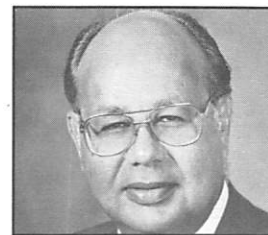


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PRESIDENT'S MESSAGE

HON. OLIVER F. CLARKE, OJ



FOCUS FOR YEAR

The year 2002 was an extremely challenging one for our membership and for the PSOJ. The association continued to play a major role in our main areas of focus - Crime and Corruption, Job Creation and Family Values. We continue to work closely with various government agencies and civic groups on various issues involving the economy, trade, corporate governance and other social issues.

Crime continues to be the major challenge facing our society. The PSOJ introduced programmes to work with the police as we seek to encourage more open communication on their activities. Some of these initiatives include **The Report of the National Committee on Crime and Violence**, which was signed in June, 2002 by the two major political parties. **Crime Stop** continues to be an extremely successful programme and we thank the media and our members for their continued support. Significant amounts of cocaine were seized by the police during the year and Crime Stop played a significant role in the seizure. **"Police Courtesy Weeks"** were launched in December, 2002 to demonstrate to the public that the police are recommitting themselves to be courteous and of service to the citizens who they serve.

The **consolidation** of private sector associations continues with one of the major associations - the JEA secretariat relocated to the PSOJ Building in July 2002. Full implementation of the others will be completed by December 2003. Major infrastructure changes to the PSOJ building were done during the year to accommodate the consolidation.

In December, 2002, the PSOJ assumed operation of the JBA secretariat. Under the guidance of Past President Peter Moses and CEO Greta Bogues, the consolidation has been moving ahead. It is expected that the operations of the consolidated secretariat will not only create greater efficiencies and improved services to our members, but will also facilitate the private sector having a more united voice on national issues.

Our trade negotiations continue to play a major role in the way we do business today and in the near future. This has kept our **Trade and Environmental Committees** extremely active. In early 2002, the major business associations formed a Private Sector Trade Policy Committee to address these issues and build awareness among our members.

Through the CIDA funded Environmental Action Programme (ENACT) the private sector received support in conceptualizing the Business Council of the Environment (BCE), which was formally launched in June 2002. Under the aegis of the BCE, ten private sector organisations have consolidated their efforts to achieve greater influence in linking trade and environment into strategies at the firm level.

The **Economic Policy Committee** continued examining economic issues and its impact on business. One of its highlights was the Annual Economic Seminar, which examined the country's high debt burden. A new initiative from this Committee, Job Creation Awards was sponsored by Cable & Wireless Jamaica (C&W). For the period January 2002 to January 2003, thirty-four (34) awards were presented to companies who had created at least twenty-five new jobs, with nine awards presented to small business entities who had created five new jobs. Due to the success of this one-year programme, this initiative has been renewed by C&W for another year.

On the area of **family values**, we believe that the deterioration of family life in our country has contributed to the challenges that we now face. With the support of Victoria Mutual Building Society, and in collaboration with the churches, the PSOJ embarked on a project to develop videos on parenting, marriage and family life, in support of our thrust to improve family life and values in the society.

CONCLUSION

I wish to take this opportunity to thank you all for the support and well wishes that I have received during my tenure as President. Thanks also to the members of the PSOJ Committees and especially the Committee Chairpersons and to the Executive Committee Members for the support they provided as we sought to tackle issues that were vital to the well-being of the private sector. The staff of the Secretariat continues to work diligently to support the activities of the association, and to them special thanks must be extended.

I wish to congratulate our incoming President and the members of the Executive Committee and wish them a successful year.

EXECUTIVE COMMITTEE - 2002



Oliver F. Clarke, OJ
President



Desmond Blades
Vice President



Peter Melhado
Vice President



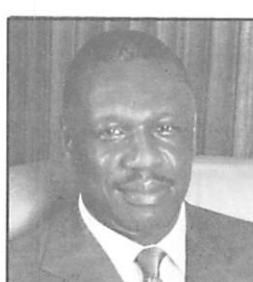
Douglas Orane
Vice President



William McConnell
Hon. Secretary



Hayden Singh
Hon. Treasurer



William Clarke
President, JBA



Michael Ammar, Jr.
President, JCC



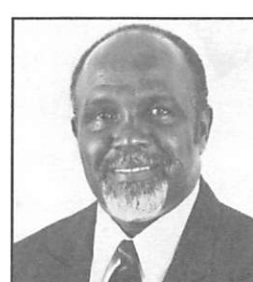
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President, JEA



Herbert Lewis
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Josef Forstmayer
President, JHTA



Clarence Clarke
President, JMA



Andrea Graham
Vice President, SBAJ



Greta Bogues
Chief Executive Officer PSOJ/JEA

WORLD ECONOMY REVIEW

OVERVIEW

The world Gross Domestic Product (GDP) growth rate for 2002 is estimated at 2.8% with 3.7% projected for 2003. Global recovery is expected to continue underpinned by the turn in cycle and continued accommodative policies. Recovery began in the fourth quarter in 2001, predicated on low oil prices and the surprisingly short period of the resurgence of consumer confidence since the aftermath of the September 11, terrorist attacks on the US. Growth in the CARICOM area may have been slower than expected due to the fallout in tourism flows worldwide. Despite a strong first quarter performance in 2002, concerns about the pace and sustainability of the recovery had risen significantly. During the year, financial markets had weakened considerably, with equity markets falling sharply since the end of March. However, in the Euro area and Japan, the effect of equity market declines was less significant. In addition, financing conditions for emerging markets have deteriorated, particularly in South America and Turkey.

Asia was the clear winner in the regional race, experiencing growth higher than most of the other major regions. Growth among the Asian industrialized countries¹ —outside of Japan—is estimated to have been 4.7 percent last year. Growth in Africa was predicated on commodity market developments, and

on political stability. In the Middle East, higher oil prices reflected in part national security concerns in several countries.

Challenges

A number of factors may disrupt the global and regional recovery. One major issue is that the geopolitical situation will at some point force oil prices to catastrophic heights. According to the IMF, every 5 dollar sustained increase in oil prices would shave 0.3 percentage points off global GDP growth after six months or so.

A second concern is the possibility of further terrorist attacks such as the horrific one in Bali. Consequently, economic costs would increase significantly since the costs of dealing with such attacks are extensive. There is the direct economic impact on industries such as tourism. Other costs include higher costs of security and surveillance and higher insurance premiums. More generally, heightened perception of risk from such attacks could negatively influence investment decisions across many sectors of the economy and could lower aggregate growth.

There is a risk of a more subdued recovery with the US being the most obvious engine of growth. Although consumption is still holding up, consumer sentiment has seen marked declines. The likelihood of a worsening in labour market conditions or further declines in equity prices affecting consumption cannot be ruled out, especially given the relatively high indebtedness of the household sector.

¹ This refers to the "newly industrialized Asian economies" of Hong Kong SAR, Korea, Singapore and Taiwan Province of China.

Meanwhile, capacity utilization rates in manufacturing remain low, acting as a drag on new investment. It is this risk of weaker consumption, combined with question marks concerning expected business expansion in the fourth quarter, that has increased uncertainty about US prospects.

If the US continues to serve as the main source for world growth, there is significant risk that recovery will continue to be slow, unless Europe and Japan find a

way to achieve significantly higher growth themselves. Despite the aforementioned downside risks, there are also factors which should contribute to continued global recovery. These include: the rebound in inventories; the continuing positive news about productivity growth; and the substantial monetary stimulus in the pipeline in the US. Hence, economists remain cautiously optimistic about the ongoing global recovery.

¹ This refers to the "newly industrialized Asian economies" of Hong Kong SAR, Korea, Singapore and Taiwan Province of China.

The projections for economic growth for 2002 are presented below.

Table 1: Overview of the **World Economic Outlook Projections**

(Annual percent change unless otherwise noted)

	Current Projections				Difference from Oct. 2000 projections	
	2000	2001	2002	2003	2002	2003
World Output	4.7	2.2	2.8	3.7	-	-0.3
Advanced economies	3.8	0.8	1.7	2.5	-	-0.5
Major industrial countries	3.4	0.6	1.4	2.3	-0.1	-0.5
United States	3.8	0.3	2.2	2.6	-0.1	-0.8
Japan	2.4	-0.3	-0.5	1.1	0.5	0.3
United Kingdom	3.1	1.9	1.7	2.4	-0.3	-0.4
Other advanced economies	5.3	1.6	2.6	3.3	0.1	-0.4
European Union	3.5	1.6	1.1	2.3	-0.4	-0.6
Euro area	3.5	1.5	0.9	2.3	-0.5	-0.6
Newly industrialized Asian economies	8.5	0.8	4.7	4.9	1.1	-0.2
Developing Countries	5.7	3.9	4.2	5.2	-0.1	-0.3
Africa	3.0	3.5	3.1	4.2	-0.3	-
Asia	6.7	5.6	6.1	6.3	0.2	-0.1
China	8.0	7.3	7.5	7.2	0.5	-0.2
India	5.4	4.1	5.0	5.7	-0.5	-0.1
ASEAN-4 ¹	5.1	2.6	3.6	4.2	0.3	0.1
Middle East, Malta and Turkey	6.1	1.5	3.6	4.7	0.3	0.2
Western Hemisphere	4.0	0.6	-0.6	3.0	-1.3	-0.7
Countries in Transition	6.6	5.0	3.9	4.5	-	0.1
World trade volume (goods and services)	12.6	-0.1	2.1	6.1	-0.4	-0.5
Imports						
Advanced economies	11.8	-1.3	1.7	6.2	-0.4	-0.4
Developing countries	15.9	1.6	3.8	7.1	-2.6	-0.6
Countries in transition	13.4	11.7	6.9	8.0	-1.1	0.3
Exports						
Advanced economies	12.0	-1.1	1.2	5.4	0.3	-0.9
Developing countries	15.0	2.6	3.2	6.5	-1.6	-0.5
Countries in transition	14.7	5.9	5.3	6.2	0.1	0.1
Commodity Prices (In U.S. dollars)						
Oil ²	57.0	-14.0	0.5	-0.8	5.8	3.5
Nonfuel (avg's based on world commodity export weights)	1.8	-5.4	4.2	5.7	4.3	-1.5
Consumer Prices						
Advanced economies	2.3	2.2	1.4	1.7	0.1	-0.1
Developing countries	6.1	5.7	5.6	6.0	-0.2	0.9
Countries in transition	20.2	15.9	11.3	8.8	0.5	0.1
Six-month London Interbank offered rate (LIBOR)						
On U.S. dollar deposits	6.6	3.7	2.1	3.2	-0.8	-1.3
On Japanese yen deposits	0.3	0.2	0.1	0.1	-	-
On euro deposits	4.6	4.1	3.4	3.8	-0.3	-0.8

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during July 19-August 16, 2002.

1. Includes Indonesia, Malaysia, the Philippines and Thailand.

2. Simple average of spot prices of UK Brent, Dubai and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$24.28 in 2001; the assumed price is \$24.20 in 2003.

Source: International Monetary Fund (IMF)

WORLD TRADE

The Caricom Single Market and Economy (CSME)

The CSME allows for deeper integration throughout the region by free movement of goods, services, and people. The CSME will become a reality when all member states within CARICOM amend their legislations to accommodate the nine protocols, which replaced the Treaty of Chagaramus. The target date for completing this process is 2005. It is unlikely that this will be achieved as a number of the CARICOM States have not yet amended their legislations to accommodate the protocols.

Free Trade Area of the Americas (FTAA)

The Free Trade Area of the Americas (FTAA), is scheduled for implementation by December 31, 2005. The FTAA will be the largest free trade area in history with an expected combined GDP of over US\$9 trillion and a market of 765 million people. The FTAA is being negotiated among 34 countries of the western hemisphere excluding Cuba. The negotiations are currently at the stage of submission and exchange of product offers by the countries. The CARICOM offer contains a list of items in three baskets, those for immediate elimination of tariff on entry into force of the FTAA, those with a phase out of tariffs over a period of 10 years and those which are categorized as exclusions from tariff eliminations or sensitive products. Presentation of requests for improvement of these offers will be facilitated between February 16, 2003 and June 15, 2003. The Negotiating Group on Market Access has recommended that "the highest priority should be given to an

evaluation and assessment of the tariff offers received by CARICOM". An analysis of the offers by the Regional Negotiating Machinery (RNM) revealed that more generous offers were made to CARICOM from Chile and the USA than to other countries within the FTAA grouping. Consultations on revised offers will be convened with the private sector on March 19, 2003, with the process to be facilitated by the Ministry of Foreign Affairs and Foreign Trade.

CARICOM/Costa Rica Bilateral Trade Agreement

At the December consultative meeting between Costa Rica and CARICOM for a free trade agreement, the Costa Ricans requested that CARICOM reduce the number of products on its sensitive list. Also at the level of the Prime Ministerial Sub-Committee on External Negotiations, regional prime ministers mandated that Member States review the list with the aim of giving to Costa Rica similar terms as that granted to Dominican Republic under the trade agreement with CARICOM. In this regard, the Ministry of Foreign Affairs and Foreign Trade therefore requested that the JEA consult with its membership in order to seek approval for the removal of products from the sensitive list. A number of members were consulted such as those producing cut flowers, jams and jellies, rum, cane molasses, etc. and members advised that the Costa Rican market was very difficult to penetrate due to the number of non tariff measures (NTMs). It was agreed that the negotiators should insist that Costa Rica remove all NTMs before consideration can be given to further reduction of tariffs

on sensitive products. A list of the NTBs was submitted to the Ministry of Foreign Affairs as well as a detailed report on Food and Agricultural Import Regulations and Standards in Costa Rica compiled by the United States Department of Agriculture (USDA). The report confirmed the claims of local exporters and these issues will be discussed at the next round of negotiations scheduled for March 11-14 2003 in Costa Rica.

CARICOM/Venezuela Trade Agreement

This Agreement entered into force in January 1993. The Agreement is non-reciprocal and allowed free access into the Venezuelan market for a specified list of products from Caricom. Since implementation, trade under this agreement has not been very buoyant and Venezuela has requested reciprocity under a re-negotiated Agreement. However, due to the crisis in Venezuela, the meetings to renegotiate the terms of the Agreement remain outstanding.

