

DigicelTM

FOUNDATION

ANNUAL REPORT 2004 / 2005



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MISSION

The Digicel Foundation is a non-profit organization that will distribute and utilise funds on a charitable basis for the sole purpose of building communities and the community spirit in Jamaica.





Denis O'Brien
Patron

MESSAGES



Major General Robert Neish C.D., A.F.C., J.P.
Executive Director

It is my great pleasure to present to you the Digicel Foundation Annual Report for 2004/2005 - an inaugural look at the numerous ways in which the Foundation has been impacting the lives of Caribbean people in a positive way since its launch in September 2004.

Any business that makes profit within a market should in my view give back to the community through the building and regeneration of these communities. This has always been a fundamental belief of mine and I'm proud to say, a core value of Digicel.

The Digicel Foundation was therefore established to strengthen the company's commitment to Jamaica and the rest of the Caribbean community, by supporting projects that cater to educational, social and/or cultural opportunities.

A decision was made early in the process that the best people to drive the Foundation were Digicel staff members themselves. We wanted communities not only to benefit from the financial support of the Digicel Foundation but also from the skills, team work and dedication of our extraordinary staff in order for the projects to be truly sustainable.

The fact that the Board of the Digicel Foundation is almost entirely comprised of Digicel staff members is its unique factor and one that we hope will set new standards in corporate social responsibility.

Over the past year, I have been heartened by the exceptional work done by our staff to assist communities across Jamaica. Our very first Digicel Foundation project, the rebuilding of the Lakes Pen Basic School in Lakes Pen, St. Catherine was a resounding success and I was honored to be there to witness first hand the joy of the students, teachers and parents, as we unveiled the new facility.

I look forward to continuing to recognise the accomplishments of the Digicel Foundation in the coming years, as we all work together to strengthen communities. Digicel is one of the fastest growing companies in the Caribbean region and our vision is that as we grow local communities will grow with us.

As Patron of the Digicel Foundation, I want to give my sincere thanks and congratulations to the Foundation's Board, Digicel staff members, who have given their invaluable support and commitment. This inaugural annual report tells the stories of their diligent work and the wonderful communities which embraced them. I hope that it will serve as an inspiration from which the Digicel Foundation will continue to draw its strength as well as encouraging similar work in our communities.

In so many ways, I feel like a parent, when it comes to the Digicel Foundation. I have watched this non-profit organization this past year go through teething pains, take tiny steps and giant leaps.

I have witnessed the joy and fulfillment that the Digicel Foundation has brought to the people in communities across the island, whose lives have been touched in a powerful way by the organization.

I am delighted that through the work of the Patron, Denis O'Brien; Chairman, Harry Smith, Board Directors; the Administrator, Eleen Rankine and myself, we were able to kindle scores of flames in the lives of the less fortunate, and motivated members of the public by the unselfish devotion of the Foundation.

The achievements by the Digicel Foundation during its first year have established a firm base for the future. The initial project at Lakes Pen Basic School demonstrated full staff involvement, community commitment and partnerships within the public sector.

Our massive and prompt response to the disaster of Hurricane Ivan sent a strong signal of corporate commitment and genuine concern for those affected. The focus on repairs to schools highlighted our emphasis on education.

As other projects were identified and selected by the Board the policies and

procedures originally established were reinforced and refined. Up to the end of March 2005 the Foundation had received fifty-four applications. Four projects were completed and nine others are underway.

Applications covered a wide range of need; some fell outside our guidelines whilst others opened new possibilities for help and assistance. Most applications came from within the Corporate Area. However in the first year the Board committed to projects in St. Catherine, St. James, Manchester and St. Andrew. It is the intention of the Foundation to reach out and respond to the genuine needs of communities in every parish.

An examination of the Financial Statements will indicate the percentage of funds used on projects as compared to expenses. The emphasis on careful fiscal management and control of administrative costs has been established as a bench mark for the future.

The Foundation, as it embarks on its second year, is firmly established, making a difference and contributing positively to the philanthropic movement in Jamaica.

BOARD MEMBERS



Harry A.J. Smith
Chairman of the Board

Chairman's Message

The past year has been tremendously heart-warming for the Digicel Foundation, as we work towards building communities and the community spirit across Jamaica.

