



*Free Enterprise  
Watch Jamaica  
Grow.*

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# HIGHLIGHTS OF THE PSOJ'S STRATEGIC PLAN

2008 - 2010

## PSOJ VISION FOR JAMAICA

In 2027, Jamaica is a lawful, ordered, just and values-driven society exhibiting positive Jamaican Culture and Heritage while achieving the right balance between the built and natural environments

Good governance enabling a business friendly environment have resulted in a first world economy with modern services and infrastructure

## VISION

*We will be the dominant voice and the distinctive leader of the private sector; a competitive and dynamic, knowledge-driven Organisation*

## MISSION

Promote prosperity through sustainable economic growth and development by providing private sector leadership in influencing, lobbying, and engaging key decision makers and by advocating policies in the best interest of Jamaica

This will be achieved through a united Private Sector and by being well-informed on the macro economy through thought leadership and research on topical issues

## GOALS

- Promote the achievement of a lawful and just society
- Promote and influence greater transparency, efficiency, and accountability in the operations of the public sector
- Promote the achievement of a business friendly and prosperous economy
- Promote the practice of good corporate governance in the private sector



## AREAS OF STRATEGIC FOCUS

### **Impact:** Influence policy development and implementation

1

- Key Committees strengthened to achieve alignment with the vision and goals of the Organisation
- Improved advocacy through research, development of position papers, information dissemination and lobbying

### **Customer:** Better serve our members and clients

2

- Responsiveness to needs of members and the business community
- Significant growth and diversity in membership
- Strategic alliances that capitalise on the strong PSOJ brand
- Enhanced cooperation among local business member organisations

### **Financial:** Optimise our financial resources

3

- Growth in revenues
- Growth in surpluses
- Improved financial management

### **Internal Processes:** Effectively manage our operations

4

Technology used to drive increased efficiency in:

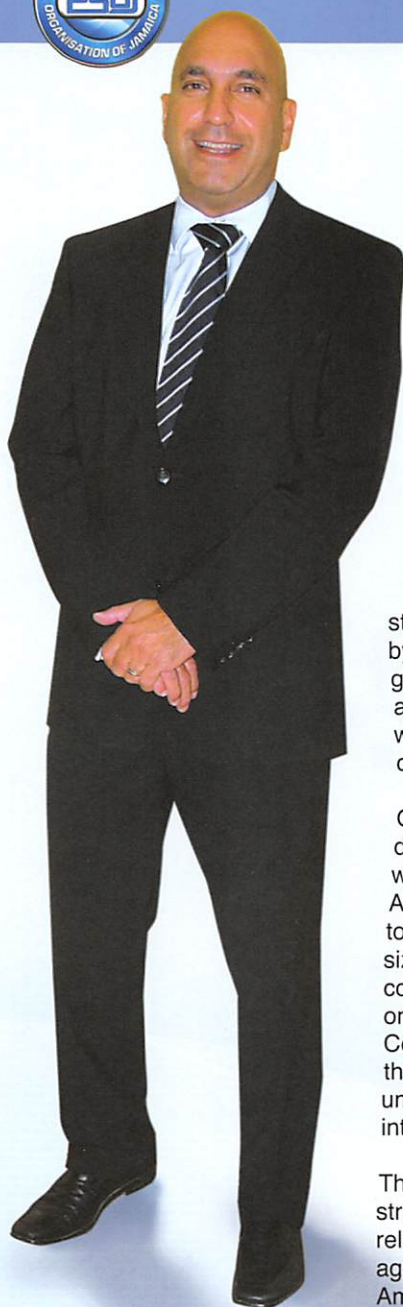
- Recruiting new members
- Managing the membership
- Producing accurate and timely reports
- Marketing our services

### **Learning and Growth:** Cultivate our human resources

5

- A results-oriented, team approach to work
- Knowledgeable, competent staff capable of delivering on the vision and mission





The 2-year period under review, that is January 2007 to December 2008, reinforced the fact that The Private Sector Organisation of Jamaica (PSOJ) is an important part of Jamaica's civil society. It was and continues to be the voice that is best poised to partner with our Government and citizens to create relevant solutions for our economy. As the business community, we take seriously our role in stabilising Jamaica's economy by promoting and instituting good governance practices, and aligning our business strategies with the key areas of growth in our economy.

One of our major achievements during my tenure as President was having the Organisation's Articles of Association amended to allow for an increase in the size of the Council. This process codified the place of Associations on the Council and the Executive Committee, and strengthened the PSOJ's profile as a true umbrella organisation of business interests.

The PSOJ successfully and strategically strengthened its relationship with multilateral agencies such as the Inter-American Development Bank (IDB), and the International

Monetary Fund (IMF). This has paved the way for enhanced relationships between these agencies and the Government of Jamaica.

The Organisation's accomplishments have been guided by the 3-year strategic plan aimed at making the PSOJ a stronger and financially viable organisation which would be better able to meet the needs of its members. The strategic plan had its genesis in a Vision-to-Action Retreat held in February 2007 and attended by Council members. Implementation of the agreed strategies allowed us to:

- return to profitability, after several years of deficits, without our having to solicit special contributions from our member companies. As a result, the PSOJ has not asked its members for extra funding, as has been the practice for many previous years.

- successfully negotiate funding from agencies such as the Canadian International Development Agency (CIDA), the Private Sector Development Programme (PSDP) funded by the European Union and the Commonwealth of Learning, to undertake major projects to strengthen the organisation and to better serve our members. These projects allowed us to focus on issues that matter to our members and the wider community, such as improving trade with third countries, corporate governance, corporate social responsibility, and improving school governance.

I am pleased to report that, just recently, the Inter-American Development Bank (IDB) approved a major project to develop modern family business in Jamaica, and will invest over half a million United States Dollars over the next two years. By the end of my term, we would have raised over US\$700,000 in external funding for projects.

Additionally, we are in deep discussions with the IDB about support to establish a Commercial Alternative Dispute Resolution Centre, which we expect will significantly reduce the cost of disputes for private sector firms.

- increase the PSOJ's compliance with the relevant laws and regulations

- increase the morale and productivity of our staff with a renewed focus on delivery of services to our members.

Another of our achievements during my tenure has been the revitalisation and expansion of the "Council of Presidents". This initiative has allowed us to significantly improve our working relationships with member and non-member private sector organisations, and has helped to unify the voice of the private sector into one that is far more coherent.

In the aftermath of Hurricane Dean, the PSOJ partnered with the Government of Jamaica on the National Clean Up Day project, on September 29-30, 2007. With the help of PSOJ member companies, and some key public sector agencies, the support of the entire nation was galvanised to return neighbourhood environments to a clean and healthy state. The PSOJ raised over \$8M in cash and kind to support this effort.

Another major example of our successful advocacy efforts was the hosting of the National Planning Summit, dubbed "Jamaica Tomorrow" on the weekend of November 2 – 4, 2007 at the Ritz Carlton Hotel in Montego Bay. We sincerely appreciate the support we received from our partners in staging this event, notably:

- PricewaterhouseCoopers, who contributed excellent facilitation services;
- our members who both sponsored the event and contributed to the development of position papers on the seven areas of strategic importance discussed at the Summit, and
- The Government of Jamaica and its agencies, including Jamaica Trade and Invest, The National Export-Import Bank of Jamaica,



the Development Bank of Jamaica, the National Housing Trust and the Port Authority of Jamaica, which contributed significantly to the success of the Summit.

The Summit led to the formation of a Monitoring Board and Expert Teams that truly signaled the potential of public/private partnerships. The Expert Teams, notably those dealing with Tax Reform and Reducing Government Bureaucracy, have strengthened the relationships between both public and private sector participants and built a level trust between these groups that, in my view, is unprecedented. It is my belief that the model of the Expert Teams will set the stage in the future, for significantly improved public/private sector discourse on policy formulation.

I owe a debt of gratitude to our Committees for the commendable work they have done over the last two years. The Committees on Education, Economic Policy, Trade Policy, Justice Reform, Corporate Governance and the Standing Committee on National Security have been the vehicles for member involvement in monitoring and supporting the work of Government agencies, proposing policy prescriptions and undertaking socially responsible programmes and projects. The details of the work of these Committees, as well as reports on JaMAC and Crime Stop are expanded further in this publication. I wish to place on record my profound appreciation to the Chairs and Committee members for their hard work and support at this level.

I am particularly proud of the quality of the events that have been hosted by the PSOJ during my tenure. Notable among these are the presentations by the newly-elected Prime Minister, the Hon. Bruce Golding at our December 2007 Members' Luncheon, the President of the Inter-American Development Bank, Mr. Alberto Moreno and the Managing Director of the International Monetary Fund, Mr. Dominique Strauss-Kahn, at our 2008 Annual Economic Forum and Members Luncheon, respectively. We were delighted to host, in 2007 and 2008, our annual Private Sector Hall of Fame Banquet which saw us inducting two outstanding business leaders, namely The Hon. Dennis Lalor OJ, and Mr. Charles Johnston CD. Not only have we had high quality speakers and discussed topics of critical interest to our members, but all the events were a financial success and offered measurable marketing and promotional benefits for our member companies.

The work of the PSOJ would not be possible without our very committed members, who, through their membership subscriptions, sponsorship and donations of time and tangible products, gave meaningful support. Some of our members have been exceptional partners, in particular:

- LIME and NCB who sponsored our Job Creation Awards and, since 2009, are the sponsors of our Chairman's Club Forum;
- Citi, who was the Headline Sponsor of our Annual Economic Forum for the last three years;
- JMMB, who was the Headline Sponsor for this year's highly successful Annual Economic Forum, staged on May 14, 2009;
- other companies who have rallied to our call for support and provided major sponsorships for programmes and events,

including:

*Air Jamaica • ATL Motors • Carreras • GK Investments  
Continental Baking Company • DHL • Digicel • EXIM Bank  
H. D. Hopwood & Company Ltd • Jamaica National Building Society  
Jamaica Producers Group • Jamaica Public Service Company  
Jamaican Redevelopment Foundation • Kingston Logistics Center Ltd.  
Kingston Wharves • Sagcor • Motor Sales & Services  
Musson Jamaica Ltd. • NCB Foundation • National Commercial Bank  
Pan Caribbean Financial Services • Red Stripe • PCF Company Ltd.  
Prime Asset Management • TASD • Supreme Ventures Ltd.  
Wray & Nephew Limited*

With the downturn in the economy in the last quarter of 2008, the PSOJ faced a number of challenges. Despite this, the PSOJ is still an organisation that is attractive to private sector companies and is a powerful advocate on behalf of small, medium and large businesses operating in the local economy. Our strategy to grow and diversify the membership, is paying dividends as we inducted a number of new members, and continue to work to retain existing members.

As we prepare for the staging of the Annual General Meeting at which a new slate of Council members will be elected, I am grateful for the support received from the Council, our Officers and members of the Executive Committee, company, association and individual members, staff, sponsors and partners, all who have contributed to making the PSOJ the dominant voice of the private sector.

I especially thank the very loyal, dedicated and professional members of the staff of the PSOJ who have supported me over the period of my presidency, some of whom, like Evett Evans-Coombs and Cecil Lindo, have served the PSOJ for many years and continue to embody the spirit of this great institution. I owe a debt of gratitude to our Chief Executive Officer, Sandra Glasgow, who joined the PSOJ in September 2007 and has worked tirelessly, innovatively and professionally over the period under review to enhance the image of the PSOJ, improve its productivity and steer the Organisation back to financial health.

It is my sincere hope that The PSOJ will continue to be relevant and that private sector companies, associations and individuals will continue to make this Organisation their Membership organisation of choice!



