



Taking action to shape Jamaica

**2019
ANNUAL
REPORT**



35 years of building
wealth for Jamaica

“

Looking back, it has been a **tremendous honour to see our progress over the decades.** Not many companies manage to stay afloat at all, **let alone for 35 years”.**

Christopher Berry

Executive Chairman
Mayberry Investments Limited



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GROWING WITH JAMAICA FOR



YEARS

For over six decades, fostering the welfare and development of the Jamaican people has been the hallmark of National Baking Company. Through Manufacturing, Education and Philanthropy, we hold steadfast to our vision of supporting and growing with Jamaicans from all spheres of life.



A PROUD MEMBER OF



WHO WE ARE

The Private Sector Organisation of Jamaica (PSOJ) was established in 1976. It is a national organisation of private sector associations, companies and individuals working together to promote a competitive and productive private sector.

The organisation seeks to influence national policy issues of a political, social, or economic nature. The Executive Committee, under guidance from the Council, leads this process by promoting discussions with the country's Government, political directorate and the Opposition. The Organisation is also in close and constant contact with the major multi-lateral and bi-lateral agencies.

OUR VISION

We are the unifying voice of the private sector working in partnership with the public sector and civil society to achieve Vision 2030 for Jamaica.

OUR MISSION

To effectively advocate for the implementation of public policy that enables strong sustainable private sector led economic growth and development.

CONTACT US

39 Hope Road, Kingston 10

Tel: 876-927-6238 | Fax: 876-978-2709

Email: psojinfo@psoj.org | Website: www.psoj.org



The Private Sector Organisation of Jamaica (PSOJ)



CARRERAS LIMITED

A proud Jamaican company since 1962

CARRERAS

SUPPORTS JAMAICANS AND STAFF IN THE FACE OF COVID-19 PANDEMIC

Carreras is pleased to engage in initiatives, during the COVID-19 pandemic, which provide relief and socio-economic empowerment for many Jamaicans, as well as our employees.



Staff members of Carreras Ltd. participated in the Government's Covid-19 Pandemic relief efforts. Here, an elderly resident of Central Village holds a package from the Company's Managing Director, Raoul Glynn (left). Senior Superintendent of Police, Clive Blair shares in the moment.

Initiatives include:

Donation of \$9.51 million to support the Government's food relief programme, being executed under the management of the Private Sector Organization of Jamaica.

Continuing our commitment to giving back to the communities in which we operate, we will be assisting a resident of the Central Village Community with well-needed improvements to his home; construction of a new kitchen and bathroom and renovations of his bedroom.

In keeping with the imperatives of Covid-19, our scholarship application process is now fully electronic and we will be extending the deadline to give more time to our applicants.

Institution of proper protocols for the protection of our employees, including organizing our offices to ensure social distancing, providing sanitization packages and a transportation service for employees who would normally use public transportation.

Our response to the Covid-19 pandemic affirms our commitment to the people of Jamaica and to our employees. We encourage all Jamaicans to follow the announced national safety tips and guidelines as, together, with resilience, we work towards a brighter future.



CARRERASLTD.COM



CARRERAS@BAT.COM



876 749 9800



13A RIPON ROAD,
KINGSTON 5

NOTICE OF THE 32ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN:

That the 32nd Annual General Meeting of the Members of The Private Sector Organisation of Jamaica (PSOJ) will be held at **The Pegasus Hotel (Legacy Suite), 81 Knutsford Boulevard, Kingston 5 on Tuesday, December 1, 2020 commencing 3:00 p.m.**, for the purposes of considering and if thought fit, passing the following resolutions, namely:

AS ORDINARY RESOLUTIONS:

1. "That, in keeping with the provisions of Article VII of the Articles of Association, this meeting will be deemed to be the 32nd Annual General Meeting of the PSOJ;"
2. That the Reports of the President, the Executive Committee and the Auditors as well as the Audited Financial Statements of Accounts for the year ended 31st December 2019 be and are hereby adopted.
3. In accordance with Article III, Clause 4 of the Organisation's Articles of Association, the following Members of Council retire by rotation, and being eligible offer themselves for re-election:

Corporate:

1. Bank of Nova Scotia Jamaica Limited (The)
2. Citigroup
3. Continental Baking Company Limited
4. GraceKennedy Limited
5. Jamaica Money Market Brokers Limited
6. Jamaica Producers Group Limited
7. JN General Insurance Company Limited
8. Musson Jamaica Limited
9. Sagicor Group Jamaica Limited
10. WISYNCO Group Limited

Associations:

1. Business Processes Industry Association of Jamaica
2. Council for Voluntary Social Services
3. Incorporated Masterbuilders' Association of Jamaica
4. Institute of Chartered Accountants of Jamaica
5. Jamaica Cooperative Credit Union League
6. Jamaica Customer Service Association

7. Jamaica Developers Association
8. Jamaica Used Car Dealers Association
9. Medical Association of Jamaica
10. MSME Alliance (The)
11. Sugar Manufacturers Corporation of Jamaica Limited

Individuals:

1. Christopher Zacca
2. Christopher Reckord
4. "That such number, as required by the Articles of Association, of persons, duly nominated by the Members, being able and willing to serve, be hereby elected as Members of the Council."
5. "That the Executive Committee is authorized to issue a request for Proposal for audit services, select and approve the remuneration and terms of engagement of the external auditor."
6. To consider any other business that may appropriately be transacted at an Annual General Meeting.

AS A SPECIAL RESOLUTION:

1. Whereas the Organisation has reviewed its constitutive documents and found that certain provisions should be revised, including that:
 - a. the limit on the number of Members be increased from 450 to 5,000;
 - b. the maximum number of Vice-Presidents be increased from three to five;
 - c. provision be made for electronic meetings of the Organisation, Officers, Executive Committee and Council along with electronic voting;
 - d. voting by proxy be permitted;
 - e. overseas Members be entitled to vote and to have one seat on the Council; and
 - f. provision be made for an Honorary Legal Counsel.

Whereas the Organisation desires to adopt Articles of Incorporation in lieu of its Memorandum of Association and Articles of Association in accordance with the Companies Act, 2004. Whereas other suitable changes are desired to be made to the constitutive documents, the Members are asked to consider and, if thought fit, pass the following resolution:

"That the Memorandum of Association and Articles

of Association of the Organisation be amended by deleting each in its current form and adopting the form of Articles of Incorporation (comprising Schedule I and Schedule II) accompanying the Notice of Annual General Meeting previously circulated to members, subject to such amendments as may be required by the Minister of Commerce, and that the form of Articles of Incorporation so amended be adopted in replacement and substitution for the existing Memorandum of Association and Articles of Association of the Organisation."

BY ORDER OF THE COUNCIL



Eva Lewis
HONORARY SECRETARY
November 9th, 2020
39 Hope Road
Kingston 10

Members who shall be an organisation or a group of two or more individuals, companies, firms, establishments or bodies shall at least seventy-two hours before the commencement of the Annual General Meeting, that is, by 4:00 p.m. on Friday, November 27, 2020, give to the Honorary Secretary or other person acting on her behalf for this purpose written notice of the name and address of one person who shall have been nominated to attend the meeting on the member's behalf, and such person shall have the voting rights and any other rights and privileges of the member he represents. There shall be no attendance or voting by proxy at any meeting of The PSOJ.

Nominations for Members of Council, who must be members of the Organisation in good standing, must be made by a member of the Organisation in good standing and seconded by a member of the Organisation in good standing, signed

by the proposer and seconder and delivered to the Honorary Secretary of the Organisation at least fourteen days prior to the date of the meeting, that is, by 4:00 p.m. Tuesday, November 17th, 2020.

List of Members Serving a Second Year on Council

Corporate:

1. CARI-MED
2. Guardsman Group
3. ICD Group Limited
4. J. Wray & Nephew Limited
5. Jamaica Broilers Group Limited
6. Jamaica National Group
7. National Commercial Bank Jamaica Limited
8. PanJam Investment Limited
9. RJR/Gleaner
10. Victoria Mutual Building Society

Associations:

1. Institute of Internal Auditors
2. Insurance Association of Jamaica
3. Jamaica Banker's Association
4. Jamaica Employer's Association
5. Jamaica Gasolene Retailers Association
6. Jamaica Hotel and Tourist Association
7. Jamaica Information Technology Services Alliances
8. Jamaica Insurance Brokers Association
9. Jamaica Securities Dealers Association
10. Realtors Association of Jamaica
11. Shipping Association of Jamaica
12. Spirits Pool Association
13. The Human Resource Management Association of Jamaica

Individuals

1. Andre Gordon
2. Greta Bogues
3. Stephen Greig

iPRESIDENT'S REPORT



MR. KEITH DUNCAN
President



As the country's leading umbrella organisation representing private sector bodies, associations and individuals in Jamaica, the work of the Private Sector Organisation of Jamaica (PSOJ), continues to be impactful on matters relating to nation building, social transformation and economic development.

The year 2019 was undoubtedly a pivotal one for the PSOJ. In September 2019, we had a change of baton from the previous administration, led by Howard Mitchell, who left a solid foundation on which we can build and move the Organisation forward.

I would like to acknowledge the work of our immediate Past President, who served the PSOJ from 2017 – 2019. The resolve and focus of Past President Mitchell during his tenure, on stimulating much needed conversation and igniting solutions for social issues, particularly crime and human capital development, established the foundation of the current PSOJ strategy.

KEY ACHIEVEMENTS – YEAR 2019

SME Access to Finance – The Engine of Growth

As the then Vice President, under Howard Mitchell's leadership, I was honoured to lead and execute the PSOJ's **Access to Finance Facilitation Panel (AFFP) for Small and Medium Enterprises (SMEs)**. The AFFP's objective is to increase access to finance for the SME sector, which significantly contributes to Jamaica's GDP, as well as increase awareness and education through training programmes, workshops, and conferences for SMEs. A Stakeholder Panel was established to provide expert advice and governance in support of the overall access to finance initiatives.

The core objectives of the AFFP Stakeholder Committee which were executed through Advocacy, Communication & Monitoring were outlined



A 14 member Stakeholder Panel was put in place to give technical assistance in the education, facilitation & execution of the agenda through directives of the Access to Finance Stakeholder Committee



Key focus areas include:

Identify Funding Opportunities for SMEs

Training & Conferences for SMEs

Build out of a "ONE-STOP-SHOP" Platform for SMEs

Tiered KYC – Simplified Due Diligence

On July 3, 2019, the Access to Finance Initiative for SMEs was successfully launched via its first workshop, which hosted over 70 SMEs. The objective of this workshop was to build awareness of what exists, identify the gaps, and explore possible solutions that will enhance the SME Access to Finance.

A second workshop was executed on November 22, 2019, under the theme: "Partnership for SME Empowerment." This workshop included key stakeholders such as Bankers, Credit Agencies and International Donors and focused specifically on the Credit Adjudication & Risk Assessment with the aim of moving away from traditional

credit models to develop new SME risk models for Banks. The AFFP was a pivotal move to spur greater growth in our country and to improve the financial ecosystem for SMEs. The Workshops stimulated conversation across the island with many SMEs as well as ordinary Jamaicans expressing their challenges and expectations regarding the improvements in accessing finance. Although we are making progress, the journey continues, and I look forward to the game changing transformations in the ecosystem as they unfold.



One of the key priority areas of the PSOJ, along with other private sector bodies, is to create an environment of law and order and citizen safety. In October 2019, following on the efforts of Immediate Past President Howard Mitchell and in partnership with a Working Group led by Lloyd Distant, President of the Jamaica Chamber of Commerce (JCC), the PSOJ was pleased to play a part in the convening of a Bi-partisan Summit on Crime. The work continued in 2020 which culminated in the signing of a Memorandum of Understanding (MOU) on a National Consensus on Crime on August 3, 2020.

For too long, crime and violence have continued to disrupt daily lives and livelihoods and impede any attempts at sustainable economic growth. The PSOJ recognises the

efforts of the Government through the Ministry of National Security and the Security Services and commits to our continued partnership in achieving National Security & Justice and Public Order. As a country, we will need to be unified in the fight against crime and violence.

Social Transformation remains a key initiative of the Organisation. With 13.3% of our population living below the poverty line as at 2017 and 21 communities depressed and marginalised, it is not surprising that these communities contribute to 70% of Jamaica's crime. The PSOJ will continue to work actively in this focus area and partner with key stakeholders to drive this well needed change.

We also wish to express our gratitude to **Crime Stop** for its work over the past 31 years in the fight against crime which has led to many arrests, recovery of stolen properties and the seizure of illegal guns and drugs. Special commendation must be made to Mrs. Prudence Gentles, Manager of National Crime Prevention Fund (Crime Stop), who is selflessly committed to the cause since inception and is deservedly being recognised with a National Honour for her meritorious service to Crime Stop.

Corruption and Corporate Governance – “Good Governance requires Transparency and Accountability”

One key way of addressing corruption is the establishment of strong corporate governance within companies or organisations of an economy. We believe that good corporate governance is not only a tool that raises efficiency, improves access to capital, and ensures sustainability, but also an effective anti-corruption tool. The Corruption and Corporate Governance Committee continued its partnership with the Jamaica Stock Exchange (JSE) to successfully execute the Corporate Governance Leadership Training Programme for Directors for the period February to May 2019. This programme provided training to fourteen (14) persons who are now a part of the eligible pool of people available for directorships in both the public and private sector.

In October 2019, the PSOJ launched the **Jamaica Accountability Meter Portal (JAMP)** which is a non-partisan, non-government, and not-for-profit Project, funded by the European Union and currently led by Executive Director Jeanette Calder. This initiative is focused on improved governance in Jamaica thus strengthening the accountability framework of the country. Work continues with this project to ensure full operations and usage of the Portal.

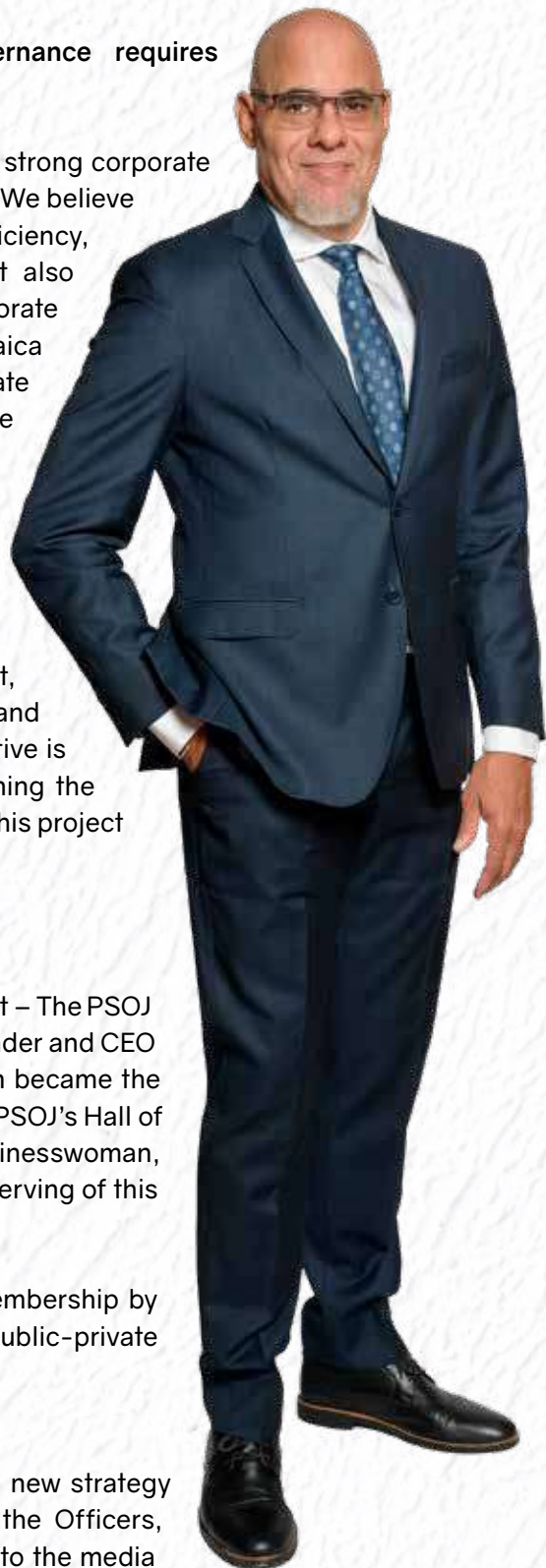
The PSOJ's Hall of Fame

On October 29, 2019, the PSOJ hosted its annual signature event – The PSOJ Hall of Fame Banquet, where we inducted Mrs. Thalia Lyn, Founder and CEO of Island Grill, into the Private Sector Hall of Fame. Thalia Lyn became the second woman and 27th business leader to be inducted in the PSOJ's Hall of Fame in 26 years. She is an authentic, outstanding Jamaican businesswoman, and an effervescently optimistic entrepreneur who is most deserving of this induction and the unforgettable gala event held in her honour.

