

2017



Multipurpose court marking depicting community involvement at Eltham High School, St. Catherine



Multipurpose court and playing field at Eltham High School, St. Catherine



Sports Development Foundation

# Annual Report



# **MESSAGE FROM THE MINISTER OF CULTURE, GENDER, ENTERTAINMENT AND SPORT FOR THE ANNUAL REPORT OF THE SPORTS DEVELOPMENT FOUNDATION FOR 2017**



I am pleased to see that the performance of the Sport Development Foundation (SDF), though affected, was not severely impacted by a reduction in the funds that it would usually receive to carry out its yearly programme of activities.

In fact, the SDF continued to operate at a high level of efficiency in 2017 with major projects for the year being the upgrade of the Aquatic Centre at the National Stadium and the repairs and resurfacing of the courts and the provision of new seats at the National Basketball Complex

We were gratified by the fact that in the year under review; rehabilitation work was also carried out at the offices of the Institute of Sport and the G.C. Foster College of Physical Education.

Indeed, it was timely that the work which was done at the Aquatic Sports Centre including the resurfacing of flooring and wall of the diving pool, the installation of starting blocks, electronic timing pads and water polo equipment, was executed to coincide with the hosting of the CARIFTA 2018 Aquatic Championships. The success of that event added to the satisfaction felt about the completion of that project by the SDF.

It is also pleasing to know that the SDF completed rehabilitation/construction of sports infrastructure at five more schools under the High Schools Sports Infrastructure Improvement Programme in 2017. Those schools, we note, are Paul Bogle High, Wolmers' Boys High, Mavis Bank High, Lacovia High and Haile Selassie High

### **Other Notable Highlights for 2017**

The country also needs to take note of the following:

- The grant paid for the hosting of the Racers Grand Prix meet was increased by 33% during the year.
- The amounts spent in 2017 for grants to National Associations reflect an increase compared to the budgeted amounts. The Hockey Federation and the Jamaica Golf Associations received additional funding for the hosting of the Central American and Caribbean Games qualifiers and the Jamaica Open Golf tournament respectively.
- INSPORTS also received \$28.823M for competitions, the development of athletes, coaching programmes and a summer camp (\$8.948m) programme for children up to age 12. This went up from the \$16.500M they received in 2016.
- The Foundation provided funding of \$49.130M to Government Agencies compared to \$45.837m paid over in 2016.
- Independence Park Limited received \$13.670M in 2017. This amount included \$3.341m to supplement the continued maintenance of the National Stadium and the Trelawny Multipurpose Complexes and \$10.329m towards the replacement of the running tracks. The total amount allocated to the organization in 2016 was \$3.341M by comparison.
- Administrative expenses at the SDF for 2017 were 14.9% of total expenditure, an outstanding achievement by any standard and continuing the

trend over the years of being within 15% of total expenditure, a clear indication of efficiency.

- During the year grants were also made to facilitate sports programmes in the Zones of Special Operations (ZOSO) designated communities.
- The cost to sculpt the statue for Dr. the Honourable Usain Bolt and the maquette for the statue of athlete Shelly-Ann Fraser Price was also borne by the SDF.
- The SDF also continued to assist the various sporting bodies with the importation of sporting equipment for use in the development of the various sports.
- During 2017 a seminar was held in conjunction with the Department of Cooperatives and Friendly Societies, the Companies Office of Jamaica and the Jamaica Customs Agency, in order to assist National Sporting Associations to obtain their own charitable status.

The Sports Development Foundation is of the greatest importance in the Government's policy for economic development strategy. This is so because one of the pillars of the strategy is the improvement of sport infrastructure to bring it to international standards to allow Jamaica to host major sporting events and the SDF is the institution that has the major role in getting this job done.

I wish to commend and congratulate the Sports Development Foundation's Board of Directors, management and staff for continuing to do a worthy job, never mind constraints, justifying the faith that country has placed in it to be among the leading institutions moving sports to realize the potential of being one of the biggest contributors to the Jamaican economy.

**OLIVIA GRANGE, CD MP**

**Minister of Culture, Gender, Entertainment and Sport**



## **CHAIRMAN'S MESSAGE**

The Sports Development Foundation experienced a most challenging but equally intriguing 2017. It is no secret that funding is a major challenge for all areas of national development and sports is no exception. Legislative changes during the year impacted the methodology by which we received funds and kept us in a somewhat uncertain state for the most part. It is in this context that the performance of the organization must be judged. However the efficiency of the organization can be measured in the fact that administrative expenses came in at over \$20 million below budget while serving the needs of our clients.

The implementation of \$133.75 million worth of infrastructure projects from the coffers of the SDF was achieved in spite of the uncertainties. The recent staging of the Carifta Aquatic Championships was due in large part to work done by the SDF in completing critical aspects of the infrastructure, including the installation of international standard starting blocks. In addition, \$11.08 million was spent on behalf of other government agencies for the implementation of infrastructure projects.

The disbursement of \$187.29 million directly to national sporting bodies and another \$55.48 million in special allocations is partial testimony to the work of the organization. I say partial as committee members and members of staff had to spend long hours going through the various requests, which amounted to significantly more than the available resources, in order to seek to achieve a level of equity.

Going forward the Foundation intends to not only respond to requests but will also seek to initiate development programmes, specifically designed to enhance the capacity of our athletes to deliver world class performances across the globe and across sporting disciplines.

As we embark on this journey I use this opportunity to invite other organizations/agencies to join us in this effort to build our sporting capacity as this may very well be a key element in addressing many of our social ills and attaining many of our developmental goals.

GEORGE SOUTAR CD, QC

# **SPORTS DEVELOPMENT FOUNDATION**

## **Annual Report for the Year ended December 31, 2017**

Pursuant to Section 3 of the Public Bodies Management and Accountability Act, the Board of Directors is pleased to present the report of the operations of the Sports Development Foundation for the financial year ended December 31, 2017.

### **1. MEMBERSHIP AND COMPOSITION OF THE BOARD**

At the beginning of the year the members of the board were:

1. Mr. George Soutar, CD, QC, - Chairman
2. Mr. Lloyd Pommells, OD, JP – Deputy Chairman
3. Dr. the Hon. Michael Fennell, OJ
4. Hon. Molly Rhone, OJ
5. Mrs. Annmarie Heron, OD
6. Mr. Compton Rodney, OD
7. Mr. Newton Amos
8. Dr. Donovan Bennett
9. Mr. Ian Forbes, CD
10. Mr. Lance Thomas
11. Mr. David Shirley

The members of the Board nominated by the Jamaica Olympic Association changed on December 20, 2017. The new members are:

Mr. Garth Gayle  
Mr. Laurel Smith  
Mr. Nelson Stokes

The former nominees of the Jamaica Olympic Association resigned from the Board on December 20, 2017. These members are:

Dr. the Hon. Michael Fennell, OJ  
Hon. Molly Rhone, OJ  
Mr. Compton Rodney, OD

## **2. MEETINGS**

The following meetings were held during the year:

- Board Meetings (11)
- Allocations/Projects Committee (10)
- Finance Committee (10)
- Audit Committee (2)
- Human Resources Committee
- PR Committee (7)
- Special Budget Retreat

## **3. REVIEW OF OPERATIONS**

In keeping with the instructions of the Cabinet Office, the Board of Directors passed resolutions during the year to:

- a) Accept the resignation of the individual members i.e. Howard Hamilton, Tracy Hamilton and Howard Mitchell
- b) Accept a new member in the position of the Accountant General of Jamaica
- c) Accept new members: Florette Blackwood and Major Desmon Brown

The year 2017 represented a year of change for the Sports Development Foundation (SDF). Based on Section 59G of the Betting Gaming and Lotteries (BGLC) Act, the Foundation is entitled to 40% of the gaming proceeds received by the CHASE Fund.

On April 1, the Government announced that the government taxes and cess allocable to the CHASE Fund would be paid directly into the Consolidated Fund. This change resulted in the CHASE Fund receiving monthly warrants (based on its approved budget) for its beneficiaries and operations. As a result the Foundation received the amounts included in the approved budget of the CHASE Fund instead of 40% of the proceeds allocable to the CHASE Fund from the gaming industry.

The Foundation experienced great difficulty in:

- ✓ Ascertaining the full 40% entitlement in keeping with the Betting Gaming and Lotteries Act and
- ✓ Identifying which entity/agency would be responsible for the payment of any proceeds due to the SDF if the full 40% in each financial year is not received from the CHASE Fund.