Christopher Zacca  
PRESIDENT



# THE EXECUTIVE COMMITTEE

## THE OFFICERS



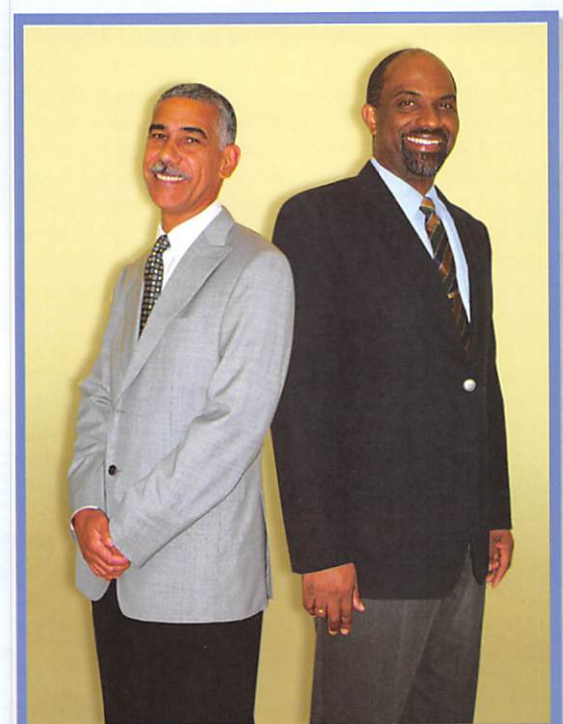
Christopher Zacca - President



From left:  
Joe Taffe - Treasurer  
Sandra Glasgow - Chief Executive Officer



From left:  
Hon. William McConnell, OJ - Vice President  
Richard Chen - Vice President



From left:  
Mark McKenzie - Vice President  
Earl Jarrett, CD - Honorary Secretary



# THE EXECUTIVE COMMITTEE

## THE ASSOCIATION PRESIDENTS



From left:  
 Michael Lumsden - President, Jamaica Exporters Association  
 Wayne Chen - President, Jamaica Employers Federation  
 Wayne Cummings - President, Jamaica Hotel & Tourist Association



From left:  
 Edward Chin-Mook - President, Small Business Association of Jamaica  
 Roger Hinds - President, Shipping Association of Jamaica

### ASSOCIATION PRESIDENTS ON THE EXECUTIVE COMMITTEE 2007



Andrew Levy  
 President, Insurance  
 Assoc. of Jamaica



Audrey Hinchcliffe CD,  
 Immediate Past President,  
 Jamaica Employers Federation



Michael Bernard  
 Immediate Past President,  
 Shipping Assoc. of Jamaica



Marjory Kennedy  
 Immediate Past President,  
 Jamaica Exporters Association



From left:  
 Prunella Vassell - President, Institute of Chartered Accountants of Jamaica  
 Patrick Hylton, CD - President, Jamaica Bankers Association



## CORPORATE GOVERNANCE

Over the reporting period, the Corporate Governance Committee's main focus has been on building awareness and acceptance, among listed companies, of the PSOJ's Code on Corporate Governance, published in 2006.

Mr. Christopher Bovell, having acted as Chairman of the Committee for over a year, assumed the position of Chair and Ms Greta Bogues was appointed Vice Chair, in October 2007.

### Committee's Scorecard

In the last quarter of 2007, the committee began a review of the performance metrics established in the Vision to Action Statement endorsed by the PSOJ's Council with a view to planning for its goals and initiatives for the period 2008 – 2010, in keeping with the high level goals articulated by the PSOJ. A scorecard for the committee was produced to guide its work over the period 2008 – 2010. The key outputs achieved by the committee in 2007/08 included:

- Collaboration with the International Finance Corporation/World Bank and the Global Corporate Governance Forum to host a regional Train-the-Trainer Programme on Corporate Governance (CG) Board leadership
- Delivery of training programmes on CG for company directors. At the request of the Jamaica Association of Composers, Authors and Publishers (JACAP), the PSOJ hosted a one-day workshop "The Company Director and the Board" one-day workshop on Saturday, April 21, 2007, at which eleven (11) JACAP Board Members, including the Chairman, attended. In February 2008, the PSOJ hosted a 1-day workshop on CG for directors of public bodies;
- The preparation and publication of articles and reports, including a report on Corporate Governance developments in the Caribbean region, which was prepared by Ms Greta Bogues for a Commonwealth Secretariat Corporate Governance Workshop themed, "Making Corporate Governance work for Development-Beyond Awareness and Advocacy", held in October 2007 in Sri Lanka. In addition, an article was published in the Sunday Gleaner of July 20, 2008 titled "Social responsibility is good business".

### Corporate Social Responsibility

- The PSOJ signed a Memorandum of Understanding with the United National Development Programme (UNDP) to cooperate in the following areas of activity:
- Promotion of Corporate Social Responsibility among the Jamaican private sector;
- Promotion of a UNDP-Private Sector Co-Financing Facility to support key development projects being undertaken by the UNDP and its partners; and

Promotion of the UN Global Compact to the Jamaican private sector.

With support from UNDP and other sponsors, the PSOJ hosted its semi-annual Members' Luncheon on July 23, 2008 under the theme, "Imagine Jamaica – Putting Corporate Social Responsibility on the Business Agenda". The luncheon was well supported by PSOJ members, including both corporate, association and individual members with significant representation from members who serve on various committees of the PSOJ. The luncheon was also well supported by members and non-members in the capacity of sponsors:

*Carreras • Digicel • NCB Foundation • GraceKenedy Group (First Global Financial Services • Jamaica International Insurance Company (JIIC) First Global Bank and Allied Insurance Brokers) • Jamaica Broilers PanMedia (in-kind contribution) • United Nations Development Programme*



Paul Fisher, Director of Corporate Partnerships and Development with the Pan American Development Foundation (PADF), as the Guest Speaker, presented a clear and concise overview of CSR including the business case for CSR, and shared examples of activities in the Latin American Region facilitated by the PADF. The presentation and examples were well received, and a number of firms requested follow up meetings with him to discuss opportunities that could be created and implemented in Jamaica and the Caribbean. A CSR Honour roll was implemented, with the awarded companies being very interested in the citations and the descriptions of their activities to share with staff, clients and their other stakeholders.

## STANDING COMMITTEE ON NATIONAL SECURITY

The Standing Committee on National Security (SCNS), chaired by Past President Peter-John Thwaites, continues its effort to assist the security forces to create a crime free environment. The highlights of the Committee's activities for the period under review are as follows:

### Funding – Forensic Equipment

A special meeting of the Committee was held in January with Council members, members from the Police High Command JCF



– DCP Mark Shields, ACP Leslie Green & Dr. Judith Mowatt with the objective of soliciting financial support for the acquisition of additional forensic equipment.

## Police Motorcycle Repairs

The Committee was instrumental in obtaining donations of \$50,000.00 each from VMBS and Burger King to assist the Half Way Tree Police Station in effecting repairs to motorcycles.

## Police Civic Committees

In a bid to expand Police Civic Committees, Committee members met with representatives of the Chambers of Commerce in Montego Bay, Manchester and St. Catherine to establish Civic Committees in those areas. As a result, the Montego Bay and Manchester Police Civic Committees were established. Dialogue is on-going with the President of the Portland Chamber of Commerce. Clarendon and St. Ann were also to be targeted.

Mr. Ferris Ziadie continued as the Chairman of a very active Police Area 4 Civic Committee and was involved in re-organising/establishing the Police Civic Committee at Constant Spring.

## Major Investigation Task (MIT) Unit

The Committee was instrumental in the Police signing a lease agreement for the MIT Unit at the UDC Oceana Complex.



*Major Investigation Taskforce Unit Head ACP Les Green (5th left) with representatives of Singer, Courts, Appliance Traders and Peak Bottling who donated items for the furnishing of the Unit's new office downtown Kingston.*

## Firearm Licensing Sub-committee

The Sub-committee submitted to the Minister of National Security a document outlining recommendations for changes to the Firearm Licensing Authority Manual and some of the existing forms, in an effort to simplify the process. Following a meeting with the Minister, a written formal response was sent to the Committee indicating that he had accepted most of the recommendations.

In April 2008, the Committee was reconstituted to include persons with the required expertise to help in achieving its objective to have a more focused and high impact approach to finding solutions to crime and violence issues. Mr. Peter John Thwaites was re-

appointed as Chairman. The PSOJ was very instrumental in assisting the Police in staging three very successful Police Phone-in Programmes in February, March and April of 2008. On two of the three programmes Commissioner Hardley Lewin headed the team of high ranking Police officials who answered the calls from the public. Extremely good support was received from both the print and electronic media as well as from Cable & Wireless and Digicel.

## TRADE POLICY

The Committee, chaired by Vice President Earl Jarrett, General Manager of Jamaica National Building Society, includes wide representation from business associations and companies.

## Seminars and Workshops

In keeping with the Committee's mandate to facilitate a greater understanding of trade issues by the public, as well as analysing and formulating the private sector's position regarding regional and international trade, the TPC held the following events:

### Trade Seminar: September 27, 2007

This event received assistance from the European Union (EU) Private Sector Development Programme (PSDP) and was held in association with the Small Businesses Association of Jamaica (SBAJ). The objective of the seminar was to raise the awareness level of firms on the implications of current trade negotiations, the issues of market access and competitiveness, and how the private sector could influence the process. Guest speakers were the Deputy Prime Minister & Minister of Foreign Affairs & Foreign Trade, the Honourable Dr. Kenneth Baugh and Mr. Carlos Pettinato of the EU Delegation in Jamaica. A panel of trade experts also added value to the function. Approximately 200 persons attended.

### Seminar on Export Development and Financing: April 21, 2008 - Jamaica Pegasus Hotel.

Eighty-two (82) persons from the small business sector attended the seminar which received assistance from the PSDP and the Jamaica National Building Society. The presenters addressed issues related to growing a small business, getting into exporting, market opportunities, practical experiences of exporting, trade agreements and market access. There were also presentations on available incentives for businesses, financing and financial management.

### Trade and Export Development Workshop: May 20, 2008 - Hibiscus Lodge, Ocho Rios.

The workshop, which received support from the PSDP, was well received by the fifty persons, including goods producers, service providers, and representatives of other sub-sectoral business interests. The workshop covered product development, branding, building linkages with tourism, and export marketing.



## Export Development Workshops: October 14-16, 2008

The PSOJ contracted an international trade training and consulting firm, Kisserup International Trade Roots Inc., with offices in Canada and the EU, to provide three export development workshops at the Terra Nova Hotel. Assistance was received from the Canadian Cooperation Fund.



The "hands on" workshops sought to build exporter capacity in accessing Canadian and other international markets in light of new regional and multilateral trading arrangements.

## Highlights of TPC Meetings

Ten TPC meetings were held during 2008. Special presentations were made by the following persons at the meetings:

January 2008 - Ambassador Wayne McCook, Jamaica's former Ambassador to China on possible business opportunities.

April 2008 - Dr. Diana Thorburn, UWI Lecturer in International Relations and Research Fellow with the Caribbean Policy Research Institute (CAPRI), (US Foreign Policy).

May 2008 - Dr. Densil Williams, UWI Lecturer in Management Studies on competitiveness problems among small, locally owned firms.

July 2008 - Members of the Jamaican Diaspora in the U.S., discussed strengthening and creating new linkages between the Diaspora and Jamaica to assist with the country's development process.

September 2008 - Anthony Hylton, former Minister of Foreign Affairs - Opportunities under the Economic Partnership Agreement.

October 2008 - Danville Walker, Commissioner of Customs - Challenges faced by the Customs Department.

## ECONOMIC POLICY

With Vice President Richard Chen, Director of Superplus, as Chair, the Economic Policy Committee (EPC) played an important role in engaging the Organisation's members and experienced experts in discussions on economic issues critical to successful business operations. In addition to regular committee meetings, the EPC was integrally involved in the following events during the period under review:

### PSOJ/Citi Annual Economic Forum: June 7, 2007

The theme of the Forum was "Equipping the Private Sector for Growth". The presenters were the Minister of Finance the Hon. Dr. Omar Davies, Leader of the Opposition, Mr. Bruce Golding and the Right Hon. Michael Misick, Premier of the Turks and Caicos Islands. The meeting was informative and enlightening while providing an opportunity for business leaders to have their questions answered by representatives of Jamaica's two major political parties just preceding the General Elections and immediately after the presentation of the 2007/08 new budget for the fiscal year 2007/08.

