

**Environmental Foundation of
Jamaica**
(A foundation limited by guarantee)

Financial Statements
31 July 2009

Environmental Foundation of Jamaica

(A foundation limited by guarantee)

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Year ended 31 July 2009

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Independent Auditors' Report

To the Members of
Environmental Foundation of Jamaica
(A foundation limited by guarantee)

Report on the Financial Statements

We have audited the accompanying financial statements of Environmental Foundation of Jamaica, set out on pages 1 to 35, which comprise the balance sheet as of 31 July 2009 and the statement of changes in the Americas' Funds and cash flow statement 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 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.

Auditor's 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

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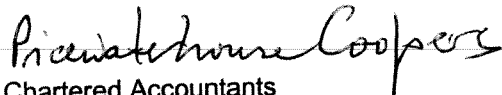
Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the foundation as of 31 July 2009, 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.



Chartered Accountants
23 October 2009
Kingston, Jamaica

Environmental Foundation of Jamaica

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Statement of Changes in the Americas' Funds

Year ended 31 July 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Fund I \$'000	Fund II \$'000	2009 \$'000	2008 \$'000
USAID debt funds received (US\$257,000) for year		-	21,512	21,512	22,546
Investment income earned		43,293	22,627	65,920	109,977
Foreign exchange gain		3,058	2,084	5,142	8,305
		46,351	46,223	92,574	140,828
Impairment of investment – Walkerswood Partners Limited		-	-	-	(45,000)
Unrealised losses on available-for- sale investment		(7,902)	(2,137)	(10,039)	(2,001)
		38,449	44,086	82,535	93,827
Less:					
Project grants disbursed	5	(104,047)	(93,350)	(197,397)	(226,316)
Transfers to administration	6	(30,055)	(14,599)	(44,654)	(44,134)
Investment advisers' fees	9	(2,985)	(1,094)	(4,079)	(4,961)
		(137,087)	(109,043)	(246,130)	(275,411)
Deficit for year		(98,638)	(64,957)	(163,595)	(181,584)
Fund balance at beginning of year		418,785	284,366	703,151	884,735
Fund balance at end of year		320,147	219,409	539,556	703,151

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Balance Sheet

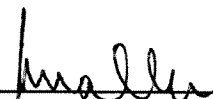
31 July 2009

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2009 \$'000	2008 \$'000
Non-Current Assets			
Property, plant and equipment	10	27,920	35,373
Investment – Walkerswood Partners Limited	11	5,000	5,000
Available-for-sale investments	12	472,686	583,632
		<u>505,606</u>	<u>624,005</u>
Current Assets			
Other assets	14	9,768	9,116
Short term investments	12	37,527	73,718
Cash and bank	15	8,361	17,234
		<u>55,656</u>	<u>100,068</u>
Current Liabilities			
Bank overdraft	15	8,883	-
Accounts payable and accrued charges		4,069	5,350
Managed funds	16	5,021	7,621
		<u>17,973</u>	<u>12,971</u>
Net Current Assets		<u>37,683</u>	<u>87,097</u>
		<u>543,289</u>	<u>711,102</u>
Equity			
Administration fund- expenses recoverable	6	(24,188)	(27,422)
Capital reserves	17	27,920	35,373
Americas' funds		539,557	703,151
		<u>543,289</u>	<u>711,102</u>

Approved on behalf of the Board of Directors on 23 October 2009 and signed on its behalf by:


 Dale Webber Chairman


 Albert Walker Treasurer

Environmental Foundation of Jamaica

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Statement of Cash Flows

Year ended 31 July 2009

(expressed in Jamaican dollars unless otherwise indicated)

	2009 \$'000	2008 \$'000
Cash Flows from Operating Activities		
Deficit for the year	(163,595)	(181,584)
Adjustments for -		
Decrease/(Increase) in amount due to Administration Fund	3,234	(743)
Impairment of investment – Walkerswood Partners Limited	-	45,000
Fair value adjustments on available-for-sale investments	19,633	2,472
Interest income	(65,920)	(115,157)
	<u>(206,648)</u>	<u>(250,012)</u>
Changes in operating assets and liabilities:		
Other assets	(652)	18,195
Accounts payable and accrued charges	(1,281)	(1,623)
Managed funds	(2,600)	(9,860)
Cash used in operating activities	<u>(211,181)</u>	<u>(243,300)</u>
Cash Flow From Investing Activities		
Available-for-sale investments	93,374	105,040
Interest received	63,860	111,915
Cash provided by investing activities	<u>157,234</u>	<u>216,955</u>
Decrease in cash and cash equivalents	(53,947)	(26,345)
Cash and cash equivalent at beginning of year	90,952	117,297
CASH AND CASH EQUIVALENT AT END OF YEAR	<u><u>37,005</u></u>	<u><u>90,952</u></u>
Represented by:		
Cash and bank	8,361	17,234
Short term investments	37,527	73,718
Bank overdraft	(8,883)	-
	<u><u>37,005</u></u>	<u><u>90,952</u></u>

Environmental Foundation of Jamaica

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Notes to the Financial Statements

31 July 2009

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activities

Environmental Foundation of Jamaica (the Foundation) is limited by guarantee and was incorporated in Jamaica on 18 November 1992. The Foundation was established pursuant to an agreement between the Government of the United States of America and the Government of Jamaica concerning the establishment of an Enterprise for the Americas Environmental Foundation. This agreement referred to as "The Enterprise for the Americas Initiative Framework Agreement" (EAI Agreement) was signed on 26 November 1991 and amended effective 27 August 1993. The agreement provides for the creation of a special Americas Fund to be administered by the Foundation in accordance with agreement terms and the Foundation's memorandum and articles of association.

