

Building a Better Future



The new Coronation Market refurbished by the Digicel Foundation.

Digicel

FOUNDATION

Annual Report

2010-2011



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Message from the Patron **Denis O'Brien**



At Digicel, giving back to our communities is at the very heart of our business ethos.

As such, the Digicel Foundation's mission is to help our people and our communities and work with them to develop and build sustainable and meaningful programmes for the good of Jamaica and Jamaicans.

Run entirely by Digicel volunteer staff and supported by everyone in the company, in six years, the Digicel Foundation has completed over 206 projects and helped over two million Jamaicans. Concentrating on supporting the areas of education, special needs, sports and culture, community empowerment and the environment, we are proud to have given to Jamaica through our Foundation.

The Digicel Foundation in Jamaica has four main goals: to achieve 100% literacy by 2015 by integrating technology into the classroom and improve the learning environment and experience of children with disabilities; to empower communities to grow and flourish through sustainable skills-based projects, to foster youth development and build cultural awareness and pride and to protect our environment and promote green living and awareness.

I am pleased to report that we have had another good year and once again we have been able to come together with our communities to make a real and sustainable positive contribution.

The success of the Foundation is in no small part thanks to the fantastic Digicel Foundation team led ably by our Chairman, Lisa Lewis, and our Executive Director, Major General Robert Neish – and supported by the Foundation's administration team. Likewise, I would like to thank the Board of Directors and each and every one of our hundreds of staff volunteers who give so freely of their time to make our dreams a reality. Together you bring your special brand of positivity and tenacity to the work of the Foundation and are a great example of what can happen when a team comes together and focuses on working together to achieve a goal. To you all – and to our external public and private sector partners and volunteers – I extend my sincere thanks.

Your work makes a positive impact difference and I look forward to what we can achieve together in the future.

A handwritten signature in black ink that reads "Denis O'Brien". The signature is written in a cursive style.

Denis O'Brien
Founder and Patron

Message from the Chairperson

Lisa Lewis



In reflecting on the past year, it is a genuine pleasure to see the remarkable strides that the Digicel Foundation has made in improving thousands of lives in communities across the island.

As we go from strength to strength, the Digicel Foundation remains committed to Jamaica under the firm leadership of Executive Director, Major General Robert Neish, and the overwhelming support from Digicel Jamaica staff volunteers, the Digicel Foundation Board and of course, our generous patron, Mr. Denis O'Brien, who have all assisted in nurturing a brighter reality for Jamaica.

The Digicel Foundation continues to set the tone with its unwavering focus on improving literacy across the island by combining interactive information communication technologies with hands-on training of leaders in the classrooms to reap the successes of tomorrow.

With a renewed sense of energy and a greater degree of enthusiasm, we look forward to another remarkable and productive year for the Digicel Foundation. We will continue to follow our mantra that wherever Digicel grows, our communities should grow with us. To that end, we will continue to build and maintain tangible relationships with communities across the island through a marked increase in multiple community projects that support the educational, cultural, social and entrepreneurial activities which form the life-blood of our society.

Greater emphasis will also be placed on promoting and improving literacy in rural schools across the island. Using a variety of strategies – mainly centred on the use of new technologies in the classrooms combined with robust training mechanisms – the new curricula will furnish teachers with the requisite skills to bring our students in to the technological era.

As the Digicel Foundation continues to make a difference across the island, we welcome any partnerships or synergies that may be formed to further entrench the core values of the Digicel Foundation in providing greater development opportunities for our communities.

A handwritten signature in black ink, appearing to read 'Lisa Lewis', written in a cursive style.

Lisa Lewis
Chairperson

Message from the Executive Director **Major General Robert Neish**



It is humbling to know that the Digicel Foundation was able to make constructive impressions on the lives of thousands of individuals over the past year in different communities across Jamaica.

In fact, with new partnerships, we are better positioned to meet the needs of more communities in the coming year. We are truly proud of the projects that we have undertaken, the initiatives that we have supported and the lives that we have changed. It has been a memorable year for the Digicel Foundation! We really appreciate the support of our Patron, the dedication of the Chairman and the Board, the hard work of our staff and the commitment of our volunteers.

The Foundation remains devoted to the expansion of education and enrichment prospects that foster community and economic growth. Notably among these is our Enrichment Centres Initiative which was launched in 2009. The main purpose of this initiative is to assist the Ministry of Education to achieve 100% literacy and numeracy rates in our primary schools by 2015, and I am extremely pleased to say that, based on the statistics, we are well on our way!

As we look ahead to another year, we anticipate a brighter future and continued growth for our communities as the Foundation is armed with a pool of passionate men and women from Digicel who are dedicated to volunteering their time to serving and building their communities – and hence ensuring greater opportunities for everyone to grow.

Executive Director
Major General Robert Neish

About Our Board



(First Picture) Left to Right:- Jabari Longshaw; Lisa Lewis; Jodion Henry; Nicolas Matthews; Karlene Dawson; Heather Asphall.
(Second Picture) Left to Right Standing: Cynthia Reid; Trisha K. Thompson Seated: Cheryl Hylton.
(Absent:) Lawrence Hickey, Maia Lee, Paula Pinnock-MacLeod, Stacey Mitchell-Fraser, Maria Mulcahy.

The unique character of the Digicel Foundation is that its board is almost entirely composed of Digicel staff members. It consist of 15 members, taken from a variety of departments, with different expertise and experience.

Digicel employees, along with the Foundation, assist communities by donating their time, expertise and leadership.

The Foundation Staff

Left to Right:- Eleen Rankine, Administrator; Major General Robert Neish, Executive Director; Kerry-Jo Lyn, Operations Manager.





Members of staff of the Digicel Foundation and a team of volunteers get ready to paint.

