	Meetings attended – 11	1. Port Authority-Director 2. NROCC- Director 3. ODPEM – Director
<b>Mrs. Sharon Hay Webster</b>	Meetings attended - 10	1. E Gov- Director 2. JIS 3. Gender Advisory Council
<b>Mrs. Julliet Rose</b>	Meetings attended - 10	None
<b>Bishop Casbert Bryan</b>	Meetings attended – 11	1. RADA (Trelawney Advisory Board)- Vice Chairman 2. Warsup Primary and Infant school - Chairman 3. Wait A Bit Primary School-Vice Chair- man
<b>Mr. Angus Gordon</b>	Meetings attended– 10	SERHA - Director
<b>Mr. Dameon McNally</b>	Meetings attended - 10	1. JRC- Director 2. NHF- Audit Committee Member 3. Water Resource Authority- Audit Com- mittee Member
<b>Mr. Roy Nicholson</b>	Meetings attended - 9	Water Resource Authority-Committee Member
<b>Mrs. Kayon Whyne</b>	Meetings attended - 10	None
<b>Ms. Nyekah Adams</b>	Meetings attended - 4	May 2022—Present

## **CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES**

The Institute discussed plans to embark upon the following activities for the period 2023/2024:

1. JBI Scholarship for tertiary students residing in bauxite communities.
2. Assisting with the provision of titles to landowners in the bauxite communities.
3. Providing support to hospitals in need of repairs in select bauxite communities.
4. Continued to make arrangements to implement the initiative to reach out to at-risk youths within the bauxite communities in an attempt to offer guidance.

## **BOARD PERFORMANCE EVALUATION**

The Jamaica Bauxite Institute did not complete a Board Performance Evaluation in the reporting period, neither for the Board nor the Committees. The Institute does however intend to have one done in the year 2024/25.

# ALUMINIUM INDUSTRY REVIEW

## THE INTERNATIONAL ECONOMY

The global economy exceeded expectations in 2023 but still slowed to a 3.2% GDP growth rate, down from 3.5% in 2022. Divergent performance across different regions and economies persisted, with Advanced Economies growing modestly, albeit with significant variances. Meanwhile, emerging markets showed robust growth despite some setbacks, more so in China, whose economy fell short of expectations upon reopening in 2023 after covid restrictions were lifted. A buoyant US economy contributed to global growth and countered the pessimistic outlook. Growth was supported by steady increases in employment and incomes, higher-than-expected government spending, robust household consumption, and a surprising rise in labor force participation. The economy was also supported by decreasing inflation, which reached 6.8% in 2023, driven by energy price fluctuations and persistent core inflation in some regions. Inflation began easing towards the end of the year due to declining energy prices and improved supply chain conditions.

Advanced economies experienced growth averaging 1.6% in 2023, down from 2.6% the previous year. The United States saw strong productivity and employment growth but faced risks of overheating and fiscal sustainability concerns. U.S. GDP expanded by 2.5%, up from 1.9% in 2022. The Euro Area struggled with low growth due to past shocks and tight monetary policy. Growth in the Euro Area and the UK weakened to 0.4% and 0.1% in 2023 after expanding by 3.4% and 4.3%, respectively, in 2022. Meanwhile, the Japanese economy experienced a growth rate of 1.9%, outpacing the 1.0% growth seen in 2022. This expansion was largely fueled by increases in public and private investments and a positive shift in net trade. Despite the stronger overall growth in 2023, the economy faced contractions in both the third and final quarters.

Emerging Markets and Developing Economies grew at an average rate of 4.3% in 2023. China's performance was hindered by a property sector downturn and weak domestic demand. Other large emerging markets benefited from global supply chain reconfigurations and trade tensions between major economies like the U.S. and China. Brazil's economy expanded by 2.9%, slightly down from 3% in 2022, led by the agricultural sector and the production of extractive commodities. Russia's GDP grew by 3.6%, recovering from a 1.2% contraction in 2022. It was primarily driven by state-funded arms and ammunition production related to the Ukraine conflict. India's GDP growth was stellar, coming in at 7.8% after posting growth of 7% in 2022. The economy was aided by solid capital expenditure in infrastructure and transportation. (See Table 4 for GDP rates from selected economies).

## Economic Outlook for 2023

The global economy is expected to continue recovering, as easing inflation, improved supply conditions, and strong labour markets in advanced economies are expected to support real income gains, consumer spending, and other economic activities. However, growth is expected to remain below pre-pandemic levels. Further, numerous headwinds, primarily non-macroeconomic in nature, continue to make the outlook uncertain. Geopolitical risks will be a primary concern, which could renew inflationary pressures. Political uncertainty is also elevated due to numerous key elections in 2024, which will have implications for fiscal and trade policies. Consequently, the International Monetary Fund (IMF), in its April 2024 issue of the World Economic Outlook (WEO), predicts global growth will stabilize at 3.2% for 2024 and 2025.

Advanced economies are projected to grow by 1.7% in 2024 and then improve to 1.8% in 2025. The US

**TABLE 4**
**OVERVIEW OF GDP FOR SELECTED ECONOMIES**

Economy	2022 (y-o-y % change)	2023 (y-o-y % change)	2024 Projec- tion %)	2025 (Projection %)
<b>World Output</b>	<b>3.5</b>	<b>3.2</b>	<b>3.2</b>	<b>3.2</b>
<b>Advanced Economies</b>	<b>2.6</b>	<b>1.6</b>	<b>1.7</b>	<b>1.8</b>
United States	1.9	2.5	2.7	1.9
Euro Area	3.4	0.4	0.8	1.5
Japan	1.0	1.9	0.9	1.0
United Kingdom	4.3	0.1	0.5	1.5
<b>Emerging &amp; Developing Markets</b>	<b>4.4</b>	<b>4.3</b>	<b>4.2</b>	<b>4.2</b>
China	3.0	5.2	4.6	4.1
India	7.0	7.8	6.8	6.5
Russia	-1.2	3.6	3.2	1.8
Brazil	3.0	2.9	2.2	2.1
South Africa	1.9	0.6	0.9	1.2

**Source:** IMF: World Economic Outlook Update, April 2024

economy has begun to slow in Q1 2024 with GDP falling to 1.6% from above trend growth in the last two quarters of 2023 according to the Bureau of Economic Analysis' preliminary estimate. Growth was still robust, however, and was driven mainly by real wage growth and consumer spending. Therefore, It is anticipated that US growth will accelerate to 2.7% in 2024 before slowing to 1.9% in 2025. Meanwhile, the euro zone's real GDP grew by 0.3% quarter-over-quarter in the first quarter, reversing a 0.1% decline in the prior three months. Construction and net exports boosted overall output, while private consumption was weak. Several leading indicators have been lingering in contractionary territory. However, France's economy is projected to accelerate throughout the year due to hosting the Olympic games. Purchasing power is

expected to improve throughout 2024, propelling expansion and recovery from stagnant growth in the previous year. The Euro Area is forecasted to expand by 0.8% in 2024 and then grow by 1.4% growth in 2025.

For other major economies, such as the UK, an expansion of 0.5% is projected for 2024, followed by 1.5% growth in 2025. The economy has already seen GDP rise by 0.6% in Q1 2024, surpassing forecasts and ending the technical recession from the second half of 2023. Consumer spending, investment, government consumption, and net trade drove this growth. While this pace of growth is not expected to continue, the economy is poised for further gains from rising real wages and tight labor markets. The Japanese economy will increase by

0.9% in the reporting year and then see growth of 1.0% in 2025.

Economic forecasts for emerging and developing markets are generally more promising than for advanced economies, though these prospects vary significantly across regions. The IMF predicts a moderate growth downturn for Emerging Markets and Developing Economies from 4.3% in 2023 to a steady 4.2% in both 2024 and 2025. The Russian economy has been exceeding expectations, with GDP expanding by 5.4% annually in Q1 2024, up from 4.9% in the previous quarter. This robust growth extends the recovery from the 2022 downturn caused by Western sanctions imposed after Russia invaded Ukraine. However, concerns about the rebound's sustainability persist due to its reliance on state-funded military investments, which offer limited economic benefits and could impact living standards. Challenges may also arise from high inflation and a labor force crisis, worsened by military mobilization and emigration. The IMF predicts the economy will grow by 3.2% in 2024 and then decelerate to 1.8% the following year. Meanwhile, Brazil is anticipated to register growth of 2.2% in 2024 and 2.1% in 2025.

Underpinned by surges in the manufacturing, construction and utilities sectors, GDP in India grew strongly by 7.8% year-on-year in Q1 2024. The data indicates India will be among the outstanding economies in the Asia-Pacific region during the current year and is expected to grow by 6.8% in 2024 and then by 6.5% in 2025. The data coming out of China show the economy has been growing at a sturdy pace so far in the year. GDP grew by 1.6% in the March quarter of 2024, driven by increased investment and strong industrial production. However, weak data in March and cautious consumer spending remain concerns and could put brakes to the momentum. Nonetheless, the economic recovery is expected to persist as Beijing enhances macro policies and emphasizes high-quality development. The People's Bank of China also intends to bolster policy support, with analysts expecting further reductions in banks' reserve requirement ratios and interest rates. The IMF is anticipating that China will see growth of 4.6% in 2024, which will then cool to 4.1% in 2025.

## GLOBAL ALUMINIUM MARKET

Following a year of strong recovery post the Russian-Ukraine invasion, world primary aluminium consumption in 2023 saw a slight increase from 2022 to 70 million tonnes, matching world aluminium production at 70 million tonnes to reduce a significant market surplus. Aluminium demand from China pushed world primary aluminium demand up 1.7% year-on-year to nearly 70 Mt higher in 2023. Over this period, consumption in China, the world's largest primary aluminium consuming country, rose by 4.2% year-on-year. A rise in the use of aluminium in China's automotive sector (helped by the Chinese government's stimulus package) contributed to a jump in Chinese aluminium demand in 2023. In 2023, primary aluminium consumption also grew in India (up 36% year-on-year) and South Korea (up 5.0% year-on-year). The growth in primary aluminium consumption partly reflected increased aluminium use in new, energy-efficient car models. However, European consumption was hit by sluggish construction activity, leading to lower demand in Germany (-21%) and France (-13%).

