



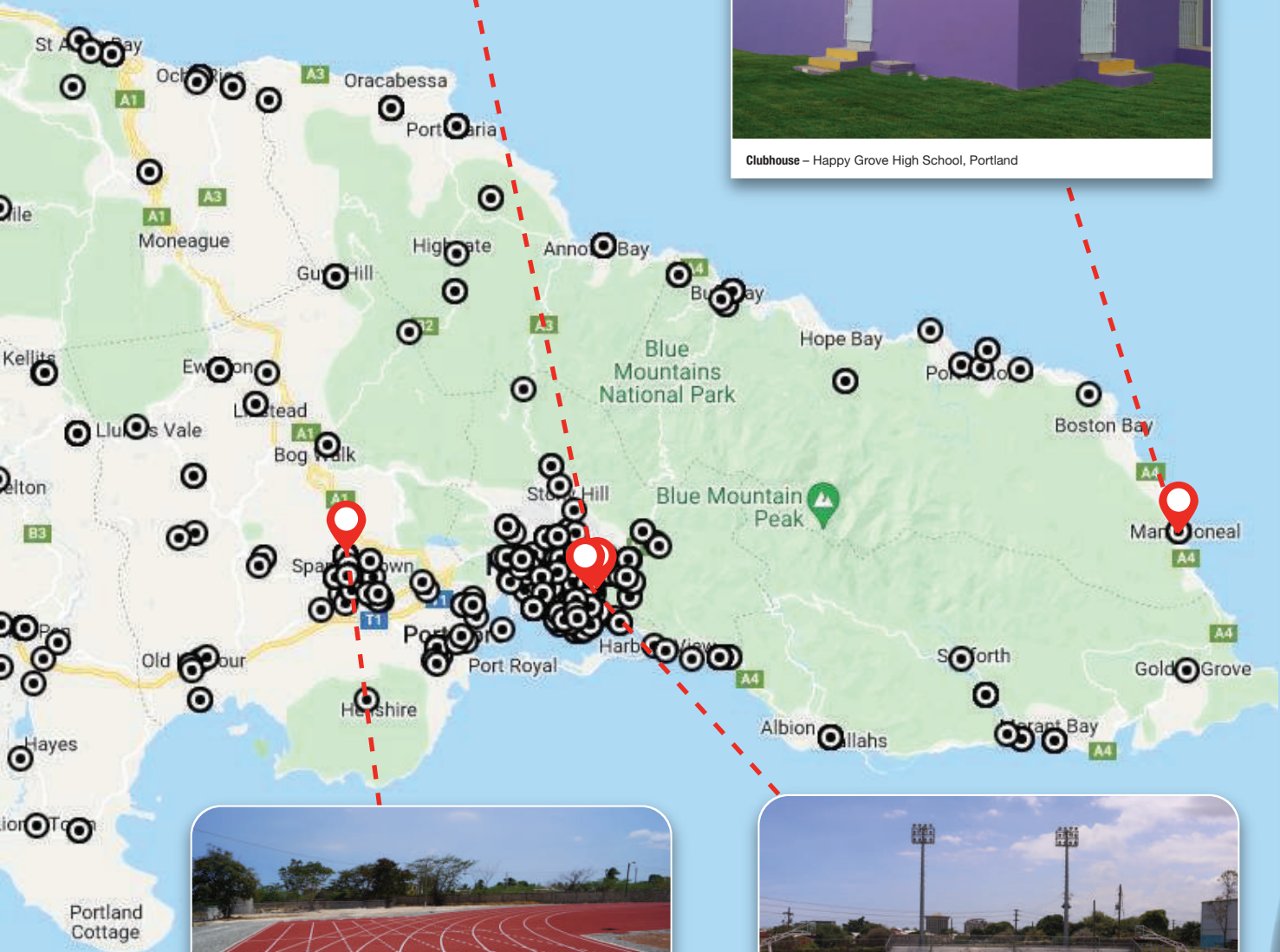
**SPORTS
DEVELOPMENT
FOUNDATION,
JAMAICA**



Pool – National Stadium Aquatic Centre, Kingston



Clubhouse – Happy Grove High School, Portland



Track – G.C. Foster College, St. Catherine



Lighting – National Stadium Basketball Courts, Kingston

Annual Report **2021**



Double Basketball Courts at the National Stadium

The facility, which includes the newly renovated and redesigned outdoor synthetic surface, fencing, drainage, specialized backboards, high quality lighting and increased seating capacity, was done at a cost of J\$40m.

MESSAGE FROM THE MINISTER OF CULTURE, GENDER, ENTERTAINMENT AND SPORT FOR THE ANNUAL REPORT OF THE SPORTS DEVELOPMENT FOUNDATION FOR 2021



The Novel Corona Virus, Covid-19 continued to significantly impact the sporting landscape across the world and Jamaica during 2021. At the international level we did manage to have the 2020 Tokyo Olympics being staged in 2021 and quite a few other sports began to emerge from total lockdown. This was the case in Jamaica as we sought to keep pace with the international community.