Our Valued Partners

The Digicel Foundation sincerely appreciates the partnerships of all the community groups, private and public sector entities and non-governmental organizations, during our financial year 2010-2011. We would like to express our immense gratitude for your contributions.

Specially thanking the following contributors:



Our Valued Partners

Cooperation and partnership continued to play a large role in the initiatives of the Digicel Foundation this year as much growth was found in the continued partnership with institutions whose mandates and spirit matched our core objectives. Continued partnerships between the Ministry of Education, the Barita Education Foundation and the Jamaica National Foundation showed how the pooling of resources and the sharing of ideas could result in a compound effect benefiting the communities and citizens of Jamaica.

MINISTRY OF EDUCATION

This partnership was created out of the mutual objectives of the Digicel Foundation to contribute to education in Jamaica and the Ministry's goal of achieving 100% literacy at the Grade four level by 2015. Improving literacy at the primary school level is an instrumental step in improving the quality of life of citizens in developing countries and possibly the catalyst to achieving their full potential. In 2006, the Digicel Foundation partnered with a pilot literacy and resource room programme at the Jessie Ripoll Primary School in Kingston which saw the school being ranked number one in their region and eventually number one in the island. This initiative was recognised by the Ministry of Education who offered their expertise and insight into improving the concept of the resource room into an "Enrichment centre". As of 2010, the 1700 students exposed to the now 25 enrichment centres had seen an average movement of two grade levels in literacy. The Ministry is working hard to ensure that the 2015 goal is still in sight and the continued growth of this partnership will be a key part of the plan. MOE representative, Michelle Meredith-Dobbs, was optimistic about the outcome of the partnership; "The Digicel Foundation has been the epitome of supportive partnership that makes this kind of effort meaningful and successful. They have not just provided funding, but are integrally involved in the movements or challenges of the programme and remain committed to addressing the practicality of how this programme can be better".

BARITA EDUCATION FOUNDATION

This was the third year of a partnership forged with the Barita Education Foundation who through their research had realised that a significant portion of our nation's children spent their formative years (between three and six) being taught in privately owned basic schools by teachers who had not been properly trained in early childhood education. The Digicel Foundation found that the BEF had created an excellent model that involved taking trained teachers into basic schools in the inner city and delivering a specially designed curriculum to these basic school teachers. Ms. Donna Leslie of the BEF said; "The programme is rather like an intervention as we go into communities that are usually affected by the problems associated with their economic state."

The BEF would deliver this programme over the course of a year and the results of the programme are then monitored for a number of years thereafter to make sure that the results are being achieved and are sustainable. The partnership with the Digicel Foundation and the Barita Education Foundation sees the Barita Foundation focusing on the training of the teachers, while the Digicel Foundation focuses on the physical aspects including creating Resource Centres and refurbishing other areas of the schools as needed and the remuneration of four of the eight teachers.

THE JAMAICA NATIONAL FOUNDATION

Inspired work by the Jamaica National Foundation paved the way for another partnership for the Digicel Foundation. Innovator, Saffrey Brown, had created a whole new template for empowering communities through a sustainable community centre which Jamaica National Foundation dubbed, "The Source". The JNF went into communities and studied the needs of the community members and designed a self sustainable community centre geared specifically to address these needs. This concept is the first of its kind in Jamaica and the Digicel Foundation and Jamaica National Foundation partnered to construct the largest Source centre yet in Savannah-La-Mar, Westmoreland. Saffrey Brown explained that "Digicel has come on board as the first private sector franchisee outside of the JN Group, and as a result of its significant financial and technical assistance, we have been able to create a 'bigger, better' Source for Savanna-la-Mar". She went on to explain that "the Source' was developed to serve as a platform for sustainable economic growth" adding further that "members of more than five marginalised communities in Savanna-la-Mar will benefit from unprecedented access to information, resources and services that empower and build their income generating capacity".

Each of the three countries in which the Foundation works is in the bottom half of the United Nations Human Development Index of 182 countries. This Index takes a more holistic view than merely the economic situation of a country, by combining three dimensions of human development – living a long and healthy life, being educated and having a decent standard of living.



	Population	UN HDI ranking	Life expectancy	GDP per capita	Adult literacy	Gross enrollment ratio
Jamaica	2.7 million	80	72.3	US\$7,547	87.3%	78.1%
Haiti	10.2 million	145	61.7	US\$1,040	65.3%	N.A. (est c 52%)
Papua New Guinea	6.8 million	137	61.6	US\$2,395	59.1%	40.7%

UN Human Development Index 2010

While the cultural, historic and socioeconomic conditions of each country are very varied, they have in common significant challenges for their education systems; a need for building stronger communities to offset potential conflicts; and vulnerability to natural disasters, such as hurricanes, cyclones, earthquakes or tsunamis. The Foundation seeks to find relevant and effective responses to these challenges and to support and strengthen communities to withstand them.

206 Projects

US \$13M Spent

Over **2 million persons**
impacted

41 Resource rooms refurbished
and equipped

12 Recreational/Sports facilities
constructed

120 Teachers trained



“Science is an imaginative adventure of the mind seeking truth in a world of mystery.”

-Sir Cyril Herman Hinshelwood

Science Lab Upgrades



Science is the hub of innovation and innovation powers a nation's progress. Sadly, there has been a marked decrease in the performance of students in the sciences – as well as a decrease in the number of students being admitted into the science programmes of our local universities. Members of staff in three corporate area high schools noticed this troubling problem and sought to address it by approaching the Digicel Foundation with a plan to reinvigorate interest in the sciences.