World primary aluminium output in 2023 rose by 1.6% year-on-year. China's primary aluminium producers raised output in response to removing power restrictions and improving the power supply in the second half of 2023. Meanwhile, aluminium production in the World Excluding China also increased as amongst other major producers, primary aluminium output in the United Arab Emirates (UAE) rose by 5.9% year-on-year in 2023, driven by the ramp-up of production at Emirates Global Aluminium's Al-Taweelah smelter. Output also rose in Canada - by 8.0% year-on-year - driven by the ramp up of production at Rio Tinto's Kitimat aluminium smelter. In Europe, primary aluminium output fell in 2023 - including France (down by 29% year-on-year), Germany (down by 45%), and Bosnia (down by 56%). The aluminium smelting capacity that was curtailed in 2022 — due to high energy costs - remained largely offline in 2023.

Sluggish primary aluminium demand in Europe and the rise of Russian aluminium in the London Metal Exchange (LME)'s warehouses outweighed the

impacts on aluminium prices of supply disruptions in China's Yunnan province. The LME spot price for primary aluminium fell by 19% year-on-year in 2023, averaging US\$2,299 a tonne in real terms; meanwhile, the LME (3-Mth) price started the year at \$2,521 and averaged lower at \$2,437 a tonne at the end of Q1. The aluminium LME 3-Month prices recorded a high of \$2,661 per tonne and fell by 15.6% year-on-year in 2023, averaging US\$2,286 a tonne in real terms.

Demand for primary aluminium in 2024 is expected to be mainly driven by China, as strong electric vehicle manufacturing activity lifts demand. As a result, global primary aluminium consumption is forecast to increase by 2.8% in 2024, to 72 Mt. Beyond 2024, world primary aluminium consumption is projected to grow at an annual average rate of 3.7% to nearly 86 Mt by 2029. China's green energy and electric vehicle sectors are expected to drive global primary aluminium demand over the outlook period.

Production ramp-up in China and India is expected to boost world primary aluminium output by 1.7% year-on-year in 2024 to nearly 71 Mt. Growth in China, and India is expected to be relatively robust, but weak primary aluminium demand in Europe is preventing curtailed capacity from coming back online. After 2024, production ramp-up in China, Indonesia, and the Middle East is expected to increase global primary aluminium output by 1.2% a year over the outlook period, reaching 75 Mt by 2029. China's primary aluminium production is projected to reach 45 million tonnes by 2029, bringing it to the capacity cap introduced in 2017.

For Q1 2024, aluminum prices inched up by 0.3 percent (q/q) from \$2,222/mt to \$2,289/mt and continued to strengthen. This, however, is a 6% decrease from Q1 2023 and reflected concerns regarding the supply effects of a ban on Russian origin metals at major commodity exchanges in the United States and the United Kingdom. Aluminum demand growth, driven primarily by the automotive and construction sectors, is likely to remain soft this year on the back of limited expansion of industrial activity in major economies, notably China, which

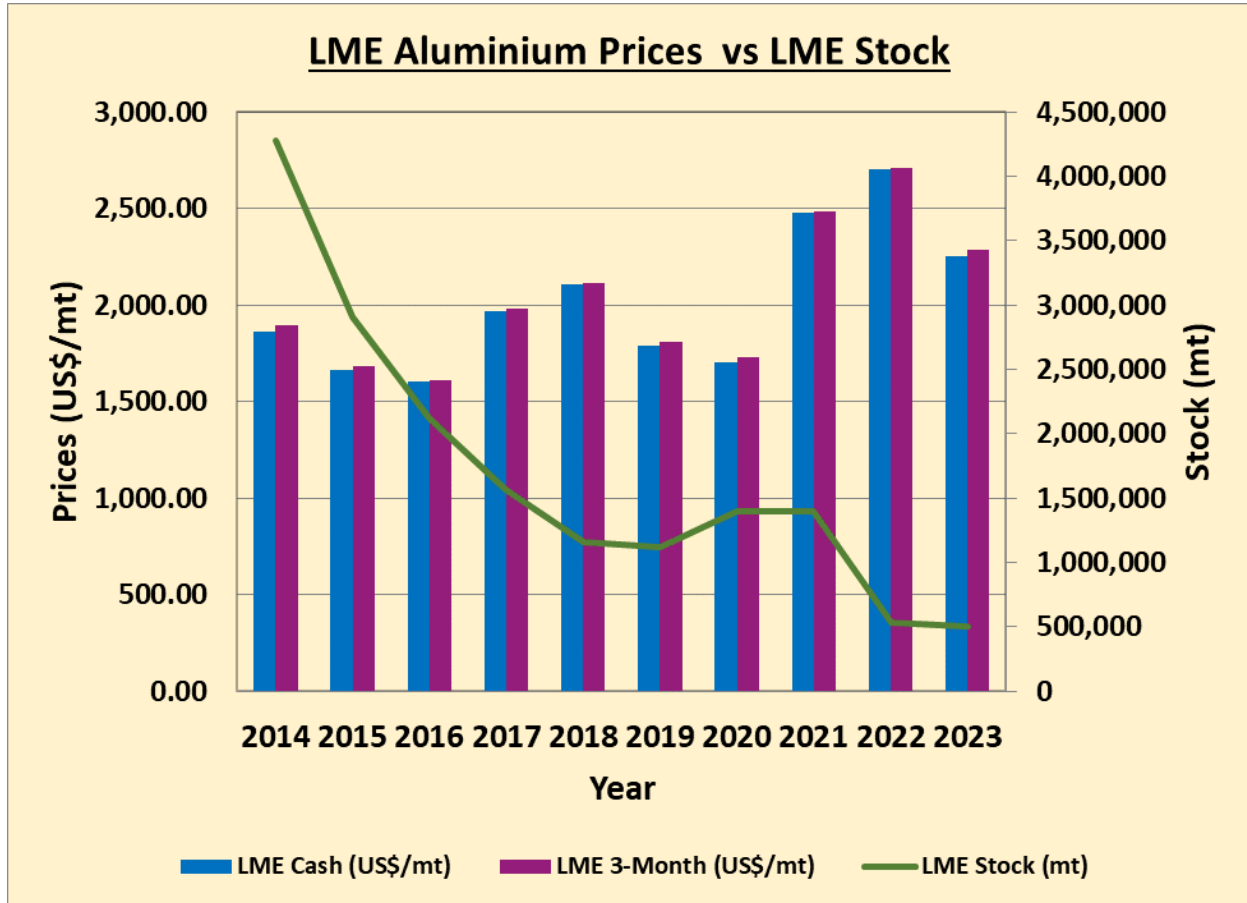
accounts for 60 percent of global aluminium consumption. Global aluminium supply is envisaged to remain stable in 2024, with China, the world's largest producer, nearing its annual output cap of 45 million tons which is intended to curb pollution. Prices are forecast to edge up by just 2 percent (y/y) in 2024. (see *Figure 2 for aluminium price movements*).

## THE GLOBAL MARKET FOR ALUMINA

Higher global primary aluminium production helped boost global alumina consumption to 1.5% to 136 Mt in 2023. China remained the world's largest alumina consumer, accounting for 59% of global alumina consumption, and contributed most to this increase (up 3.0% year-on-year). Outside of China, alumina consumption in Brazil and Canada rose by 23% and 5.3% year-on-year in 2023, respectively. Lower Chinese and Australian alumina output (down by 0.3% and 3.9% year-on-year, respectively) drove a 0.8% year-on-year fall in global alumina output in 2023 to nearly 142 Mt.

Alumina prices continued its elevating trajectory in 2023 (see *Figure 3: Alumina Price Trends*). Having broken the US\$300/mt barrier in 2021, the free on board (FOB) Australian alumina remained well above the barrier and grew by 1% year - on-year to US\$366 a tonne (in real terms) in 2023. This highlights that a nationwide strike in late February in Guinea - top producer of alumina's ore-did not significantly alter alumina production. Meanwhile, global aluminium output fell in February, which likely dented demand for alumina.

World primary alumina usage is forecast to grow by 1.7% year-on-year in 2024 before growing slower through the rest of the outlook period. World alumina output is forecast to grow 2.4% year-on-year in 2024 to 145 Mt, driven by rising output from new/existing refineries in China, Brazil, and Indonesia. After years of delay, Indonesia's 1 Mt a year Inalum alumina refinery is expected to come online in H2 2024. After 2024, world alumina output is projected to rise 1.4% yearly over the outlook period, reaching 156 Mt by 2029. The gains are forecast to be driven by India and Indonesia.