Since Digicel's entry into the local telecommunications market in 2001, the company has recognized its responsibility to give back to the society. The creation of the Digicel Foundation was therefore necessary to address the specific needs of communities that might not otherwise have the means to achieve their goals.

The focus of this non-profit organization has been on empowering communities, leaving young people in particular more self-reliant

and prepared for the future. During the 2004/2005 fiscal year, the Digicel Foundation expended a total of two hundred and thirteen million, four hundred and fifty-eight thousand dollars (\$213, 458,000) on projects and donations, to create supportive environments which inspire and empower communities.

Education has been and will continue to be important to us, as it is fundamental to the growth of our nation.

The rebuilding of the Lakes Pen Basic School was therefore an ideal project for the Foundation, as it centred on the improvement of educational facilities for children. Since that project, the Foundation has taken several other steps in improving educational facilities.

Heartiest thanks to Denis O'Brien, Patron of the Digicel Foundation whose vision, guidance and philanthropic efforts have been a motivating force to the Foundation's Board and general membership.

Special thanks also to the Board of the Foundation - your enthusiasm and dedication to improving the quality of life of communities, especially the lot of the less fortunate is highly commendable.

My appreciation goes out to the many Jamaican partners who have inspired us with their zeal for the betterment of their fellowmen.



Dionne R. Ramdeen
Secretary



Burnett Coke



Dianne Daley



Malene Carr



Maria Mulcahy



Olive Grant-Williams



Pamela Bunting



Sheryl Gooden



Stacey Mitchell



Thangela McDermott



Lennox Graham



Lawrence Hickey



Joy Clark



HURRICANE IVAN



DENBIGH HIGH



After the destruction wreaked on the region by Hurricane Ivan in September 2004, Digicel Foundation helped communities and institutions pick up the pieces, by committing US\$5 Million to support the recovery efforts.

This non-profit organization became the largest private sector donor to the Hurricane Ivan relief initiatives. Among the countries which benefited were Jamaica, Cayman and Grenada.

Of the money allocated to Hurricane Ivan restoration by Digicel Foundation, J\$200 million was donated to the Jamaica National Recovery Fund, which has been coordinated by the Office of National Reconstruction (ONR).

A heart-warming feature in the relief to victims of Hurricane Ivan is that the staff of Digicel donated in excess of \$500,000 to the funds earmarked by the Foundation to hurricane recovery.

SCHOOLS & LIBRARIES

Hurricane Ivan was devastating, especially for school children, as many institutions were destroyed or badly damaged. In response, Digicel Foundation ensured that millions of dollars of its contribution to the Jamaica National Recovery Fund, went towards the rehabilitation of hurricane-ravaged schools. Some 200 educational institutions and 16 libraries benefited. Among the educational recipients were :

- Islington and Carron Hall High Schools in St. Mary
- Labyrinth All Age in St. Mary
- New Green, Zion Hill and Albion Primary Schools in Manchester.
- May Pen and Osbourne Store Primary Schools in Clarendon
- Carisbrook, Middle Quarters and Pedro Plains Primary Schools in St. Elizabeth



Digicel Foundation also facilitated the recovery measures for Jamaica Association of the Deaf, Jamaica Society for the Blind, hospitals, communities (such as Portland Cottage) and the fishing industry.

FISHERIES DIVISION

One of the tell-tale signs of the Foundation's helping hand was a donation to the Fisheries Division. Its purchase of a new 27ft. boat - 'The Challenger' - valued at \$9 Million, will aid in the recovery of missing fish traps and fishing gear during hurricanes or other turbulent weather.

METEOROLOGICAL SERVICE

The hub of Jamaica's weather surveillance agency, the Meteorological Service, has seen the Foundation financing its refurbishing and re-equipping to the tune of J\$5 Million. The Meteorological Service had suffered infrastructural damage during Hurricane Ivan and the assistance from the Foundation has put it in a heightened state of readiness for the 2005 Hurricane Season.

The Digicel Foundation has not only helped the people of Jamaica to put their lives on a sound footing after a hurricane, but has empowered them with solutions to deal with natural disasters.