The teachers suggested the upgrading and renovation of the science labs in the three schools into tertiary level standard work stations. With a total investment of JMD 23.3 million, the Digicel Foundation provided the impetus for the project, and over two years, the science labs of the Wolmer's Boys' School, Jamaica College and Excelsior High School were upgraded to include interactive whiteboards, microscope projectors and specialised apparatus. Lorna Dunn, science teacher at Excelsior High School, said; "The students and staff are so proud to announce that we have received 100% passes for Biology in the recent CSEC Examinations. We haven't even had the labs for a year yet, so we are overjoyed at the students' performances to date."

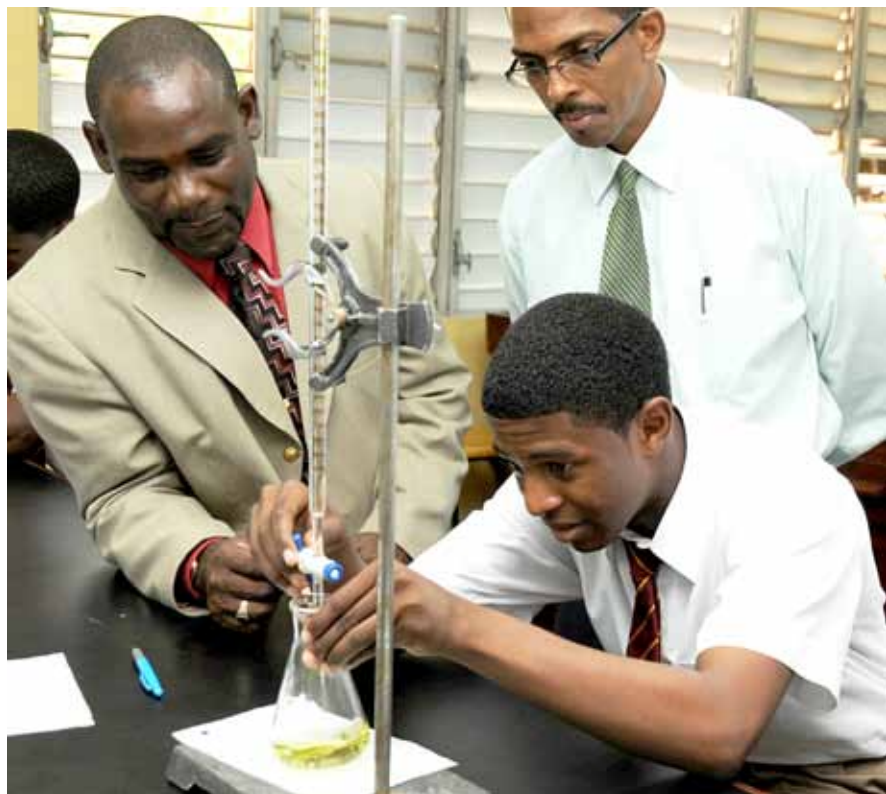
With over 7,000 students benefiting from the new labs and a love of science growing, this project is paving the way for the future of innovation and the development of new industries in Jamaica.

A student of Wolmer's Boys conducts a science experiment in the new labs.