CARICOM Dominican Republic Agreement

A meeting of CARICOM officials is scheduled to be convened to discuss outstanding issues under that agreement. These issues include the DR's agency law, law 173 which requires countries trading with the DR to appoint an agency to distribute their products. Other outstanding issues include the treatment of biscuits under the agreement. The Trinidadian biscuit manufacturers have requested immediate free trade for biscuits entering the DR, while some Jamaican companies have also requested similar treatment for the product, and others

want to adopt a phased duty reduction approach. Minister Knight, who recently met with the biscuits manufacturers, has pledged his support to the group after hearing compelling arguments to support the retention of biscuits on the sensitive list.

CARICOM/Cuba

This Agreement has not yet "entered into force" as CARICOM Member States have not yet advised the CARICOM Secretary General that their internal legal procedures have been completed. Cuba has, however, advised that its relevant internal procedures are in place.

World Trade Organisation

Jamaica became a signatory to the General Agreement on Tariffs and Trade (GATT) in 1962 and subsequently to the WTO in 1995. The WTO regulates world trade in "goods" in order to create a liberal and open trading system with conditions of fair competition.

Currently discussions are focused on a methodology for tariff reduction for agriculture and non-agricultural products. However, many areas of on-going negotiations have slowed considerably and in some cases have stalled. This is a result of divergent views on key issues at the center of the 'development-oriented' multilateral trade agenda. These positions have resulted in deadlines being missed in on-going trade talks. For example, no success has been achieved in reaching consensus on issues of special and differential treatment. Failure to meet the deadlines in the negotiating groups for the Doha Agenda has made the 1 January 2005 deadline for completion of the



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negotiating round seem increasingly ambitious. The loss of momentum especially in areas of negotiations of relevance to developing countries has been a major setback for the credibility of the so-called "development" orientation of the Doha Agenda.

ACP-EU Cotonou Agreement Partnership Agreement

This Agreement was signed in June 2000 and envisages the progressive removal of barriers to

trade between the partners within new WTO compatible trading arrangements. To facilitate the transition to such new trading arrangements, the non-reciprocal trade preferences which existed under LOME will be maintained until December 2007 when new reciprocal Economic Partnership Arrangement (EPA) will be implemented. Negotiations for EPAs commenced in September 2002. The Cotonou Agreement has recently been ratified by all countries of European Union.

THE JAMAICAN ECONOMY

The Economy is expected to grow by 1.2% in 2002, rather than the 2%-4% target projected by the authorities. The Agricultural, Construction and Installation and the Mining and Quarrying sectors contributed to the increase in Gross Domestic Product (GDP) 2% and 2.9% respectively. The high

world oil prices, since the fourth quarter and significant damage to infrastructure and the agricultural sector caused by floods during the year impacted negatively on economic growth for 2002.

The situation was also exacerbated by the high debt servicing costs.

Rate of Growth of Real GDP by Sector (%)
1997-2001

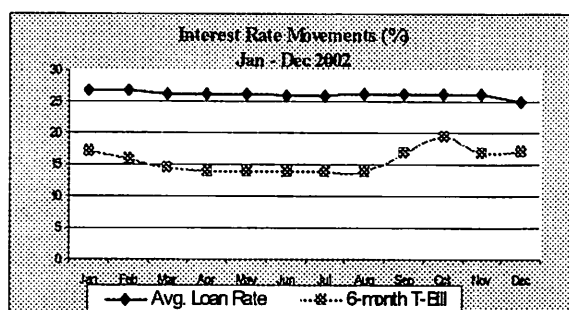
	1997	1998	1999	2000	2001	2002*
Agriculture, Forestry and Fishing:	(13.7)	(1.5)	1.3	(10.9)	5.2	8.6
Export Agriculture	(9.8)	(5.4)	(1.3)	(7.0)	0.2	-
Domestic Agriculture	(20.1)	(1.0)	1.5	(17.0)	7.9	-
Livestock, Forestry and Fishing	4.4	2.0	3.9	1.3	4.1	-
Construction and Installation	(3.9)	(5.8)	(1.5)	0.2	2.0	2.0
Manufacturing	(2.5)	(4.4)	(0.7)	0.9	0.6	-0.5
Mining and Quarrying:						
Bauxite and Alumina	3.4	3.5	(1.3)	(1.7)	3.7	2.8
Quarrying	(0.7)	(11.1)	11.7	6.7	7.3	0.6
Total Goods	(4.0)	(2.5)	(0.6)	(2.1)	2.4	-0.8
Distributive Trade	0.9	(1.6)	(0.5)	1.3	0.2	0.4
Electricity and Water	5.5	6.3	4.8	3.3	1.1	5.2
Financial and Insurance Services	(18.7)	(1.7)	18.1	11.0	0.6	2.2
Government Services	1.1	0.5	0.2	(0.2)	0.7	-0.3
Hotels, Restaurants and Clubs	3.5	2.5	2.6	5.5	(2.2)	16.0
Household and Private Non-Profit Institutions	(10.2)	(6.3)	(2.1)	(1.6)	0.2	-
Real Estate and Business Services	(4.3)	(1.2)	(0.8)	0.2	1.1	1.0
Transport, Storage and Communication	5.7	5.6	8.6	8.0	6.3	7.4
Other Services	(2.9)	(1.0)	(0.1)	0.5	0.2	-
Total Services	(2.1)	0.8	4.6	4.5	1.4	2.4
Less: imputed Bank Service Charges	(8.2)	(0.3)	21.3	10.0	1.5	0.8
Gross Domestic Product	(1.7)	(0.3)	(0.4)	0.7	1.7	1.2
* PIOJ projections Source STATIN and PIOJ						

Monetary Policy

The Bank of Jamaica (BOJ) continued to pursue tight monetary policy for 2002. The money base for December was 36,408.81, representing a 15.97% increase for the year. For the first two (2) quarters, the economy experienced declines in interest rates.

However, the central bank increased interest rates on its 90-day and 120-day open market instruments in early September. This was done in an effort to absorb the liquidity that was contributing to instability in the foreign exchange market. The announcement of a supplementary budget in December also led to 12

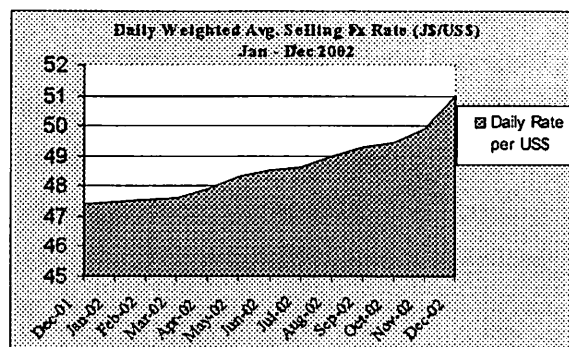
basis point increase of the six month Treasury Bill to 17.01%. Unfortunately, protracted instability in the foreign exchange market forced the Bank to tighten monetary policy via the temporary introduction of a 5% special deposit² requirement for commercial banks and institutions licensed under the Financial Institutions Act and a 30% 150 day open market instrument in January and February 2003 respectively. For 2002, average lending rates registered an overall decline of 159 basis points to 25.04%.



Foreign Exchange Developments

During the year, the foreign exchange market experienced various instances of instability which was to some extent curtailed by the central bank. Of note, is the fact that for the December quarter, the weighted average selling rate depreciated by 3.3 per cent, while for the calendar year 2002, the depreciation was 7.0 per cent. In November the money market again became extremely liquid after the Government used the proceeds of a World Bank loan of US\$74.5 million to redeem domestic debt held by commercial banks. A few days after the announcement of a supplementary budget in early December, Standard and Poors (S&P) downgraded

the outlook on Jamaica's sovereign debt from "stable" to "negative". This further intensified the demand for foreign exchange. The central bank used a combination of selling foreign exchange and hiking interest rates to stem the rapid depreciation of the J\$. The sale of foreign exchange in the market resulted in the decline of the Net International Reserves (NIR) of the Central Bank from \$1,848.68 million to US\$1,596.98 million at the end of December 2002. Notwithstanding the Central Bank's activity in the market, the NIR target of US\$1.6 billion was basically achieved as was agreed under the IMF Staff Monitored Programme.



Marked revaluations were achieved by the 5% special deposit requirement and a special 150 day open market instrument in January and February 2003. In particular, the market responded favourably to the 150 day instrument and approximately J\$7 billion was absorbed in four days. Although the weighted average selling rate on the foreign exchange market appreciated sharply, by approximately 4%, this was short-lived.

Predictably, that instrument also threw the fixed income market into turmoil as investors quickly sought to take advantage of the higher rate. Following the dramatic intervention by the central bank, agreements were reached between the BOJ and the

² This requirement stipulated that each institution should place with the Central Bank, cash deposits equivalent to 5% of its Jamaica dollar liabilities. These deposits would attract interest of 6 per cent per annum.

authorized dealers on the market protocols that are to be observed. With this agreement in place, the central bank expects to see a greater level of transparency and efficiency in the market as well as less volatility.

Prices

In spite of the higher out-turn for the December quarter, inflation for 2002 was 7.3 per cent, 1.5 percentage points below the rate for 2001. Similarly, for the fiscal year to December, headline inflation was 6.6 per cent, 0.2 percentage points below the rate for the previous comparable period.

The level of inflation was influenced mainly by higher prices in the heavily weighted food and drink category. The main factor was the adverse weather condition which disrupted domestic agricultural supplies. As a result, headline inflation of 2.4% in the December quarter was somewhat higher than anticipated and significantly higher than the seasonal average of 0.9 per cent for the last three years. During the year, there were also increases in housing and related expenses which include utilities.

Government

The nation's fiscal deficit became of greater concern since the post-election presentation of supplementary budget estimates of \$13.5 billion. The major expenditure increases outlined in the supplementary budget were allocated to programmes (43.1%), interest payments (36.4%) and wages and salaries (32.0%). This effectively meant that the authorities have missed the 4.4% target as outlined in the IMF Staff Monitored Programme (SMP). The fiscal deficit to Gross Domestic Product ratio is expected to be

8.4% at the end of the 2002/2003 fiscal year. Thus, the fiscal deficit is proposed to be \$33 billion. The government has implemented additional tax measures to generate \$1.4 billion to help finance the additional expenditure. Borrowing is the other mechanism being used to address the shortfall.

Tourism

A marked increase in tourist arrivals in December of 34.77%, contributed to an overall increase in 2002 over the previous year. Stopover and cruise visitors increased by 16.18% and 16.44% respectively in December 2002. During the year, there were 1.27 million stopover visitors and 0.87 million cruise visitors. The 0.71% increase for the calendar year resulted from a 0.80% decline in total stopover visitors and a 3% increase in cruise arrivals. Thus, the sector continues to recover from the negative effects of the September 11, 2001 terrorist attacks.

External scene

High world oil prices resulting from geo-political turmoil between the US and Iraq continue to persist. Additionally, increased prices for international commodities, such as, wheat, corn and rice have contributed to inflation. These factors along with weakened financial markets contribute to the challenges that impact on Jamaica's economy. The dependence on the US as a major trading partner presents a serious risk for many economies, especially Jamaica. For that reason, policies should seek to diversify target markets for trade in goods and services such as tourism.

Outlook

The authorities have managed to keep calendar year inflation in single digits. Inflation was 7.3% from January to December 2002. However, for the fiscal year, the authorities may be hard-pressed to meet the revised 6-7% inflation target given the impact of the flood rains, rising oil prices on the international market and the recent rapid depreciation of the exchange rate. Thus far, inflation for the fiscal year to December 2002, is 6.6%. The tourism sector continues to experience improvements in visitor arrivals from the US. The authorities also introduced a US\$5 tax on travellers through the airports to fund expansion activities. Upgrading the facilities would help to improve Jamaica's image as a competitive and attractive tourism and business destination. Despite some recovery, the industry remains vulnerable to another fall-out if the situation in the Middle East escalates into a war.

The authorities need to implement credible measures to reduce the level of uncertainty in the market. Therefore, the government may need to:

1. Fast-track revenue enhancing measures which include steps to encourage greater tax compliance and reduce exemptions (both statutory and discretionary).
2. Contain and/or cut expenditure.
3. Widen the tax net to include the large informal economy.
4. Divest additional assets.

The aforementioned measures are, however, short and medium term strategies. It is important to note that a critical component to ongoing trade negotiations such as the Free Trade Area of the Americas (FTAA), is the reduction of tariff barriers which will no doubt lead to a reduction in revenue earned from customs duties. Therefore, fostering a buoyant private sector and ultimately achieving economic growth is the most sustainable way to attain fiscal balance.

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THE COMMITTEES-2002

One of the primary mandates of the PSOJ is advocacy. The proactive participation of members through a number of committees impact directly on the development of the private sector. The PSOJ continues to make meaningful representation on behalf of the private sector and would like to thank all those members who give so freely of their time to ensure that the presence and strong voice of the private sector are always maintained.

Corporate Governance:

Mr. Philip Marshall (Chairman)	-	Ernst & Young
Mr. Garth Kiddoe	-	Institute of Chartered Accountants of Ja.
Mr. Patrick Smith	-	Carreras Group of Companies
Ms. Greta Bogues	-	PSOJ
Ms. Suzanne Goldson	-	Faculty of Law, UWI
Mr. Michael Muirhead	-	National Commercial Bank
Mr. Christopher Bovell	-	Grace, Kennedy & Co. Ltd. (Corporate Governance Committee)
Mr. Stephen Johnson	-	Red Stripe
Professor Gordon Shirley	-	Dept. of Management Studies, UWI
Professor Celia D. C. Christie	-	Dept. of Paediatrics, UWI
Mr. Earl Moore	-	Guardian Life Limited
Mr. Clarence Clarke/Velma Sharpe	-	Jamaica Manufacturers Association
Ms. Sandra Shirley	-	Jamaica Chamber of Commerce
Mrs. Tracy Campbell	-	PriceWaterhouseCoopers

The Corporate Governance Committee was formed in October 2001, with the main objectives being to promote and build awareness of Corporate Governance principles for businesses through training and educational programmes and to establish Corporate Governance principles that will facilitate best business practices and behaviours in the private sector.

