



**SPORTS
DEVELOPMENT
FOUNDATION,
JAMAICA**

2018

Annual Report



2018 Pan-Am Handgun Championships

I

The Minister of Sport, Hon. Olivia Grange, hands over a \$5m cheque to former national football player Luton Shelton, who is battling the Lou Gehrig's disease



I

II

Wall and field at Westmoreland Oval, St. Mary



II



III

III

Jamaica hosted the 2018 Pan-American Handgun Championship in Kingston



IV

IV

Gabion basket retaining wall at Tacius Golding High School, St. Catherine

MESSAGE FROM THE MINISTER OF CULTURE, GENDER, ENTERTAINMENT AND SPORT FOR THE ANNUAL REPORT OF THE SPORTS DEVELOPMENT FOUNDATION FOR 2018



2018 was a better year for the Sports Development Foundation (SDF) in terms of funds as they received a little over \$600 million. This was well utilized by the organization designated by government to provide major support to the sporting industry as it emerges. \$164 million on infrastructure and \$196 million on national sporting bodies along with over \$40 million to other government agencies treating with sports speaks volumes about the commitment of the government to the business of sports.

During 2018 support was provided for some associations that are just emerging including La Crosse and Cheer as these sports are making their way towards being Olympic sports. And so with close to \$400 million being pumped directly into infrastructure and sporting bodies, along with expenditure on intervention and

support for various activities through the purchase of tickets, the SDF is making a tremendous contribution to sport development.

The SDF is noted for its efficient operations, which has redounded to the benefit of the nation. This reputation has assisted with our negotiations with international organizations and it is a standard that must be cherished and maintained. It is this efficiency that allows for the payment for statues to honour our outstanding athletes even while ensuring that other critical areas are not neglected.

In the face of all this we continue to be faced with the challenge of supporting another twenty organizations, in addition to the forty four that we already support and so I must appeal to the private sector to join us in our efforts to make sport a real industry and enhance its capability to impact the very soul of our Jamaican community and beyond.

In this context I use this medium, even as we celebrate a high performing government entity, to reach out to the Diaspora, Civil Society and the business sector, to let us meet and seek to arrive at an agreement to jointly develop an all embracing plan to move sport to the proverbial “next” level. There can be no doubt that we have the capability to do this and so together let us set the stage.

OLIVIA GRANGE, CD MP

THE CHAIRMAN'S MESSAGE



Three years have passed almost unnoticed since I came to this task, and it could be said that I have been captivated by the seminal nature of the contribution, which this visionary institution makes to the very fabric of the Jamaican society.

Our collective “discovery” of the all embracing nature of sport and more so its potential for driving genuine economic development has quickened our creative thinking and made us almost unaware of the passage of time. The fact that we have been expanding our initiating role into new areas, inclusive of research, is indicative of our full recognition of the need to plan based on empiricism.

I would like to express deepest appreciation to our Hon. Minister, my colleague Directors, the National sporting bodies and the many other collaborators with who we have been and are committed to working with in our quest to develop sport as an industry of worth.

A moment for the staff of this venerable institution; most of them have been in place for in excess of ten years. This, by itself is a remarkable statement for staff retention. They have secured for the SDF a compliance rating with the Office of the Contractor General of in excess of 99% with regard to procurement and a reputation for prompt payment with suppliers of service. The recent audits (2016, 2017 and 2018) were completed in record time, with all systems being found to be in good order.

With all the vagaries of the weather, shortages of contractors and other challenges we still managed to spend \$163.8 million on infrastructure development, representing 71% of our target for the year. This was complemented by expenditure of \$193.4 million on national sporting bodies and \$41.2 million to support other state agencies involved in sport.

Unfortunately, as laudable as this spend is it falls well short of the requirements/demands of the associations. We continue to advocate for greater

levels of financing in order that the SDF can assist the sporting industry to realize its full potential and impact the economy as it can.

It should be noted that our 2018 expenditure included sporting intervention in areas affected by violence and all indications are that the impact was positive. Sustainability is the challenge as we go forward along with the kind of research to guide our actions.

As was the case in 2017 we call for greater collaboration with our partners in order that we can better serve this growing industry and ensure the most optimal use of the resources we are able to garner.

GEORGE SOUTAR CD, QC

SPORTS DEVELOPMENT FOUNDATION

Annual Report for the Year ended December 31, 2018

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, 2018.

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. Mr. Newton Amos
4. Dr. Donovan Bennett
5. Mr. Ian Forbes, CD
6. Mr. Garth Gayle, JP
7. Mrs. Annmarie Heron, OD
8. Mr. David Shirley
9. Mr. Laurel Smith
10. Mr. Nelson Stokes
11. Mr. Lance Thomas

Owing to a change in the constitutive documents of the Foundation, the members of the Board changed on November 12, 2018. The new Board members appointed for a two year term by the Government of Jamaica are:

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

2. MEETINGS

The following meetings were held during the year:

- Board Meetings (16)
- Allocations/Projects Committee (12)
- Finance Committee (11)
- Audit Committee (1)
- Human Resources Committee (4)
- PR Committee (3)
- Special Budget Retreat (2)
- Advisory Committees (4)

3. REVIEW OF OPERATIONS

The year 2018 represented the first calendar year of the CHASE Fund being paid monthly warrants from the Consolidated Fund. This new methodology has resulted in a more efficient flow of gaming proceeds as payment is made based on the approved budget of the CHASE Fund. Thus there is no longer the need for the CHASE Fund to withhold as a reserve for a thirteen month period, 10% of the proceeds allocable to the Foundation.

During the year, 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.

A. Comparison of Actual and Budget for 2018

Table 1 shows a comparison of the actual income and expenditure for 2018 compared to the budgeted amounts.