### Members' Forum: July 31, 2007 - Terra Nova Hotel

This event brought together members of the private sector to discuss the PSOJ's vision for Jamaica from an economic standpoint. This was done in collaboration with the Caribbean Policy and Research Institute (CaPRI). Dr. Damien King, lecturer in the Department of Economics at the University of the West Indies (UWI), Mona and a researcher for CaPRI led the discussion on the topic "The Imperative of Economic Growth". He shared CaPRI's research on growth in Jamaica and made a number of observations and recommendations including:

- Make economic growth a priority
- Jamaica must engage the world economy
- Facilitate the dynamism of the economy
- Educate for technical capacity
- Balance the budget

### PSOJ/Citi Annual Economic Forum: June 5, 2008 Bank of Jamaica Auditorium.

Addressing the over 300 mainly private sector leaders were: Keynote Speaker and President of the Inter-American Development Bank, Mr. Luis Alberto Moreno, the Minister of Finance and the Public Service the Hon. Audley Shaw, and the Opposition Spokesman on Finance, Dr. Omar Davies. All three speakers sought to address the main theme of the forum "Managing Realistic Expectations for the Jamaican Economy - Going for Growth".

### Annual Christmas Members' Luncheon: December 10, 2008 - Hilton Kingston Hotel.

The Luncheon, which opened with a speech made by the Honourable Audley Shaw, Minister of Finance and the Public Service, provided members with an opportunity to hear views on the global financial crisis and its likely impact on the Jamaican economy. Keynote



Speaker Dominique Strauss-Kahn, Managing Director of the IMF, shared with the audience an overview of the effects of the crisis on the global economy and spoke to Jamaica's relationship with the IMF as a multilateral support agency.



## EDUCATION

Since September 2007, the PSOJ Education Committee has been chaired by Mark McKenzie, PSOJ Vice President and Managing Director, Red Stripe. The Committee seeks to position the PSOJ as a committed advocate for an effective education system that provides benefits for all stakeholders

### "Reading.... The Bottomline"

The Committee launched its reading project, "Reading...The Bottomline" on February 19, 2008 under the patronage of Her Excellency The Most Honourable Lady Hall, wife of the Governor General, at St. Michael's Primary School in Kingston. Supporting Lady Hall were the Minister of Education, the Hon. Andrew Holness and Mrs. Sandra Glasgow, CEO of the PSOJ. The launch activities were also carried out in 6 other schools in Kingston and St. Andrew and St. Mary and involved Mrs. Lorna Golding, wife of the Honourable Prime Minister, PSOJ Vice Presidents Richard Chen and Mark McKenzie, representatives of member companies: JMMB, Wray and Nephew, Jamaica National Building Society, and Education Committee members. The programme aims at encouraging reading among primary school children, not just for school but also for pleasure, improving literacy levels and demonstrating the important link between reading and career success.



### JTA Reading Day

Former Chair of the Education Committee Patricia Sutherland and four other committee members participated in the Jamaica Teachers Association's Read Across Jamaica Day on May 8, 2007. They visited Calabar Primary & Junior High on Sutton Street, Kingston, and read to Grade five (5) students.

### PSOJ/ IAJ Mentorship

Preparatory work began on establishing a Mentorship Programme in partnership with Success Jamaica and the Insurance Association of Jamaica. The aim of the programme is to have CEOs of PSOJ member companies volunteer to be mentors to tertiary level students in an effort to prepare them for the world of work as well as to assist in their personal development. That initiative was however put on hold in order to address the challenges which emerged. The Mentorship programme is to be restructured and launched in 2009.

## JUSTICE REFORM

The Justice Reform Committee was established on September 25, 2007 with a mandate to, inter alia,

*"secure the establishment of a world-class Commercial Mediation and Arbitration business culture and organisation as a means of a speedy, fair and cost effective alternate dispute resolution for the disposition of commercial disputes; examine and make recommendations on methods by which the Jamaican private sector can support the Jamaica Justice System Reform Programme and to monitor all developments that affect the efficiency and fairness of the criminal and civil justice system of Jamaica, with particular reference to their impact on rights protected Chapter III in the Constitution of Jamaica."*

The Committee was initially chaired by retired Justice Hugh Small, and is currently chaired by Mr. John Vassell, QC. Since its inception, the Committee has focused its efforts on developing a joint proposal, with the Jamaica Chamber of Commerce, for the establishment of a Commercial Alternative Dispute Resolution Centre (CADRC) in Jamaica, submitting it to the Inter-American Development Bank for funding, and following up on the approval process. It is hoped that approval will be received in 2009 with project implementation to follow soon after.

The Committee has also spent considerable time discussing the recommendations of the Justice Reform Task Force and liaising with the Minister of Justice and Attorney General to monitor its implementation.



## THE NATIONAL CRIME PREVENTION FUND



Crime Stop, which will celebrate its 20th anniversary in 2009, is a partnership between the community, the police and the media designed to involve the public in the fight against crime. Crime Stop encourages the public to give information by offering total anonymity to all callers and, for those who wish, a cash reward for information that leads to an arrest, recovery of stolen property or the seizure of illegal drugs or guns. The programme is administered by the National Crime Prevention Fund and is run under the direction of The PSOJ.

This is by far one of the most notable success stories of the PSOJ and thanks to the media, video production company and the police; the programme continues to achieve remarkable results, in helping to solve crime. The "Crime of the Month" and "Stop the Guns and Drugs" campaigns have generated positive feedback and support from the public. All calls are kept in the strictest of confidence to protect the anonymity of the caller the programme never uses Caller ID or \*69.

### Fund Raising

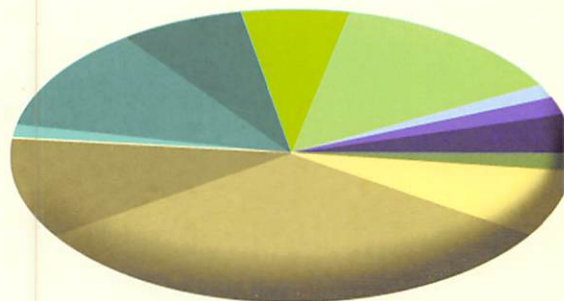
In 2007 Crime Stop received donations from members of the private sector totaling \$715,000 with an additional \$2,025,000 donated by Cable and Wireless for a Cause Marketing Campaign. In 2008, Cable and Wireless Jamaica Ltd. (LIME) contributed a further \$2,760,000 to the Cause Marketing Campaign. The National Commercial Bank became a second sponsor for the Cause Marketing Campaign, donating a total \$3,600,000 to the programme. Additionally, as a result of a call to establish a fund to increase the quantum of rewards for gun-related crimes, \$501,000 was donated by two private sector firms and one individual.

### Crime Stoppers International

At the Annual International Crime Stoppers Conference held in November 2007 in Hamilton, Bermuda, an international Board of Judges voted Crime Stop's television commercial "Eye in the Sky" the best in the world in its class for 2006/2007. This was the second year in a row that Crime Stop has won this prestigious award.

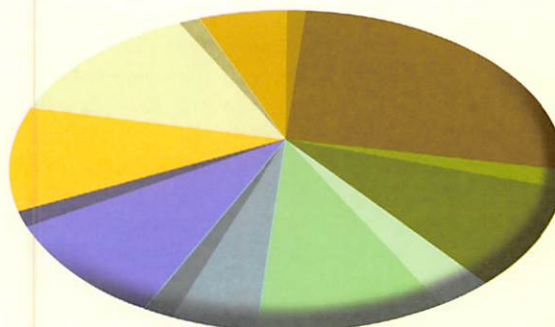
It was also at this Conference that the Board of Crime Stoppers Bermuda agreed to donate three new computers to Crime Stop to assist in the setting up of the first Crime Stoppers Call Centre in the Caribbean. This will mean, in the first instance, that calls to the new Crime Stopper programme in St. Vincent will be answered in Jamaica. It is hoped this will be duplicated in several of the other small islands in the Caribbean.

### Crime Stop Calls Received - 2007



Drugs	- 6%
Gunmen	- 14%
Carnal Abuse	- 1%
Gun / Drugs	- 2 %
St/M/ Vehicle	- 5%
St/ Property	- 2 %
Murder	- 7%
Firearms	- 32%
Wanted Men	- 11%
Sus/ Activities	- 2%
Add. Info/Queries	- 11%
Others	- 7%

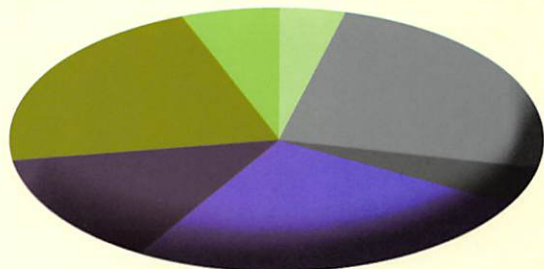
### Crime Stop Calls Received - 2008



Carnal Abuse	- 1%
Illegal Firearm	- 27%
Suspicious Activities	- 2%
Murder	- 10%
Suspicious Persons	- 3%
Wanted Men	- 9%
St/ M/ Vehicle	- 4%
St/ Property	- 1%
Drugs	- 9%
Illegal Activities	- 2%
Query / Add. info	- 11%
Gunmen	- 14%
Child Abuse	- 1%
Others	- 6%

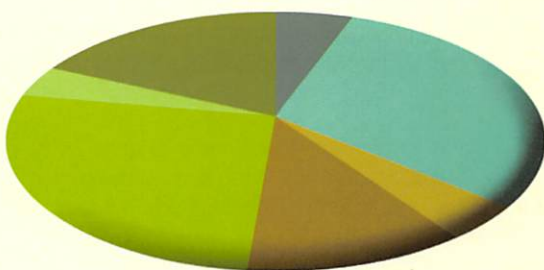


## Crime Stop Arrests Made - 2007



St /M/ Vehicle - 4%
III/Poss/Firearm - 24 %
St/Property - 4%
Drugs -11%
Others - 14%
Murder - 14%
Rape - 6%

## Crime Stop Arrests Made - 2008



St / Property - 6%
Drugs - 31 %
Wounding - 4%
Murder - 11%
Firearm - 26%
M/Vehicle - 4%
Others - 18%

## Property and Narcotics Recovered & Seized

**PROPERTY** – A total of thirty four (34) illegal firearms were recovered during 2008 as against 37 recovered in 2007. The 34 firearms recovered in 2008 comprised the following:

Revolvers	-	5	
Shotguns	-	3	
Semi Automatic pistols	-	-	18
Submachine gun	-	1	
AK47 Rifle	-	-	1
Homemade guns	-	6	

Along with these firearms a total of 184 rounds of ammunition were also recovered.

A total of twenty two stolen motor vehicles and two stolen motor bikes were recovered through Crime Stop in 2008 along with three scrapped motor vehicles and a large quantity of stolen motor vehicle parts. Information to Crime Stop also led to the recovery of

a quantity of stolen telephone cables, large quantity of stolen food items and some bogus Cash Pot Receipts. The total value of the property recovered/seized during 2008 amounted to \$19,418,825.

**NARCOTICS** – A breakdown of the narcotics seized during 2008 is as follows:

Ganja – kgs	-	658.08
Ganja – hectares	-	19.11
Ganja – sticks	-	109
Ganja – seedlings	-	5,000
Cocaine – kgs	-	3.375

The value of these drugs amounts to \$31,404,565.

## Rewards Paid Out

During 2008 Crime Stop paid out \$1,489,900 in rewards, compared to \$1,965,175 paid in 2007. The pay out in 2007 was nearly three quarter of a million dollars more than that paid in 2006.

## JAMAICA MEDICAL ASSISTANCE COMMITTEE (JAMAC)

### American Flying Dentists

In March 2008, JaMAC, along with the Rotary Club of Christiana, co-hosted the first of the bi-annual visits of overseas-based Dentists. As usual, they spent one week in the North Manchester area offering their services at selected dental clinics. In addition, they undertook to assist with the packing of a container with assorted medical supplies and dental equipment for Jamaica.

### Beulah Baptist Church, Tampa, Florida - Jamaica Outreach Programme

JaMAC and the Kiwanis Club of Spanish Town, co-hosted the annual visit of this group of medical volunteers in June 2008. For a number of years they have included the Woman's Correctional Facility, at Fort Augusta and the Cobbla Youth Camp, both in St. Catherine. Their visit is always highly anticipated by the management team at the Correctional Services, and at Cobbla they have initiated a number of projects, which will allow the boys to learn a skill, such as being trained as barbers.