The Sports Development Foundation (SDF) continued its excellent work, collaborating with the Ministry and other agencies as we all worked towards the resuscitation of the sporting industry. Following the 2020 national elections a new Board was appointed in January of 2021. This new body included a mix of experience and youth. I would like to use this opportunity to express my thanks to the Board for its stewardship during 2021.

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

- a) The development and growth of talent and skills through the availability of newly constructed sporting facilities (2021-\$137.243m, 2020-\$180.531m),
- b) Provision of continued support to National Sporting Associations through monthly subventions and additional grants (2021-\$196.671m, 2020-\$158.014m)
- c) The funding of sport programmes in communities island wide including summer camps for the youth (2021-\$61.176m, 2020-\$55.373m)
- d) Monthly support to the Institute of Sport and Independence Park Limited, including support for the maintenance of the stadium complex (2021-\$29.197m, 2020-\$38.450m)
- e) The funding of athletes and sports personnel (active and retired) through grants from the Athletes' Welfare and Other Grants (2021-\$11.074m, 2020-\$20.630m).

The preceding does not tell the full story, but it does give an indication of our commitment to sport and its national development. Commendations are in order for the staff and management of this institution that continues along a path of efficiency in all areas, including probity and prompt reporting.

Hon. Olivia Grange MP, CD

THE CHAIRMAN'S MESSAGE



2021 saw the continuation of the Covid-19 Pandemic and its devastating impact on the world and Jamaica in particular.

The resilient SDF fraternity maintained its strength and again I have to pay special tribute to the staff, who continued to focus on infrastructure development, which could be implemented without breaching the Disaster Risk Management Act (DRMA). Traditional sporting activities continued to be curtailed but we were able to spend \$137.243 Million on projects, in spite of many lockdown days as the country continued to battle the pandemic.

This was a \$43.3 Million (23%) fall from the 2020 spend but commendable in the context of the challenges over which we had no control.

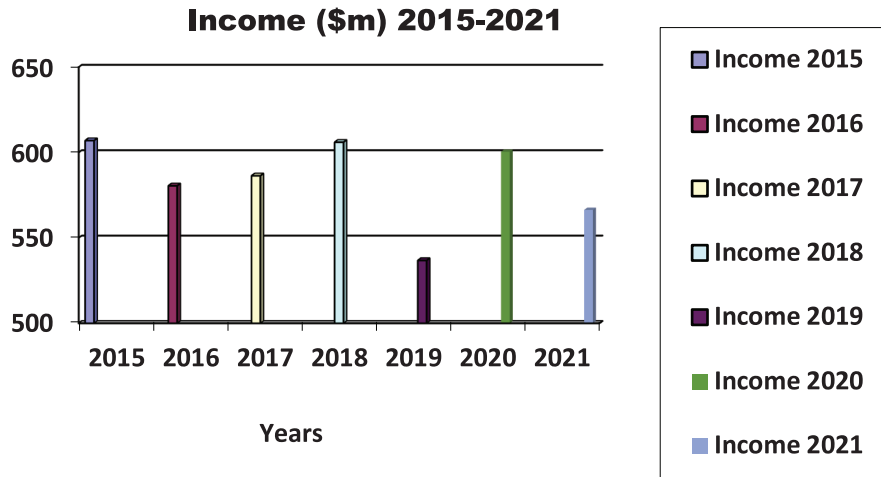
The guidance from the management and staff continued to be exemplary as we continued to navigate a sometimes tedious pathway towards ensuring the transparency and probity required of a Public Body. This has contributed significantly to the SDF maintaining its excellent record of performance and reporting.

A new Board was appointed in January of 2021, following the September 2020 national elections and I extend commendations to my colleagues as they adapted to the various circumstances and provided the requisite support.

The income received in 2021 reflects a decrease (5.7%) compared to 2020. For the seven-year period 2015-2021, the proceeds received in 2021 represent the second lowest amount received over the period.

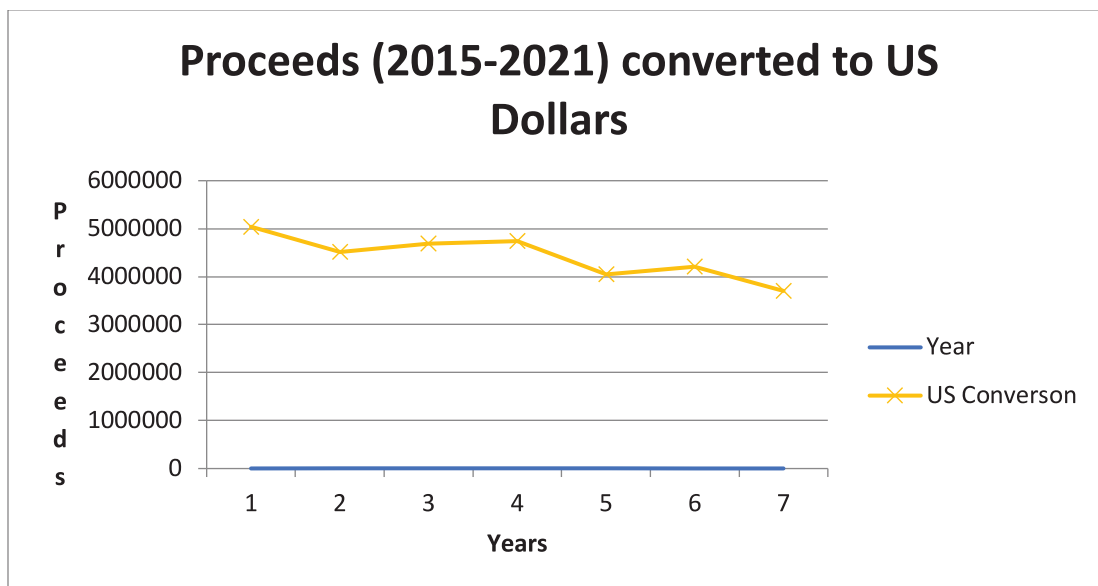
The chart below shows the change in income over the seven- year period 2015-2021.