Table I – Comparison of Actual vs. Budget for 2018

	Actual \$'000	Budget \$'000	Variance \$'000
INCOME			
Income from Gaming 2018	606,000	558,000	48,000
Investment Income	7,844	2,033	5,811
Other Income	2,992	696	2,296
TOTAL INCOME	616,836	560,729	56,107
ADMINISTRATIVE EXPENDITURE:			
Administrative Expenses	94,360	142,025	47,665
PROJECT TYPE EXPENDITURE:			
Grants to Government Agencies	41,214	38,114	(3,100)
Jamaica International Invitational & Racers Grand Prix Athletic Meets	12,500	25,600	13,100
Sporting Events- Tickets	16,384	22,450	6,066
Special Allocations	58,824	79,300	20,476
Infrastructure Projects	163,785	193,472	29,687
National Associations	196,439	189,832	(6,607)
Jamaica Athletes Insurance Plan		20,000	20,000
Athletes Welfare Grants	6,494	7,200	706
TOTAL PROJECT TYPE EXPENDITURE	495,640	575,968	80,328
TOTAL EXPENDITURE:	590,000	717,993	127,993
SURPLUS/(DEFICIT)	26,836	(157,264)	184,100
Net cash adjustments	195,480	247,570	(52,090)
NET POSITION	222,316	90,306	132,010

INCOME

- ❖ Income received through the CHASE Fund for 2018 exceeded the budgeted amount by \$48m (8.6%). Investment income earned for the year exceeded the budgeted amounts as invested funds were held for longer periods than planned. The Other income category includes rental income and gains or losses on revaluation of funds held in foreign currencies.

ADMINISTRATIVE EXPENSES

- ❖ Administrative expenses incurred for the year were \$94.360 million, \$47.665m less than the budgeted amount.

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

- i. Professional Fees

The 2018 budget included a provision for the payment of professional services such as surveying and architectural fees as the Foundation has been designated by the parent ministry as the lead agency for the pre-implementation assessment for the development of 5 mini-stadia. At the end of the year the actual cost was less than the budgeted amount.

- ii. Maintenance of Building and Equipment

The budgeted maintenance of the secretariat was not achieved as the plan was modified to increase the scope of work. This is in preparation for the expansion of the work of the Foundation as it attempts to accomplish the 2030 vision for the development of sport throughout the island.

- iii. Public Relations

The logo of the Foundation was changed. In 2018 the budget for this expense category was significantly increased in order to update signage across the island. This process was not completed during the year thus the amount spent in this category was less than budgeted.

- iv. Foreign Travel:

Actual travel costs incurred during the year were less than the budgeted amount.

❖ Project Type Expenditure

a) Grants for track Meets

Owing to budgetary constraints the grants provided for the hosting of both the Racers Grand Prix and the Jamaica International Invitational Track Meet were reduced in 2018 compared to 2017. At the end of the year the grant was paid to Racers Track Meet but that for the Jamaica International Invitational Meet was unpaid owing to late submission of the doping results of athletes tested at the Meet.

b) Special Allocations

This category includes the grants made to organizations and groups involved in the development of sports and programmes conceptualized by the parent ministry. In 2018, the Foundation paid part of the cost for the sculptures of Asafa Powell and Veronica Campbell-Brown.

c) Infrastructure Projects

The implementation of infrastructure projects was hindered during the year owing to:

- I. Challenges with the procurement guidelines. Based on the current procurement guidelines, the Foundation experiences challenges in contracting international companies, as such companies would not be registered on the National Contracts Commission list or be registered in Jamaica. The Foundation faces the challenge of contracting companies that are certified with the international governing bodies of sport, such as the IAAF. In this regard the Foundation sought the assistance of the Procurement and Asset Management Policy Unit (PAMPU) at the Ministry of Finance in order to find solutions to these challenges.
- II. There is still a small number of contractors in the island with the requisite skill to undertake sport infrastructure projects
- III. The number of categories on the National Contracts Commission list also limits the extent to which suitable contractors can be selected. For example the NCC list has the category “landscaping”. A selection of a contractor who is duly registered in this category does not mean that, the company has the skill to construct or renovate a football field which is by far more extensive than regular landscaping work. The Foundation has brought these issues to the

attention of the PAMPU. We were advised that the reform of the procurement system should result in an expansion of the categories under which contractors may be registered to include those categories required by the sports industry.

- IV. A late start to execution based on perceived uncertainties regarding the budget for 2018. The result of this is that no new project was started until after the first quarter.

With the help of PAMPU, the implementation of projects increased by the end of the second quarter.

Of special note, new seating was installed at the National Basketball Court at the National Stadium Complex with a new synthetic court to be completed in the first quarter of 2019. The projects that were incomplete at year end have been carried forward to 2019.

d) Grants to National Association

The amounts spent in 2018 for grants to National Associations reflect an increase compared to the budgeted amounts. The Jamaica Football (\$5m) and the Chess (\$3.5m) Federations were the main recipients of additional funding. The Jamaica Football Federation received additional funding for the Reggae Girlz World Cup campaign. The Chess Federation received additional grant to facilitate participation of athletes in the Sub-Zonal Tournament and the Word Chess Olympiad.

B. Comparison of Actual Results for 2018 and 2017

Table 2 shows a comparison of the actual income and expenditure for 2018 compared to the actual income and expenditure for 2017.

Table 2 – Comparison of Actual Data for 2018 and 2017

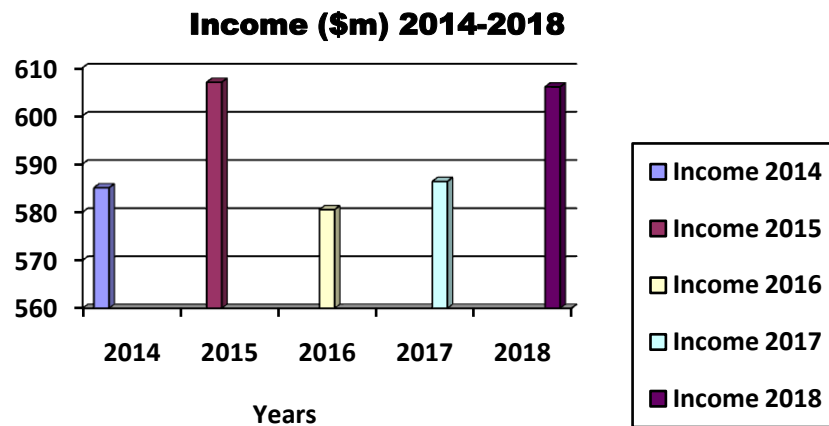
	2018 Actual \$'000	2017 Actual \$'000	Variance \$'000
INCOME:			
Income from Gaming	606,000	586,358	19,642
Investment Income	7,844	10,977	(3,133)
Other Income	2,992	(1,037)	4,029
TOTAL INCOME	616,836	596,298	20,538
EXPENDITURE			
Administrative expenses	94,360	92,884	(1,476)
Grants to Government Agencies	41,214	49,130	7,916
Jamaica International Invitational & Racers Grand Prix Athletic Meets	12,500	64,423	51,923
Special Allocations	58,824	55,482	(3,342)
Special Events-Tickets	16,384	16,854	470
Infrastructure Projects	163,785	133,746	(30,039)
National Associations	196,439	187,294	9,145
Athletes Welfare Grants including Athletes Insurance Plan	6,494	23,974	17,480
TOTAL EXPENDITURE	590,000	623,787	33,787
SURPLUS / (DEFICIT)	26,836	(27,489)	54,325