A mission and charter have been established for the Corporate Governance Committee and duties and responsibilities have been assigned to all members. A Corporate Governance webpage on the PSOJ website is currently in place and this provides links to other corporate governance sites.

Chairman, Philip Marshall resigned from the committee in late 2002, as he was returning to Trinidad to take up another assignment. We are currently recruiting a new Chairperson for the committee.

The PSOJ has been selected by the Commonwealth Association for Corporate Governance (CACG) as the organisation responsible for the delivery of promoting good standards in corporate governance and business practice throughout the Caribbean. In collaboration with the CACG, the PSOJ successfully hosted an "Effective Corporate Governance Certification Programme" for Directors in June 2002. This was attended by twenty-nine participants, including persons from the Caribbean region. This was the first time such a program had been held in the region,

and at the end of the seminar, participants who passed the final examination were certified as Directors. This programme should assist in increasing the number and calibre of individuals now available for Directorship positions.

Ms. Greta Bagues, Chief Executive Officer of the PSOJ, attended the annual conference on Corporate Governance hosted by the (CACG) in Sri Lanka. All present shared in the process of reviewing the content of the Directors' Certification Programme as the association tries to ensure the relevance of the material. Proposed corporate governance guidelines on smaller companies, financial institutions, and financial statements were also examined in detail with final drafts scheduled for release in mid-2003.



Participants of the Corporate Governance Certification Programme
held June 18-23, 2002 Grand Lido Sans Souci, Ocho Rios.

Economic Policy:

Dr. Nigel Clarke	-	Caribbean Equity Partners (Committee Chairman)
Mr. Roy Collister	-	Jamaica Chamber of Commerce
Mr. Richard Byles	-	Pan Jamaican Investment Trust Limited
Ms. Greta Bogues	-	PSOJ/JEA
Mr. Keith Collister	-	George & Branday Limited
Mr. Patrick Lynch	-	Sandals Resorts
Ms. Audrey Marks	-	Paymaster (Ja.) Limited
Mr. Mark Hart	-	HART Group
Mr. Chris Bicknell	-	Tank Weld Metals
Ms. Muna Issa	-	SuperClubs
Ms. Anya Schnoor	-	Pan Caribbean Merchant Bank
Mr. Peter Melhado	-	Manufacturers Sigma Merchant Bank Ltd
Mr. Wesley Hughes	-	Planning Institute of Jamaica
Mr. Don Wehby	-	Grace, Kennedy & Company Limited
Mrs. Donna Duncan-Scott	-	Jamaica Money Market Brokers Limited
Mr. Richard Chen	-	Super Plus Food Stores
Mr. Paul Scott	-	Musson Jamaica Limited
Mr. Jeffery Hall	-	Caribbean Equity Partners Ltd.

The Annual Economic Seminar which was held on May 21, 2002 at the Jamaica Conference Centre was the main highlight of the year. The theme was 'Life and Debt – The Jamaican Experience' and the keynote speaker was the Honourable Dr. Omar Davies, Minister of Finance and Planning. It also featured a panel discussion comparing the Argentinean experience to Jamaica.

Among the presentations made to the Committee during the year were the manifestos of the two major political parties prior to the general elections held on October 16, 2002. In addition, the Committee has been involved in lobbying on major issues, in particular revisions to the Companies' Act and the International Accounting Standards (IAS). An extension of the transition period for interim financial reporting has been agreed for companies requiring this concession. In addition, the PSOJ raised the following concerns in a letter that was sent to both the Prime Minister and the Leader of Government Business:

- The applicability of the International Accounting Standards (IAS) to small and medium sized firms which may be onerous.
- The inconsistencies between the Companies' Act and the regulations under the Securities Act relating to the Jamaica Central Securities Depository (JCSD).

A number of tax initiatives, both revenue reducing and revenue enhancing were also explored. These include an Advanced Income Tax on Operations and an investment tax credit. A sub-committee was formed to prepare a document highlighting these initiatives which would be submitted to the new PSOJ Executive. The Committee continues to provide economic information and analysis through the monthly economic reports. It is currently being distributed to ninety (90) key business leaders in various sectors.

Education:

Mrs. Marie Hitchins (Chair)	-	Fabric Consultants Limited
Dr. Ben Henry	-	Sandals Resorts International Ltd.
Mr. Mark Hosang	-	HiLo Food Stores Jamaica Ltd.
Ms. Melverine Hemmings	-	Red Stripe
Miss Greta Bogues	-	PSOJ/JEA
Mrs. Shelia Garcia-Bisnott	-	MRC Learning Centre
Mr. Linton Smith	-	Profitable Corporate Solutions
Mr. Balford Henry	-	The Gleaner Company Ltd.
Mrs. Jem Woolery-Davis	-	Consultant
Dr. Lloyd Eubank-Green	-	Lloyd Eubank-Green & Associates
Mrs. Alethea Wint	-	Digicel
Mrs. Doreen Muir-Faulkner	-	Private Consultant
Ms. Brigitte McDonald-Levy	-	Consultant

The Education Committee was set up to work through the private sector to help to improve the quality and standard of education that is required for us to operate within the global environment. For 2002, it continued its work on the ground through the Mentorship Programme, which seeks to improve the quality of education by working with Principals on management-related areas of their job. Mentors from the Private Sector were identified for the interested schools. The most successful of these has been Holy Trinity Comprehensive High School mentored by Mrs. Jump-Barnaby of Scotiabank Jamaica Ltd., with the PSOJ liaison being Mrs. Jem Woolery-Davis.

Principal of the Holy Trinity Comprehensive High School, Mrs. Monica Schroeter, who has worked at this school for the past thirty-five years, noted that the collaborative effort proved to be very successful. "One of the major plans implemented included the formation of 'The Committee for Change and Development'", continued Mrs. Schroeter. "Out of that committee, we were able to draft a vision statement, a mission statement, draw up an action plan and implement some of these activities to improve the general performance of the school. A cultural development programme has been started and three medals were won in last year's National Festival Competition."

Education Committee members sit on a variety of Ministry of Education & Youth Committees and/or review boards to represent the PSOJ. These Committees deal with issues and/or projects related to Youth Policy, CXC, Early Childhood Education and Youth Development & Training.

It is important to note that a very important policy is currently being developed for Jamaican Youth. Education Committee member, Mr. Linton Smith, represented the PSOJ on this Steering Committee for National Adolescent & Youth Policy. Some of the noteworthy aspects of this policy include the provision of incentives to employers, protection of youths from job discrimination and the attachment of work experience programmes for all secondary and tertiary educational institutions.

To further improve the Education Committee's mandate, a new Terms of Reference is being developed for submission to the council. The committee will be focusing on the following priority areas:

- Review of the Education Act & Regulations
- Monitoring & Evaluation of the White Paper Implementation
- Monitoring & Evaluation of Mentorship Programme

Energy:

Mr. Nicholas Shorthose (Chair)	-	The Shell Company of the W.I.
Mr. Augustin Nkuba	-	Esso Standard Oil S.A. Ltd.
Mr. Dave Slaughter	-	Texaco Caribbean Inc.
Mr. Steven McKay	-	Industrial Gases Limited
Mr. Alwyn Brown	-	Petcom
Mr. Winston Watson	-	Petrojam
Mr. Blair Gonzales	-	Cool Oasis
Ms. Norma Russell	-	Jampet Services
Mr. Bunny Hobbins	-	Unipet
Mr. Roy d'Cambré	-	National Fuels

For 2002 the Energy Committee continued to focus on Safety, Standards Development and Enforcement. Progress has been made especially in LPG, with drafts of a number of standards being completed in conjunction with Government. Mr. Nicholas Shorthose, Chairman, retired from this position in October 2002, as he was transferred to Barbados. Mr. Mario Vulinovich, new General Manager of Shell Company, was appointed Chairman of the Energy Committee in December 2002. The Committee will continue to focus on industry safety and raising standards.

Members of the Energy Committee representing Shell, IGL, ESSO and UNIPET met with the Minister of Commerce and Technology in late November outlining some of the particular areas of concern and support required, in particular the safety issues related to illegal filling stations. They have been assured of the Government's support.

Progress is being made on the key issues regarding Development of minimum standards for construction and operation of Service Stations and minimum standards for metering at Service stations. An LPG Sub-Committee is to be formed and chaired by Steven McKay (IGL).

The focus for 2003 will continue with Safety, Standards and Enforcement, and in particular Safety initiatives - rewarding safety Standards development in LPG and Retail Service Station operation, streamlining consent applications for Service stations and identifying Best Practices in Industry.

Business Council of the Environment (BCE):

Ms. Greta Bogues	-	(Co-Chair) PSOJ/JEA
Mr. Milverton Smith	-	Co-Chair - JMA
Ms. Karlene Russell	-	JIEP
Mr. Terrence Slater	-	AmCham
Mr. Paul Crawford	-	SBAJ
Mrs. Michelle Pollard-Gonzales	-	IMP
Mr. JJ Bellamy	-	ENACT
Ms. Shirley Anne Eaton	-	JBA
Mrs. Jacqueline Lloyd	-	JEF
Mr. Trevor Fearon	-	JCC
Mr. Franklyn McDonald	-	NEPA
Dr. David Smith	-	UNDP
Mr. Hugh Cresser	-	JHTA
Mr. Stephen Salmon	-	Wray & Nephew
Mrs. Nicola Gordon-Rowe	-	BCE Secretariat

Through the CIDA funded Environmental Action Programme (ENACT) the private sector received support in conceptualizing the Business Council for the Environment (BCE) which was formally launched in June 2002. Under the aegis of the BCE ten private sector organisations have consolidated their environmental committee to achieve greater influence in linking trade and environment into strategies at the firm level. These associations include the PSOJ, JEA, JCC, JMA, JHTA, JIEP, JEF, SBAJ, JBA and AMCHAM.

The BCE has facilitated meaningful private sector participation into the pending air quality and sewage regulations through a consultative process which involved the National Environment and Planning Agency (NEPA). Work is also proceeding on the development of a range of economic instruments related to trade and environment and the draft document is currently being finalized.

Throughout the review period, the BCE was also successful in obtaining partial funding for the National Container Recovery Programme (NCRP) which is a project of the Private Sector Consortium on the Management of Packaging Waste. The NCRP will focus on recycling of plastics and non-reusable bottles. For 2003, the Council will be focusing on a series of environmental awareness sessions for CEOs as part of its Training initiatives as well as a quarterly Sustainable Business Forum.

Membership & Communications:

Mrs. Michelle Hamilton (Chair) July – December 2002	-	MAPCO Business Printers
Mr. John Burrowes, (Chairman) January – June 2002	-	McCann Erickson Ja. Ltd.
Mr. Derek Luk Pat (Deputy Chairman)	-	Sweetheart Ltd.
Mrs. Suzette Smellie-Tomlinson	-	Supreme Ventures
Miss Nordia Craig	-	Gleaner Co. Ltd.
Mrs. Judith Forth-Blake	-	Courts Jamaica Ltd.
Mr. Andre Gordon	-	Dots Personnel Ltd.
Mr. Gavin Beckford	-	GTECH Jamaica Office
Mr. David Garel	-	Blue Cross of Jamaica
Mr. Stephen Thwaites	-	Dyoll Insurance Group
Mrs. Tanya Pringle	-	PSOJ
Mrs. Ann Marie Hendricks	-	PSOJ
Mrs. Karen Payton	-	PSOJ

Mrs. Michelle Hamilton was appointed Chair of this Committee in July 2002, after Mr. John Burrowes decided to step down after 5 years as Chairman. Mr. Burrowes continues to be an active member of this Committee.

The objectives of this Committee are:

- To recruit and maintain association members by addressing the relevance and image of the PSOJ
- To implement advertising and public relations programmes
- To garner support for PSOJ events, and
- To facilitate communication with members.

To more accurately reflect its responsibilities, the Membership Committee was renamed the Membership & Communications Committee in July 2002. For the period January – December, 2002, 11 individual members and 22 companies joined the PSOJ.

The Committee assisted with a number of projects, including Job Creation Awards, Past Presidents Dinner, two Member Soirees for 2002 and two prospective new Members Luncheons, as well as media appreciation visits, which started in October 2002. This assistance included making contacts with prospective and existing members and with PSOJ members to ensure participation in events.

The Membership Committee was also instrumental in the introduction of a PSOJ newspaper column, which appears in the Sunday Gleaner each month. During the year, we introduced the PSOJ News, which provides current information to members on activities in the association. The format and presentation continues to be improved and for 2003, this newsletter will be printed in full colour.

In the spirit of the consolidation, the scope of this committee will be broadened in 2003 to include recruiting members for the associations forming the consolidated secretariat.

National Crime Prevention Fund:

Mr. Lester Spaulding (Chairperson)	-	Radio Jamaica Ltd.
Mr. Mike Hirst	-	Prism Communications
Mr. Charles Ross	-	Sterling Asset Management
Maj. Gen. Robert Neish	-	MONEX Limited
Mr. Neville James	-	Cookie Jar
Supt. James Forbes	-	CCN
Mrs. Prudence Gentles	-	Coordinator /Crime Stop
Miss Greta Bogues	-	PSOJ/JEA

(See report on pages 35-43)

Trade Policy:

Mr. James Moss-Solomon (Chairman)	-	Grace Kennedy & Company Ltd.
Ambassador Ellen Bogle	-	Wray and Nephew
Mrs. Lisa McGregor-Johnston	-	Jamaica Producers Group
Ambassador Gail Mathurin	-	Ministry of Foreign Affairs
Mr. Evan Thwaites	-	Globe Insurance Company
Mr. Earle Jarrett	-	Jamaica National Building Society
Professor Alvin Wint	-	University of the West Indies
Mr. Derrick Deslandes	-	University of the West Indies
Mrs. Velma Sharpe	-	Jamaica Manufacturers Association
Ms. Monica Ladd	-	Myers Fletcher and Gordon
Ms. Tamara Green	-	Myers Fletcher and Gordon
Mr. Terrence Slater	-	American Chamber of Commerce
Mr. Karl James	-	Jamaica Cane Products Sales/JEA
Mr. Anthony Gomes	-	Jamaica Chamber of Commerce
Ambassador Peter King	-	Peter King and Associates
Mr. Patrick Smith	-	Carreras Group Ltd./JEA
Mrs. Pauline Grey	-	Shipping Association of Jamaica
Mr. George Fyffe	-	Bustamante Industrial Trade Union
Ms. Carol Miller	-	The Briefing Room
Mrs. Andrene Collings	-	Ministry of Commerce Science and Technology
Ms. Greta Bogues	-	PSOJ/JEA
Mrs. Marlene Parker	-	Jamaica Bankers Association
Mrs. Nicola Gordon-Rowe	-	PSOJ

During 2002, various business associations consolidated their trade efforts under the umbrella of the PSOJ to form a Private Sector Trade Policy Committee. The committee also took a strategic decision to involve government and academia representatives in this process. This structure has substantially improved the interaction of the private and public sector on trade issues while the alliance with academia has boosted the research capacity of the committee as several sector studies were completed during the year. Throughout the year the Committee under the Chairmanship of Mr. James Moss-Solomon focused on the developments in the international trade arena.