Despite these challenges, the SDF continued to carry out its mandate of:

- a) Facilitating the development and growth of talent and skills through the construction of sporting facilities,
- b) Funding programmes of National Sporting Associations,
- c) Providing financial assistance to groups and organizations involved in sport development in communities islandwide,
- d) Providing financial support to Independence Park Limited for the maintenance of the stadium complex,
- e) Funding community based sports programmes through grants provided to the Institute of Sport
- f) Providing, where appropriate, assistance to athletes through the Athletes' Welfare Fund.
- g) Providing funding for the Jamaica Athletes Insurance Plan

#### **A. Comparison of Actual and Budget for 2017**

Table 1 shows a comparison of the actual income and expenditure for 2017 compared to the budgeted amounts.

**Table I – Comparison of Actual vs. Budget for 2017**

	<b>Actual \$'000</b>	<b>Budget \$'000</b>	<b>Variance \$'000</b>
<b>INCOME</b>			
Income from Gaming 2017	586,358	606,255	(19,897)
Investment Income	10,977	1,694	9,283
Other Income	(1,037)	648	(1,685)
<b>TOTAL INCOME</b>	<b>596,298</b>	<b>608,597</b>	<b>(12,299)</b>
<b>ADMINISTRATIVE EXPENDITURE:</b>			
Administrative Expenses	92,884	113,023	20,139
<b>PROJECT TYPE EXPENDITURE:</b>			
Grants to Government Agencies	49,130	49,682	552
Jamaica International Invitational & Racers Grand Prix Athletic Meets	64,423	60,750	(3,673)
Sporting Events- Tickets	16,854	22,550	5,696
Special Allocations	55,482	47,188	(8,294)
Infrastructure Projects	133,746	221,638	87,892
National Associations	187,294	181,581	(5,713)
Jamaica Athletes Insurance Plan	20,000	20,000	
Athletes Welfare Grants	3,974	7,200	3,226
<b>TOTAL PROJECT TYPE EXPENDITURE</b>	<b>530,903</b>	<b>610,589</b>	<b>79,686</b>
<b>TOTAL EXPENDITURE:</b>	<b>623,787</b>	<b>723,612</b>	<b>99,825</b>
<b>SURPLUS/(DEFICIT)</b>	<b>(27,489)</b>	<b>(115,015)</b>	<b>87,526</b>
Net cash adjustments	285,545	204,055	81,490
<b>NET POSITION</b>	<b>258,056</b>	<b>89,040</b>	<b>169,016</b>

- ❖ Income received through the CHASE Fund for 2017 fell short of projections by \$19.897m (3.3%). Investment and other income performed above expectations resulting in the total income for the period showing a shortfall of only \$12.299m (2.0%).
- ❖ Administrative expenses incurred for the year were \$20.139m less than the budgeted amount.

The following expense categories are the main contributors to this favourable variance:

i. Salaries and Related Costs:

The Foundation received approval in 2008 for an increase of four to its staff complement in preparation for a projected increase in the infrastructure projects as a result of the inception of the Constituency Development Fund Programme (CDFP). The expected increase in infrastructure projects from the CDFP did not materialize and thus the new posts were not filled.

Commencing in 2012, the SDF has been implementing infrastructure projects for the Ministry of Agriculture and Fisheries, the CDFP, the Tourism Development Product Co. Ltd. and other government agencies and private entities. In order to effectively manage the increased workload the Foundation has sought permission from the Ministry of Finance to fill these vacant posts. The Foundation awaits a response from the Ministry of Finance.

ii. Maintenance of Motor Vehicles:

The vehicles of the Foundation were maintained throughout the year within the budgeted amounts.

iii. Public Relations:

This expense category is impacted by the rate and number of infrastructure projects completed in each year. In 2017, some infrastructure projects particularly the rehabilitation of football fields were hindered by persistent rainfall thus the amount spent in this category was less than budgeted.

iv. Directors Fees & Insurance:

Savings resulted in this expense category and the related Meetings expense category owing to fewer meetings being held than planned.

## ❖ Project Type Expenditure

### a) Grants for track Meets

The grant paid for the hosting of the Racers Grand Prix meet was increased by 33% during the year.

### b) Special Allocations

This category includes the grants made to organizations and groups involved in the development of sports and programmes conceptualized by our parent ministry. In 2017, the Foundation funded the sculpting and erection of the Usain Bolt statue and the maquette for the statue of Shelly-ann Fraser- Price.

### c) Infrastructure Projects

The persistent rainfall in many communities during 2017 hindered the completion of some of the infrastructure projects. The rehabilitation of fields was particularly affected. In the case of the upgrade to the National Aquatic Centre, the critical repairs and improvements were done in order to ensure the success staging of the Carifta Aquatics 2018 and the remaining upgrades delayed to second quarter of 2018. The projects that were incomplete at year end have been carried forward to 2018.

### d) Grants to National Association

The amounts spent in 2017 for grants to National Associations reflect an increase compared to the budgeted amounts. The Hockey Federation and the Jamaica Golf Associations were the main recipients of additional funding which was granted for the hosting of the CAC qualifiers and the Jamaica Open Golf tournament respectively.

## **B. Comparison of Actual Results for 2017 and 2016**

Table 2 shows a comparison of the actual income and expenditure for 2017 compared to the actual income and expenditure for 2016.

**Table 2 – Comparison of Actual Data for 2017 and 2016**

	<b>2017 Actual \$'000</b>	<b>2016 Actual \$'000</b>	<b>Variance \$'000</b>
<b>INCOME:</b>			
Income from Gaming	586,358	580,506	5,852
Investment Income	10,977	11,605	(628)
Other Income	(1,037)	6,110	(7,147)
<b>TOTAL INCOME</b>	<b>596,298</b>	<b>598,221</b>	<b>(1,923)</b>
<b>EXPENDITURE</b>			
Administrative expenses	92,884	79,509	(13,375)
Grants to Government Agencies	49,130	45,837	(3,293)
Jamaica International Invitational & Racers Grand Prix Athletic Meets	64,423	56,869	(7,554)
Special Allocations	55,482	74,166	18,684
Special Events-Tickets	16,854	20,232	3,378
Infrastructure Projects	133,746	120,917	(12,829)
National Associations	187,294	233,711	46,417
Athletes Welfare Grants including Athletes Insurance Plan	23,974	54,307	30,333
<b>TOTAL EXPENDITURE</b>	<b>623,787</b>	<b>685,548</b>	<b>61,761</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(27,489)</b>	<b>(87,327)</b>	<b>59,838</b>

**I. Income**

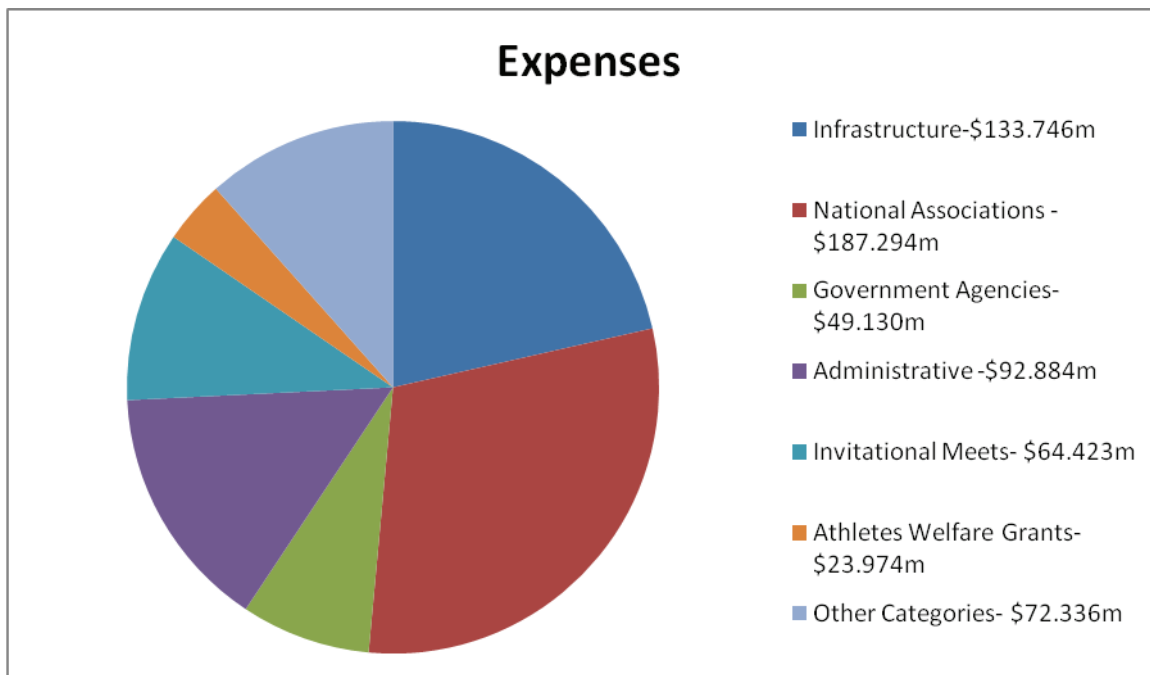
The income received in 2017 reflects a small increase (1.0%) compared to 2016. It is significant that 2017 was the most successful year since inception for Supreme Ventures Limited, our main source of funding. Thus the expectation was that the income for 2017 would have exceeded that of 2016. The proceeds received for 2016 represented 40% of the proceeds allocable to the CHASE Fund however owing to the change effected on April 1, 2017; the proceeds received for 2017 were less than 40% of proceeds allocable to the CHASE Fund.