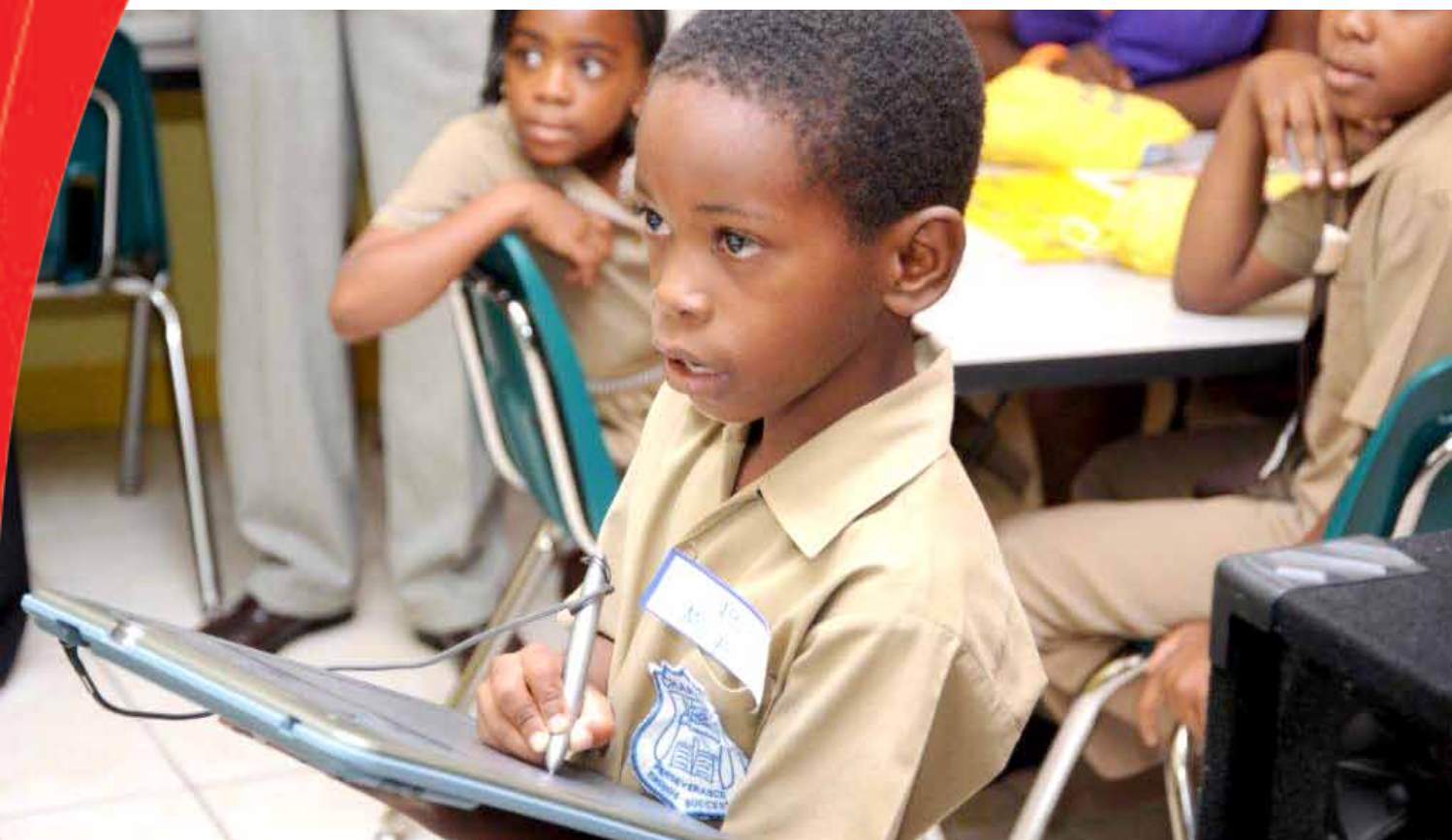
Science Lab Upgrades

Students of Wolmer's Boys School talk the principal, Dr. Walton Small, through their experiment in the school's new labs.

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Chairman of the Board of Jamaica College, R. Danny Williams, is taught a lesson in the new labs.



A young student of Chapleton All Age using the new technology resources in the Enrichment Centre.

The Digicel Foundation's partnership with the Ministry of Education was founded out of our mutual objective to contribute to education in Jamaica and the Ministry's goal of achieving 100% literacy by 2015, which is a UN Millennium Goal.

In 2006, the Digicel Foundation partnered with a pilot literacy and resource room programme at the Jessie Ripoll Primary School in Kingston, which contributed to the school being ranked number one in its region and eventually number one across the island. This initiative was recognised by the Ministry of Education which offered its expertise and insight into improving the concept of the resource room into an "Enrichment Centre".

In 2010, the 1,700 students exposed to the 25 enrichment centres have seen an average movement of two grade levels per annum in literacy. Along with the refurbishing and equipping of over 12 enrichment centres over the past year, the partnership has also added the "enrichment cart" concept for smaller schools without the space for a physical centre.

The Ministry of Education and the Digicel Foundation continue to work hard to ensure that the 2015 goal will be met and the ongoing growth of this partnership will be a key part of the plan.

Enrichment Centres



A teacher of Chapleton All Age engages the young students in the new Enrichment Centre.



As of 2010, the 1,700 students exposed to the 25 enrichment centres have seen an average movement of two grade levels per annum in literacy.

Music students perform for the audience at the unveiling of the new Enrichment Centre.

The Genesis Academy Special Needs Facilities



The Hon. Andrew Holness, Minister of Education, cuts the ribbon during the official opening of the Genesis Academy.

The Genesis Academy's plight first reached national awareness after the local news carried the story of the school being in danger of not having a location from which to operate after its application to renew its lease had been turned down.

The Academy is a school for intellectually challenged individuals aged from 12 to 25. It provides training and strengthens the students' belief that they can contribute to society. The Digicel Foundation was approached to help with the situation and a partnership was born.

The Foundation leased a facility from the government for 49 years, giving the Academy a place to cater for its 80 students. Since then, the Genesis Academy has been able to expand its academic programme and establish a vocational skills training centre to a high standard of excellence, recognised by the Ministry of Education.

More employers have taken note and support for the students – and their ability to find quality jobs has increased. All of this positivity has led to more applicants to the Academy and, in 2010, the Digicel Foundation committed over JMD19.5 million over a three year period to provide scholarships for several students who would not be able to afford the programme otherwise. The Digicel Foundation will continue to work closely with the Genesis Academy in raising awareness about the facility's needs as well as offering support in developing sustainable plans that will see it operating long into the future.

The Genesis Academy Special Needs Facilities

The Digicel Foundation was able to help with the construction of three new classrooms which have eased the space problem considerably.



Students of the Genesis Academy perform at the official opening of the facility.

Digicel Chairman, Denis O'Brien, in conversation with one of the students of the Genesis Academy.





“Sport has the power to change the world, the power to inspire, the power to unite people in a way that little else can. Sport can create hope... it is an instrument for peace.”

Nelson Mandela



The Leiba Gardens Community Centre

The power of sport is evidenced daily in Jamaica as members of communities put aside their differences for the collective good of development through sports.

One such community is Leiba Gardens in St. Catherine. Leiba has an active netball team and programme that has been going for about 12 years – despite lacking a seemingly integral component, a netball court. The expense of creating a netball court was beyond the citizens' reach and the ladies of the netball team had to make the costly trip to Spanish Town to train. After years of this, the residents decided to do something about it.

The members of the Leiba Gardens Citizen's Association developed a plan and managed to pool together around JMD 70,000. When the Digicel Foundation heard about their efforts, it was inspired by the community's determination and allocated JMD 2.5 million to the construction of the multi-purpose court.

The new court – which can also be used for basketball and volleyball – was handed over to the delight of the 2,000 residents who now benefit not only from the sports development of the community, but also the income from ticket revenue when netball league matches are held at the centre.

The prospects look bright for sports in the community and the Foundation hopes that as the netball team improves – so will other aspects of the community.

Digicel Foundation Administrator, Eleen Rankine, with the Leiba Gardens and Digi-Girlz netball teams.



The Leiba Gardens Community Centre

Action from the Leiba Gardens Netball practice.



When the Digicel Foundation heard about their efforts, it was inspired by the community's determination and allocated JMD 2.5 million to the construction of the multi-purpose court.

The netball teams from Leiba Gardens no longer have to travel to Spanish Town for practice.



The National Youth Orchestra of Jamaica



Members of the National Youth Orchestra of Jamaica at rehearsal.