Members of the Committee participated in the Caribbean Transnational Conference held in June 2000, where several recommendations were made by Caribbean delegates to further advance the Caricom Single Market and Economy. In October 2002 the Trade Policy Committee was successful in organizing Jamaica's participation in the 7th Business

Forum of the Americas in Quito. A delegation consisting of 13 business persons, the largest representation Jamaica has ever had at the forum, participated in the negotiating workshops. Like the Buenos Aires Forum in 2001 the Quito meeting drove fear into the regional delegates as it relates to the level of preparation for the forum as well as the high level of participation of the Latin American delegates. From this meeting, the Trade Committee endorsed the need for a coordination of regional inputs on trade, however, there remains a concern that private sector awareness of trade issues continues to be at a low level and efforts must be made to mobilize the entire private sector on trade related issues. The Committee has mandated the preparation of a proposal to seek funding for a Trade Policy Coordination Unit within the PSOJ that would provide service to the local private sector on trade issues. In the interim, with the assistance of Committee members Monica Ladd and Tamara Green, the Committee has also embarked on a series of sector specific trade awareness briefings within the services sector.

Standing Committee on National Security:

Hon. Oliver F. Clarke, OJ (Chair)	-	Gleaner Company
Mr. Francis Forbes	-	Commissioner of Police
Maj. Gen. Robert Neish	-	MONEX
Mr. Paul Hire-Miller	-	Co-opted Member
Col. Trevor MacMillan	-	Security Advisory & Management Services
AC Tilford Johnson	-	Office of the Police Commissioner
Supt. James Forbes	-	Office of the Police Commissioner
Rear Admiral Hardley Lewin	-	Jamaica Defence Force
Mr. Mike Hirst	-	Crime Stop
Mr. Gilbert Scott	-	Ministry of National Security & Justice
Mrs. Prudence Gentles	-	Crime Stop
Mr. Lazarus Bucknor	-	BAPCo Ltd.
Maj. Hugh Blake	-	Lascelles deMercado Group Loss Prevention Dept.
Mr. William McConnell	-	Wray & Nephew Group
Mrs. Becky Stockhausen	-	America Chamber of Commerce
Mr. Ferris Ziadie	-	Ferris Ziadie Ltd.

Under the chairmanship of Immediate Past President Oliver F. Clarke, this Committee continues to focus on crime with a number of initiatives being implemented in 2002:

REGIONAL DRUG SEMINARS - 2002

The first event was held in Kingston in May, with additional seminars held in July in Montego Bay, Negril and Ocho Rios. The objective of these seminars was to sensitize the business community on the implications of the drug trade to Jamaica. These seminars were attended by local business and community leaders and included presentations by diplomats from the UK and Canadian High Commissions, the U.S. Embassy and from the Minister of National Security and Commissioner of Police. Follow-up seminars are to be held in cities overseas with large Jamaican population.

PHONE IN PROGRAMME - 2002

Four such events were held at the PSOJ secretariat between June – September, 2002, which allowed the public to call in and voice their concerns or share intelligence with senior members of the Jamaica Constabulary Force, including Commissioner of Police Francis Forbes and various business, religious and civil society leaders. This programme has been continuing monthly since January 2003.

POLICE COURTESY WEEK – DEC. 2002

As a part of our drive to build a stronger relationship between the security forces, the private sector and the public, the PSOJ, in association with the Jamaica Constabulary Force, launched the first Police Courtesy Week in St. Elizabeth during the week December 8 – 14. The event was very successful and further events will be hosted by the police in each parish throughout 2003.

Corporate Crime Prevention Initiative (CCPI)

Project Coordinator: Captain Tessa Lewin

For 2002, one of the areas the PSOJ has been focusing on is the creation of a stronger partnership between the security forces, the private sector and the people of Jamaica. In this regard, a new crime initiative for the private sector was introduced in September 2002 – the Corporate Crime Prevention Initiative (CCPI). The objectives of this programme are somewhat similar to Crime Stop the difference being that this initiative is specifically aimed at private sector companies and there are no rewards paid out.

The CCPI is aimed at sensitizing employees to the need to provide information to the security forces through different avenues, including drop boxes located in companies which are participating in the programme, trained managers to counsel employees, a toll-free number and a web-site. After several months of discussions and consultations, detailed planning for the launch of the CCPI commenced on September 1, 2002. All tasks required to launch the programme are completed, including printed forms and the promotional video.

To date, eleven companies have agreed to participate. All the Managing Directors and most managers of the companies have full knowledge of the benefits of the Initiative and how each employee can assist in solving crime. These companies have received brochures, video cassettes, drop boxes and self-addressed forms and formal presentations have been made. We are presently working at broadening the participation in this programme

The Better Family Life Project

Project Coordinator: Lawrence Fraser

This initiative is against the background of the alarming state of moral decadence and social dislocation in Jamaica. There was an urgent need to give national attention to "Family Life" in general and to relationships, in particular, Parenting and Marriage.

A consultative committee was formed, and in January, 2002, a draft national proposal was tabled reflecting the combined thinking of the committee. The general objectives of this initiative were:

- ☐ To bring national focus to bear on the moral values negatively affecting the society, one reason being the eroding positive influence of the homes
- ☐ To restore a national positive attitude towards Marriage and Responsible Parenting
- ☐ To increase the number of traditionally-conducted Marriages
- ☐ To encourage the practice of Pre-marital Counselling, as a pre-requisite for Marriage
- ☐ To encourage Responsible Parenting by promoting the positive aspects of the Father-Mother partnership in child-bearing and child-rearing
- ☐ To galvanize the support of schools, churches, community-based organization/associations businesses/companies/firms, in the entertainment industry and the media in promoting the positive attributes

This led to the initial project draft of "Family Life Proposal", which set out to create a working alliance between the PSOJ and a grouping of churches and their leaders to create three 45-minute videos, using teachers and subject matters relevant to Jamaican families, which could be used by churches or other civic groups.

This project was sponsored by Victoria Mutual Building Society. A coordinator was hired in mid-2002 and developed the vision statement, rationale, mission, goals and objectives, implementation, budget, video content and possible programs. The production of videos on parenting, marriage and family life began in late 2002, with the viewing of the first video taking place in December 2002. The coordinator then developed networking contacts with certain committee members, social and civic groups as a precursor to developing a marketing and promotion plan for the programme.

Since the start of this project, the Coordinator has liaised with over 500 churches and 765 communities. Most of the contacts are very interested and are looking forward to the formal launch and distribution of the videos and workbooks.

THE PERFORMANCE OF MANAGING OVER \$30.5 BILLION IN ASSETS.



THE INTEGRITY OF BEING ABLE TO ACCOUNT FOR EVERY 3,052,408,090,639 'RED CENT'



Last year under the leadership of our President, Curtis Martin, the management team doubled the total assets under management to \$30.52 billion.

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**WHAT JAMAICANS
CAN DO WHEN THEY ARE
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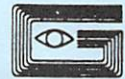
PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY

FINANCIAL STATEMENTS

SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

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REPORT OF THE AUDITORS**TO THE MEMBERS OF****PRIVATE SECTOR ORGANISATION OF JAMAICA**

We have audited the accompanying balance sheet of the Private Sector Organisation of Jamaica as at 31st December 2002 and the related statements of income, changes in equity and cash flows for the period then ended, and have received all the information and explanations which we considered necessary. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper accounting records have been kept, and the financial statements which are in agreement therewith, give a true and fair view of the state of the company's affairs as at 31st December 2002 and of the results of its operations, its changes in equity and its cash flows for the period then ended in accordance with Jamaican generally accepted accounting principles and comply with the provisions of the Jamaican Companies Act.

PAUL GOLDSON & CO.
CHARTERED ACCOUNTANTS

12th June 2003

DENIS P. GOLDSON, F.C.A., M.Sc., (Public Admin.) Associates: PRUNELLA VASSELL, F.C.A.
LISA COUSINS, C.A., M.Sc., (Acctg.), B.Sc., (Computer Science) Managers: G. E. Miller,
K. M. Nugent-McFarlane, ACCA, O. Duhaney, ACCA, P. G. Shaw, B. Ed. (London) Dip. Mgt. Studies (Hons.)



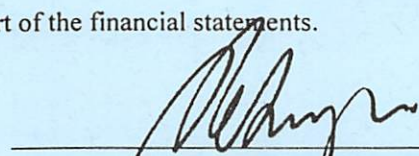
PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
GROUP BALANCE SHEET
31ST DECEMBER 2002

		31st Dec. 2002 \$'000	31st July 2001 \$'000
	<u>Notes</u>		
<u>ASSETS</u>			
Non-Current Assets			
Property, Plant & Equipment	4	9,329	3,353
Discount on Issue of Debentures	5	15	27
Premium on Redemption of Debentures	6	42	52
Investments	7	3,540	40
		<u>12,926</u>	<u>3,472</u>
Current Assets			
Trade and Other Receivables	8	2,994	1,388
Taxation Recoverable		986	521
Cash and Cash Equivalents	9	<u>6,203</u>	<u>5,748</u>
		<u>10,183</u>	<u>7,657</u>
TOTAL ASSETS		<u>23,109</u>	<u>11,129</u>
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Capital Reserves	10	9,862	4,531
Accumulated Deficit		<u>(1,534)</u>	<u>(1,764)</u>
		<u>8,328</u>	<u>2,767</u>
Non-Current Liabilities			
Special Project Funds	11	5,026	1,341
Long-Term Liabilities	12	<u>788</u>	<u>1,158</u>
		<u>5,814</u>	<u>2,499</u>
Current Liabilities			
Trade and Other Payables	13	3,936	3,350
Subscriptions Received in Advance		4,694	2,221
Current Portion of Long Term Liabilities		-	227
Bank Overdraft	14	<u>337</u>	<u>65</u>
		<u>8,967</u>	<u>5,863</u>
TOTAL EQUITY AND LIABILITIES		<u>23,109</u>	<u>11,129</u>

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

ON BEHALF OF THE BOARD:


 Greta Bogues
 Chief Executive Officer


 Hayden Singh
 Honorary Treasurer

PRIVATE SECTOR ORGANISATION OF JAMAICA**AND ITS SUBSIDIARY****GROUP INCOME STATEMENT****SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002**

		17 Months Ended 31st Dec. 2002	12 Months Ended 31st July. 2001
	<u>Notes</u>	<u>\$'000</u>	<u>\$'000</u>
Revenue			
Subscriptions and Contributions	3	14,077	8,438
Other Income		<u>16,749</u>	<u>8,257</u>
		30,826	16,695
Administrative Expenses		<u>30,425</u>	<u>16,771</u>
Operating Profit/(Loss)	15	401	(76)
Finance Costs		<u>171</u>	<u>238</u>
Net Profit/(Loss) for the Period/Year		<u>230</u>	<u>(314)</u>


The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

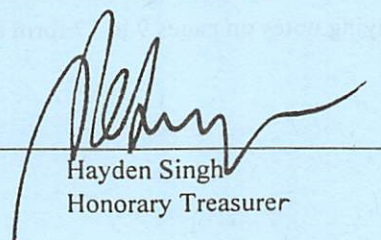
PRIVATE SECTOR ORGANISATION OF JAMAICA
COMPANY BALANCE SHEET
31ST DECEMBER 2002

		31st Dec. 2002 \$'000	31st July 2001 \$'000
	<u>Notes</u>		
<u>ASSETS</u>			
Non-Current Assets			
Property, Plant & Equipment	4	7,312	1,243
Investments	7	3,540	40
Investment in Subsidiary		65	65
		<u>10,917</u>	<u>1,348</u>
Current Assets			
Trade and Other Receivables	8	2,994	1,388
Taxation Recoverable		966	507
Cash and Cash Equivalents	9	6,196	5,741
		<u>10,156</u>	<u>7,636</u>
TOTAL ASSETS		<u>21,073</u>	<u>8,984</u>
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Capital Reserves	10	8,479	3,148
Accumulated Deficit		(1,597)	(2,267)
		<u>6,882</u>	<u>881</u>
Non-Current Liabilities			
Special Project Funds	11	5,026	1,341
Long-Term Liabilities	12	-	370
Due to Subsidiary		515	1,202
		<u>5,541</u>	<u>2,913</u>
Current Liabilities			
Trade and Other Payables	13	3,619	2,677
Subscriptions Received in Advance		4,694	2,221
Current Portion of Long Term Liabilities	12	-	227
Bank Overdraft	14	337	65
		<u>8,650</u>	<u>5,190</u>
TOTAL EQUITY AND LIABILITIES		<u>21,073</u>	<u>8,984</u>

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

ON BEHALF OF THE BOARD:


 Greta Bogues
 Chief Executive Officer


 Hayden Singh
 Honorary Treasurer

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
COMPANY INCOME STATEMENT
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