## II. Major Expense Categories

The Major Expenses Categories are:

- a) Sports Infrastructure Projects
- b) Grants to National Associations
- c) Grants to Government Agencies
- d) Administrative Expenses
- e) Athletes Welfare Grants
- f) Other Categories

The chart below shows the amounts spent in each category.



## **i. Sports Infrastructure Projects (Appendix 1):**

These projects included:

### **The High School Sports Infrastructure Improvement Programme (HSSIIP)**

This programme began in 2014 and has continued. By the end of 2017 work had been completed on thirteen schools as follows:

- i. Calabar High
- ii. Holmwood Technical High
- iii. Paul Bogle High
- iv. Bog Walk High
- v. Wolmer's Boys High
- vi. Vere Technical High
- vii. Kingston College
- viii. St. Jago High
- ix. Mavis bank High
- x. Happy Grove High
- xi. Lacovia High
- xii. Haile Selassie High
- xiii. Tarrant High

For those school situated in sugar dependent areas (Bog Walk High, Paul Bogle High, Vere Technical High) funding was provided by the Ministry of Agriculture through its Sugar Transformation Unit (STU).

The schools scheduled for completion in 2018 are Tacius Golding High, William Knibb High and Roger Clarke High.

### **National Facilities**

In the year rehabilitation work was carried out at the National Aquatic Centre, the National Basketball Courts, the offices of the Institute of Sport and the G.C. Foster College of Physical Education.

The flooring and wall of the diving pool were resurfaced to repair any leaks. Starting blocking, electronic timing pads and water polo equipment were purchased and installed at the National pool. This project was executed to ensure the successful hosting of Aquatic Sports Carifta 2018.

In preparation for the installation of a synthetic playing surface, the asphaltic concrete surface of the Basketball courts was repaired and new seating has been installed at this facility.

The rehabilitation of the infield at the G.C. Foster College of Physical Education and Sport continued during the year. In addition four multipurpose courts were resurfaced at this facility.

The offices of the Institute of Sports were renovated during the year.

### **Community Infrastructure Projects**

During the year the Foundation:

- ✓ Completed/ upgraded multipurpose courts in two communities,
- ✓ Completed/upgraded multipurpose courts at four institutions of learning
- ✓ Fenced multipurpose courts at two schools
- ✓ Commenced the rehabilitation of playfields at one school and in three communities
- ✓ Contributed to lighting at one school
- ✓ Provided field equipment for example ride-on mowers for playfields in five communities

### **Other Infrastructure Activities**

i. **Constituency Development Fund Programme**

There was no activity in this area during 2017 as Members of Parliament chose to execute their CDF projects through other state agencies.

ii. **Projects implemented on behalf of the Tourism Product Development Company**

The Foundation has been implementing projects in selected communities on behalf of the Tourism Development Product Company Limited since 2015. The rehabilitation of the sports complex in Barrett Town, St. James continued in 2017.

### **Challenges experienced**

- ❖ The National Contracts Commission (NCC) is yet to make the necessary adjustments to facilitate the specialized area of sport related construction and service provision. For example, the categories court construction and playfield construction should be added to the specialties.
- ❖ There is a small number of registered contractors who possess the requisite skill to undertake the rehabilitation of playfields.

## **ii. National Sports Associations (Appendix 2):**

In 2017, \$187.294m (2016-\$233.711m) were paid to National Associations to provide funding for development programmes, administrative expenses, the training of athletes and administrators and for their participation in national and international competitions. These grants are outlined in Appendix 2. The grants made in 2017 represent a decrease compared to that of 2016. In 2016 the Foundation took a strategic decision to make a greater contribution to the Associations, over and above their monthly allocations in order to enhance the chance of qualification in an Olympic year. It must be recognized that the assistance given each year to National Associations is inadequate but the effort is to maximize the benefits from what is available.

## **iii. Government Agencies (Appendix 3)**

In 2017, the Foundation provided funding of \$49.130m to Government Agencies compared to \$45.837m paid over in 2016. This was distributed as follows:

- a. Institute of Sports: \$28.823m (2016-\$16.500m) –For competitions, the development of athletes, coaching programmes and a summer camp (\$8.948m) programme for children up to age 12 .
- b. Social Development Commission: \$4.238m (2016-\$16.952m) – The provision of funding for training and competition expenses. The provision of monthly subventions to this agency ceased at the end of March 2017.
- c. Independence Park Limited: \$13.670m (2016-\$3.341m) – The provision of a monthly subvention to this agency began in 2010. These funds are provided to supplement the continued maintenance of the National Stadium and the Trelawny Multipurpose Complexes. In 2017, funds were provided for savings towards the replacement of the running tracks.
- d. G. C. Foster College of Physical Education & Sport: \$2.398m (2016-\$9.044m) – Funding is provided for the development of physical education teachers and coaches as part of the sport curriculum. The provision of monthly subventions to this agency ceased at the end of March 2017.

These grants are separate from the infrastructure upgrades provided for these institutions, in particular the G. C. Foster College and Independence Park Limited.

#### **iv. Administrative Expenses**

Administrative expenses for 2017 were 14.9% of total expenditure, an outstanding achievement by any standard and continuing the trend over the years of being within 15% of total expenditure.

#### **v. Athletes Welfare Fund and Insurance Plan**

As in 2016, the Foundation granted \$20m towards the Athletes Insurance Plan. Based on the requests received grants totaling \$3.974m was paid to athletes (active and retired) from the Athletes Welfare Fund.

#### **vi. Other Categories**

Other categories include grants made to organizations and groups that are involved in the development of sports and sports programmes. During the year grants were also made to facilitate sports programmes in “ZOSO” designated communities. The cost to sculpt the statue for Dr. Hon Usain Bolt and the maquette for the statue of athlete Shelly-ann Fraser Price is included in this category.

### **4. STAFFING**

There was no change to the staff complement in 2017. The SDF awaits the approval of a new organizational chart and the permission to increase the staff complement from the Ministry of Finance and the Public Service.

### **5. CHANGES TO THE CORPORATE PLAN**

The Foundation operated in 2017 in accordance with the approved Corporate Plan and no change was considered necessary.

## **6. OTHER ACTIVITIES OF THE SDF**

### **i. Petrocaribe Fund**

In July 2013, the Foundation received \$5m from the Petrocaribe Fund. This amount represents a grant to athlete, Alia Atkinson. This amount was disbursed based on the requests made by the athlete through the Amateur Swimming Association of Jamaica. At the beginning of 2017, \$1.899m remained in this fund and no requests were made during the year for payment from the fund. With regard to the further use of this fund, the SDF awaits the instructions of Ms. Atkinson and the Amateur Swimming Association of Jamaica.

### **ii. Beckwith International Leadership Development (BILD) Jamaica Project**

The donor agency for this project, Youth Sport Trust International indicated that it will no longer support the BILD project in Jamaica. Thus in May 2016, \$3.999m (US\$31,880.51) was remitted to this donor agency. The Foundation has retained funds (J\$70,312) which are to be used to pay outstanding project obligations.

## **7. CHARITABLE STATUS**

- The SDF continued to assist the various sporting bodies with the importation of sporting equipment for use in the development of their respective sport.
- During the year a seminar was held in conjunction with the Department of Cooperative Societies and Friendly Societies, the Companies Office of Jamaica and the Jamaica Customs Agency in order to assist National Sporting Associations to obtain their own charitable status.
- Prior to the Foundation receiving charitable status, applications were made to the Ministry of Finance for the payment of \$16.294m in withholding tax refunds. The SDF received no response to these applications. However in 2015, the Foundation was advised by Tax Administration Jamaica that portions of the \$16.294m had become statute barred. This is still being challenged by the SDF and the effort to recoup these funds continues on the basis that all claims were made in the applicable years.