Chart 1- Comparison of Income (\$m) received over the seven year period 2015-2021



A further analysis of the proceeds received over the seven year period (2015-2021) is reflected in Chart 2 below.

Chart 2 –Showing Proceeds (2015-2021) 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. This has taken place in the context where the cost of infrastructure and other services have increased by 40-50% over the period.

The preceding information is instructive in that we note the serious resource challenge faced by the Foundation. \$600 Million was not adequate in 2015 as it represented only approximately 27% of the requests from the sporting organizations. Since then the revenue has fallen below \$600 Million in four of the six years. With inflation averaging 4-6% and the dollar depreciating consistently the SDF is left with a declining revenue situation, while the demand for assistance and development increases in cost. I thought it necessary to document this in order that the powers that be can consider the situation and that steps can be contemplated to facilitate the sourcing of funds from other sources than currently being contemplated.

If this is to be addressed it will be necessary for the Foundation to be adequately staffed. I am taking this opportunity to make two fundamental proposals as we go forward. These are being made in the context where it needs to be recognised how critical sport is to the development of Jamaica.

- The exemplary performance of the SDF over the years is a clear basis for increasing the funding made available to this institution.
- The organization is in need of an upgrade, which will allow for the adequate staffing so as to facilitate the sourcing of grant funds from international entities.

These proposals are made in the context of the ever increasing sports disciplines that require financial assistance, and in recognition of the footprints that Jamaican sportsmen and women are leaving in the international arenas, inclusive of our coaches and administrators and the need for more sports facilities to provide opportunities and recreation for our at-risk youth.

GEORGE SOUTAR CD, QC

SPORTS DEVELOPMENT FOUNDATION

Annual Report for the Year ended December 31, 2021

The Board of Directors is very pleased to present in a timely manner the report for the 26th year of the operations of the Sports Development Foundation (SDF).

As we look back at 2021, 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 our experiences indicate that the significantly reduced sporting activities resulted in a massive economic fallout across the world over the last two years. With a relatively slow resumption in 2021 and small numbers of spectators being allowed at events, it will take some time before revenues return to pre-covid levels.

The work of the SDF is critical in helping especially our National Sporting Associations to resume activities including training and competitions. In this regard, 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 the basis for future events as well as real economic growth in Jamaica.

1. MEMBERSHIP AND COMPOSITION OF THE BOARD

On December 14, 2020, The Minister of Culture, Gender, Entertainment and Sport appointed a new Board of Directors for a two year period.

These members are:

1. Mr. George Soutar, CD, QC, - Chairman
2. Mr. Newton Amos
3. Hon. Michael Fennell, OJ,CD, LLD(Hon)
4. Mrs. Annmarie Heron, OD,JP
5. Mr. Lloyd Pommells, OD, JP
6. Ms. Lillian Reid
7. Hon. Molly Rhone, OJ,CD,LLD(Hon)
8. Mr. Compton Rodney, OD
9. Mr. Alexander Shaw
10. Mr. Denzil Wilks (Ex-officio)

2. MEETINGS

Outlined below are the number of meetings of the Board and Committees held during the year:

- I. Board Meetings:
 - ✓ Board Meetings (13)

- II. Committees
 - ✓ Advisory/Special Committees (4)
 - ✓ Allocations/Projects Committee (11)
 - ✓ Audit Committee(3)
 - ✓ Finance Committee (12)
 - ✓ Public Relations Committee (18)

3. REVIEW OF OPERATIONS

The year began with the hope that with the manufacture, distribution and use of vaccines, sporting activities would slowly resume worldwide. It was expected that using the lessons learnt in 2020, safe ways would be employed for sports programmes to restart throughout the island. Based on this expectation, the 2021 budget of \$906.557m was cast to provide support for the continued development of sports infrastructure as well as funding of National Associations in order to boost the local sporting industry. However, in March 2021, the Foundation was advised by the Ministry of Finance & the Public Service that its funding would be 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 \$566.370m. This vast difference between what was requested and what was approved meant the proposed construction/ rehabilitation and maintenance of synthetic tracks in the island could not be started (\$260.000m budgeted in 2021).

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 of Jamaica.

In light of the reduced budget, the Foundation operated within this allocated amount, making every attempt to fund all core areas as much as the SDF could provide.