I. Income

The income received in 2018 reflects an increase (3.3%) compared to 2017. For the five year period 2014-2018, the proceeds received in 2018 represent the second highest amount.

The chart below shows the change in income over the five year period 2014-2018.

Chart 1- Comparison of Income (\$m) received over the five year period 2014-2018



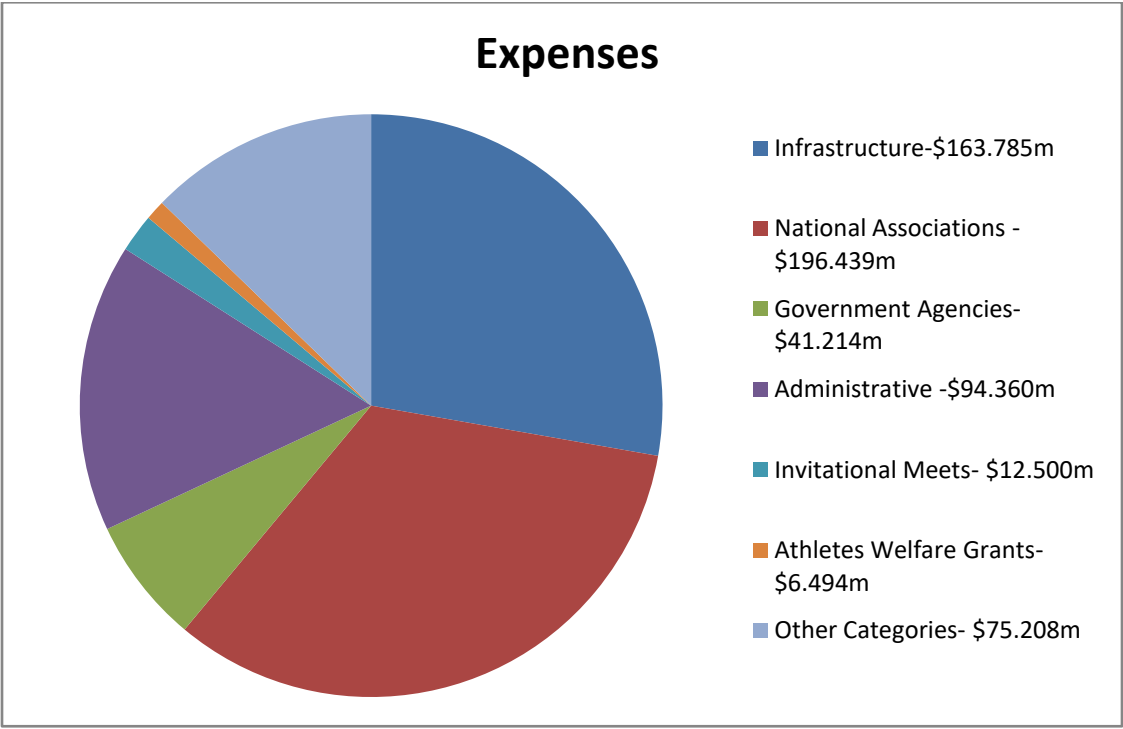
II. Major Expense Categories

The Major Expense 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.

Chart 2- Comparison of Funds allocated to Expense categories for 2018



i. Sports Infrastructure Projects (Appendix 1):

These projects included:

The High School Sports Infrastructure Improvement Programme (HSSIIP)

This programme began in 2014 and by the end of 2018 work had been completed on sixteen schools as follows:

- i. Calabar High
- ii. Holmwood Technical High
- iii. Paul Bogle High
- iv. Bog Walk High
- v. Wolmers 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
- xiv. Tacius Golding High
- xv. William Knibb High
- xvi. Roger Clarke High

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

In 2018 infrastructure works were completed at Tacius Golding High, William Knibb High and Roger Clarke High.

National Facilities

In the year infrastructure development was carried out at the National Stadium Complex namely:

- ✓ The installation of seats at the National Basketball Court,
- ✓ The resurfacing and purchase of synthetic surface for the National Basketball court and
- ✓ Repairs to the sewage system at the Complex.
- ✓ The completion of the renovation of the infield at the G.C. Foster College

SDF Special Project

The Foundation assessed that the potential for students to excel in the hurdles events was not being maximized owing the deficiency of hurdles at schools throughout the islands. The Foundation has purchased hurdles which will be issued to high schools throughout the island that have a hurdles programme in place.

Community Infrastructure Projects

During the year the Foundation:

- ✓ Completed/ upgraded multipurpose courts in three communities,

- ✓ Completed/upgraded fenced multipurpose courts at four institutions of learning
- ✓ Provided wall and fencing for two community complexes
- ✓ Completed the rehabilitation of playfields at two schools and in two communities
- ✓ Commenced the rehabilitation of playfields at three schools and in three communities
- ✓ Completed lighting of courts in two communities and contributed to lighting at another
- ✓ Provided field equipment for example goals for courts in two schools and two communities

Other Infrastructure Activities

i. Constituency Development Fund Programme (CDFP)

The Foundation received funding during the year to rehabilitate a court in the Portsmouth Community and install a fence at Ascot High. Both of these projects have been completed. In addition the CDFP contributed \$2m towards the rehabilitation of the field at Balmagie Primary. This project commenced in November 2018 and is still in progress.