		17 Months Ended 31st Dec. 2002	12 Months Ended 31st July 2001
	<u>Notes</u>	<u>\$'000</u>	<u>\$'000</u>
Revenue	3		
Subscriptions and Contributions		14,077	8,438
Other Income		<u>15,595</u>	<u>7,753</u>
		29,672	16,191
Administrative Expenses		<u>28,831</u>	<u>16,214</u>
Operating Profit/(Loss)	15	841	(23)
Finance Costs		<u>171</u>	<u>238</u>
Net Profit/(Loss) for the Period/Year		<u><u>670</u></u>	<u><u>(261)</u></u>

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
GROUP STATEMENT OF CHANGES IN EQUITY
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

<u>The Group</u>	<u>Capital Reserve</u> \$'000	<u>Accumulated Deficit</u> \$'000	<u>Total</u> \$'000
Balance at 31st July 2000	4,531	(1,450)	3,081
Net loss for year 2001	<u>-</u>	<u>(314)</u>	<u>(314)</u>
Balance at 31st July 2001	4,531	(1,764)	2,767
Capital Assets Donated	5,331	-	5,331
Net Profit for seventeen month period	<u>-</u>	<u>230</u>	<u>230</u>
Balance at 31st December 2002	<u><u>9,862</u></u>	<u><u>(1,534)</u></u>	<u><u>8,328</u></u>

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
COMPANY STATEMENT OF CHANGES IN EQUITY
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

<u>The Company</u>	<u>Capital Reserve</u> \$'000	<u>Accumulated Deficit</u> \$'000	<u>Total</u> \$'000
Balance at 31st July 2000	3,148	(2,006)	1,142
Net loss for Year 2001	<u>-</u>	<u>(261)</u>	<u>(261)</u>
Balance at 31st July 2001	3,148	(2,267)	881
Capital Assets Donated	5,331	-	5,331
Net Profit for seventeen month period	<u>-</u>	<u>670</u>	<u>670</u>
Balance at 31st December 2002	<u><u>8,479</u></u>	<u><u>(1,597)</u></u>	<u><u>6,882</u></u>

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

PRIVATE SECTOR ORGANISATION OF JAMAICA**AND ITS SUBSIDIARY****GROUP STATEMENT OF CASH FLOWS****SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002**

	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit/(Loss)	230	(314)
Adjustments to reconcile net profit/(loss) for the period/year to net cash provided by operating activities		
Depreciation	706	547
Gain on Disposal of Fixed assets	(61)	-
Amortisation of discount on issue of debentures	12	9
Amortisation of premium on redemption of debentures	10	7
	<u>897</u>	<u>249</u>
(Increase)/Decrease in Current Assets:		
Trade and Other Receivables	(1,606)	(755)
Taxation Recoverable	(465)	(131)
Increase/(Decrease) in Current Liabilities:		
Trade and Other Payables	587	452
Subscriptions Received in Advance	2,473	675
Net cash Provided by operating activities	<u>1,886</u>	<u>490</u>
Cash flows from Investing Activities:		
Purchase of Investments	(3,500)	3,984
Proceeds from Disposal of Fixed Assets	427	-
Purchase of Fixed Assets	(7,049)	(742)
Net cash (Used in)/Provided by Investing Activities	<u>(10,122)</u>	<u>3,242</u>
Cash flows from Financing Activities:		
Increase in Capital Reserves	5,331	-
Special Project Funds	3,685	(96)
Long Term Loan Received	-	225
Repayment of Long Term Loan	(597)	(132)
Bank Overdraft	272	65
Net cash Provided by Financing Activities	<u>8,691</u>	<u>62</u>
Net Increase in Cash and Cash Equivalents	455	3,794
Cash and Cash Equivalents at the beginning of the period/year	<u>5,748</u>	<u>1,954</u>
Cash and Cash Equivalents at the end of the period/year	<u>6,203</u>	<u>5,748</u>

The accompanying notes on pages 9 to 17 form an integral part of the financial statements.

PRIVATE SECTOR ORGANISATION OF JAMAICA**AND ITS SUBSIDIARY****NOTES TO THE FINANCIAL STATEMENTS****SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002****1. Identification:**

The company is incorporated in Jamaica as a company limited by guarantee and not having share capital. The liability of each member, in the event of a winding up, is limited to \$2. At 31st December 2002, the membership of the company was 232; (2001 – 227).

The principal activity of the company is to promote, propagate and encourage the principles of private enterprise in Jamaica. The principal activity of the subsidiary is the rental of the property.

By order of the Minister of Production, Mining and Commerce, on the 9th December 1992, the company has been authorized under Section 20 of the Companies Act to omit the word "Limited" from its name.

These financial statements are presented in Jamaican dollars.

2. Significant Accounting Policies:**(i) Accounting Convention –**

These financial statements have been prepared in accordance with and comply with Jamaican Accounting Standards, and have been prepared under the historical cost convention.

(ii) Use of Estimates –

The preparation of the financial statements in conformity with Jamaican generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

PRIVATE SECTOR ORGANISATION OF JAMAICA

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

2. Significant Accounting Policies - (Cont'd):

(iii) Basis of Consolidation -

The consolidated financial statements include the financial statements of the company and its wholly-owned Jamaican subsidiary, Private Sector Organisation of Jamaica (Holdings) Limited, made up to 31st December 2002.

(iv) Property, Plant and Equipment and Depreciation -

Property, Plant and Equipment are stated at cost less accumulated depreciation. Fixed assets, except for freehold land on which no depreciation is provided, are depreciated on a straight line basis at annual rates estimated to write off the assets over their expected useful lives. Annual depreciation rates are as follows:

Freehold Buildings	2 ½%
Furniture and Equipment	10 %
Motor Vehicles	20 %
Leasehold Improvement	2.5 %

(v) Special Project Funds -

Certain designated income is credited directly to Special Project Funds. Approved project expenses are charged against these funds.

(vi) Capital Donations -

Property, Plant and Equipment that are donated are valued at cost at the time of supply and credited to capital reserves.

PRIVATE SECTOR ORGANISATION OF JAMAICA

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

2. Significant Accounting Policies – (Cont'd):

(vii) Foreign Currencies -

Foreign currency balances at the balance sheet date are translated at the rates of exchange ruling on that date. Transactions in foreign currencies are converted at the rates of exchange ruling at the date of those transactions. Gains and losses arising from fluctuations in exchange rates are included in the profit and loss account

(viii) Financial Instruments -

Financial instruments carried on the balance sheet include investments, cash and cash equivalents, trade and other receivables, trade and other payables, subscriptions received in advance and long term liabilities. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item. The fair values of the company's financial instruments are discussed in Note 18.

(ix) Revenue Recognition -

Income is recognized on the accrual basis. A provision is made against members' subscriptions in arrears in excess of one year.

(x) Receivables -

Receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the period end. Bad debts are written off during the period in which they are identified.

PRIVATE SECTOR ORGANISATION OF JAMAICA

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

2. Significant Accounting Policies – (Cont'd):

(xi) Cash and Cash Equivalents -

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, and deposits held with financial institutions.

(xii) Employee Benefit Costs -

The company operates a defined contribution plan, the assets of which are generally held in a separate trustee-administered fund. The pension plan is funded by payments from employees and by the company. The company's contributions to the plan are charged to the profit and loss account for the period to which it relates.

(xiii) Comparative Information -

Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current period.

3. Revenue:

This represents income from members subscriptions, advertising, seminars and other fund-raising activities.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

4. Property, Plant & Equipment:

	<u>The Group</u>					
	Freehold Land	Freehold Buildings	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost or Valuation:						
At 1st August 2001	389	2,624	-	2,647	918	6,578
Additions	-	-	2,738	4,311	-	7,049
Disposals	-	-	-	-	(918)	(918)
31st December 2002	389	2,624	2,738	6,958	-	12,709
Accumulated Depreciation:						
At 1st August 2001	-	903	-	1,856	466	3,225
Charge for the period	-	93	33	495	85	706
Disposals	-	-	-	-	(551)	(551)
31st December 2002	-	996	33	2,351	-	3,380
Net Book Values:						
31st December 2002	389	1,628	2,705	4,607	-	9,329
31st July 2001	389	1,721	-	791	452	3,353

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

4. **Property, Plant & Equipment (Cont'd) :**

	<u>The Company</u>			
	Leasehold Improvements	Furniture & Equipment	Motor Vehicles	Total
	\$'000	\$'000	\$'000	\$'000
Cost or Valuation:				
At 1st August 2001	-	2,497	918	3,415
Additions	2,738	4,311	-	7,049
Disposals	-	-	(918)	(918)
31st December 2002	2,738	6,808	-	9,546
Accumulated Depreciation:				
At 1st August 2001	-	1,706	466	2,172
Charge for the period	33	495	85	613
Disposals	-	-	(551)	(551)
31st December 2002	33	2,201	-	2,234
Net Book Values:				
31st December 2002	2,705	4,607	-	7,312
31st July 2001	-	791	452	1,243

5. **Discount on Issue of Debentures :**

This represents the discount on the issue of the first mortgage debenture stock, being amortised on a straight line basis at 5% per annum.

6. **Premium on Redemption of Debentures :**

This represents the premium on redemption of the second mortgage debenture stock, being amortised on a straight line basis at 5% per annum.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

7. Investments:

	The Group & The Company	
	17 Months Ended 31st Dec. 2002	12 Months Ended 31st July 2001
Investments held under repurchase agreements - Government of Jamaica Local Registered Stock	3,500	-
Quoted stocks at cost (Market value: \$25,000 ; 2001- \$22,000)	40	40
	<u>3,540</u>	<u>40</u>

Investments held under repurchase agreements are fixed interest instruments that have a weighted average effective interest rate of 18%-19% (2001- 18%-19%)

8. Trade and Other Receivables:

This balance is shown net of provision for doubtful debts of \$480,000 (2001 - \$261,000).

9. Cash and Cash Equivalents:

	The Group		The Company	
	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
Short Term Investments	4,943	4,199	4,943	4,199
Current and Savings Accounts	1,256	1,545	1,249	1,538
Cash	4	4	4	4
	<u>6,203</u>	<u>5,748</u>	<u>6,196</u>	<u>5,741</u>

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

10. Capital Reserves :

	<u>The Group</u>		<u>The Company</u>	
	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
Capital grants	6,945	1,614	5,562	231
Gain on sale of investments	2,917	2,917	2,917	2,917
	<u>9,862</u>	<u>4,531</u>	<u>8,479</u>	<u>3,148</u>

Capital grants comprise the value of assets at the time they were donated to the group, adjusted for subsequent losses or gains on disposals.

11. Special Project Funds :

	<u>The Group & The Company</u>	
	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
USAID - Health Sector Initiative Project	767	767
G. Arthur Brown Scholarship Fund	276	276
Peace Fund	1	1
Christmas Eve Explosion Fund	1	1
Farm Fund	1	1
Innecity Community Fund	106	-
Project- Enact Programme	301	-
VMBS Better Life Project	1,533	-
CIDA Fund	1,006	-
Project C.C.P.I	739	-
Muirton Boy's Home Fund	2	2
Legislative Action Fund	215	215
Environmental Project	78	78
	<u>5,026</u>	<u>1,341</u>

The Special Project Funds may only be utilised in accordance with the directions from the various funds and are represented by investments, deposits and cash and cash equivalents.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

12. Long-Term Liabilities:

	The Group		The Company	
	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
(a) 1% First Mortgage debenture stock (1987/2008)	344	344	-	-
(b) 1% Second Mortgage debenture stock (1990/2009)	444	444	-	-
(c) 22% Industrial Finance Limited loan (1999/2004)	-	425	-	425
(d) 20.3% Industrial Finance Limited loan (2000/2002)	-	172	-	172
	788	1,385	-	597
Less : Current portion	-	227	-	227
	788	1,158	-	370

(a) The first mortgage debenture stock is secured by a first charge on the freehold property and a floating charge on all other assets and uncalled capital of the subsidiary. The debenture, which is redeemable in 2008 at par, was issued at \$58.08 for each \$100 face value (note 5).

(b) The second mortgage debenture stock is secured in the same manner as described in (a) above. The debenture, which was issued at par, is redeemable in 2009 at a premium of \$48 for each \$100 face value (Note 6).

(c) This loan is secured by lien on a motor car. The loan is repayable in monthly instalments of \$20,000 ending in April 2004.

(d) This loan is secured by a bill of sale over computer equipment. The loan is repayable in monthly instalments of \$13,000 ending in December 2002.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

13. Trade and Other Payables:

	The Group		The Company	
	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
Other Payables	3,149	2,198	2,947	1,944
Accruals	787	1,152	672	733
	<u>3,936</u>	<u>3,350</u>	<u>3,619</u>	<u>2,677</u>

14. Bank Overdraft:

The company has a bank overdraft facility of \$1,000,000 secured by a guarantee signed by the Private Sector Organisation of Jamaica (Holdings) Limited in favour of the company to cover \$1,000,000 supported by a first mortgage over commercial property situated at 39 Hope Road, Kingston 10.

15. Operating Profit/(Loss):

The following items have been charged in arriving at the operating profit/(loss) for the period/year :

	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
Depreciation	706	547
Auditors' Remuneration	350	300
Interest Expense	128	194
Amortisation of discount on issue of debentures	12	9
Amortisation of premium on redemption of debentures	<u>10</u>	<u>7</u>

16. Taxation:

(a) There was no taxation charge for the current year due to losses incurred by the group.

(b) Subject to agreement with the Taxpayer Audit and Assessment Department, losses of the group available for offset against future taxable profits amount to approximately \$2,034,000 (2001-\$2,264,000) and may be carried forward indefinitely.

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

17. Staff Costs:

Staff costs for the period amounted to \$13,968,000 (2001- \$8,954,000) while the number of of staff at the year end was (33) ; (2001- 33).

18. Financial Instruments:

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

(a) Interest Rate Risk

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

The group is exposed to interest rate risk.

Financial Assets

The group's income and operating cash flows are substantially independent of changes in market interest rates. Financial assets and liabilities subject to interest include investments, cash and bank balances and long term liabilities. The effective rates and exposure risk of these balances are disclosed in the relevant notes to the financial statements.

(b) Credit Risk:

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

The group has no significant concentrations of credit risk. The group faces credit risk in respect receivables.