We continued to execute other events that benefitted our membership by providing networking opportunities as well as increased our public-private partnerships throughout the year.

PSOJ's Strategic Committees

Following the change of Administration in September 2019, a new strategy was developed in September 2019 and was signed off by the Officers, Executive and Council members and subsequently presented to the media and the public. The Officers of the PSOJ were assigned accountability of the Committees and the execution of the strategy.



STRATEGIC FRAMEWORK

The Strategic Focus Areas, Supporting Committees and Responsible Officers are outlined below.

STRATEGIC FOCUS AREA	SUPPORTING COMMITTEE	RESPONSIBLE OFFICERS
1. Economic Oversight	Through EPOC	Keith Duncan
2. Crime and Public Order	National Security & Justice Crime Stop Jamaica	Keith Duncan George Overton (Committee Chair) Sandra Glasgow (Committee Chair)
3. SMEs Access to Finance	Small Business Access to Finance	Keith Duncan
4. Human Capital Development, Gender & Disabilities Affairs	Human Capital Development Gender & Disability Affairs	Mariame McIntosh Robinson Greta Bogues Renee Morrison-May
5. Environmental Sustainability	Energy, Environment & Climate Change	Mariame McIntosh Robinson Eleanor Jones (Committee Chair)
6. Ease of Doing Business	Economic Policy	Jackie Sharp (Committee Co-Chair)
7. Innovation & Digital Transformation	Innovation & Digital Transformation	Jackie Sharp Christopher Reckord (Committee Chair)
8. GOJ Divestment and Outsourcing	Economic Policy	Jackie Sharp (Committee Co-Chair)
9. Stimulating Investments	Economic Policy	Jeffrey Hal (Committee Co-Chair)
10. Corruption & Corporate Governance	Corporate Governance, Corruption & Accountability Listed Companies	Eva Lewis Greta Bogues (Committee Chair) Paul Hanworth (Committee Chair)
11. Membership & Engagement	Membership	Vikram Dhiman Greta Bogues Yaneek Page (Committee Chair)
12. Reporting to Membership & the Public		Greta Bogues

PSOJ's Strategic Focus for 2020 – 2021

Given the PSOJ's support of Jamaica's Vision 2030 – to make Jamaica the place of choice to live, work, raise families and do business – the PSOJ embarked on a refreshed Strategic Focus. This focus seeks to create opportunities for all Jamaicans to achieve their potential, through the PSOJ's efforts of:

INCLUSIVE AND EQUITABLE GROWTH THROUGH ADVOCACY AND ACTION

The organization's renewed strategic focus is summarized in the following eleven (11) key areas:

1. Economic Oversight

- The PSOJ, through EPOC membership, is committed to continue to provide oversight of Jamaica's Economic programme to ensure that the Government continues to abide by the legislated Fiscal rules and that macroeconomic stability is maintained.
- The PSOJ has continued its advocacy role while actively participating and collaborating to ensure that the deliverables in the programme are met on an ongoing basis. EPOC has continued its Monitoring Role Post-IMF.

2. Crime and Public Order

For the last two decades, Jamaica's murder rate has been at crisis levels and in 2019, it stands at 49 per 100,000. It was critical that we continued our advocacy efforts around making crime a national fight and not a political one. To that end, we invested time and efforts around gaining alignment and clarity around Jamaica's crime plan and keeping the nation engaged and participating in the solutions. The PSOJ, through the supporting Committees, has been focused on:

- Establishing a National Crime Consensus & an Oversight Monitoring Committee.
- Collaborating with the GOJ and private sector affiliated non-governmental organizations directing corporate social responsibility resources, cash, kind, time, mentoring into the most vulnerable,

crime producing communities to Social Transformation Initiatives.

- Establishing a Committee to provide Oversight of the Traffic Ticket Management System, JamaicaEye, Noise Abatement and Drive Safe Jamaica mobile application (motorcycle fatality reduction) through the Ministry of National Security (MNS) and the Ministry of Transport and Mining (MTM).
 - o The Committees continue to actively encourage members to participate in Jamaica Eye and utilization of the Drive Safe Jamaica Mobile Application.

3. Human Capital Development & Gender Affairs

The continuous development of human capital is a key ingredient to achieving Jamaica's growth objectives. With the increased connectedness across the globe and the advent of the Fourth Industrial Revolution ("4IR"), it is increasingly important that our youth and the workforce are equipped with both hard and soft skills. The Committee will focus on:

- Have ongoing engagement of private sector entities geared at upskilling and training for the Fourth Industrial Revolution (4IR)
- Pursuing, along with the other Associations, the updating of labour laws
- Identifying human capital needs of the emerging economy and direct recommendations to Jamaican Training Institutions
- The Gender and Disabilities Affairs Committee was launched in 2019. The committee collaborated with the United Nations Win-Win: Gender Equality Means Good Business Programme – a partnership with UN Women, the European Union and the International Labour Organization. Some of our members signed the Women's Empowerment Programme's CEO Statement of Support- which expresses support for advancing equality between men and women in the workplace.

4. Corruption and Corporate Governance

We believe that corruption has pulled on state resources and undermined the confidence of the Jamaican people. We continued to focus on:



- Advocating for zero tolerance to corruption by supporting initiatives such as JAMP in increasing awareness, transparency and accountability
- Training and recruiting competent employees of members of the Private Sector to serve on GOJ Boards to protect the resources of Jamaica, in keeping with the Policy direction of the Ministry of Finance and Public Service with regards to Public Boards
- Actively participating on GOJ boards and committees with best practices in corporate governance and transparency.

5. Ease of Doing Business



There remain significant hurdles including bureaucracy and red tape, particularly in Government agencies, which make it difficult to do business and ultimately stifle Investments. The Economic Policy Committee, through consultations with relevant stakeholders, continued its efforts to identify the major pain points that are significant disincentives for private sector investment and develop recommendations to address these pain points and advocate for reduction or removal of hurdles.

6. Stimulating Investments



Investment is a key driver of economic growth. As such, the PSOJ believes Jamaica needs to continue to improve conditions that support and incentivize direct investment in areas such as Infrastructure; Tax and Trade Policy; and Networks and Linkages. The PSOJ, through the Economic Policy Committee, has continued its work on creating structured forums for engaging directly with Jamaica's largest domestic and global investors at the decision-making level on the prospects for greater immediate direct investment in Jamaica.

7. GOJ Divestment and Outsourcing



The PSOJ has continued to partner with the GOJ and relevant agencies to unlock opportunities where the Private Sector can capitalize on commercial opportunities arising from GOJ divestment and outsourcing activities.

8. SMEs Access to Finance

To further stimulate economic activity and induce broad-based economic growth in Jamaica, the PSOJ realized the need to expand financing to SMEs.



- Creating a healthy ecosystem for SMEs in Jamaica continued to be one of the key priority focus area of the SMEs Access to Finance Committee. This was done through:
 - o Actively engaging key stakeholders via a series of workshops and work streams
 - o Leveraging the PSOJ platform to address ten (10) key ecosystem factors

CREATING A HEALTHY ECOSYSTEM FOR SMEs

10 Key Ecosystem Factors



9. Environmental Sustainability



Effective management of the energy ecosystem impacts most businesses across Jamaica. There continues to be a great opportunity for Jamaican businesses to capitalise on the technology and financing available to reduce the cost of electricity. The PSOJ, through the Energy, Environment and Climate Change Committee, has been focused on:

- Leading or supporting initiatives to increase renewables in the energy mix up to 30% by 2030, in support of the GOJ's initiative and identifying strategies to reduce electricity cost and communicate turnkey renewable energy packages to stakeholders
- Engaging public and private sector in identifying solutions for waste management

- Engaging PSOJ member participation in the Office of the Prime Minister's Tree Planting programme. The PSOJ has made a commitment to planting 500,000 trees.

10. Innovation and Digital Transformation



This was a newly added focus area for the Organisation. The lack of digital innovation in both public and private sector has hindered the ease and efficiency of doing business and Jamaica's economic growth. This Committee has begun the work needed to identify key enablers to achieve greater digitization & advocate for implementation of E-Commerce and payment platform for SMEs as well as to facilitate and support the roll out of the digital ID in a bi-partisan manner ensuring national consensus and buy-in (NIDS).

11. Membership, Engagement & Retention



The success of the refreshed strategic focus of the PSOJ hinges significantly on the engagement of our valuable members. Therefore, to attract and strengthen the engagement and retention of our membership, work is being conducted to:

- Redesign the Organisation's value proposition for each membership category to meet the evolving needs of the membership, taking in consideration the type of company or individual's interest (size, products/ offerings, market, etc.)
- Execute campaigns and events to increase awareness in the marketplace

Through the efforts of the various Committees, we were able to form meaningful Public-Private Partnerships which contributed to the continued execution of the key focus areas.

Response to the COVID-19 Pandemic – 2020

The far reaching and debilitating impact of the COVID-19 pandemic in 2020, called for an urgent response by the private sector and the Organisation through the generous support of our members was able to meet the urgent needs of the vulnerable.



- We raised One Hundred and Fifty Million Jamaican Dollars (\$J150M) for the procurement of ventilators and other medical equipment and supplies in March 2020.
- As the number of confirmed cases of the coronavirus (COVID-19) increased in Jamaica, our member companies, across various industries joined forces and contributed a total of \$J 150M to purchase ventilators to outfit the hospitals that have been designated by the Ministry of Health and Wellness (MOHW) to handle the persons infected with the virus.
- The PSOJ subsequently launched the

COVID-19 Jamaica Response Fund which as at October 2020, raised Two Hundred Million Jamaican Dollars (\$J 200M) to provide resources (masks, health checks, and food) to eighty-three thousand (83,000) beneficiaries.

- Establishment of the Agro-Industry Committee – As the work continues to preserve the economy, the PSOJ noted that the Agriculture Industry should be a key focus area to develop for the economy's recovery. Thus, the PSOJ established an Agro-Industry Committee which has started the work to identify key focus areas for short-term and long-term development.
- Our Innovation and Digital Transformation Committee will be a key success factor in how we move forward and will contribute positively to the technological and economic landscape of Jamaica and recovery of the economy.

Way Forward

As the leading private sector voice representing the most diverse group of private companies, associations and individuals our attention continues to be on key areas including: *increasing access to finance for SMEs, crime and public order, human capital development, membership engagement and retention, economic oversight, and stimulating investment in the Jamaican economy.*

We are on the right track to achieve these objectives and will continue to do so while promoting good governance.

As it relates to Membership Engagement and Retention, we are focused on the proactive engagement and continued demonstration of value to all categories of our diverse membership. Within this context, extensive work is being conducted to refine the PSOJ's value proposition which we will roll out to our members by year-end 2020.

I am pleased with the work of the PSOJ to date and the partnerships we have formed in executing our Strategic Plans and Objectives. We are driven to execute our goal which is to ensure that there is an enabling environment which supports inclusive, private sector-led growth and investments while protecting Jamaica's environment.

Acknowledgements

In March 2020, our then CEO, Mrs. Makeba Bennett-Easy transitioned the role to our Interim CEO, Ms Greta Bogues. I would like to acknowledge Makeba for the role she played throughout her tenure and for leading the PSOJ Secretariat team.

To our Vice Presidents, Officers and Committee Chairpersons, your commitment and focus in advancing the strategies of the PSOJ, through your expertise and

sound governance, has served as the backbone of the work of the PSOJ. Undoubtedly, I wish to thank you for your invaluable contribution and unwavering support.

I must express my gratitude to Greta and the team at the Secretariat for their commitment and dedication to the PSOJ. Your contribution is greatly appreciated and has not gone unnoticed.

Most importantly, I would like to thank all our members for their continued support throughout the year whether it was attending or sponsoring an event or seminar.

Keith Duncan
President, PSOJ

PSOJ COVID-19 JAMAICA RESPONSE FUND



COUNCIL OF
VOLUNTARY
SOCIAL SERVICES



United Way Of Jamaica

Westmoreland police head welcomes PSOJ-led care package initiative



Private-public sector partnership helps the poor



COVID-19 Jamaica Response Fund

#TogetherWeWill
IMPACT AT A GLANCE
(15/10/2020)



83,000
BENEFICIARIES



J\$200 MILLION
RAISED
131.5M CASH | 68.5M IN-KIND

FOOD RELIEF

71,000 PACKAGES DELIVERED
60 COMMUNITIES
3000 MEALS DELIVERED

FUNDING FOR NGO'S

\$9 NGO'S SUPPORTED
1000 HEALTH CHECKS COMPLETED
45,000 MASKS DISTRIBUTED

VOLUNTEERS

1260 VOLUNTEERS MOBILISED
30,300 VOLUNTEER HOURS



In partnership with



COUNCIL MEMBERS 2019–2020

INDIVIDUALS

Andre Gordon
Christopher Reckord
Christopher Zacca
Greta Bogues
Stephen Greig

COMPANIES

Bank of Nova Scotia Jamaica Limited (The)
CARI-MED
Citi Jamaica
Continental Baking Company Limited
First Global Bank
Guardsman Group
ICD Group Holdings Limited
J. Wray & Nephew Limited
Jamaica Broilers Group Limited
Jamaica National Group
Jamaica Producers Group Ltd.
JMMB Group
JN General Insurance Company Limited
Musson Jamaica Limited
National Commercial Bank Jamaica Limited
PanJam Investment Limited
RJR/Gleaner Communications Group
Sagikor Group Jamaica Limited
Victoria Mutual Building Society
WISYNCO

ASSOCIATIONS

Business Process Industry Association of Jamaica
Council for Voluntary Social Services
Incorporated Masterbuilders' Association of Jamaica
Institute of Chartered Accountants of Jamaica
Institute of Internal Auditors
Insurance Association of Jamaica
Jamaica Bankers Association
Jamaica Cooperative Credit Union League
Jamaica Customer Service Association
Jamaica Developers Association
Jamaica Employer's Federation
Jamaica Gasolene Retailers Association
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Jamaica Insurance Brokers Association
Jamaica Securities Dealers Association
Jamaica Used Car Dealers Association
Medical Association of Jamaica
The MSME Alliance
Realtors Association of Jamaica
Shipping Association of Jamaica
Small Business Association of Jamaica
Spirits Pool Association
Sugar Manufacturing Corporation of Jamaica
The Human Resource Management Association of Jamaica



EXECUTIVE COMMITTEE

2019-2020



KEITH DUNCAN
President



MARIAME MCINTOSH ROBINSON
Vice President



JACQUELINE SHARP
Vice President



JEFFREY HALL
Vice President



EVA LEWIS
Honorary Secretary



VIKRAM DHIMAN
Honorary Treasurer



GRETA BOGUES
Chief Executive Officer (Interim)



MAKEBA BENNETT-EASY
Chief Executive Officer (Past)



GLORIA HENRY
Global Services Association of Jamaica



JEROME SMALLING
Jamaica Bankers Association



CHARLES JOHNSTON
Shipping Association of Jamaica



OMAR ROBINSON
Jamaica Hotel and Tourist Association



VERNON JAMES
Insurance Association of Jamaica



DONOVAN WIGNAL
MSME Alliance



ANDREW MANNING
Medical Association of Jamaica

EXECUTIVE COMMITTEE 2019



HOWARD MITCHELL President

DENNIS COHEN Vice President

FRANK JAMES Vice President

KEITH DUNCAN Vice President

VIKRAM DHIMAN Honorary Treasurer

EVA LEWIS Honorary Secretary

MAKEBA BENNETT-EASY Chief Executive Officer

PETER LEVY Insurance Association of Jamaica

DONOVAN WIGNAL MSME Alliance

JEROME SMALLING Jamaica Bankers Association

STEVEN GOODEN Jamaica Securities Dealers Association

GLORIA HENRY Global Services Association of Jamaica

OMAR ROBINSON Jamaica Hotel and Tourist Association


CHARLES JOHNSTON Shipping Association of Jamaica

YOUR TECHNOLOGY SUPPORT PARTNER



We are value creators, pioneers and experts. Leveraging technology, we conceptualize ideas for businesses and communities, lighting the way for breakthroughs.