**Figure 2: LME Aluminium Prices vs LME Stock**  
 Source: JBI, Economics Division

**THE BAUXITE MARKET**

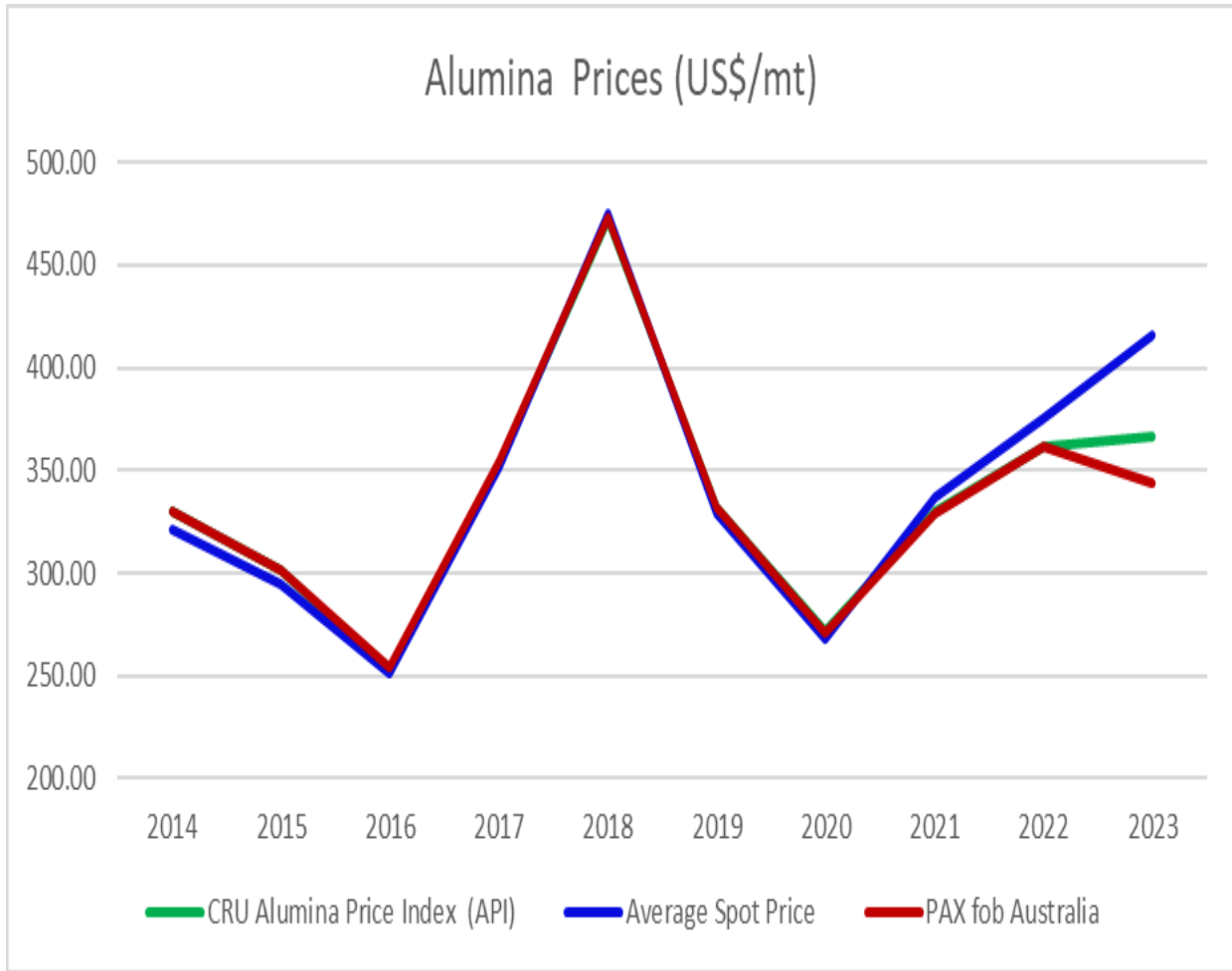
Global bauxite usage up by 0.3% year-on-year in 2023 to 361 Mt was helped pushed by strong bauxite consumption from the United Arab Emirates (UAE). Over this period, the UAE consumed nearly 11 Mt of bauxite, up 46% year-on-year, as the country’s alumina production rose by 45% year-on-year. In 2023, higher output in Guinea, Australia, Brazil, China, and India led to a 1.3% year-on-year rise in global bauxite output to 390 Mt. In Indonesia, a ban on bauxite exports commenced in June 2023 and reduced Indonesian bauxite production in 2023 by 71% to 6.4 Mt.

Global bauxite demand is expected to rise by 0.3% in 2024, with more rapid growth projected throughout

the outlook period. World bauxite output is forecast to grow by 3.3% in 2024 to 402 Mt. Growth has been affected in the short-term by an explosion at the main fuel depots in Guinea and by Indonesia’s bauxite export ban, which has short-term effects on production. After 2024, world bauxite production is projected to increase by 3.2% a year, reaching 464 Mt by 2029. Australia and Guinea are expected to contribute most to this rise.

**INVESTOR COMPANY PERFORMANCE**

As illustrated in Table 5, UC Rusal reported a 12.6% decrease in total revenue, as it moved from US\$13,974 million in 2022 to US\$12,213 million in 2023. Its net income declined by 84.3% from US\$1,793 million in 2022 to US\$282 million in 2023.



**Figure 3: Alumina Price Trends**

Source: JBI, Economics Division

TABLE 5						
INVESTOR COMPANIES REVENUES AND NET INCOME/LOSS						
REVENUE & NET INCOME/LOSS (US\$m)						
	REVENUE			NET INCOME/LOSS		
	2022	2023	% Chg	2022	2023	% Chg
UC Rusal	13,974.0	12,213.0	-12.6	1,793.0	282.0	-84.3
Century Aluminium	2,777.3	2,185.4	-21.3	(14.1)	(43.1)	205.7

Source: JBI, Economics Division

Rusal's aluminium production during 2023 accounted for approximately 5.5% of world output, while its alumina production represented roughly 3.8% of global output. The company's worldwide aluminium operations include fourteen aluminium smelters, nine alumina refineries, and five bauxite mines.

Meanwhile, Century Aluminium, which acquired Noble Group Holding's 55% majority stake in Jamalco in May of 2023, saw revenues plunge in 2023 vis-à-vis 2022 because of lower realized aluminium prices and shipment declines. Revenues fell by 21.3% from US\$2,777.3 million in 2022 to US\$2,185.4 million in 2023. The company also ended 2023 with a net loss of US\$43.1 million, which was 205.7% higher than the net loss of US\$14.1 million recorded in 2022. The net loss was attributed to several factors, including losses resulting from forward derivative contracts, the breakdown of power equipment at its Jamalco refinery, curtailment expenses associated with its Hawesville smelter, and increases in share-based compensation costs. Century Aluminium's worldwide assets include four fully owned aluminium smelters. In May 2023, they also acquired a 55% stake in Jamalco, a Jamaican facility that engages in alumina refining and bauxite mining.

The industry's remaining investors include Atlantic Alumina, proprietors of Discovery Bauxite Limited, and Jiuquan Iron & Steel Company Limited (JISCO), the owners of the currently inactive Alpart plant.

## ENERGY PRICES

In 2023, the oil market faced a challenging environment characterized by volatility and downward pressure on prices. Despite initial optimism, factors such as increasing non-OPEC+ supply and slowing global oil demand growth, which was consistent with a relatively weaker macroeconomic climate, contributed to bearish sentiment. The extension of OPEC+ output cuts also failed to significantly bolster prices, which experienced a significant drop by early December, reaching their lowest levels in six months. 2023 the OPEC Reference Basket averaged US\$83.0/bbl,

representing a 16.9% decrease from 2022. Meanwhile, Brent and WTI-Cushing crude benchmarks declined year over year by 18.2% and 18.1% to average US\$82.5/bbl and US\$77.6/bbl, respectively.

The World Bank in its April 2024 Commodity Markets Outlook is projecting marginal declines in commodity prices in 2024 and 2025, though they are expected to stay well above pre-pandemic levels. However, unlike most other prices, crude oil prices are anticipated to rise in 2024, primarily due to geopolitical tensions. Nonetheless, the outlook for commodity prices could be significantly affected by the potential escalation of the Middle East conflict, which could drive oil prices substantially higher and rekindle global inflationary pressures. Meanwhile, the Energy Information Administration (EIA) in its May 2024 Short Term Energy Outlook, forecasts that OPEC+ production cuts and geopolitical risks will keep Brent crude oil prices around US\$90/bbl for the rest of 2024. Prices are expected to average US\$85/bbl in 2025 as global oil production rises. Despite tensions, oil price volatility has been low this year due to ample spare production capacity, estimated at 4 million barrels per day through 2025, which can be used to manage short-term supply disruptions.

## THE LOCAL BAUXITE/ALUMINA SECTOR

The local sector experienced significant growth in the production and export of alumina in 2023 versus 2022, which resulted in a notable increase in the country's export value. The robust performance from the alumina segment of the industry comes in the wake of increased output from the Jamalco refinery as it continued ramping up operations over the year to return to pre-fire levels of capacity. Conversely, crude bauxite has seen a decline in both production and exports.

The total bauxite produced in 2023 was approximately 5.97 million dry metric tonnes (DMT) tonnes, up by 37.4% from the roughly 4.35 million DMT recorded in 2022. The quantity of bauxite

disposed of also increased by 37.1%, rising from about 4.47 million DMT in 2022 to 6.12 million DMT in 2023. The production of crude bauxite on the other hand, decreased by 18.0% to just under 2.05 million DMT in the review year from approximately 2.50 million DMT in 2022. Correspondingly, crude bauxite exports fell in 2023, amounting to roughly 2.09 million DMT, and was down by 16.0% from the slightly more than 2.48 million DMT generated in 2022.

The refining component of operations saw the production of around 1.4 million tonnes of alumina in 2023. This equated to approximately 38% of the industry's capacity utilisation rate and it also marked growth in output of 120.9% relative to 2022. Exports of alumina were also up substantially, expanding by 113.3% from 672.2 thousand tonnes in 2022 to

around 1.43 million tonnes in 2023.