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 Foundation received funding in 2018 to undertake the following projects:

- Fencing of the Dunrobin Sports Complex
- Construction of seats at the Maxfield Park Sports Complex
- Construction of seats at the Waterford Sports Park

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.

ii. National Sports Associations (Appendix 2):

In 2018, \$196.439m (2017-\$187.294m) 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 2018 represent an increase compared to that of 2017. It must be recognized that the assistance given each year to National Associations is inadequate (representing only 25% of the real needs) but the effort is to maximize the benefits from the funds that are available.

iii. Government Agencies (Appendix 3)

In 2018, the Foundation provided funding of \$41.214m to Government Agencies compared to \$49.130m paid over in 2017. This was distributed as follows:

- a. Institute of Sports: \$24.100m (2017-\$28.823m) – For competitions, the development of athletes, coaching programmes and a summer camp programme (\$3.100m) for children.
- b. Independence Park Limited: \$17.114m (2017-\$13.670m) – These funds were provided to supplement the continued maintenance of the National Stadium and the Trelawny Multipurpose Complexes. In 2017 and 2018, funds were provided for savings towards the replacement of the running tracks.
- c. The Social Development Commission: In 2017, \$4.238m was granted to this Agency for training and competition expenses. The provision of monthly subventions to this entity ended in March 2017.
- d. G.C. Foster College of Physical Education & Sport (2017-\$2.398m): Funding was provided in 2017 for the development of physical education teachers and coaches as part of the sports curriculum. The provision of monthly subventions to this institution ended in March 2017.

These grants are separate from the infrastructure upgrades provided for these institutions.

iv. Administrative Expenses

Administrative expenses for 2018 were 16% of total expenditure, an outstanding achievement by any standard and continuing the trend over the years of being within 20% of total expenditure.

v. Athletes Welfare Fund and Insurance Plan

Based on the requests received grants totaling \$6.494m (2017, \$3.974m) were paid to athletes (active and retired) from the Athletes Welfare Fund.

vi. Athletes Insurance Plan

The premiums of the Athletes Insurance Plan were financed during the year from the savings resulting from year one of the Plan.

vii. 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 final cost to sculpt the statue for athlete Shelly-ann Fraser Price and the maquettes of athletes Asafa Powell and Veronica Campbell Brown are included in this category.

4. STAFFING

There was no change to the staff complement in 2018. It is expected that the staff complement will increase to the full amount of 18 in 2019 as the Foundation continues its strategic implementation of projects and programmes aimed at achieving the 2030 sports vision.

5. CHANGES TO THE CORPORATE PLAN

The Foundation operated in 2018 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 2018, \$1.899m remained in this fund. From this amount Ms. Atkinson requested reimbursement for training expenses of \$1.282m.

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\$50,462) 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.
- 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 (\$6.278m) of the \$16.294m had become statute barred. The receipt of the outstanding withholding tax refunds is still being pursued at the highest level by the SDF.

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

Administrative Expenses:

Administrative expenses for the year under review totaled \$94.360m. The budget for the year was \$142.025m indicating a positive variance of \$47.665m.

Sports Infrastructure:

It was budgeted that \$193.472m would be spent on ongoing and new projects in 2018. During the year \$163.785m were spent on infrastructure projects compared to \$133.746m in 2017. The increase in expenditure is attributed to the increase in the number of projects implemented in 2018.

National Sports Associations:

In 2018, grants totaling \$196.439m made to National Associations exceeded the budgeted amount of \$189.832m. This variance of \$6.607 relates in the main to the additional grant to the Jamaica Football Federation.

Government Institutions:

Grants made to Government Agencies totaled \$41.214m, \$3.100m more than budgeted.

9. FORECASTS AND PROJECTIONS OF KEY FINANCIAL AND OPERATING MEASURES FOR THE YEAR 2019

Based on the projected proceeds for 2019, the expenditure on projects and grants are as outlined in the table below.

Table 4- Forecasts and Projections for Financial year 2019

Key Output	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Sports infrastructure including i) Replacement of running track at Catherine Hall Sports Complex, ii) Installation of running track at the Hazeldene Sports Complex iii) Rehabilitation of fields and courts at schools and communities islandwide iv) Replacement of lights at Independence Park Limited v) Installation of lights for night use in communities	\$136.851m	\$268.900m	\$284.100m	\$182.800m	\$872.651m
Improve administrative and technical development of sports through grants to national sports associations.	\$51.608m	\$69.302m	\$67.560m	\$49.758m	\$238.228m
The purchase of tickets for sporting events	\$5.250m	\$9.250m	\$5.650m	\$0.000m	\$20.150m
Enhance sports curriculum. Increase community sports development through grants to Government Agencies.	\$9.528m	\$10.528m	\$12.529m	\$10.528m	\$43.113m
Special Project Jamaica International Invitational Track Meet Racers Grand Prix	\$4.800m	\$7.200m \$12.000m			\$12.000m \$12.000m
Assist other organizations involved in sport a) ZOZO Programmes b) Summer Camp c) UWI/SDF Research Project	\$2.061m \$5.000m	\$15.261m \$5.000m	\$15.261m \$15.000m	\$15.661m	\$48.244m \$15.000m \$10.000m
Athletes Welfare Assist athletes and administrators for training, scholarships, medical expenses, stipends	\$3.000m	\$3.000m	\$3.000m	\$3.600m	\$12.600m
The Jamaica Athlete Insurance Plan	\$5.100m	\$4.700m	\$5.100m	\$5.100m	\$20.000m
Special Allocations To assist other organizations in funding sport related activities	\$14.400m	\$11.800m	\$18.000m	\$8.000m	\$52.200m
Commissioning of statues to honour Track and Field athletes	\$6.500m	\$3.250m	\$3.250m	\$0.000m	\$13.000m
Total	\$244.098m	\$420.191m	\$429.450m	\$275.447m	\$1,369.186m

The significant increase in infrastructure expenditure projected for 2019 is based on the policy of government to lay the basis for increased growth. It fits into the change in approach to the funding of sport, which is no longer solely dependent on returns from taxes on the gaming industry. Having had numerous projects being put on hold for many years due to inadequate funding, the decision was taken to increase the pace of implementation as sport begins to play its role in mainstream economic development.