The main objectives of the Foundation which are in conjunction with the EAI Agreement are as follows:

- (i) to promote and implement activities designed to conserve and manage the natural resources and environment of Jamaica in the interest of sustainable development and;
- (ii) to encourage the improvement of child survival and child development in Jamaica .

The Foundation pursues its objectives mainly through the granting of funds to organisations, for qualified projects based on established criteria, by carrying out specific educational activities and rendering technical assistance towards its objectives. Operations commenced in August 1993.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS) and have been prepared under the historical cost convention as modified by the revaluation of available-for-sale investment securities.

The preparation of financial statements in conformity with International Financial Reporting Standards 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 revenues 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 these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant for the financial statements are disclosed in Note 4.

Interpretations and amendments to published accounting standards effective in the current financial year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The Foundation has assessed the relevance of all such new interpretations and amendments and has concluded that the following IFRS are not relevant to its operations.

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Notes to the Financial Statements

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2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Interpretations and amendments to published accounting standards effective in the current financial year (continued)

- **IAS 39 (Amendment) - Financial instruments: Recognition and Measurement** (effective 1 July 2008)
- **IFRS 7 (Amendment) - Financial instruments: Disclosure** (effective 1 July 2008)
- **IFRIC 12, Service Concession Arrangements** (effective for annual periods beginning on or after 1 January 2008).
- **IFRIC 13, Customer Loyalty Programme** (effective for annual periods beginning on or after 1 July 2008)
- **IFRIC 14, 'IAS 19 – The limit on defined benefit asset, minimum funding requirements and their interaction'** (effective for annual periods beginning on or after 1 January 2008)

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not effective at the balance sheet date, and which the Foundation has not early adopted. The Foundation has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

IAS 1, Presentation of Financial Statements (Revised) (effective for annual periods beginning on or after 1 January 2009). The main objective in revising IAS 1 was to aggregate information in the financial statements on the basis of shared characteristics. IAS 1 will affect the presentation of owner changes in equity and of comprehensive income. It will not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRS. IAS 1 will require an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (ie comprehensive income) will be required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income will not be permitted to be presented in the statement of changes in equity. Management is currently assessing the impact of these changes.

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

The Foundation has concluded that the following new standards, interpretations and amendments to existing standards, which are published but not yet effective:

- Are relevant to its operations, but have no material impact on adoption; or
- Are not relevant to its operations and will therefore have no material impact on adoption; or
- Contain inconsequential clarifications that have no material impact when they come into effect.

IAS 16 (Amendment), 'Property, plant and equipment (and consequential amendment to IAS 7, Statement of cash flows)

IAS 23 (Amendment), 'Borrowing costs'

IAS 27 (Revised), 'Consolidated and separate financial statements'

IAS 28 (Amendment), 'Investments in associates' (and consequential amendments to IAS 32, 'Financial instruments: Presentation' and IFRS 7, 'Financial instruments: Disclosures')

IAS 29 (Amendment), 'Financial reporting in hyperinflationary economies'

IAS 31 (Amendment), 'Interest in joint ventures' (and consequential amendment to IAS 32 and IFRS 7)

IAS 32 Financial instruments: presentation/ IAS 1 presentation of financial statements (amendments) - puttable financial instruments and obligations arising on liquidation

IAS 36 (Amendment), 'Impairment of assets'

IAS 38 (Amendment), 'Intangible assets'

Amendment to IAS 39, 'Eligible hedged items'

IAS 40 (Amendment), 'Agriculture'

IFRS 1 (Amendment), 'First time adoption of IFRS' and IAS 27 (Amendment), 'Consolidated and separate financial statements' – 'Cost of an investment in a subsidiary, jointly controlled entity or associate'

IFRS 2 (Amendment), 'Share-based payment - vesting conditions and cancellations'

IFRS 3 (Revised), 'Business combinations'

IFRS 5 (Amendment), 'Non-current assets held for sale and discontinued operations' (and consequential amendment to IFRS 1, 'First-time adoption')

IFRS 8, 'Operating segments'

IFRIC 10, 'Interim financial reporting and impairment'

IFRIC 15, 'Agreements for the construction of real estate'

IFRIC 16, 'Hedges of a net investment in a foreign operation'

IFRIC 17, 'Distribution of non-cash assets to owners'

IFRIC 18, 'Transfer of assets from customers'

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Grant funds

Grant funds received by the Foundation under the Enterprise of the Americas Initiative Framework Agreement are recorded when received and credited directly to the Americas' Funds Account until disbursed.

(c) Income recognition

(i) Interest income is recognised in the Americas' Funds 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 equivalent accounts held.

(ii) Dividend income is recognised when the right to receive payment is established.

(d) Foreign currency translations

Functional and presentation currency

Items included in the financial statements of the Foundation are measured using the currency of the primary economic environment in which the Foundation operates. The financial statements are presented in Jamaican dollars, which is the Foundation's functional and presentation currency.

Translation and balances

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the balance sheet date monetary assets denominated in foreign currency are translated using the closing exchange rate. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange difference on unsettled foreign currency monetary assets are recognised in the Americas' Funds.

(e) Employee benefits

(i) Pension scheme

The Foundation participates in a defined contribution scheme, which is administered by trustees. The Foundation's contribution is fixed, once the contributions have been paid, the Foundation has no further payment obligations. The contributions constitute the net periodic cost for the year in which they are due and are included in staff costs.

(ii) Other employee benefits

Employees' entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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2. Summary of Significant Accounting Policies (Continued)

(f) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its remaining useful life. Annual depreciation rates are as follows:

Building	2.5%
Motor vehicles	20%
Computers	25%
Leasehold improvements	12 ½%
Furniture and fixtures	10%

Freehold land is not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged as administrative expenses during the financial period in which they are incurred. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining administrative fund balance.

(g) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The Foundation classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date.