## National Health Fund and Global Links

For the last two years, JaMAC has been able to negotiate a contract with the NHF to fund the transit of containers of medical equipment and supplies. In 2007, 4 containers arrived from Global Links, of Pittsburgh, PA, who are our international donors. During 2008 we supervised the arrival of 6 containers, which were distributed to the following hospitals:

May Pen	Valued at	US\$	78,234.00
Mandeville		US\$	54,032.00
Cornwall Regional		US\$	70,669.00
Savanna-la-Mar		US\$	61,493.00
Annotto Bay		US\$	1,735,298.00
Black River		US\$	50,084.00
Total:		US\$	2,049,810.00



The PSOJ believes that the development of a strong, thriving and vibrant economy builds and strengthens investor confidence, thereby stimulating investment, which creates jobs and facilitates the implementation of supporting infrastructure, and related critical social initiatives. In that regard, the PSOJ views, as a key element of the way forward, achieving consensus between the Government of Jamaica and the private sector on the critical initiatives that will drive economic growth and sustainable development.

It was with this in mind that the PSOJ conceptualised and planned the National Planning Summit (NPS) 2007, held at the Ritz Carlton Golf and Spa Resort, Montego Bay on the weekend of November 2 – 4, 2007. The aim of the Summit, dubbed “Jamaica Tomorrow” was to bring together a broad coalition of private sector leaders, public sector representatives and NGOs to discuss and achieve consensus on:

- A shared vision for the various planning themes identified
- High level plans required to bring the vision to life
- The specific strategies that will ensure the success of the plan.

The Summit commenced on the evening of Friday, 2 November, with an address by Dr Wesley Hughes on ‘Vision 2030 Jamaica’. The Honourable Prime Minister Bruce Golding officially opened the Summit on Saturday morning, 3 November. This was followed by an address by Christopher Zacca, PSOJ President, giving the private sector’s position on the imperatives to deliver economic growth and development.

Led by an expert team of facilitators from PricewaterhouseCoopers (which donated their services free of charge), participants developed strategies and achieved broad agreement on priority actions on seven (7) Planning Themes:

- **Job Creation & Investment Promotion**
- **Balancing the Budget/Debt Reduction**
- **Tax Reform**
- **Land Titling Reform**
- **Crime & Violence**
- **Education and Training**
- **Governance & Reducing Bureaucracy**

All these themes are aimed at reinforcing the overall values of Vision 2030 Jamaica, and which represent a shared ideology of what is required to ensure the development of a strong and vibrant economy. Within the thematic areas, fifty (50) key initiatives were identified. It was decided that priority would be placed on an initial fifteen (15) initiatives, which were deemed essential to the achievement of the desired goals.

Primary responsibility for the monitoring of these initiatives resides with the NPS Monitoring Board, which was established as a part of the NPS monitoring framework. The Monitoring Board is chaired by the Minister of Industry, Investment and Commerce, Honourable Karl Samuda, and is comprised of public and private sector representatives appointed by the Prime Minister. The PSOJ is represented on the Board by the President, Mr. Christopher Zacca, the Chief Executive Officer, Mrs. Sandra Glasgow and Vice President, Mr. William McConnell.



Prime Minister the Honourable Bruce Golding (left) and Mr. Christopher Zacca, President of the PSOJ, speak at the Press Conference at the close of the National Planning Summit, November 2007

A Programme Management Office (PMO) at the Office of the Prime Minister (OPM), provides secretariat and technical assistance where necessary to the various initiatives and projects that are being implemented by the Ministries, Departments and Agencies of the public sector.

In September 2008, six expert teams were established in order to improve the NPS/PMO ability to drive the successful implementation and monitoring of the priority initiatives identified under each Planning Theme. These Teams are chaired by the respective Portfolio Ministers and include members from both private sector and key government Ministries/Agencies.

## Expert Teams

The Expert Teams are operational, and have been meeting regularly and working towards developing and/or finalising their action plans. Periodic evaluation and assessment of their progress and alignment with the national planning framework was deemed critical to the process. In that vein, it was decided that a forum should be held to facilitate an assessment of i) the progress/status to date; ii) the issues/roadblocks and recommended solutions; and iii) the redirection or re-scoping where necessary in order to determine the way forward. These and other key objectives formed the basis of a “General Assembly” held on January 7, 2009.

## The Assembly

The NPS Programme Management Office (PMO) planned and held the General Assembly, involving the NPS Monitoring Board and Expert Teams, with the Honourable Prime Minister in attendance as the main speaker. The aim of the Assembly was to:

- Report on the progress of critical projects and attainment of key benchmarks;
- Review critical issues and/or roadblocks which could delay implementation;



- Determine the necessary adjustments required to ensure that implementation of the initiatives is kept on track;
- Identify areas of alignment around Teams;
- Agree on strategy for keeping the general public and other stakeholders informed on the programme, its direction and its successes; and
- Engender further buy-in for the project.

The General Assembly was organised in two (2) segments: an opening session, chaired by Mrs. Sancia-Bennett Templer, Chief Executive Officer of the PMO, and an Expert Team report session facilitated by Professor Alvin Wint.

## Opening Session

In his opening remarks, Chairman of the NPS Monitoring Board, the Honourable Karl Samuda, Minister of Industry, Investment and Commerce, spoke to the aims of the NPS, held in November 2007 highlighting the focus on prioritisation of areas of greatest concern, which if addressed would lead to National Development. The following achievements were highlighted:

- Establishment of the Monitoring Board;
- Establishment of the PMO (within the OPM); and
- Establishment of expert teams for six (6) of the theme areas.
- Greater level of dialogue between the public and private sector

Mr. Christopher Zacca, PSOJ President, addressed the meeting on behalf of the private sector partners emphasising the partnership approach that has been taken and the resulting optimism of the private sector in the process.

The main address was presented by the Honourable Prime Minister who outlined several areas of concern and highlighted the areas in which progress has been made and will be continued. These included:

- The possibility that previous decisions and agreements will have to be reconsidered.
- The effect that the financial crisis has had on investment decisions
- The necessary delays in the privatisation of Air Jamaica and the divestment of the sugar operations
- The fiscal implications of these delays and the adjustments that the government will have to make.
- The need to advance the current tax reform programme.
- The strength and resulting gains of the public private partnership
- The increased efforts to reduce bureaucracy and make government structures simpler as evidenced in the development approvals process
- The reactivation of talks towards a social partnership
- The government's commitment to continued change.

The General Assembly ended with a review of the progress of critical initiatives and Special Projects through presentations by Expert Team leaders.

Sources: Jamaica Tomorrow Report, NPS 2009 Assembly Report

## KEY EXPERT TEAM GOALS AND OBJECTIVES

### TAX REFORM

#### Goal

"As a critical component of Jamaica's National Development Strategy. The goal of such reform is for Jamaica to have a tax system which:

- Promotes economic growth and acts as a catalyst for development;
- Is characterised by simplicity, equity and competitive rates;
- Is administered in an efficient and effective manner."

#### Specific Objectives & Benefits

Development and implementation of a credible, comprehensive 6-point reform programme, the components of which are as follows:

- Controlling public sector balances and debt
- Rationalising public bodies
- Improving Central Government financial management and budget processes (partly via implementing a performance-based budgeting system and prioritising investments)
- Increasing revenue collection (through a comprehensive tax reform agenda which has already started with an Administrative reform programme)
- Increasing growth and competitiveness
- Managing the public sector wage bill

### REDUCING BUREAUCRACY

#### Goal

"To leverage the NPS public-private partnership in order to address specific gaps in the public sector and to focus on eliminating critical "bottlenecks" which are impeding economic growth and development and the implementation of the NPS initiatives"

#### Specific Objectives & Benefits

Team's 1st Priority: Eliminate bottlenecks in the drafting and approval process for new legislation.

- Address legislation supportive of critical National Development initiatives in a timely manner.
- Reduce service delivery times at the Office of the Chief Parliamentary Counsel (OPC).
- Increase client satisfaction with the OPC.
- Eliminate bottlenecks in other priority areas.



## CORPORATE AND PUBLIC AFFAIRS DEPARTMENT



From left, standing:

Nichocie Bryan  
Clerical Assistant

Angela Williams  
Customer Service Representative

Marcia Ormsby  
Director

Seated, from left:

Violet Vassell  
Communications and Events Officer

Margaret Warner  
Membership Development Officer

## RESEARCH AND FINANCIAL SERVICES DEPARTMENT

From left:

Omar Chedda  
Manager, Trade and Environment

Roxaine Smith  
Administrative Officer

James Robinson  
Research Economist

Missing:

Karis Flowers  
Director (on maternity leave)





## FINANCE AND INFORMATION TECHNOLOGY DEPARTMENT

From left, standing:

Michelle Scarlett  
Accounting Officer

Erica Hines-Robb  
Manager

Kerry-Ann Hamilton  
Accounting Officer

Seated, from left:

Kisha-Kay Walker  
HEART Trainee

Kemara Morgan  
IT Assistant

Carlene Clarke  
Senior Accountant



## ADMINISTRATION DEPARTMENT

From left, standing:

Cecil Lindo  
Caretaker

Ervett Evans-Coombs  
Executive Assistant

Winsome Mullen  
Office Attendant

Seated, from left:

Sandra Glasgow  
Chief Executive Officer

Andreen McKenzie  
HEART Trainee





From left, standing

Darlene Jones  
Director

Felicia Shepherd  
Receptionist/Clerical Assistant

Coleen Grant  
Training Administrator

Seated, from left

Donna Nelson  
Senior Training &  
Education Officer

Ann Marie Hendriks  
Training & Education Officer



## JIOB/MBSW ACTIVITIES 2007 – 2008

The Jamaica Institute of Bankers (JIOB) in fulfilling its mandate, provided training and education services for the financial services sectors and the wider business community through the provision of development courses and the Manchester Business School MBA Programme.

Mrs. Pamela Smith was elected chair of the JIOB in July 2007, taking over from Mr. Wayne Wray who had served in this capacity for a number of years. Mrs. Smith had previously served as Vice Chair of the JIOB.

### MANCHESTER BUSINESS SCHOOL WORLDWIDE MBA PROGRAMME

The Manchester Business School maintained its ranking of 22nd in the world by the Financial Times for both 2007 and 2008. 66 new students enrolled for 2007 and 56 for the year 2008.

### HIGHLIGHTS

Director, Darlene Jones, presented on the topic "Adding Value to Member Associations" at the World Conference of Banking Institutes which was held in Toronto Canada, April 22-25, 2007.

The JIOB Staff participated in a workshop – "Getting in Gear for a Fruitful Year" on June 23, 2007. The Presenter was Hope McNish.

JIOB celebrated its 30th Anniversary in September 2007 with various activities, including a Church Service, Sunday, September 16 at Stella Maris Church and breakfast, held Friday, September 21 at the Knutsford Court Hotel. Guest Speaker was Prof. Kenneth Green, Deputy Director of Manchester Business School. While in Jamaica, he met with Professor Kenneth Green,

Acting British High Commissioner Mr. Paul Nicolopulo and the Manager of the British Council, Miss Pauline Samuels.

JIOB's Award to UTech's Best Economics Student went to Perry Wright in 2007 & to Denise Williams in 2008.

The JIOB/MBSW collaborated with First Global Bank and First Global Financial Services to host a special seminar on "Lessons Learned from the Sub-Prime Crisis" in the Grande Caribbean Suite of the Knutsford Court Hotel on September 24, 2008. Ismail Erturk, Snr. Fellow in Banking and Workshop Director of MBSW MBA was the presenter.

The Director participated in an 'International Directors' Meeting which was held August 3-7, 2008 in the UK. It was a great opportunity to share with Directors from the other global centres and to discuss issues including the MBSW plans going forward. This will be an annual event.

Prof. Michael Luger, Dean of MBS visited Jamaica for the first time during the period September 11- 14, 2008. He was accompanied by Nigel Banister, CEO of Manchester Business School Worldwide. His visit included a breakfast meeting, on Friday, September 12 with Council members of JBA/JIOB and HR Managers and a Courtesy Call on the Governor of the Bank of Jamaica.