8. **SUMMARY OF THE ACHIEVEMENT OF THE SDF MEASURED AGAINST PERFORMANCE TARGETS**

**Administrative Expenses:**

Administrative expenses for the year under review totaled \$92.884m. The budget for the year was \$113.023m indicating a positive variance of \$20.139m.

**Sports Infrastructure:**

It was budgeted that \$221.638m would be spent on ongoing and new projects in 2017. During the year \$133.746m were spent on infrastructure projects compared to \$120.917m in 2016. The increase in expenditure is solely attributed to the type of projects implemented in 2017.

**National Sports Associations:**

In 2017, grants totaling \$187.294m made to National Associations exceeded the budgeted amount of \$181.581m. This variance of \$5.713m relates in the main to the additional grants to the Hockey Federation and Golf Association.

**Government Institutions:**

Grants made to Government Agencies of \$49.130m were in keeping with the budgeted amounts.

9. **FORECASTS AND PROJECTIONS OF KEY FINANCIAL AND OPERATING MEASURES FOR THE YEAR 2018**

Based on the projected proceeds for 2018, the projected funding for projects and grants are as outlined in the table below.

**Table 4- Forecasts and Projections for Financial year 2018**

<b>Key Output</b>	<b>1<sup>st</sup> Quarter</b>	<b>2<sup>nd</sup> Quarter</b>	<b>3<sup>rd</sup> Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>Total</b>
Sports infrastructure including i) Replacement of electrical system at National Stadium Pool, ii) Completion of the Upgrade of sports infrastructure at designated High School(HSSIIP) iii) Rehabilitation of fields and courts at schools and communities islandwide iv) Installation of synthetic surface at National Basketball Complex v) Purchase of sports equipment (hurdles) for schools	\$95.972m	\$53.000m	\$22.500m	\$22.000m	\$193.472m
Improve administrative and technical development of sports through grants to national sports associations.	\$51.749m	\$49.599m	\$53.085m	\$35.399m	\$189.832m
The purchase of tickets for sporting events	\$7.350m	\$11.450m	\$3.650m	\$0.000m	\$22.450m
Enhance sports curriculum. Increase community sports development through grants to Government Agencies.	\$9.528m	\$9.528m	\$9.529m	\$9.529m	\$38.113m
<u>Special Project</u> Jamaica International Invitational Track Meet Racers Grand Prix	\$5.120m	\$7.680m \$12.800m			\$12.800m \$12.800m
Assist other organizations involved in sport a) West Kingston Programme b) Summer Camp	\$0.900m	\$0.900m	\$0.300m \$10.000m		\$2.100m \$10.000m
<u>Athletes Welfare</u> Assist athletes and administrators for training, scholarships, medical expenses, stipends  The Jamaica Athlete Insurance Plan	\$1.800m \$5.100m	\$1.800m \$4.700m	\$1.800m \$5.100m	\$1.800m \$5.100m	\$7.200m \$20.000m
<u>Special Allocations</u> To assist other organizations in funding sport related activities	\$12.000m	\$12.000m	\$12.000m	\$12.000m	\$48.000m
Commissioning of statues to honour Track and Field athletes	\$6.400m	\$6.400m	\$0.000m	\$6.400m	\$19.200m
<b>Total</b>	<b>\$195.919m</b>	<b>\$169.857m</b>	<b>\$117.964m</b>	<b>\$92.228m</b>	<b>\$575.968m</b>

## 10. CONCLUSION

- The SDF continues to operate at a very high level of efficiency and maintains an enviable record in the area of prompt reporting
- The major projects for 2017 were the resurfacing of the court and the provision of new seats at the National Basketball Complex and the repairs and upgrade of the Aquatic Centre at the National Stadium. In addition rehabilitation/construction of sports infrastructure at 5 schools under the High Schools Sports Infrastructure Improvement Programme was completed during the year.
- There is a great need for more collaboration with the other state entities involved in the funding of sports in order to achieve economies of scale.
- There is the need for the use of scientific data to select project locations and sites.
- The need for dedicated additional fund needs to be addressed at the highest policy level in order that the SDF can be provided with a clear pathway to pursue this vital aspect of development.

**Table 5- Comparison of the Budget for Financial year 2018 and the Actual Expenditure for Financial years 2017 and 2016**

<b>Budget Item</b>	<b>\$'000 Actual 2016</b>	<b>\$'000 Actual 2017</b>	<b>\$'000 Budget 2018</b>
Infrastructure projects	120,917	133,746	193,472
National Associations	233,711	187,294	189,832
Government Agencies:			
a. Institute of Sports	16,500	19,875	21,000
b. Social Development Commission	16,952	4,238	
c. G. C. Foster College	9,044	2,398	
d. Independence Park Limited	3,341	13,671	17,114
Tickets Sporting Events	20,232	16,854	22,450
Jamaica Invitational Track Meet	38,069	38,661	12,800
Racers Grand Prix	18,800	25,762	12,800
Special Allocations	59,566	18,171	48,000
Statues		24,411	19,200
Grant PLCA	3,600	10,800	
Jamaica 55	1,500	2,100	
West Kingston Programme			2,100
Summer Camp	9,500	8,948	10,000
Athletes Welfare Stipends & Scholarships	34,307	3,974	7,200
Athletes Insurance	20,000	20,000	20,000
<b>Total</b>	<b>606,039</b>	<b>530,903</b>	<b>575,968</b>

April 18, 2018

## Appendix 1

### Project Expenses Analysis for 2017 (\$J)

#### Fenced Multipurpose Courts

Parish	No	Amount	Location
Kingston & St. Andrew	1	4,955,664	Belvedere Community, (goals Mona High and August town Community)
St. Catherine	3	15,713,442	Thompson Town, Eltham High (goals- Sligoville & Passagefort)
Manchester	1	5,829,760	Mizpah All Age
St. Elizabeth	1	7,982,932	Bethlehem College
Court marking equipment		611,857	
TOTAL	6	35,093,655	

#### Fields/Tracks

Parish	No	Amount	Location
Kingston & St. Andrew	1	1,655,932	Tivoli Community
Kingston & St. Catherine		10,000,000	Track grant Calabar High
Portland	1	4,215,300	Woodstock
St. Catherine	2	1,874,970	Spanish Town High, Tawes Pen
TOTAL	4	17,746,202	

## Project Expenses Analysis for 2017 (\$J) cont'd

### National Projects

Parish	No	Amount	Location
St. Catherine		3,492,000	Field & court –G.C. Foster College
Kingston \$ St. Catherine		20,966,914	Basketball Complex –National Stadium
Kingston & St. Andrew		26,910,917	Aquatic Centre –National Stadium
Kingston & St. Andrew		11,023,540	INSPORT
TOTAL		62,393,371	

### High Schools Sports Infrastructure Improvement Projects -HSSIIP

Parish	Project type	Amount	Location
Kingston & St. Andrew	field	1,390,787	Haile Selassie High,
Portland	Clubhouse	1,500	Happy Grove High
Kingston & St. Andrew	Long jump pit, court	2,428,385	Mavis Bank High
Kingston & St. Andrew	Court, long jump pit	496,219	Wolmers Boys
Kingston & St. Andrew	field	1,092,429	Tarrant High
St. Catherine	field	1,500	St. Jago High
St. Elizabeth	field	2,956,000	Lacovia High
TOTAL		8,366,820	

Project Expenses Analysis for 2017 (\$J) cont'd

Fencing

Parish	No	Amount	Location
Kingston & St. Andrew	2	2,304,260	Gaynstead High, Hannah Town
St. Catherine	1	416,000	Glengoffe
Clarendon	1	791,500	Denbigh Primary
TOTAL	4	3,511,760	

Lighting, Renovations, Seating, Wells & Other Projects

Parish	No	Amount	Location
Kingston and St. Andrew		4,123,146	Renovation to home of former athlete George "Bunny" Grant
St. Elizabeth		1,000,000	Lighting at STETHS
Clarendon		7,500	Hazeldene (clubhouse)
Islandwide		1,503,831	Equipment (mainly lawnmowers)
TOTAL		6,634,477	