A member of the  Group

www.mcsystems.com





COMMITTEE REPORTS

CRIME STOP JAMAICA

MRS. SANDRA GLASGOW
Chairman



Overview

Crime Stop Jamaica, under the directorship of The Private Sector Organisation of Jamaica (PSOJ), celebrated its 30th year in 2019. This was commemorated through a Fundraising Gala, held at the Spanish Court, with the participation of keynote speaker, the Honourable Mr. Justice Michael H. Tulloch from the Ontario Court of Appeal. The programme's 30th Anniversary was also celebrated through the participation in two Editors Fora, which heightened public awareness of the programme. Additionally, a 16-page Supplement was published in the Jamaica Observer, which featured congratulatory messages from the Commissioner of Police, BGLC and PSOJ's newly elected President. Year 2019 saw the airing of the 4th season of CS311, a 13-part television series, which aired on TVJ on Monday nights at 9:30 p.m. Furthermore, Crime Stop Jamaica continued its successful partnership with the Ministry of National Security through its Rewards for Guns Campaign. The partnership with Betting Gaming and Lotteries Commission (BGLC) was still in effect and continued to be very successful. Through its continued, strong partnership with the media, Crime Stop Jamaica continued its work to achieve its vision of being the "preferred channel for citizens to use in reporting crime".

Notwithstanding, another major accomplishment for the organisation came on December 11, 2019, where Crime Stop, in association with the University of Technology, launched its 311tips.com. This is a web-based application that allows citizens to send tips, anonymously, through any mobile device. 311tips.com allows citizens to send tips through text, photo, audio and video, without leaving a trace on one's mobile device. As of the end of 2019, citizens were utilising this medium to send information to Crime Stop Jamaica.

Statistics

Crime Stop received 1,050 tips received in 2019, garnering a success rate of 1 in 7 (1 success for every 7 first calls received). Tips received included, but were not limited to, insurance fraud, kidnapping, Breaches of the Immigration Act, Breaches of the Excise Duty Act, illegal entry and illegal sales of petrol. Nevertheless, the majority of tips received were regarding illegal firearms and ammunition (295), followed by gunmen (224) and wanted persons (99).

Additionally, there was a total of 101 arrests in 2019 and a total of 55 illegal firearms 2,289 rounds of ammunition seized. Overall, the total value of the property recovered/seized during 2019 totalled approximately \$12,804,821, whereas, over \$25,768,500 worth of drugs were seized/destroyed. These successes led to a total of \$8,257,000 paid in rewards.

Funding

Crime Stop Jamaica renewed its contract with and continues to be funded by the National Commercial Bank (NCB). A sum of \$1.750M was received from NCB, which was in accordance with the agreement covering the period August 2019 – September 2020. Unfortunately, FLOW did not renew its contract with the programme in 2019. Additional funding was also received by way of interest earned on the organisation's investment fund, and money raised through the partnership with BGLC (\$1M), which is now in its fourth year. The media and allied services continued to play a very important role in the Crime Stop Jamaica programme by donating all time, space and services free of cost.

CHAIRMAN

Sandra A. C. Glasgow

MEMBERS

Mrs. Cherise Bruce-Douglas
Mr. Peter John Thwaites
Major General Robert Neish
Ms. Karen Bhoorasingh
Mrs. Makeba Bennett Easy
Ms. Kimala Bennett
Ms. Mukisa Wilson Ricketts
Ms. Tamika Harris
Ms. Natalie Chin
Mr. Brian Schmidt

Mr. Garfield Grandison
Mr. Craig Bernard
Mr. Desmond Brooks

Directors Emeritus:
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Mr. Charles Ross
Mr. Neville James

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CORPORATE GOVERNANCE

MS. GRETA BOGUES
Chairman



The PSOJ Corporate Governance (CG) Committee has had an active year in encouraging and supporting the PSOJ's strategic governance framework as well as assisting with the implementation of several CG initiatives. These initiatives assisted in developing further awareness on corporate governance for our members while adding value to companies' corporate governance practices.

In 2019 the Committee met six (6) times for regular meetings while subcommittees relating to the Corporate Governance Index, CG Code, the Public Bodies Corporate Governance Awards, CG Training for MSMEs and the JSE/ PSOJ Leadership Diploma Programme met regularly. During the year, the Committee also saw one change within its membership with the addition of Miss Kecia Taylor from Cable & Wireless Ja.

During the review period, the committee focused on the following initiatives:

- **Training - Partnership with the Jamaica Stock Exchange (JSE)** on the Corporate Governance Leadership training programme for Directors which was conducted from February to May 2019. This programme provided training for another fourteen (14) persons in corporate governance who are now a part of the eligible pool of trained talent available for directorships. The listing of potential directors can be found on both the JSE and PSOJ websites.
- **Policy Development - The CG Implementation Oversight Committee (IOC)** which consists of both public and private sector individuals continued to provide technical CG advice, quality control and support the development of complementary CG policies. Some of

the key documents reviewed was a Code of Conduct and a revision of the Board Performance Evaluation Instruments. The Corporate Social Responsibility policy and its related guidelines were also developed during the year. The most significant achievements of the Committee was the passing in the Lower House of Parliament the new regulation for the Nomination, Selection and Appointment of Directors of Public Bodies. This new regulation when passed in the Upper House will significantly enhance the appointment procedure while effectively supporting Ministers in the decision-making process.

- **Awards and Recognition - The PSOJ CG Committee** in collaboration with the Ministry of Finance & the Public Service successfully hosted the third staging of the Public Bodies Corporate Governance Awards which recognises public bodies who have displayed outstanding corporate governance practices. EX-IM Bank Ltd was the winner for 2019 and a new award, the PSOJ President's Award for the Most Improved Public Body year over year in corporate governance practices was introduced. This award was won by Jamaica Mortgage Bank.
- **The Jamaica Stock Exchange (JSE)** continues to utilise the Corporate Governance Index (CGI) as a tool to enhance positive corporate governance practices for companies listed on both the main and junior stock exchange. The Corporate Governance Index Review Committee, another subcommittee of the PSOJ CG Committee, assists the JSE in providing an independent review of annual CGI scores and based on the 2019 review there has been a positive increase in corporate

governance practices for listed companies. This augurs well for the further growth, development and transparency of listed companies.

- For the twelfth year in a row the PSOJ sponsored the 2019 PSOJ/JSE CG Award. NCB Financial Group tied with GraceKennedy Limited in the Main market to receive the coveted Governor General's Award as the overall winners. Lasco Manufacturing received the award in the Junior Market Category and the winner of the PSOJ/JSE Corporate Governance Award was NCB Financial Group Limited with GraceKennedy Limited as the first runner up and the Scotia Group Limited as the 2nd runner up.
- In mid-2019 the Committee established a sub-committee which commenced the review of the PSOJ Main Code. After discussion it was agreed that the PSOJ CG Main and MSME Codes would be merged into one Code with different sections applicable to MSME's, Family Owned Business and Non-profit Organisations.

It is expected that this comprehensive CG Code will be completed by December 2020. This Code will be supported by an updated Toolkit and Handbook which is expected to be launched February 2021.

The Committee continues to positively support the PSOJ Council on Corporate Governance matters and is heartened by the increased awareness and implementation of corporate governance practices by both private and public sector entities.

For 2020 the primary focus for the Committee will be to complete updating the merged PSOG CG Code, continue its governance advocacy and to use training as the primary tool to further enhance CG awareness and knowledge. Work will also continue in supporting the public sector in completing outstanding CG policies and seeking Cabinet approval as required.

CHAIRMAN

Ms. Greta Bogues

MEMBERS

Mrs. Makeba Bennett Easy
Ms. Barbara Alexander
Mrs. Camille Facey
Mrs. Gail Moss-Solomon
Mrs. Tracy Campbell
Ms. Keri-Gaye Brown
Mr. Donovan Wignal
Ms. Simone Pearson
Mr. Robert Hamilton
Ms. Anna Harry

Ms. Kecia Taylor
Ms. Gabrielle Grant
Mr. Christopher Bovell
Mr. Stephen Greig
Mrs. Gina Phillipps-Black
Ms. Lorna Gooden
Mr. David Hall
Dr. Twila-Mae Logan
Mrs. Marlene Street Forrest
Mrs. Julie Thompson-James



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GENDER AND DISABILITY AFFAIRS

MS. RENEE MORRISON-MAY
Chairman



The standing committee on Gender and Disability Affairs was formed by the PSOJ in mid-2018. The Committee seeks to ensure that matters relevant to gender equality and disabilities are given all due consideration in corporate deliberations. The Committee strives to reiterate the need to foster the growth of a diverse, inclusive, equal and equitable workforce by reinforcing, promoting and supporting the implementation of policies and strategies that speak to gender and disabilities affairs. The committee serves as the primary resource to the President and CEO of the PSOJ for the advancement of minorities in the corporate interest on gender and disability issues and concerns.

The Committee's core focus is as follows:

- Collaborate - Supporting gender and disabilities affairs by facilitating partnerships and networks between and among existing bodies and institutions.
- Advocate - Creating awareness and sensitisation of gender affairs and persons with disabilities through diversity training and educational fora within the corporate space.
- Recommend - Review existing corporate policy and suggest ways to ensure the integration of women and persons with disabilities in their environment and recommend revisions as required.
- Educate - Coordinate engagement sessions to encourage and empower individuals and persons with disabilities.

The Committee has established some priority projects/activities which includes:

- ✓ Partnering with Crime Stop to utilise the Crime Stop hotline as an avenue to assist with reducing cases of domestic violence.
- ✓ Targeting Human Resource Management to have discussions on Gender Equality in the workplace and to find out their plans relating to the issue. The aim is to ensure that the HR Managers within our membership are aware of the gender equality policy, and that their internal policies are in line with what has been recommended by the country.
- ✓ Targeting Business Processing Outsource companies to speak with members of staff on sexual harassment in the workplace. The aim is to raise awareness and encourage behavioral change. A presentation on disability to create awareness will also be included.
- ✓ Two ambassadors will be identified to represent the committee to share their success stories.
- ✓ Accessibility Audit - It has been recognised that not all companies have the facilities to allow persons with disabilities basic access to their offices. It will be recommended to member companies that they begin to restructure their front desk to bathroom areas to allow basic access to persons living with disabilities.
- ✓ Lunch and learn sessions - Engaging corporate entities to raise awareness about gender and disability affairs.

CHAIRMAN

Ms. Renee Morrison-May

MEMBERS

Mr. Christopher Bovell
Ms. Gabrielle Grant
Mrs. Gina Phillipps-Black
Ms. Greta Bogues
Mr. Donovan Wignal
Ms. Barbara Alexander
Mrs. Tracy Campbell
Mrs. Julie Thompson-James
Ms. Simone Pearson
Mrs. Gail Moss-Solomon
Ms. Lorna Gooden

Ms. Keri Gaye Brown
Dr. Twila Mae Logan
Mr. Robert Hamilton
Ms. Kecia Taylor
Ms. Anna I. Harry
Mrs. Marlene Street-Forrest
Mr. David Hall
Mrs. Camille Facey
Mr. Stephen Greig
Ms. Melanie Gilchrist

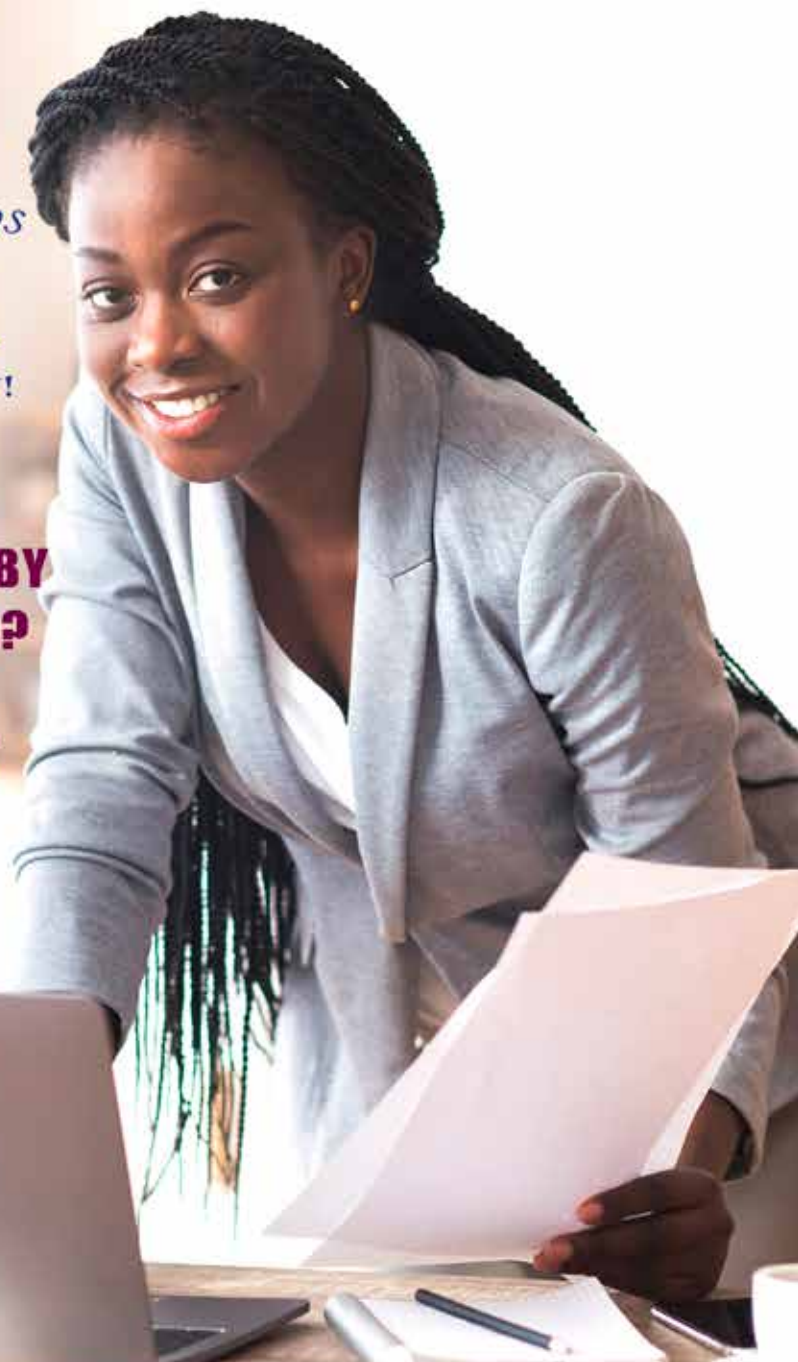




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ECONOMIC POLICY

JACKIE SHARP
Co-Chair

JEFFREY HALL
Co-Chair



The Economic Policy Committee was restructured in November 2019 under the leadership of Vice Presidents Jeffrey Hall and Jackie Sharp with an updated mandate:

- **Stimulating Investments:** With the macroeconomic variables being more favourable and with increasing levels of liquidity in the financial system, international and domestic pools of capital should be mobilized to deliver a step-change in growth, productivity and the quality of our infrastructure through major investment. The objective is to create a structured forum for engaging directly with Jamaica's largest domestic and global investors at the decision-making level on the prospects for greater immediate direct investment in Jamaica.
- **Improve Ease of Doing Business:** The Committee was tasked with, through consultations, identifying around 3 or 4 key roadblocks/bureaucratic pain-points that are significant disincentives for private sector investment and then develop recommendations to address these pain points and advocate for implementation
- **Supporting GOJ Divestments:** Through the Economic Policy Committee, the PSOJ will seek to play a more proactive role in identifying and capitalizing on divestment outsourcing opportunities. The EPC will

work closely with the GOJ and relevant agencies to identify opportunities where the Private Sector can capitalize on commercial opportunities arising from GOJ divestment and outsourcing activities.

