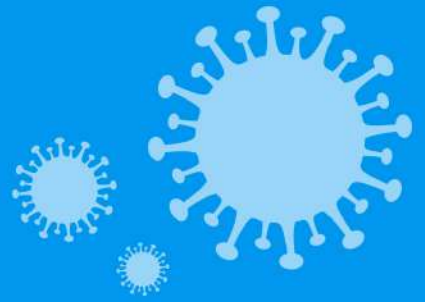




**SPORTS  
DEVELOPMENT  
FOUNDATION,  
JAMAICA**



# 2020 ANNUAL REPORT





*Fenced Multipurpose court at Portland Cottage*

**MESSAGE FROM THE MINISTER OF CULTURE, GENDER,  
ENTERTAINMENT AND SPORT FOR THE ANNUAL REPORT OF THE  
SPORTS DEVELOPMENT FOUNDATION FOR 2020**



The Board, management and staff of the Sports Development Foundation must again be congratulated for the work done in a year that was novel. The advent of the Novel Corona Virus, Covid 19 created circumstances that none of us had experienced previously. To have come through all that with an outstanding record in the area of infrastructure development indicates the adaptability of all involved.

Not being able to celebrate the 25<sup>th</sup> year of its existence as we would have liked is unfortunate but surviving a year of pandemic and all that came with it can be considered as worthy of celebration.

The closure of the sporting industry across the world was devastating and we all lamented the inability to engage and excel as we are used to doing. As a government we were proud to have maintained the monthly allocations to the national sporting bodies throughout the pandemic, even as all else ground to a halt. Being able to make a first payment to those athletes preparing for the Olympics, then scheduled for 2020, was another achievement making the Foundation and government proud.

In spite of a repurposed budget, which saw approximately 10% being cut, we were able to ramp up infrastructure expenditure, as this activity was not in breach of the covid protocols. Expenditure in this area increased from \$107m in 2019 to \$180m, an increase of 68%.

I commend the resilience of the staff and thank my Directors for pivoting appropriately during a period that saw unprecedented challenges locally, regionally, and internationally. I use this medium to exhort all stakeholders to exercise our spirit of resilience, creativity, and cooperation as we work towards the revival of the sporting sector. May these challenges serve to further confirm the real role of sport as an industry.

Olivia Grange MP, CD

Minister of Culture, Gender, Entertainment and Sport

## **THE CHAIRMAN'S MESSAGE**



And so we thought 2019 was a challenging year and so it was. But late in 2019 we began to hear about something called Novel Corona Virus, with a precise name Covid-19. No doubt many prayers went up, with the hope that it would not find its way to Jamaica.

By March of 2020 hopes were dashed as we received word that the virus had found its way to our shores. Within the next few weeks we were to begin experiencing developments unprecedented in our annals. The world was being ravaged by a pandemic and Jamaica was no exception. Our budget had to be repurposed and we began to learn more about masking, sanitizing and working from home at levels not before seen by this generation.

With typical SDF doggedness we soldiered on and again I have to pay special tribute to the staff, who adapted well to the crisis and managed to execute in the area of infrastructure development. The fact that this aspect of our work did not breach the various protocols allowed us to outperform previous years as sporting facilities were completed across the country, in spite of the various lockdowns. With most traditional sporting activities curtailed due to the pandemic we were able to spend \$180.5 million on infrastructure projects, representing 79.6% of budget. Historically we have come to see 60-65% of budget as a good mark when it comes to infrastructure project execution, due mainly to the vagaries of project execution, including the weather, procurement and other such challenges. And so a rounded 80% is worthy of mention. The outflow on infrastructure increased from \$107.6m in 2019 to \$180.5m, an increase of 67.8%.

2020 was our 25<sup>th</sup> year of existence and unfortunately we were not able to celebrate this milestone in any significant way. Even the honouring of staff, many of whom have served over twenty of those years, had to be postponed.

Intriguingly national elections were called during the year and here I must pause to commend my colleague Directors for keeping things balanced during this event, in a

Jamaica that can get very tricky at such times. The fact that the integrity of the SDF was not compromised during this process is a tribute to the level headedness displayed by the Directors and the cooperation of the staff as well as the parent Ministry. The elections were held in September and while there was no change in the governing party, the incumbent Board had to carry on to the end of the year, to await the appointment of a new Board. This can easily be overlooked, but requires significant restraint as a carry-on Board does not have the same authority as a duly appointed one. These were trying times and to this day the SDF carries a reputation of dignity and performance, in spite of the administrative challenges.

The impact of the pandemic is indicated by the drop in expenditure on National Associations to \$158 million, compared with \$210.3 million in 2019, a fall of 33.1%. In the category of Athletes Welfare and Other Grants, the fall was 54.7% from \$42.2 million to \$19.1 million. All this was due to the cancellation of almost every major sporting activity locally, regionally and internationally. However, in an effort to prevent the sporting sector from shutting down completely, the government took the laudable decision to maintain the monthly stipends to associations designated to receive same from previous years.

The reporting deadline for 2019 was extended to July 31, 2020 and we made it. Our record continues when it comes to meeting deadlines. However, it is the comments from our independent Auditors PricewaterhouseCoopers in their report to our Audit Committee, which fills me with pride to be associated with this organization:

**“We did not identify any instances of non-compliance with laws and regulations, nor did we change the planned scope of the Audit. What we planned to do is what we executed. We did not have any disagreements with management, and we did not identify suspected fraud involving management. Overall, the Audit was a very clean Audit, and we are confident that with the level of evidence that we have collected, we are set to issue an unqualified report.”**

May it continue to be so going forward.

**GEORGE SOUTAR CD, QC**

# **SPORTS DEVELOPMENT FOUNDATION**

## **Annual Report for the Year ended December 31, 2020**

Pursuant to Section 3 of the Public Bodies Management and Accountability Act, the Board of Directors is pleased to present the report for the 25<sup>th</sup> year of the operations of the Sports Development Foundation for the financial year ended December 31, 2020.

As we look back at a most momentous year, we cannot but give thanks for those of us who have made it through the pandemic and express condolences to the families and friends of those not so fortunate. The data is not yet verified but anecdotally it is clear that those who are relatively healthy, from a sporting perspective, seem to have weathered the storm better than others. Additionally, our experiences indicate that the absence of sport resulted in a massive economic fallout across the world. The inference from this is that we need, as a country, to do even more to broaden the access to sports. The work of the SDF is critical in this regard and we must advocate for greater funding to be made available for this vital sector, which is no longer just leisure, but one which touches every aspect of our existence. The need for more funding has been expressed repeatedly and we suggest that this should form part of our preparation for future events like the pandemic, as well as a basis for real economic stimulus.

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

For 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. Mrs. Mexine Bisasor-Bryan
5. Dr. Donovan Bennett
6. Mr. Ian Forbes, CD
7. Mrs. Annmarie Heron, OD
8. Hon. Molly Rhone, OJ
9. Mr. Compton Rodney, OD
10. Mr. David Shirley

## **2. MEETINGS**

The following meetings were held during the year:

- Board Meetings (12)
- Allocations/Projects Committee (10)
- Finance Committee (11)
- Audit Committee(3)
- Public Relations Committee (13)
- Human Resources Committee(7)
- Advisory Committees (5)

## **3. REVIEW OF OPERATIONS**

In preparation for financial year 2020, the Foundation was advised by the Ministry of Finance that its funding is limited to the amount approved in the budget of the CHASE Fund. Based on this information the proceeds for the financial were projected to be \$626m.

The programmes budgeted for the year were selected in keeping with the priorities established by our parent ministry to improve the development of, and access to sports programmes and facilities by all citizens.