The local MBA Presentation of Graduates ceremony was held on September 22, 2007 and September 20, 2008 at the Hilton Kingston Hotel. Fifty-four (54) graduates were presented in 2007 and forty-two in 2008. Professor Kenneth Green, Deputy Dean of Manchester Business School was the keynote speaker in 2007 and Dr. Christopher Tufton, Minister of Agriculture and PhD graduate of MBS, was the keynote speaker in 2008.





PSOJ/Citi Annual Economic Forum which was held June 2008 at the Bank of Jamaica Auditorium. Keynote Speaker was IDB President Luis Alberto Moreno (3rd left).



The PSOJ's Membership Luncheon in July 2008 focussed on Corporate Social Responsibility and recognised the following companies for outstanding work in CSR: Red Stripe, NCB, JMMB, BNS, GraceKennedy, LIME and Carreras



Mr. Charles Johnston, CD (left) with PSOJ Private Sector Hall of Fame Citation he received from PSOJ President Chris Zacca - October 2008.



Danville Walker, Director of Customs was the Guest Speaker at the 2008 Job Creations Awards Breakfast sponsored by LIME and NCB Jamaica Ltd.



The Honourable Dennis Lalor OJ and PSOJ Private Sector Hall of Fame Awardee is surrounded by a bevy of PSOJ beauties at his induction in October 2007.





Prime Asset Management Ltd.'s Managing Director Rezworth Burchenson welcoming participants to the joint Prime Asset Management Ltd. / PSOJ Pension Management Seminar held in September 2008.



PSOJ Vice President Richard Chen (left) and Cable & Wireless' Camille Facey (far right) with some of the 2007 PSOJ Job Creation Award winners.



KPMG and PSOJ hosted a seminar on "An Approach To Public / Private Sector Partnerships That Work" in February 2008. Dr. Tim Stone, International Chairman of KPMG's PPP Advisory Services (left) led the discussions at that event.



PSOJ Past President Beverley Lopez accepts a pictorial highlight of her tenure as President from Jamaica Public Service Co.'s Tony Ray at the Organisation's farewell function in her honour which was held in 2007.

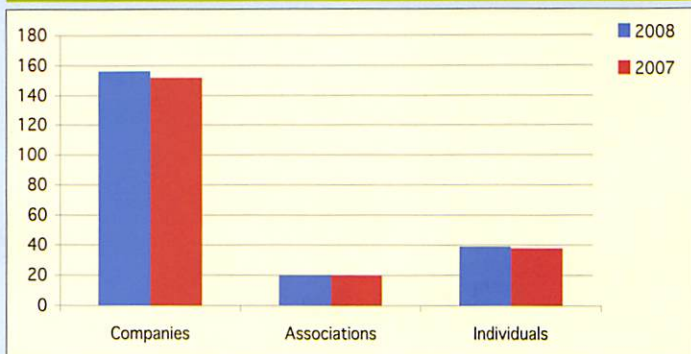


Then Governor General His Excellency The Most Hon. Sir Kenneth Hall, ON, OJ, GCMG, GCVO, relates an anecdote to PSOJ President Christopher Zacca during a luncheon with the Governor General and a PSOJ Delegation in June 2008.

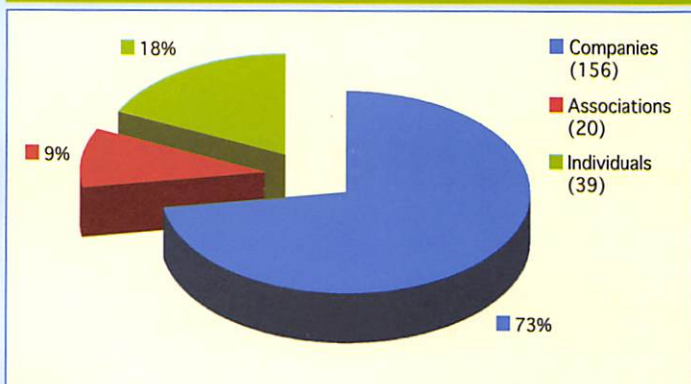


## PROFILE OF OUR MEMBERS

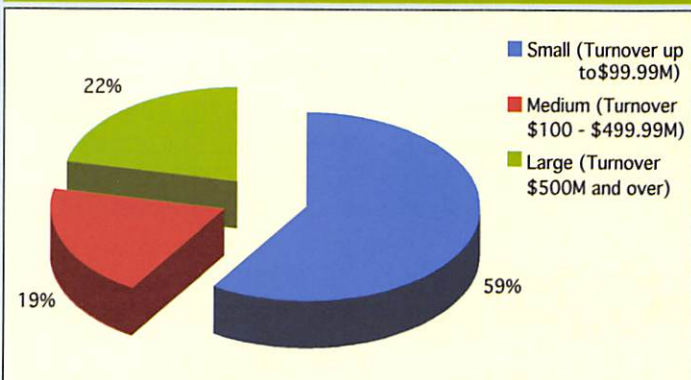
### PSOJ MEMBERSHIP 2007 / 2008



### PAID UP MEMBERS 2008



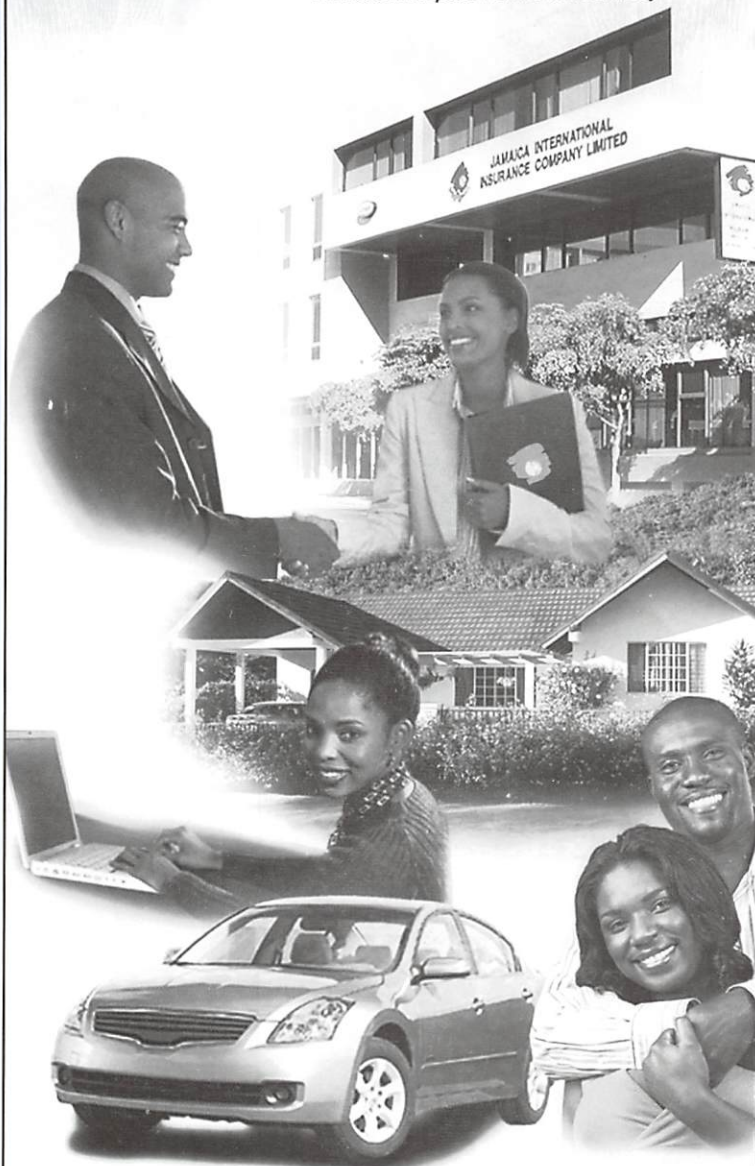
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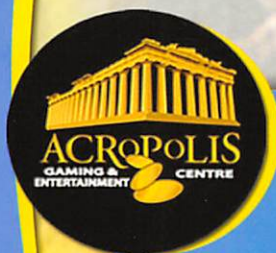


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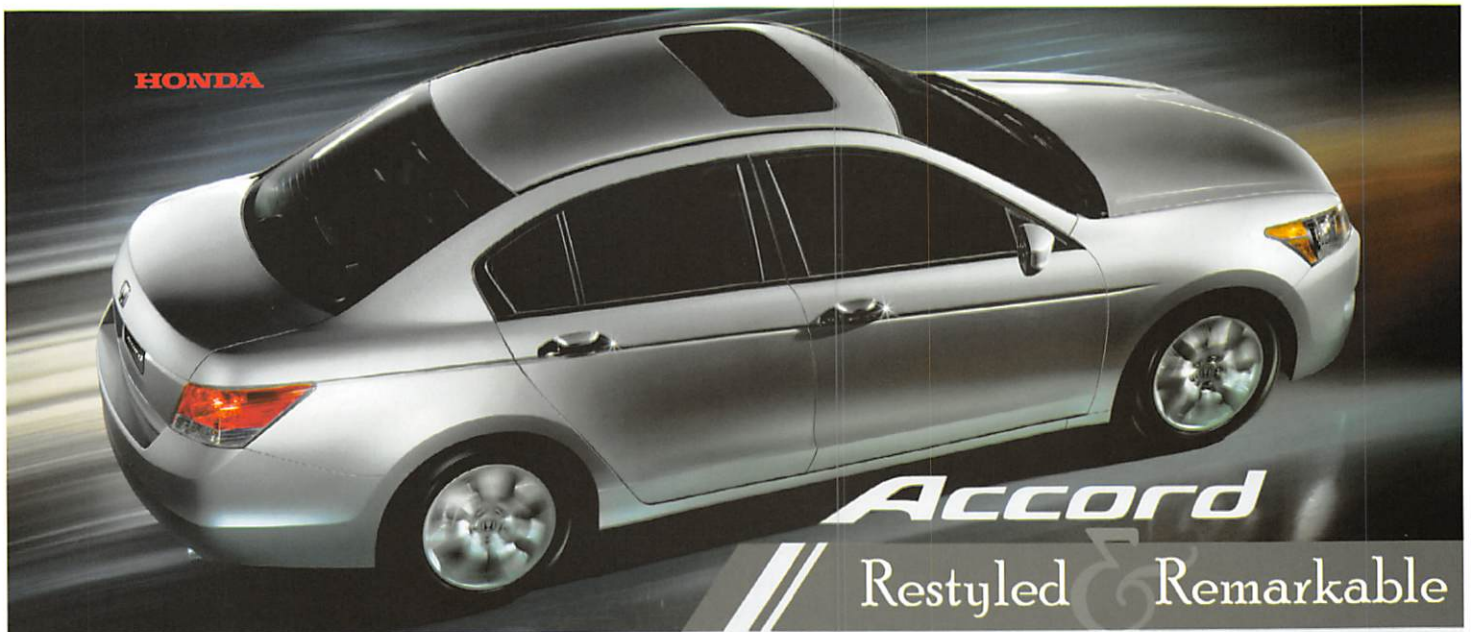
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**THE PRIVATE SECTOR ORGANISATION  
OF JAMAICA AND ITS SUBSIDIARY**

**FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2008**

**(EXPRESSED IN JAMAICAN DOLLARS)**



## THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Index to the Financial Statements  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

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## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of the Private Sector Organisation of Jamaica and its Subsidiary**

We have audited the accompanying financial statements of The Private Sector Organisation of Jamaica and its Subsidiary (the "Group") and The Private Sector Organisation of Jamaica (the "Organisation") which comprise the consolidated and organisation balance sheets as at 31 December 2008, and the related consolidated and organisation statements of income, changes in equity and cash flows for the year then ended, and summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### ***Opinion***

In our opinion, the financial statements give a true and fair view of the financial positions of the Group and the Organisation as at 31 December 2008, and of the Group's and the Organisation's financial performance, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Jamaican Companies Act.



**To the Members of the Private Sector Organisation of Jamaica and its Subsidiary (Continued)**

**Reporting on Additional Requirements of the Jamaican Companies Act**

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained and the financial statements are in agreement with the accounting records, and give the information required by the Jamaican Companies Act in the manner so required.