ANNUAL ECONOMIC FORUM

The PSOJ/JMMB Annual Economic Forum was held on July 16, 2019 under the theme "Financial Inclusion – The Key to Sustainable Development". Mr David Marston, former International Monetary Fund (IMF) employee and expert on global economics and risk management delivered the main address.

Mr. Marston made a strong case for the local financial sector to be more inclusive of the creative sector. According to Marston, Jamaica has a long way to go to achieve financial inclusion – the goal of having most Jamaicans participating in and benefiting from the formal financial system. This perspective was in alignment with the Organisation's thrust to develop SMEs by developing a financial ecosystem that works for all.

The forum also featured a panel discussion and was moderated by Kalilah Reynolds of Nationwide Radio.

CHAIRMAN

Jeffrey Hall

MEMBERS

Dr. Adrian Stokes
Mr. Duncan Stewart
Mr. Keith Collister
Mr. Richard Pandohie
Mr. Samuel Braithwaite
Mr. Stefan Wright

Mrs. Natasha Ebanks Richardson
Ms. Jackie Sharp
Ms. Melanie Subratie
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ENERGY, ENVIRONMENT & CLIMATE CHANGE

MRS. ELEANOR JONES
Chairman



The PSOJ Energy, Environment and Climate Change Committee remains committed to lobbying and supporting the operationalizing of strategies to positively influence sustainable economic development. In 2019, the committee focused primarily on issues surrounding energy resilience, energy response to natural disasters, plastic management, waste management and climate change. These issues were examined in detail and led to engagement of experts in their respective fields in supporting and enhancing the agenda of the committee.

Some of the guests invited to share their expertise and perspectives included representatives from the United States Agency for International Development (USAID) who gauged committee members' opinion on sustainability and energy resilience. USAID also explored a potential collaboration with the PSOJ aimed at fostering a resilient system where the country would remain power driven in the case of a hurricane or other natural disaster. Jamaica's energy situation remained high on the agenda of the committee. Jamaica Public Service (JPS) representatives shared insight on their operations including cost of electricity and the action being taken to minimize them. JPS outlined the impact debt and distribution generation was having on reducing cost.

As it relates to matters on renewable energy, assessments revealed that most of Jamaica's sources of renewable energy (wind, solar) are located on the south coast, while hydro sources are on the north coast.

Subsequently, a meeting was held with the Minister of

Science, Energy and Technology, the Hon. Fayval Williams to discuss the committee concerns about the energy sector and the integrated resource plan. There was a favourable discussion on future collaborative plans with the Minister who indicated that the resource plan has a revised completion date for the end of June.

Later, the Energy Council was re-established with representatives from several stakeholder agencies including the Private Sector Organisation of Jamaica. The Energy Council aims to ensure the continuity of policy and sustainable development of the island's energy sector. From this meeting, the committee was able to get updates on a number of energy issues. The Integrated Resource Plan, which outlines an electric utility resource needs to meet electricity demand, was one of the major issues up for discussion. The revised completion date was changed from June 30 to December 31. It was reviewed by JPS and the OUR and the technical working group. This was specifically done to make changes to the generation model and the transmission and distribution.

One of the newer matters on the agenda for 2019 was the PSOJ's role in national Emergency Response efforts. JPS CEO Emmanuel DaRosa spoke about the company's role in changing from a functioning organisation to an emergency response team when there is an impending Natural Disaster. The preparation for the company begins on December 31 of each year and during this period the staff is prepared and an audit done to ensure that there are adequate and workable stock levels, generators, fuel and proper staff arrangements. An evaluation is also carried

out for operation maintenance. This leads to simulation and drills in May. From this discussion, there was conversation on how the PSOJ could possibly collaborate with JPS in the event of a Natural Disaster.

Also to note, there was some discussion on LNG supply when representatives from the PSOJ met with the Minister of Science, Energy and Technology. The LNG hub in Old Harbour was completed and was described as a historic move and unprecedented milestone for the Government's 2030 policy. However, there were concerns about policy and regulation for LNG for persons to do business. There was a draft for what the legislation could look like but the concern is that it is locked into a segment of an entire sector (Energy) and it needs to be more comprehensive.

The Energy, Environment and Climate Change Committee also discussed the legislation to deal with tracking; and to increase safety and parking legislations for tankers to prevent them from doing so in residential areas. However, there was no timeline provided for when these legislative changes should take effect, according to the Energy Minister. Other issues discussed included power wheeling, net billing and auxiliary collections. The Ministry of Science, Energy and Technology indicated that they were reviewing the netbilling process and stakeholder consultation was held to determine the issues contributing to the long processing times.

Concerns were raised about Waste Management issues with garbage entering the Kingston Harbour and subsequently the sea. Grace Kennedy led an initiative to clean the Kingston Harbour and invited other companies to support the initiative. In addition to this, the committee discussed the insufficient garbage truck network that

exists in Jamaica which sometimes leads to garbage going uncollected for long periods. Subsequently, there was The Launch of the Rae Town Project on plastic recycling in October. Funding came from key agencies such as the Japanese Embassy, the National Environment and Planning Agency (NEPA), the National Solid Waste Management Authority (NSWMA), United Nations Environment Programme (UNEP), Jamaica Social Investment Fund (JSIF), Social Development Commission (SDC) and National Works Agency (NWA). The intent for Rae Town was to facilitate plastic recycling management.

Climate Change has been a critical part of the committee's monthly agenda. The focus has been on the Green Climate Fund and investment for the region with an aim to identify private sector entities for the Fund and get the PSOJ accredited for the Fund. However, it was discovered that financial institutions with a pipeline of projects to be funded were preferred. This means for the PSOJ to be considered, an institution would have to be set up. However, no final decision has been made on the matter.

In September 2019, Prime Minister Andrew Holness announced the launch of a national tree planting initiative. The decision was then made for Jamaica to plant three million timber and ornamental trees over the next three years. The initiative is managed by the Forestry Department and will see the foresting of 3,000 hectares of land with two million timber seedlings, while the remaining one million timber and ornamental seedlings will be distributed to the public for planting. The Committee through its subcommittee is engaged in this undertaking to positively and actively contribute to improving Jamaica's environment.

CHAIRMAN

Mrs. Eleanor Jones

MEMBERS

Dr. Ava Maxam
Dr. Wayne Archibald
Mr. Alain Carreau
Mr. Andre Gordon
Mr. Bela Szabo
Mr. Christopher Okonmah
Mr. David Arscott
Mr. David Barrett
Mr. David Pijuan Mota
Mr. John Carberry
Mr. Krishna Desai

Mr. Nigel Davy
Mr. Sean Hinds
Mr. Wayne Kirkpatrick
Mrs. Mariame Robinson
Ms. Ava Tomlin
Ms. Kamille Jackson
Ms. Suzanne Shaw
Ms. Verona Carter





LEADING CHANGE

MAKING A DIFFERENCE



STANDING COMMITTEE ON NATIONAL SECURITY AND JUSTICE (SCNS&J)

LT. COMMANDER GEORGE OVERTON
Chairman



The Standing Committee on National Security and Justice (SCNS&J) continues to be committed to its role in ensuring that matters of security and justice that are likely to impact the economic and social viability of the country are fully supported by the engagement of the PSOJ and the relevant stakeholders.

The Committee meets every third Tuesday of each month at 9:00 am. However, no meetings are held in the month of August.

Matters Arising from the Meetings

The Committee has been working closely with the Ministry of National Security to provide oversight for the implementation of: Electronic Diary Programme, DNA database, JamaicaEye, electronic ticketing system using red light and speed cameras, and electronic ticket management system.

Representatives from the Office of the Permanent Secretary in the Ministry of National Security gave the Committee an update on the following matters listed below:

a. The progress and status of the Electronic Diary Programme –

It was noted that there are two phases to the Electronic Diary Programme: digitizing the logbooks of the police stations and replacing logbooks with a digital diary. The two phases work simultaneously. It was reported however that the challenge that is faced with this is that some police stations do not have steady internet connectivity.

b. The implementation and progress of a DNA database –

Ministry of National Security is currently undergoing restructuring and therefore a forensic unit will be in-house. The update regarding DNA database will be better explained

from the forensic lab Institute of Forensic Science and Legal Medicine. The Lab was affiliated with the JCF before being given its own portfolio. However, they still rely very heavily on the JCF for assistance, especially in transportation to crime scenes. It is 95% self-sufficient and the Lab has recently received additional freezer storage space for specimen. The complex is monitored by CCTV, the samples are barcode protected which requires them to be scanned in and out, and the doors are electronically monitored and requires employees to use an access pass that has the time and date each member enters and exits.

c. The implementation and progress of the Jamaica Eye –

JamaicaEye was launched in March 2018, for which the Ministry encourages participation. However, there are challenges with the road work as the traffic cameras are a part of the initiative. There are cameras in Montego Bay, Mandeville, Negril and Ocho Rios. The rest of the island should have camera systems installed by September 2019. It was advised that video footage from JamaicaEye can be submitted in court as evidence.

d. The progress and plans for electronic ticketing system using red light and speed cameras –

The Electronic Ticketing System using red light and speed cameras is dependent on the implementation of the new Road Traffic Act which speaks about the issuing of electronic tickets.

e. The progress in the implementation of the Electronic Ticket Management System –

The Prime Minister, Andrew Holness has asked Ministry of National Security to take lead on the project. However, there are challenges with connectivity within stations and that will be dealt with. It was suggested by the Committee that barcodes be a part of license plates to enhance the system.

CHAIRMAN

Lt. Commander George Overton

MEMBERS

Capt. Paul Beswick
Colonel Mahatma Williams
Mr. Robert Neish
Ms. Greta Bogues
Mr. Keith Duncan
Mr. David Silvera
Mr. Ferris Ziadie

Mr. Mark Shields
Mr. Michael Bernard
Mr. Peter John Thwaites
Mrs. Michelle Alexander-Lemmon
Mrs. Maria Love
Ms. Kalista Powell



i MEMBERSHIP

MR. CHRISTOPHER RECKORD
Chairman



The Membership Committee enjoyed another year of successful events and membership recruitment targets were exceeded 2019. With a full constituted Marketing team, the Committee was fully supported in carrying out its mandate of delivering impactful and engaging events for our members and potential members.

One new member, Stacey Hines of the ICD Group, was invited to join the Committee while throughout the year three members of the Committee resigned.. Chairman of the Committee, Christopher Reckord remained committed to his role serving as the anchor and ensuring no momentum was lost due to the personnel changes within the Committee.

In 2019 the Membership Committee remained focused on attracting new members through increased visibility of the organisation, particularly on digital platforms and the execution of relevant, high quality and impactful events. The strategy bore fruit as at the end of the year, 31 new members were inducted to the Organisation.

New Member Onboarding

One of the initiatives introduced in 2019 was the New Member Onboarding session. This onboarding was introduced to allow new members, an informal yet detailed session to meet the members of the Secretariat, get a comprehensive overview of the work and activities carried out by the Organisation and most importantly understand how best to maximise their membership through active involvement This was well received and evolved into a full networking, induction and onboarding session by December 2019.

PSOJ Mentoring of Emerging Entrepreneurs and Leaders (MEEL) Dinner

The MEEL Dinner remains a favourite on the PSOJ calendar.

The 2019 series was sponsored by Scotiabank and once again provided value to existing members as well as offered an incentive to non-members to become a part of the PSOJ. Our mentors consistently expressed their delight in receiving an opportunity to engage and empower young entrepreneurs at this informal dinner.

Guest mentors for 2019 were:

- Duane Lue-Fung, CEO of Think Grow Lead Training Masters
- Jean Lowrie-Chin, Founder and Managing Director of ProComm
- Audey Tugwell Henry, VP Caribbean Central and North - Scotiabank
- Yoni Epstein, Chairman of itelBPo

PSOJ Members Mingle

The members mingles were revamped to offer more interactive elements for members in order to encourage networking. We had a full calendar of Members Mingle in 2019 including a well attended Montego Bay edition. Sponsors of our 2019 mingles held for the year were:

- CPJ
- Massy Technologies
- Black Ink Marketing
- Appliance Traders
- British High Commission
- Business Process Industry Association of Jamaica (now Global Services Association of Jamaica)

PSOJ Business Bites

Another member engagement initiative that was introduced was PSOJ Business Bites, a six-episode lunch hour digital interview programme done in partnership with Trend Media, a new member. The programme provided another avenue to highlight our members while promoting the Organisation to attract new members by projecting a refreshed modern image.

All six episodes of the PSOJ Business Bites were published on the Loop app, website, social pages, and streamed LIVE on the PSOJ Facebook page from March 7 to April 11. Overall the six episodes posted on Loop received 7,048 views as at the end of May 2019. The weekly posts made on the Loop Jamaica Facebook page reached 61,587 persons, received 112 likes, 22 shares and 2,150 video views. Videos can still be viewed on the PSOJ Youtube page.

The members who were interviewed were:

- Makeba Bennett-Easy – PSOJ CEO
- Everton Bryan – CEO of International Asset Services
- Ann-Dawn Young Sang – President & CEO of Supreme Ventures
- Dr. Marcia Forbes – Executive Chairperson of Phase Three Productions
- Christopher Blythe – President & CEO of Sarifa Insurance Brokers
- Jean Lowrie-Chin, Founder and Managing Director of ProComm

Montego Bay Invasion

For the third time in recent history, the PSOJ staged its series of top corporate events in Montego Bay - Champion's Dinner, President's Forum, Mentorship Dinner and the PSOJ/ATL Corporate Mingle.

- **Champions Dinner** – Private dinner with some of Mobay's business leaders and the Commissioner of Police. Some action items and discourse at a national level were the outcome of this event.
- **President's Forum** – A discussion on disaster and climate risk management featuring a panel discussion
- **Mentorship Dinner** – Another uplifting edition of the MEELS dinner series hosted and mentored by Yoni Epstein of itelBPO
- **Corporate Mingle** – Hosted in collaboration with ATL, the event had over 150 people in attendance including some of Montego Bay's top business personalities.

New Member Update

In 2019, the Organisation welcomed 12 corporate entities and 19 individuals to the membership.

CHAIRMAN

Mr. Christopher Reckord

MEMBERS

Mrs. Makeba Bennett Easy
Mr. Everton Bryan
Mrs. Mariame McIntosh Robinson
Ms. Yaneek Page
Mr. Duane Lue-Fung
Ms. Stacey Hines
Mrs. Chloleen Daley-Muschett



LISTED COMPANIES



MR. PAUL HANWORTH
Chairman



The PSOJ Listed Companies Committee handles companies public reporting requirements, addresses issues of form and content, frequency, timeliness, and reporting mechanisms related to public reporting and addresses issues of common concern to companies for the Organisation PSOJ to lobby on behalf of (e.g. potential tax issues relative to share buybacks).

Matters the Committee has been working on over the years are:

- Reading of the Audit Report at Annual General Meetings
- Reporting Deadlines
- Forward Guidance and Continuous Disclosure
- Investor Education
- Parent Company Financials

New International Financial Reporting Standard

The International Financial Reporting Foundation introduced IFRS 9, a new reporting standard, that became effective in January 2018. This new standard that speaks to the reporting and classifying of financial assets and liabilities includes changes in the way disclosures are made in the financial statements, more significant the change, more detailed the disclosure as well as classification of changes and provisions to the assets/liabilities that will affect the profit/loss.