By March 2020, owing to the repurposing of state resources to address the Covid 19 health pandemic, the Foundation was asked to submit a new budget. This repurposed budget included the reallocation of funds budgeted for sporting events and for competitions to infrastructure projects. Sporting events were cancelled in keeping with crowd control measures instituted to control the spread of the Covid 19 virus.

These adjustments resulted in:

- a) An increase in the amount (\$180.531m) spent for infrastructure project compared to the prior year (2019, \$107.632m).
- b) A decrease in funds granted to Government Agencies
- c) A decrease in the funds granted to National Sporting Associations.

Instituting social distancing rules, sanitization stations as well as the greater use of technology to carry on the operations of the Foundation resulted in an increase in the purchase of (tangible and intangible) assets.

Within the ambit of the Disaster Risk Management Act the SDF achieved:

- a) The development and growth of talent and skills through the availability of newly constructed sporting facilities,
- b) Provision of continued support to National Sporting Associations through monthly subventions,
- c) The funding of sport development in communities islandwide including summer camps for the youth,
- d) Monthly support to the Institute of Sport and Independence Park Limited, for the maintenance of the stadium complex,
- e) The funding of athletes and sports personnel (active and retired) through grants from the Athletes' Welfare Fund.

**A. Comparison of Actual and Budget for 2020**

Table 1 shows a comparison of the actual income and expenditure for 2020 with the amounts in the repurposed budget.

**Table I – Comparison of Actual vs. Budget for 2020**

	<b>Actual \$'000</b>	<b>Repurposed Budget \$'000</b>	<b>Variance \$'000</b>
<b>INCOME</b>			
Income thru CHASE Fund	600,439	626,373	(25,934)
Investment Income	5,170	3,905	1,265
Other Income	6,917	720	6,197
Fair Value & Exchange gain	9,986		9,986
<b>TOTAL INCOME</b>	<b>622,512</b>	<b>630,998</b>	<b>(8,486)</b>
Withholding Tax Written Off	10,483	-	(10,483)
<b>ADMINISTRATIVE EXPENDITURE:</b>	<b>98,700</b>	<b>154,237</b>	<b>55,537</b>
<b>OTHER EXPENDITURE:</b>			
Grants to Government Agencies	38,450	43,114	4,664
Jamaica International Invitational & Racers Grand Prix& other Athletic Meets	540	-	(540)
Special Allocations	55,373	49,282	(6,091)
Infrastructure Projects	180,531	260,131	79,600
National Associations	158,014	163,398	5,384
Sports Research Project	-	5,000	5,000
Athletes Welfare& Other Grants	20,630	21,274	644
<b>TOTAL OTHER EXPENDITURE</b>	<b>453,538</b>	<b>542,199</b>	<b>88,661</b>
<b>TOTAL EXPENDITURE:</b>	<b>562,721</b>	<b>696,436</b>	<b>133,715</b>
<b>SURPLUS/(DEFICIT)</b>	<b>59,791</b>	<b>(65,438)</b>	<b>125,229</b>
Net cash adjustments	204,289	110,410	93,879
<b>NET POSITION</b>	<b>264,080</b>	<b>44,972</b>	<b>219,108</b>

## INCOME

Income received through the CHASE Fund for 2020 (\$600.439m) represented 95.86% of the budgeted amount. The comparative income figure for 2019 was \$536.796m. 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, project management fees, sale of tender documents and the settlement of an insurance claim on a fully depreciated asset.

The decline of the Jamaica Dollar compared to the United States Dollar resulted in on revaluation of funds held in foreign currencies.

## ADMINISTRATIVE EXPENSES

Administrative expenses incurred for the year were \$98.700m which was \$55.537m less than the budgeted amount.

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

i. Public Relations

The 2020 budget included a provision for the 25<sup>th</sup> anniversary celebrations for the Foundation. These celebrations were cancelled, for the most part, owing to the cessation of the hosting of functions in keeping with the management of the Covid 19 Health Pandemic.

ii. Employee Costs

The Administrative budget for 2020 included the provision for an increased staff complement and the associated costs of health, training and pension. The increase in the staff complement was not implemented in the year. While there is still the need for an increase in the complement, the Covid 19 Pandemic has changed the way in which this can be achieved.

iii. Maintenance-Building and Equipment

The maintenance of building planned for 2020 was delayed. Commencing in the second quarter of the year, a "Work from home" protocol was adopted. Emphasis was placed during the year on the installation of sanitization stations and the

maintenance of software and technology driven systems to ensure that operations could continue safely.

## OTHER EXPENSES

### a) Grants for Meets and Leagues

The 2020 Jamaica International Invitational and Racers Grand Prix Meets were cancelled owing to the Covid 19 pandemic. In the last quarter of the year a series of Track Meets entitled “Velocity Fest” were held. The Foundation contributed \$0.540m towards these Meets.

### b) Special Allocations

This category includes the grants made to organizations and groups involved in the development of sports and programmes including those conceptualized by the parent ministry. In 2020, the Foundation spent \$15.818m for the hosting of Summer Camps for the youth. These camps were successfully held in full compliance with the Disaster Risk Management Act.

### c) Infrastructure Projects

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

- I. The reallocation of funds resulting from the cancellation of sporting events, with the amount spent in 2020 (\$180.531m) reflecting a significant increase compared to 2019 (\$107.632m). As is customary projects that were incomplete at the end of the year have been carried forward to 2021.
- II. The Disaster Risk Management protocols did not hinder the implementation of projects as work could be done outside while adhering to the physical distancing protocols.

There is, however, an uncertainty as to when the Foundation will receive enough funding to undertake large projects such as the replacement of the running track at the Catherine Hall Sporting Complex. The urgent need for this project to be implemented cannot be overemphasized.

d) Grants to National Associations

The amounts spent in 2020 (\$158.014m) for grants to National Associations reflect a decrease compared to the repurposed budgeted amount (\$163.398m). The grants paid represent, in the main part, monthly subventions. The Foundation was deliberate in making these payments in order that National Sporting Associations would continue to receive support especially at a time when funding from other national and international organizations decreased and ceased in some instances. The Covid 19 Pandemic resulted in the cessation of sports programmes and competitions worldwide for most of 2020. As international competitions and tournaments were either postponed or cancelled, no additional funds were granted after March 2020, to enable participation of our athletes in international events. In the last quarter of the year a small number of local competitions were held with full compliance with the protocols established by the Ministry of Health. Of the total amount granted during the year \$21.100m represented additional grants, with the main recipients being the Jamaica Athletic Administrative Association (\$7.600m for completion of office building) and the Jamaica Football Federation (\$4.314m) for budgetary support.

**B. Comparison of Actual Results for 2020 and 2019**

Table 2 shows a comparison of the actual income and expenditure for 2020 with the actual income and expenditure for 2019.