There was some positive development in capital expenditure, which increased by 7.0%, from US\$27.8 million in 2022 to US\$29.8 million in 2023. The country's gross export value was up by 68.2% from US\$327.86 million in 2022 to US\$551.50 million in 2023. This outturn resulted despite lower crude bauxite exports and reduced alumina prices and was likely offset by higher export volumes of alumina and increased bauxite prices. Financial inflows, including local costs inflows and royalties, have seen moderate to significant increases. However, total inflows in the sector were enlarged by just 2.9% from US\$219.52 million the preceding year to US\$225.83 million in 2023. This led to a reduced retention rate of 40.9% in 2023, significantly lower than the 67.0% reported in the

**TABLE 6**

**JAMAICA: PRODUCTION, EXPORT & EARNINGS**

<b>BAUXITE/ALUMINA</b>	<b>2023 (P)</b>	<b>2022 (R)</b>	<b>% CHANGE</b>
Total Bauxite Produced ('000 mt)	5,969.6	4,345.1	37.4
Total Bauxite disposed of ('000 mt)	6,124.5	4,466.8	37.1
Crude Bauxite Production ('000 mt)	2,046.3	2,496.2	-18.0
Crude Bauxite Export ('000 mt)	2,085.5	2,484.0	-16.0
Alumina Production ('000 mt)	1,400.8	634.1	120.9
Alumina Export ('000 mt)	1,433.7	672.2	113.3
Capital Exp. (\$'000)	29,758.3	27,805.5	7.0
Bx Levy (US\$'000)	0.0	0.0	-
**Bauxite Levy Legacy Payment	0.0	0.0	-
Minimal Profit Sharing Payment @US\$1.50/mt (US\$'000)	0.0	0.0	-
Balance of Profit Sharing Payment @17 $\frac{1}{3}$ % (US\$'000)	0.0	0.0	-
<b>Total Profit Sharing Payment (US\$'000)</b>	0.0	0.0	-
Income Tax (US\$'000)	0.0	0.0	-
Local Costs Inflows (\$'000)	222,393.8	217,075.8	2.4
Royalties (US\$'000)	3,438.2	2,439.3	41.0
<b>TOTAL Inflows (\$'000)</b>	<b>225,832.1</b>	<b>219,515.1</b>	<b>2.9</b>
Export Value (\$'000)	551,499.5	327,862.1	68.2
Retention Rate (%)	40.9%	67.0%	

Notes: 1. (P) - Provisional  
2. (R) - Revised

previous year (See Table 6 for details).

## PROSPECTS FOR THE SECTOR

Several crucial factors affect the sector's medium and long-term prospects. On a macro-level, the medium-term outlook for the aluminium industry appears cautiously optimistic, buoyed by moderate global economic growth and increasing demand for aluminium and alumina. According to recent projections, global GDP growth is expected to remain steady for the next two years but remain robust enough to support industrial activities and consumption. Aluminium production is anticipated to grow steadily, with a projected increase of 2.2% to 71.8 million tonnes in 2024 and further to 75.4 million tonnes by 2026. This production growth is complemented by a 2.5% rise in consumption, which is forecasted to reach 71.8 million tonnes in 2024 and 75.4 million tonnes by 2026, indicating a healthy demand landscape. Meanwhile, demand for alumina is projected to grow significantly. Alumina production is expected to rise to 137 million tonnes in 2024 and reach 145.1 million tonnes by 2026. Tighter market conditions are projected for the alumina market; therefore, prices are expected to strengthen in 2024.

Energy forecasts play a pivotal role in shaping the sector's prospects. The industry is energy-intensive, and fluctuations in energy prices and availability can significantly impact operational costs and production feasibility. The industry will need to navigate potential challenges related to energy supply, especially in light of geopolitical risks that can cause extreme volatility in energy markets.

Additionally, the imposition of international sanctions

on Russia and counter-sanctions by the Russian government adds layers of complexity, affecting global supply chains and market dynamics. Existing sanctions have not disrupted local operations so far. However, they do introduce more uncertainty to the overall economic context, and their long-term effects and the possibility of future sanctions are not easily identified.

In recent years, concerns about the declining quality of bauxite in Jamaica have emerged, which could pose significant challenges for the industry. Processing lower-grade bauxite increases costs and reduces competitiveness. With global competition for high-quality bauxite intensifying, the industry must invest in advanced processing technologies, explore new reserves, and improve mining practices. Strategic partnerships and research investments are vital to overcoming quality issues and ensuring long-term viability. Adapting to these challenges will help sustain Jamaica's position in the global market.

Despite these challenges, the Jamaican bauxite and alumina sector can benefit from the global demand trends and increasing prices for alumina. Strategic investments and improvements in operational efficiencies could help mitigate some of the local challenges and position Jamaica to take advantage of the favorable market conditions. The medium-term prospects for the aluminium industry, therefore, hinge on the ability to manage local operational challenges while leveraging global demand and price dynamics.

# SENIOR EXECUTIVE COMPENSATION

Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Meal Allowances (\$)	Temp Allowances (\$)	Acting (\$)	Total (\$)
Yolanda Drakopoulos	8,454,942.30		141,429.00		122,000.04	353,372.58	1,360,476.16	10,432,220.08
Joan Thomas Levy	7,292,211.78				122,000.04	592,387.51		8,006,599.33
Richard Hanson	7,254,039.45		141,429.00		122,000.04	277,490.40		7,794,958.89
Worrell Lyew-You	7,301,754.86				122,000.04	671,111.87		8,094,866.77
Kemoy Lindsay	7,076,180.55		141,429.00		122,000.04	303,732.00		7,643,341.59
								41,971,986.66

## Notes

1. Other Allowances comprised of Meal subsidy given to all staff and Board Secretary's fees (Director of Administration & Finance only)
2. Non-cash Allowances include Group Life & Health Insurance coverage

# DIRECTORS' COMPENSATION

Position of Director	Fees (\$)	Motor Vehicle Up- keep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non- Cash Benefits as applicable (\$)	Total (\$)
ALSTON DOUGLAS BOD	503,000.00	20,000.00	-	-	523,000.00
ANGUS GORDON BOD, BCDP & AUDIT	402,800.00	11,400.00	-	-	414,200.00
JULLIET ROSE, BOD, BCDP & HR	496,800.00	9,900.00	-	-	506,700.00
SHARON HAYWEBSTER BOD,BCDP,HR,PROCUREMENT & AUDIT	491,300.00	29,500.00	-	-	520,800.00
CASBERT BRYAN BOD, HR & FINANCE	631,500.00	115,000.00	-	-	746,500.00
KAYON WHYNE BOD, HR, FINANCE & PROCUREMENT	465,400.00	491,749.00	-	-	957,149.00
NYEKAH ADAMS - BOD, CDP & HR	246,700.00	1,000.00	-	-	247,700.00
ROY NICHOLSON - BOD, BCDP & PROCUREMENT	292,200.00	-	-	-	292,200.00
DAMEON MCNALLY AUDIT, BOD, FINANCE & HR	446,900.00	41,000.00	-	-	487,900.00
VAUGHN MCDONALD HR & CORPORATE MEMBER	106,700.00	-	-	-	106,700.00
SHAYNE KERR, AUDIT	28,000.00	-	-	-	28,000.00
BARBARA CADOGAN, HR	56,000.00	-	-	-	56,000.00

**4,886,849.00**

# FINANCIAL STATEMENTS

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**JAMAICA BAUXITE INSTITUTE LIMITED**

**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2024**



**JAMAICA BAUXITE INSTITUTE LIMITED**

**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

To The Members of  
JAMAICA BAUXITE INSTITUTE LIMITED

### **Report on the Financial Statements**

#### **Opinion**

We have audited the financial statements of Jamaica Bauxite Institute Limited set out on pages 4 to 36, which comprise the statements of financial position as at March 31, 2024, the statements of 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, 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the Financial Statements**

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

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

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

## INDEPENDENT AUDITORS' REPORT

To The Members

### **JAMAICA BAUXITE INSTITUTE LIMITED**

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.

## INDEPENDENT AUDITORS' REPORT

The Members

### **JAMAICA BAUXITE INSTITUTE LIMITED**

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

### **Report on additional matters as required by the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been 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.



Chartered Accountants

July 25, 2024

**JAMAICA BAUXITE INSTITUTE LIMITED****STATEMENT OF COMPREHENSIVE INCOME****YEAR ENDED MARCH 31, 2024**

	<b>Note</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>REVENUE</b>	5	289,152	276,389
Other income	6	6,551	5,486
Finance income		<u>13,493</u>	<u>11,404</u>
		309,196	293,279
Administrative expenses	7	<u>(383,290)</u>	<u>(289,855)</u>
Net (deficit) surplus		(74,094)	3,423
Other Comprehensive income (loss)			
Other comprehensive income (loss) not to be reclassified to income in subsequent periods:			
Remeasurement gain/ (loss) on retirement benefit asset	11(f)	49,146	(66,535)
Remeasurement (loss) /gain on retirement benefit obligation	16(e)	<u>(15,917)</u>	<u>36,075</u>
Total other comprehensive income		<u>33,229</u>	<u>(30,460)</u>
Total Comprehensive Income		<u>(40,865)</u>	<u>(27,036)</u>


**JAMAICA BAUXITE INSTITUTE LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AT MARCH 31, 2024**

	Note	2024 \$'000	2023 \$'000
<b>ASSETS</b>			
<i>Non-current asset</i>			
Property, plant and equipment	10	74,195	70,726
Retirement benefit asset	11	124,694	58,471
Long-term receivables	12	4,326	3,084
		<u>203,215</u>	<u>132,281</u>
<b>Current assets</b>			
Trade and other receivables	13	24,341	13,300
Current portion of long-term receivables	12	895	-
Taxation recoverable		2,441	12,019
Bauxite Community Redevelopment Funded Projects	14	135,212	198,546
Cash and cash equivalents	14	135,780	220,431
		<u>298,669</u>	<u>444,296</u>
<b>Total assets</b>		<u>501,884</u>	<u>576,577</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	1	1
Capital grant		124	124
Accumulated surplus		245,745	286,610
		<u>245,870</u>	<u>286,735</u>
<i>Non-current liabilities</i>			
Retirement benefit obligation	16	80,319	57,991
Deferred income		2,725	2,725
Project funds	17	4,133	3,593
		<u>87,177</u>	<u>64,309</u>
<b>Current liabilities</b>			
Trade and other payables	18	33,625	26,987
Bauxite Community Redevelopment Projects		135,212	198,546
		<u>168,837</u>	<u>225,533</u>
<b>Total equity and liabilities</b>		<u>501,884</u>	<u>576,577</u>