The Committee has raised concerns which includes:

- Companies not being ready or advanced in their understanding of the requirements
- Implications on regulatory reporting
- Interpretations by the regulatory bodies – Bank of Jamaica, Tax Administration of Jamaica
- Lack of information in the Jamaica that will allow for predictive analysis – expectation that disclosures will not be “right” the first time but will be refined and improved over time.

Request for Amendment to Companies Act 2004

The Committee has written several letters to the Ministry of Industry, Commerce, Agriculture & Fisheries (MICAF) requesting amendments to be made to Section 157 (2) of the Companies Act 2004 which states that *“The auditors shall make a report to the members on the accounts examined by them, and on every balance sheet, every profit and loss account and all group accounts laid before the company in general meeting during their tenure of office, and the report shall contain statements as to the matters mentioned in the Seventh and Eighth Schedules. The auditors’ report shall be read before the company in general meeting and shall be open to inspection by any member.”*

By removing, **“shall be read before the company in general meeting and”** the report would not be required to be read aloud at the AGM, however, it would be available for the members to review and ask the auditors or management questions at the AGM. The Ministry has noted that they are in the process of amending the Companies Act and that the recommendations made by PSOJ will be kept in mind during the process.

Improving Investments

In an effort to boost investment opportunities within the Jamaica Stock Exchange (JSE) markets, the Committee is planning stakeholders’ consultations and investors education sessions to have persons better equipped for the market.

CHAIRMAN

Mr. Paul Hanworth

MEMBERS

Ms. Greta Bogues
Mr. Andrew Messado
Mr. Wayne Wray
Mr. Denzil Whyte
Mr. Johann Heaven
Mr. Matthew Hogarth
Mr. Vaughn Phang





OUR TEAM



Finance & Operations Department:



BACK: Kedian Coke: Projects Officer,
Tracy LaCroix: Senior Manager, Finance

SEATED: Leslie Martin: Accounting Officer,
Miki Coleman: Junior Accounting Officer,
James Sterling: Caretaker and Operations

Administrative Department:



FROM LEFT: Greta Bogues: Chief Executive Officer (Interim).
Juline Wilson: Executive Administrator
Terri Anderson: Administrative Assistant

HR Department:



FROM LEFT: Winsome Millen: Office Attendant
Cheryl Neil Barnes: Human Resources Manager
Luke Fraser: Customer Service Representative

Marketing & PR Department:



FROM LEFT: Kimecha Leonard: Marketing and Events Coordinator
Andre Heslop: Marketing Coordinator,
Chloleen Daley-Muschetti: Marketing and Public Relations Manager





EAT GOOD, LIVE GOOD
& BE SAFE!



SENDING GOOD VIBES FROM THE ISLAND GRILL TEAM



The Private Sector Organisation of Jamaica (PSOJ) is proud to induct its newest, and one of the most exceptional Jamaican business leaders, into its Hall of Fame — the incomparable and indefatigable Thalia Lyn.

It should be unequivocally clear that the chronicle of her remarkable life should reflect these indisputable facts: Thalia Lyn is a category five Jamaican business woman; an effervescently optimistic entrepreneur who is passionate about her dreams; a notable benefactor to schools, communities, hospitals, cathedrals and orphanages; a feminist by example and advocacy, and an exemplary leader through principled and conscientious values.

The titles of CEO, Madam Chair, Director, O.D, J.P, Honorary Consul General, loving wife, dedicated mother, ROCK STAR grandmother, are but sprinkles on the great cake of Thalia's life. A third generation Jamaican, Thalia was (joyously) born the fourth of twelve children into the venerable Chang clan.

Thalia attended Immaculate Conception from primary right through to high school. She continued her studies at Manhattenville College in White Plains, New York and in a brief two and a half years, graduated with an English Literature degree. Thalia started her professional career when she returned to Immaculate teaching English, after which, Thalia moved to Canada where she worked in the

financial sector, qualified as an Investment Dealer and marketed mutual funds. In 1971, she returned home, when her husband Michael joined the newly formed Air Jamaica, to start the next chapter in her beloved island home.

On her return, following her father Gladstone's entrepreneurial spirit, Thalia, along with her husband Michael and partner David McRae, launched her first food venture, Dairy Castle in Manor Park Plaza. That small shop, serving ice cream, burgers and fries, through many twists and turns over the course of nearly five decades, evolved into what we know today as Island Grill – one of the most loved home-grown Jamaican brands.

Whether you call her the Chicken Mistress or the Chicken Lady, Thalia and her Island Grill team have led the evolution of Jamaica's food culture, and more importantly, she took those Jamaican tastes and flavours and developed them into a multi-unit restaurant brand. In 1991 she started Chicken Supreme, with a foreign look and feel. While mildly successful, it was not until she transitioned to a more Jamaican image and rebranded in 1998 as Island Grill did real success emerge. From the original Twin Gates store, which still serves as the flagship, the company has grown to encompass 18 stores in Jamaica and 1 in Barbados, with a team in excess of 870 (mostly women) and sales in the billions – Island Grill has truly become an iconic Jamaican institution.

Through Thalia Lyn's prescience and passion for the country, Island Grill is a leader in adopting sustainability and community building as a strategic principle. Island Grill has been at the forefront of social responsibility and embraced environmentally sound practices long before these terms became market norms. Through Thalia's conviction in doing what's right, Island Grill has made it possible to eat good and live good by offering home cooked meals away from home.

Thalia continues to be a passionate advocate for numerous philanthropic and environmental causes including Mustard Seed Communities, restoration of the murals at the Holy Trinity Cathedral, the Oracabessa Foundation and the PSOJ's Gender and Disability Affairs Committee. She is a shining example of feminist executive leadership, and is a signatory to the United Nations Win-Win program.

Island Grill has also started many charitable projects: feeding of those in need in the community with the 'Soupaah Pot of Love' programme; providing for the education of the team and their children; assisting Critical Service Providers during major emergencies; sponsorship of numerous athletic teams and events; and, in totality, has thoroughly enmeshed itself into the lives of Jamaicans.

Thalia's counsel is highly respected, as witnessed by her many roles with philanthropic and business organizations. She is: the Chair of the NCB Foundation, which has contributed upwards of J\$2 billion to Build a Better Jamaica; a Patron of the UWI/CB 5K; former Chair of the Jamaica-British Business Association; and formerly a Director of JAMPRO. Some of the Boards on which she currently serves include the NCB Financial Group, Island Catering (Jamaica and Barbados), Jamaica Macaroni Factory, Devon House Development Company, Port Royal Patties (UK) and the Gastronomy Network. She is a member of the PSOJ, the JMEA, the United Way Women's Leadership Initiative, the International Women's Forum, the Consular Corps of Jamaica, and the Immaculate Conception High School Alumni Association.



In 2012, Thalia was conferred with the Jamaican National Honour — the Order of Distinction — for exemplary citizenship in rendering significant and outstanding service to Jamaica. She was also bestowed with the Commander of the Most Noble Order of Thailand for her tireless efforts in promoting the numerous artistic and economic virtues of diplomatic friendship with the Kingdom of Thailand. Her numerous awards include being inducted into the ICHS Hall of Fame as an Outstanding Business Leader; the American Friends of Jamaica International Humanitarian Award; Mustard Seed Communities Spirit Award; and this year, Thalia will be conferred with an Honorary Degree of Doctor of Laws (LLD) by the University of the West Indies for her entrepreneurship.

With all the honours and awards that have been bestowed on Thalia over her rich and colourful career, it is her family and dear friends that have the most meaning in her life. Looking back, Thalia cites her parents, Gladstone and Maisie as the rock on which her strong values and professional successes were built. And in terms of what the future holds, she feels confident and proud that Island Grill is safely transitioning to the next generation.

Although Thalia comes from an especially large family, and has countless friends and acquaintances, we all share a singular perception of her spirit. She is that inexhaustible mondaine, with radiant energy and an infectious smile that bedazzles a room. Her legendary skill of making one and all feel they are a part of the family speaks to her profound generosity and extraordinary grace.

As Thalia Geraldine Lyn, OD, JP is inducted into the PSOJ Hall of Fame, I invite you to consider the character, compassion and tenacity of the woman beneath the resume. That, yes, as we hang her portrait on the wall at the PSOJ, we consider her numerous and illustrious achievements, accolades, and honors, but we also acknowledge and salute the fundamental values, integrity, and captivating charm that brings us together tonight in celebration of her phenomenal contribution to the quality of life in our beloved Jamaica.



Thalia Lyn and Protoje posing for the camera after his performance.



CEO of Island Grill, Thalia Lyn gives a brief address at the PSOJ Hall of Fame event.



Mrs. Thalia Lyn now officially inducted into the PSOJ's Hall of Fame.



27th PSOJ Hall of Fame inductee Thalia Lyn, OD, JP (center) surrounded by her husband Michael Lyn Snr. sons Craig Lyn and Michael Lyn to her left and on her right daughter-in-law Denise Lyn and grandson Matthew Lyn, as she enters the PSOJ Hall of Fame banquet recently held in her honour at the Jamaica Pegasus.



From left: Prominent Jamaican business women including: Minna Israel, Special Advisor to the Vice-Chancellor on Resource Development, The University of the West Indies; Jean Lowrie-Chin, Founder and Managing director of PROComm (PRO Communications Limited) and also the founder-CEO of CCRP (Caribbean Community of Retired Persons); Jeanne Robinson-Foster, Attorney at Law, Partner Robinson-Foster & Associates and Dr. Marcia Forbes, co-owner and Executive Chairperson of Phase Three Productions Limited; show their support for the 27th PSOJ Inductee, Thalia Lyn, OD, JP.



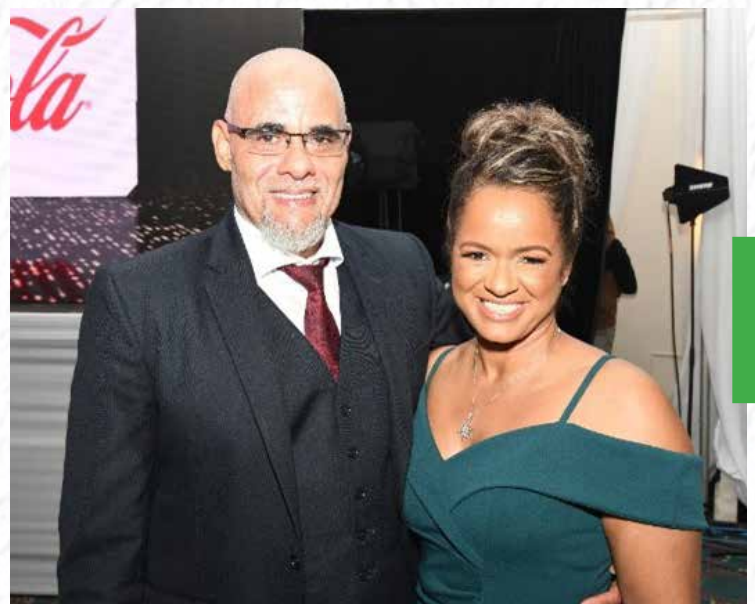
PSOJ Hall of Fame inductee Thalia Lyn dances to the musical styling of Protoje at the PSOJ'S red carpet event.



Guest of honour surrounded by Mr Emanuel DaRosa, President & CEO of Jamaica Public Service, Mexican Ambassador Juan Jose Gonzalez Mijares, his wife Guadelope Gonzalez and Mrs Sherry DaRosa.



US Ambassador Donald Tapia pauses from the evenings activities to share lens time with Thalia Lyn



Keith Duncan, President of the PSOJ and his wife Wendy Duncan share lens time.



The PSOJ's 2019 Hall of Famer Thalia Lyn and the first female Hall of Fame inductee Lorna Myers paused from their conversation for a photo op.



EU Ambassador to Jamaica Malgorzata Wasilewska and the late Oliver Clarke share in the moment with PSOJ's Hall of Fame inductee Thalia Lyn.



PICTORIAL REVIEW

PSOJ PRESIDENT'S BREAKFAST FORUM

The PSOJ President's Breakfast Forum has been a long established event that allows our members the opportunity to engage in discourse with thought leaders from various industries while sharing ideas to stimulate growth and foster development. This year was no different

- discussions were held on waste management, electoral reform, climate resilience, service excellence and law and order. We are grateful for each sponsor, speaker and all attendees who played their part in national development through these engagements.





PSOJ IN ASSOCIATION WITH THINK GROW LEAD KICKSTART 2019 SALES PSYCHOLOGY WORKSHOP:

Capacity building of our members and strategic partnerships are key pillars of our organisation.

It was apropos to 'Kickstart 2019' with a sales psychology workshop staged in partnership with Think. Grow. Lead.

The one-day workshop provided a space for sales and marketing professionals to learn how to improve performance resulting in greater sales output and standard of life. It was a memorable event which created a space not just for knowledge sharing but also networking.



PSOJ MENTORSHIP DINNER

Imagine being placed in a room with a top business executive to hear their story and learn from their journey? This is the opportunity we seek to provide to the next generation of business owners at our 'PSOJ Mentoring Entrepreneurs and Emerging Leaders Dinner'. Young entrepreneurs are critical to sustainable development.

This year Scotiabank came on board as our main sponsor, supporting the vision of mentoring our young entrepreneurs and emboldening them to take their business to the next

level. Our guest mentors this year came from various fields – sales, communications, business process outsourcing and banking & finance.

The sessions proved to be engaging with our mentors candidly sharing their experience on how to successfully navigate the business sector. We hope that the information provided will have a long-lasting impact on the mentees as they embark on their journey of building and promoting their businesses.



PSOJ MEMBERS MINGLE

Let's take a break from business and mingle!

The PSOJ hosts several members mingle throughout the year to facilitate networking amongst our membership and to provide a platform for brands to showcase their products and services. 2019 saw the introduction of

even more interactive elements at each mingle - every moment was unforgettable! We are grateful to our partners whose investment ensured that each event was unique in experience without missing its purpose - creating meaningful connections among the membership.







PSOJ MONTEGO BAY INVASION:

The Private Sector Organisation of Jamaica allowed engagement with our members in Western Jamaica. Our sponsors supported our initiatives as we hosted the Dinner of Champions with some leaders in the private sector from Montego Bay. Our President's Forum also gave great insight and focus on climate and disaster risk preparedness.

Dinner of Champions



Another memorable moment was the Mentorship Dinner with Yoni Esptein. The young entrepreneurs who attended were motivated and inspired by his entrepreneurial pursuits and had insightful discussions on the importance of employer-employee networking and hiring the right persons for roles within a company.



Members Mingle



Mentorship Dinner



President's Forum



PSOJ VMPPM RETIREMENT SEMINAR

Retirement planning is a key component of economic sustainability. As businesses grow, their owners, operators and employees must include retirement planning as part of their fiscal structure. Everyone – salaried or self-employed – should know it is their responsibility to ensure they are able to maintain the quality of life they can enjoy, after

they have completed their working years. It is with this understanding, that the Private Sector Organisation of Jamaica is pleased to continue with our partnership of 12 years with Victoria Mutual Pensions Management Limited to host this seminar.



JAMAICA ACCOUNTABILITY METER PORTAL

The Jamaica Accountability Meter Portal (JAMP) was officially launched in October 2019. JAMP is a non-partisan and non-government entity that works to engage citizens, through monitoring and oversight to improve

accountability. The PSOJ, along with the European Union, are strategic partner of JAMP and support the role the entity plays in the country's oversight system. The portal can be accessed on jampja.org.



PSOJ /JMMB ANNUAL ECONOMIC FORUM

Financial inclusion has been a key focus of the PSOJ and informed the topic for the 2019 PSOJ/JMMB Annual Economic Forum. Our key presenter, David Marston delivered an insightful and stimulating presentation outlining the importance of including MSMEs and members of the creative industry into the formal financial ecosystem. The forum once again provided the catalyst for national

discourse on selected subject. Many stakeholders added their voice to the calls for the reduction of informality to become a major strategic objective of the Government to realise faster growth and reduced poverty. It is the PSOJ's objective to continue these fora and to use the knowledge shared to impact development.