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

- a) The development and growth of talent and skills through the availability of newly constructed sporting facilities (2021-\$137.243m , 2020-\$180.531m),

- b) Provision of continued support to National Sporting Associations through monthly subventions and additional grants (2021-\$196.671m, 2020-\$158.014m)
- c) The funding of sport programmes in communities islandwide including summer camps for the youth (2021-\$61.176m, 2020-\$55.373m)
- d) Monthly support to the Institute of Sport and Independence Park Limited, including support for the maintenance of the stadium complex (2021-\$29.197m, 2020-\$38.450m)
- e) The funding of athletes and sports personnel (active and retired) through grants from the Athletes' Welfare and Other Grants (2021-\$11.074m, 2020-\$20.630m).

The Covid-19 pandemic continued to affect the hosting of international events such as the Jamaica International Invitational Track Meet and the Racers Grand Prix Meet; resulting in these events being cancelled for another year.

A. Comparison of Actual and Budget for 2021

Table 1 shows a comparison of the actual income and expenditure for 2021 with the amounts in the budget.

Table I – Comparison of Actual vs. Budget for 2021

	Actual \$'000	Budget \$'000	Variance \$'000
INCOME			
Income thru CHASE Fund	566,370	646,557	(80,187)
Income –Synthetic Track Project	-	260,000	(260,000)
Investment Income	5,491	3,849	1,642
Other Income	1,561	768	793
Fair Value & Exchange gain	6,722		6,722
TOTAL INCOME	580,144	911,174	(331,030)
ADMINISTRATIVE EXPENDITURE:	113,943	166,568	52,625
OTHER EXPENDITURE:			
Grants to Government Agencies	29,197	30,514	1,317
Special Projects	11,757	12,600	843
Track Meets	-	30,000	30,000
Special Allocations	61,176	53,200	(7,976)
Infrastructure Projects	137,243	199,441	62,198
Synthetic Track Project	-	260,000	260,000
National Associations	196,671	183,176	(13,495)
Sports Research Project	-	8,000	8,000
Athletes Welfare & Other Grants	11,074	29,850	18,776
TOTAL OTHER EXPENDITURE	447,118	806,781	359,663
TOTAL EXPENDITURE: ADMINISTRATION AND OTHER EXPENDITURE	561,061	973,349	412,288
SURPLUS/(DEFICIT)	19,083	(62,175)	81,258

INCOME

Income received through the CHASE Fund for 2021 (\$566.370m) represented 87.60% of the budgeted amount. The comparative income figure for 2020 was \$600.439m. Investment income earned for the year exceeded the budgeted amounts as funds were invested for longer periods than budgeted. In addition, during the year there was a 0.10% increase in interest rates earned on investments. The Other Income category includes rental income, project management fees and the sale of tender documents.

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

ADMINISTRATIVE EXPENSES

Administrative expenses incurred for the year were \$113.943m which was \$52.625m less than the budgeted amount.

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

i. Board Costs

The need to maintain physical distancing as a mitigation measure for the Covid 19 pandemic resulted in an increase in virtual meetings being held. As a result, savings have resulted as travelling and meeting costs have decreased.

ii. Public Relations

The 2021 budget included a provision for the 25th anniversary celebrations for the Foundation. These celebrations were cancelled for a second year, owing to the cessation of the hosting of functions in keeping with the management of the Covid 19 pandemic.

iii. Employee Costs

The Administrative budget for 2021 included the provision for an increase in staff complement as well as an increase in emoluments. An increased staff complement would also result in an increase in the associated costs of health, training, and pension. The increase in the staff complement was not implemented in the year and where necessary, required services were outsourced. During the year, the

Government of Jamaica and the Trade Unions agreed to a one year 4% increase in basic salary.

iv. Maintenance-Building and Equipment

The maintenance of building planned for 2021 was not achieved; however, emphasis was placed on the maintenance of software applications and technology driven systems to ensure that operations continued seamlessly.

OTHER EXPENSES

a) Grants for Meets and Special Projects

As the 2021 Jamaica International Invitational and Racers Grand Prix Meets were cancelled owing to the Covid-19 pandemic, the funds budgeted for these events were used to supplement additional grants made to National Sporting Associations.

During the year, the Foundation funded the production of a documentary in honour of sporting icon Dennis Johnson.

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 2021, the Foundation also spent \$16.985m 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 slower than projected during the year owing to:

- I. The loss of working days owing to the inclusion of no-movement days as part of the protocols for the management of the Covid-19 pandemic.
- II. The need to conduct the procurement exercise more than once for some projects as there were repeated instances of no responses from approved contractors.

The projects that were incomplete at the end of the year have been carried forward to 2022.

d) Grants to National Associations

The amounts spent in 2021 (2021-\$196.671m, 2020-\$158.014m) for grants to National Associations reflect an increase compared to the budgeted amount (\$183.176m). The grants paid represent, monthly subventions of \$135.601m and additional grants of \$61.070m. 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. From the second quarter of the year some National Associations began training as well as participating in competitions held locally and outside of Jamaica. The local sporting events were held with full compliance with the protocols established by the Ministry of Health and Wellness.