Available-for-sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. At the balance sheet date, the following financial assets were classified as available for sale: investments, other assets, short term investments and cash and bank.

Financial liabilities

The Foundation's financial liabilities are initially measured at cost, and are subsequently measured at amortised cost using the effective interest method. At the balance sheet date, the following items were classified as financial liabilities: bank overdraft and accounts payable and accrued charges.

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2. Summary of Significant Accounting Policies (Continued)

(h) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and bank balances, deposits held at call with banks, other short-term highly liquid investments, net of bank overdrafts.

(i) Accounts payable

Accounts payable are stated at historical cost.

(j) Administration fund/deferred income

Where funds received for administration expenses are insufficient to cover these expenses, the over expended balance, referred to as Administration Fund - expenses recoverable, is recoverable from the Americas' Funds. While funds received for administration expenses, which are unexpended, are referred to as Administration Fund - deferred income.

(k) Capital reserves

The cost of property, plant and equipment acquired from grant funds, for administrative purposes, is credited directly to capital reserves and is written off to the administration fund account over the useful lives of the relevant assets.

(l) Americas' funds

As outlined in note 1, the EAI Agreement provides for the establishment of a special Americas' Fund to be administered by the Foundation in pursuit of its objectives. Under this arrangement, specific amounts due by the Government of Jamaica to the Government of the United States of America are paid into the fund in accordance with provisions of two debt reduction agreements (Agreement I and Agreement II). Agreement I relate to funds owed under the U.S. PL480 programme and Agreement II relates to funds owed under a specific USAID debt Agreement.

In accordance with the EAI Agreement, all funds deposited into the Fund, including investment income earned belongs to the Government of Jamaica until disbursed in accordance with stipulated guidelines.

The two funds should not be co-mingled.

(m) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(n) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

(o) Comparative information

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

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management

The Foundation's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Foundation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Foundation's financial performance.

The Board of Directors is ultimately responsible for the establishment and oversight of the Foundation's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(a) Credit risk

The Foundation takes on exposure to credit risk, which is the risk that a party will cause a financial loss for the Foundation by failing to discharge its contractual obligations. Credit risk is a very important risk for the Foundation's business; management therefore carefully manages its exposure to credit risk. Credit exposures arise principally from the Foundation's cash and investment activities. The Foundation structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to a single counterparty or groups of related counterparties.

Credit review process

Management performs ongoing analyses of the ability of borrowers and other counterparties to meet repayment obligations.

(i) Investments

The Foundation limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

(ii) Cash

Cash transactions are limited to high credit quality financial institutions.

Maximum exposure to credit risk

The Foundation's maximum exposure to credit risk at year end was as follows:

	2009	2008
	\$'000	\$'000
Investment – Walkerswood Partners Limited	5,000	5,000
Investment securities	466,314	592,520
Cash and bank	8,361	17,234
Other assets	1,978	632
	<u>481,653</u>	<u>615,386</u>

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Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Exposure to credit risk for investment securities

The following table summarises the Foundation's credit exposure for investment securities at their carrying amounts, as categorised by issuer:

	2009	2008
	\$'000	\$'000
Government of Jamaica Securities	428,787	518,802
Corporate	37,527	73,718
	<u>466,314</u>	<u>592,520</u>

(b) Liquidity risk

Liquidity risk is the risk that the Foundation maybe unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the ability to close out market positions.

Liquidity risk management process

The Foundation's liquidity management process includes:

- (i) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (ii) Optimising cash returns on investment;
- (iii) Managing the concentration and profile of debt maturities.

The maturities of assets and liabilities are important factors in assessing the liquidity of the Foundation and its exposure to changes in interest rates and exchange rates.

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The maturity profile of the Foundation'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	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
2009						
Bank overdraft	8,883	-	-	-	-	8,883
Accounts payable and accrued charges	2,769	1,300	-	-	-	4,069
Managed funds	280	-	4,741	-	-	5,021
	11,932	1,300	4,741	-	-	17,973
2008						
Accounts payable and accrued charges	697	-	4,653	-	-	5,350
Managed funds	-	-	7,621	-	-	7,621
	697	-	12,274	-	-	12,971

Assets available to meet all of the liabilities and to cover financial liabilities include cash and short term investments.

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3. Financial Risk Management (Continued)

(c) Market risk

The Foundation 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. Market risk exposures are measured using sensitivity analysis. There has been no change to the Foundation'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 financial instruments will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

The Foundation manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Foundation further manages this risk by discussing with Fund Managers the projected exchange rates and divert into Jamaican dollar investments where adverse exchange rate movements are expected.

Concentrations of currency risk:

The table below summarises the Foundation's exposure to foreign currency exchange rate risk at 31 July.

	2009		
	Jamaican J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Investment – Walkerswood Partners Limited	5,000	-	5,000
Available-for-sale investments	451,309	21,377	472,686
Short term investments	37,527	-	37,527
Cash and bank	3,273	5,088	8,361
Other assets	1,978	-	1,978
Total financial assets	499,087	26,465	525,552
Financial Liabilities			
Bank overdraft	8,883	-	8,883
Accounts payable and accrued charges	4,069	-	4,069
Managed funds	4,741	280	5,021
Total financial liabilities	17,693	280	17,973
Net financial position	481,394	26,185	507,579

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (continued)

Concentrations of currency risk (continued)

	2008		
	Jamaican J\$'000	US\$ J\$'000	Total J\$'000
Financial Assets			
Investment – Walkerswood Partners Limited	5,000	-	5,000
Available-for-sale investments	533,183	50,449	583,632
Short term investments	73,718	-	73,718
Cash and bank	11,519	5,715	17,234
Other assets	632	-	632
Total financial assets	624,052	56,164	680,216
Financial Liabilities			
Accounts payable and accrued charges	5,350	-	5,350
Managed funds	5,586	2,035	7,621
Total financial liabilities	10,936	2,035	12,971
Net financial position	613,116	54,129	667,245