CLARENDON HANOVER KINGSTON MANCHESTER
PORTLAND ST. ANN ST. **EDUCATION**
TRELAWNY ST. THOMAS ST. JAMES ST. MARY W
WESTMORELAND ST. ELIZBETH CLARENDON HAN

CLARENDON **CULTURE** TON MANCHESTER
PORTLAND ST. ANN ST. ANDREW ST. CATHERINE
TRELAWNY ST. THOMAS ST. JAMES ST. MARY W
WESTMORELAND ST. ELIZBETH CLARENDON HAN

CLAREN **SOCIAL DEVELOPMENT**
PORTLAND ST. ANN ST. ANDREW ST. CATHERINE
TRELAWNY ST. THOMAS ST. JAMES ST. MARY W
WESTMORELAND ST. ELIZBETH CLARENDON HAN



EDUCATION



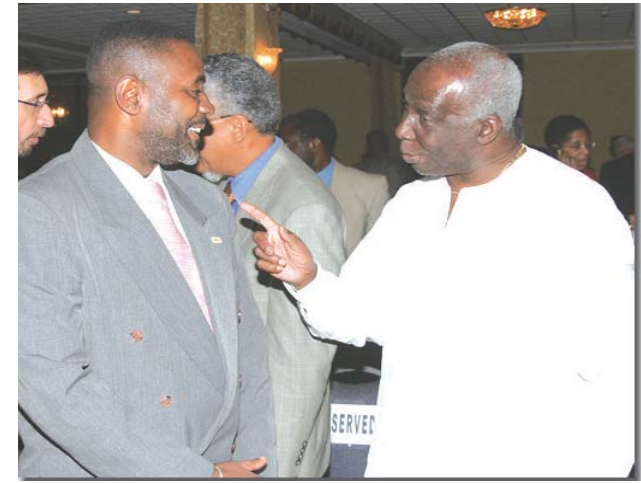
The provision of educational opportunities is paramount to the growth of a nation and region, and Digicel Foundation has been particularly devoted to the advancement of communities, through increased educational initiatives.

In this vein, the Foundation responded to a great need in the Lakes Pen community in St. Catherine, for an improvement in its early childhood educational facilities.

LAKES PEN BASIC SCHOOL, ST. CATHERINE

The rebuilding of the Lakes Pen Basic School became the first major project of the Digicel Foundation, and it rebuilt the facility in a record time of six weeks. The Foundation joined hands with the community and the Jamaica Social Investment Fund, in making that reconstruction effort a reality.

Denis O'Brien, Chairman of the Digicel Group and Patron of Digicel Foundation was on hand to witness the unveiling of the new institution in November 2004, which brought immense joy to the people of the community. The Foundation is still involved in various extra-curricula activities at the school.



UWI, MONA CAMPUS

In an effort to encourage development and increased tertiary educational opportunities in the Caribbean, in early 2005, Digicel Foundation fast-tracked plans to set up a Chair in Telecommunications Policy and Management at the University of the West Indies, Mona.

Professor Kenneth Hall, UWI's Pro Vice Chancellor and Principal of the Mona Campus has praised the move by the Foundation, stating "It is the largest donation that we have had as a sponsored Chair in the University." The Chair will provide training and research at the Masters and PhD. levels in Telecommunications and Management.

The Foundation believes the establishment of the Chair is a timely gesture, in light of the boom in the telecommunications sector which has created a need for highly trained individuals skilled in all aspects of this growing industry.



CULTURE



Digicel Foundation has been passionate about stimulating and embracing Jamaica's cultural expressions.

In all its official ceremonies, the Foundation invites cultural presentations from the communities and or institutions where the functions are being held.

ARNETT GARDENS

Christmas 2004 saw the Foundation bringing cheer in traditional Jamaican style to the youths of Arnett Gardens.

The Christmas gift to Arnett Gardens was the provision of equipment for the community's playfield. This move by Digicel Foundation addressed a significant need for recreational activities in that inner city community and its environs.