The Tokyo 2020 Olympics and World Athletics Under 20 Championships were successfully staged during the year. The additional grants of \$61.070m included support for especially our track and field athletes to prepare and participate in these competitions. The Jamaica Athletic Administrative Association was the main recipient of additional support (\$4.730m for completion of office building, \$11.000m for local meets, \$12.00m for preparation for the Olympics and \$8.000m for the preparation for Under 20 World Championships) receiving a total of \$35.730m.

B. Comparison of Actual Results for 2021 and 2020

Table 2 shows a comparison of the actual income and expenditure for 2021 with the actual income and expenditure for 2020.

Table 2 – Comparison of Actual Data for 2021 and 2020

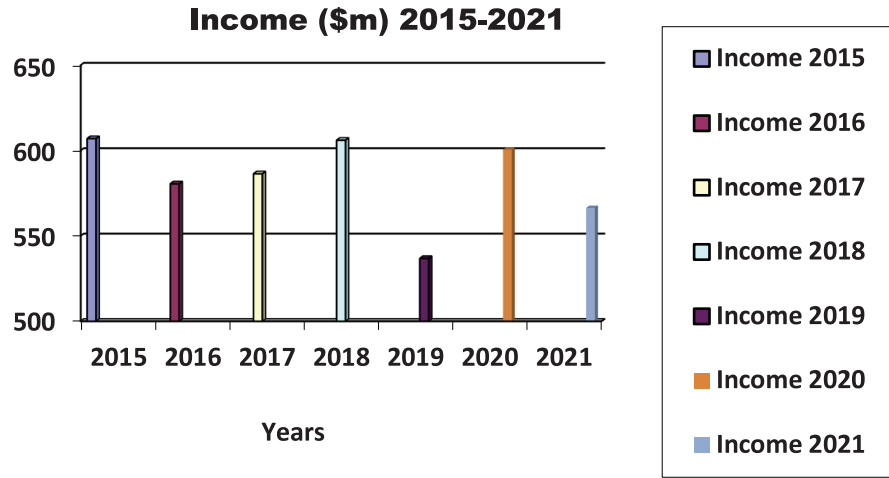
	2021 Actual \$'000	2020 Actual \$'000	Variance \$'000
INCOME:			
Income from Gaming	566,370	600,439	(34,069)
Investment Income	5,491	5,170	321
Other Income	8,283	16,903	(8,620)
TOTAL INCOME	580,144	622,512	(42,368)
EXPENDITURE			
Administrative expenses	113,943	98,700	(15,243)
Withholding Tax Written Off	-	10,483	10,483
Grants to Government Agencies	29,197	38,450	9,253
Assistance to Sporting Events (Jamaica International Invitational & Racers Grand Prix Athletic Meets)	-	540	540
Special Projects	11,757	-	(11,757)
Special Allocations Fund	61,176	55,373	(5,803)
Infrastructure Projects	137,243	180,531	43,288
National Associations	196,671	158,014	(38,657)
Athletes Welfare and Other Grants,	11,074	20,630	9,556
TOTAL EXPENDITURE	561,061	562,721	1,660
SURPLUS / (DEFICIT)	19,083	59,791	(40,708)

I. Income

The income received in 2021 reflects a decrease (5.7%) compared to 2020. For the seven-year period 2015-2021, the proceeds received in 2021 represent the second lowest amount.

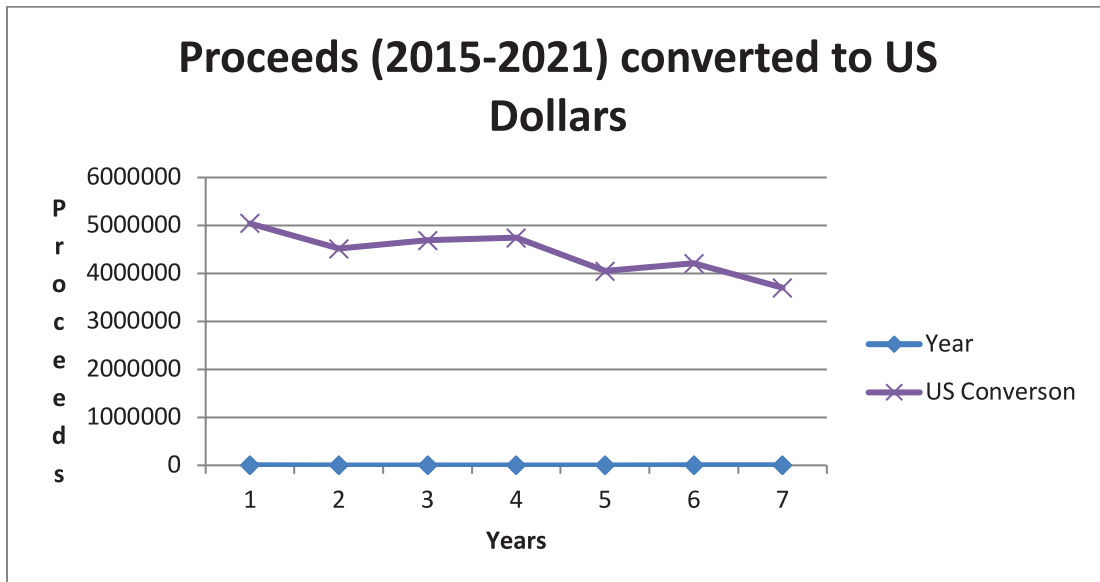
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Chart 1- Comparison of Income (\$m) received over the seven year period 2015-2021



A further analysis of the proceeds received over the seven year period (2015-2021) is reflected in Chart 2 below.