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.

Table 5- Comparison of the Budget for Financial year 2019 and the Actual Expenditure for Financial years 2018 and 2017

Budget Item	\$'000 Actual 2017	\$'000 Actual 2018	\$'000 Budget 2019
Infrastructure projects	133,746	163,785	872,651
National Associations	187,294	196,439	238,228
Government Agencies:			
a. Institute of Sports	19,875	24,100	21,000
b. Social Development Commission	4,238		5,000
c. G. C. Foster College			
d. Independence Park Limited	2,398		
	13,671	17,114	17,113
Tickets Sporting Events	16,854	16,384	20,150
Jamaica Invitational Track Meet	38,661		12,000
Racers Grand Prix	25,762	12,500	12,000
Special Allocations	18,171	29,122	45,000
Statues	24,411	14,345	13,000
Grant PLCA	10,800	3,500	7,200
Jamaica 55	2,100		
UWI/SDF project			10,000
ZOZO Programmes		3,787	48,244
Summer Camp	8,948	8,070	15,000
Athletes Welfare Stipends & Scholarships	3,974	6,494	12,600
Athletes Insurance	20,000		20,000
Total	530,903	495,640	1,359,186

March 27, 2019

Appendix 1

Project Expenses Analysis for 2018 (\$J)

Fenced Multipurpose Courts

Parish	No	Amount	Location
Kingston & St. Andrew	3	16,386,308	Dupont Primary and Carberry Special School, Allman Town Primary (goals Mona Primary, Hermitage. Boulevard Baptist, St. Francis Primary, Washington Gardens SDA,)
St. Catherine		3,000	Eltham High
Clarendon	1	4,830,362	Rocky Point
St. Elizabeth	1	7,152,760	Barbary Primary
St. James	1	6,130,400	Farm Heights
Portland	1	3,777,410	Lynch Park
Court marking equipment		489,758	
TOTAL	7	38,769,998	

Fields/Tracks

Parish	No	Amount	Location
Kingston & St. Andrew		(1,675,000)	Receipt from CDF for Balmagie Primary
Kingston & St. Andrew		1,000,000	Track grant Kingston College
St. Elizabeth	1	8,268,860	Alligator Pond
Portland		336,339	Woodstock
St. Ann		1,403,800	Wilson Shop
St. Mary	1	4,501,256	Westmoreland Oval, Oracabessa
Clarendon		106,180	Edwin Allen, Mitchell Town
St. Catherine	2	12,132,609	Spanish Town High, Ebony Vale, Eltham High
TOTAL	4	26,074,044	

Project Expenses Analysis for 2018 (\$J) cont'd

National Projects

Parish	No	Amount	Location
St. Catherine		9,172	track –G.C. Foster College
Sr. Catherine		4,071,239	Infield –G C Foster College
Kingston		27,401,871	Seating sewage, electrical repairs –National Stadium
All island		12,096,840	Hurdles
TOTAL		43,579,122	

High Schools Sports Infrastructure Improvement Projects -HSSIIP

Parish	Project type	Amount	Location
St. Catherine	Retaining wall	27,114,630	Tacius Golding High
TOTAL		27,114,630	

Fencing/Wall

Parish	No	Amount	Location
St. Mary	1	13,944,316	Westmoreland Oval
Clarendon	1	3,010,100	West Park
TOTAL	2	16,954,416	

Project Expenses Analysis for 2018 (\$J) cont'd

Lighting, Renovations, Seating, Wells & Other Projects

Parish	No	Amount	Location
Kingston and St. Andrew	2	7,054,333	Lighting at Tivoli and Azteca Maryland, home of P Patterson
St .Mary		92,680	Building Oracabessa
St. Catherine	1	4,019,017	Lighting Thompson Park
Islandwide		126,473	Equipment
TOTAL	3	11,292,503	

Total Projects 2018 \$163,784,713

Appendix 2

Grants to National Associations 2018 and 2017 (\$J)

Association	Amount (2018)	Amount (2017)
Aquatics Jamaica	2,772,445	2,300,000
Equestrian Federation	1,290,000	1,290,000
Jamaica Intercollegiate Sports Assn	800,000	1,400,000
Jamaica Athletic Administrative Assn	27,833,668	28,000,000
Jamaica Amateur Basketball Assn	5,683,000	4,523,400
Jamaica Amateur Gymnastics Assn	3,965,000	2,606,000
Jamaica Amateur Softball Assn	1,799,038	1,290,000
Assn of Sports Medicine	1,000,000	1,000,000
Jamaica Badminton Assn	4,819,008	2,970,500
Jamaica Bobsleigh Federation	500,000	550,000
Amateur Bodybuilding Assn	1,550,000	1,050,000
Boxing Board of Control	2,661,000	2,306,000
Jamaica Chess Federation	4,810,004	2,380,000
Jamaica Cricket Association	16,200,000	16,700,000
Jamaica Cycling Federation	2,516,000	1,806,000
Jamaica Darts Association	700,000	500,000
Jamaica Football Federation	47,000,000	42,000,000
Jamaica Golf Association	2,935,000	4,755,000
Jamaica Hockey Federation	5,164,000	5,564,000
Jamaica Netball Association	14,361,808	17,692,208
Jamaica Paralympic Association	2,000,000	3,364,000
Jamaica Rifle Association	1,550,000	0
Jamaica Rugby Union	4,341,618	2,590,000
Jamaica Rugby League	2,400,000	1,400,000
Jamaica Skeet Club	1,500,000	800,000
Jamaica Ski Federation	0	0
Jamaica Visually Impaired Cricket	1,400,004	3,613,650
Jamaica Surfing Association	2,136,675	3,000,000
Jamaica Squash Association	2,723,700	2,306,000
Jamaica Table Tennis Association	4,735,000	3,735,000
Tae-Kwon Do Association and Federation	2,800,000	2,800,000
Jamaica Triathlon Association	1,000,000	1,000,000
Jamaica Volleyball Association	3,564,000	3,899,568
National Domino Bodies	2,530,000	1,880,000
Special Olympics Jamaica	4,038,771	3,508,800
Tennis Jamaica	4,981,500	4,986,000
Jamaica Motoring Federation		
Seido Karate Association	950,000	850,000
Multicare Foundation	2,838,000	2,838,000
Jamaica Cricket Umpire Assn		1,250,000
Jamaica Deaf Sports Association	1,590,000	2,790,000
Jamaica Rowing Federation	1,000,000	
TOTAL	196,439,239	187,294,126