Chartered Accountant  
Kingston, Jamaica

4 May 2009



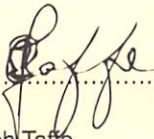
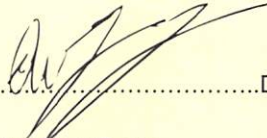
# THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Consolidated Balance Sheet  
As at 31 December 2008  
(Expressed in Jamaican Dollars)

	Notes	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	10,677	11,163
Premium on redemption of debentures	5	9	13
Investments	6	3	3
Deferred tax asset	22	3,848	4,210
		<u>14,537</u>	<u>15,389</u>
<b>Current assets</b>			
Receivables and prepayments	7	3,482	3,108
Tax recoverable		925	846
Cash and cash equivalents	8	13,334	14,662
		<u>17,741</u>	<u>18,616</u>
<b>TOTAL ASSETS</b>		<u><u>32,278</u></u>	<u><u>34,005</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital reserve	9	2,880	4,035
Fair value reserve		(37)	(37)
Retained earnings	24	5,217	1,364
		<u>8,060</u>	<u>5,362</u>
<b>Non-current liabilities</b>			
Special project funds	10	12,052	5,994
Long-term liabilities	12	-	444
Finance lease obligations	13	243	485
		<u>12,295</u>	<u>6,923</u>
<b>Current liabilities</b>			
Payables and accruals	14	10,163	19,445
Subscriptions received in advance		962	580
Current portion of long-term liabilities	12	616	172
Current portion of finance lease obligations	13	182	183
Bank overdraft	8	-	1,340
		<u>11,923</u>	<u>21,720</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>32,278</u></u>	<u><u>34,005</u></u>

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

On 4 May 2009, the Board of Directors authorized these financial statements for issue.

 ..... Director
  ..... Director  
 Joseph Taffe Christopher Zacca



# THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Consolidated Statement of Income  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

	Notes	2008 \$'000	2007 \$'000
<b>Revenue</b>			
Subscriptions and contributions		21,195	16,682
Other income	15	16,373	19,334
		<hr/>	<hr/>
Administrative expenses	16	37,568 (35,260)	36,016 (38,441)
		<hr/>	<hr/>
<b>Operating profit (loss)</b>		2,308	(2,425)
Finance income	17	1,045	957
Finance charge	17	(266)	(96)
		<hr/>	<hr/>
<b>Profit (loss) before taxation</b>	18	3,087	(1,564)
Taxation	22	(389)	115
		<hr/>	<hr/>
<b>Net profit (loss) for the year</b>	23	2,698	(1,449)
		<hr/>	<hr/>

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



Consolidated Statement of Changes in Equity  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

	Capital reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 31 December 2006</b>	5,190	(37)	1,658	6,811
Net loss for the year	-	-	(1,449)	(1,449)
Transfer to retained earnings (Note 9)	(1,155)	-	1,155	-
<b>Balance at 31 December 2007</b>	4,035	(37)	1,364	5,362
Net profit for the year	-	-	2,698	2,698
Transfer to retained earnings (Note 9)	(1,155)	-	1,155	-
<b>Balance at 31 December 2008</b>	2,880	(37)	5,217	8,060

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



# THE PRIVATE SECTOR ORGANISATION OF JAMAICA AND ITS SUBSIDIARY

Consolidated Statement of Cash Flows  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>		
Profit (loss) before taxation	3,087	(1,564)
<b>Adjustments for:</b>		
Depreciation	1,266	1,274
Amortisation of premium on redemption of debentures	4	4
Interest income	(991)	(904)
Interest expense	146	40
	3,512	(1,150)
Changes in non-cash working capital components:		
Decrease (increase) in receivables and prepayments	149	(400)
(Decrease) increase in payables and accruals	(9,283)	8,193
Increase (decrease) in subscriptions received in advance	382	(3,832)
	(5,240)	2,811
Taxation paid	(106)	(215)
<b>Net cash (used in) provided by operating activities</b>	(5,346)	2,596
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(780)	(447)
Interest received	469	890
<b>Net cash (used in) provided by investing activities</b>	(311)	443
<b>Cash flows from financing activities</b>		
Special project funds	6,058	484
Repayment of finance lease obligations	(243)	(81)
Interest paid	(146)	(40)
<b>Net cash provided by financing activities</b>	5,669	363
<b>Net increase in cash and cash equivalents</b>	12	3,402
<b>Cash and cash equivalents at the beginning of the year</b>	13,322	9,920
<b>Cash and cash equivalents at the end of the year (Note 8)</b>	13,334	13,322

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



Organisation Balance Sheet  
As at 31 December 2008  
(Expressed in Jamaican Dollars)

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

On 4 May 2009, the Board of Directors authorized these financial statements for issue.

45



Oranisation Statement of Income  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

	Notes	2008 \$'000	2007 \$'000
<b>Revenue</b>			
Subscriptions and contributions		21,195	16,682
Other income	15	17,477	20,438
		<u>38,672</u>	<u>37,120</u>
Administrative expenses	16	(36,419)	(39,510)
<b>Operating profit (loss)</b>		2,253	(2,390)
Finance income	17	1,045	957
Finance charge	17	(266)	(96)
<b>Profit (loss) before taxation</b>	18	3,032	(1,529)
Taxation	22	(369)	102
<b>Net profit (loss) for the year</b>	23	<u>2,663</u>	<u>(1,427)</u>

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



Consolidated Statement of Changes in Equity  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

	Capital reserve \$'000	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
<b>Balance at 31 December 2006</b>	4,507	(37)	710	5,180
Net loss for the year	-	-	(1,427)	(1,427)
Transfer to retained earnings (Note 9)	(1,120)	-	1,120	-
<b>Balance at 31 December 2007</b>	3,387	(37)	403	3,753
Net profit for the year	-	-	2,663	2,663
Transfer to retained earnings (Note 9)	(1,120)	-	1,120	-
<b>Balance at 31 December 2008</b>	2,267	(37)	4,186	6,416

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



Organisation Statement of Cash Flows  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>		
Profit (loss) before taxation	3,032	(1,529)
<b>Adjustments for:</b>		
Depreciation	1,200	1,209
Interest income	(991)	(904)
Interest expense	146	40
	3,387	(1,184)
Changes in non-cash working capital components:		
Decrease (increase) in receivables and prepayments	149	(400)
(Decrease) increase in payables and accruals	(9,277)	8,124
Increase (decrease) in subscriptions received in advance	382	(3,832)
Increase in due to Subsidiary	119	104
	(5,240)	2,812
Taxation paid	(106)	(216)
<b>Net cash (used in) provided by operating activities</b>	(5,346)	2,596
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(780)	(447)
Interest received	469	890
<b>Net cash (used in) provided by investing activities</b>	(311)	443
<b>Cash flows from financing activities</b>		
Special project funds	6,058	484
Repayment of finance lease obligations	(243)	(81)
Interest paid	(146)	(40)
<b>Net cash provided by financing activities</b>	5,669	363
<b>Net increase in cash and cash equivalents</b>	12	3,402
<b>Cash and cash equivalents at the beginning of the year</b>	13,315	9,913
<b>Cash and cash equivalents at the end of the year (Note 8)</b>	13,327	13,315

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



Notes to the Financial Statements  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

## 1. Corporate information

The Private Sector Organisation of Jamaica (the "Organisation") and its wholly owned Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited (the "Group"), are incorporated under the laws of Jamaica. The Organisation is limited by guarantee and does not have a share capital. The liability of each member, in the event of a winding up, is limited to \$2.

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

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

The registered office of the Organisation is located at 39 Hope Road, Kingston 10.

## 2. Significant accounting policies

The most significant policies are summarised below:

### a) Basis of preparation

#### (i) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Jamaican Companies Act.

#### (ii) Current year changes in accounting standards and interpretations

The Group has adopted all the new and revised accounting standards and interpretations to existing accounting standards that are mandatory for annual accounting periods beginning on or after 1 January 2008 and which are relevant to the Group's operations. The following new and revised accounting standards were adopted:

- **IAS 39 (Amendment), Financial instruments: Recognition and measurement**

An amendment to IAS 39 was issued in October 2008, which permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The Group did not exercise this option and as such IAS 39 (Amendment) had no impact on these financial statements.

- **IFRIC 11, IFRS 2, Group and Treasury share transactions**

This interpretation requires arrangements whereby an employee is granted rights to an entity's equity instruments to be accounted for as an equity – settled scheme, even if the entity buys the instruments from another party, or the shareholders provide equity instrument needed. No rights to equity instruments were granted by the Group and as such this interpretation had no impact on the Group and as such this interpretation had no impact on these financial statements.

- **IFRIC 12, Service Concession Arrangements**

This interpretation applies to service concession operators and explains how to account for the obligations undertaken and rights received in service concession arrangements. The Group does not operate a service concession and hence this interpretation had no impact on the Group.

#### (iii) Future changes in accounting standards and interpretations

Certain new standards and amendments to and interpretation of existing accounting standards have been published but which are not yet effective and the Group has not adopted early. Those which will be effective for accounting periods ending after 31 December 2008 are:



Notes to the Financial Statements  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iii) Future changes in accounting standards and interpretations (continued)

- **IAS 1 (Revised), Presentation of Financial Statements** (effective from annual periods beginning on or after 1 January 2009) requires the separation of owner and non-owner changes in equity, through the introduction of a statement of comprehensive income. These amendments will result in additional disclosures.
- **IAS 23 (Revised), Borrowing Costs** (effective from annual periods beginning on or after 1 January 2009) requires capitalization of borrowing costs that relate to a qualifying asset. The transitional provisions of the standard require prospective application from the effective date. This amendment is not applicable to the Group.
- **IAS 27, Consolidated and Separate Financial Statements** (effective from annual periods beginning on or after 1 July 2009) has resulted from amendments to IFRS 3 and changes the accounting for acquisitions and disposals that do not result in a change of control and the attribution of profit or loss to non-controlling interest. Additional amendments have been made relating to the cost of a subsidiary in the separate financial statements of a parent on first-time adoption of IFRSs. This amendment is not applicable to the Group.
- **IAS 28 (Revised), Investment in Associates** (effective from annual periods beginning on or after 1 July 2009) has resulted from amendments to IFRS 3. This amendment is not applicable to the Group.
- **IAS 31 (Revised), Financial Reporting of Interests in Joint Ventures** (effective from annual periods beginning on or after 1 July 2009) requires disclosures when investments in jointly controlled entities are accounted for at fair value through profit or loss. This amendment is not applicable to the Group.
- **IAS 32 (Revised), Financial Instruments: Presentation** (effective from annual periods beginning on or after 1 January 2009) requires amendments regarding puttable financial instruments and obligations arising on liquidation, and requires entities to classify certain types of financial instruments as equity provided they have particular features and meet specific conditions. This amendment is not applicable to the Group.
- **IAS 39 (Revised), Financial Instruments: Recognition and Measurement** (effective from annual periods beginning on or after 1 July 2009) was amended regarding hedging portions of risk, and clarifies the principles associated with designating a portion of cash flows or fair values of a financial instrument as a hedged item. This amendment is not applicable to the Group.
- **IFRS 1 (Revised), First-time Adoption and IAS 27, Consolidated and Separate Financial Statements** (effective from annual periods beginning on or after 1 January 2009) provides guidance on determining the cost of investments in subsidiaries, jointly controlled entities and associates in the financial statements of a parent entity that prepares separate financial statements. This amendment is not applicable to the Group.
- **IFRS 2 (Revised), Share-based Payment** (effective from annual periods beginning on or after 1 January 2009) requires amendments regarding vesting conditions and cancellations, and clarifies that vesting conditions are service conditions and performance conditions only, while other features of a share-based payment are not vesting conditions. This amendment is not applicable to the Group.