The financial statements on pages 4 to 35 were approved for issue by the Board of Directors on July 25, 2024 and signed on its behalf by:

  
Director

  
Director

**JAMAICA BAUXITE INSTITUTE LIMITED****STATEMENT OF CHANGES IN EQUITY****YEAR ENDED MARCH 31, 2024**

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	<b>Share Capital \$'000</b>	<b>Capital Grants \$'000</b>	<b>Accumulated Surplus \$'000</b>	<b>Total \$'000</b>
Balance as at April 1, 2022	1	124	313,646	313,771
Surplus for the year	-	-	3,423	3,423
Other comprehensive loss	-	-	(30,460)	(30,460)
Total comprehensive loss	-	-	(27,036)	(27,036)
Balance as at April 1, 2023	1	124	286,610	286,735
Deficit for the year	-	-	(74,094)	(74,094)
Other comprehensive gain	-	-	33,229	33,229
Total comprehensive loss	-	-	(40,865)	(40,865)
Balance as at March 31, 2024	1	124	245,745	245,870

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**JAMAICA BAUXITE INSTITUTE LIMITED****STATEMENT OF CASH FLOWS****YEAR ENDED MARCH 31, 2024**

	Note	2024 \$'000	2023 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
(Deficit) surplus		(74,094)	3,423
Adjustments for:			
Retirement benefit adjustment	11	984	(1,587)
Depreciation	10	14,866	17,924
Interest income		(12,489)	(11,507)
Exchange gain		-	(14)
		<u>(70,733)</u>	<u>8,239</u>
Changes in operating assets and liabilities			
Trade and other receivables		(11,041)	2,442
Taxation recoverable		9,578	(73)
Trade and other payables		6,638	6,722
		<u>5,175</u>	<u>9,091</u>
Net cash provided by operating activities		<u>(65,558)</u>	<u>17,330</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	10	(18,334)	(23,727)
Loss from stolen fixed assets		-	-
Long-term receivables		(2,137)	(2,587)
Interest received		4,863	10,305
Project funds		(62,794)	(52,251)
		<u>(78,402)</u>	<u>(68,260)</u>
Net cash provided by investing activities		<u>(78,402)</u>	<u>(68,260)</u>
<b>INCREASE IN NET CASH AND CASH EQUIVALENTS</b>			
		(143,960)	(50,930)
Effect of foreign exchange rate on cash and cash-equivalents		-	14
Effect of change in retained earnings and cash equivalent at the beginning of the year		<u>414,952</u>	<u>465,868</u>
Cash and cash equivalent at the end of the year	14	<u>270,992</u>	<u>414,952</u>

# JAMAICA BAUXITE INSTITUTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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### 1. STATUS AND PRINCIPAL ACTIVITY:

The Company was incorporated under the Companies Act of Jamaica in October 1975. Its principal activities are to advise the Government of Jamaica on matters pertaining to the Bauxite/Alumina Industry, local and international, and to undertake research and disseminate information related to the industry. The registered office is located at The Hope Gardens Commercial Complex, Kingston 6.

### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION:

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

#### 2.1 Statement of Compliance

The Commission's financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS), (2023: IFRS and IPSAS) and their interpretations issued by the International Accounting Standards Board and the relevant requirements of the Acts. There was no material impact on the Financial Statements arising from that change.

The financial statements have been prepared under the historical cost basis and are expressed in Jamaican dollars, unless otherwise indicated.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year then ended. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

There are no significant assumptions and judgements applied in these financial statements that carry a risk of material adjustment in the next financial year.

#### 2.2 Amendments to IFRS that are mandatorily effective for the current year

In the current year the Commission has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting period that begins on or after 1 January 2023.

The application of these amendments has not had any impact on the amounts reported or the presentation and disclosures in these financial statements but may impact the accounting for future transactions and arrangements.

# JAMAICA BAUXITE INSTITUTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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### 2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

		Effective for annual periods beginning on or after
<u>New Standard</u>		
IFRS 17	Insurance Contracts	January 1, 2023
<u>Amendments to Standards</u>		
IFRS 17	<i>Property, Plant and Equipment</i>	January 1, 2023
IAS 1 and IFRS Practice Statement 2	- Amendments regarding the disclosure of accounting policies	
IAS 8	Amendments regarding the definition of accounting estimates	January 1, 2023
IAS 12	Income taxes – clarifying application of the initial recognition exemption for temporary differences	January 1, 2023

#### **Amendments to IAS 1: Disclosure of Accounting Policies**

In February 2021, the IASB issued amendments to IAS1 and *IFRS Practice Statement 2 Making Materiality Judgements* with the aim of assisting entities to provide accounting policy disclosures that are more useful by:

1. Replacing the requirement to disclose '*significant*' accounting policies with a requirement to disclose '*material*' accounting policies
2. Adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures. Guidance and examples are provided to assist the process of application. Entities will need to consider the size of transactions, other events or conditions and their nature in making the assessment.

In the current year management reviewed the accounting policy and disclosures of the previous financial year to assess their materiality. Careful consideration was given to standardized information or those that only duplicate or summarises the requirements of IFRSs in deciding whether to remove or retain these as material in enhancing the usefulness of these financial statements.

#### **Amendments to IAS 8: *Definition of accounting estimates***

The amendment clarified how to distinguish between changes in accounting policies and changes in accounting estimates:

The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. Clarification is also given on how entities use measurement techniques and inputs to develop accounting estimates.

The amendment clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**Amendments to IAS 8: *Definition of accounting estimates* (continued)**

input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

This importance of the distinction is that changes in accounting estimates are applied prospectively to future transactions and other future events, while changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendment did not have any significant impact on the Commission's financial statements.

**2.3 New and revised IFRS in issue but not yet effective**

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

<u>New Standards</u>		<u>Effective for annual periods beginning on or after</u>
IFRS 18	Presentation and Disclosures in Financial statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024
IFRS S2	Climate-related Disclosures	January 1, 2024
<u>Revised Standards</u>		
IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely
IAS 1	<i>Presentation of Financial Statements</i> Classification of liabilities as Current or Non-current Amendment regarding the classification of debts with covenants	January 1, 2024 January 1, 2024
IAS 21	<i>The effect of Changes in Foreign Exchange Rates</i> Amendment on 'Lack of Exchangeability', providing guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	January 1, 2025
IFRS 16	<i>Leases</i> Amendment to clarify how a seller-lessee subsequently measures sale and leaseback transactions	January 1, 2024
IFRS 7 and IAS 7	<i>Financial Instruments: Disclosures and Statement of Cash Flows</i> Statement of Cash Flows: Amendments regarding supplier finance arrangements.	January 1, 2024

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

2.3 New and revised IFRS in issue but not yet effective that are relevant (cont'd)

**Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***

In January 2020 and October 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied prospectively.

The Commission is currently assessing the impact the amendments will have on current practice.

**Amendments to IFRS 7 and IAS 7: Disclosures – Supplier Finance Arrangements**

The amendments assist users of the financial statements to assess the effect of these arrangements on the entity's liabilities, cash flows and exposure to liquidity risks.

***Characteristics of the supplier arrangements***

One or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle these amounts with the finance providers according to the contractual arrangement with them, which may be at terms and conditions at the same date or at later dates than that on which the finance providers pay the entity's suppliers.

**Disclosure requirements**

New disclosures are required to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. IFRS 7 requires quantitative liquidity risk disclosures of financial liabilities. In that context, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. There are transition reliefs regarding comparative and quantitative information as at the beginning of the annual reporting period.

The Commission will apply the amendments as at the end of the 2025 reporting period. The amendment is not expected to have any significant impact of the financial statements on initial application.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

2.3 New and revised IFRS in issue but not yet effective (cont'd)

**IFRS 18: Presentation and Disclosures in Financial Statements (New Standard)**

The objective of the standard is to set out requirements for the presentation and disclosure of information in general-purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses that is useful to users of financial statements in assessing the prospects for future net cash inflows to the entity and in assessing management's stewardship of the entity's economic resources.

IFRS 18 identifies what a complete set of financial statements comprises and identifies this as 'primary financial statements'.

*Statement of profit or loss*

The standard requires that an entity classify all income and expenses within its statement of profit and loss into one of five categories: Operating, investing, financing, income taxes and discontinued operations, the first three of which are new. This is complemented by the requirement to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

*Main business activities*

For classification in the three new categories, an entity must assess whether it has a 'specified main business activity' of investing in assets or providing customer financing. Specific classification requirements apply to such entities. Judgement is required in determining the facts and circumstances relevant to a specified main business activity as an entity may have more than one business activity.

*Investing Category*

This category will generally include income and expenses from investments in associates, joint ventures and unconsolidated subsidiaries, cash and cash equivalents and other assets if they generate a return individually and largely independently of the entity's other resources.

*Financing category*

For an entity that does not provide financing to customers as a specified main business activity, the financing category comprises income and expenses from liabilities arising from transactions that involve only the raising of finance, for example, debentures, loans, notes, bonds and mortgages. It would also include interest income and expenses and the effects of changes in interest rates from liabilities arising from transactions that do not involve only the raising of finance, for example, payables for goods or services, lease liabilities and defined benefit pension liabilities, but only if the entity identifies those amounts when applying another IFRS accounting standard' (other liabilities).

Those entities that provide financing to customers as a main business activity will classify in the operating category income and expenses from liabilities that arise from transactions that involve only the raising of finance related to the provision of financing to customers and make an accounting policy choice to classify in the operating category or financing category income and expenses from liabilities that arise from transactions that involve only the raising of finance not related to the provision of financing to customers.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)

2.3 New and revised IFRS in issue but not yet effective (cont'd)

*Operating category*

This category is intended to capture income and expenses from the entity's main business activities. IFRS 18 describes it as a residual category and it therefore will comprise all income and expenses not included within the other categories irrespective of volatility or their unusual nature. However, any income or loss from investments accounted for using the equity method is to be included in the investing category, regardless of the specified main business activity of the entity.