Appendix 3

Grants to Government Agencies 2018 and 2017 (\$J)

Agency	Amount (2018)	Amount (2017)
G.C. Foster College		2,398,557
Institute of Sports including camp	24,100,000	28,822,939
Independence Park Ltd	17,113,800	13,670,490
Social Development Com.		4,238,102
TOTAL	41,213,800	49,130,088

Appendix 4

Directors Compensation 2018 (\$J)

Position of Director	Gross Fees	Travelling	Honoraria	All other Compensation cash and non cash	Total
George Soutar	296,000	13,376	-	84,000	393,376
Newton Amos	110,300	5,928	-	60,000	176,228
Donovan Bennett	55,100	79,800	-	60,000	194,900
Ian Forbes	280,100	20,064	-	60,000	360,164
Garth Gayle	126,750	6,384	-	60,000	193,134
Annmarie Heron	322,550	25,536	-	60,000	408,086
Lloyd Pommells	387,500	26,752	-	84,000	498,252
Molly Rhone	11,000	304	-	5,000	16,304
Compton Rodney	53,550	6,384	-	5,000	64,934
David Shirley	110,200	7,296	-	60,000	177,496
Laurel Smith	132,300	9,120	-	60,000	201,420
Nelson Stokes	88,100	6,840		65,000	159,940
Lancelot Thomas	102,900	8,360		55,000	166,260
TOTAL	2,076,350	216,144	-	718,000	3,010,494

Appendix 5

Compensation

Senior Management's Emoluments 2018 (\$J)

Name and Position	Basic Pay	Gratuity or Performance Incentive	Motor Vehicle Upkeep/Travelling	Pension or other Retirement Benefit	Other Allowances	Non-Cash Benefit	Total
Denzil Wilks General Manager	4,003,268	1,092,590	1,542,864		-	-	6,638,722
Charmaine Hanson Financial Controller	3,661,055	-	1,542,864	174,251	-	-	5,378,170
Terry Montaque Chief Engineer	3,238,907	-	1,542,864	154,159	-	-	4,935,930
TOTAL	10,903,230	1,092,590	4,628,592	328,410	-	-	16,952,822

All emoluments are stated before tax.



Sports Development Foundation
(A Company Limited by Guarantee)

Financial Statements
31 December 2018

Sports Development Foundation

(a company limited by guarantee)

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31 December 2018

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Statement of changes in fund	3
Statement of cash flows	4
Notes to the financial statements	5 - 25



Independent auditor's report

To the Members of Sports Development Foundation

Report on the audit of the financial statements

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 2018, 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 2018;
- 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.

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.

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

L.A. McKnight P.E. Williams A.K. Jan B.L. Scott, B.J. Denning G.A. Reeco P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore



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 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.



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 Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers

Chartered Accountants

27 March 2019

Kingston, Jamaica

Sports Development Foundation

(a company limited by guarantee)

Statement of Comprehensive Income

Year ended 31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 \$'000	2017 \$'000
Contributions from CHASE Fund	5	606,000	586,358
Investment income		7,844	10,977
Other income		2,992	(1,037)
		<u>616,836</u>	<u>596,298</u>
Less: Project Expenditure and Grants	6	(495,640)	(530,903)
Administration Expenses	7	<u>(94,360)</u>	<u>(92,884)</u>
Surplus/(deficit) for Year, being Total Comprehensive Income		<u><u>26,836</u></u>	<u><u>(27,489)</u></u>

Sports Development Foundation

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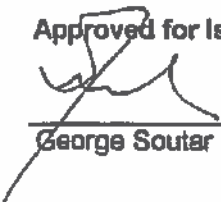
Balance Sheet

31 December 2018

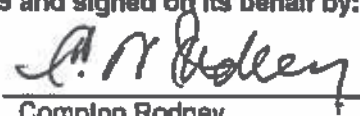
(expressed in Jamaican dollars unless otherwise indicated)

	Note	2018 \$'000	2017 \$'000
Non-Current Assets			
Intangible assets	9	70	70
Property, plant and equipment	10	49,000	50,597
Investment securities	11	39,878	39,869
		<u>88,948</u>	<u>90,536</u>
Current Assets			
Receivables	13	70,432	4,476
Current portion of long term receivable	12	-	101
Taxation recoverable	17	10,456	10,294
Cash and cash equivalents	14	222,316	258,056
		<u>303,204</u>	<u>272,927</u>
Current Liabilities			
Payables and accrued charges		22,470	13,095
Current portion of managed funds	15	2,616	10,192
		<u>25,086</u>	<u>23,287</u>
Net Current Assets		<u>278,118</u>	<u>249,640</u>
		<u>367,066</u>	<u>340,176</u>
Equity			
Sports Development Fund		365,368	338,532
Non-Current Liabilities			
Long term portion of managed funds	15	1,698	1,644
		<u>367,066</u>	<u>340,176</u>

Approved for Issue by the Board of Directors on 27 March 2019 and signed on its behalf by:


George Soutar

Chairman


Compton Rodney

Director

Sports Development Foundation

(a company limited by guarantee)

Statement of Changes in Fund

Year ended 31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

	Sport Development Fund \$'000
Balance as at 1 January 2017	366,021
Deficit for year, being total comprehensive income	(27,489)
Balance at 31 December 2017	338,532
Surplus for year, being total comprehensive income	26,836
Balance at 31 December 2018	365,368

Sports Development Foundation

(a company limited by guarantee)

Statement of Cash Flows

Year ended 31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

	2018 \$'000	2017 \$'000
Cash Flows from Operating Activities		
Surplus/(deficit) for year	26,836	(27,489)
Adjustments:		
Investment income	(7,844)	(10,977)
Amortisation of long term receivables	101	304
Depreciation and amortisation	4,792	6,688
Exchange and translation (gains)/losses on foreign balances	(310)	2,914
	<u>23,575</u>	<u>(28,560)</u>
Changes in operating assets and liabilities:		
Receivables	(65,956)	42,679
Payables and accrued charges	1,852	(10,643)
	<u>(40,529)</u>	<u>3,476</u>
Tax withheld at source	(162)	(98)
Cash (used in)/ provided by operating activities	<u>(40,691)</u>	<u>3,378</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(3,018)	(526)
Purchase of intangible assets	(177)	(70)
Investment income received	7,844	10,977
Cash provided by investing activities	<u>4,649</u>	<u>10,381</u>
Exchange and translation gains/(losses) on cash and cash equivalents	302	(1,144)
(Decrease)/increase in cash and cash equivalents	<u>(35,740)</u>	<u>12,615</u>
Cash and cash equivalents at beginning of year	258,056	245,441
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)	<u><u>222,316</u></u>	<u><u>258,056</u></u>

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

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.