**Table 2 – Comparison of Actual Data for 2020 and 2019**

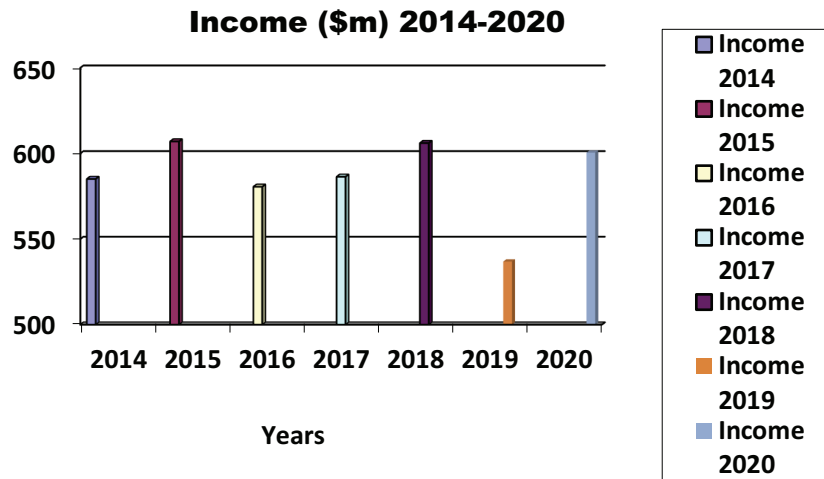
	<b>2020 Actual \$'000</b>	<b>2019 Actual \$'000</b>	<b>Variance \$'000</b>
<b>INCOME:</b>			
Income from Gaming	600,439	536,793	63,646
Investment Income	5,170	5,186	(16)
Other Income	16,903	1,455	15,448
<b>TOTAL INCOME</b>	<b>622,512</b>	<b>543,434</b>	<b>79,078</b>
<b>EXPENDITURE</b>			
Administrative expenses	98,700	100,984	2,284
Withholding Tax Written Off	10,483	-	(10,483)
Grants to Government Agencies	38,450	43,114	4,664
Assistance to Sporting Events (Jamaica International Invitational & Racers Grand Prix Athletic Meets	540	30,800	30,260
Special Allocations Fund	55,373	104,304	48,931
Infrastructure Projects	180,531	107,632	(72,899)
National Associations	158,014	210,289	52,275
Athletes Welfare and Other Grants,	20,630	42,218	21,588
<b>TOTAL EXPENDITURE</b>	<b>562,721</b>	<b>639,341</b>	<b>76,620</b>
<b>SURPLUS / (DEFICIT)</b>	<b>59,791</b>	<b>(95,907)</b>	<b>155,698</b>

**I. Income**

The income received in 2020 reflects an increase (11.87%) compared to 2019. For the seven-year period 2014-2020, the proceeds received in 2020 represent the third largest amount.

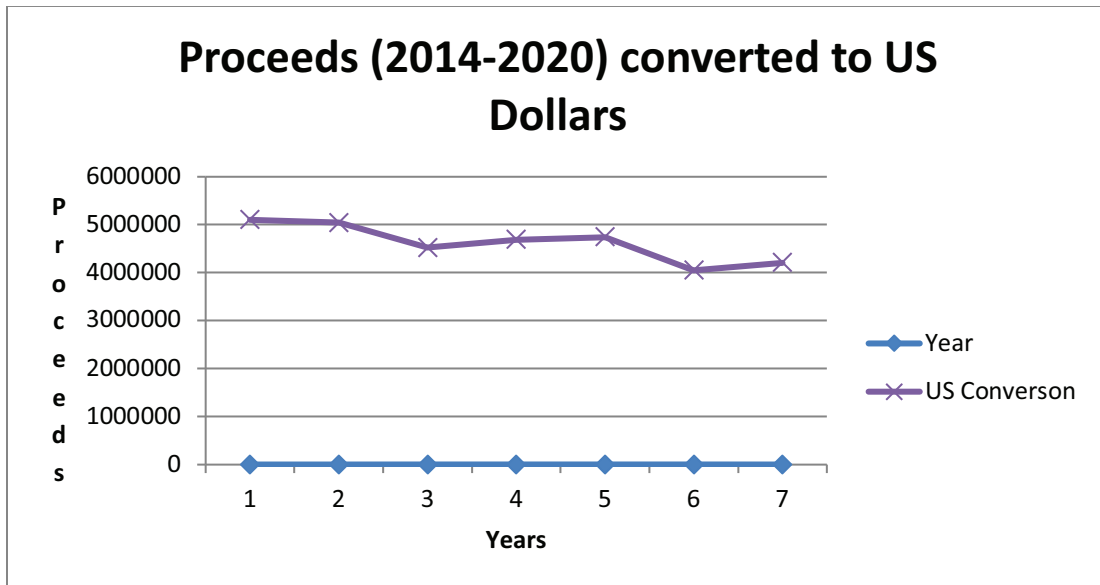
The chart below shows the change in income over the seven- year period 2014-2020.

**Chart 1- Comparison of Income (\$m) received over the seven year period 2014-2020**



A further analysis of the proceeds received over the seven year period (2014-2020) is reflected in Chart 2 below.

**Chart 2 –Showing that the Proceeds (2014-2020) converted to US Dollars**



The proceeds received over the seven-year period shown above highlights that the resources available to the Foundation have declined, in real terms, over the period. This has taken place in the context where the cost of infrastructure, has increased by 40-50% over the period.

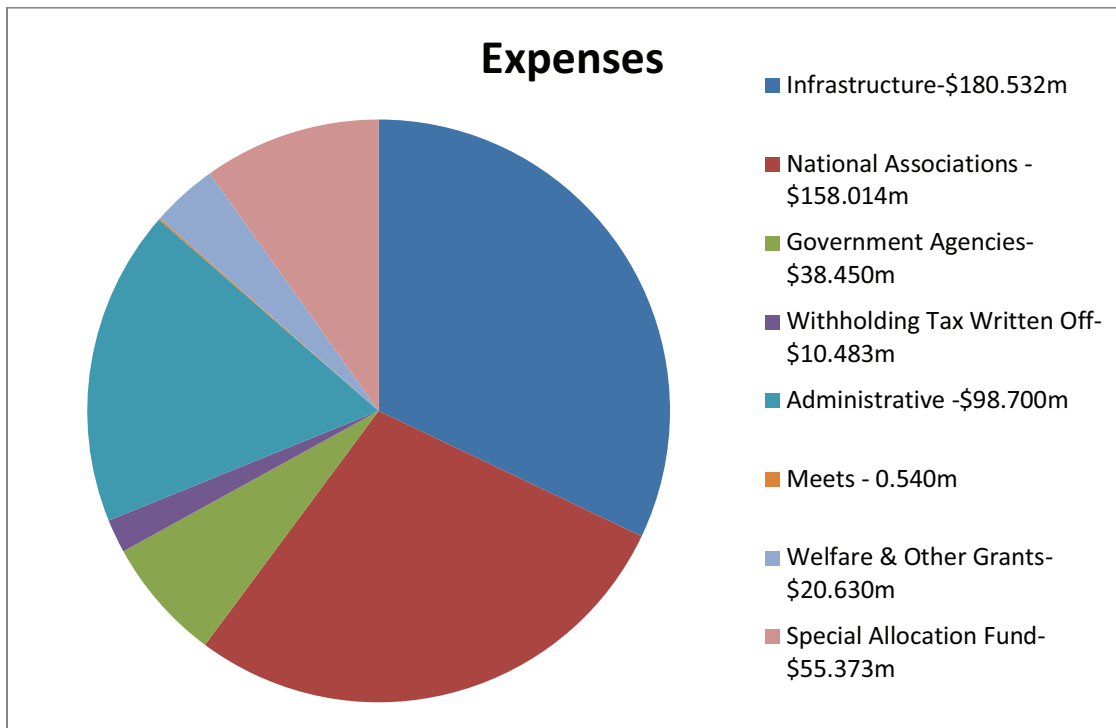
## **2. Major Expense Categories**

The Major Expense Categories are:

- a) Sports Infrastructure Projects
- b) Grants to National Associations
- c) Grants to Government Agencies
- d) Administrative Expenses
- e) Withholding Tax Written Off
- f) Meets
- g) Athletes Welfare & Other Grants
- h) Special Allocations Fund Grants

The chart below shows the amounts spent in each category.