Retrospective application of the standard is mandatory for annual reporting periods starting from 1 January 2027 onwards but earlier application is permitted provided that this fact is disclosed.

The Commission is assessing the impact of this new standard on its financial statements and will implement the standard on the period it becomes effective.

**IFRS S1: General Requirements for Disclosure of Sustainability-related financial information**

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. It applies to all entities regardless of their accounting principles and practices.

The Commission will assess the extent to which compliance with the standard is required as part of its reporting obligation prior to the effective date which would apply to the 2025 reporting period. Such reporting is typically made in an entity's annual report.

**IFRS S2: Climate-related Disclosures**

IFRS S2 sets out the requirements for identifying, measuring, and disclosing information about climate-related risks and opportunities to which the entity is exposed that is useful to the primary users of general-purpose financial reports in making informed decisions regarding resource allocation to the entity. These are climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows. Climate-related financial disclosures cover matters of governance, strategy, risk management and metrics and targets.

The Commission will assess the extent to which compliance with the standard is required as part of its reporting obligation prior to the effective date which would apply to the 2025 reporting period. Such reporting is typically made in an entity's annual report.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**2.4 Summary of accounting policies**

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

**a) Foreign currency translation**

**(i) Functional and presentational currency**

Item included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency) the financial statements are presented in the Jamaican dollars, which is the functional and presentation currency.

**(ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of changes in net assets available for benefits. At the year-end date, monetary assets and liabilities denominated in foreign currency are translated using the closing mid-point rate of exchange. Unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are acknowledged in the statement of changes in net assets available for benefits.

**a) Investment securities**

Investment securities are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or other recognized valuation techniques.

**b) Revenue recognition**

Revenue comprises consultancy and research fees earned from projects. Revenue is recognized when consideration is received or receivable for the services in the ordinary course of business.

Interest income is recorded on the accrual basis. Where collection of interest income is considered doubtful, interest income is thereafter recognized based on the rate of interest that is used to discount the future cash flows for the purpose of measuring the recoverable amount.

Gains and losses arising from trading in foreign currencies are recognized when realized and are shown net in the statement of comprehensive income.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**2.4 Summary of accounting policies**

*Sale of goods*

Revenue is recognised at a point in time in the amount of the price expected to be received by the Company for publications supplied, as contractual performance obligations are fulfilled, and control of goods passes to the customer. Revenue is decreased by any discounts granted to customers.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

When calculating the effective interest rate the estimates future cash flows consider all contractual terms of the financial instrument, but not ECL.

**c) Receivables**

Receivables are carried at cost which approximates the fair value of those assets.

**d) Expenses**

All expenses are recognized in the statement of changes in net assets available for benefits on the accrual basis. Accrued expenses are recognized initially at fair value and subsequently stated at amortised cost using the effective interest method.

**e) Financial investments**

**(i) Classification**

The company classifies its investment in debt and equity securities. These financial assets are classified as available-for-sale investment securities. The company's policy is for the managers to evaluate the information about these financial assets on a fair value basis together with other related information.

**(ii) Recognition/derecognition**

Regular purchases and sales of investments are recognized on the trade date, the date on which the company commits to purchase or sell the investment. Investments are derecognized when the rights to receive cash flows from the investments have expired and the company has transferred substantially risks and rewards of ownership.

**(iii) Measurement**

Financial investments are initially recognized at fair value. Transaction costs are expensed in the statement of changes in net assets available for benefits. Subsequent to initial recognition, all financial investments are measured at fair value based on quoted bid prices or amounts derived from cash flow invested. Unrealised gains and losses are recognized in the statement of changes in net assets available for benefits.

**2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONT'D)**

**2.4 Summary of accounting policies**

**f) Financial investments**

**(iv) Fair value estimation**

The fair value of the financial instruments traded in active markets (such as equity securities) is based on quoted market prices at the year-end date. The quoted market prices used for financial assets held by the company is current bid price.

**g) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

**h) Use of estimates and judgments**

The preparation of financial statements in accordance with International Financial Reporting Standards requires the Board of Directors to make estimates and assumptions that effect the amounts reported in the financial statements and accompanying notes. These estimates are based on historical experience and the Board of Directors' best knowledge of current events and actions and are reviewed on an ongoing basis. Actual results could differ from those estimates.

**i) Employee benefits**

**(i) Pension obligations**

The company participates in a multi-employer defined benefit pension plan which is open to all permanent employees and administered by Sagicor Life Jamaica Limited. The plan is generally determined by periodic actuarial valuations.

A defined benefit plan is one that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The assets or liability recognized in the statement of financial position in respect of defined benefit pension plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs.

The defined benefit obligation is calculated annually by independent actuaries using the projected credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and amendments to the pension plan are charged or credited to other comprehensive income over the employees, expected average remaining working lives. The adjustment experience is divided into three categories being net actuarial gain/(loss) on retirement obligations and net change in unrecognized asset. The cumulative net effect of all experience adjustment is reported in the actuarial reserve account under equity.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Summary of accounting policies (Cont'd)**

**i) Employee benefits**

**(ii) Termination obligations**

Termination benefits are payable when employment is terminated by the company before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

**(iii) Other retirement benefit obligations**

The company also provides medical benefits to qualifying employees upon retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. These obligations are valued annually by independent qualified actuaries.

**j) Property, plant and equipment**

- (i) Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The directors however, are in the process of revaluing the building to show its true value which was materially understated.
- (ii) Depreciation is calculated on the straight-line basis at annual rates to write down the assets to their estimated residual values over their expected useful lives which are as follows:

Freehold building	40 years
Research library stock and Furniture, fixtures and equipment	5 – 10 years
Motor vehicles	5 years

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating results.

**k) Impairment of non-current assets**

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

# JAMAICA BAUXITE INSTITUTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Summary of accounting policies (Cont'd)

##### l) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges. The company's income is exempt under Section 12(b) of the Income Tax Act.

Current tax charges are based on taxable surplus for the year, which differ from the surplus before tax reported because it excludes items that are taxable or deductible on other years, and items that are never taxable or deductible. The company's liability for current tax is calculated at tax rates that have been enacted at the year end date.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognized to the extent that it is probable that future taxable surplus will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited in the statement of comprehensive income, except where it relates to items charged or credited to equity, in which case, deferred tax is also dealt with in the accumulated fund.

##### m) Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

##### n) Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Summary of accounting policies (Cont'd)**

**n) Fair Value Measurement (cont'd)**

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**3. FINANCIAL RISK MANAGEMENT**

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

The Ministry of Finance are ultimately responsible for the establishment and oversight of the company's risk management framework. The Managers provide guidelines for overall risk management and areas, such as foreign exchange risk, interest rate risk and credit risk, and investment of excess liquidity. The Managers manage and monitor risks, as follows:

# JAMAICA BAUXITE INSTITUTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### Market risk

The company takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates, interest rates and market price.

The market risk of the company's investment portfolio is reviewed regularly using quantitative and qualitative risk measures and analyses.

#### (i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company is exposed to currency risk due to fluctuation in the exchange rates on balances that are denominated in currencies other than the Jamaican Dollar.

Management ensures that the net exposure is kept to an acceptable level by monitoring all currency positions and ensuring adherence to predetermined limits.

The carrying amounts of the company's foreign currency denominated monetary assets at the reporting date are as follows:

	2024		2023	
	US\$	J\$ Equivalent	US\$	J\$ Equivalent
Assets	86,278	12,941,658	64,109	9,616,389

There was no foreign currency related liabilities at the reporting date.

#### Foreign currency sensitivity

The following table indicates the currency to which they have significant exposure on its monetary assets. The change in currency rate below represents the Finance Director's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated bank balances and adjusts their translation at the year-end for a revaluation of 1% and devaluation of 4% (2023: revaluation of 1% and devaluation of 4%) in foreign currency rates.

	2024		2023	
	Change in Currency %	Effect on Surplus \$	Change in Currency %	Effect on Surplus \$
United States dollar				
Revaluation	1	(129,417)	1	(96,164)
Devaluation	4	517,668	4	384,656

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

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**3. FINANCIAL RISK MANAGEMENT (CONT'D)**

**Market risk (Cont'd)**

**(ii) Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

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

The company's exposure to interest rate risk is affected by its holding in bank deposits and short-term investments. In respect of liabilities, the company does not enter into transactions involving interest costs and is therefore not affected by interest rate risk on liabilities.

The following tables indicate the level of interest rate exposure of the company for Jamaican dollar and United States Dollar denominated securities:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
J\$ denominated securities	219,131	365,773
US\$ denominated securities	<u>-</u>	<u>9,616</u>
	<u>219,131</u>	<u>375,389</u>

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the income statement.

The sensitivity of net surplus is the effect of the assumed changes in interest rates on surplus for the year based on the floating rate non-trading financial assets and financial liabilities. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be on an individual basis.

	<b>Effect on surplus</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Change in interest rate on J\$ securities		
-0.25% (2023: -5%)	(548)	(1,829)
+1.25% (2023: +1%)	2,739	4,255

# JAMAICA BAUXITE INSTITUTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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### 3. FINANCIAL RISK MANAGEMENT (CONT'D)

#### Market risk (Cont'd)

#### (ii) Interest rate risk (continued)

	Effect on surplus	
	2024 \$'000	2023 \$'000
Change in interest rate on US\$ securities		
-0.25% (2023: -5%)	-	(48)
+1.25% (2023: +1%)	-	96

#### (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency or interest rate risk, whether those changes are caused by factors specific to the instrument or affecting all similar instruments in the market. The company is exposed to price risk arising from its holdings in unit trust investments. The level of price risk exposure is as indicated below:

#### (iv) Credit risk

Credit risk is the risk that a party to a financial transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

Investments are allowed principally in secure liquid instruments and with counterparties that the Managers believe do not offer any significant credit risk. Based on their assessment, the Managers do not expect any counterparties to fail to meet their obligations. The managers manage credit risk by having an investment policy which includes written authority levels and prior approval by the Ministry of Finance of any investment transaction.