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(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the Foundation had significant exposure on its monetary assets and liabilities and its forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% appreciation and a 10% depreciation in the value of the Jamaican dollar (2008 – 5% appreciation and 5% depreciation). The sensitivity of the deficit was as a result of foreign exchange gains on translation of US dollar-denominated investment securities classified as available for sale, cash and bank, and managed funds. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	% Change in Currency Rate	Effect on Deficit	Effect on Equity	% Change in Currency Rate	Effect on Deficit	Effect on Equity
	2009	2009 \$'000	2009 \$'000	2008	2008 \$'000	2008 \$'000
Currency:						
USD	+ 5	1,309	1,309	+ 5	2,706	2,706
USD	-10	(2,618)	(2,618)	5	2,706	2,706

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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. Floating rate instruments expose the company to cash flow interest risk, whereas fixed interest rate instruments expose the Foundation to fair value interest risk.

The following table summarises the Foundation's exposure to interest rate risk. It includes the Foundation's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
2009							
Assets							
Investment – Walkerswood Partners Limited	-	-	-	-	-	5,000	5,000
Available-for-sale investments	119,639	88,050	66,714	139,092	15,292	43,899	472,686
Short term investments	36,742	785	-	-	-	-	37,527
Cash and bank	7,063	-	-	-	-	1,298	8,361
Other assets	-	-	-	-	-	1,978	1,978
Total financial assets	163,444	88,835	66,714	139,092	15,292	52,175	525,552
Liabilities							
Bank overdraft	8,883	-	-	-	-	-	8,883
Accounts payable and accrued charge	-	-	-	-	-	4,069	4,069
Managed funds	781	-	3,902	-	-	338	5,021
Total financial liabilities	9,664	-	3,902	-	-	4,407	17,973
Total interest repricing gap	153,780	88,835	62,812	139,092	15,292	47,768	507,579

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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (continued)

	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
2008							
Assets							
Investment – Walkerswood Partners Limited	-	-	-	-	-	5,000	5,000
Available-for-sale investments	83,358	94,853	156,699	158,853	25,039	64,830	583,632
Short term investments	10,470	63,248	-	-	-	-	73,718
Cash and bank	11,403	-	-	-	-	5,831	17,234
Other assets	-	-	-	-	-	632	632
Total financial assets	105,231	158,101	156,699	158,853	25,039	76,293	680,216
Liabilities							
Accounts payable and accrued charge	-	-	-	-	-	5,350	5,350
Managed funds	-	-	5,409	-	-	2,212	7,621
Total financial liabilities	-	-	5,409	-	-	7,562	12,971
Total interest repricing gap	105,231	158,101	151,290	158,853	25,039	68,731	667,245

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3. Financial Risk Management (Continued)

(c) Market risk (Continued)

Interest rate risk (continued)

Interest rate sensitivity

The following table indicates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the Foundation's statement of changes in the Americas' Fund and equity.

The sensitivity of the statement of changes in the Americas' Fund is the effect of the assumed changes in interest rates on net deficit based on non trading financial assets. The sensitivity of equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates. The correlation of variables will have a significant effect in determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variable, variables had to be on an individual basis. It should be noted that movements in these variables are non-linear.

	2009	
	Effect on Deficit	Effect on Equity
	\$'000	\$'000
Change in basis points:		
- 200	6,389	6,389
+ 200	(6,058)	(6,058)
	2008	
	Effect on Deficit	Effect on Equity
	\$'000	\$'000
Change in basis points:		
- 200	(12,077)	(12,077)
+ 200	12,077	12,077

(d) Capital management

The Foundation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide benefits for stakeholders. There were no changes to the Foundation's approach to capital management during the year.

Based on the EAI Agreement, the Foundation is allowed to draw funds from the Americas Fund to cover administrative expenses. These expenses should not exceed 25% of grants disbursed (See Note 6).

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4. Critical Accounting Judgement and Key Source of Estimation Uncertainty

The management of the Foundation makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Foundation's accounting policies

In the process of applying the Foundation's accounting policies, the management has not made any significant judgements that would cause a significant impact on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

In the process of applying the Foundation's accounting policies, the management has not made any significant estimate that would cause a significant impact on the amounts recognised in the financial statements.

5. Project Grants Disbursed

	Fund I \$'000	Fund II \$'000	Total \$'000
Projects' disbursement (net)	104,047	93,350	197,397

Disbursements allocated as follows

Alicia Hayman	405	-	405
Association of Clubs	2,413	784	3,197
Association of Development Agencies	4,398	-	4,398
Ava Lawrence	1,197	-	1,197
Best Care Foundation	-	1,051	1,051
BREDS - The Treasure Beach Foundation	-	250	250
Brown's Town Community College	1,600	-	1,600
Campus Crusade for Christ	200	-	200
Caribbean Coastal Area Management Foundation Limited	1,353	-	1,353
Central Spanish Town Development Committee	-	150	150
Centre for Population Community and Social Change	-	830	830
Charles Town Maroon Council	920	-	920
Child Development Research Group	-	200	200
Children's Issues Coalition	-	200	200
Christ Church Early Childhood Education Centre	-	30	30
Claremount Heights Citizens Association	1,060	-	1,060
Cockpit Country Local Forestry Management Committee	2,985	-	2,985
Comfort Hall Community Development Committee	317	-	317
Community Based Rehabilitation Agency	-	820	820
Sub total carried forward	16,848	4,315	21,163

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5. Project Grants Disbursed (Continued)