**Chart 3- Comparison of Funds allocated to Expense categories for 2020**



Infrastructure expenditure represented 32.1% of total expenditure, allocations to national associations was 28.1%, and other non-administrative expenses represented 20.4%. Total administrative expenses, therefore, amounted to 17.5%. This is another indication of the efficiency of the Foundation. While it is not disaggregated, it should be noted that staff costs amount to \$54.578 million, just 9.8% of expenditure and 55% of administrative expenses. The 9.8% is comparable to an industry average of 15-20%.

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

These projects included:

**National Facilities**

During the year infrastructure development namely, the installation of lights at the National Basketball Court was carried out at the National Stadium Complex.

## **Community Infrastructure Projects**

During the year the Foundation:

- ✓ Completed/ upgraded multipurpose courts in four communities,
- ✓ Completed/upgraded fenced multipurpose courts at three institutions of learning
- ✓ Provided fencing for sporting complex in one community
- ✓ Continued the rehabilitation of playfields/turf at two schools and in six communities
- ✓ Secured seats to be distributed islandwide
- ✓ Completed seating in one community

## **Other Infrastructure Activities**

i. Constituency Development Fund Programme (CDFP) and other entities

No projects were implemented on behalf of the CDF during the year.

At the end of the year, the Foundation had commenced the purchase of goals and igoals on behalf of the Institute of Sports. The SDF received \$2.000m from the Institute of Sport to undertake this purchase.

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

No projects were implemented on behalf of this entity during 2020.

iii. Projects implemented on behalf of the Tourism Enhancement Fund

The Foundation is in process of installing lights at the Wilson Shop Sports Complex on behalf of the Tourism Enhancement Fund.

iv. The High School Sports Infrastructure Improvement Programme (HSSIIP)

This programme began in 2014 and involves sport infrastructure improvement at High Schools throughout the island.

The improvements include:

- ✓ Renovation of playfield
- ✓ Construction/rehabilitation of multipurpose court

- ✓ Construction of gymnasium
- ✓ Contribution to the installation of synthetic running tracks
- ✓ Construction of jump pit
- ✓ Construction of retaining walls and
- ✓ Construction of changing rooms

The Ministry of Agriculture and Fisheries through its Sugar Transformation Unit (STU) provided funding for the improvements done at High Schools situated in sugar dependent areas. These schools are Bog Walk High, Paul Bogle High, Vere Technical High, William Knibb High, Roger Clarke High, Kellits High, Grange Hill High and Frome High.

In 2020 the High School Sports Infrastructure Improvement Projects were all funded by the Ministry of Agriculture. These projects are:

- ✓ Construction of a multipurpose court and cricket nursery at the Frome High School
- ✓ Construction of a gymnasium at the Kemps Hill High School and
- ✓ Rehabilitation of the playfield at the Grange Hill High School

At the end of the year the projects being done at Frome High and Grange Hill were in progress. The construction of the gymnasium at the Kellits High School was completed during the year.

Table 3 below shows the cumulative impact of the High School Sports Infrastructure Improvement Project.

**Table 3**

<b>Parish</b>	<b>Number of Schools</b>	<b>Location</b>
<b>Kingston</b>	6	Kingston College, Calabar High, Jamaica College, Tarrant High, Haile Selassie High, Wolmers Boys,
<b>Manchester</b>	1	Holmwood High
<b>St. Andrew</b>	1	Mavis Bank High
<b>St. Thomas</b>	2	Paul Bogle High, Happy Grove High,
<b>St, Catherine</b>	3	St. Jago High, Tacius Golding, Bog Walk High
<b>Clarendon</b>	2	Vere Technical High, Kellits High
<b>St. Elizabeth</b>	2	Lacovia High, Roger Clarke High
<b>Trelawny</b>	1	William Knibb High
<b>Westmoreland</b>	2	Frome High, Grange Hill High
<b>Total</b>	20	

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

In 2020, \$158.014m (2019-\$210.289m) were paid to National Associations to provide funding for administrative expenses and assistance to athletes. These grants are outlined in Appendix 2. The grants made in 2020 represent a decrease compared to that of 2019 owing to the Covid 19 Health Pandemic and the resultant cessation of competitions and tournaments.

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

In 2020, the Foundation provided funding of \$38.450m to Government Agencies compared to \$43.114m paid over in 2019. This was distributed as follows:

- a. Institute of Sports: \$21.000m (2019-\$21.000m)–For programme support.

- b. Independence Park Limited: \$17.114m (2019-\$17.114m) – These funds included \$3.341m to supplement the continued maintenance of the National Stadium and the Trelawny Multipurpose Complexes, and \$13.773m provided support for the replacement of the main running track.
- c. G. C. Foster College - \$0.336m to fund the cost to clear sports equipment
- d. The Social Development Commission: - (2019- \$5.000m) Owing to the current health pandemic no 20/20 cricket competition was staged.

In each year, these grants are separate from any infrastructure upgrades provided for these institutions.

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

Administrative expenses for 2020 were 17.5% of total expenditure, an outstanding achievement by any standard and continuing the trend over the years of being within 20% of total expenditure. Administrative expenses decreased in 2020 compared to 2019. Of note is the expensing of denied tax claims of \$10.483m. In the second quarter, the Ministry of Finance and the Public Service denied the claim for the refund of tax withheld on interest income for the period April 2008-March 2014.

In addition, the purchase of new items (sanitization solutions, masks) and deep cleaning expenses were incurred during the year. In order to continue normal operations, the use of technology increased resulting in increased cost of internet and related services.

#### **v. Athletes Welfare Fund & Other Grants**

Based on the requests received, grants totaling \$20.630m (2019, \$42.218m) were paid to athletes (active and retired) from the Athletes Welfare Fund. The devaluation of the Jamaican dollar impacts the grants made under this category as approximately 50% of our active athletes reside outside of Jamaica. Included in this amount is \$1.504m spent in the first quarter of the year to support National Associations through the purchase of tickets for sports competitions and tournaments.

#### **vii. Special Allocation Fund**

This category includes grants made to organizations and groups that are involved in the development of sports and sports programmes including summer camps. During the year, grants were also made to facilitate sports programmes in “ZOSO” and “SOE” designated

communities. The final cost to sculpt the statue of athlete Asafa Powell is included in this category.

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

#### **i. 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 waited on the presentation of invoices to facilitate the payment of the J\$50,462 retained. At the end of the year, the decision was made to close this account.

### **4. STAFFING**

It was proposed that the staff complement of the Foundation would increase in the year. The complement decreased by one in 2019 owing to retirement. The vacant position was filled in the first quarter of 2020. There is still the need to fill vacant posts in order to position the Foundation to achieve the 2030 sports vision.

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

Based on the request of the Ministry of Finance and the Public Service, the 2020 budget was repurposed in April of the year. This exercise did not result in a change in the approved 2020 Corporate Plan.

### **6. 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 a portion (\$6.278m) of the \$16.294m had become statute barred. Despite numerous and continuous efforts to get a refund of the remaining amount (\$10.483m); this amount was

denied during the year by the Financial Secretary of the Ministry of Finance and the Public Service.

## **7. SUMMARY OF THE ACHIEVEMENT OF THE SDF MEASURED AGAINST PERFORMANCE TARGETS**

### **Administrative Expenses:**

Administrative expenses for the year under review totaled \$98.700m. The budget for the year was \$154.237m resulting in a positive variance of \$55.536m.

### **Sports Infrastructure:**

It was budgeted that \$260.131m would be spent on ongoing and new projects in 2020. During the year \$180.531m were spent on infrastructure projects. This represents an increase of 67.7% compared to \$107.632m spent in 2019.

### **National Sports Associations:**

In 2020, grants totaling \$158.014m made to National Associations were less than the budgeted amount of \$163.398m. The decrease was as a result of the cessation of sporting programmes after the first quarter of the year.