Notes to the Financial Statements  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iii) Future changes in accounting standards and interpretations (continued)

- **IFRS 3 (Revised), Business Combinations** (effective from annual periods beginning on or after 1 July 2009). The amendments were the result of a joint project with the US FASB, and certain fundamental changes and improvements were made to reinforce the existing standard and remedy problems that have emerged with its application. This amendment is not applicable to the Group.
- **IFRS 8, Operating Segments** (effective from annual periods beginning on or after 1 January 2009) will replace IAS 14 Segments Reporting and increases the level of disclosure required, as well as, replace the requirement to determine primary (business) and secondary (geographical) reporting segments and extends the scope to include entities that meet certain requirements. This standard is not applicable to the Group.
- **IFRIC 13, Customer Loyalty Programmes** (effective from annual periods beginning on or after 1 January 2009) requires that award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. This interpretation is not applicable to the Group.
- **IFRIC 15, Agreements for the Construction of Real Estate** (effective from annual periods beginning on or after 1 January 2009) regarding when and how revenue and related expenses from the sale of real estate as construction progresses should be recognized, and addresses the divergence in accounting treatment arising from such arrangements. This interpretation is not applicable to the Group.
- **IFRIC 16, Hedges of a Net Investment in a Foreign Operation** (effective from annual periods beginning on or after 1 October 2008) provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment. It also provides guidance on where within the group the hedging instrument can be held in the hedge of a net investment, and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. This interpretation is not applicable to the Group.
- **IFRIC 17, Distributions of Non-cash Assets to Owners** (effective from annual periods beginning on or after 1 July 2009) provides guidance on how to account for such transactions. It also provides guidance on when to recognize a liability and how to measure it and the associated assets, and when to derecognize the asset and liability and the consequences of doing so. This interpretation is not applicable to the Group.
- **IFRIC 18, Transfers of Assets from Customers** (effective from annual periods beginning on or after 1 July 2009) provides guidance on when and how an entity should recognize items of property, plant and equipment received from their customers. This interpretation is not applicable to the Group.



Notes to the Financial Statements  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

(iii) Future changes in accounting standards and interpretations (continued)

In May 2008, the International Accounting Standards Board issued "Improvements to IFRSs", which is part of its annual improvements project, and a vehicle for making non-urgent but necessary amendments to various IFRSs. These amendments primarily become effective for annual periods beginning on or after 1 January 2009 and are not likely to have a material impact on the Group.

The following shows the IFRSs and topics addressed by these amendments.

IFRS	Subject of Amendment
<b>Part I</b>	<b>Amendments that result in accounting changes for presentation, recognition and measurement purposes</b>
IFRS 5	Plan to sell the controlling interest in a subsidiary.
IAS 1	Current/non-current classification of derivatives.
IAS 16	Recoverable amount.
IAS 19	Curtailments and negative past service cost. Plan administration costs. Replacement of term "fall due". Guidance on contingent liabilities.
IAS 20	Government loans with a below-market interest rate.
IAS 23	Components of borrowing costs.
IAS 27	Measurement of subsidiary held for sale in separate financial statements.
IAS 28	Required disclosures when investments in associates are accounted for at fair value through profit or loss.
IAS 31	Required disclosures when investments in jointly controlled entities are accounted for at fair value through profit or loss.
IAS 29	Description of measurement basis in financial statements.
IAS 36	Disclosure of estimates used to determine recoverable amount.
IAS 38	Advertising and promotional activities. Unit of production method of amortization.
IAS 39	Reclassification of derivatives into or out of the classification at fair value through profit or loss. Designating and documenting hedges at the segment level. Applicable effective interest rate on cessation of fair value hedge accounting.
IAS 40	Property under construction or development for future use as investment property.
IAS 41	Discount rate for fair value calculations.
<b>Part II</b>	<b>Amendments that are terminology or editorial changes only</b>
IFRS 7	Presentation of finance costs.
IAS 8	Status of implementation guidance.
IAS 10	Dividends declared after the end of the reporting period.
IAS 18	Costs of originating a loan.
IAS 20	Consistency of terminology with other IFRSs.
IAS 29	Consistency of terminology with other IFRSs.
IAS 34	Earnings per share disclosures in interim financial statements.
IAS 40	Consistency of terminology with IAS 8. Investment property held under lease.
IAS 41	Examples of agricultural produce and products. Point-of-sale costs.



Notes to the Financial Statements  
Year ended 31 December 2008  
(Expressed in Jamaican Dollars)

## 2. Significant accounting policies (continued)

### a) Basis of preparation (continued)

#### (iv) Basis of measurement

These financial statements have been prepared under the historical cost convention, except for investments classified as available for sale which are measured at their fair values.

### b) Basis of consolidation

These financial statements present the results of the operations and financial position of the Organisation and its wholly owned Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited.

### c) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the equipment when that cost is incurred, if the recognition criteria are met. Repair and maintenance costs are recognised in the statement of income as incurred.

Depreciation is provided on property, plant and equipment at rates calculated to write off their cost on the straight-line basis over the period of their expected useful lives. Useful lives applied in these financial statements are:

Freehold building	40 years
Furniture, fixtures and equipment	5 - 10 years

Land is not depreciated.

The residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

### d) Foreign currency translation

The Group's functional and presentation currency is the Jamaican dollar. Monetary assets and liabilities denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the balance sheet date. Non-monetary assets and liabilities and transactions denominated in currencies other than Jamaican dollars are translated at the rate of exchange in effect at the date of the transaction. Exchange differences on foreign currency translations are recognised in the statement of income. Exchange rates are determined by the published weighted average rate at which commercial banks trade in foreign currencies.

### e) Investments

Investments are classified as available for sale securities and originated loans. Management determines the appropriate classification of investments at the time of purchase and re-evaluates such designation on a periodic basis.

Available for sale securities are those intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates or market prices. These investments are initially recognised at cost, which includes transaction cost and subsequently remeasured at fair value, based on quoted bid prices or amounts derived from cash flow models. Unrealised gains and losses arising from changes in fair value of available for sale securities are recognised in equity. When the securities are disposed of or impaired, the related accumulated unrealised gains or losses included in equity are transferred to the statement of income.

Investments held under repurchase agreements are classified as originated loans. They are initially recorded at cost which is the consideration given to originate the debt, including any transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.



Notes to the Financial Statements  
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## 2. Significant accounting policies (continued)

### f) Financial instruments

Financial instruments carried on the balance sheet include investments, cash and cash equivalents, short-term deposits, receivables, long-term liabilities, related company balances and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The fair values of the Group's and the Organisation's financial instruments are discussed in Note 25.

### g) Employee benefits

The Group has a defined contribution pension scheme for all permanent employees, which is managed by an outside agency. The Group's liability is limited to its contributions which are accounted for on the accrual basis and charged to the statement of income account in the period to which they relate.

### h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales taxes or duty.

Subscriptions, rental and interest income are recognised as they accrue unless collectability is in doubt.

### i) Accounts receivables and payables

Accounts receivable are carried at anticipated realisable value. A provision is made for doubtful receivables based on a review of outstanding amounts at year end. Bad debts are written off when identified.

Accounts payable which are normally settled on 30 – 90 day terms are recorded at amounts representing the fair value of the consideration to be paid in the future for goods and services received by the balance sheet date, whether or not billed.

### j) Cash and cash equivalents

For the purposes of the statement of the cash flows, cash and cash equivalents comprise cash at bank and in hand and deposits held with financial institutions with maturity dates of less than three months, less bank overdraft.

### k) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The areas involving the highest degree of judgement or estimation are:

#### i) Accruals

Amounts accrued for certain expenses are based on estimates and are included in payables and accruals.

#### ii) Property, plant and equipment

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

Further judgement is applied in the annual review of the useful lives of all categories of property, plant and equipment and the resulting depreciation determined thereon.



Notes to the Financial Statements  
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## 2. Significant accounting policies (continued)

### l) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is probable that an out-flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The expense relating to any provision is charged to the statement of income net of any reimbursement.

### m) Special project funds

Funds designated for special projects are credited to a Special Project Funds Account. Approved project expenses are charged against these funds.

### n) Capital donations

Donations of property, plant and equipment are valued at cost at the time of receipt and are credited to capital reserve. This amount is being recognized in retained earnings on a systematic basis over the useful lives of the assets received.

### o) Taxation

Taxation charge is based on the results for the year as adjusted for items, which are non-assessable or disallowed. The taxation charge is calculated using the tax rate in effect at the balance sheet date.

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences, carry-forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

### p) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the valuation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the in statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.



Notes to the Financial Statements  
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3. Related party transactions

a) Transactions between the Organisation and its Subsidiary:

	2008 \$'000	2007 \$'000
Management fees received from subsidiary	(1,104)	(1,104)
Rental paid to subsidiary	<u>1,284</u>	<u>1,284</u>

Compensation of directors and key management personnel:

	2008 \$'000	2007 \$'000
b) Directors' fees	-	-
Short-term employee benefits	<u>8,052</u>	<u>5,797</u>

4. Property, plant and equipment

	The Group				
	2008				
	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvements \$'000	Furniture and equipment \$'000	Total \$'000
<b>Cost</b>					
1 January	389	2,625	4,767	12,346	20,127
Additions	-	-	70	710	780
31 December	<u>389</u>	<u>2,625</u>	<u>4,837</u>	<u>13,056</u>	<u>20,907</u>
<b>Accumulated depreciation</b>					
1 January	-	1,324	514	7,126	8,964
Charge for the year	-	66	103	1,097	1,266
31 December	<u>-</u>	<u>1,390</u>	<u>617</u>	<u>8,223</u>	<u>10,230</u>
<b>Net book value</b>					
31 December	<u>389</u>	<u>1,235</u>	<u>4,220</u>	<u>4,833</u>	<u>10,677</u>



Notes to the Financial Statements  
Year ended 31 December 2008  
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4. Property, plant and equipment (continued)

The Group					
2007					
	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvements \$'000	Furniture and equipment \$'000	Total \$'000
<b>Cost</b>					
1 January	389	2,625	4,767	11,150	18,931
Additions	-	-	-	1,196	1,196
31 December	389	2,625	4,767	12,346	20,127
<b>Accumulated depreciation</b>					
1 January	-	1,259	411	6,020	7,690
Charge for the year	-	65	103	1,106	1,274
31 December	-	1,324	514	7,126	8,964
<b>Net book value</b>					
31 December	389	1,301	4,253	5,220	11,163

The Organisation			
2008			
	Leasehold improvements \$'000	Furniture and equipment \$'000	Total \$'000
<b>Cost</b>			
1 January	4,767	12,195	16,962
Additions	70	710	780
31 December	4,837	12,905	17,742
<b>Accumulated depreciation</b>			
1 January	514	6,976	7,490
Charge for the year	103	1,097	1,200
31 December	617	8,073	8,690
<b>Net book value</b>			
31 December	4,220	4,832	9,052



Notes to the Financial Statements  
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4. Property, plant and equipment (continued)

	The Organisation 2007		
	Leasehold improvements \$'000	Furniture and equipment \$'000	Total \$'000
<b>Cost</b>			
1 January	4,767	10,999	15,766
Additions	-	1,196	1,196
31 December	4,767	12,195	16,962
<b>Accumulated depreciation</b>			
1 January	411	5,870	6,281
Charge for the year	103	1,106	1,209
31 December	514	6,976	7,490
<b>Net book value</b>			
31 December	4,253	5,219	9,472

Items of equipment amounting to \$749,000 for the Group and the Organisation were acquired during the 2007 under a finance lease (Note 13).

5. Premium on redemption of debentures

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

6. Investments

Investments consist of the following:

	Group and Organisation	
	2008 \$'000	2007 \$'000
Available for sale:		
Quoted stocks – Ciboney Group Limited	3	3



Notes to the Financial Statements  
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7. Receivables and prepayments

Receivables and prepayments consist of the following:

	Group and Organisation	
	2008 \$'000	2007 \$'000
Trade receivables	4,762	4,288
Other receivables	2,727	418
Prepayments	33	28
	<u>7,522</u>	<u>4,734</u>
Less provision for impairment	(4,040)	(1,626)
	<u>3,482</u>	<u>3,108</u>

As at 31 December the aging analysis of trade receivables is as follows:

	Past due but not impaired					
	Neither past due nor impaired					
		1 to 30 days	31 to 60 days	61 to 90 days	> 90 days	
	Total \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2008	4,762	317	(94)	19	25	4,495
2007	4,288	822	399	831	478	1,758

As at 31 December 2008, trade receivables at a value of \$4,040,000 (2007 - \$1,626,000) were impaired and fully provided for. The movements in the provision for impairment of receivables were as follows:

	2008 \$'000	2007 \$'000
At 1 January	1,626	612
Charge for the year	2,677	1,134
Recovered	(263)	(120)
At 31 December	<u>4,040</u>	<u>1,626</u>



Notes to the Financial Statements  
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**8. Cash and cash equivalents**

Cash and cash equivalents consist of the following:

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Short-term investments	5,512	13,399	5,512	13,399
Cash at bank	7,822	1,263	7,815	1,256
	13,334	14,662	13,327	14,655
	-	(1,340)	-	(1,340)
Bank overdraft				
	13,334	13,322	13,327	13,315

**9. Capital reserve**

Capital reserve consists of the following:

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Capital grants	4,035	5,190	3,387	4,507
Transferred to retained earnings:				
Capital grants	(1,155)	(1,155)	(1,120)	(1,120)
	2,880	4,035	2,267	3,387

**10. Special project funds**

Special project funds consist of the following:

	Group and Organisation	
	2008	2007
	\$'000	\$'000
G. Arthur Brown Scholarship Fund	41	41
Public Awareness Fund	60	60
CIDA Fund	133	134
Legislative Action Fund	215	215
Environmental Project	119	119
Partnership for Progress Fund	150	150
Police Station Crime Fund	220	220
USAID Fund	16	16
Energy Committee	667	904
CIDA Institutional Strengthening Fund	6,296	-
Other	4,135	4,135
	12,052	5,994

The special project funds are represented by cash and cash equivalents.