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

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

IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018). As of January 1, 2018, the Foundation adopted IFRS 9 - Financial Instruments ("IFRS 9"). As a result of the application of this new standard, the Foundation changed its accounting policies as outlined in note 2 (d) below. As permitted by the transition provisions in IFRS 9, the Foundation has elected not to restate comparative period results; accordingly, all comparative period information on financial instruments is prepared in accordance with the accounting policies disclosed in the notes 2 (d) of the annual audited financial statements. There were no adjustments to the carrying amounts of financial assets and financial liabilities as of January 1, 2018. New or amended disclosures have been provided for the current period, where applicable, and comparative period disclosures are consistent with those made in 2017.

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. There was no significant impact on the Foundation resulting from the implementation of the standard and consequently no transition adjustment has been recorded in the statement of equity.

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.

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

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, 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:

Amendment to IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2019). This amendment confirms that when a financial liability measured at amortized cost is modified without this resulting in de-recognition, a gain or loss should be recognized immediately in the profit and loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread across the remaining life of the instrument which may be changed in practice from IAS 39. The Foundation is currently assessing the impact of future adoption of the new standard on its financial statements.

Sports Development Foundation

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Notes to the Financial Statements

31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Amendment to IAS 1 and IAS 8, (effective for annual periods beginning on or after 1 January 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use of a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The Foundation is currently assessing the impact of future adoption of the new standard on its financial statements.

(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.

(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

IFRS 9 introduces a principles-based approach to the classification of financial assets. Debt instruments, including hybrid contracts, are measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost based on the nature of the cash flows of these assets and the Foundation's business model. These categories replace the existing IAS 39 classification of FVTPL, available for sale, loans and receivables and held-to-maturity. The foundation classifies its financial assets in the following categories: at fair value through profit or loss and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Financial instruments (continued)

(i) Financial assets measured at amortized cost

Financial assets that are held to collect the contractual cash flows and that contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest, such as most loans and advances to banks and customers and some debt securities, are measured at amortised cost. In addition, most financial liabilities are measured at amortised cost. The carrying value of these financial assets at initial recognition includes any directly attributable transactions costs.

(ii) Financial assets at fair value through profit or loss

Financial instruments, other than those held for trading, are classified in this category if they meet one or more of the criteria set out below and are so designated irrevocably at inception:

- the use of the designation removes or significantly reduces an accounting mismatch;
- when a group of financial assets and liabilities or a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

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.

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.

Previous classification under IAS 39

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.

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Financial instruments (continued)

(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.

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).

Sports Development Foundation

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Notes to the Financial Statements

31 December 2018

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(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.

(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 financial assets at amortised cost (2017- held-to-maturity). Financial assets at amortised cost (2017- held-to-maturity investments) are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Foundation is holding solely for the payment of principal and interest (2017 - has the positive intention and ability to hold to maturity). Financial assets at amortised cost (2017- held-to-maturity investments) are initially recognised at fair value, which is the cash consideration including any transaction costs.

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2. Significant Accounting Policies (Continued)

(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 recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The foundation holds the receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(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.

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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.

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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.

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
2018					
Payables and accrued charges	6,201	2,812	13,457	-	22,470
Managed funds	-	-	2,616	1,698	4,314
	6,201	2,812	16,073	1,698	26,784
2017					
Payables and accrued charges	653	2,559	9,883	-	13,095
Managed funds	-	-	10,192	1,644	11,836
	653	2,559	20,075	1,644	24,931

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 2018 includes aggregate net foreign assets of approximately \$47,852,000 (2017 – \$52,263,000) 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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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:

	2018		2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Long term receivable	-	-	101	101

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.

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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 2017 were paid to the Foundation. This amount was \$586,358,000. In 2018 the amount received through the CHASE Fund was \$606,000,000. These contributions were recognised at a point in time.

6. Project Expenditure and Grants

	2018	2017
	\$'000	\$'000
Infrastructure Projects	163,785	133,746
Grants to National Associations	196,439	187,294
Grants to Government Agencies	41,214	49,130
Grant for Special Projects – Track Meets	12,500	64,423
Grants – others	81,702	96,310
	<u>495,640</u>	<u>530,903</u>

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7. Expenses by Nature

Total disbursements and administration expenses:

	2018	2017
	\$'000	\$'000
Advertising and promotion	1,366	1,894
Audit fees	2,254	2,147
Depreciation and amortization	4,793	6,688
Directors' fees (Note 16)	3,010	2,919
Foreign travel	1,248	1,458
Insurance	1,667	1,892
Legal and professional fees	3,833	1,876
Motor vehicle expense	4,694	3,445
Repairs and maintenance	4,799	9,063
Security	2,166	2,006
Staff costs (Note 8)	52,275	48,048
Utilities	4,959	4,546
Other expenses	7,296	6,902
	<u>94,360</u>	<u>92,884</u>
Project expenditure and grants (Note 6)	<u>495,640</u>	<u>530,903</u>
	<u>590,000</u>	<u>623,787</u>

8. Staff Costs

	2018	2017
	\$'000	\$'000
Salaries and wages	28,098	24,948
Accrued leave and gratuity costs	1,534	1,697
Payroll taxes – employer's portion	3,056	2,816
Pension contributions (Note 18)	896	913
Other (Health, Uniform and Welfare)	18,691	17,674
	<u>52,275</u>	<u>48,048</u>