The company also faces credit risk on its receivables in that a credit customer may fail to pay the company amounts due from them.

The company assesses the individual characteristics of its customers to determine who will be offered credit and who will have to transact business on a cash only basis.

Cash and bank transactions are limited to high credit quality financial institutions.

The company's maximum exposure to credit risk equals the carrying value for the items on the statement of financial position that are subject to credit risk amounting to \$134 million (2023: \$215 million) as summarised at 3(v) below.

**JAMAICA BAUXITE INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2024**

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**3. FINANCIAL RISK MANAGEMENT (CONT'D)****Market risk (Cont'd)****(iv) Credit risk**

Trade receivables that are less than three months past due are not considered impaired. As of 31 March 2024, trade receivables of \$ Nil (2023: \$ Nil) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these receivables was as follows:

	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
More than 3 months but not more than 6 months	<u>-</u>	<u>-</u>

As of 31 March 2024, no trade receivables (2023: Nil) were impaired.

**(v) Liquidity risk**

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at, or close to, its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed facilities. Due to the nature of the company, which accumulates and invests funds to pay liabilities which crystallise principally in the short term and in a measured predictable manner, the Managers believe liquidity risk for the company is negligible.

The maturity of all financial instruments is shown in the following tables:

	<b>2024</b> <b>\$'000</b>	<b>2023</b> <b>\$'000</b>
Financial assets maturing in one year of less on demand		
Cash and cash equivalents	270,992	414,998
Trade and other receivables	26,782	10,910
Loans receivables – current portion	<u>-</u>	<u>-</u>
	297,774	425,908
In more than one year		
Long-term receivables	<u>5,221</u>	<u>3,084</u>
	<u>302,995</u>	<u>428,992</u>
Financial liabilities maturing in		
One year or less or on demand		
Trade and other payables	<u>168,837</u>	<u>213,896</u>
	<u>168,837</u>	<u>213,896</u>
Excess of financial assets over financial liabilities	<u>134,158</u>	<u>215,096</u>

**4. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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. A market price, where an active market (such as a recognised stock exchange) exists, is the best evidence of the fair value of a financial instrument. Where market prices are not available for the financial assets and liabilities of the company, fair values in the financial statements have been presented using various estimation techniques based on market conditions existing at the end of the reporting period. Generally, judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented in these financial statements are not necessarily indicative of the amounts that the company would realise in a current market exchange.

**IFRS 9 accounting policies applicable after 1 January 2018**

**Trade Receivables**

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows. These cash flows are solely payments of principal and interest (SPPI). Subsequent to initial recognition at fair value, the Company measures trade receivables at amortised cost using the effective interest method.

**Other Financial Assets at Amortised Cost**

The Company classifies its other financial assets at amortised cost as these assets are held only within a business model the objective of which is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest. Other financial assets at amortised cost include cash and bank balances, other receivables and long term receivables.

**Impairment**

The Company recognises a loss allowance for expected credit losses on trade receivables and other financial assets that are measured at amortised cost applying the expected credit loss model. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. Cash and cash equivalents are also subject to the impairment requirements of IFRS 9.

The Company always recognises lifetime ECL for trade receivables applying the IFRS 9 simplified approach. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors as well as the expected changes in factors or conditions affecting the debt at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

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**4. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)**

**IFRS 9 accounting policies applicable after 1 January 2018 (cont'd)**

**Impairment (cont'd)**

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

**Write-off**

Financial assets are written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Subsequent recovery.

The following methods and assumptions have been used in determining the fair values of financial assets and financial liabilities:

**5. REVENUE**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue comprise the following:		
Government grant	282,441	268,480
JBI Greenhouse	-	302
Water sampling project	6,668	6,328
Analyses	43	1,279
	<u>289,152</u>	<u>276,389</u>

**6. OTHER INCOME**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Other income comprise the following:		
Management fees	3,928	3,405
Rent	1,423	1,343
Other	1,200	739
	<u>6,551</u>	<u>5,486</u>

**JAMAICA BAUXITE INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2024**

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**7. EXPENSE BY NATURE**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Auditor's remuneration	-	850
Depreciation	14,866	17,924
Insurance	3,153	1,724
Legal and professional fees	13,883	7,302
Motor vehicle	3,329	3,760
Security	10,329	4,996
Hireage of services	6,117	2,815
Other	6,236	5,841
Laboratory supplies and spares	5,447	4,127
Administrative office supplies	3,515	3,337
Subscriptions	2,807	4,815
Environment Project & Bauxite Strategy	5,072	5,554
Repairs and maintenance	9,440	9,120
Staff costs (note 8)	282,994	199,336
Utilities	16,102	18,354
	<u>383,290</u>	<u>289,855</u>

**8. STAFF COSTS**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries, wages and related expenses	216,190	132,692
Payroll taxes – employer's portion	16,523	11,844
Pension cost (Note 11)	(2,500)	(1,109)
Health insurance and other benefits	22,996	47,013
Travelling and subsistence	15,329	4,760
Staff training	3,760	1,778
Separation, welfare and leave cost	10,696	2,358
	<u>282,994</u>	<u>199,336</u>

**9. INCOME TAX**

The company's income is exempt from income tax under Section 12(b) of the Income Tax Act.

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**10. PROPERTY, PLANT AND EQUIPMENT**

	<b>Buildings \$'000</b>	<b>Laboratory, Surveying and Drawing \$'000</b>	<b>Furniture, Fixtures and Office Equipment \$'000</b>	<b>Motor Vehicles \$'000</b>	<b>Computers \$'000</b>	<b>Total \$'000</b>
<b>At Cost -</b>						
April 1, 2022	7,467	107,937	23,108	30,028	32,140	200,680
Additions	76	3,957	1,633	15,270	2,791	23,727
Adjustment	-	-	-	(1,611)	-	(1,611)
March 31, 2023	7,543	111,894	24,741	43,687	34,931	222,796
Additions	-	8,341	1,924	-	8,064	18,329
Disposal	-	-	-	(2,795)	-	(2,795)
Adjustment	-	-	-	1,612	-	1612
March 31, 2024	7,543	120,235	26,665	42,504	42,995	239,942
<b>Depreciation -</b>						
March 31, 2022	901	76,730	12,522	22,948	22,639	135,740
Adjustment	-	-	-	(1,594)	-	(1,594)
Charge for the year	190	9,915	1,759	2,426	3,634	17,924
March 31, 2023	1,091	86,645	14,281	23,780	26,273	152,070
Adjustment	-	-	-	(1,368)	179	(1,189)
Charge for the Year	(91)	6,783	1,368	3,973	2,833	14,866
March 31, 2024	1,000	93,428	15,649	26,385	29,285	165,747
<b>Net Book Value –</b>						
March 31, 2024	6,543	26,807	11,016	16,119	13,710	74,195
March 31, 2023	6,452	25,249	10,460	19,907	8,658	70,726

# JAMAICA BAUXITE INSTITUTE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2024

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### 11. RETIREMENT BENEFITS PENSION SCHEME

The Company participates in a multi-employer defined benefit pension plan which is open to all permanent employees and administered by Sagicor Life Jamaica Limited.

#### Pension plan benefits

The plan is funded by employees' contributions at 5% of pensionable salary with the option to contribute an additional 5% and employer contribution as recommended by the independent actuaries. Pension at normal retirement age is based on 2% of the final 3-year average salary per year of pensionable service, plus any declared bonus pensions.

(a) The principal actuarial assumptions used in valuing retirement benefits were as follows:

	2024	2023
	%	%
Discount rate	10.5	13.0
Long term rate of inflation	5.5	5.5
Future salary increases	6.5	6.5
Future pension increases	2.0	2.0
Administrative fees (% of salary)	1.0	2.0
Minimum funding rate	0.25	0.25

Demographic assumptions include expected retirement age and mortality. Males are expected to retire at age 65 and females at age 60, which are the normal retirement age for the pension scheme. Assumptions regarding future mortality are based on American 1994 Group Annuity Mortality (GAM94) Table, with a five (5) year mortality improvement. No demographic assumptions are made for members existing before retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2024 is 27 years (2023: 26 years).

The company expects to make a contribution of \$16.73 million to the plan during the next financial year. Total contributions inclusive of employees' contributions is expected to be \$27.931 million.

(b) The defined benefit asset recognized in the statement of financial position was determined as follows:

	2024	2023
	\$'000	\$'000
Fair value of plan assets	714,269	654,113
Present value of funded obligation	<u>(544,740)</u>	<u>(421,420)</u>
	169,529	232,693
Unrecognised asset due to asset ceiling	<u>( 44,835)</u>	<u>(174,222)</u>
	<u>124,694</u>	<u>58,471</u>

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**11. RETIREMENT BENEFITS PENSION SCHEME (CONTINUED)**

(c) The movement in the net retirement benefit asset in the year are as follow:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at the beginning of the year	58,471	114,953
Remeasurement recognized in other comprehensive income	2,500	1,109
Amounts charge to income	49,146	(65,535)
Employer's contributions	14,577	8,944
	<u>124,694</u>	<u>58,471</u>
Balance at the end of the year	<u>124,694</u>	<u>58,471</u>

(d) The movement in the asset ceiling is as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Effect of assets ceiling, beginning of the year	174,222	107,288
Interest on asset	22,649	8,583
Effect of remeasurement	(152,036)	58,351
	<u>44,835</u>	<u>174,222</u>
Effect of asset ceiling, end of year	<u>44,835</u>	<u>174,222</u>

(e) The amounts recognized in surplus for the year in respect of the plan are as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current service cost	6,635	8,685
Net interest cost:		
Interest cost on the defined benefit obligation	52,197	39,315
Interest income on the plan assets	(83,981)	(57,692)
Interest on effect of the asset ceiling	22,649	8,583
	<u>(9,135)</u>	<u>(9,794)</u>
Net expense recognized in staff costs (Note 8)	<u>(2,500)</u>	<u>(1,109)</u>

The change for the year has been included in administrative expense in the statement of comprehensive income.