PSOJ GENDER & DISABILITY AFFAIRS LAUNCH

The PSOJ's Gender and Disability Affairs Committee was launched in 2019 with the objective of gender equality and inclusion in the workplace at the fore. The committee was also signatory to the **United Nations Win-Win: Gender Equality Means Good Business Programme** – a partnership with UN Women, the European Union and the

International Labour Organization aimed at increasing women's economic empowerment and leadership as the basis for sustainable, inclusive and equitable growth and promote the business case for gender equality – through the private sector.



PSOJ ACCESS TO FINANCE FACILITATION PANEL WORKSHOP

The PSOJ Access to Finance Facilitation Panel (AFFP) was established to bring greater awareness to government's access to finance reform agenda and provide input and support for the adoption and expansion of the access to finance program across various stakeholders (government, financial institutions, MSMEs and BDOs) through a process of facilitation and coordination, as well

as increase awareness and education through training programmes, workshops, and conferences for SMEs. A fourteen-member Stakeholder Panel was established to provide expert advice and governance in support of the overall access to finance initiatives. On July 3, 2019, the Access to Finance Initiative for SMEs was successfully launched via its first workshop, which hosted over 70 SMEs.



THANK YOU TO OUR VALUED SPONSORS

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BLACK INK MARKETING

BRITISH HIGH COMMISSION

**BUSINESS PROCESS INDUSTRY
ASSOCIATION OF JAMAICA**

CARI-MED GROUP

CARIBBEAN PRODUCERS JAMAICA LIMITED

CITIBANK

CONTINENTAL BAKING COMPANY LIMITED

DEVELOPMENT BANK OF JAMAICA

ELECTORAL COMMISSION OF JAMAICA

EUROPEAN UNION

FIRST ROCK CAPITAL HOLDINGS

FLOW JAMAICA

GRACEKENNEDY GROUP

ISLAND GRILL

ITELBPO

J. WRAY & NEPHEW LIMITED

JAMAICA BANKERS ASSOCIATION

JAMAICA NATIONAL BANK

JAMAICA PUBLIC SERVICE

JAMAICA STOCK EXCHANGE

JMMB

MAIN EVENT

MASSY TECHNOLOGIES LIMITED

MINISTRY OF FINANCE AND PUBLIC SERVICE

NCB FINANCIAL GROUP

PROVEN

RAINFOREST SEAFOODS

SAGICOR GROUP

SCOTIABANK

THINK. GROW. LEAD

TRAVERS THORP ALBERGA

TREND MEDIA

VICTORIA MUTUAL PENSIONS MANAGEMENT

WISYNCO GROUP

HGH

Henlin Gibson Henlin
Attorneys-at-Law

Suites 3 & 4

24 Cargill Avenue, Kingston 10, Jamaica W.I.
Tel: 876-908-3555/876-908-3258 | Fax: 876-906-9534
Email: gibsonhenlin@henlin.pro | Website: <http://henlin.pro>

- ▶ Complex Legal Issues Litigation
- ▶ Commercial Litigation
- ▶ Legal Issues in Cyberspace
- ▶ Digital Intellectual Property
- ▶ Computer Forensics
- ▶ Data Privacy

Real Estate:

- ▶ Sales
- ▶ Purchases
- ▶ Leases
- ▶ Opinions

PLMC

Privacy & Legal Management
Consultants



Chief Privacy Officer
M. Georgia Gibson Henlin, QC
Email: henlin@privacymgmt.org

Suites 3 & 4

24 Cargill Avenue, Kingston 10, Jamaica W.I.
Tel: 876-908-3555/876-908-3258 | Fax: 876-906-9534

Are You Ready for Data Protection and Privacy Compliance?

Our privacy practitioners are here to help customers understand and operationalise their obligation to implement controls, manage and mitigate risks while ensuring that their business is compliant and protected:

- ▶ Regulatory Advice
- ▶ Breach Response
- ▶ Employee Training
- ▶ Assessments
- ▶ Policy Development
- ▶ Vendor Risk Management
- ▶ Enforcement & Compliance



Tributes.

Over the 2019-2020 period we lost three stalwart members of the PSOJ, Mr. Tony Hart, The Hon. Beverly Lopez and Hon. Oliver Clarke, OJ, Hon.LLD, JP, FCA.



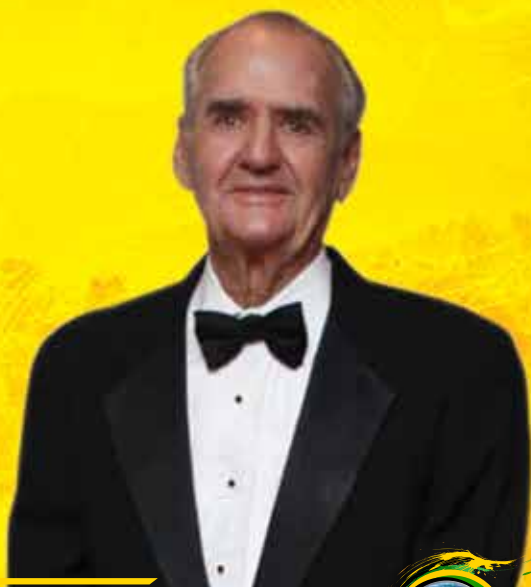
HON. BEVERLY LOPEZ, OJ, CD.

Our former President Hon. Beverley Lopez was the second woman to hold the position of president in the organization's history. As a true businesswoman, she was tireless in her efforts to champion the development of the private sector, particularly for small businesses and exporters, at times in face of daunting obstacles.



HON. OLIVER CLARKE, OJ.

Oliver Clarke has been a powerful influencer in the shaping of Jamaica's modern history. His legacy will be inextricably linked to his unrelenting pursuit of freedom of the press locally and internationally as well as his leadership and development of two Jamaican institutions, the JN Group and RJRGleaner Communications Group. His visionary and astute leadership extended to numerous diverse private sector entities including the PSOJ where he served as President from 2001 - 2002. He was honoured by the organisation in 1996 with his induction into the Private Sector Hall of Fame.



MR. TONY HART, CD.

Mr. Anthony Hart served on several private and public sector boards as Chairman and Director. He was an astute businessman and visionary whose legacy will be indivisibly linked to the sustained development of the business sector in Western Jamaica. Mr. Hart founded several businesses spanning various sectors that contributed to the economic growth and viability of Montego Bay. He was inducted into the Private Sector Hall of Fame in 2013.

PSOJ MEMBERSHIP LISTING

CORPORATE MEMBERSHIP

Access Financial Services Limited
Advanced Integrated Systems Limited
Alliance Investment Management Limited
Alternative Power Sources Limited
Answers Corporation Limited
Appliance Traders Limited
ARC Manufacturing Limited
Assurance Brokers Jamaica Limited
Atlas Protection Limited
Austrojam
Bank Of Nova Scotia Jamaica Limited
Barnett Limited
Billy Craig Insurance Brokers Limited
BMR Jamaica Wind Limited
Bryan Studios Limited
C&W Business
Camcorp Industry Limited
Caribbean Cement Company Limited
Cari-Med Limited
Carreras Limited
Carter Lindo
Central Food Packers Limited
Century 21 Heave-Ho Properties
CGR Communications Limited
Channel Realty Company Limited
Chicken Mistress T/A Island Grill
Chukka Caribbean Adventures Limited
Citibank
Connect Critical Infrastructure Solutions
Continental Baking Company Limited
Controlled Communications Limited
Cost Club Limited (Megamart)
Courts Jamaica Limited
Creditinfo Jamaica
Crif Nm Credit Assure Limited
Dairy Industries Jamaica Limited
Designs By Marc Limited
Digicel (Jamaica) Limited
Dolla Financial
Donald Witter Ltd
Dot Personnel Services Jamaica Limited
DRT Communications Limited
Dunlop Corbin Communications
E.W. Abrahams & Sons Limited
Eckler
Edge Realty

Environmental Solutions Limited
Epic Technologies Limited
Ernst & Young
Fraser Fontaine & Kong Limited
Facey Law
Fidelity Motors Limited
First Rock Capital Holdings
Fontana Pharmacy Limited
GB Energy
Geddes Refrigeration Limited
GraceKennedy Limited
Gore Developments Limited
Growth-Tech Limited
Guardian Life Limited
Guardsman Group Limited
Hall Wilson & Associates
Hart Muirhead Fatta
Henlin Gibson Henlin
House Of Issa Limited
HRMCompliance Limited
IBM World Trade Corporation
ICD Group Limited
IGL Limited
Indies Pharma Jamaica Limited
Infoserv Learning Management System Ltd
Innovative Energy
Inova Solutions Jamaica
Insurance Company Of The West Indies
International Credit Management Sol. Ltd.
Ironshore Construction Company Ltd
J. Wray & Nephew
Jamaica Broilers Group Limited
Jamaica Central Securities Depository
Jamaica Energy Partners
Jamaica Flour Mills Limited
Jamaica National Group
Jamaica Pegasus Hotel
Jamaica Pre-Mix Limited
Jamaica Producers Group Limited
Jamaica Public Service Company Limited
Jamalco
JMMB Group
JN General Insurance Company Limited
Keller Williams Jamaica
Kingston Properties Limited
Kingston Wharves Limited

KPMG
 Kris An Charles Investments Company Limited
 Lasco Distributors Limited
 Lawe Insurance Brokers Limited
 Lifespan Company Limited
 Management Control Systems Limited
 Marathon Insurance Brokers Limited
 Massy Distribution (Jamaica) Limited
 Massy Gas Products Jamaica Limited
 Massy Technologies Infocam Jamaica Limited
 Massy United Insurance Limited
 Mayberry Investments Limited
 Microsoft Jamaica Inc.
 Mona Geoinformatics Institute
 Mundo Finance Limited
 Mussons (Jamaica) Limited
 Myers, Fletcher & Gordon
 National Commercial Bank Jamaica Limited
 National Rums Of Jamaica Limited
 Neoen Renewables Jamaica
 Nestle Jmp Jamaica Limited
 New Fortress Energy
 Nunes Scholefield Deleon & Company
 Pan Jamaican Investment Trust
 Paramount Trading (Jamaica) Limited
 Peak Bottling Company Limited
 Phase Three Productions Limited
 Pricewaterhousecoopers

Prism Communications Limited
 Proven Wealth Limited
 Rainforest Seafoods Limited
 Ravers Limited
 Restaurants Of Jamaica
 Rubis Energy Jamaica Limited
 Sagicor Group Jamaica Limited
 Seaboard Freight & Shipping Jamaica Limited
 Select Brands Limited
 Seprod Limited
 Shields Crime Security Consultants
 Sign Craft Limited
 Singer Jamaica Ltd
 Spanish Court Hotel
 Sterling Asset Management Limited
 Stewart's Auto Sales Limited
 Supercleaners Drycleaners & Launderers
 Supreme Ventures Ltd
 Syncon Technologies Limited
 Think Grow Lead Training Masters
 Total Jamaica Limited
 Trend Media Group
 Victoria Mutual Building Society/Group
 Williams Offices Limited (Regus)
 Winchester Medical Services Ltd
 Wisynco Group Limited

ASSOCIATION MEMBERSHIP

Business Process Industry Association Of Jamaica
 Council Of Voluntary Social Services
 Incorporated Masterbuilders Of Jamaica
 Institute Of Chartered Accountants Of Jamaica
 Institute Of Internal Auditors
 Insurance Association Of Jamaica
 Jamaica Association Of Certified Embalmers
 Jamaica Bankers Association
 Jamaica Co-Operative Credit Union League
 Jamaica Customer Service Association
 Jamaica Developers Association
 Jamaica Employers Federation
 Jamaica Gasolene Retailers Association

Jamaica Hotel & Tourist Association
 Jamaica Information Tech. & Services Alliance
 Jamaica Insurance Brokers Association
 Jamaica Securities Dealers Association
 Medical Associaton Of Jamaica
 Realtor's Association Of Jamaica Limited
 Shipping Association Of Jamaica
 Spirits Pool Association Limited
 Sugar Manufacturing Corporation
 The Human Resource Management Association
 The MSME Alliance
 United Way Of Jamaica

INDIVIDUAL MEMBERSHIP

Ali Matalon
Andre Gordon
Andrew Bent
Aubyn Hill
Bruce Bowen
Carolyn Hayle
Charles Hyatt
Charles Ross
Christopher Bovell
Christopher Reckord
Christopher Zacca
Courtland Wilson
David Barrett
David Summerbell Jnr.
Debra Fraser
Devon Dick
Dr. Denise Chevannes-Vogel
Dr. Neto Waite
Earl Jarrett
Elon Beckford
Errol Powell
Ferris J. Ziadie
Fredrik Moe
Garfield Goulbourne
Greta Bogues
Henley Morgan
Howard Mitchell
Jacqueline Coke-Lloyd
Jason Henzell
Jean Lowrie-Chin
Jemelia Davis
Judith Green
Judith James

Julie Thompson-James
Kamille Jackson
Kelisha Shaw
Kelly-Jean Barnaby
Klandine Thomas
Kysha-Lee Wheeler
Lawrence Stewart
Lloyd Eubank-Green
Makeba Bennett-Easy
Mervyn Eyre
Michael Fennell
Michele Marius
Michelle Toyloy-Carter
Monique Todd
Natalie Murray
Neville James
Nickeisha Walsh
Rochelle Cameron
Roy Barnarsee
Stacey Hines
Stephen Greig
Stokely Rose
Suzanne Shaw
Tamiko Smith
Trevor Forrest
Twila Mae Logan
Venice Irving
Walter Horatio Scott
Yanique Grant



FINANCIAL STATEMENTS



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INDEPENDENT AUDITORS' REPORT CONT'D

To the Members of
THE PRIVATE SECTOR ORGANISATION OF JAMAICA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Private Sector Organisation of Jamaica ("the Organisation"), set out on pages 5 to 37, which comprise the statement of financial position as at December 31, 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Organisation as at December 31, 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

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

KPMG, a Jamaican partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

R. Tarun Handa	Nigel R. Chambers	Wilbert A. Spence
Cynthia L. Lawrence	Nyssa A. Johnson	Rochelle N. Stephenson
Rajan Trehan	W. Gihan C. de Mel	Sandra A. Edwards
Norman O. Rainford		



INDEPENDENT AUDITORS' REPORT CONT'D

To the Members of
THE PRIVATE SECTOR ORGANISATION OF JAMAICA

Report on the Audit of the Financial Statements (continued)

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

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

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

Those charged with governance are responsible for overseeing the Organisation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



INDEPENDENT AUDITORS' REPORT CONT'D

To the Members of
THE PRIVATE SECTOR ORGANISATION OF JAMAICA

Report on the Audit of the Financial Statements (continued)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



INDEPENDENT AUDITORS' REPORT CONT'D

To the Members of
THE PRIVATE SECTOR ORGANISATION OF JAMAICA

Report on additional matters as required by the Jamaican Companies Act

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

In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

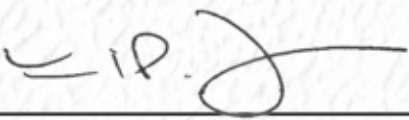
November 18, 2020

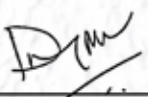
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2019

	Notes	2019 \$'000	2018 \$'000
NON-CURRENT ASSETS			
Property, plant and equipment	3	15,384	17,256
Investments	4	<u>2,310</u>	<u>2,291</u>
		<u>17,694</u>	<u>19,547</u>
CURRENT ASSETS			
Accounts receivable	5	16,988	10,072
Taxation recoverable		6,617	3,868
Due from related parties	6(a)	10,809	3,692
Short-term investments	7	42,356	50,056
Cash and cash equivalents	8	<u>13,058</u>	<u>7,724</u>
		<u>89,828</u>	<u>75,412</u>
TOTAL ASSETS		<u>107,522</u>	<u>94,959</u>
EQUITY			
Fair value reserve		(39)	(39)
Retained earnings		<u>43,121</u>	<u>49,317</u>
		<u>43,082</u>	<u>49,278</u>
NON-CURRENT LIABILITIES			
Deferred tax liability	9	-	2,611
Special project funds	10	41,644	25,964
Long-term loan	11	<u>1,963</u>	<u>3,338</u>
		<u>43,607</u>	<u>31,913</u>
CURRENT LIABILITIES			
Accounts payable	12	19,458	12,393
Current portion of long-term loan	11	<u>1,375</u>	<u>1,375</u>
		<u>20,833</u>	<u>13,768</u>
TOTAL EQUITY AND LIABILITIES		<u>107,522</u>	<u>94,959</u>