Total Projects 2017 \$133,746,285

## Appendix 2

### Grants to National Associations 2017 and 2016 (\$J)

Association	Amount (2017)	Amount (2016)
Amateur Swimming Association of Jamaica	2,300,000	2,800,000
Equestrian Federation	1,290,000	1,597,035
Jamaica Intercollegiate Sports Assn	1,400,000	3,600,000
Jamaica Athletic Administrative Assn	28,000,000	29,000,000
Jamaica Amateur Basketball Assn	4,523,400	9,147,860
Jamaica Amateur Gymnastics Assn	2,606,000	1,290,000
Jamaica Amateur Softball Assn	1,290,000	1,290,000
Assn of Sports Medicine	1,000,000	1,000,000
Jamaica Badminton Assn	2,970,500	2,970,500
Jamaica Bobsleigh Federation	550,000	0
Amateur Bodybuilding Assn	1,050,000	1,200,000
Boxing Board of Control	2,306,000	1,853,500
Jamaica Chess Federation	2,380,000	3,250,000
Jamaica Cricket Association	16,700,000	24,400,000
Jamaica Cycling Federation	1,806,000	2,206,000
Jamaica Darts Association	500,000	1,000,000
Jamaica Football Federation	42,000,000	67,000,000
Jamaica Golf Association	4,755,000	4,935,000
Jamaica Hockey Federation	5,564,000	6,175,341
Jamaica Netball Association	17,692,208	18,680,850
Jamaica Paralympic Association	3,364,000	4,500,000
Jamaica Rifle Association	0	0
Jamaica Rugby Union	2,590,000	2,890,000
Jamaica Rugby League	1,400,000	2,200,000
Jamaica Skeet Club	800,000	1,800,000
Jamaica Ski Federation	0	0
Jamaica Visually Impaired Cricket	3,613,650	3,628,895
Jamaica Surfing Association	3,000,000	3,000,000
Jamaica Squash Association	2,306,000	2,306,000
Jamaica Table Tennis Association	3,735,000	2,525,931
Tae-Kwon Do Association and Federation	2,800,000	2,200,000
Jamaica Triathlon Association	1,000,000	884,000
Jamaica Volleyball Association	3,899,568	4,464,000
National Domino Bodies	1,880,000	2,230,000
Special Olympics Jamaica	3,508,800	6,008,800
Tennis Jamaica	4,986,000	4,749,000
Jamaica Motoring Federation		500,000
Seido Karate Association	850,000	850,000
Multicare Foundation	2,838,000	2,838,000
Jamaica Cricket Umpire Assn	1,250,000	
Jamaica Deaf Sports Association	2,790,000	1,740,000
Jamaica Rowing Federation		1,000,000
TOTAL	187,294,126	233,710,712

### Appendix 3

#### Grants to Government Agencies 2017 and 2016 (\$J)

Agency	Amount (2017)	Amount (2016)
G.C. Foster College	2,398,557	9,044,227
Institute of Sports including camp	28,822,939	16,500,000
Independence Park Ltd	13,670,490	3,340,529
Social Development Com.	4,238,102	16,952,410
TOTAL	49,130,088	45,837,166

### Appendix 4

#### Directors Compensation 2017 (\$J)

Position of Director	Gross Fees	Travelling	Honoraria	All other Compensation cash and non cash	Total
Chairman	316,350	13,376	-	84,000	413,726
Director	115,550	5,016	-	60,000	180,566
Director	49,650	79,800	-	60,000	189,450
Director	171,050	21,280	-	60,000	252,330
Director	158,200	10,336	-	60,000	228,536
Director	265,200	30,921	-	60,000	356,121
Director	313,300	21,280	-	84,000	418,580
Director	169,300	5,472	-	60,000	234,772
Director	208,050	21,280	-	60,000	289,330
Director	77,000	4,256	-	60,000	141,256
Director	143,200	11,400	-	60,000	214,600
TOTAL	1,986,850	224,417	-	708,000	2,919,267

## Appendix 5

### Compensation

#### Senior Management's Emoluments 2017 (\$J)

Position	Basic Pay	Gratuity or Performance Incentive	Motor Vehicle Upkeep/Travelling	Pension or other Retirement Benefit	Other Allowances	Non-Cash Benefit	Total
General Manager	3,944,356	1,537,917	1,341,624		-	-	6,823,897
Financial Controller	3,290,343	-	1,341,624	159,211	-	-	4,791,178
Chief Engineer	2,910,941	-	1,341,624	140,341	-	-	4,392,906
TOTAL	10,145,640	1,537,917	4,024,872	299,552	-	-	16,007,981

All emoluments are stated before tax.



**Sports Development Foundation**  
(A Company Limited by Guarantee)

**Financial Statements**  
**31 December 2017**

# Sports Development Foundation

(a company limited by guarantee)

Index

31 December 2017

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## *Independent auditor's report*

To the Members of Sports Development Foundation

### *Report on the audit of the financial statements*

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#### *Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of Sports Development Foundation (the Foundation) as at 31 December 2017, and 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.

#### **What we have audited**

The Foundation's financial statements comprise:

- the balance sheet as at 31 December 2017;
  - the statement of comprehensive income for the year then ended;
  - the statement of changes in fund for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include a summary of significant accounting policies.
- 

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

#### *Independence*

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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#### *Responsibilities of management for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica

T: (876) 922 6230, F: (876) 922 7581, [www.pwc.com/jm](http://www.pwc.com/jm)



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### *Auditor's responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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*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 stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

*PricewaterhouseCoopers*

Chartered Accountants  
18 April 2018  
Kingston, Jamaica

# Sports Development Foundation

(a company limited by guarantee)

## Statement of Comprehensive Income

Year ended 31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 \$'000	2016 \$'000
Contributions from CHASE Fund	5	586,358	580,506
Investment income		10,977	11,605
Other income		(1,037)	6,110
		<u>596,298</u>	<u>598,221</u>
Less: Project Expenditure and Grants	6	(530,903)	(606,039)
Administration Expenses	7	(92,884)	(79,509)
<b>Deficit for Year, being Total Comprehensive Income</b>		<u>(27,489)</u>	<u>(87,327)</u>

# Sports Development Foundation

(a company limited by guarantee)

## Balance Sheet

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2017 \$'000	2016 \$'000
<b>Non-Current Assets</b>			
Intangible assets	9	70	3
Property, plant and equipment	10	50,597	56,755
Investment securities	11	39,869	41,639
Long term receivable	12	-	101
		<u>90,536</u>	<u>98,498</u>
<b>Current Assets</b>			
Receivables	13	4,476	47,155
Current portion of long term receivable	12	101	304
Taxation recoverable	17	10,294	10,196
Cash and cash equivalents	14	258,056	245,441
		<u>272,927</u>	<u>303,096</u>
<b>Current Liabilities</b>			
Payables and accrued charges		13,095	21,445
Current portion of managed funds	15	10,192	12,568
		<u>23,287</u>	<u>34,013</u>
<b>Net Current Assets</b>		<u>249,640</u>	<u>269,083</u>
		<u>340,176</u>	<u>367,581</u>
<b>Equity</b>			
Sports Development Fund		338,532	366,021
<b>Non-Current Liabilities</b>			
Long term portion of managed funds	15	1,644	1,560
		<u>340,176</u>	<u>367,581</u>

Approved for issue by the Board of Directors on 18 April 2018 and signed on its behalf by:

  
George Soutar

Chairman

  
Ian Forbes

Director

# Sports Development Foundation

(a company limited by guarantee)

## Statement of Changes in Fund

Year ended 31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

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	<b>Sport Development Fund</b>
	<b>\$'000</b>
Balance as at 1 January 2016	453,348
Deficit for year, being total comprehensive income	<u>(87,327)</u>
<b>Balance at 31 December 2016</b>	<b>366,021</b>
Deficit for year, being total comprehensive income	<u>(27,489)</u>
<b>Balance at 31 December 2017</b>	<b><u>338,532</u></b>

# Sports Development Foundation

(a company limited by guarantee)

## Statement of Cash Flows

Year ended 31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

	2017 \$'000	2016 \$'000
<b>Cash Flows from Operating Activities</b>		
Deficit for year	(27,489)	(87,327)
Adjustments:		
Investment income	(10,977)	(11,605)
Amortisation of long term receivables	304	300
Depreciation and amortisation	6,688	6,032
Exchange and translation (losses)/gains on foreign balances	2,914	(3,196)
	<u>(28,560)</u>	<u>(95,796)</u>
Changes in operating assets and liabilities:		
Receivables	42,679	45,167
Payables and accrued charges	(10,643)	5,999
	<u>3,476</u>	<u>(44,630)</u>
Tax withheld at source	(98)	(170)
Cash provided by/(used in) operating activities	<u>3,378</u>	<u>(44,800)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(526)	(7,408)
Purchase of intangible assets	(70)	-
Investment income received	10,977	11,605
Purchase of investment securities	-	(41,639)
Cash provided by/(used in) investing activities	<u>10,381</u>	<u>(37,442)</u>
Exchange and translation (losses)/gains on cash and cash equivalents	<u>(1,144)</u>	<u>3,196</u>
Increase/(decrease) in cash and cash equivalents	12,615	(79,046)
Cash and cash equivalents at beginning of year	245,441	324,487
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)</b>	<u>258,056</u>	<u>245,441</u>

# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

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### 1. Identification and Activity

The main activity of the Foundation, which is incorporated in Jamaica, is to promote and encourage the development and growth of talents, skills, facilities and activities concerning all aspects of sports aimed at uplifting the social and economic well-being and awareness of the youth of Jamaica.