When Dr. Nigel Clarke heard of “El Sistema”, a Venezuelan orchestra programme that had been transforming the lives of marginalised, inner city youth there for over 30 years, he set out to see if a Jamaican orchestra could be the change that many of the country’s youth needed.

Dr. Clarke’s vision was to host the National Youth Orchestra of Jamaica’s first training session in January 2010 with St. Andrew Technical High School (STATHS) as the base of operations. At-risk youth from schools in the surrounding communities were recruited to be a part of the programme – and the result was literally music to the ears.

The National Youth Orchestra of Jamaica (NYOJ) represents a new way of life for these children, complete with the provision of a skill, discipline and a productive way to spend their free time. The Digicel Foundation was approached with the objective of making the NYOJ into a complete orchestra by providing additional instruments. A project as unique as this, with its combination of community empowerment and cultural support, was ideal for the Foundation’s participation. A total of JMD 4.5 million was committed to the purchase of the instruments and the orchestra was complete. With 150 students in the orchestra now and a further 2,000 children to be impacted by the work of Dr. Clarke and the NYOJ, the project is gaining momentum and is set to expand across the island.

The National Youth Orchestra of Jamaica



A young violinist at practice with the NYOJ.

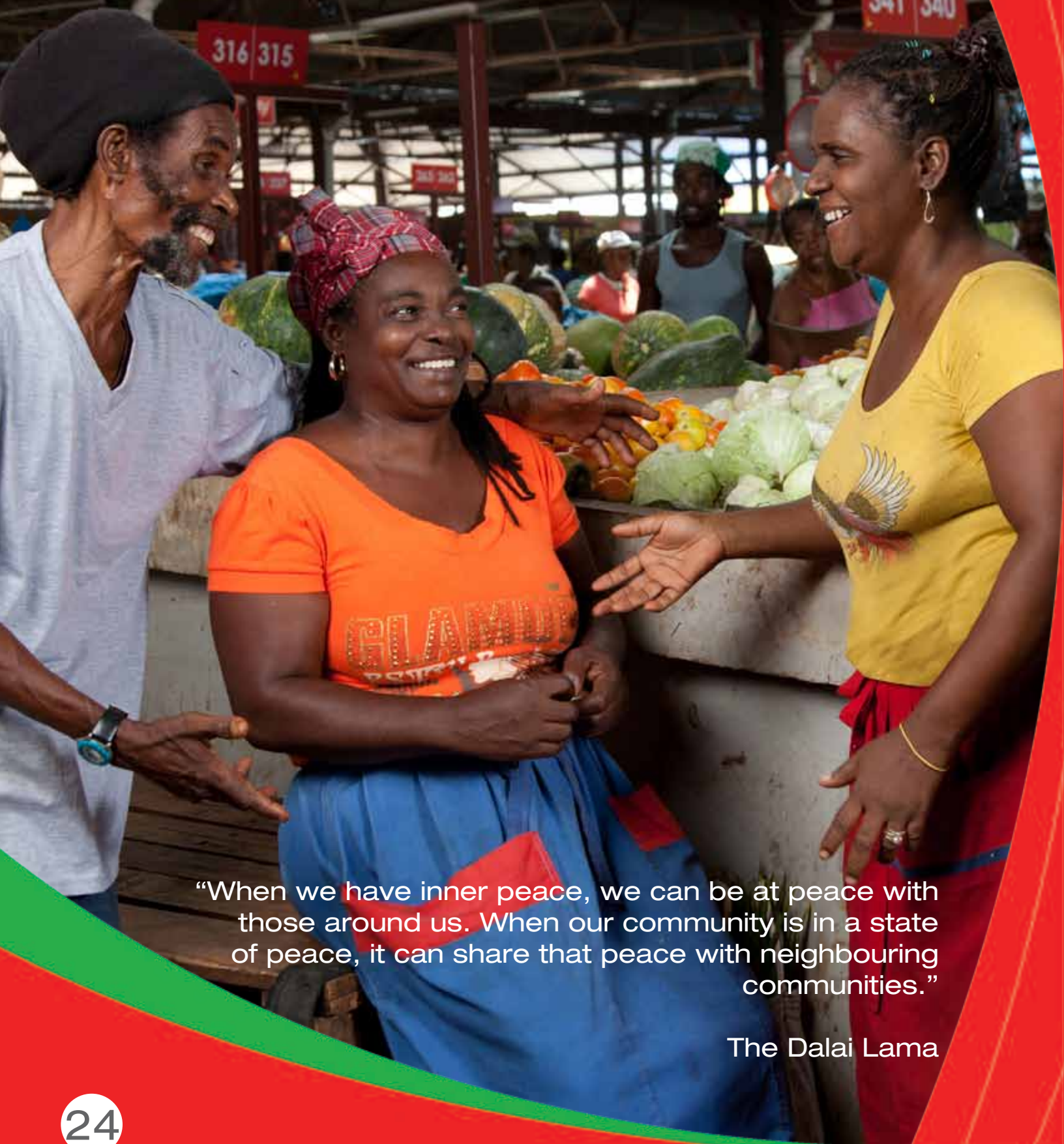
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150 students are now members of the National Youth Orchestra of Jamaica thanks to the Digicel Foundation's commitment of JMD 4.5million.



Community Empowerment



“When we have inner peace, we can be at peace with those around us. When our community is in a state of peace, it can share that peace with neighbouring communities.”

The Dalai Lama

The Rejuvenation of Coronation Market In Downtown Kingston

The Coronation Market in downtown Kingston is one of the oldest landmarks in the Caribbean and holds much of Jamaica's culture and entrepreneurial spirit within its walls. Years of neglect of the market, as well as the general downtown area, have seen the structure become an aged and dilapidated throwback to a bygone era. The Coronation Market is an economic hub with an incredible amount of potential that was not being realised because of the conditions. The Digicel Foundation saw where it could help.