	Fund I	Fund II	Total
	\$'000	\$'000	\$'000
Balance brought forward from (page 19)	16,848	4,315	21,163
Community Organisation for Management & Sustainable Development	100	-	100
Construction Resources and Development Centre	2,066	7,409	9,475
Council of Voluntary Social Services	2,785	2,854	5,639
Dorothy Rickard Reid	-	479	479
Dudley Grant Memorial Trust	-	14,530	14,530
Eastern Attractions	750	-	750
Environmental Health Foundation	-	1,285	1,285
Environmental Health Fund	-	1,093	1,093
Ewarton Community Development Action Committee	-	522	522
Fairy Hill Citizens Association	373	-	373
Falmouth Gardens Citizens Association	200	-	200
Falmouth Heritage Renewal	1,700	-	1,700
Family and Parenting Centre	-	3,128	3,128
Family Counselling Centre of Jamaica	-	2,971	2,971
Fletcher's Grove/Mount Pelier Circuit of Baptist Churches	2,264	-	2,264
Foundation for International Self Help	-	3,138	3,138
Genesis Academy	-	839	839
Girl Guides Association of Jamaica	-	110	110
Golden Grove Cluster Homework Project	-	1,069	1,069
Gravel Hill All Age School	-	180	180
Guy's Hill High School	925	-	925
Hampstead Citizens Association Benevolent Society	189	-	189
Hampton School	1,500	-	1,500
Hills United Development Organisation	2,756	-	2,756
Hope for Children Development Agency	-	1,516	1,516
Hope for Children Development Company	-	4,531	4,531
Hope Wellness Center	-	150	150
International University of the Caribbean	-	1,580	1,580
Irish Town Redlight & Middleton Community Development Association	-	2,119	2,119
Jamaica 4-H Clubs	842	-	842
Jamaica Association for the Deaf	-	1,396	1,396
Jamaica Association of Guidance Counsellors in Education	-	503	503
Jamaica Baptist Union	500	2,151	2,651
Jamaica Christian Boys Home	-	139	139
Jamaica Conservation and Development Trust	7,043	3,100	10,143
Sub total carried forward	40,841	61,107	101,948

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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 20)	40,841	61,107	101,948
Jamaica Environment Trust	3,200	-	3,200
Jamaica Institute of Environmental Professionals	750	-	750
Jamaica National Children's Home	150	-	150
Jamaica Society for the Blind	-	1,195	1,195
Jeffrey Town Farmers' Association	960	-	960
Joint Board of Teacher Education	175	200	375
Joni Hall	200	-	200
Lawrence Tavern Primary School	-	306	306
Leiba Gardens Citizens Association	590	-	590
Lions & Leo Clubs of Mona	1,330	-	1,330
Lions Club of Kingston	-	2,055	2,055
Local Initiative Facility for the Environment	3,566	-	3,566
Longville Park Citizens Association	294	-	294
Mafoota Agricultural Co-operative Society Ltd.	658	-	658
Manchester Early Childhood Parish Board	-	2,346	2,346
Mango Valley Visionaries Friendly Society	200	-	200
Mavis Bank Farmers Group	450	-	450
Michael Manley Foundation	-	25	25
Mona Geoinformatics Institute	1,822	-	1,822
Mona School of Business	200	-	200
Monica Lewis Brown	-	449	449
Mount Liberty All Age School	-	160	160
Mount Olivet Boys Home	-	419	419
Munro College	500	-	500
Mustard Seed Communities	-	1,862	1,862
National Environmental Education Committee	1,440	-	1,440
National Wildlife Foundation	3,722	-	3,722
Nature Preservation Foundation	161	-	161
Negril Area Environmental Protection Trust	319	-	319
Negril Chamber of Commerce	450	-	450
Negril Educational Environmental Trust	-	3,500	3,500
Northern Caribbean University	3,422	-	3,422
Old Harbour Bay Primary School	145	-	145
One Love and Faithful Farmers Group	2,623	-	2,623
Oracabessa Foundation	195	-	195
Paediatric Association of Jamaica	-	426	426
Pal-Mair Basic School	-	170	170
Parrottee Citizens Association Benevolent Society	1,740	-	1,740
Point Hill Diagnostic Reading Centre	-	844	844
Sub total carried forward	70,103	75,064	145,167

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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 21)	70,103	75,064	145,167
Port Morant Development Area Committee	313	-	313
Portland Environment Protection Association	2,094	-	2,094
Protect the Environment Trust	2,646	-	2,646
Returnees for Youth	-	180	180
Rio Pedro Valley Watershed Management Council	2,680	-	2,680
Rock Hall All Age School	150	-	150
Rose Robinson - Hall	-	56	56
Rural Family Support Organization	-	2,616	2,616
Rural Services for Children with Disabilities	-	4,588	4,588
Shortwood Teachers College	1,657	-	1,657
Spring Village Development Foundation	-	284	284
Southern Trelawny Environmental Agency	129	-	129
St. Andrew Parish Church Home for Girls	-	1,020	1,020
St. Catherine 4H Clubs	1,547	-	1,547
Sts. Peter & Paul Preparatory School	3,600	-	3,600
St. Thomas Environmental Protection Association	1,047	-	1,047
Stephanie Lee Husfelt	100	-	100
Students Christian Fellowship and Scripture Union	200	-	200
Sunbeam Children's Home	-	1,995	1,995
Suzanne Davis	130	-	130
Sweet Water Agricultural Co-operative Society Limited	505	-	505
Tara Courier Services	1	-	1
The Boy's Brigade Jamaica	-	1,580	1,580
The Special Training and Empowerment Programme Centre	-	2,500	2,500
Torrington Basic School	-	105	105
La Zin Farmers Association	15	-	15
United Way of Jamaica	3,700	-	3,700
University of Technology	1,660	-	1,660
UWI Biotechnology Centre	270	-	270
UWI Child Health	-	1,750	1,750
UWI Department of Life Sciences	3,671	-	3,671
UWI Environmental Management Unit	3,768	-	3,768
UWI Marine Geology Unit	140	-	140
UWI Tropical Medicine Research Institute	-	1,417	1,417
UWI Centre for Marine Sciences	1,240	-	1,240
Sub total carried forward	101,366	93,155	194,521