The financial statements on pages 5 to 37 were approved by the Board of Directors on November 18, 2020 and signed on its behalf by:


 _____ Director
 Keith Duncan


 _____ Director
 Vikram Dhiman

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

STATEMENT OF PROFIT LOSS & OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2019

	<u>Notes</u>	<u>2019</u> \$'000	<u>2018</u> \$'000
Revenue			
Subscriptions and contributions	2(o)	46,296	45,612
Other income	13	<u>34,332</u>	<u>30,480</u>
		80,628	76,092
Impairment losses on trade receivables	5(a)	(7,463)	(696)
Impairment losses on investments, net	7(ii)	657	15
Administration expenses	14	<u>(84,198)</u>	<u>(75,279)</u>
Operating (loss)/ profit		<u>(10,376)</u>	<u>132</u>
Finance income	15	1,569	1,852
Finance cost	15	<u>-</u>	<u>(22)</u>
Net finance income		<u>1,569</u>	<u>1,830</u>
(Loss) / profit before taxation		(8,807)	1,962
Taxation	18	<u>2,611</u>	<u>(742)</u>
(Loss) / profit, being total comprehensive income for the year		<u><u>(6,196)</u></u>	<u><u>1,220</u></u>

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

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2019

	Fair value reserve \$'000	Retained earnings \$'000	Total \$'000
Balances at January 1, 2018	(39)	48,097	48,058
Profit, being total comprehensive income for the year	-	<u>1,220</u>	<u>1,220</u>
Balances at December 31, 2018	(39)	49,317	49,278
Loss, being total comprehensive loss for the year	-	<u>(6,196)</u>	<u>(6,196)</u>
Balances at December 31, 2019	<u>(39)</u>	<u>43,121</u>	<u>43,082</u>

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

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2019

	Notes	2019 \$'000	2018 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit for the year		(6,196)	1,220
Adjustments for:			
Depreciation	3	2,691	2,949
(Gain)/loss on foreign exchange		(472)	22
Interest income	15	(1,097)	(1,852)
Taxation	18	(2,611)	742
		(7,685)	3,081
Operating profit before charges in working capital:			
Accounts receivable		(6,916)	(3,246)
Related party balance, net		(7,117)	(1,850)
Accounts payable		7,065	2,265
Cash from operations		(14,653)	250
Taxation paid		(2,749)	(2,058)
Net cash used by operating activities		(17,402)	(1,808)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(819)	(2,057)
Investments, net		8,153	3,296
Interest received		1,097	2,213
Net cash provided in investment activities		8,431	3,452
CASH FLOWS FROM FINANCING ACTIVITIES			
Special project funds payable		15,680	(3,646)
Long-term loan		(1,375)	(1,247)
Net cash provided/(used) by financing activities		14,305	(4,893)
Net decrease in cash and cash equivalents		5,334	(3,249)
Cash and cash equivalents at the beginning of the year		7,724	10,973
CASH AND CASH EQUIVALENTS AT END OF YEAR		13,058	7,724
Comprised of:			
Special projects fund		2,456	2,456
Others		10,602	5,268
		13,058	7,724

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

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

1. Corporate information

The Private Sector Organisation of Jamaica (“the Organisation”) is incorporated under the laws of Jamaica. The Organisation is limited by guarantee and does not have 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, advocate and encourage the principles of a competitive and productive private sector in Jamaica.

By order of the then relevant Minister of Production, Mining and Commerce, on the 9th December 1992, the Organisation was authorised 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. Basis of preparation and significant accounting policies

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, and comply with the requirements of the Jamaican Companies Act.

New and amended standards that became effective during the year:

During the year, certain new and amended standards became effective, however none had any impact on the Organisation’s financial statements.

New and amended standards issued that are not yet effective:

At the date of authorisation of these financial statements, certain new and amended standards have been issued which are not yet effective for the current financial year and which the Organisation did not early adopt. The Organisation has assessed the relevance of all such new standards, amendments and interpretations with respect to its operation and has determined that the following may be relevant:

- Amendments to References to Conceptual Framework in IFRS Standards is effective retrospectively for annual reporting periods beginning on or after January 1, 2020. The revised framework covers all aspects of standard setting including the objective of financial reporting.

The main change relates to how and when assets and liabilities are recognised and de-recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

New and amended standards issued that are not yet effective (continued):

- Amendments to *References to Conceptual Framework in IFRS Standards (continued)*
 - New 'bundle of rights' approach to assets will mean that an entity may recognise a right to use an asset rather than the asset itself;
 - A liability will be recognised if a company has no practical ability to avoid it. This may bring liabilities on balance sheet earlier than at present.
 - A new control-based approach to de-recognition will allow an entity to derecognize an asset when it loses control over all or part of it; the focus will no longer be on the transfer of risks and rewards.
- Amendment to IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* is effective for annual periods beginning on or after January 1, 2020, and provides a definition of 'material' to guide preparers of financial statements in making judgements about information to be included in financial statements.

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Organisation is assessing the impact that the new standards and amendments may have on its future financial statements when they become effective.

(b) Basis of measurement and functional and presentation currency:

The financial statements are presented in Jamaica dollars (\$), which is the functional currency of the Organisation. All financial information presented in Jamaica dollars has been rounded to the nearest thousand, except when otherwise indicated.

The financial statements are prepared on the historical cost basis, modified for the inclusion of investments measured at fair value.

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(c) Use of estimates and judgements:

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Judgements made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Financial assets:

Judgements

For the purpose of these financial statements, judgement refers to the informed identification and analysis of reasonable alternatives, considering all relevant facts and circumstances, and the well-reasoned, objective and unbiased choice of the alternative that is most consistent with the agreed principles set out in IFRS. The key relevant judgements are as follows:

(1) Classification of financial assets:

The assessment of the business model within which assets are held and assessment of whether the contractual terms of financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding requires management to make certain judgements of its business operations.

(2) Impairment of financial assets:

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

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(c) Use of estimates and judgements (continued)

(i) Financial assets (continued):

Key assumptions concerning the future of other sources of estimation uncertainty:

Allowance for impairment losses:

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

Management also estimates the likely amount of cash flows recoverable on the financial assets in determining loss given default. The use of assumptions make uncertainty inherent in such estimates.

(d) Property, plant and equipment:

- (i) Property, plant and equipment are measured at historical cost or deemed cost, less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Organisation and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss.

An item of property and equipment is derecognised 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 derecognised.

(ii) Depreciation:

Depreciation is computed on a straight-line basis at annual rates estimated to write down the property, plant and equipment to their estimated residual values at the end of their expected useful lives.

Annual depreciation rates are as follows:

Buildings	2.5%
Furniture, fixtures and equipment	10 - 20%
Computer equipment	20%

Land is not depreciated

Depreciation methods, useful lives and residual values are reassessed annually.

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(e) Investments:

Investments that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss. Interest income from these financial assets is included in "Interest income" using the effective interest method.

(f) Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and in hand and short-term investments held with financial institutions with maturity dates of less than three months.

(g) Accounts receivable:

Accounts receivable are measured at amortised cost, less impairment losses. An impairment loss is recognised using the expected credit loss model for the entire lifetime of such financial assets on initial recognition, and at each subsequent reporting period, even in the absence of a credit event or if a loss has not yet been incurred, considering for their measurement past events and current conditions, as well as reasonable and supportable forecasts affecting collectability [see also note 2(n)].

Accounts receivable are measured at amortised cost, less impairment losses.

(h) Related parties:

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

(a) A person or a close member of that person's family is related to a reporting entity if that person:

- (i) Has control or joint control over the reporting entity;
- (ii) Has significant influence over the reporting entity; or
- (iii) Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(h) Related parties (continued):

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

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled, or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity or any member of a group of which it is a part, provides key management services to the Organisation.

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

(i) Accounts payable:

Accounts payable are measured at amortised cost.

(j) Employee benefits:

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

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(k) Provisions:

A provision is recognised in the statement of financial position when the Organisation has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

(l) Special project funds:

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

(m) Loans and borrowings:

After initial recognition, interest bearing loans are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective rate amortisation process.

(n) Impairment:

Financial assets

The Organisation recognises loss allowances for expected credit losses (ECLs) on debt instruments that are not measured at FVTPL and financial assets measured at amortised cost.

The Organisation measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than trade receivables) on which credit risk has not increased significantly since their initial recognition.

The Organisation recognises loss allowances for expected credit losses (ECLs) on debt instruments that are not measured at FVTPL and financial assets measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(n) Impairment (continued):

Financial assets (continued)

The Organisation measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than trade receivables) on which credit risk has not increased significantly since their initial recognition.

The Organisation considers a debt investment security to have a low risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Organisation does not apply the low credit risk exemption to any other financial instruments.

12-month ECLs are the portion of ECLs that result from default events on a financial instrument that are possible within 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments'.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Organisation expects to receive).

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Organisation considers reasonable and supportable information relevant and available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(n) Impairment (continued):

Financial assets (continued)

This includes both quantitative and qualitative information and analysis, based on the Organisation's historical experience and informed credit assessment and including forward looking information.

The Organisation assumes that the credit risk on financial assets has increased significantly if more than 90 days past due.

The Organisation recognises loss allowances for ECLs and considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Organisation in full, without recourse by the Organisation to action such as realising security if any is held; or
- the financial asset is more than 90 days past due.

Credit-impaired financial assets

At each reporting date, the Organisation assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(n) Impairment (continued):

Financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is the case when the Organisation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Organisation's procedures for recovery of amounts due.

An allowance for impairment is established if there is objective evidence that the Organisation will not be able to collect all amounts due according to the original contractual terms. The amount of the allowance is the difference between the carrying amount and the recoverable amount.

Non-financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(o) Revenue:

Revenue is measured based on the consideration specified in a contract with a customer. The Organisation recognises revenue when it transfers control over service to a customer.

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

Revenue from subscriptions and contributions is recognised at a point in time when the services are provided and have been accepted by the customer. Invoices are issued according to contract terms on a monthly basis.

(p) Finance income:

Net finance income comprises interest income on funds invested, material bank charges and foreign exchange gains and losses recognised in profit or loss.

Interest income is recognised in profit or loss as it accrues, taking into account the yield on the asset.

(q) Income tax:

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

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

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(r) Foreign currencies:

Transactions in foreign currencies are converted at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising from fluctuations in exchange rates are recognised in profit or loss.

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

(s) Financial instruments:

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include accounts receivable, due from related party, short-term investments, cash and cash equivalents and investment. Similarly, financial liabilities include special project funds and accounts payable and loans.

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

Financial assets

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

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

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(s) Financial instruments (continued):

(ii) Classification and subsequent measurement (continued)

Financial assets (continued)

- Cash and cash equivalents
- Accounts receivable
- Due from related parties
- Investments

Due to their short-term nature, the Organisation initially recognises these assets at the original invoices or transaction amount less expected credit losses.

Subsequent measurement

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

Derecognition

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Organisation's financial liabilities, which include accounts payable, special project funds and loans are recognised initially at fair value.

Subsequent measurement

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

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

2. Basis of preparation and significant accounting policies (continued)

(s) Financial instruments (continued):

(ii) Classification and subsequent measurement (continued)

Financial liabilities (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

(t) Determination of fair value:

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists. Some financial instruments lack an available trading market. These instruments have been valued using present value or other valuation techniques and the fair value shown may not necessarily be indicative of the amounts realisable in an immediate settlement of the instruments.

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

3. Property, plant and equipment

	<u>Land and Building</u> S'000	<u>Leasehold Improvements</u> S'000	<u>Furniture and equipment</u> S'000	<u>Total</u> S'000
Cost:				
December 31, 2017	1,949	5,034	35,432	42,415
Additions	-	-	2,057	2,057
December 31, 2018	1,949	5,034	37,489	44,472
Additions	-	-	819	819
December 31, 2019	<u>1,949</u>	<u>5,034</u>	<u>38,308</u>	<u>45,291</u>
Accumulated depreciation:				
December 31, 2017	171	1,708	22,388	24,267
Charge for the year	39	126	2,784	2,949
December 31, 2018	210	1,834	25,172	27,216
Charge for the year	39	126	2,526	2,691
December 31, 2019	<u>249</u>	<u>1,960</u>	<u>27,698</u>	<u>29,907</u>
Net book value:				
December 31, 2019	<u>1,700</u>	<u>3,074</u>	<u>10,610</u>	<u>15,384</u>
December 31, 2018	<u>1,739</u>	<u>3,200</u>	<u>12,317</u>	<u>17,256</u>

4. Investments

	<u>2019</u> S'000	<u>2018</u> S'000
Investments consist of the following:		
Designated FVTPL:		
Quoted stocks - Ciboney Group Limited	1	1
Unit Trust	<u>2,309</u>	<u>2,290</u>
	<u>2,310</u>	<u>2,291</u>

5. Accounts receivable

	<u>2019</u> S'000	<u>2018</u> S'000
Trade receivables	25,036	10,542
Allowance for impairment losses (a)	(9,625)	(2,162)
	15,411	8,380
Prepayments	859	783
Other receivables	<u>718</u>	<u>909</u>
	<u>16,988</u>	<u>10,072</u>

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

5. Accounts receivable (continued)

Allowances for doubtful accounts are determined upon origination of the trade accounts receivable based on a model that calculates the expected credit loss ("ECL") of the trade accounts receivable and are recognised over their term.

Under this ECL model the Organisation use its accounts receivable based on days past due and determines an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the accounts receivable. The average ECL rate used as at December 31, 2019 to apply against the accounts receivable balance is disclosed in note 19(a).

(a) The movement in the provision for impairment of receivables was as follows:

	<u>2019</u> \$'000	<u>2018</u> \$'000
Balance at beginning of year	2,162	349
Transitional adjustment – IFRS 9	-	1,117
Allowance for impairment, net of recoveries	<u>7,463</u>	<u>696</u>
Balance at end of year	<u>9,625</u>	<u>2,162</u>

The Organisation's exposure to credit and currency risks and impairment losses relating to trade and other receivables are disclosed in [note 19(a)].

6. Related party balances and transactions

(a) The statement of financial position includes balances, arising in the ordinary course of business, with related parties as follows:

	<u>2019</u> \$'000	<u>2018</u> \$'000
Due from related parties:		
Jamaica Securities Dealers Association	4,015	3,692
Jamaica Bankers Association	3,094	-
National Crime Prevention Fund	<u>3,700</u>	<u>-</u>
	<u>10,809</u>	<u>3,692</u>

The amount due from related parties are unsecured, do not attract interest and are not subject to any fixed repayment terms. The balance is expected to be settled within twelve months of the reporting date.

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

6. Related party balances and transactions (continued)

- (b) The (loss)/profit for the year includes the following expenses incurred in transactions with related parties.

	<u>2019</u> \$'000	<u>2018</u> \$'000
Key management compensation	<u>27,738</u>	<u>13,305</u>

The Organisation is reimbursed for administrative expenses incurred in managing the operations of The Jamaica Bankers Association and Jamaica Securities Dealers Association.

7. Short-term investments

	<u>2019</u> \$'000	<u>2018</u> \$'000
Reverse repurchase agreements (i)	16,509	15,802
Certificates of deposits:		
Jamaica dollars	10,267	19,640
United States dollars [US\$121,569 (2018:US\$119,621)]	<u>15,614</u>	<u>15,305</u>
	42,390	50,747
Allowance for impairment losses (ii)	<u>(34)</u>	<u>(691)</u>
	<u>42,356</u>	<u>50,056</u>

- (i) The fair value of the underlying securities for reverse repurchase agreements approximate their carrying value.