In keeping with the Digicel Foundation's mandate for community empowerment – as well as its commitment to the development of downtown Kingston – the Foundation has invested over JMD 169 million towards refurbishing and equipping the market over a period of two years. With both phases of the project now completed, the Foundation has repaired and replaced all the structural steel members, installed a new roof, a new floor and a new water system that includes the collection of rainwater for re-use, while ensuring that the original structure of the market has been retained. All bathrooms and offices have also been renovated, old structures demolished and new stalls and shops built. The market now boasts approximately 800 new shops and stalls – all equipped with scales and much more.

The project also included the provision of two murals depicting the typical Jamaican market scene as well as signs, directories and scrolls. Over 3,000 vendors are now able to use the efficient, clean surroundings, while over 65,000 regular Coronation Market shoppers are joined by thousands more who will be attracted by the new surroundings. Downtown is on its way back and the work being done at the Coronation Market signals the start of the journey.



A vendor proudly displays her fresh produce.



A vendor in the newly refurbished Coronation Market.

The Dallas Castle and Good Hope Communities



The Dallas Castle and surrounding Good Hope communities of upper St. Andrew were in danger because of the gangs residing in these remote areas. The community members formed the Good Hope Partners' Benevolent Society to address the dual challenges of crime and illiteracy and made plans to convert half of the community centre into an agro-processing plant to provide employment in the community.

The next step was to convert the rest of the centre into a HEART/NTA certified multi-purpose facility, which would include a hospitality room built to look like an actual hotel room, an IT Lab, training rooms, meeting areas and other amenities.

Following the organisation's determined effort to improve the area with a sustainable plan, the Digicel Foundation hastened to partner with the residents and donated JMD 3 million towards refurbishing the centre.

Chairman of the Good Hope Partners' Benevolent Society, Kelvin Clarke said that the Digicel Foundation's support came at a critical time.

"There had been a brazen daylight murder in front of school children and people going to work and the battle lines between the communities were drawn. Children were being withdrawn from school in expectation of an all-out war, but with the refurbishing of the centre getting underway, somehow the fact that someone from corporate Jamaica was coming in those times to help seemed to send a message to the members of the community."

"Nobody could have expected peace like what we are experiencing now after what happened last year," continued Mr. Clarke. "The trainees at the centre all come from the different communities and it is a joy to see them all working together."

Crime has fallen drastically since the centre began operations and the newly trained graduates of the centre have been finding employment abroad through the Ministry of Labour, further improving the economic outlook of the community.

A young resident of Dallas Castle enjoys the family fun day to mark the official opening of the new centre.

The Dallas Castle and Good Hope Communities

Following the organisation's determined effort to improve the area with a sustainable plan, the Digicel Foundation hastened to partner with the residents. A donation of JMD 3 million was made towards refurbishing the centre.

Residents of Dallas Castle take part in a friendly football match.



“We do not inherit the earth from
our ancestors; we borrow it from
our children.”

Native American Proverb

International Coastal Clean Up Day Inspires at Rockfort Beach



Employees of Digicel and the Digicel Foundation joined forces for the International Coastal Clean Up day at Rockfort Beach in Kingston.

The Digicel Jamaica Foundation was proud to support the 2010 International Coastal Clean Up day at Rockfort Beach on the Palisadoes strip in Kingston.

2010 marked the 25th Annual International Coastal Cleanup and saw over 60 Digicel employee volunteers coming out to help clean up Jamaica's coast and preserve its natural beauty.

In June 2010, the Digicel Foundation also partnered with the Jamaica Environment Trust to sponsor the Youth Environmental Leadership Award – which awards a student who has consistently led the way in conserving the environment in their school – at the inaugural Jamaica Environmental Action Awards (JEAA).

Since 2009, Digicel and the Digicel Foundation have been supporting a host of 'green' initiatives for employees and the general public to help raise awareness about the importance of protecting the environment we live in including:

- Installation of a water filtration system to reduce the amount and cost of water bottles consumed throughout the company
- Use of a pin printing system for the entire printer network which reduces multiple printing of the same documents and the amount of paper used as it prints on both sides of the paper by default. The shredded paper is also either reused or recycle.
- Collection of plastic and aluminium waste in three types of containers – outdoor skips, drums and lunchroom bins – and partnering with One Jamaica Recycling to recycle the waste. To date, nearly 1,500 bags have been collected.

International Coastal Clean Up Day Inspires at Rockfort Beach



Digicel Foundation volunteers at Rockfort Beach, Kingston.

Since 2009, Digicel and the Digicel Foundation have been supporting a host of 'green' initiatives for employees and the general public to help raise awareness about the importance of protecting the environment we live in.



Dozens of bags of rubbish collected during the cleanup.

Digicel

FOUNDATION

Financial Statements

Expressed in US Dollars

MARCH 31, 2011



Independent Auditors' Report

To the Members of
Digicel Jamaica Foundation

Report on the Financial Statements

We have audited the accompanying financial statements of Digicel Jamaica Foundation, set out on pages 1 to 13, which comprise the balance sheet as of 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm



**Members of Digicel Jamaica Foundation
Independent Auditors' Report
Page 2**

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as of 31 March 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

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 kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Act, in the manner so required.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written in a cursive style.