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5. Project Grants Disbursed (Continued)

	Fund I \$'000	Fund II \$'000	Total \$'000
Balance brought forward from (page 22)	101,366	93,155	194,521
Williamsfield Citizens Association	1,650	-	1,650
Windsor Research Centre	1,400	-	1,400
Woodford Community Action Group	-	200	200
Youth Opportunities Unlimited	-	350	350
Total disbursement	<u>104,416</u>	<u>93,705</u>	<u>198,121</u>
Refunds			
Mannings Boys Home Upliftment	-	-319	-319
Hampton School	-45	-	-45
Kiwanis Club of St. Georges	-46	-	-46
Patricia Lewin	-47	-	-47
Longville Park Citizens Association	-	-36	-36
Jamaica Environment Trust	-32	-	-32
Jamaica Conservation & Development Trust	-199	-	-199
Total refunds	<u>-369</u>	<u>-355</u>	<u>-724</u>
Net Disbursements	<u>104,047</u>	<u>93,350</u>	<u>197,397</u>

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6. Administration Fund

Amendments to Article VII (2) of the EAI Agreement, (see Note 1) empowers the Foundation's Board of Directors to draw from the Americas' Funds, sums necessary for its administrative expenses. The sums drawn should not exceed 25% of the grants disbursed unless specially agreed. Amounts are transferred to the Foundation's administration fund in accordance with this provision to meet administrative expenses. Administrative expenses had been previously allowed at a maximum of 15% of total inflows. The over expended balance is deferred expenses recoverable to the Foundation and is comprised as follows -

	2009	2008
	\$'000	\$'000
Grant funds transferred from Americas' Funds (Page 1)	44,654	44,134
Less: Cost of property, plant & equipment purchased, transferred to capital reserves (Note 10)	(173)	(2,681)
Add: Cost of property, plant & equipment disposed, released from capital reserves (Note 10)	1,297	1,820
	<u>45,778</u>	<u>43,273</u>
Other income	3,700	5,633
	<u>49,478</u>	<u>48,906</u>
Released from capital reserves (Note 10)	7,205	4,280
Released to capital reserves	(876)	(1,464)
Less: Administrative expenses for the year (Note 7)	<u>(52,573)</u>	<u>(52,465)</u>
	3,234	(743)
Balance at beginning of year	<u>(27,422)</u>	<u>(26,679)</u>
Expenses recoverable from America's Fund	<u>(24,188)</u>	<u>(27,422)</u>

Administrative expenses during the year exceeded the ceiling of 25% of grants disbursed as permitted and indicated below:

	2009	2008
	\$'000	\$'000
25% of net grants disbursed	49,349	56,579
Less: Administrative expenses for the year	<u>(52,573)</u>	<u>(52,465)</u>
Excess	<u>(3,224)</u>	<u>4,114</u>

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6. Administration Fund (Continued)

	2009 \$'000	2009 % of Grants disbursed	2008 \$'000	2008 % of Grants disbursed
Administrative expenses	<u>52,573</u>	<u>26.63%</u>	<u>52,465</u>	<u>23.18%</u>

7. Expenses by Nature

	2009 \$'000	2008 \$'000
Advertising and public relations	529	1,550
Auditors' remuneration	1,300	1,500
Depreciation (Note 10)	7,205	4,280
Legal and professional fees	63	49
Local and foreign travelling expenses	265	600
Motor vehicle expenses	1,274	1,565
Office and general expenses	1,639	1,768
Printing and stationery	393	777
Repairs and maintenance	1,817	2,280
Staff costs (Note 8)	32,238	31,954
Security	1,855	1,704
Utilities	2,465	2,518
Other expenses	1,530	1,920
	<u>52,573</u>	<u>52,465</u>

8. Staff Costs

	2009 \$'000	2008 \$'000
Wages and salaries	27,355	27,213
Payroll taxes – employer's portion	2,652	2,639
Pension costs	1,005	1,026
Other	1,226	1,076
	<u>32,238</u>	<u>31,954</u>

The number of persons employed by the Foundation at the year end was 14 (2008- 16).

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9. Investment Advisers' Fees

The EAI Agreement (Note 1) mandates the Foundation to appoint one or more Investment Advisers to manage its investments. Investment Advisers' fees for the year are comprised as follows -

	2009	2008
	\$'000	\$'000
Barita Portfolio Management Limited	2,728	2,691
Scotia Jamaica Investment Management Limited	1,351	2,270
	<u>4,079</u>	<u>4,961</u>

10. Property, Plant and Equipment

	Building	Motor	Computers	Freehold	Furniture	Total
	\$'000	Vehicles	\$'000	Land and	and Fixtures	\$'000
		\$'000		Building		
				Improvements		
				\$'000	\$'000	\$'000
At Cost -	18,000	10,053	17,780	5,764	5,814	57,411
At 1 August 2008	-	-	-	173	-	173
Additions	-	-	-	-	-	-
Disposal	-	(978)	(319)	-	-	(1,297)
At 31 July 2009	<u>18,000</u>	<u>9,075</u>	<u>17,461</u>	<u>5,937</u>	<u>5,814</u>	<u>56,287</u>
Depreciation -						
At 1 August 2008	2,250	6,807	5,278	3,603	4,100	22,038
Charge for the year	450	1,928	3,652	718	457	7,205
Relieved on disposal	-	(619)	(257)	-	-	(876)
At 31 July 2009	<u>2,700</u>	<u>8,116</u>	<u>8,673</u>	<u>4,321</u>	<u>4,557</u>	<u>28,367</u>
Net Book Value -						
31 July 2009	<u>15,300</u>	<u>959</u>	<u>8,788</u>	<u>1,616</u>	<u>1,257</u>	<u>27,920</u>