#### *Source of funding*

The Culture Health Arts Sports and Education Fund (CHASE Fund) is the recipient of a cess imposed on the gaming industry by the Government of Jamaica. Based on Section 59G of the Betting, Gaming and Lotteries Act, 2002, 40% of this cess was allocated to the Foundation from January 2002 to March 31, 2017.

Commencing April 1, 2017, the CHASE Fund receives this cess through the Consolidated Fund. The Foundation receives funding for its approved budget for each financial year through the CHASE Fund.

#### *Sports Development Fund*

In accordance with the provisions of its memorandum of association, the Foundation administers a Sports Development Fund. All amounts received through the CHASE Fund together with the investment and other income are credited directly to the Fund. The Fund is used to finance projects and administrative activities in executing the Foundation's mandate.

### 2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### (a) *Basis of preparation*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Although these estimates are based on management's best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

#### *Standards, interpretations and amendments to existing standards effective during the current year*

There were no new standards, interpretations and amendments to existing standards published that became effective during the current financial year.

# Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Significant Accounting Policies (Continued)

### (a) Basis of preparation (continued)

#### ***Standards that are not yet effective and have not been early adopted by the Foundation***

The Foundation has concluded that the following standards which are published but not yet effective, are relevant to its operations, but will have no material impact on adoption.

**IFRS 9, 'Financial Instruments'** (effective for annual periods beginning on or after 1 January 2018). The standard addresses the principles for the financial reporting of financial assets and financial liabilities to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The standard will eventually replace IAS 39 - Financial Instruments: Recognition and Measurement. The standard is mandatory for accounting periods beginning on or after 1 January 2018, however earlier adoption is permitted. Management is assessing the impact of adoption of the standard on the Foundation.

**IFRS 15, 'Revenue from Contracts with Customers'** (effective for accounting periods beginning on or after 1 January 2018). The IASB has published its new revenue standard, IFRS 15 'Revenue from Contracts with Customers'. The U.S. Financial Accounting Standards Board (FASB) has concurrently published its equivalent revenue standard which is the result of a convergence project between the two Boards. IFRS 15 applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. It specifies how and when an entity will recognise revenue. It also requires entities to provide more informative, relevant disclosures. The standard supersedes IAS 18, 'Revenue', IAS 11, 'Construction Contracts' and a number of revenue-related interpretations. Application of the standard is mandatory for accounting periods beginning on or after 1 January 2018. Management is assessing the impact of adoption of the standard on the Foundation.

The foundation has concluded that all other standards, interpretations and amendments to existing standards, which are published but not yet effective are either relevant to its operations but will 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 will have no material impact when they come into effect.

### (b) Foreign currency translation

#### ***Functional and presentation currency***

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

#### ***Transactions and balances***

Transactions denominated in foreign currencies are converted at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items denominated in a foreign currency, which are carried at historical cost, are translated at historical rates. Exchange gains and losses, including unrealised gains and losses relating to investment transactions and those arising from the translation of investments denominated in foreign currencies are dealt with in the Sports Development Fund.

# Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Significant Accounting Policies (Continued)

### (c) Employee benefits

#### (i) Pension obligations

The Foundation pays contributions to approved retirement schemes on behalf of staff members. Once the contributions have been paid, the Foundation has no further payment obligations. The regular contributions constitute net periodic costs for the year in which they are due and are included in staff costs. See Note 18 for further details.

#### (ii) Accrued vacation

Employee 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.

### (d) 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: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

#### (ii) 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. These are classified as non-current assets. Loans and receivables are classified as 'long term receivable' and 'receivables' and are included in non-current assets and current assets in the balance sheet.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

# Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

## 2. Significant Accounting Policies (Continued)

### (d) Financial instruments (continued)

#### *Loans and receivables*

#### **Financial liabilities**

The Foundation's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. These liabilities are classified as 'payables and accrued charges' and 'managed funds' and are included in non-current liabilities and current liabilities in the balance sheet.

### (e) Intangible assets

Cost associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with acquiring identifiable and unique software products which are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These costs are amortised over the estimated useful life of the software (5 years).

### (f) Property, plant and equipment and depreciation

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefit associated with the item will flow to the Foundation or the cost of the item can be measured reliably.

Depreciation of property, plant and equipment is calculated on the straight-line basis at annual rates estimated to write off the cost of each asset over the term of its expected useful life. The annual rates are as follows:

Computers	20%
Office furniture and equipment	10%
Motor vehicles	20%
Buildings	2½%
Leasehold property	Over the life of the lease

Land is not depreciated as it is deemed to have an indefinite life.

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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 surplus for the year.

Repairs and renewals are charged to the statement of comprehensive income when expenditure is incurred.

### (g) Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment 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.

# Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Significant Accounting Policies (Continued)

### (h) Investment securities

Investment securities comprise securities purchased under agreements to resell (reverse repurchase agreements), which are treated as collateralised financing transactions and investments in debt securities.

For reverse repurchase agreements, the difference between the purchase and resale price is treated as interest and accrued over the life of the agreements using the effective yield method. The Foundation's investment securities with original maturities of three months or less which are included as 'cash and cash equivalents' in the balance sheet.

Debt securities are classified as held-to-maturity. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Foundation has the positive intention and ability to hold to maturity. Held-to-maturity investments are initially recognised at fair value, which is the cash consideration including any transaction costs.

### (i) Long term receivable

Long term receivable is recognised when the cash is advanced to borrowers. It is initially recorded at cost, which is the cash given to originate the loan including any transaction costs, and subsequently measured at amortised cost, less any provision for impairment.

### (j) Receivables

Receivables are carried at anticipated realisable value less provision made for impairment of these receivables. A provision for impairment of receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. The amount of provision is the difference between the asset's carrying amount and the present value of expected future cash flows, discounted at the market rate of interest for similar borrowers.

### (k) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at fair value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and investment securities with original maturities of three months or less.

### (l) Payables and accrued charges

Payables and accrued charges are initially recognised at fair value and subsequently stated at amortised cost.

# Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2017

(expressed in Jamaican dollars unless otherwise indicated)

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## 3. Financial Risk Management

The Foundation's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow interest rate 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 Foundation's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Foundation regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The Board 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 its customers, clients or counterparties will cause a financial loss for the Foundation by failing to discharge their 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 receivables 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 and industry segments.

#### *Credit review process*

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

#### (i) Investment securities

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

#### (ii) Long term and current receivables

The Foundation's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Credit risk is monitored according to the credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties.

#### (iii) Cash and cash equivalents

Cash and cash equivalents transactions are limited to high credit quality financial institutions. The Foundation has policies in place to limit the amount of exposure to any one financial institution.

# Sports Development Foundation

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## 3. Financial Risk Management (Continued)

### (b) Liquidity risk

Liquidity risk is the risk that the Foundation is 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, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

#### *Liquidity risk management process*

The Foundation's liquidity management process includes:

- (i) Monitoring future cash flows and liquidity on a daily basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;
- (ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- (iii) Maintaining committed lines of credit; and
- (iv) Optimising cash returns on investment.

#### *Liquidity risk management process (continued)*

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	1-5 Years \$'000	Total \$'000
<b>2017</b>					
Payables and accrued charges	653	2,559	9,883	-	13,095
Managed funds	-	-	10,192	1,644	11,836
	<b>653</b>	<b>2,559</b>	<b>20,075</b>	<b>1,644</b>	<b>24,931</b>
<b>2016</b>					
Payables and accrued charges	791	2,801	17,853	-	21,445
Managed funds	-	-	12,568	1,560	14,128
	<b>791</b>	<b>2,801</b>	<b>30,421</b>	<b>1,560</b>	<b>35,573</b>

Assets available to meet all of the liabilities and to cover financial liabilities include cash and cash equivalents.