SOCIAL DEVELOPEMENT



FARM HEIGHTS/ ROSE HEIGHTS BASKETBALL COURT

The Digicel Foundation honed its volunteerism skills in strengthening the sports programme in Farm Heights/Rose Heights, St. James by constructing and equipping a basketball court in the area.

The Official Opening of the basketball court took place on January 28. In this Montego Bay Community where the unemployment rate is high, especially among young people, it is hoped that the basketball facility will be the start of not just an active sports programme, but will be the launching pad of other community programmes.

The Foundation collaborated with the St. James Chapter of the Peace Management Initiative(PMI) on that project, and since then, the Foundation has continued its liaison with the PMI to assist in mentoring, skills training and sports programmes in Farm Heights/Rose Heights.



DARE TO CARE HOME

During early 2005, Digicel Foundation donated kitchen fixtures, fittings and other household items to the 'Dare to Care' Mustard Seed Home for Children with HIV/AIDS in St. Catherine. The gift was in keeping with a desire by a group of Digicel staff members in Christmas 2004, to assist the children of 'Dare To Care', while creating a more beautiful and healthy ambience at the Home.

As in the case of the 'Dare To Care' initiative and the Farm Heights/Rose Heights project, Digicel Foundation remains committed to forging joint solutions in making communities more self-reliant in tackling the socio-economic challenges of HIV/AIDS, unemployment, shortage of skills training opportunities, crime, drug abuse and a scarcity of youth recreational activities. It is only through such community-driven partnerships that the country will enjoy a brighter future.

27 September 2005

To the Members of
Digicel Jamaica Foundation Ltd.

Auditor's Report

We have audited the financial statements of Digicel Jamaica Foundation Limited for the year ended 31 March 2005, from which summarised financial statements were derived, in accordance with International Standards on Auditing. In our report dated 16 August 2005, we expressed an unqualified opinion on the financial statements from which the summarised financial statements were derived.

In our opinion, the accompanying summarized financial statements are consistent, in all material respects, with the financial statements from which they were derived.

For a better understanding of the Company's financial position and the results of its operations for the period and of the scope of our audit, the summarised financial statements should be read in conjunction with the financial statements from which the summarised financial statements were derived and our audit report thereon.


Chartered Accountants
Kingston, Jamaica

FINANCIAL STATEMENTS

Digicel Jamaica Foundation Limited

(A Company Limited by Guarantee)

Statement of Income and Expenditure

Seven month period ended 31 March 2005


	<u>2005</u> \$'000
Income	<u>234,959</u>
Expenditure :	
Projects and donations	(213,458)
Administrative expenses	<u>(2,567)</u>
	<u>(216,025)</u>
Operating Surplus	<u>18,934</u>
Finance income, net	<u>31</u>
Net Surplus for the Period	<u><u>18,965</u></u>

Digicel Jamaica Foundation Limited

Balance Sheet
31 March 2005

	<u>2005</u> \$'000
NET ASSETS EMPLOYED	
Current Assets	
Receivables	173
Due from Mossel (Jamaica) Limited	62,000
Cash and cash equivalents	7,846
	70,019
Current Liabilities	
Accounts payable and accrued charges	<u>51,054</u>
	<u>18,965</u>
FINANCED BY	
Equity	
Accumulated Surplus	<u>18,965</u>

Approved for issue by the Board of Directors on 16 August 2005 and signed on its behalf by:



Harry Smith Chairman

Lawrence Hickey Director

ACKNOWLEDGEMENTS



Eleen Rankine

Digicel Foundation expresses profound appreciation to its Administrator, Eleen Rankine, for her efficiency and dedication to the organization.

The Foundation also acknowledges with deepest gratitude all the community groups, private sector entities, government and non-governmental organizations which partnered with us during 2004/2005.

Heartiest thank you to our contributors:

- Bernard Lodge Sugar Estate
- Facey Commodity Company Ltd.
- Forestry Department
- H & L True Value Ltd.
- Jamaica Social Investment Fund (JSIF)
- Montego Bay Chamber of Commerce
- Office of National Reconstruction (ONR)
- St. James Peace Management Initiative
- Sangster's Book Stores Ltd.
- Sun Island Jamaica Ltd.
- University of the West Indies Endowment and Development Fund
- The Willman's Sales Company Ltd.