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10. Property, Plant and Equipment (Continued)

	2008						Total
	Building	Motor Vehicles	Computers	Freehold Land and Building Improvements	Furniture and Fixtures	Capital Work in Progress	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
At Cost -							
At 1 August 2008	18,000	10,521	6,033	5,521	5,767	10,708	56,550
Additions	-	252	1,674	243	47	465	2,681
Transfers	-	-	10,857	-	-	(10,857)	-
Disposal	-	(720)	(784)	-	-	(316)	(1,820)
At 31 July 2009	18,000	10,053	17,780	5,764	5,814	-	57,411
Depreciation -							
At 1 August 2008	1,800	5,122	5,487	3,209	3,604	-	19,222
Charge for the year	450	2,144	537	653	496	-	4,280
Relieved on disposal	-	(459)	(746)	(259)	-	-	(1,464)
At 31 July 2009	2,250	6,807	5,278	3,603	4,100	-	22,038
Net Book Value -							
31 July 2009	15,750	3,246	12,502	2,161	1,714	-	35,373

11. Investment – Walkerswood Partners Limited

This investment represents 2,000,000 redeemable cumulative preference of one dollar each in Walkerswood Partners Limited, redeemable on the 23 October 2016. The shares were bought at a premium of twenty-four dollars per share.

Walkerswood Partners Limited has been experiencing severe financial difficulties and as such the recoverability of the investment is in doubt. Based on an assessment made, management believes, on the basis of an offer, that a minimum of \$5,000,000 will be recovered. As such a provision totaling \$45,000,000 was made for impairment of the investment.

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12. Available-for-Sale Investments

	2009 \$'000	2008 \$'000
At beginning of year	583,632	687,906
Net disposals	(66,441)	(42,799)
Fair value adjustment	(19,633)	(2,472)
Accrued interest	12,655	14,715
At end of year (Note 13)	510,213	657,350
Current portion	(37,527)	(73,718)
	<u>472,686</u>	<u>583,632</u>

Available-for-sale investments include marketable equity securities, which are fair valued annually at the close of business on 31 July. All equity investments held are traded in active markets, and fair value is determined by reference to the Stock Exchange quoted bid prices.

Available-for-sale investments are classified as non-current assets, unless they are expected to be realised within twelve months of the balance sheet date or unless they will need to be sold to raise operating capital.

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13. Investment Securities by Adviser

	Fund I \$'000	Fund II \$'000	Other \$'000	2009 \$'000	2008 \$'000
Available-for-sale investments -					
Barita Portfolio Management Limited					
Securities	214,841	57,440	-	272,281	246,629
Quoted equities	43,899	-	-	43,899	64,830
Scotia Jamaica Investment Management Limited	83,050	65,159	-	148,209	245,249
National Commercial Bank Limited	12,077	24	-	12,101	12,466
First Global Financial Services Limited (i)	13,584	6,412	4,688	24,684	60,691
RBTT Bank Jamaica Limited (ii)	9,584	6,433	-	16,017	15,242
	<u>377,035</u>	<u>135,468</u>	<u>4,688</u>	<u>517,191</u>	<u>645,107</u>
Accrued interest	9,093	3,562	-	12,655	14,715
Fair value adjustment	(16,760)	(2,873)	-	(19,633)	(2,472)
	<u>369,368</u>	<u>136,157</u>	<u>4,688</u>	<u>510,213</u>	<u>657,350</u>
Other investments -					
Investment - Walkerswood Partners Limited (Note 11)				5,000	5,000
Total investments				<u>515,213</u>	<u>662,350</u>
Total investments comprised the following -					
Investment - Walkerswood Partners Limited				5,000	5,000
Available-for-sale investment (Note 12)				472,686	583,632
Short term investments (Note 12)				37,527	73,718
				<u>515,213</u>	<u>662,350</u>

- (i) Included in available-for-sale investment are monies being held at First Global Financial Services Limited for Northern Jamaica Conservation Association (Note 16).
- (ii) The investment held at RBTT Bank Jamaica Limited (the Bank) represents the Foundation's contribution to a partnership loan facility involving the Bank and the Development Credit Authority, a division of the United States Development Agency. The facility provides subsidised loan financing to small and medium private sector companies seeking to implement environmentally sensitive systems in their operations. The facility takes the form of a seven (7) year, revolving loan pool.

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14. Other Assets

	2009 \$'000	2008 \$'000
Prepayments	249	1,157
Recoverable taxes (i)	7,541	7,327
Other receivables	1,978	632
	<u>9,768</u>	<u>9,116</u>

- (i) The Foundation has been granted a waiver of all taxes in accordance with Article III of the agreement between the Government of Jamaica and the Government of the United States of America concerning an Enterprise for the Americas Foundation and in accordance with the provisions of Section 86 of the Income Tax Act. Withholding taxes were deducted from certain interest income received and General Consumption Tax paid on certain assets purchased and administrative expenses. These amounts are therefore recoverable from the relevant authorities.

15. Cash and bank

	2009 \$'000	2008 \$'000
Cash and bank	8,361	17,234
Bank overdraft	(8,883)	-
	<u>522</u>	<u>17,234</u>

The Foundation does not have an overdraft facility. The year end bank overdraft balance was due to unrepresented cheques.