### **Government Institutions:**

Grants made to Government Agencies totaled \$38.450m which is less than budgeted owing to the Covid 19 Health Pandemic.

## **8. FORECASTS AND PROJECTIONS OF KEY FINANCIAL AND OPERATING MEASURES FOR THE YEAR 2021**

Based on the projected proceeds for 2021, the expenditure on projects and grants are as outlined in the table below.

**Table 4- Forecasts and Projections for Financial year 2021**

Key Output	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total
Sports infrastructure including i) Rehabilitation of fields and courts at schools and communities islandwide ii) Installation of lights for night use in communities	\$52.441m	\$49.500m	\$35.500m	\$62.000m	\$199.441m
Improve administrative and technical development of sports through grants to national sports associations.	\$53.849m	\$45.049m	\$50.179m	\$34.099m	\$183.176m
The purchase of tickets for sporting events	\$3.525m	\$4.725m	\$2.400m	\$0.000m	\$10.650m
Enhance sports curriculum. Increase community sports development through grants to Government Agencies.	\$9.528m	\$11.529m	\$12.528m	\$9.529m	\$43.114m
Special Project Jamaica International Invitational Track Meet	\$6.000m	\$9.000m			\$15.000m
Racers Grand Prix		\$15.000m			\$15.000m
Assist other organizations involved in sport Summer Camp		\$5.000m	\$10.000m		\$15.000m
Zoso Interventions	\$3.000m	\$1.500m	\$2.500m	\$3.000m	\$10.000m
PLCA	\$3.600m	\$3.600m			\$7.200m
Athletes Welfare Assist athletes and administrators for training, scholarships, medical expenses, stipends	\$4.800m	\$4.800m	\$4.800m	\$4.800m	\$19.200m
Scholarships	\$5.000m		\$3.000m		\$8.000m
Special Allocations To assist other organizations in funding sport related activities	\$7.000m	\$6.000m	\$4.000m	\$4.000m	\$21.000m
<b>Total</b>	<b>\$148.743m</b>	<b>\$155.703m</b>	<b>\$124.907m</b>	<b>\$117.428m</b>	<b>\$546.781m</b>

The proposed budget for 2021 is based on the projected income for the year.

## 9. CONCLUSION

The SDF continues to operate at a very high level of efficiency and maintains an enviable record in the area of prompt reporting. Our external auditors have over the years commended the Foundation for its efforts.

**Table 5- Comparison of the Budget for Financial year 2021 and the Actual Expenditure for Financial years 2020 and 2019**

<b>Budget Item</b>	<b>\$'000 Actual 2019</b>	<b>\$'000 Actual 2020</b>	<b>\$'000 Budget 2021</b>
Infrastructure projects	107,632	180,531	199,441
National Associations	210,289	158,014	183,176
Government Agencies:			
a. Institute of Sports	21,000	21,000	21,000
b. Social Development Commission	5,000	0	5,000
c. Independence Park Limited	17,114	17,114	17,114
d. G.C. Foster College		336	
Tickets Sporting Events	20,105	1,504	10,650
Jamaica Invitational Track Meet	12,800	0	
Velocity Fest		540	15,000
Racers Grand Prix	18,000	0	15,000
CPL	4,600	0	
Special Allocations	57,230	23,383	21,000
Statues	15,077	4,982	
Grant PLCA	13,000	5,200	7,200
Scholarships			8,000
ZOZO and SOE Programmes	4,384	5,990	10,000
Summer Camp	14,614	15,818	15,000
Athletes Welfare Stipends Scholarships and Grants	17,513	19,126	19,200
<b>Total</b>	<b>538,358</b>	<b>453,538</b>	<b>546,781</b>

April 7, 2021

## Appendix 1

### Project Expenses Analysis for 2020 (\$J)

#### Fenced Multipurpose Courts

Parish	No	Amount	Location
Kingston & St. Andrew	2	10,489,946	Mico University, Holy family Primary, (goals- St. Peter Claver, Halfway Tree Primary & Breezy Castle complex)
St. Catherine	2	8,868,910	Wilson Shop, Aabuthnott Gallimore High
Clarendon	2	11,945,735	Longville , Portland Cottage
St. Elizabeth	1	2,005,360	Braes River
Court marking etc		49,465	Linstead
<b>TOTAL</b>	<b>7</b>	<b>33,359,416</b>	

#### Fenced Fields

Parish	No	Amount	Location
Kingston & St. Andrew	2	14,414,640	Arnett Gardens. Melrose Primary, Balmagie Primary, Tivoli, Denham Town
St. Elizabeth		1,603,000	Alligator Pond
Hanover	1	6,000,000	Orchard Community
St. Ann		5,697,460	Wilson Shop
Trelawny	1	2,255,360	Farm Town
Clarendon	1	13,020,633	Hockey base Denbigh
St. Mary	1	5,505,360	Prospect
St. Catherine	1	6,502,160	Point Hill, Ebony Vale
Portland	1	5,476,360	Moore Town, Nonsuch
<b>TOTAL</b>	<b>8</b>	<b>60,474,973</b>	

## Project Expenses Analysis for 2020 (\$J) cont'd

### National Projects

Parish	No	Amount	Location
Kingston		12,659,777	Lighting of National Basketball Courts –National Stadium
TOTAL		12,659,777	

### Fencing/Wall

Parish	No	Amount	Location
St. Ann	1	3,206,926	Wilson Shop
St. Catherine	1	80,000	Caymanas Gardens
TOTAL	2	3,286,926	

### Seats

Parish	No	Amount	Location
Islandwide		17,255,360	Islandwide Distribution
Portland	1	13,105,720	Woodstock
TOTAL	1	30,361,080	

### Equipment & Signs

Parish	No	Amount	Location
Islandwide		1,811,217	Equipment include goals, mowers, Signs at Barbican, Porus
TOTAL		1,811,217	

Project Expenses Analysis for 2020 (\$J) cont'd

Complexes & Dormitories

Parish	No	Amount	Location
St. Mary		8,500,000	Complexes- Oracabessa, Annotto Bay
Clarendon		10,000,000	Dorms-Clarendon College
St. Catherine		20,078,385	Complex –Gordon Pen
TOTAL		38,578,385	