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**11. RETIREMENT BENEFITS PENSION SCHEME (CONTINUED)**

(f) Amounts recognized in other comprehensive income in respect of the plan are as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Actuarial changes arising from changes in financial assumptions	(60,390)	87,552
Experience adjustments	(42,500)	(95,736)
Change in effect of asset ceiling	152,036	(58,351)
	<u>49,146</u>	<u>(66,535)</u>
Net loss recognized in other comprehensive income	<u>49,146</u>	<u>(66,535)</u>

(g) The remeasurement gain (loss) in other comprehensive income is further analysed as follows:

	<b>Financial Assumptions</b>	<b>Experience Adjustments</b>	<b>Net</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>2024</u></b>			
Fair value of plan assets	29,911	(50,966)	(21,055)
Defined benefit obligation	(90,301)	8,466	(81,835)
	<u>(60,390)</u>	<u>(42,500)</u>	<u>(102,890)</u>
<b><u>2023</u></b>			
Fair value of plan assets	(59,647)	(53,322)	(112,969)
Defined benefit obligation	147,199	(42,414)	104,785
	<u>87,552</u>	<u>(95,736)</u>	<u>(8,184)</u>

(h) The movement in the fair value of the plan assets during the year is as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Fair value of plan assets at beginning of year	654,113	752,894
Interest income	83,981	57,692
Employer's contributions	14,577	8,944
Member's contributions	9,760	6,276
Annuities purchased	-	27,889
Benefits paid	(27,107)	(86,613)
Remeasurement gain on assets for other comprehensive income (Note 11(g))	(21,055)	(112,969)
	<u>714,269</u>	<u>654,113</u>
Fair value of plan assets at end of year	<u>714,269</u>	<u>654,113</u>

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**11. RETIREMENT BENEFITS PENSION SCHEME (CONTINUED)**

- (i) The movement in the present value of the defined benefit obligation during the year is as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Defined benefit obligation at beginning of year	421,420	530,653
Service cost	6,635	8,685
Interest cost	52,197	39,315
Member's contributions	9,760	6,276
Annuities purchased	-	27,889
Benefits paid	(27,107)	(86,613)
Remeasurement gain on assets for other comprehensive income (Note 11(g))	81,835	(104,785)
	<u>544,740</u>	<u>421,420</u>
Defined benefit obligation at end of year	<u>544,740</u>	<u>421,420</u>

- (j) At the end of the reporting period the plan assets are invested in unitized segregated funds of the Sagicor Pooled Pension Investment Fund.

	<b>Percentage Distribution</b>		<b>Fair value of Plan Asset</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	%	%	<b>\$'000</b>	<b>\$'000</b>
Equities fund	16	18	114,882	120,998
Mortgage and real estate fund	14	14	101,822	93,283
Fixed income	3	2	19,048	11,810
Foreign currency fund	12	12	83,982	78,923
Money Market fund	8	9	60,905	57,345
International Equity fund	3	3	22,077	17,665
CPI index fund	14	13	98,438	83,336
Value of purchased Annuities (net of adjustment)	30	29	213,115	190,753
	<u>100</u>	<u>100</u>	<u>714,269</u>	<u>654,113</u>

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**11. RETIREMENT BENEFITS PENSION SCHEME (CONTINUED)**

**(k)** Sensitivity analysis

	<b>Discount rate</b>	
	<b>1% Decrease \$'000</b>	<b>1% Increase \$'000</b>
Impact on the present values of Defined benefit obligation		
2024	<u>36,091</u>	<u>(28,922)</u>
2023	<u>15,335</u>	<u>(18,491)</u>
	<b>Salary growth</b>	
	<b>1% Decrease \$'000</b>	<b>1% Increase \$'000</b>
Impact on the present values of Defined benefit obligation		
2024	<u>(11,696)</u>	<u>13,727</u>
2023	<u>(5,078)</u>	<u>4,463</u>
	<b>Future pension increase</b>	
	<b>1% Decrease \$'000</b>	<b>1% Increase \$'000</b>
Impact on the present values of Defined benefit obligation		
2024	<u>(40,509)</u>	<u>46,354</u>
2023	<u>(29,862)</u>	<u>26,497</u>
	<b>Life expectancy</b>	
	<b>1 year \$'000</b>	<b>1 year \$'000</b>
Impact on the present values of Defined benefit obligation		
2024	<u>(3,685)</u>	<u>3,584</u>
2023	<u>(1,869)</u>	<u>1,936</u>

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**12. LONG-TERM RECEIVABLES**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Staff loans	5,221	3,084
Less: Current portion	(895)	-
	<u>4,326</u>	<u>3,084</u>

Staff loans represents amounts advanced for the purchase of motor vehicles and miscellaneous. Interest rates on loans are set at 3% per annum. Loans were repayable over one (1) to five (5) years and are secured by guarantees. Repayments made by staff are credited to a savings account to form the basis for future loans.

**13. TRADE AND OTHER RECEIVABLES**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Receivable	1,136	5,311
Deposits	14,443	1,902
Prepayments	7,106	4,746
Other	1,656	1,341
	<u>24,341</u>	<u>13,300</u>

**14. CASH AND CASH EQUIVALENTS**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank accounts	29,387	34,797
Petty cash	69	66
Savings account	14,779	14,315
Repurchase agreements	83,919	167,228
	<u>128,154</u>	<u>216,406</u>
Bauxite Community Redevelopment Projects	135,212	198,546
	<u>263,366</u>	<u>414,952</u>
Interest accrued	7,626	4,025
	<u>270,992</u>	<u>418,977</u>

Bank accounts include a foreign currency account in the amount of \$12,941,658 (US\$86,277.72)  
2023: \$9,616,350 (US\$64,109.26)

**15. Share capital**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Authorised, issued and fully paid share capital 200 ordinary shares at April 1 and March 31	<u>1</u>	<u>1</u>

The issued shares have no par value and carried on the books at a value of \$200.

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**16. MEDICAL BENEFITS SCHEME**

In addition to pension benefits, the company offers retirees medical benefits. Funds are not built up to cover the obligations under the medical benefit plan. The method of accounting and frequency of valuations are similar to those used for the pension plan. The valuation of the defined benefit obligation was also carried out by the same actuary as for the pension plan on the same valuation basis.

(a) The principal actuarial assumptions used in valuing Medical benefits are:

	<b>2024</b>	<b>2023</b>
	%	%
Discount rate	10.5	13.0
Medical claims	7.0	8.0
Inflation	6.5	5.5

The weighted average duration of the obligation is 24 years (2023: 27 years).

(b) The liability recognized in the statement of financial position was determined as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Present value of funded obligation	<u>80,319</u>	<u>57,991</u>

(c) The movement in the present value of the defined benefit obligation during the year is as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
At the beginning of the year	57,991	85,999
Service cost	1,986	4,010
Interest cost	7,354	6,773
Remeasurement recognized in other comprehensive income	15,917	(36,075)
Benefits paid	<u>(2,928)</u>	<u>(2,716)</u>
	<u>80,319</u>	<u>57,991</u>

(d) The amounts recognized in surplus for the year in respect of the plan are as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Current service cost	1,986	4,010
Interest cost	<u>7,354</u>	<u>6,773</u>
	<u>9,340</u>	<u>10,783</u>

The charge for the year is included in administrative expense in the profit or loss in the statement of comprehensive income.

**JAMAICA BAUXITE INSTITUTE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2024**

**16. MEDICAL BENEFITS SCHEME (CONTINUED)**

(e) The remeasurement (loss) / gain in other comprehensive income is analyzed as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Actuarial change arising from financial assumptions	(24,300)	42,491
Experience adjustments	8,383	(6,416)
	<u>(15,917)</u>	<u>36,075</u>

(f) Sensitivity analysis

	<b>Discount rate</b>	
	<b>1% Decrease</b>	<b>1% Increase</b>
	<b>\$'000</b>	<b>\$'000</b>
Impact on the present values of Defined benefit obligation		
2024	<u>10,920</u>	<u>(8,836)</u>
2023	<u>(5,977)</u>	<u>7,274</u>

	<b>Medical inflation</b>	
	<b>1% Decrease</b>	<b>1% Increase</b>
	<b>\$'000</b>	<b>\$'000</b>
Impact on the present values of Defined benefit obligation		
2024	<u>(9,095)</u>	<u>11,114</u>
2023	<u>(7,475)</u>	<u>6,203</u>

**17. PROJECT FUNDS**

This represents amounts held for Midland Enterprise and JWL Arawak Project.

**JAMAICA BAUXITE INSTITUTE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED MARCH 31, 2024**

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**18. TRADE AND OTHER PAYABLES**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Accruals	9,328	13,922
Vacation leave accrual	16,670	10,016
Withholding taxes	9	-
Pension and health	1,423	1,233
Statutory contributions	5,042	1,544
Other payables	1,153	272
	<u>33,625</u>	<u>26,987</u>

**19. RELATED PARTY TRANSACTIONS**

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
(a) Transactions with related parties		
Board of Directors' fees	5,220	2,686
General Manager's emoluments	9,815	5,375
	<u>15,035</u>	<u>8,061</u>
(b) Key management compensation		
Short-term employee benefit		
Management remuneration	28,924	27,625
Other allowances	3,232	10,702
	<u>32,156</u>	<u>38,327</u>
Pension & health	2,346	794
	<u>34,502</u>	<u>39,121</u>