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

	2018	2017
	No.	No.
Full-time	<u>14</u>	<u>14</u>

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9. Intangible Assets

	Computer Software \$'000
At Cost -	
1 January 2017	2,235
Additions	<u>70</u>
31 December 2017	2,305
Additions	<u>177</u>
31 December 2018	<u>2,482</u>
Amortisation -	
1 January 2017	2,232
Amortisation for the year	<u>3</u>
31 December 2017	2,235
Amortisation for the year	<u>177</u>
31 December 2018	<u>2,412</u>
Net Book Value -	
31 December 2018	<u>70</u>
31 December 2017	<u>70</u>

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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
At Cost -							
At 1 January 2017	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
Additions	278	2,740	-	-	-	-	3,018
At 31 December 2018	5,075	13,757	20,205	16,436	32,072	9,959	97,504
Depreciation -							
At 1 January 2017	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
Charge for the year	375	1,032	2,465	411	-	332	4,615
At 31 December 2018	4,508	8,836	16,743	8,458	-	9,959	48,504
Net Book Value -							
31 December 2018	567	4,921	3,462	7,978	32,072	-	49,000
31 December 2017	664	3,213	5,927	8,389	32,072	332	50,597

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

	2018 \$'000	2017 \$'000
Held-to-maturity -		
Government of Jamaica	-	10,695
Corporate bonds	-	29,174
Financial assets at amortised costs -		
Government of Jamaica	10,784	-
Corporate bonds	29,094	-
	<u>39,878</u>	<u>39,869</u>

The weighted average effective interest rate on investments was 8.5 % (2017 – 8.50%). The investments have a maturity date of November 10, 2024 and July 9, 2025.

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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 ended on 30 April 2018.

	2018 \$'000	2017 \$'000
Long term receivable	-	101
Less: current portion	-	(101)
	<u>-</u>	<u>-</u>

Current portion of long term receivable comprised of:

	2018 \$'000	2017 \$'000
Maintenance	<u>-</u>	<u>101</u>

13. Receivables

	2018 \$'000	2017 \$'000
Prepayment	1,022	730
Other	<u>69,410</u>	<u>3,746</u>
	<u>70,432</u>	<u>4,476</u>

Included in other is an amount of \$58,657,000 advanced on behalf of Independence Park Limited. The amount was subsequently reimbursed after the year end.

The receivables at the end of 2018 also include \$3,680,000 due from the Ministry of National Security for the construction of two courts and seating at Up Park Camp which was subsequently reimbursed after the year end.

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14. Cash and Cash Equivalents

	2018 \$'000	2017 \$'000
Cash at bank and in hand	86,832	126,495
Cash equivalents	135,484	131,561
	<u>222,316</u>	<u>258,056</u>

Cash equivalents represent securities with original maturities of three months or less and include interest receivable of \$1,125,000 (2017 – \$1,147,000). The weighted average effective interest rate on JMD short term deposits was 2.75% (2017 – 4.15%).

Cash at bank and in hand includes funds held under management of \$6,433,000 (2017 - \$1,830,000).

15. Managed Funds

	2018 \$'000	2017 \$'000
Constituency Development Fund	870	-
Tourism Product Development Fund	629	2,442
Ministry of Agriculture & Fisheries	449	1,780
Sports Museum	1,698	1,644
Petrocaribe Fund	617	1,899
Co-funded Project- Spanish Town High	-	4,000
Beckwith International Leadership Development (BILD) Fund	51	71
	<u>4,314</u>	<u>11,836</u>
Current portion	<u>(2,616)</u>	<u>(10,192)</u>
	<u>1,698</u>	<u>1,644</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. In 2018 the Foundation received funding from the CDF to undertake two projects in St. Catherine and part funding for a project in St. Andrew. 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.

Constituency Development Fund

	2018 \$'000	2017 \$'000
Allocations during the year	7,987	-
Project disbursements	(7,117)	-
Funds at the end of the year	870	-

Tourism Product Development Co. Ltd

	2018 \$'000	2017 \$'000
Funds at the beginning of the year	2,442	6,426
Allocations during the year	8,083	7,090
Project disbursements	(9,896)	(11,077)
Bank charges	-	3
Funds at the end of the year	629	2,442

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15. Managed Funds (Continued)

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. These funds have been used in addition to funds provided by the Foundation to complete this project.

In 2018, the Foundation received part payment of \$5.678m from the Ministry of National Security to construct two courts and seating at Up Park Camp. These funds were used during the year.

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.

	2018 \$'000	2017 \$'000
Funds at the beginning of the year	1,780	4,172
Interest earned	11	4
Project disbursements	(1,342)	(2,396)
Funds at the end of the year	449	1,780

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.

	2018 \$'000	2017 \$'000
Funds at the beginning of the year	1,644	1,560
Interest earned	54	84
Funds at the end of the year	1,698	1,644

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15. Managed Funds (Continued)

v) *PetroCaribe fund*

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

	2018 \$'000	2017 \$'000
Funds at the beginning and end of the year	1,899	1,899
Project disbursements	(1,282)	-
Funds at the end of the year	617	1,899

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.

	2018 \$'000	2017 \$'000
Funds at the beginning of the year	71	71
Project disbursements	(20)	-
Funds at the end of the year	51	71

16. Related Party Transactions

The following transactions were carried out with related parties:

Key management compensation

	2018 \$'000	2017 \$'000
Salaries and other short-term employee benefits	11,996	11,684
Payroll taxes – employer's portion	1,226	1,199
Pension	328	299
	13,550	13,182
Directors' emoluments -		
Fees	3,010	2,919

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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 2018 tax recoverable of \$10,456,000 (2017 - 10,294,000) 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 \$896,000 (2017 - \$913,000) in the current year.



V

The Minister of Sport, Hon. Olivia Grange, hands over a \$5m cheque to help support the Reggae Girlz

VI

The jubilant Jamaica Rugby Football team celebrates qualification to the Hong Kong Sevens, Rugby World Cup and a historic berth to the Pan-American Games



VIII



VI

VII

Historic qualification for Jamaica as they became the first Caribbean nation to qualify for the Rugby League World Cup



VII

VIII

Jamaica hosted the 2018 Pan-American Handgun Championship in Kingston



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