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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 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 or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign exchange risk arising from currency exposure with respect to the US dollar. The balance sheet at 31 December 2017 includes aggregate net foreign assets of approximately \$52,263,000 (2016 – \$97,830,000) in respect of such transactions.

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 maximising foreign currency earnings and holding foreign currency balances.

#### *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. Floating rate instruments expose the Foundation to cash flow interest risk, whereas fixed interest rate instruments expose the Foundation to fair value interest risk.

The Foundation is exposed to cash flow interest rate risk on its cash and cash equivalents balance.

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## Notes to the Financial Statements

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### 3. Financial Risk Management (Continued)

#### (d) Fair values of financial instruments

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Foundation is current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Foundation uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair values of the Foundation's financial instruments were estimated as follows:

The amounts included in the financial statements for cash and cash equivalents, receivables, payables and accrued charges, and managed funds reflect their approximate fair values because of the short-term maturity of these instruments.

The estimated fair value of the Foundation's other financial instrument is as follows:

	2017		2016	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Long term receivable	101	101	405	405

The estimated fair values have been determined using available market information and appropriate valuation methodologies. However, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value. Accordingly, the estimates presented above are not necessarily indicative of the amounts that the Foundation would realise in a current market exchange.

Fair values were estimated as follows:

#### Long term receivable

The fair value of long term receivable was estimated by discounting the future contractual cash flows at an estimated current market rate of interest.

#### Capital management

The Foundation is not exposed to externally imposed capital requirements.

# Sports Development Foundation

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Notes to the Financial Statements

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## 4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectation 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, management has made the determination that there are no judgements that would have a significant impact on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management has determined that there are no estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## 5. Contributions from CHASE Fund

In accordance with Section 59G of the Betting Gaming and Lotteries Act, 40% of the gaming proceeds received by the CHASE Fund in 2016 were paid to the Foundation. This amount was \$580,506,000. In 2017 the amount received through the CHASE Fund was \$586,358,000.

## 6. Project Expenditure and Grants

	2017	2016
	\$'000	\$'000
Infrastructure Projects	133,746	120,917
Grants to National Associations	187,294	233,711
Grants to Government Agencies	49,130	45,837
Grant for Special Projects – Track Meets	64,423	56,869
Grants – others	96,310	148,705
	<u>530,903</u>	<u>606,039</u>

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## Notes to the Financial Statements

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### 7. Expenses by Nature

Total disbursements and administration expenses:

	2017	2016
	\$'000	\$'000
Advertising and promotion	1,894	2,802
Audit fees	2,147	2,118
Depreciation and amortization	6,688	6,032
Directors' fees (Note 16)	2,919	2,429
Foreign travel	1,458	1,407
Insurance	1,892	1,699
Legal and professional fees	1,876	169
Motor vehicle expense	3,445	2,776
Repairs and maintenance	9,063	3,452
Security	2,006	2,075
Staff costs (Note 8)	48,048	44,689
Utilities	4,546	4,357
Other expenses	6,902	5,504
	<u>92,884</u>	<u>79,509</u>
Project expenditure and grants (Note 6)	<u>530,903</u>	<u>606,039</u>
	<u>623,787</u>	<u>685,548</u>

### 8. Staff Costs

	2017	2016
	\$'000	\$'000
Salaries and wages	24,948	23,908
Accrued leave and gratuity costs	1,697	2,064
Payroll taxes – employer's portion	2,816	2,790
Pension contributions (Note 18)	913	971
Other (Health, Uniform and Welfare)	17,674	14,956
	<u>48,048</u>	<u>44,689</u>

Average number of persons employed by the Foundation during the year:

	2017	2016
	No.	No.
Full-time	<u>14</u>	<u>14</u>

# Sports Development Foundation

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### 9. Intangible Assets

	Computer Software \$'000
<b>At Cost -</b>	
1 January 2016	2,235
Additions	-
31 December 2016	<u>2,235</u>
Additions	70
31 December 2017	<u>2,305</u>
<b>Amortisation -</b>	
1 January 2016	2,141
Amortisation for the year	91
31 December 2016	<u>2,232</u>
Amortisation for the year	3
31 December 2017	<u>2,235</u>
<b>Net Book Value -</b>	
31 December 2017	<u>70</u>
31 December 2016	<u>3</u>

# Sports Development Foundation

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### 10. Property, Plant and Equipment

	Computers \$'000	Office Furniture & Equipment \$'000	Motor Vehicles \$'000	Buildings \$'000	Land \$'000	Leasehold Property \$'000	Total \$'000
<b>At Cost -</b>							
At 1 January 2016	4,505	10,092	13,507	16,436	32,072	9,940	86,552
Additions	-	691	6,698	-	-	19	7,408
At 31 December 2016	4,505	10,783	20,205	16,436	32,072	9,959	93,960
Additions	292	234	-	-	-	-	526
At 31 December 2017	4,797	11,017	20,205	16,436	32,072	9,959	94,486
<b>Depreciation -</b>							
At 1 January 2016	3,326	6,114	6,978	7,225	-	7,621	31,264
Charge for the year	393	867	3,259	411	-	1,010	5,940
At 31 December 2016	3,719	6,981	10,237	7,636	-	8,631	37,204
Charge for the year	414	823	4,041	411	-	996	6,685
At 31 December 2017	4,133	7,804	14,278	8,047	-	9,627	43,889
<b>Net Book Value -</b>							
31 December 2017	664	3,213	5,927	8,389	32,072	332	50,597
31 December 2016	786	3,802	9,967	8,800	32,072	1,328	56,755

Leasehold property represents the leases of two hospitality suites at the Sabina Park Complex in part settlement of a long term receivable due from the Jamaica Cricket Association (Note 12).

### 11. Investment Securities

	2017 \$'000	2016 \$'000
Held-to-maturity		
Government of Jamaica	10,695	11,081
Corporate bonds	29,174	30,558
	<u>39,869</u>	<u>41,639</u>

The weighted average effective interest rate on investments was 8.5 % (2016 – 8.50%). The investments have a maturity date of November 10, 2024 and July 9, 2025.

# Sports Development Foundation

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### 12. Long Term Receivable

In 2008, in settlement of a loan due from the Jamaica Cricket Association of \$16,000,000, the Foundation entered into an agreement as follows:

- a) Lease of two hospitality suites (numbers 2 & 3) at the Sabina Park Complex at a cost of \$9,940,000 (US\$140,000). These suites are included in the property, plant and equipment (Note 10).
- b) The payment of 10 years maintenance valued at \$3,035,032 (\$303,503 per annum) which commenced in May 2008 and end on 30 April 2018.

	2017 \$'000	2016 \$'000
Long term receivable	101	405
Less: current portion	<u>(101)</u>	<u>(304)</u>
	<u>-</u>	<u>101</u>

Current portion of long term receivable comprised of:

	2017 \$'000	2016 \$'000
Maintenance	<u>101</u>	<u>304</u>

### 13. Receivables

	2017 \$'000	2016 \$'000
CHASE Fund	-	41,080
Prepayment	730	859
Other	<u>3,746</u>	<u>5,216</u>
	<u>4,476</u>	<u>47,155</u>

For the period April 2013 to December 2016, The CHASE Fund withheld 10% of the gaming proceeds payable to the Foundation. This retained portion has been paid to the Foundation.

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### 14. Cash and Cash Equivalents

	2017 \$'000	2016 \$'000
Cash at bank and in hand	126,495	131,704
Cash equivalents	<u>131,561</u>	<u>113,737</u>
	<u>258,056</u>	<u>245,441</u>

Cash equivalents represent securities with original maturities of three months or less and include interest receivable of \$1,147,000 (2016 – \$1,076,000). The weighted average effective interest rate on JMD short term deposits was 4.15% (2016 – 5.10%).

Cash at bank and in hand includes funds held under management of \$1,830,000 (2016 - \$4,778,000).