- (ii) Movement in the impairment allowance for short-term investments is as follows:

	<u>2019</u> \$'000	<u>2018</u> \$'000
Balance at beginning of year	691	-
Transitional adjustment – IFRS 9	-	706
Allowance for impairment, net of recoveries	<u>(657)</u>	<u>(15)</u>
Balance at end of year	<u>34</u>	<u>691</u>

8. Cash and cash equivalents

Cash and cash equivalent include amounts held for special projects of \$2,456,000 (2018: \$2,456,000).

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

9. Deferred taxation

The net deferred tax liability is attributable to the following:

	<u>2017</u> \$'000	Recognised in profit <u>or loss</u> \$'000 (note 18)	<u>2018</u> \$'000	Recognised in profit <u>or loss</u> \$'000 (note 18)	<u>2019</u> \$'000
Tax losses	-	-	-	1,215	1,215
Unrealised foreign exchange gain	10	(338)	(328)	328	-
Accounts receivable	(92)	148	56	456	512
Accounts payable	-	-	-	242	242
Property, plant and equipment	<u>(2,620)</u>	<u>281</u>	<u>(2,339)</u>	<u>370</u>	<u>(1,969)</u>
	<u>(2,702)</u>	<u>91</u>	<u>(2,611)</u>	<u>2,611</u>	<u>-</u>

10. Special project funds

Special project funds payable consist of the following:

		<u>2019</u> \$'000	<u>2018</u> \$'000
The European Union Banana Support Programme	(a)	2,141	2,141
National Business Model Competition	(b)	1,465	96
Mayer Matalon Biography	(c)	39	365
True Vision Fund	(d)	20	20
Public Sector Committees	(e)	24,426	22,342
Jamaica Accountability Meter Portal	(f)	12,898	-
Voucher for Technical Assistance Programme	(g)	<u>655</u>	<u>1,000</u>
		<u>41,644</u>	<u>25,96</u>

- (a) On September 20, 2011, the Organisation signed an agreement with the Office of the European Union Banana Support Programme for a project titled: *St. James Youth Training and Job Placement Project*. The objective of the project is to train and certify 200 persons between the ages of 18 to 30 years old from rural communities in South St. James in ICT skills to work with call centre operations; specifically with Global Gateway Solutions in Montego Bay. The approved budget is €498,794 of which 60.15% is financed by the European Union; 30.7% financed by the Government of Jamaica through the Constituency Development Fund (CDF); and 9.15% by Global Gateway Solutions. The project was for a period of 15 months and should have been completed in December 2012. Given the delays in starting the project, the European Union approved an extension of the project closure to March 18, 2013 to enable the achievement of the project's objectives. The project has not been officially signed off by the European Union as they are in the process of completing their audit of the project. When this is completed, monies remaining will be returned and the bank accounts closed.

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

10. Special project funds (continued)

- (b) On January 2014, the University of Technology Jamaica, (UTECH), through the Joan Duncan School of Entrepreneurship, Ethics and Leadership (JDSEEL), the University of the West Indies Mona School of Business and Management (MSBM and Northern Caribbean University (NCU), embarked upon a noble project to promote entrepreneurship through a National Business Model Competition (NBMC). The winner of the competition will be entered in the International Business Model Competition (IBMC) in Utah, USA. The Project was completed during the year.
- (c) The Mayer Matalon Biography Fund represents funds from the Organisation member companies donated towards doing a biography in remembrance of the late Mayer Matalon.
- (d) The True Vision Fund represents Funds from member companies of the Organisation for a television program focusing on the International Monetary Fund programme in Jamaica. The project was scheduled to be aired in 2015, however, it has been delayed due to legal proceedings against the producer of the programme.
- (e) Public Sector Committees fund represents funds provided by private sector companies for which the Organisation is the custodian. The money will be used to fund the committees which were established by the government. This agreement is in effect for three (3) years.
- (f) During the year on June 2019, the PSOJ signed an agreement with the Delegation of the European Union (EU) for a project titled: The Jamaica Accountability Meter Portal (JAMP) Project for a period of 36 months. The objective of the project is to "Strengthen Public Stewardship and Accountability in Government". The project seeks to improve the longstanding, festering governance and public accountability problem, through the mainstreaming of a national parliamentary tool, that focuses on policies and systems related to public financial management and anti-corruption initiatives.
- (g) Voucher for Technical Assistance Programme (VTA Project), funded by the Development Bank of Jamaica (DBJ), provides assistance to MSMEs in strengthening their managerial and administrative abilities to improve credit worthiness. The Organisation has been contracted as project managers and funds in the account reflect the amounts to be paid for this service.

11. Long-term loan

	<u>2019</u> \$'000	<u>2018</u> \$'000
JMMB Bank (Jamaica) Limited	3,338	4,713
Less: Current portion	<u>(1,375)</u>	<u>(1,375)</u>
	<u>1,963</u>	<u>3,338</u>

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

11. Long-term loan (continued)

The loan is repayable in monthly instalments by \$148,213 with interest rate of 9.85% per annum. The loan is secured by a Solar Generating Equipment valued \$7,000,000.

12. Accounts payable

	<u>2019</u> \$'000	<u>2018</u> \$'000
Trade payables (i)	9,958	6,846
Accruals	<u>5,927</u>	<u>5,269</u>
	15,885	12,115
Deferred income	<u>3,573</u>	<u>278</u>
	<u>19,458</u>	<u>12,393</u>

(i) Included in trade payables is an amount of Nil (2018: \$140,000) representing unspent balances in respect of funds received from Development Bank of Jamaica to finance corporate governance training.

13. Other income

	<u>2019</u> \$'000	<u>2018</u> \$'000
Annual Economic Forum	2,278	46
Luncheons	17,254	11,277
Other	4,147	3,377
Publications	966	816
Rental	1,480	1,758
Seminars	3,007	4,014
Social media	2,200	2,651
Sponsored breakfasts	-	3,498
VT A Programme Project	<u>3,000</u>	<u>3,043</u>
	<u>34,332</u>	<u>30,480</u>

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

14. Expenses by nature

Administrative expenses:

	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Advertising	2,676	462
Auditors' remuneration	1,718	1,019
Bank charges	685	789
Depreciation	2,692	2,949
Donations and subscriptions	1,381	1,113
General expenses	2,105	2,635
Insurance	579	563
Meetings and luncheons	8,745	12,360
Miscellaneous expenses	(12)	186
Professional services	3,151	2,637
Property tax	595	612
Publications	1,527	305
Repairs and maintenance	3,791	3,635
Security expenses	1,713	1,395
Seminars	6,606	2,753
Sponsored breakfasts	1,981	3,616
Staff costs (see note 16)	37,913	34,311
Stationery	614	525
Travelling and entertainment	1,041	302
Utilities	<u>4,697</u>	<u>3,112</u>
	<u>84,198</u>	<u>75,279</u>

15. Net finance income

	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Finance income::		
Interest income	1,097	1,852
Foreign exchange gain, net	<u>472</u>	<u>-</u>
Finance cost:	1,569	1,852
Foreign exchange loss, net	<u>-</u>	<u>(22)</u>
	<u>1,569</u>	<u>1,830</u>

16. Staff costs

Staff costs comprise the following:

	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>
Wages, salaries and statutory deductions	33,573	29,978
Pension costs	942	803
Other staff costs	<u>3,398</u>	<u>3,530</u>
	<u>37,913</u>	<u>34,311</u>

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

17. Pension scheme

The Organisation operates a defined contribution pension scheme for all employees who have satisfied certain minimum service requirements. The scheme is administered by Guardian Life Limited. During the year the Organisation's contribution totalled \$802,895 (2018: \$938,298).

18. Taxation

- (a) Taxation is based on the (loss)/profit for the year adjusted for income tax purposes and comprises:

	<u>2019</u> \$'000	<u>2018</u> \$'000
Current tax expense:		
Income tax	-	<u>833</u>
Deferred taxation:		
Origination and reversal of temporary differences, net (note 9)	<u>(2,611)</u>	<u>(91)</u>
	<u>(2,611)</u>	<u>742</u>

- (b) Reconciliation of effective tax rate:

	<u>2019</u> \$'000	<u>2018</u> \$'000
(Loss)/profit before taxation	<u>(8,807)</u>	<u>1,962</u>
Computed "expected" tax expense @ 25%	(2,201)	490
Difference between (loss)/profit for financial effect of adjustments on:		
Disallowed expenses, net	805	252
Tax losses	<u>(1,215)</u>	<u>-</u>
Actual taxation (charge)/expense	<u>(2,611)</u>	<u>742</u>

19. Financial instruments

- (a) Financial risk management:

The Organisation has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

19. Financial instruments (continued)

(a) Financial risk management (continued):

The Board of Directors, together with senior management has overall responsibility for the establishment and oversight of the Organisation's risk management framework.

The Organisation's risk management policies are established to identify and analyse the risks faced by the Organisation to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Organisation's activities.

- 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 Organisation has no significant concentrations of credit risk. The Organisation, however, faces credit risk in respect of its receivables and manages this risk by periodic reviews of receivable balances and by making provisions for impairment losses, where necessary.

At the reporting date, there were no significant concentrations of credit risk and the maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Trade receivables

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

Expected credit loss assessment for trade receivables

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

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

19. Financial instruments (continued)

(a) Financial risk management (continued):

- Credit risk (continued):

The following table provides information about the ECL's for trade receivables December 31, 2019:

	Weighted average loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
Current (not past due)	10.7%	12,311	1,410	no
31-60 days	18.0%	997	193	no
61-90 days	26.8%	4,259	1,224	no
91-120 days	35.2%	960	362	no
121-150 days	47.5%	36	18	no
151-180 days	67.7%	201	146	no
Over 180 days	<u>100.0%</u>	<u>6,272</u>	<u>6,272</u>	<u>yes</u>
		<u>25,036</u>	<u>9,625</u>	

December 31, 2018:

	Weighted average loss rate	Gross carrying amount \$'000	Loss allowance \$'000	Credit impaired
Current (not past due)	5.7%	4,312	277	no
31-60 days	10.5%	2,072	239	no
61-90 days	16.0%	2,564	452	no
91-120 days	22.8%	452	114	no
121-150 days	35.6%	57	22	no
151-180 days	56.5%	69	42	no
Over 180 days	<u>100.0%</u>	<u>1,016</u>	<u>1,016</u>	<u>yes</u>
		<u>10,452</u>	<u>2,162</u>	

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

19. Financial instruments (continued)

(a) Financial risk management (continued):

• Credit risk (continued):

Other accounts receivable

Credit losses on other receivables materially comprise staff advances which are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Organisation expects to receive). No impairment allowances were recognised on initial adoption of IFRS 9 and there has been no change during the period.

Cash and cash equivalents and securities purchased under resale agreements

Cash and cash equivalents and securities purchased under resale agreements are managed by the Organisation's treasury department and amounts are held with reputable banks and financial institutions with high credit rate and considered to have minimal risk of default.

Impairment on cash and cash equivalents has been measured at 12 months expected loss basis and reflects the short maturities of the exposures. The Organisation considered that cash and cash equivalents have low credit risk. No impairment allowances were recognised on initial adoption of IFRS 9 and there has been no change during the period.

The Organisation limits its exposure to credit risk by investing only in liquid assets with counterparties that have high credit ratings. Securities purchased under resale agreements are held with reputable financial institutions. Therefore, management does not expect any counterparty to fail to meet its obligations.

Expected credit loss assessment for securities purchased under resale agreements and other investment

Impairment on short-term investments has been measured on the 12-months expected loss basis. Information about the credit risk and quality of these financial assets are as follows:

	<u>2019</u>	<u>2018</u>
	Stage 1	Stage 1
	12-month ECL	12-month ECL
	S'000	S'000
Gross carrying amount	44,669	50,747
Less: impairment allowance	(34)	(691)
	<u>44,635</u>	<u>50,056</u>

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

19. Financial instruments (continued)

(a) Financial risk management (continued):

- Credit risk (continued):

The impairment allowance recognised is analysed as follows:

	2019		
	<u>Resale agreements</u> \$'000	<u>Other investments</u> \$'000	<u>Total</u> \$'000
Recognised during the period	<u>34</u>	<u>-</u>	<u>34</u>
Balance at December 31, 2019	<u>34</u>	<u>-</u>	<u>34</u>
	2018		
	<u>Resale agreements</u> \$'000	<u>Other investments</u> \$'000	<u>Total</u> \$'000
Transitional adjustment-IFRS 9	80	626	706
Recognised during the period	<u>2</u>	<u>(17)</u>	<u>(15)</u>
Balance at December 31, 2018	<u>82</u>	<u>609</u>	<u>691</u>

- 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 short-term investments 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 Organisation aims at maintaining sufficient liquidity by efficient cash management.

The contractual outflows as at December 31, 2019 and 2018, for accounts payable and subscriptions received in advance are represented by their carrying amounts in the statement of financial position and require settlement within 12 months of the reporting date.

- Market risk:

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

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

19. Financial instruments (continued)

(a) Financial risk management (continued):

- Market risk (continued):

- (i) Interest rate risk:

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

The Organisation had no significant interest rate risk at the reporting 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 rates up to the date of maturity.

- (ii) 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 Organisation is exposed to foreign currency risk on transactions that are denominated in a currency other than the Jamaica dollar. The main currency giving rise to this risk is the United States dollar.

At the reporting date, the Organisation had net foreign currency assets amounting to US\$139,533 (2018: US\$133,906).

Exchange rates, in terms of Jamaica dollars, were as follows:

	<u>US\$</u>
At December 31, 2019:	129.78
At December 31, 2018:	125.89

A 4% (2018: 4%) strengthening of the United States dollar against the Jamaica dollar would have increased profit or for the year by \$724,344 (2018: \$674,316). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 6% (2018: 2%) weakening of the United States dollar against the Jamaica dollar would have decreased profit or for the year by \$362,172 (2018: \$337,158). This analysis assumes that all other variables, in particular interest rates, remain constant.

NOTES TO THE FINANCIAL STATEMENT CONT'D

DECEMBER 31, 2019

19. Financial instruments (continued)

(b) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a variety of causes associated with the Organisation's processes, personnel, technology and external factors, other than financial risks, such as generally accepted standards of corporate behaviour. The Organisation manages operational risk so as to avoid financial loss and damage to its reputation.

(c) Fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where quoted market prices are not available, the fair values of these instruments have been determined using a generally accepted alternative method

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate that value.

<u>Financial instrument</u>	<u>Method</u>
Cash and cash equivalents, short-term investments, accounts receivable, accounts payable and special project funds.	Assumed to approximate their carrying values, due to their short-term nature.

(d) Capital management:

The Organisation's objectives when managing capital are:

- (i) to safeguard the Organisation's ability to continue as a going concern; and
- (ii) to maintain a strong capital base in order to carry out its mandate.

Capital adequacy is monitored by the Organisation's management on a regular basis. The Organisation's overall strategy remained unchanged for 2019.

The capital structure of the entity consists of retained earnings.

NOTES TO THE FINANCIAL STATEMENT

DECEMBER 31, 2019

20. Subsequent event

Subsequent to the reporting date, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic due to its rapid spread across the globe. Jamaica has been affected by the outbreak, which resulted in the Government of Jamaica declaring Jamaica a disaster area on March 13, 2020.

The pandemic and the measures to control its human impact have resulted in disruptions to economic activity, business operations and asset prices. This could have significant negative financial effects on the Organisation, depending on factors such as (i) the duration and spread of the outbreak, (ii) the restrictions and advisories from Government, (iii) the effects on the financial markets, and (iv) the effects on the economy overall, all of which are highly uncertain and cannot be estimated reliably.



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GENERAL MANAGER,
CLIENT PARTNERSHIP,
JMMB INVESTMENTS

Keisha Forbes Ellis
CEO, JMMB INVESTMENTS
AND CHIEF INVESTMENT OFFICER

JMMB was founded to create financial opportunities for people, from all walks of life, to achieve their financial goals. Founded on the core value of **love**, and a mission to empower every Jamaican with the **will** to realise their greatness; today, we are an integrated financial solutions group of companies that, together, form your **Financial Life Goals Centre**.

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