Notes to the Financial Statements  
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# 11. Due to Subsidiary

This represents amounts due to the Subsidiary, The Private Sector Organisation of Jamaica (Holdings) Limited. There are no repayment terms and the amounts are interest free and unsecured.

# 12. Long-term liabilities

	Group	
	2008	2007
	\$'000	\$'000
a) 1% First mortgage debenture stock – (1987/2007)	172	172
b) 1% Second mortgage debenture stock (1999/2009)	444	444
	616	616
Less: Current portion	(616)	(172)
	-	444

(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 was redeemable in 2007 at par, was issued at \$58.08 for each \$100 face value.

(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 premium of \$48 for each \$100 face value (Note 5).

# 13. Finance lease obligations

The Organisation's obligations under finance lease in respect of a fax machine and photocopy machine were recorded at amounts equal to the present value of future lease payments using interest rates implicit in the lease (Note 4). Future payments under this lease were as follows:

	Group and Organisation	
	2008	2007
	\$'000	\$'000
Total minimum lease payments	521	850
Less: Future finance charges	(96)	(182)
	425	668
Present value of minimum lease payments	(182)	(183)
Less: Current portion	243	485

# 14. Payables and accruals

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Trade payables	6,486	11,353	6,486	11,353
Accruals	3,677	8,092	3,064	7,474
	10,163	19,445	9,550	18,827



Notes to the Financial Statements  
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15. Other income

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Rental	1,340	1,035	1,340	1,035
Management fees	-	-	1,104	1,104
Seminars	2,597	9,914	2,597	9,914
Publications	757	480	757	480
Luncheons	5,000	4,012	5,000	4,012
Job creation	3,063	2,142	3,063	2,142
Economic bulletin	639	384	639	384
Special contribution	235	40	235	40
Project management	2,040	-	2,040	-
Other	702	1,327	702	1,327
	<u>16,373</u>	<u>19,334</u>	<u>17,477</u>	<u>20,438</u>

16. Administrative expenses

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Advertising	157	192	157	192
Auditors' remuneration	782	788	712	718
Bad debts	2,677	1,134	2,677	1,134
Depreciation	1,266	1,274	1,200	1,209
General expenses	3,255	2,716	3,270	2,640
Insurance	447	374	447	374
Meetings and luncheons	4,053	11,338	4,053	11,338
Job creation expenses	1,603	1,117	1,603	1,117
Professional services	757	618	757	618
Publications	-	759	-	759
Donations and subscriptions	276	241	276	241
Repairs and maintenance	632	833	632	833
Staff costs	11,732	12,096	11,732	12,096
Stationery	745	437	745	437
Travelling and entertainment	59	86	59	86
Utilities	4,401	2,964	4,401	2,964
Seminars	1,538	572	1,538	572
Security expenses	839	720	839	720
Property tax	37	178	37	178
Amortisation of premium on redemption of debentures	4	4	-	-
Rent	-	-	1,284	1,284
	<u>35,260</u>	<u>38,441</u>	<u>36,419</u>	<u>39,510</u>



Notes to the Financial Statements  
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# 17. Finance income (charge)

Finance income (charge) consists of the following:

	Group		Organisation	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Finance income:				
Interest earned	991	904	991	904
Foreign exchange gains	54	53	54	53
	<u>1,045</u>	<u>957</u>	<u>1,045</u>	<u>957</u>
Finance charge:				
Interest expense	(146)	(40)	(146)	(40)
Bank charges	(120)	(56)	(120)	(56)
	<u>(266)</u>	<u>(96)</u>	<u>(266)</u>	<u>(96)</u>

# 18. Profit (loss) before taxation

The following items have been charged in arriving at the profit (loss) before taxation:

	Group		Organisation	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Depreciation	1,266	1,274	1,200	1,209
Auditors' remuneration	782	788	712	718
Staff costs (Note 19)	<u>11,732</u>	<u>12,096</u>	<u>11,732</u>	<u>12,096</u>

# 19. Staff costs

Staff costs comprise the following:

	Group and Organisation	
	2008 \$'000	2007 \$'000
Wages, salaries and statutory deductions	8,152	9,179
Pension costs	1,247	418
Other staff costs	<u>2,333</u>	<u>2,499</u>
	<u>11,732</u>	<u>12,096</u>

# 20. Pension scheme

The Organisation 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 Insurance Company Limited.



Notes to the Financial Statements  
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## 21. Contingent liability

The Organisation has guaranteed the interest payments and the redemption of the debenture stocks issued by the Subsidiary.

## 22. Taxation

The taxation credit consists of:

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Income statement</b>				
Deferred tax (charge) credit	(362)	1,583	(342)	1,570
Write off of irrecoverable withholding tax	(27)	(1,468)	(27)	(1,468)
	<u>(389)</u>	<u>115</u>	<u>(369)</u>	<u>102</u>

The tax credit included in the statement of income differs from the theoretical amount that would arise using the income tax rate as follows:

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Profit (loss) before tax	3,087	(1,564)	3,032	(1,529)
Tax at 33 1/3%	(1,029)	521	(1,011)	510
Tax on non-assessable income, net	667	1,062	669	1,060
Write off of irrecoverable withholding tax	(27)	(1,468)	(27)	(1,468)
Taxation (charge) credit	<u>(389)</u>	<u>115</u>	<u>(369)</u>	<u>102</u>

Subject to the agreement of the Commissioner, Taxpayer Audit and Assessment, losses available for offset against future taxable profits amount to approximately \$18,765,000 (2007 - \$18,582,000) for the Group and \$18,237,000 (2007 - \$17,970,000) for the Organisation.

## Deferred tax asset

	Group		Organisation	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the year	4,210	2,627	3,903	2,333
Deferred tax (charge) credit for the year	(362)	1,583	(342)	1,570
Balance at the end of the year	<u>3,848</u>	<u>4,210</u>	<u>3,561</u>	<u>3,903</u>



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22. Taxation (continued)

Taxation (continued)

The significant components of deferred tax asset (liability) are as follows:

	Group		Organisation	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Deferred liability:				
Property, plant and equipment	(2,181)	(2,054)	(2,292)	(2,157)
Interest receivable	(194)	(20)	(194)	(20)
Other	(32)	-	(32)	-
	<u>(2,407)</u>	<u>(2,074)</u>	<u>(2,518)</u>	<u>(2,177)</u>
Deferred asset:				
Accrued vacation	-	90	-	90
Losses	6,255	6,194	6,079	5,990
	<u>6,255</u>	<u>6,284</u>	<u>6,079</u>	<u>6,080</u>
	<u>3,848</u>	<u>4,210</u>	<u>3,561</u>	<u>3,903</u>

23. Net profit (loss) for the year

	2008 \$'000	2007 \$'000
Reflected in the financial statements of:		
Organisation	2,663	(1,427)
Subsidiary	35	(22)
	<u>2,698</u>	<u>(1,449)</u>

24. Retained earnings

Reflected in the financial statements of:		
Organisation	4,186	403
Subsidiary	1,031	961
	<u>5,217</u>	<u>1,364</u>

25. Financial risk management objectives and policies

The Group's principal financial liabilities comprise long-term liabilities, finance lease obligation, payables and bank overdraft which purpose is to finance the Group's operations. The Group has various financial assets such as receivables and cash and cash equivalents which arise from operations.

The main risks arising from the Groups's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.



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**25.. Financial risk management objectives and policies (continued)**

**a) 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, however, faces credit risk in respect of its receivables. The Group manages this risk by periodic reviews of receivable balances and by making provisions for doubtful debts, where necessary.

**b) Interest rate risk**

Interest rate risks arise when the value of an interest bearing financial instrument fluctuates during a specified period due to changes in the market interest rates. The Group had no significant interest rate risk at the balance sheet date. Short-term funds are invested for periods of three months or less at fixed interest rates and are not affected by fluctuations in market interest rates up to the date of maturity.

**c) 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. The Group had no significant currency risk at the balance sheet date.

**d) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the management of the Group aims at maintaining sufficient liquidity by efficient cash management.

The table below summarizes the maturity profile of the Group's and the Organisations' financial liabilities at 31 December 2008 and 31 December 2007 based on contractual undiscounted payments.

The Group						
Year ended 31 December 2008						
	On Demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Long-term liabilities	616	-	-	-	-	616
Finance lease obligation	-	-	182	243	-	425
Payables and accruals	-	10,163	-	-	-	10,163
Subscriptions received in advance	-	962	-	-	-	962
The Group						
Year ended 31 December 2007						
	On Demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Long-term liabilities	-	172	-	444	-	616
Finance lease obligation	-	-	183	485	-	668
Payables and accruals	-	19,445	-	-	-	19,445
Subscriptions received in advance	-	580	-	-	-	580
Bank overdraft	1,340	-	-	-	-	1,340



Notes to the Financial Statements  
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(Expressed in Jamaican Dollars)

25.. Financial risk management objectives and policies (continued)

d) Liquidity risk (continued)

The Organisation						
Year ended 31 December 2008						
	On Demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Finance lease obligation	-	-	182	243	-	425
Payables and accruals	-	9,550	-	-	-	9,550
Subscriptions received in advance	-	962	-	-	-	962
The Organisation						
Year ended 31 December 2007						
	On Demand \$'000	Less than 3 months \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
Payables and accruals	-	-	183	485	-	668
Payables and accruals	-	18,827	-	-	-	18,827
Subscriptions received in advance	-	580	-	-	-	580
Bank overdraft	1,340	-	-	-	-	1,340

**Fair value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis or other valuation models. The methods and assumptions used to estimate the fair value of each class of financial instrument for which it is practical to estimate a value are as follows:

**Short-term financial assets and liabilities**

The carrying values of short-term financial assets and liabilities are reasonable estimates of their fair values because of the short-term maturity of these instruments. Short-term financial assets comprise cash and cash equivalents and receivables. Short-term financial liabilities comprise payables and accruals and subscriptions received in advance. The fair values for long-term liabilities and finance lease obligation approximate their carrying amounts.



Notes to the Financial Statements  
Year ended 31 December 2008  
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25. Financial risk management objectives and policies (continued)

Fair value

	The Group			
	Carrying amount		Fair values	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assets</b>				
Receivables and prepayments	3,482	3,108	3,482	3,108
Cash and cash equivalents	13,334	14,662	13,334	14,662
<b>Financial liabilities</b>				
Long-term liabilities	616	616	616	616
Finance lease obligation	425	668	425	668
Payables and accruals	10,163	19,445	10,163	19,445
Subscriptions received in advance	962	580	962	580
Bank overdraft	-	1,340	-	1,340

	The Organisation			
	Carrying amount		Fair values	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial assets</b>				
Receivables	3,482	3,108	3,482	3,108
Cash and cash equivalents	13,327	14,655	13,327	14,655
<b>Financial liabilities</b>				
Finance lease obligation	425	668	425	668
Payables and accruals	9,550	18,827	9,550	18,827
Subscriptions received in advance	962	580	962	580
Bank overdraft	-	1,340	-	1,340