(c) Liquidity Risk:

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitr associated with financial instruments.

The group faces no liquidity risk at the end of the period. At 31st December 2002, the group's current assets exceeded its current liabilities by \$1,216,000 (31st July 2001-\$1,794,000).

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS - (CONT'D)
SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

18. Financial Instruments (cont'd):

(d) Foreign Currency Risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Two foreign currency bank accounts are maintained at a level which partially meets foreign currency obligations.

(e) Fair Value:

Fair value amount represents estimates of the arm's length consideration that would currently be agreed between knowledgeable, willing parties who are under no compulsion to act.

The estimated fair values of the amounts included in the financial statements for cash and bank balances, overdraft, receivables, payables and subscriptions received in advance reflect their approximate fair value because of the short term maturity of these instruments.

19. Pension Scheme:

The company operates a contributory pension scheme for all employees who have satisfied certain minimum service requirements. The scheme, which is a defined contribution plan, is administered by Guardian Life Limited.

20. Contingent Liability:

The company has guaranteed the interest payments and the redemption of the debenture stocks issued by the subsidiary, Private Sector Organisation of Jamaica (Holdings) Limited.

21. Comparative Figures :

Comparative Figures have been adjusted to bring them in line with current period presentation.

PRIVATE SECTOR ORGANISATION OF JAMAICA

AND ITS SUBSIDIARY

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

I N D E X

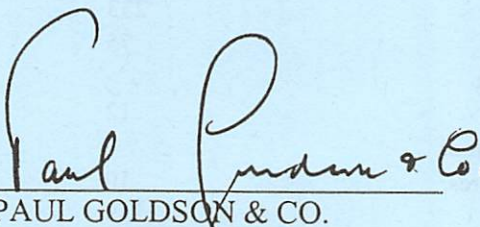
	<u>STATEMENT</u>
REPORT OF THE AUDITORS TO THE DIRECTORS	1
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REPORT OF THE AUDITORS
TO THE DIRECTORS OF
PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY
ON SUPPLEMENTARY INFORMATION

The supplementary information presented on statement 2 has been taken from the accounting records of the company and has been subjected to the tests and other auditing procedures applied in our examination of the financial statements of the company for the seventeen (17) months ended 31st December 2002.

In our opinion, the said information is fairly presented in all material respects in relation to the financial statements taken as a whole, although it is not necessary for a fair presentation of the state of affairs of the company at 31st December 2002 and the results of its operations, changes in equity and cash flows for the period then ended.



PAUL GOLDSON & CO.
CHARTERED ACCOUNTANTS

PRIVATE SECTOR ORGANISATION OF JAMAICA
AND ITS SUBSIDIARY

SCHEDULE OF EXPENSES

SEVENTEEN (17) MONTHS ENDED 31ST DECEMBER 2002

	The Group		The Company	
	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000	17 Months Ended 31st Dec. 2002 \$'000	12 Months Ended 31st July 2001 \$'000
<u>Administrative:</u>				
Management Fees	1,154	400	-	-
Auditor's Remuneration	350	300	290	250
Depreciation	706	547	613	480
General Expenses	1,736	798	1,736	795
Insurance	256	303	256	303
Meetings and Luncheon	3,627	1,067	3,627	1,067
Motor Vehicle Expenses	42	58	42	58
Professional Services	378	59	318	59
Registration Fees	80	-	1	-
Asset Fees - Current Year	5	-	-	-
- Previous Year	45	-	-	-
Publications	1,553	1,071	1,553	1,071
Membership Dues	50	-	50	-
Rent	-	507	-	507
Repairs and Maintenance	804	375	804	375
Staff Costs	13,968	8,954	13,968	8,954
Stationery	335	155	335	155
Travelling and Entertainment	364	435	364	435
Utilities	2,283	1,363	2,282	1,363
Seminar	2,140	342	2,140	342
Security Expenses	233	-	233	-
Property Tax	75	21	-	-
Amortisation of discount on issue of debentures	12	9	-	-
Amortisation of premium of redemption of debentures	10	7	-	-
Bad Debts	219	-	219	-
	<u>30,425</u>	<u>16,771</u>	<u>28,831</u>	<u>16,214</u>
<u>Finance Costs:</u>				
Bank charges	43	44	43	44
Interest	128	194	128	194
	<u>171</u>	<u>238</u>	<u>171</u>	<u>238</u>

A launch budget has been prepared and further project funding is being sought. Major presentations and contacts continue to be made across the island to various associations, churches, NGOs and Chambers of Commerce. Through this project, the PSOJ will be sitting on the Values & Attitudes Research & Development Committee.

CONSOLIDATION OF PRIVATE SECTOR ASSOCIATIONS

The consolidation of the major Private Sector Associations started in March 2002 when a Memorandum of Understanding was signed and a Steering Committee comprised of representatives from each association involved in the consolidation (PSOJ, JEA, JBA, JMA, and JCC) was formed.

Consultants have been contracted to provide guidance in Human Resource Management, Information Technology, Legal and regulatory framework, and Project Management assistance for the project.

In preparation for the consolidation, the PSOJ upgraded its building and infrastructure. This was complemented with training for staff of the consolidated secretariat in these new programmes. The new infrastructure will now provide better turnaround time for the services we provide, improving staff effectiveness and efficiency to better serve our members. We have been able to upgrade our Information Systems, install a new PBX Telephone system and acquire new Accounting software.

The Steering Committee has been working assiduously to address the various challenges of the project. To date, many fundamental decisions critical to the overall success of the project have been agreed on, and these include the business and organizational structure.

A major achievement was reached with the relocation of the JEA to the PSOJ Secretariat in July 2002 and the PSOJ assuming full responsibility for the JBA secretariat, along with the JIOB in December 2002.

Training for the consolidated secretariat in Change Management took place to assist the staff in coping with the many dynamic changes taking place.

The consolidation process is expected to provide greater efficiencies and synergies among the associations, while improving the level of service to our members.

Various aspects of the consolidation would not have been possible without funding from donor agencies namely CIDA/CPEC (Caribbean Regional HRD Programme for Economic Competitiveness) the primary funding agency, USAID (New Economy Project), and TDP/JAMPRO (Trade Development Project) which include the upgrade of our I.T. infrastructure, and the procurement of several new computer software programmes to enhance secretariat operations.

Work continues on the consolidation, and it is anticipated that full implementation will be completed by December 2003.

THE CONSOLIDATED SECRETARIAT



- FRONT ROW:** (From left) Damien Young (Bearer), Cecil Lindo (Caretaker), Angela Williams (Office Attendant), Jean Smith (Director, Export Services), Cheryl Laidlaw (Senior Director-Operations) and Paul Edwards (Bearer).
- SECOND ROW:** (From left) Carlene Clarke (Accounting Officer), Camille Beckford (Missions & Promotions Officer), Charles Reid (Sector Coord. – Agro-Processing), Amanda Collins-Madden (Administrative Officer), and Joan Bogle (Senior Acct.).
- THIRD ROW:** (From left) Annmarie Hendriks (Senior Acct.), Margaret Warner (Customer Service Rep.), Tanya Pringle (Corporate & Public Affairs Manager), Karlene Ramdon-Fearon (Trng. & Education Officer), Eileen Chong (Sector Coord.-Gifts & Apparel), Nicola Gordon-Rowe (Trade & Environment Officer) and Evett Evans-Coombs (Executive Asst.).
- FOURTH ROW:** (From left) Kerry-Ann Jones (I T Specialist), Celia Barnes (JaMAC Co-ordinator), Elaine Chambers (CPEC), Greta Bogues (Chief Executive Officer, PSOJ/JEA), Gregory Williams (Accounting Officer) and Karen Payton (Communications Officer).
- BACK ROW:** (From left) Pamela Sinclair (Member Support Services Officer), Janice Rose-Brown (Business Development Manager) and Wayne Clarke (Manager, Finance).

Missing from photograph are: Mrs. Marlene Parker, Senior Director Financial Services & Research, Mrs. Sandra Cooper, Manager, Training & Education Services, Miss Tricia Wright, Research Economist and Mrs. Darlene Jones, Training and Education Officer.

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ADMINISTRATION

The period under review was another challenging one as the implementation of the consolidation of the major private sector associations commenced. In order to strengthen the capacity of senior management, two new Senior Directors were employed in the areas of Operations and Financial and Research Services.

Staff Training

Extensive training was conducted throughout the period under review as staff were prepared to assume new responsibilities and work within the new IT framework. Employees improved their computer skills in Windows XP, Microsoft Excel, Word, and Power Point. Workshops were also hosted for staff members, and other private sector associations in the areas of Change Management and Modern Association Management practices. Funding was granted to facilitate these training exercises from the Caribbean Regional HRD Program for Economic Competitiveness (CPEC)/ Canadian International Development Agency (CIDA) and Jamaica Promotions Corporation (JAMPRO) - Trade Development Project.

Building Environment

The PSOJ underwent much needed renovations during the year. The main entrance to the PSOJ was relocated to Ardenne Road and the parking lot extended and repaved. What was once the courtyard has also been converted into office space. The interior of the building was refurbished and upgraded to accommodate the increased staff complement.

General maintenance of the lighting and air conditioning units continued and preventative work including pest control continues to be routinely conducted. The building is now monitored by Hawkeye Electronic Security. During the year, the Jamaica U-Drive secretariat relocated its office.

Information Technology

As we sought to improve the organisation's infrastructure, the I.T. department received a much needed overhaul with the purchase of ten new PIV 1.7HGZ computer systems, a Powerware 18KVA UPS, and a 1.4GHZ Pentium III IBM File Server. Ten computers also received 128MB memory upgrades.

In an effort to further enhance the operations of the secretariat the organisation acquired ACCPAC Multi-currency Accounting software and Association Management Software with funding assistance from CPEC/CIDA and the U.S. Agency for International Development (USAID) – New Economy Project.

Microsoft Jamaica Inc. generously donated the following software as a gesture of their endorsement of the consolidation, which was greatly appreciated:

- Microsoft XP Professional
- Office XP Standard Edition
- One Full Product Package of Windows 2000 Server
- Windows 2000 Client Access License authorisation for 40 personal computers
- One Full Product Package of Exchange 2000 Server
- Exchange 2000 Server Client License authorization for 40 personal computers
- One Full Product Package of Visio 2000 Enterprise Edition

Communications

Our network and internet facilities were also upgraded with the installation of an ADSL Router/Modem and an expanded hub. As a result of the equipment upgrades, fax transmissions, internet, and email facilities are being more efficiently utilized in communicating both internally and

externally, with our members and other clients.

Our old telephone system was replaced with a Nortel PBX telephone system, which provides voice mail and other related services.

Monthly staff meetings continue to be held with the main objective being to keep members of staff informed and also to receive their feedback.

The PSOJ website continues to be updated on a regular basis and maintained by Go-Jamaica.

Donations

In December, 2002, PSOJ staff collected funds and presented school supplies to Mount View Academy to be given to the Pringle Home for Girls in St. Mary and the Mount Olivet Boys Home in Manchester. Donations were also made to the Marigold Place of Safety during the Christmas season. These institutions have indicated their appreciation for the consideration shown.

Appreciation

The management and staff of the Secretariat would like to express sincere thanks to our Immediate Past President, Oliver F. Clarke for his strong leadership and guidance over

the past year. Appreciation must also be extended to all the officers, members of the executive and committee members who, through their commitment gave freely of their time. Sincere thanks to staff of the

secretariat and the association members for their continued support and hard work. The association would not have achieved success without you.

THE PSOJ IN ACTION



Hon. Phillip Paulwell, Minister of Industry, Commerce and Technology with PSOJ Job Creation Awardees: Centennial, Jamaica Lottery and Real Rock at the first Job Creation Awards Ceremony held January 2002.



Their Excellencies the Governor General and the Most Honourable Lady Cooke, Mrs. Peggy Blades, 2002 Hall of Fame Honouree Mr. Desmond Blades, CEO Greta Bogues and President Oliver F. Clarke at the 2002 Hall of Fame Banquet, held at the Hilton Kingston on 16 May, 2002

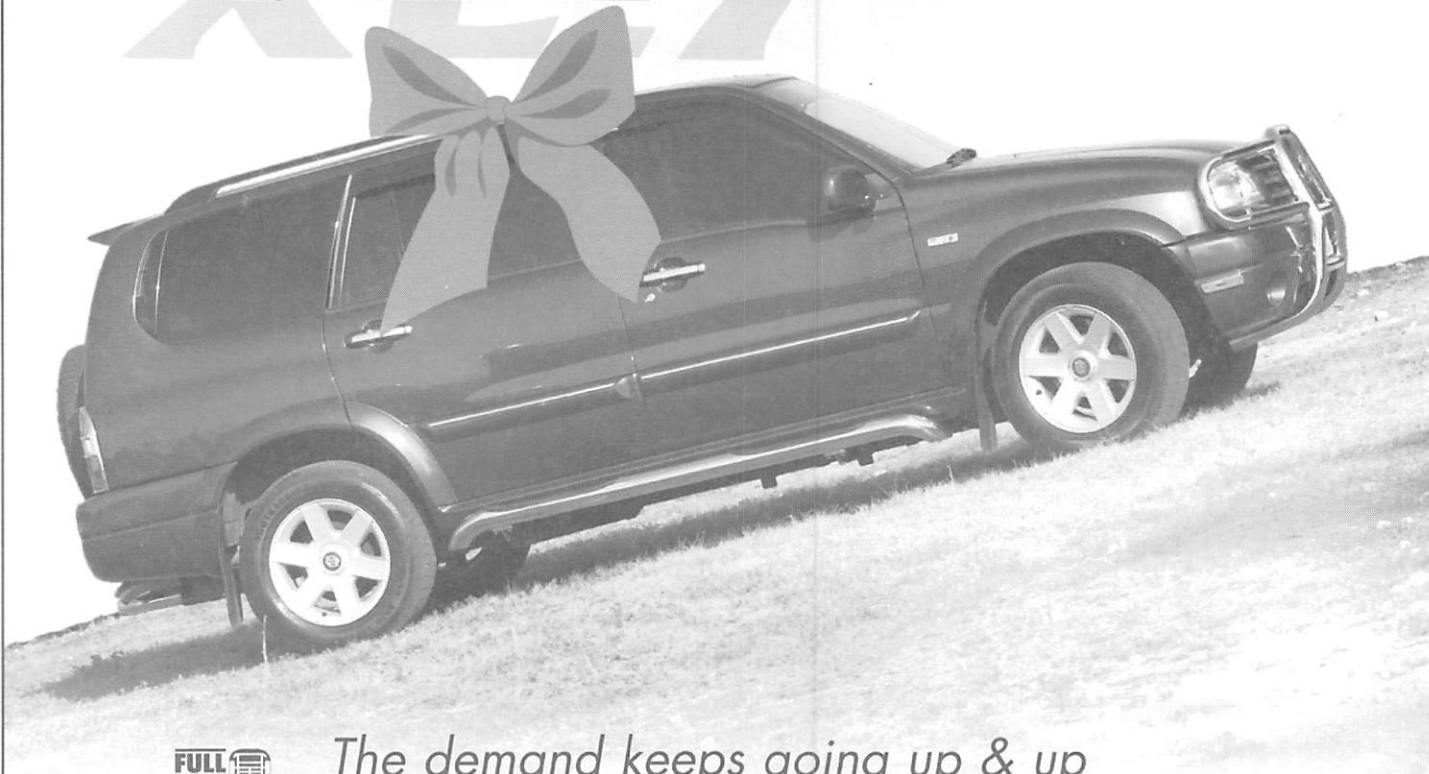


Oliver Clarke, PSOJ President (2nd right) makes a point to Jessica Potes, Partner and Marketing Manager, Microsoft Caribbean (left) Gregory Stewart, Country Manager Microsoft Ja. (2nd left) and Greta Bogues, CEO PSOJ/JEA after the presentation of Microsoft Software Packages, September 2002.