Total Projects 2020 \$180,531,774

## Appendix 2

### Grants to National Associations 2020 and 2019 (\$J)

Association	Amount (2020)	Amount (2019)
Aquatics Jamaica	2,640,000	5,880,000
Equestrian Federation	1,290,000	1,290,000
Jamaica Intercollegiate Sports Assn	800,000	400,000
Jamaica Athletic Administrative Assn	25,600,000	31,000,000
Jamaica Amateur Basketball Assn	3,817,869	5,621,241
Jamaica Amateur Gymnastics Assn	1,867,500	3,538,800
Jamaica Amateur Softball Assn	1,290,000	1,790,000
Assn of Sports Medicine	1,962,397	1,345,739
Jamaica Badminton Assn	2,020,500	3,070,500
Jamaica Bobsleigh Federation	650,000	871,854
Amateur Bodybuilding Assn	2,328,888	1,500,000
Boxing Board of Control	2,426,000	2,406,000
Jamaica Chess Federation	1,250,004	3,450,004
Jamaica Cricket Association	13,200,000	16,693,450
Jamaica Cycling Federation	1,806,000	1,806,000
Jamaica Darts Association	650,000	950,000
Jamaica Football Federation	46,314,217	62,353,063
Jamaica Golf Association	3,935,000	2,335,000
Jamaica Hockey Federation	2,064,000	2,064,000
Jamaica Netball Association	9,680,850	17,346,548
Jamaica Paralympic Association	2,000,088	2,560,000
Jamaica Rifle Association	650,000	650,000
Jamaica Rugby Union	1,790,000	2,550,000
Jamaica Rugby League	1,000,044	1,000,000
Jamaica Skeet Club	1,000,000	0
Jamaica Ski Federation	0	0
Jamaica Visually Impaired Cricket	1,600,004	2,050,004
Jamaica Surfing Association	1,500,000	2,000,000
Jamaica Squash Association	2,806,000	2,310,000
Jamaica Table Tennis Association	0	2,740,000
Tae-Kwon Do Association and Federation	1,800,000	2,567,750
Jamaica Triathlon Association	650,000	1,000,000
Jamaica Volleyball Association	2,064,000	3,819,000
National Domino Bodies	880,000	2,880,000
Special Olympics Jamaica	3,508,800	5,508,800
Tennis Jamaica	3,999,000	4,749,000
Jamaica Motoring Federation		
Seido Karate Association	600,000	850,000
Multicare Foundation	2,838,000	2,838,000
World Bridge Federation	0	100,000
Jamaica Cricket Umpire Assn	0	1,050,000
Jamaica Deaf Sports Association	1,290,000	1,290,000
Jamaica Rowing Federation	1,000,000	1,000,000
New Associations	1,445,000	1,063,878
<b>TOTAL</b>	<b>158,014,161</b>	<b>210,288,631</b>

### Appendix 3

#### Grants to Government Agencies 2020 and 2019 (\$J)

Agency	Amount (2020)	Amount (2019)
G.C. Foster College	335,984	
Institute of Sports including camp	21,000,000	21,000,000
Independence Park Ltd	17,113,800	17,113,800
Social Development Com.	0	5,000,000
TOTAL	38,449,784	43,113,800

### Appendix 4

#### Directors Compensation 2020 (\$J)

Position of Director	Gross Fees	Travelling	Honoraria	All other Compensation cash and non cash	Total
George Soutar	517,000	5,733	-	80,500	603,233
Newton Amos	216,500	8,190	-	35,000	259,690
Donovan Bennett	102,500	35,532	-	60,000	198,032
Mexine Bisasor	144,000	110,376	-	60,000	314,376
Ian Forbes	369,900	15,561	-	30,000	415,461
Annmarie Heron	344,500	27,846	-	39,000	411,346
Lloyd Pommells	425,100	36,855	-	80,500	542,455
Molly Rhone	512,000	17,766	-	60,000	589,766
Compton Rodney	362,400	40,572	-	40,000	442,972
David Shirley	135,000	2,457	-	39,000	176,457
Nelson Stokes			-	25,000	25,000
TOTAL	3,128,900	300,888	-	549,000	3,978,788

In 2020, Director Mr. Nelson Stokes who was appointed from 2018; owing to his operating business ventures overseas was unable to attend meetings owing to the closure of borders as a result of the Covid19 Health pandemic. He was paid for reimbursable expenses of \$25,000 prior to the commencement of this health crisis. He never returned to the board meetings after the borders reopened.

## Appendix 5

### Compensation

#### Senior Management's Emoluments 2020 (\$J)

Name and Position	Basic Pay	Gratuity/ Honorary or Performance Incentive	Motor Vehicle Upkeep/Travelling	Pension or other Retirement Benefit	Other Allowances	Non- Cash Benefit	Total
Denzil Wilks General Manager	5,543,580	2,723,883	1,697,148		-	-	9,964,611
Charmaine Hanson Financial Controller	3,958,219	456,283	1,697,148	192,408	-	-	6,304,058
Terry Montaque Chief Engineer	3,404,439	-	1,697,148	170,222	-	-	5,271,809
TOTAL	12,906,238	3,180,166	5,091,444	362,630	-	-	21,540,478

All emoluments are stated before tax.



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

**Financial Statements**  
**31 December 2020**

# Sports Development Foundation

Index

31 December 2020

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## Auditor's Report to the Members

### Financial Statements

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Statement of financial position	2
Statement of changes in fund	3
Statement of cash flows	4
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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 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act.

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

The Foundation's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- 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 significant accounting policies and other explanatory information.

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#### **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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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)

L.A. McKnight B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell



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## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of 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.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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

*PriewaterhouseCoopers*  
Chartered Accountants  
7 April 2021  
Kingston, Jamaica

# Sports Development Foundation

## Statement of Comprehensive Income

Year ended 31 December 2020


(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Contributions through the CHASE Fund	5	600,439	536,793
Investment income		5,170	5,186
Other income		16,903	1,456
		<u>622,512</u>	<u>543,435</u>
Less: Project expenditure and grants	6	(453,538)	(538,358)
Administration expenses	7	(98,700)	(100,984)
Withholding tax written off	16	(10,483)	-
<b>Surplus/(Deficit) for Year, being Total Comprehensive Income</b>		<u>59,791</u>	<u>(95,907)</u>

**Sports Development Foundation**  
**Statement of Financial Position**  
**Year ended 31 December 2020**  
 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
<b>Non-Current Assets</b>			
Intangible assets	9	195	168
Property, plant and equipment	10	56,656	55,454
Investment securities	11	46,086	40,346
		<u>102,937</u>	<u>95,968</u>
<b>Current Assets</b>			
Receivables	12	8,143	8,468
Taxation recoverable	16	-	10,483
Cash and cash equivalents	13	264,080	196,413
		<u>272,223</u>	<u>215,364</u>
<b>Current Liabilities</b>			
Payables and accrued charges		18,439	12,382
Current portion of managed funds	14	25,646	27,739
		<u>44,085</u>	<u>40,121</u>
		<u>228,138</u>	<u>175,243</u>
<b>Net Current Assets</b>		<u><u>331,075</u></u>	<u><u>271,211</u></u>
<b>Equity</b>			
Sports Development Fund		329,252	269,461
<b>Non-Current Liabilities</b>			
Long term portion of managed funds	14	1,823	1,750
		<u>331,075</u>	<u>271,211</u>

Approved for issue by the Board of Directors on April 7, 2021 and signed on its behalf by:

  
 George Soutar, CD, QC - Chairman

  
 Compton Rodney, OD - Director

# Sports Development Foundation

## Statement of Changes in Funds

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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	<b>Sport Development Fund</b>
	<b>\$'000</b>
Balance as at 1 January 2019	365,368
Deficit for year, being total comprehensive income	<u>(95,907)</u>
<b>Balance at 31 December 2019</b>	<b>269,461</b>
Surplus for year, being total comprehensive income	<u>59,791</u>
<b>Balance at 31 December 2020</b>	<b><u>329,252</u></b>

# Sports Development Foundation

## Statement of Cash Flows

Year ended 31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>		
Surplus/(deficit) for year	59,791	(96,907)
Adjustments:		
Investment income	(5,170)	(5,186)
Depreciation and amortization	4,640	3,968
Exchange and translation gains on foreign balances	(8,698)	(1,365)
	<u>50,563</u>	<u>(98,490)</u>
Changes in operating assets and liabilities:		
Receivables	325	61,964
Payables and accrued charges	4,040	15,087
	<u>54,928</u>	<u>(21,439)</u>
Tax withheld at source	10,483	(27)
Cash provided by/(used in) operating activities	<u>65,411</u>	<u>(21,466)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(5,331)	(10,270)
Purchase of intangible assets	(541)	(250)
Investment income received	5,170	5,186
Cash used in investing activities	<u>(702)</u>	<u>(5,334)</u>
Exchange and translation gains on cash and cash equivalents	2,958	897
Decrease in cash and cash equivalents	67,667	(25,903)
Cash and cash equivalents at beginning of year	196,413	222,316
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)</b>	<u>264,080</u>	<u>196,413</u>

# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(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) was the recipient of a cess imposed on the gaming industry by the Government of Jamaica from its inception in 2002 up to March 31, 2017. Based on Section 59G of the Betting Gaming and Lotteries Act, 2002, 40% of that cess was allocated to the Foundation.