Chart 2 –Showing Proceeds (2015-2021) 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 and other services have increased by 40-50% over the period.

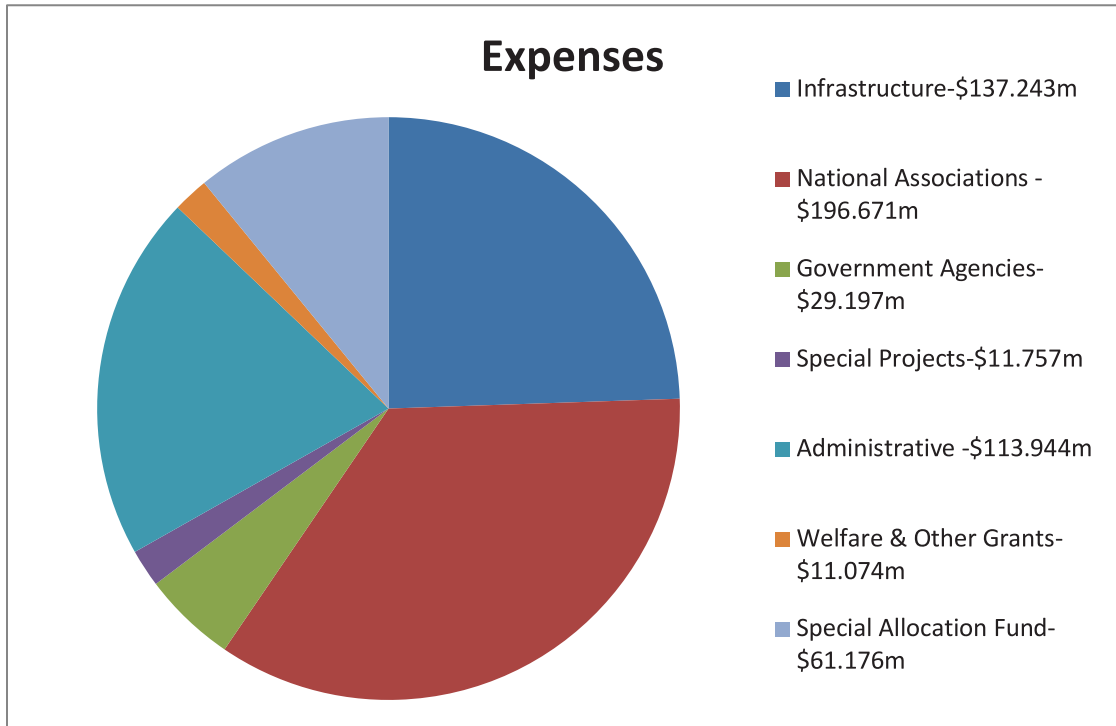
2. Major Expense Categories

The Major Expense Categories are:

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

The chart below shows the amounts spent in each category.

Chart 3- Comparison of Funds allocated to Expense categories for 2021



Infrastructure expenditure represented 24.5% of total expenditure, allocations to national associations were 35.0%, and other non-administrative expenses represented 20.2%. Total administrative expenses, therefore, amounted to 20.3%. This is another indication of the efficiency of the Foundation. While it is not disaggregated, it should be noted that staff costs amount to \$59.241 million, just 10.6% of total expenditure and 52% of administrative expenses. The 10.6% is comparable to an industry average of 15-20%.

i. Sports Infrastructure Projects (Appendix 1):

These projects included:

National Facilities

The installation of lights at the National Basketball Court at the National Stadium Complex was completed during the year. The Foundation also provided support for the maintenance of the National Aquatic Centre at the facility.

Community Infrastructure Projects

During the year, the Foundation:

- ✓ Completed/ upgraded multipurpose court in one community,
- ✓ Completed/upgraded fenced multipurpose courts at five institutions of learning
- ✓ Provided fencing for sporting complex in two communities
- ✓ Continued the rehabilitation of playfields/turfs at four schools and in one community
- ✓ Constructed seats at one location and continued the distribution of purchased seats islandwide
- ✓ Contributed to lighting at one complex
- ✓ Continued the construction of a sporting complex in two Communities
- ✓ Rehabilitated the dormitory at one high school
- ✓ Replaced goals and provided equipment to schools and communities throughout the island

Other Infrastructure Activities

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

No projects were implemented on behalf of the CDF during the year. In June, the Foundation received \$2.100m to implement fencing in Paradise, Norwood, St. James. The Foundation is awaiting the clearing of the requisite property by the Member of Parliament in order to commence this project.