16. Managed Funds

	2009 \$'000	2008 \$'000
Bernard Van Leer Fund (a)	58	177
Northern Jamaica Conservation Association Endowment Fund (b)	4,683	5,409
ELMA Relief Fund (c)	280	2,035
	<u>5,021</u>	<u>7,621</u>

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16. Managed Funds (Continued)

(a) Bernard Van Leer Fund

The Foundation has entered into a partnership with the Bernard Van Leer Foundation for financial and technical support for a project entitled 'Child Support Program' which is to be managed by the Foundation. The balance on the account represents installments received to date less amounts disbursed as follows:

	US	JA
	\$'000	\$'000
Opening balance of fund – 1 August 2008	2	177
Funds received during the year	118	10,538
Interest Income	1	36
Management fees and personnel costs repaid during the year	(1)	(71)
	<u>120</u>	<u>10,680</u>
Direct Costs		
Personnel	54	4,816
Development and training	34	3,062
Housing and equipment	8	680
Research	7	579
Evaluation	5	479
Other	4	455
	<u>112</u>	<u>10,071</u>
Indirect Costs		
Administration	7	551
	<u>7</u>	<u>551</u>
Closing balance of fund – 31 July 2009	<u>1</u>	<u>58</u>

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16. Managed Funds (Continued)

(b) Northern Jamaica Conservation Association

The Foundation has decided to manage separately monies approved for the establishment of an Endowment Fund for Seven Oaks Sanctuary for Wildlife. The Endowment Fund, which is not yet established, is to be established by Northern Jamaica Conservation Association (NJCA). The amount approved and interest earned is as follows:

	2009 \$'000	2008 \$'000
Opening balance of fund	5,409	7,036
Interest earned during the period	781	409
Amount paid during the period	<u>(1,507)</u>	<u>(2,036)</u>
Closing balance of fund	<u>4,683</u>	<u>5,409</u>

The agreement between the Foundation and NJCA was amended in December 2007. The amendment included the restriction of disbursements to interest earned for a period of five years after which the grant will be eligible for renewal. During the year, disbursements exceeded interest earned by \$317,000.

(c) ELMA Relief Fund

During the prior year, the Foundation entered into an agreement with the ELMA Relief Foundation to receive a grant to assist with the funding of one of its grantees. The balance on the account represents the amount received less amounts disbursed as follows:

	2009 \$'000	2008 \$'000
Opening balance of fund	2,035	-
Amount received	-	7,130
Amount paid during the period	<u>(1,755)</u>	<u>(5,095)</u>
Closing balance of fund	<u>280</u>	<u>2,035</u>

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17. Capital Reserves

The cost of capital assets acquired using administration grant funds received is credited to capital reserves and released to the administration fund over the life of the relevant assets by reference to depreciation charges. The balance is comprised as follows –

	2009	2008
	\$'000	\$'000
Balance at beginning of year	35,373	37,328
Capital assets acquired from administration grant funds (Note 10)	173	2,681
Disposal of capital assets	(1,297)	(1,820)
Accumulated depreciation on capital assets disposed (Note 10)	876	1,464
	<u>35,125</u>	<u>39,653</u>
Less:		
Transfers to administration fund in current year (depreciation)	<u>(7,205)</u>	<u>(4,280)</u>
Balance at end of year	<u><u>27,920</u></u>	<u><u>35,373</u></u>

18. Commitments

As at 31 July 2009, the Foundation had project grant funds committed and not disbursed of approximately \$73,929,292.

19. Pension Scheme

The Foundation is a participating employer in a joint defined contribution pension scheme, which is open to all permanent employees and administered by the trustees.

The pension scheme, which commenced on 1 August 1999, is funded by employee contributions at 5% of pensionable salary with the option to contribute an additional 5% and employer contribution at 5% of pensionable salary. A member at normal retirement will be entitled to an annual pension of an amount such that the value, as determined by the Actuary, of this pension and any benefits contingent upon his death shall be equivalent to the Member's Account at the date of his retirement.

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20. Related Party Balances and Transactions

(a) Balance due from related party:

	2009	2008
	\$'000	\$'000
Investment -		
Walkerswood Partners Limited (Note 11)	5,000	5,000

(b) Key management compensation

	2009	2008
	\$'000	\$'000
Wages and salaries	11,428	8,678
Payroll taxes – employer's portion	1,081	868
Pension costs	273	225
Other	320	708
	<u>13,102</u>	<u>10,479</u>

Directors' fees	<u>Nil</u>	<u>Nil</u>
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(c) Grants disbursed to organisations with directors common to the Foundation:

	2009	2008
	\$'000	\$'000
Centre for Population Community and Social Change	830	-
Council of Voluntary Social Services (i)	5,639	2,950
Dudley Grant Memorial Trust	-	14,608
Hope for Children Development Company	6,047	-
Jamaica Institute of Environmental Professionals	750	-
Joint Board of Teacher Education	200	-
Local Initiative Facility for the Urban Environment	-	2,506
Mona Geoinformatics Institute	1,823	-
Mona School of Business	200	-
St. Peter & Paul Preparatory School	3,600	-
United Way of Jamaica	3,700	11,100
UWI Biotechnology Centre (ii)	270	-
UWI Child Health	1,750	-
UWI Department of Life Sciences	3,671	-
UWI Environmental Management Unit (iii)	3,768	-
UWI Marine Geology Unit	140	-
UWI Tropical Medicine Research Institute (iv)	1,416	-
UWI Centre for Marine Sciences	<u>1,240</u>	<u>-</u>

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20. Related Party Balances and Transactions (Continued)

- (i) Grant approved for the year ended 31 July 2009 amounted to \$6,992,000 of which \$6,992,000 was not disbursed at year end.
- (ii) Grant approved for the year ended 31 July 2009 amounted to \$4,200,000 of which \$4,200,000 was not disbursed at year end.
- (iii) Grant approved for the year ended 31 July 2009 amounted to \$10,676,000 of which \$10,676,000 was not disbursed at year end.
- (iv) Grant approved for the year ended 31 July 2009 amounted to \$2,006,000 of which \$2,006,000 was not disbursed at year end.