Chartered Accountants
8 July 2011
Kingston, Jamaica

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Statement of Comprehensive Income**Year ended 31 March 2011**

(Expressed in United States dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Income			
Grants from Digicel (Jamaica) Limited		2,908	1,036
Donations received		-	12
Foreign exchange gain		-	3
Interest income	6	11	14
		<u>2,919</u>	<u>1,065</u>
Expenditure			
Projects and donations	3	3,124	623
Administration expenses	4	156	120
		<u>3,280</u>	<u>743</u>
Net (Deficit)/Surplus			
Exchange differences on translating foreign balances		(361)	322
		<u>11</u>	<u>(3)</u>
Total Comprehensive Income		<u>(350)</u>	<u>319</u>

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Balance Sheet**31 March 2011**

(Expressed in United States dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
ASSETS			
Current Assets			
Receivables and prepayments		15	12
Cash and cash equivalents	6	<u>51</u>	<u>948</u>
		<u>66</u>	<u>960</u>
Current Liabilities			
Donations payable		68	553
Accounts payable and accrued charges	7	<u>10</u>	<u>69</u>
		<u>78</u>	<u>622</u>
Net Current (liabilities)/assets		<u>(12)</u>	<u>338</u>
FINANCED BY			
Foreign exchange translation reserve		(21)	(32)
Accumulated surplus		<u>9</u>	<u>370</u>
		<u>(12)</u>	<u>338</u>

Approved for issue by the Board of Directors on 8 July 2011 and signed on its behalf by:

Lisa Lewis

Chairman

Robert Neish

Director

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Statement of Changes in Equity

Year ended 31 March 2011

(Expressed in United States dollars unless otherwise indicated)

	Foreign Exchange Translation Reserve	Accumulated Surplus	Total
	\$'000	\$'000	\$'000
Balance at 31 March 2009	(29)	48	19
Net surplus	-	322	322
Other comprehensive income	(3)	-	(3)
Total comprehensive income	(3)	322	319
Balance at 31 March 2010	(32)	370	338
Net deficit	-	(361)	(361)
Other comprehensive income	11	-	11
Total comprehensive income	11	(361)	(350)
Balance at 31 March 2011	(21)	9	(12)

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Statement of Cash Flows

Year ended 31 March 2011

(Expressed in United States dollars unless otherwise indicated)

	Note	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities			
Net (deficit)/surplus for the year		(361)	322
Adjustment for:			
Interest income		(11)	(14)
Changes in operating assets and liabilities:			
Withholding tax recoverable		(3)	(4)
Due from Digicel (Jamaica) Limited		-	465
Donations payable		(485)	(237)
Accounts payable and accrued charges		(49)	(280)
		<u>(909)</u>	<u>252</u>
Interest received		11	14
		<u>(898)</u>	<u>266</u>
Cash (used in)/provided by operating activities		(898)	266
Effects of exchange rate changes on cash and cash equivalents		1	(3)
Cash and cash equivalents at the beginning of year		<u>948</u>	<u>685</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	6	<u>51</u>	<u>948</u>

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

1. Identification and Principal Activities

The company is a not-for-profit organisation which was incorporated in Jamaica on 30 September 2004. The company is limited by guarantee, not having a share capital. The registered office of the company is located at 10-16 Grenada Way, Kingston 5. The principal activity of the company comprises the distribution and utilisation of funds on a charitable basis for the purpose building and developing communities across Jamaica and the region.

The company is funded by Digicel (Jamaica) Limited, incorporated in Jamaica.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

These financial statements have been prepared in conformity with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from those estimates.

Amendment to existing standards effective for the year ended 31 March 2011

Certain amendments to existing standards have been published that became effective during the current financial year. The company has assessed the relevance of all such new interpretations and amendments, and has adopted the following, which are relevant to its operations.

- IAS 7 (Amendment), 'Statement of Cash Flows,' (effective for annual periods beginning 1 January 2010). States that only expenditure that results in recognising an asset can be classified as a cash flow from investing activities. This amendment has no impact on the company.

Amendments to published standard not yet effective and have not been early adopted by the Foundation

- IAS 1 (Amendment), 'Presentation of Financial Statements, issued in May 2010 as part of the annual improvements to IFRS. This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. This amendment is applied retrospectively. The adoption of this amendment will have no impact on the company.

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

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Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Foreign currency

(i) Presentation and functional currency

The presentation currency of the company is the US dollar. The company's functional currency is the Jamaican dollar and reflects the primary economic environment in which it operates. For the purpose of reporting in US dollars the presentation currency balance sheets are translated using the closing exchange rate at the respective balance sheet dates. The functional currency income and expenditure accounts are translated at the average exchange rate during the period. Foreign exchange gains and losses arising from the translation of financial statements are recorded as a separate component of equity.

(ii) Transactions and balances

In the financial statements of company, transactions denominated in currencies other than the functional currency are recorded in the functional currency at the actual exchange rate existing at the date of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are reported at the exchange rates prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in income or expenditure.

(c) Receivables

Receivables are carried at the anticipated realisable values, being the original invoice amount less provision for impairment of these receivables based on a review of all outstanding amounts at the year end. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, discounted at the market rate of interest for similar borrowers. Bad debts are written off during the year in which they are identified.

(d) Projects and donations

Project costs and other donations are recorded when the obligation to disburse the funds exists. This occurs when they have been approved by the Board of Directors.

(e) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

(f) Interest

Interest income is recognised in the statement of income and expenditure for all interest bearing instruments on an accrual basis using the effective yield method based on actual purchase price. Interest income includes income earned on cash and cash equivalents held.

(g) Income recognition

Income is mainly comprised of grants transferred from related party, Digicel (Jamaica) Limited. Income is recognised when the funds become due.