Commencing April 1, 2017, the CHASE Fund is funded through the Consolidated Fund. The Foundation now receives funding for its approved budget for each financial year from the Consolidated Fund 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.

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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## 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

- **Amendments to IAS 1 and IAS 8 on the definition of material** (effective for annual periods beginning on or after 1 January 2020). The 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 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 amendment clarifies that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information. It also states that an entity assesses materiality in the context of the financial statements as a whole. The amendment also clarifies the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need. The amendment did not have a significant impact on the Foundation.

- **Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform** (effective for annual periods beginning on or after 1 January 2020). These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that Inter-Bank Offered Rate (IBOR) reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The amendment however did not have a significant impact on the Foundation.
- **Revised Conceptual Framework for Financial Reporting** (effective for annual periods beginning on or after 1 January 2020). The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:
  - increasing the prominence of stewardship in the objective of financial reporting
  - reinstating prudence as a component of neutrality
  - defining a reporting entity, which may be a legal entity, or a portion of an entity
  - revising the definitions of an asset and a liability
  - removing the probability threshold for recognition and adding guidance on derecognition
  - adding guidance on different measurement basis, and
  - stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

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.

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(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***

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 16, 'Leases' – Covid-19 related rent concessions** (effective for annual periods beginning on or after 1 June 2020). As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions.

- **Amendments to IAS 1, 'Presentation of financial statements' on classification of liabilities** (effective for annual periods beginning on or after 1 January 2022). The IASB issued a narrow-scope amendment to IAS 1, 'Presentation of Financial Statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

Entities should reconsider their existing classification in the light of the amendment and determine whether any changes are required.

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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## 2. Significant Accounting Policies (Continued)

### (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 statement of financial position 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 statement of financial position 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.

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 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.

#### 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 Foundation has transferred substantially all risks and rewards of ownership.

#### 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 current liabilities in the statement of financial position.

#### (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).

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 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%
Cell phones	100%
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 are included as 'cash and cash equivalents' in the statement of financial position.

Debt securities are classified as financial assets at amortised cost. Financial assets at amortised cost 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. Financial assets at amortised cost are initially recognised at fair value, which is the cash consideration including any transaction costs.

# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

(i) **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.

(j) **Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position 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.

(k) **Payables and accrued charges**

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

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## Notes to the Financial Statements

31 December 2020

(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.

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 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
<b>2020</b>					
Payables and accrued charges	6,786	3,441	8,211	-	18,438
Managed funds	-	-	25,647	1,822	27,469
	6,786	3,441	33,858	1,822	45,907
<b>2019</b>					
Payables and accrued charges	799	4,478	7,105	-	12,382
Managed funds	-	-	27,739	1,750	29,489
	799	4,478	34,844	1,750	41,871

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

### 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 statement of financial position at 31 December 2020 includes aggregate net foreign assets of approximately \$82,550,000 (2019 – \$84,691,000) 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.

#### (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 statement of financial position date. The quoted market price used for financial assets held by the Foundation is current bid 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 statement of financial position 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.

Indicative prices or yields are used to determine fair value of government and corporate bonds. These prices or yields are obtained from reputable pricing services.

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.

#### **Capital management**

The Foundation is not exposed to externally imposed capital requirements.

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 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 through the CHASE Fund

The Foundation receives funding for its approved budget for each financial year through the CHASE Fund. This amount was \$600,439,200 in 2020 (2019 - \$536,793,000). These contributions were recognized at a point in time.

### 6. Project Expenditure and Grants

	2020	2019
	\$'000	\$'000
Infrastructure Projects	180,531	107,632
Grants to National Associations	158,014	210,289
Grants to Government Agencies	38,450	43,114
Grant for Special Projects – Track Meets	540	30,800
Special Allocation Fund	55,373	104,304
Grants – others	20,630	42,219
	<u>453,538</u>	<u>538,358</u>

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 7. Expenses by Nature

Total disbursements and administration expenses:

	2020	2019
	\$'000	\$'000
Advertising and promotion	5,105	3,310
Audit fees	2,485	2,367
Depreciation and amortization	4,641	3,969
Directors' fees (Note 15)	3,979	2,897
Foreign travel	-	3,318
Insurance	1,649	1,855
Legal and professional fees	1,686	3,919
Motor vehicle expense	2,089	4,395
Repairs and maintenance	5,842	4,808
Security	2,450	2,301
Staff costs (Note 8)	54,578	55,479
Utilities	5,738	5,301
Other expenses	8,458	7,075
Withholding tax written off	10,483	-
	<u>109,183</u>	<u>100,984</u>
Project expenditure and grants (Note 6)	<u>436,538</u>	<u>538,358</u>
	<u>562,721</u>	<u>639,342</u>

### 8. Staff Costs

	2020	2019
	\$'000	\$'000
Salaries and wages	30,400	28,919
Accrued leave and gratuity costs	1,924	2,548
Payroll taxes – employer's portion	3,469	3,157
Pension contributions (Note 17)	989	942
Other (Health, Travelling, Uniform and Welfare)	17,796	19,913
	<u>54,578</u>	<u>55,479</u>

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

	2020	2019
	No.	No.
Full-time	<u>13</u>	<u>14</u>

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 9. Intangible Assets

	Computer Software \$'000
At Cost -	
1 January 2019	2,482
Additions	<u>250</u>
31 December 2019	2,732
Additions	<u>541</u>
31 December 2020	<u>3,273</u>
Amortisation -	
1 January 2019	2,412
Amortisation for the year	<u>152</u>
31 December 2019	2,564
Amortisation for the year	<u>514</u>
31 December 2020	<u>3,078</u>
Net Book Value -	
31 December 2020	<u>195</u>
31 December 2019	<u>168</u>

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 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 2019	5,075	13,757	20,205	16,436	32,072	9,959	97,504
Additions	267	788	-	-	-	9,215	10,270
At 31 December 2019	5,342	14,545	20,205	16,436	32,072	19,174	107,774
Additions	4,057	1,274	-	-	-	-	5,331
At 31 December 2020	9,399	15,819	20,205	16,436	32,072	19,174	113,105
Depreciation -							
At 1 January 2019	4,508	8,836	16,743	8,458	-	9,959	48,504
Charge for the year	232	1,051	893	411	-	1,229	3,816
At 31 December 2019	4,740	9,887	17,636	8,869	-	11,188	52,320
Charge for the year	489	1,386	-	411	-	1,843	4,129
At 31 December 2020	5,229	11,273	17,636	9,280	-	13,031	56,449
Net Book Value -							
31 December 2020	4,170	4,546	2,569	7,156	32,072	6,143	56,656
31 December 2019	602	4,658	2,569	7,567	32,072	7,986	55,454

Leasehold property represents a 5 year lease of two hospitality suites at the Sabina Park Complex. The lease payments for the entire lease period were paid upfront by the Foundation.

### 11. Investment Securities

	2020 \$'000	2019 \$'000
Financial assets at amortised costs -		
Government of Jamaica	12,290	10,996
Corporate bonds	33,796	29,350
	<u>46,086</u>	<u>40,346</u>

The weighted average effective interest rate on investments was 8.5% (2019 – 8.5%). The investments have a maturity date of November 10, 2024 and July 9, 2025.