At the end of the year, the Foundation had purchased 61 igoals on behalf of the Institute of Sports from the funds received from that entity for that project.

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

No projects were implemented on behalf of this entity during 2021.

iii. **Projects implemented on behalf of the Tourism Enhancement Fund**

The installation of lights at the Wilson Shop Sports Complex on behalf of the Tourism Enhancement Fund was completed during the year.

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

This programme began in 2014 with the objective to implement and improve sport infrastructure at High Schools throughout the island in order to give our students a fair chance to excel in sport regardless of their school of choice.

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.

By 2021 only two schools projects remained, that is, the construction of the tennis and volleyball court and the cricket nursery at Frome High School and the construction of a playfield for the Grange Hill High School. The projects done at Frome High School were completed in the year. The construction of the playfield for Grange Hill High is still in progress.

Table 3 below shows the cumulative impact of the High School Sports Infrastructure Improvement Project. At the end of 2021, sports infrastructure had been implemented in high schools in 9 parishes. Out of a total of 20 facilities, 13 were completed in non-traditional high school in keeping with the objective of the programme to give students a chance to excel in sport irrespective of their chosen school.

Table 3

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

ii. National Sports Associations (Appendix 2):

In 2021, \$196.671m (2020-\$158.014m) 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 2021 represent an increase compared to that of 2020 in an attempt to assist in the resumption of sporting activity (training, competitions, and tournaments) after the shutdown of the industry in 2020.

iii. Government Agencies (Appendix 3)

In 2021, the Foundation provided funding of \$29.1970m to Government Agencies compared to \$38.450m paid over in 2020. This was distributed as follows:

- a. Institute of Sports: \$12.083m (2020-\$21.000m)–For programme support.

- b. Independence Park Limited: \$17.114m (2020-\$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 towards the replacement of the running tracks.

In each year, these grants are separate from any infrastructure upgrades provided to Independence Park Limited.

iv. Administrative Expenses

Administrative expenses for 2021 were 20.3% of total expenditure, an outstanding achievement by any standard and continuing the trend over the years of being within 25% of total expenditure. Administrative expenses increased in 2021 compared to 2020. This increase is attributable to:

- ✓ An increase in the maintenance costs of aging motor vehicles.
- ✓ The Covid-19 pandemic has resulted in an increase in the use of technology and thus there was a resultant increase in maintenance costs for equipment such as website, software, and hardware assets.
- ✓ In 2021, the Foundation increased the amount spent on public relations in recognition of its 25 years of service to the Jamaican people.
- ✓ The purchase of items (sanitization solutions, masks) and deep cleaning expenses were also incurred during the year.

v. Athletes Welfare Fund & Other Grants

Based on the requests received, grants totalling \$11.074m (2020, \$20.630m) were paid to athletes (active, retired and indigent) 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 \$0.269m spent in the last quarter of the year to support the Jamaica Football Federation through the purchase of tickets for a 2022 World Cup qualifying match.

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.

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. Based on the length of time with no presentation of invoices due, this account was closed.

4. STAFFING

It was proposed that the staff complement of the Foundation would increase in the year. This was not achieved as the transformation of the public sector has not concluded.

5. CHANGES TO THE CORPORATE PLAN

There was no need to change the 2021 Corporate Plan.

6. CHARITABLE STATUS

The SDF continued to assist the various sporting bodies with the importation of sporting equipment for use in their respective sport

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

Administrative Expenses:

Administrative expenses for the year under review totalled \$113.943m. The budget for the year was \$166.568m resulting in a positive variance of \$52.625m.

Sports Infrastructure:

It was budgeted that \$199.441m would be spent on ongoing and new projects in 2021. During the year \$137.243m were spent on infrastructure projects. This represents a decrease of 23.9% compared to \$180.531m spent in 2021.

National Sports Associations:

In 2021, grants totaling \$196.671m made to National Associations were more than the budgeted amount of \$183.176m. The increase was funded from savings resulting from the cancellation of events such as the Track Meets.

Government Institutions:

Grants made to Government Agencies totalled \$29.197m which is less than budgeted owing to the Covid -19 pandemic.

8. FORECASTS AND PROJECTIONS OF KEY FINANCIAL AND OPERATING MEASURES FOR THE YEAR 2022

Based on the projected proceeds for 2022, the expenditure on projects and grants are as outlined in the table below.