Hon. Oliver Clarke, OJ, PSOJ President, presents Membership Certificate to Mr. Aubyn Hill, Managing Director, National Commercial Bank at PSOJ's AGM/Soiree held December 11, 2002.

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The XL-7 flagship has a 2.7 litre V6, 24 valve, QuadCam engine with a zero-maintenance self-adjusting 2 -stage timing chain. What we list as basic features* in its class other vehicles would list as fully-loaded.

Drive an XL-7... it's more than worth the comfort and price.

*Dual Air Bags, 4-wheel ABS, Keyless Remote Entry, Side Steps and Alloy Rims, High Power CD Stereo Cassette System are among the standard features.
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CORPORATE & PUBLIC AFFAIRS DEPARTMENT

INTRODUCTION

During 2002, the Communications Department was re-named the Corporate & Public Affairs Department (CPAD) and was assigned Membership responsibilities. In late 2002 and early 2003, Customer Service Representative, Membership Services Coordinator and Mission & Promotions Officer joined this Department as public relations and communications for the consolidated associations were assigned to this unit.

We are extremely grateful to those members who have supported our publications and events and wish to extend a warm welcome to the many new PSOJ members who joined our Association during the past year.

PUBLICATIONS

"WE ARE WORKING FOR YOU"

This information page was started in October, 2002 and is sent out twice monthly, primarily by e-mail, with information related to activities, publications and messages received for members. This publication serves as an efficient method of reaching our members with current and relevant information

PSOJ NEWS

This newsletter continued to be sent out every other month, and with the assistance of the Membership & Communications Committee, the content and layout were improved in late 2002, including full colour formatting and the sale of advertising space.

PSOJ DIARY 2003

The PSOJ Diary was produced and many of our members purchased fillers, simulated and leather diaries, with most of these diaries sold.

EXECUTIVE COMMITTEE REPORT

The Executive Committee Report scheduled for publication in November 2002, was postponed due to the change of the PSOJ year end.

PSOJ ANNUAL REPORT ON THE JAMAICAN ECONOMY

This publication was distributed to all participants of the Annual Economic Seminar and provided analysis for 2001 and the outlook for 2002 on financial matters, as well as on areas such as energy, manufacturing and tourism.

PUBLIC RELATIONS

The Department continued to generate messages requested by various organisations of the President, the CEO's monthly report and the President's Report for Council Meeting. Speeches for the CEO and the President for a number of functions, were also produced.

An increased number of press releases were distributed to the media as the PSOJ spoke out on a wide variety of issues, including crime, economic and trade policy.

PSOJ WEBSITE

The PSOJ website is now being updated regularly with information on the PSOJ and its activities. Some of the data/material available includes economic data, information on trade, environment and corporate governance, recent press releases and speeches, PSOJ newsletter and activities.

EVENTS**MEMBERSHIP SOIREE**

Two soirees for our members were held in June and December, which provided an opportunity for our members to meet with each other and the staff of the secretariat. At these events, the opportunity was taken to update the membership on topical issues, including trade, crime and the progress of the consolidation. At the soiree in December, the PSOJ website was formally launched.

HALL OF FAME BANQUET - MAY 16, 2002

Desmond Blades was inducted into the PSOJ Hall of Fame for his outstanding contribution to the development of the private sector. Over 350 guests, attended and the evening was a success.

**CORPORATE GOVERNANCE SEMINAR:
JUNE 10 – 14, 2002**

Twenty-nine participants attended this week-long seminar at the Grand Lido Sans Souci and received certification as Directors from the Commonwealth Association of Corporate Governance (CACG). Four Jamaicans were also certified as CACG trainers, including CEO Greta Bagues.

JOB CREATION AWARDS: JAN-DEC 2002

Eleven Job Creation Awards/Breakfasts were held between January 2002 and December 2003. These awards are sponsored by Cable & Wireless Jamaica Ltd. and for the period, thirty-three (33) awards were presented to companies who had created at least twenty-five jobs in the previous six months, with six (6) awards presented to small business entities which had created at least five new jobs.

NATIONAL CRIME PREVENTION FUND

INTRODUCTION

Crime Stop is a partnership between the community, the police and the media. Crime Stop pays cash rewards for information that leads to an arrest, the recovery of stolen property or the seizure of illegal drugs and guns and is run under the direction of the Private Sector Organisation of Jamaica.

This report covers a period of seventeen months – August 2001 to December 2002 consequent on the agreement of the Board to change the accounting period in accordance with the PSOJ's decision to move their accounting period to run January to December instead of August to July.

ADMINISTRATION

During the seventeen months under review, the business of the National Crime Prevention Fund was directed by the Board of Directors under the Chairmanship of Mr. Michael Hirst. In September 2000, Mr. Norman Marshall, Circulation Manager of the Gleaner Company Ltd. joined the Board of Directors. Mr. Charles Ross resigned as Executive Director of the PSOJ in June of 2001 and agreed to remain a Member of the Board of Directors. The new C.E.O. of PSOJ, Miss Greta Bogues, also joined the Board in June of 2001.

As at December 31, 2002 the Board comprised the following:

Chairman:	Michael Hirst, NCPF/Prism Consultants Ltd.
Media & Related Bodies:	J.A. Lester Spaulding, Deputy Chairman NCPF/ RJR Communications Group Norman Marshall, Gleaner Company Ltd.
P.S.O.J:	Greta Bogues, C.E.O., PSOJ Maj. Gen. Robert Neish, Chairman, Standing Committee on National Security
Police:	A. James Forbes, Superintendent of Police
Community:	Jennifer Cheesman, Secretary NCPF Peter John Thwaites, W.I. Alliance Insurance Co. Ltd. Neville James, Cookie Jar Charles Ross, Sterling Asset Management Ltd.
Ex-Officio Member	Anthony Robinson, International Communications Ltd.

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The Coordinator, Prudence Gentles, answers directly to the Board of Directors and her responsibilities include: -

- day to day administration of all the Fund's business, including management of the office and the information gathering and processing operations;
- research into, writing and production of the monthly Crime of the Month programme, as well as production of corporate advertising and public relations;
- preparation and management of the Fund's budget;
- soliciting support at all levels from major media and related bodies, the private sector, the police and the public.

During the period under review sixteen (16) monthly Board Meetings were held. The Annual General Meeting was held on the 21st November 2001.

FUNDING

All costs of the programme, including administration, advertising and payments for rewards continued to be covered by:

- 1) Media and related bodies contributing on an ongoing and regular basis, free time and space, design and production facilities for advertisements, posters, stickers and the like;
- 2) Interest of \$2,712,822 accruing to the capital fund donated by private sector bodies - funds on deposit presently stand at \$9.667 million - an additional amount of \$450,000 was raised through a three-month Cause Marketing Campaign with Sprint at the beginning of the financial year, A \$10,000 donation was also given by a member of the public.
- 3) The Police providing office space and personnel to man the telephone hotlines;
- 4) The PSOJ Secretariat which provides accounting services free of cost.

CRIME STOP OFFICES

The **Crime Stop** office is housed at the Office of the Commissioner of Police at 101 Old Hope Road, Kingston 6 at no charge to the Fund. The Police continued to provide the personnel to answer the **Crime Stop** Hot Lines and to follow up on information given to the Police for action. The counselors work on a shift basis so as to ensure a 24-hour, 7-day a week monitoring of the telephones. The office is headed by a Senior Superintendent of Police with a staff complement of eight other ranks.

MEDIA ADVERTISEMENTS

CORPORATE CAMPAIGN

During the period under review, several of the existing corporate commercials were aired.

CRIME-OF-THE-MONTH

Six 'Crime of the Month' programmes were produced during the period under review. These covered one murder committed in Westmoreland and Clarendon and three committed in Kingston. The sixth programme highlighted the murder of the 13 policemen killed in 2002.

These Corporate and Crime of the Month advertisements were produced, broadcast/published at no cost to the Fund by the following companies with more than 4,000 spots per annum:

Television Jamaica	HOT 102 FM	The Star
CVM Television	KLAS FM	The Jamaica Observer
RJR 94FM	IRIE FM	Mark Gentles
FAME FM	Love FM	Vidquip Ltd.
Radio 2	Sunday Herald	Signtex Ltd.
Power 106 FM	Daily Gleaner	McCann Erickson (Ja) Ltd.

These placements would have cost the Fund in excess of \$16.5 million had payment been required.

"GUNS FOR REWARDS" CAMPAIGN

In February 2002, *Crime Stop* agreed to assist the Ministry of National Security in launching a new "Get the Guns" Campaign. The new Campaign offered increased rewards for the recovery of illegal firearms and for arrests connected with illegal firearms –

- Recovery of a shotgun/revolver \$20,000
- Recovery of semi automatic pistol/submachine gun \$40,000
- Recovery of high powered rifle \$50,000
- If a person is arrested and charged for being in possession of an illegal firearm an additional reward of \$25,000 is paid.
- If a person is arrested and charged with murder by way of an illegal firearm a reward of \$100,000 is paid.

The Ministry of National Security guaranteed to underwrite the cost of these increased rewards and during the period under review a total of \$1,705,000 has been paid by the Ministry towards the rewards requested.

This figure can be broken down as follows:

Recovery of 10 x revolvers/shotguns @ \$20,000	=	\$240,000
Recovery of 21 x semi auto pistols/SMG's @ \$40,000	=	\$840,000
Recovery of 7 x High powered rifles @ \$50,000	=	\$350,000
Arrest & charge of 7 persons with possession of illegal Firearm @ \$25,000	=	\$175,000
Arrest & charge of one person for murder committed with gun @ \$100,000	=	\$100,000
TOTAL	=	\$1,705,000

Since February 2002, **Crime Stop** has recovered a total of forty-six (46) illegal firearms from information received. These are as follows:

Shotguns.....2	Revolvers.....8	Pistols.....18
S.M.G.....3	Rifles.....7	Homemade.....7
Air pistol.....1		

PUBLIC RESPONSE

The following statistics outline the successes of the **Crime Stop** programme during the period under review:

STATISTICS ON CALLS RECEIVED AT CRIME STOP

	AUG-DEC 2001	2002
NO. OF CALLS RECEIVED	404	1227
NO. OF "FIRST" CALLS	322	934
NO. OF ADDITIONAL INFORMATION CALLS	22	73
NO. OF QUERIES	60	220
AVERAGE NO OF CALLS PER WEEK	18	24
REWARDS PAID OUT	\$114,000	\$1,846,660
ARRESTS MADE	52	80
SUCCESS RATE	1 IN 6	1 IN 7

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- Mandeville: 962-6000-1
- May Pen: 902-6531-2
- Portmore: 988-1977
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BREAKDOWN OF ARRESTS MADE

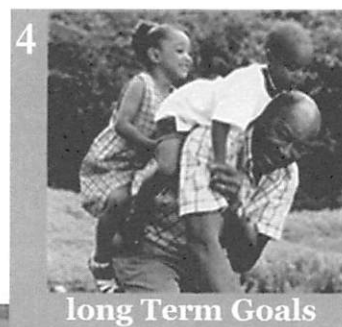
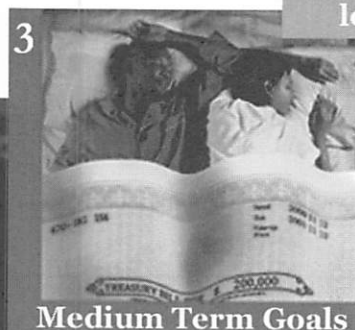
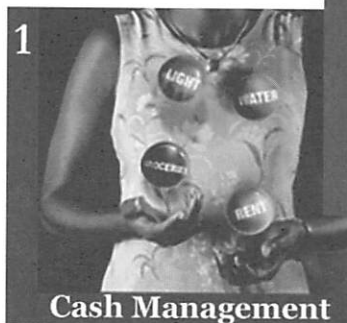
	AUG-DEC 2001	2002
POSSESSION OF ILLEGAL FIREARM/AMMO	23	28
DRUGS	19	26
MURDER	3	5
SHOOTING	2	3
STOLEN MOTOR VEHICLE	0	3
RAPE	0	2
ROBBERY	1	2
WOUNDING	1	2
ABSCONDING BAIL	1	1
BREACH OF ROAD TRAFFIC ACT	1	1
UTTERING FALSE DOCUMENTS	0	1
OTHERS	1	6

BREAKDOWN OF CALLS RECEIVED AT CRIME STOP

	AUG-DEC 2001	2002
ILLEGAL FIREARMS/AMMUNITION	133	439
DRUGS	36	110
MURDER	22	72
WANTED MEN	18	59
GUNMEN	25	43
GUNS/DRUGS	20	35
STOLEN MOTOR VEHICLE	9	29
ILLEGAL ACTIVITIES	5	16
SUSPICIOUS ACTIVITIES	7	15
ESCAPEE	6	13
SHOOTING	4	12
SUSPICIOUS PERSONS	3	10
THREAT	4	8
CONSPIRACY TO MURDER	0	7
CARNAL ABUSE	2	7
ROBBERY	5	6
OTHERS	23	53
ADD. INFORMATION/QUERIES	82	293

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STATISTICS ON ILLEGAL FIREARMS AND AMMUNITION SEIZED

	AUG-DEC 2001	2002
TOTAL NUMBER OF FIREARMS SEIZED*	18	49
ROUNDS OF AMMUNITION	42,198	1,015
AIR PISTOL PELLETS	0	177
FIREARM MAGAZINES	20	12
IMITATION FIREARMS	1	4
<u>*BREAKDOWN OF FIREARMS SEIZED</u>		
HOMEMADE	1	8
AIR PISTOL	0	1
SHOTGUNS	5	2
.22 REVOLVER	1	0
.38 REVOLVER	1	9
.22 PISTOL	0	1
.357 PISTOL	1	0
.380 PISTOL	1	7
.45 PISTOL	1	0
9MM PISTOL	6	10
10MM PISTOL	0	1
INTRA DYNAMIC SMG	0	1
TEC 9 SMG	0	1
MAC 11 SMG	0	1
AK47 RIFLE	0	3
AK90 RIFLE	0	1
SEMI AUTO RIFLE	1	1
M16 RIFLE	0	2

In addition to the above successes, a total of twelve (12) stolen motor vehicles were recovered during the period under review along with several fans, a component set, tape deck, two scales and a large quantity of fireworks.