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 12. Receivables

	2020	2019
	\$'000	\$'000
Prepayment	1,215	941
Other	6,927	7,527
	<u>8,142</u>	<u>8,468</u>

### 13. Cash and Cash Equivalents

	2020	2019
	\$'000	\$'000
Cash at bank and in hand	215,040	148,559
Cash equivalents	49,040	47,854
	<u>264,080</u>	<u>196,413</u>

Cash equivalents represent securities with original maturities of three months or less and include interest receivable of \$693,000 (2019 – \$647,000). The weighted average effective interest rate on JMD short term deposits was 2.3% (2019 – 2.28%).

Cash at bank and in hand includes funds held under management of \$29,500,000 (2019 - \$26,687,000).

### 14. Managed Funds

	2020	2019
	\$'000	\$'000
Constituency Development Fund	2,157	301
Tourism Product Development Fund	1,086	1,086
Ministry of Agriculture & Fisheries	22,351	26,301
Sports Museum	1,823	1,750
Beckwith International Leadership Development (BILD) Fund	51	51
	<u>27,468</u>	<u>29,489</u>
Current portion	<u>(25,645)</u>	<u>(27,739)</u>
	<u>1,823</u>	<u>1,750</u>

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 14. 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 2019 the Foundation received funding from the CDFP to undertake two projects in the parish of St. Andrew.

Since 2015, the Ministry of Tourism through the Tourism Product Development Company 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 sports related projects approved under the CDFP and TPDCo.

*Constituency Development Fund*

	2020 \$'000	2019 \$'000
Funds at the beginning of the year	301	870
Allocations during the year	2,000	4,645
Project disbursements	(144)	(5,214)
Funds at the end of the year	<u>2,157</u>	<u>301</u>

*Tourism Product Development Co. Ltd*

	2020 \$'000	2019 \$'000
Funds at the beginning of the year	1,086	629
Allocations during the year	3,503	4,974
Project disbursements	(3,503)	(4,517)
Funds at the end of the year	<u>1,086</u>	<u>1,086</u>

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 14. Managed Funds (Continued)

#### ii) *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. This 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.

	2020 \$'000	2019 \$'000
Funds at the beginning of the year	26,301	449
Interest earned	-	43
Allocation	84	28,291
Bank charges	3	-
Project disbursements	<u>(4,031)</u>	<u>(2,482)</u>
Funds at the end of the year	<u>22,351</u>	<u>26,301</u>

#### iii) *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.

	2020 \$'000	2019 \$'000
Funds at the beginning of the year	1,750	1,698
Interest earned	<u>73</u>	<u>52</u>
Funds at the end of the year	<u>1,823</u>	<u>1,750</u>

# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

### 14. Managed Funds (Continued)

*iv) 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.

	2020 \$'000	2019 \$'000
Funds at the beginning of the year	51	51
Project disbursements	-	-
Funds at the end of the year	<u>51</u>	<u>51</u>

### 15. Related Party Transactions

	2020 \$'000	2019 \$'000
Salaries and other short-term employee benefits	12,906	12,749
Gratuity	3,180	-
Payroll taxes – employer's portion	1,621	1,299
Pension	<u>363</u>	<u>344</u>
	<u>18,070</u>	<u>14,392</u>
Directors' emoluments -		

# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2020

(expressed in Jamaican dollars unless otherwise indicated)

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### 16. 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 global recession in 2008 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 2019, tax recoverable of \$10,483,000 was due from the Ministry of Finance and the Public Service. These amounts were written off during the year as the Ministry of Finance indicated that they were no longer recoverable.

### 17. 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 \$989,000 (2019 - \$942,000) in the current year.

### 18. Impact of Covid-19

The WHO has declared the Coronavirus to be a global pandemic. The pandemic has resulted in a significant downturn in commercial activity as there is currently no cure, and the means most recommended to manage contagion is social distancing. Schools have therefore been temporarily closed, entertainment and sporting events which typically generate huge revenues and profits have been either cancelled or suspended, global travel restrictions have been implemented, all of which will have negative global economic consequences.

Thus far, the pandemic has not had a significant impact on the financial performance of the Foundation.





The Permanent Secretary at SDF's 25th Anniversary Church service



SDF Directors hand over cheque to members of the clergy of Bethel Baptist Church



The General Manager, Mr Denzil Wilks, at the 2020 Jamaica Open



**June 2016**

Danielle Dato  
James Kala Z  
Michael Felix  
Anthony Aboraca  
Pooja Aradhya  
Samir Adlane  
Tatiana Chalaz  
Ashley Chandrabakkar  
Joi Dallas  
Mohammed Driallo  
Sara Elzeini  
Eric Encarnacion  
Perla Lara

Michael Leahy  
Lucia del Rincon Martinez  
Abner Montfleur  
Marilena Montigo  
Rachel Newhall  
Kelly O'Connor  
Evan Palmer  
Baperla Perez  
Anabel Torres  
Adrienne Williams  
Fr. Michael Davidson, S.J.

**2015**

Edward Alberto  
Evelyn Balboa  
John Gabriel  
Mikala Dwyer  
Cory Thomas  
Eric Amantillo  
Victor Arroyo  
Edward Bonilla  
Elyse Bush  
Narciso Cruz  
Megan Cusky  
Jadyn Cuthbert  
Lara D'Amico  
Akhil Eze  
Nomi Ezeamuzie  
Shawn Gantson  
Akhil Emami  
Fr. Michael Davidson, S.J.

**2016**

Sam T. Edward  
Daniel L'Et  
Carina Mahony  
Sasha Mearns  
Joseph McGee  
Yannex Meke  
Robyn Yates

**January 2016**

Sajid Akhmal  
Sahla Obaid  
Michael Adjobi  
Mark Sullivan  
Matthew Smith  
Lisa Edwards  
Sherline Desjardins  
Isaacson Michel  
Naborina Mena  
Louie Gougep  
Steven Sandorvil  
Jennifer Morris  
Tiffany Zhong  
Nancy Kusheko  
Leah Tavarai  
Bryce Council  
Fr. Michael Davidson, S.J.

Chloe Erasmus  
Ashley Beckles  
Cathy Carrey  
Yaa Obeng  
Foude Annon  
Selvastian Skarba  
Allison Geforth

**2012**

Michelle  
Khalil  
Lyn A  
Tanya  
Carmel  
Aurora  
Rayne  
Nigin  
Elyse  
Celine  
Diana Z  
Kiana M  
C. Michael  
Richard

**2013**

Lumina Jule  
April Laine  
James Hall  
Rachael  
Talia Bango  
Maddison Mackin  
Maxine Cooper  
James Cuthbert  
Brianna Abelo  
Kamara Desjardins  
Sue Allmon  
Mr. W. Barnett  
Darnell Adams  
Michael Rappaport  
Lynne Almonde  
Elyse Almonde  
Elyse Almonde  
Kwame M. Barnett  
Fr. Michael Davidson, S.J.

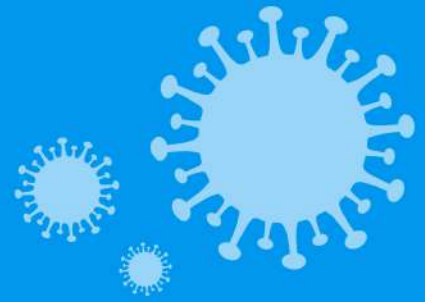
**2014**

Lyons Perre  
Parvathy Lankar  
Julia Galloway  
Sabrya Banna  
Dorly Sullivan  
Chenele Okoro  
Chinyere Sackey  
Chastine Williams  
Dore Griffin  
Ronald Chubb  
Dorian Yarrowood  
Melissa Greer  
Zoe Yarrowood-Greer  
Pamela Abbot  
Candice Thomas  
Emilia Dato  
Eukary De-Pru  
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