### 15. Managed Funds

	2017 \$'000	2016 \$'000
Constituency Development Fund	2,442	6,426
Ministry of Agriculture & Fisheries	1,780	4,172
Sports Musuem	1,644	1,560
Petrocaribe Fund	1,899	1,899
Co-funded Project- Spanish Town High	4,000	-
Beckwith International Leadership Development (BILD) Fund	<u>71</u>	<u>71</u>
	11,836	14,128
Current portion	<u>(10,192)</u>	<u>(12,568)</u>
	<u>1,644</u>	<u>1,560</u>

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## 15. Managed Funds (Continued)

### i) *Constituency Development Fund/ Tourism Product Development Co. Ltd*

The Constituency Development Fund Programme (CDFP) was developed out of the need to improve the effectiveness of elected parliamentary representatives and to give a greater voice to constituents in effecting change in their lives and communities. The Constituency Development Fund (CDF) therefore represents a designated funding mechanism which provides Members of Parliament with an equal annual allocation from the national budget to carry out development projects in their constituencies. Since 2015, the Ministry of Tourism through the Tourism Product Development Co. Ltd (TPDCo) has been providing another source of funding to Members of Parliament for development projects in constituencies. The Foundation has been appointed as project manager of the sports related projects approved under the CDFP and TPDCo. In 2017, the Foundation received funding from only the TPDCo.

	2017 \$'000	2016 \$'000
Funds at the beginning of the year	6,426	(709)
Allocations during the year	7,090	15,945
Project disbursements	(11,077)	(8,805)
Bank charges	3	(5)
Funds at the end of the year	<u>2,442</u>	<u>6,426</u>

### ii) *Co-funded Projects*

In financial year 2017, the Foundation received \$4m representing part funding to undertake the rehabilitation of the playfield at the Spanish Town High School. This project is currently in progress.

	2017 \$'000	2016 \$'000
Funds at the beginning of the year	-	-
Allocations during the year	4,000	-
Project disbursements	-	-
Bank charges	-	-
Funds at the end of the year	<u>4,000</u>	<u>-</u>

### iii) *Ministry of Agriculture and Fisheries*

On April 18, 2012, the Sports Development Foundation signed a Memorandum of Understanding (MOU) with the Ministry of Agriculture and Fisheries for the development of sports facilities in sugar dependent areas. Under this MOU the SDF managed the construction of sporting facilities by undertaking the technical, administrative and supervisory functions of all projects and activities. The development of sporting facilities in sugar dependent areas has been completed. Effective September 2, 2015, individual grant fund agreements (MOU) have been signed for the implementation by the Foundation of sporting facilities in selected high schools located in sugar dependent areas throughout the island.

	2017 \$'000	2016 \$'000
Funds at the beginning of the year	4,172	3,829
Allocations during the year		22,252
Interest earned	4	26
Project disbursements	(2,396)	(21,935)
Funds at the end of the year	<u>1,780</u>	<u>4,172</u>

# Sports Development Foundation

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## Notes to the Financial Statements

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### 15. Managed Funds (Continued)

*iv) Sports Museum*

In celebration of the fiftieth anniversary of independence a sport exhibition was launched and a commemorative magazine published as a precursor to a National Sports Museum. The Sports Development Foundation was requested to receive and manage funds resulting from sponsorship donations and the sale proceeds from the magazine. These funds are to be held in escrow for the establishment of the National Sports Museum.

	2017 \$'000	2016 \$'000
Funds at the beginning of the year	1,560	1,488
Interest earned	84	72
Funds at the end of the year	<u>1,644</u>	<u>1,560</u>

*v) PetroCaribe fund*

This fund was created from proceeds granted by the PetroCaribe Development Fund in support of Olympic Swimmer, Alla Atkinson.

	2017 \$'000	2016 \$'000
Funds at the beginning and end of the year	<u>1,899</u>	<u>1,899</u>

*vi) Beckwith International Leadership Development (BILD) Fund*

The Memorandum of Understanding (MoU) between the Sports Development Foundation (SDF) and the Office of the Prime Minister (OPM) for the operation of the Beckwith International Development Foundation (BILD) was established effective 25 November 2013 for the implementation of a Youth Leadership Through Sport project. However, in May 2016, the BILD program ceased operations in Jamaica. The remaining funds represent expenses due to be paid in the next 12 months.

	2017 \$'000	2016 \$'000
Funds at the beginning of the year	71	4,042
Interest earned	-	7
Project disbursements	-	(3,978)
Funds at the end of the year	<u>71</u>	<u>71</u>

# Sports Development Foundation

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## 16. Related Party Transactions

The following transactions were carried out with related parties:

### Key management compensation

	2017 \$'000	2016 \$'000
Salaries and other short-term employee benefits	11,684	11,540
Payroll taxes – employer's portion	1,199	1,182
Pension	299	296
	<u>13,182</u>	<u>13,018</u>
Directors' emoluments -		
Fees	<u>2,919</u>	<u>2,429</u>

## 17. Taxation

Under Section 12(l) of the Income Tax Act the Foundation is exempt from Income Tax. In addition, in 2001, the Foundation received a waiver from the Minister of Finance and Planning on the income tax payable under Section 86 of the Income Tax Act. This allowed the Foundation to apply for refunds of tax withheld on interest income earned. The commencement of the global recession in 2008 has resulted in the cessation of the payment of withholding tax refunds.

Effective 15 July 2013 the Foundation was designated an Approved Charitable Organization as defined in Section 2 of the Income Tax Act. This means that the Foundation is eligible for tax exemption or relief under the Income Tax, GCT, Stamp Duty, Transfer Tax, Property Tax and Customs Acts. This new designation impacts tax withheld on interest income earned after 15 July 2013.

At the end of 2017 tax recoverable of \$10,294,000 (2016 - \$10,196,000) was due from the Ministry of Finance and Planning. The Foundation has written to this Ministry to request payment of this amount.

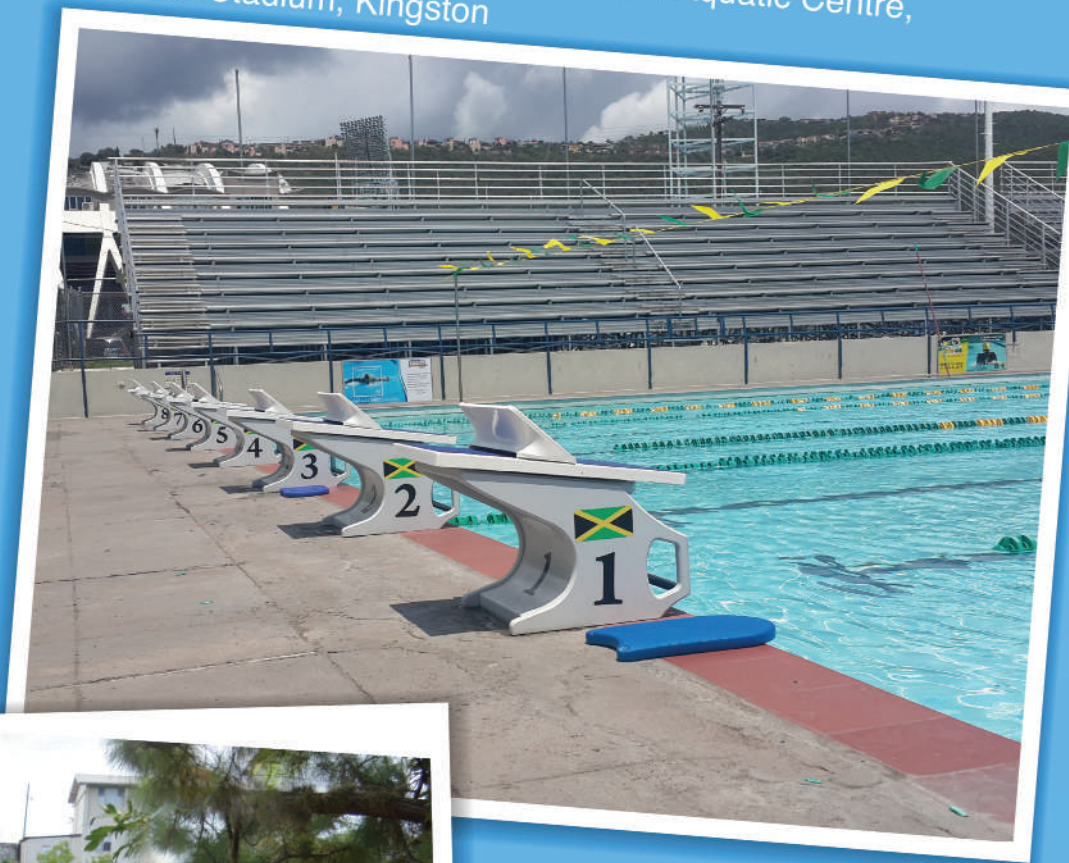
## 18. Pension Scheme

The superannuation fund operated by the Foundation was wound up in 2009 and the members' benefits transferred to approved retirement schemes. The Foundation continues to contribute 5% of member's pensionable emoluments to these schemes. This payment amounted to \$913,000 (2016 - \$971,000) in the current year.





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