The following is a breakdown of the value of the property and narcotics seized through information to Crime Stop in the period under review.

	AUG-DEC 2001	2002
VALUE OF PROPERTY RECOVERED/SEIZED	\$2,311,600	\$4,706,317
VALUE OF NARCOTICS SEIZED	\$617,026	\$150,753,158

REWARDS

During the period under review a total of One million, Nine hundred and sixty thousand, Six hundred and Sixty dollars (\$1,960,660) was paid out in rewards as per breakdown set out hereunder.

	<u>Aug-Dec'01</u>	<u>2002</u>
Recovery of Illegal Firearm	\$ 67,000	\$1,496,110
Murder	\$ 42,000	\$ 155,000
Drugs	\$ 5,000	\$ 168,550
Others	-	\$ 27,000
TOTAL	\$114,000	\$1,846,660

Rewards are determined by certain set guidelines that are set out by the Board of Directors.

Rewards are only paid out at the request of a caller. A large majority of the people who call **Crime Stop** do so as public-spirited citizens and not for the money.

ESCROW ACCOUNT

The Reward Escrow Account was opened to facilitate members of the public to offer additional sums of money towards rewards offered by **Crime Stop** for specific crimes. At the end of December 2002 there was \$1,470,000 in this account.

FUNDRAISING

In August 2001 **Crime Stop** entered into a three-month Cause Marketing Campaign with Sprint in which Sprint gave part proceeds of every Collect Call made to the United States to the **Crime Stop** programme. A total of \$450,000 was donated to the programme.

In October 2001 a donation of \$10,000 was given to the programme from the family of Don Fearon – a victim of murder which was covered as a Crime of the Month programme.

23rd CRIME STOPPERS INTERNATIONAL ANNUAL TRAINING CONFERENCE

Arrangements had been made for the Coordinator to attend the 22nd Crime Stoppers International Training Conference in Pueblo, Colorado in September 2001. However the trip was cancelled due to the tragic events at the World Trade Center on September 11, 2001.

The 23rd Crime Stoppers International Annual Training Conference was held in Ottawa, Ontario, Canada between August 20 to 24, 2002. The Coordinator, Prudence Gentles, represented Jamaica at the Conference. It was well attended with over 400 delegates present from countries all around the world. The training sessions were very informative and several important contacts were made with other programmes around the world. Air Canada once again donated the tickets to attend the conference.

SCHOOLS EDUCATION PROGRAMME

Towards the end of 2001, the Board of Directors decided that it would be very beneficial to enter into a Schools Education Programme. The idea was to go to as many Primary, All Age and Preparatory Schools as possible and conduct lectures to children in Grades 5 upwards on how the **Crime Stop** programme worked. Hawkeye Electronic Security Systems Ltd. was approached and they donated US\$12,000 worth of giveaway items i.e. rulers, fridge magnets and stickers, which had the **Crime Stop** Toll Free number on them. These items are used to give to the children at the end of each lecture.

The first set of lectures took place in the Kingston East Police Division in May 2002. Twelve schools were visited with over two thousand eight hundred students attending lectures. The lectures were carried out mainly by Sgt. Michael Campbell of the **Crime Stop** Office with other members of staff taking part in some of the lectures. Efforts are made to change the stigma that comes with being an "informer" and the children are encouraged to think of people who give information to the police as "crime busters".

The second set of lectures took place in the St. Catherine South Police Division in October and November, 2002. Seventeen schools were visited with a total of six thousand, one hundred and fifty five children attending lectures.

LOOKING AHEAD TO 2003

- The Schools Education Programme will continue in the coming year with as many schools being visited as possible.
- It has been agreed that Sprint will enter into another three month Cause Marketing Campaign in 2003.
- Crime Stop will be launching a new media campaign in conjunction with the Shipping Association and Security Administrators Limited which will encourage persons working in the ports to give information on drug smuggling activities at their work place.

A BRIEF HISTORY OF THE "CRIME STOP" PROGRAMME IN JAMAICA

In October 1987, a group of private sector businesses and service organizations appealed in a open letter to the government of the day and to the political parties to re-establish the rule of law and security of the people.

Under the direction of Mr. Gordon "Butch" Stewart, the President of the JHTA, they set about to raise the funds to assist the national effort. After raising \$1.3 million and due consideration, it was decided that the most direct and suitable programme in the fight against crime that the PSOJ could initiate would be to bring about a partnership between the media, the private sector, the police and the community by offering rewards for information leading to the arrest of criminals. Of critical importance was an option of anonymity for informants being built into the process. This led to the decision to initiate a "Crime Stoppers" programme similar to those that operate in the United States. By May 1989 the NATIONAL CRIME PREVENTION FUND was established which was converted into a Limited Liability company on March 21, 1991. A trust was created and a Board of Trustees appointed to administer the Fund with a Board of Directors drawn from the media, PSOJ, Jamaica Constabulary Force and the community.

A paid coordinator was appointed to oversee the day-to-day administration of the fund. On September 6, 1989 the **Crime Stop** programme was launched.

LIST OF TRUSTEES OF THE NATIONAL CRIME PREVENTION FUND (MARCH 1991)

- | | |
|--|--|
| ▪ Private Sector Organisation of Jamaica | ▪ Jamaica Manufacturers Association |
| ▪ Jamaica Hotel and Tourist Association | ▪ Jamaica Exporters Association |
| ▪ Jamaica Dental Association | ▪ Jamaica Chamber of Commerce |
| ▪ Institute of Chartered Accountants of Jamaica | ▪ Jamaica Bankers Association |
| ▪ Famplan Jamaica (formerly Jamaica Family Planning Association) | ▪ Jamaica Agricultural Society |
| ▪ Incorporated Masterbuilders of Jamaica | ▪ Nurses Association of Jamaica |
| ▪ Small Businesses Association of Jamaica | ▪ Associated Chambers of Commerce |
| ▪ Shipping Association of Jamaica | ▪ Jamaica Association of General Insurance Companies |
| ▪ Jamaica Employers Federation | ▪ Hardware Merchants Association of Jamaica |
| ▪ Media Association of Jamaica | ▪ Jamaica Livestock Association |

JaMAC (JAMAICA MEDICAL ASSISTANCE PROGRAMME)



(L-R) Mrs. Celia Barnes, Coordinator, JaMAC, Mrs. Judith Forbes, Surgical Assistant, CANSEE, Ms. Faye McMillan, Health and Welfare Coordinator, Lions Club of Mandeville, Dr. Anirudh Mahabir, Ophthalmologist - CANSEE, Dr. Marlene Smith-Day, Consultant Ophthalmologist, Mandeville Regional Hospital and Mr. Francis Pearson Immediate Past President, Lions Club of Mandeville - visits with a patient following cataract surgery.

During the year under review, the Committee co-ordinated the visits of overseas medical personnel who conducted dental treatments, eye surgery and medical outreach programmes, as well as overseas donations valued at US\$ 1,665,562 for the Public Health services and C\$20,000.

JaMAC was terribly saddened by the sudden passing in February 2002 of Mr. Bruce Rickards who was our Chairman for 19 of the 21 years of our existence. Having retired from the post, he served on the Committee as a member until the time of his death and continued to take a keen personal interest in the work of the organisation.

PROGRAMMES

American Flying* Dentists - Their 20th visit to Manchester was made in November 2002, when a total of 510 patients were seen. JaMAC presented the Dentists with a plaque recognising their twenty (20) years of service (**Value - US\$92,000.00**).

Canadian Surgical Eye Expedition (CANSEE) - The CANSEE team paid their ninth visit to Jamaica, in December 2002, and worked with the Eye Clinic at the Mandeville Regional Hospital. (**Value of Donation Can\$10,000**).

Caribbean Cultural Association - These medical volunteers paid their fifth visit to Jamaica in May 2002. The team was hosted by the Kiwanis Club of The First City, Spanish Town and dedicated their visit to the Health Centres in St. Catherine. One member of the team visited the Psychiatric Clinic at the Linstead Hospital for two days and saw 75 patients. The rest of the team saw 184 patients. They were extremely impressed with the treatment meted out to them by their hosts, the ladies of this Kiwanis Club and their visit ended with an agreement that next year's visit would again be to St. Catherine (**Value of donation US\$20,000**).

Above Rocks, St. Catherine - Dr. Stephen Glaser arrived in March 2002 for his third visit with the Above Rocks Community. He travelled into the remote hillsides to treat the elderly and shut-ins. (**Value of**



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donation US\$20,000).

Dentists, Dr. Paul and Pamela Weber and their 2 Assistants performed voluntary service at the Above Rocks Clinic in October, 2002 and treated 105 adults and 89 children **(Value of Donation US\$20,000).**

GLOBAL LINKS – Their first container for the year was sent and cleared by the Ministry of Health **(Value of Donation US\$140,130).** A second container was sent in November 2002 and items provided to a new Clinic in Harbour View, as well as the Lionel Town, Port Maria and St. Ann's Bay Hospitals **(Value of Donation US\$71,416).**

HEALTH CARE INTERNATIONAL- A much needed surgical drill was donated to the Neuro Surgical/Orthopaedic Department of the Kingston Public Hospital **(Value - US\$20,250.00).**

CHRIST CHURCH, NEW JERSEY - This team comprised of eight (8) Doctors of varying disciplines, four (4) Registered Nurses, (1) Chiropractor and 7 assistants held Clinics at Burnt Savannah and Lacovia in St. Elizabeth and the Faith Deliverance Centres in Savanna-la-Mar and Kingston and donated pharmaceuticals and medical equipment **(Value of Donation US\$1,178,000).**

FUND RAISING

Letters were sent to 88 private sector companies in an effort to raise \$700,000.00, the budgeted amount for operational costs for the year.

JaMAC had been promised continued funding from Kaiser Bauxite for 2002. Their donation of J\$250,000

had assisted us considerably between May '01 to May '02. Unfortunately, their Head Office in the US declared bankruptcy, which signalled the demise of any funding for us for the upcoming year. 2002 was also an election year in Jamaica and it seems charitable causes were not foremost in the minds of potential donors, therefore we have limped along financially for most of the year. Mr. Philmore Ogle, Committee member, prepared a very factual letter stating our achievements and comparing the value of our contributions versus the economical manner in which the Committee had managed its affairs over the past 21 years. We have been promised some assistance for the coming year, but are unable to quantify the amount at this time.

DONATION OF PLAQUES:

The Co-Ordinator suggested to the Minister of Health that we could prepare plaques honouring Jamaicans who have consistently donated medical supplies and equipment to the Health Sector over the years. He readily agreed to this suggestion and appointed a member of his Ministry staff to liaise with us on this project.

OVERSEES DONATIONS

We are grateful to PAHO for underwriting the transportation costs for the containers from Global Links valued at US\$1,665,562 and C\$20,000.

LOCAL DONATIONS RECEIVED

We are grateful to the local companies, which contributed J\$570,064 to our programme. JaMAC thanks the following agencies and organisations for their assistance during the year under review:

Air Canada
Air Jamaica Limited
Airports Authority Kingston/Montego Bay
BWIA
Communication Consultants Limited
Customs Kingston/Montego Bay
Dental Council of Jamaica
Island Broadcasting Services Ltd.
Jamaica Optometric Association
LASCO Pharmaceuticals
Medical Council of Jamaica
Ministry of Finance
Ministry of Health
Ministry of Labour
Ministry of National Security
Mr. Patrick Burgess/Carib Star Shipping
Nursing Council of Jamaica
PriceWaterhouseCoopers
Radio Jamaica Limited
Rotary Club of Christiana
The Gleaner Company Limited
The Jamaica Observer
The Kiwanis Club of The First City
The Sunday Herald
United Way of Jamaica

The Committee thanks Grace Kennedy & Company Limited for its continued contribution to JaMAC's administrative expenses.

The Committee is appreciative of the assistance provided by the Private Sector Organisation of Jamaica which has continued to help JaMAC in its efforts to channel donations of personal time, expertise of medical professionals, equipment and supplies, which augment needy areas of the public health service.

The Co-ordinator thanks the Patron, Mrs. Mitsy Seaga, the Chairman, Mr. Neville James, and the members of the Committee for their continued support.