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

3. Projects and Donations

	2011	2010
	\$'000	\$'000
Project Related Donations:		
Jessie Ripoll Primary School	-	1
Ramble Primary School	-	(6)
Barita Foundation*	-	(2)
Best Care Lodge (Labour Day 2009)	-	23
Good Hope Partners Benevolent Society	-	34
MOE – Special Dept	(1)	19
Barita Foundation (Teachers Cost Element)	116	77
Barita Education (Basic Schools Repair)	-	30
Wolmer's Boys School	-	57
St Josephs Teachers College	-	33
Christmas Super Treat - Southside	-	6
Visions Development Foundation	-	35
KSAC New Years Feeding Program	-	11
Barita Foundation (Care Bears)	-	6
Women's Centre of Jamaica Foundation	-	7
Leiba Gardens Multipurpose court	-	29
Chapleton All Age School	-	17
Windsor Castle All Age School	-	11
National Youth Orchestra of Jamaica	-	48
Women's Resource Outreach Centre	-	2
Race to Literacy Drive	-	12
	<u>115</u>	<u>450</u>

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

3. Projects and Donations (Continued)

	2011	2010
	\$'000	\$'000
Balance b/f from Page 8	115	450
Project Related Donations (Continued):		
Liberty Hall	17	-
Jamaica Environmental Trust	1	-
School of Hope (Jamaica Association of Mental Retardation)	28	-
Christmas Treat	17	-
Chapelton All Age Satellite Schools	11	-
Jamaica Netball Association	18	-
Jamaica College High School	79	-
JN – The Source Savanna-la-mar	92	-
Women's Resource Outreach Center	2	-
International Coastal Clean-up	2	-
Digicel Staff Projects	-	-
Mountain View Primary School	38	-
Bridgeport Primary School	38	-
Tarrant Primary School	35	-
National Dance Theatre Company – Little Theatre	13	-
Campus Crusaders for Christ Jamaica	8	-
Wimax Mobile Enrichment Carts	143	-
Westwood High Multi-Purpose Court	29	-
Coronation Market	1,961	-
Camara Foundation	100	-
BREDS Foundation	67	-
Marine Park Multi-Purpose Court	35	-
Rowlandsfield Skills Training Centre	53	-
Parrottee Citizens Association	23	-
	2,925	450

Digicel Jamaica Foundation

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Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

3. Projects and Donations (Continued)

	2011	2010
	\$'000	\$'000
Balance b/f from Page 8	<u>2,925</u>	<u>450</u>
Miscellaneous Project Expenses:		
Transportation	1	1
Signs/plaques	27	17
Meals and refreshments	3	1
Clothing for workdays	1	-
Tools for workdays	2	1
Professional services for workdays/ceremonies	<u>10</u>	<u>5</u>
	<u>44</u>	<u>25</u>
	<u>2,969</u>	<u>475</u>
Other Donations:		
Chair in Telecoms Policy & Management (UWI)	<u>155</u>	<u>148</u>
Total Projects and Donations	<u><u>3,124</u></u>	<u><u>623</u></u>

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

4. Administration Expenses

	2011 \$'000	2010 \$'000
Auditors' remuneration	-	3
Advertising and promotion	5	-
General administrative expenses	2	4
Meeting and accommodation	7	2
Public relations	21	19
Staff costs (Note 5)	117	91
Travel	4	1
	<u>156</u>	<u>120</u>

5. Staff Costs

	2011 \$'000	2010 \$'000
Wages and salaries	110	85
Statutory contributions	7	6
	<u>117</u>	<u>91</u>

6. Cash and Cash Equivalents

	2011 \$'000	2010 \$'000
Cash at bank	<u>51</u>	<u>948</u>

The weighted average effective rates on cash at 31 March are as follows:

	2011 %	2010 %
Cash at bank		
- JA\$	0.18	2.00
- US\$	<u>0.10</u>	<u>1.00</u>

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

7. Accounts Payable and Accrued Charges

	2011 \$'000	2010 \$'000
Public relations	-	1
Statutory contributions	3	-
Audit fees	-	5
Accrued charges	7	63
	<u>10</u>	<u>69</u>

8. Taxation

The company is exempt from Income Tax under Section 12 (h) of the Income Tax Act.

9. Financial Risk Management

The main risk exposed to be the company is credit risk. The company's exposure to market and liquidity risks is minimal as the company's income and cash flows are largely independent of market interest rates and exchange rates and the company's donations are based on the extent of granting funding available from Digicel (Jamaica) Limited.

(a) Credit risk

Cash and cash equivalents are with significant financial institutions. Management does not believe that there is significant risk of non-performance by these counterparties.

The company's maximum exposure to credit risk at year end relates to cash and cash equivalents as follows:

	2011 \$'000	2010 \$'000
Cash and cash equivalents	<u>51</u>	<u>948</u>

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

9. Financial Risk Management (Continued)

(b) Liquidity risk

The maturity profile of the company's financial liabilities at year end based on contractual undiscounted payments was as follows:

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	Total \$'000
2011				
Donations payable	47	21	-	68
Accounts payable and accrued charges	3	3	4	10
	50	24	4	78
2010				
Donations payable	144	127	282	553
Accounts payable and accrued charges	15	54	-	69
	159	181	282	622

Management believes that the liquidity risk is minimal as the company's cash and cash equivalents along with grant funding available from Digicel (Jamaica) Limited are adequate to discharge the company's financial obligations.

Digicel Jamaica Foundation

(A Company Limited by Guarantee)

Notes to the Financial Statements

31 March 2011

(Expressed in United States dollars unless otherwise indicated)

9. Financial Risk Management (Continued)

(c) **Market risk**

The company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. There has been no change to the company's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company's only exposure to foreign currency exchange rate risk arises from cash and bank balances of US\$2,000 at 31 March 2011 (2010 – US\$103,000) held in a currency other than the functional currency (Jamaican dollar).

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the company has no significant interest-bearing assets or liabilities, the company's income and operating cash flows are substantially independent of changes in market interest rates.

10. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The amounts included in the financial statements for cash and bank balances, receivables, payables and related party balances reflect their approximate fair values due to the short term nature of these instruments.



Digicel

F O U N D A T I O N

www.digicelfoundation.org