Table 4- Forecasts and Projections for Financial year 2022

Key Output	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total
Sports infrastructure including Rehabilitation of fields and courts at schools and communities islandwide	\$35.000m	\$40.000m	\$40.000m	\$68.000m	\$183.000m
Improve administrative and technical development of sports through grants to national sports associations.	\$55.329m	\$52.129m	\$57.079m	\$34.929m	\$199.466m
Carifta, JFF World Cup	\$122.430m	\$30.810m			\$153.240m
The purchase of tickets for sporting events	\$6.275m	\$6.975m	\$2.400m	\$0.000m	\$15.650m
Enhance sports curriculum. Increase community sports development through grants to Government Agencies.	\$9.528m	\$12.529m	\$11.528m	\$9.529m	\$43.114m
<u>Special Project</u> Jamaica International Invitational Track Meet	\$4.000m	\$6.000m			\$10.000m
Racers Grand Prix		\$10.000m			\$10.000m
Assist other organizations involved in sport					
Summer Camp			\$17.000m		\$17.000m
Zoso Interventions	\$2.490m	\$2.490m	\$2.490m	\$2.530m	\$10.000m
PLCA	\$3.900m	\$3.900m			\$7.800m
<u>Athletes Welfare</u> 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
<u>Special Allocations</u> To assist other organizations in funding sport related activities	\$4.995m	\$4.995m	\$4.995m	\$5.015m	\$20.000m
Total	\$253.747m	\$174.628m	\$143.292m	\$124.803m	\$696.470m

The budget for 2022 has been approved for implementation.

9. CONCLUSION

The SDF continues to operate at an extremely 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 2022 and the Actual Expenditure for Financial years 2021 and 2020

Budget Item	\$'000 Actual 2020	\$'000 Actual 2021	\$'000 Budget 2022
Infrastructure projects	180,531	137,243	183,000
National Associations	158,014	196,671	199,466
Carifta, JFF			153,240
Government Agencies:			
a. Institute of Sports	21,000	12,083	21,000
b. Social Development Commission	0	0	5,000
c. Independence Park Limited	17,114	17,114	17,114
d. G.C. Foster College	336	0	
Tickets Sporting Events	1,504	269	15,650
Jamaica Invitational Track Meet	0	0	10,000
Velocity Fest	540	0	
Racers Grand Prix	0	0	10,000
Special Allocations	23,383	28,421	20,000
Statues	4,982	0	
Grant PLCA	5,200	7,200	7,800
Scholarships			8,000
ZOZO and SOE Programmes	5,990	8,570	10,000
Summer Camp	15,818	16,985	17,000
Athletes Welfare, Indigent Grants & Special Projects	19,126	22,562	19,200
Total	453,538	447,118	696,470

April 27, 2022

Appendix 1

Project Expenses Analysis for 2021 (\$J)

Fenced Multipurpose Courts

Parish	No	Amount	Location
Kingston & St. Andrew	1	1,346,415	Alpha Primary
St. Catherine	2	11,521,627	Jericho Primary, Spanish Town High
Clarendon		11,817	Longville , Portland Cottage
St. Elizabeth	1	7,795,603	Hampton High, Hopewell Primary
Trelawny	1	12,446,900	Troy Primary
St. James	1	7,775,392	Paradise
Manchester		792,177	Manchester High
St. Ann		74,000	Wilson Shop
TOTAL	6	41,763,932	

Fenced Fields

Parish	No	Amount	Location
Kingston & St. Andrew	2	7,520,000	Nannyville, New Providence Primary, Campion College
St. Elizabeth		5,850	Alligator Pond
Hanover	1	3,572,957	Rusea's High
St. Ann		1,378,430	Wilson Shop
Clarendon		1,548,101	Hockey base Denbigh, Lennon High
Manchester	1	5,971,311	Knox College
St. Catherine		20,709	Ebony Vale, Spanish Twn High, Friendship
TOTAL	4	20,017,358	

Project Expenses Analysis for 2021 (\$J) cont'd

National Projects

Parish	No	Amount	Location
Kingston		2,598,367	Lighting of National Basketball Courts –National Stadium
Kingston		650,000	Stadium Pool
TOTAL		3,248,367	

Fencing/Wall

Parish	No	Amount	Location
Trelawny	1	1,317,084	Troy Primary
St. James	1	1,213,126	Paradise
St. Catherine		5,967	Thompson Pen
TOTAL	2	2,536,177	

Seats

Parish	No	Amount	Location
Islandwide		2,898,928	Islandwide Distribution
St. Catherine	2	7,794,945	Thompson Pen, Prison Oval
Westmoreland	1	413,000	
TOTAL	3	11,106,873	

Project Expenses Analysis for 2021 (\$J) cont'd

Equipment & Signs

Parish	No	Amount	Location
Islandwide		1,547,380	Equipment includes goals, mowers, marking of courts.
Portland		1,350,000	Pavilion & Moore Town
Kingston & St. Andrew		354,500	Alpha Primary, Jacks Hill Primary
TOTAL		3,251,880	

Complexes & Dormitories

Parish	No	Amount	Location
St. Mary		200,000	Oracabessa,
Clarendon		17,803,558	Dorms-Clarendon College
St. Catherine		36,961,684	Complex –Gordon Pen
St. James		2,925	Lilliput
TOTAL		54,968,167	

Lights

Parish	No	Amount	Location
St. Ann		350,475	Wilson Shop
TOTAL		350,475	

Total Projects 2021 \$137,243,228

Appendix 2

Grants to National Associations 2021 and 2020 (\$J)

Association	Amount (2021)	Amount (2020)
Aquatics Jamaica	1,800,000	2,640,000
Equestrian Federation	1,290,000	1,290,000
Jamaica Intercollegiate Sports Assn	-	800,000
Jamaica Athletic Administrative Assn	53,730,000	25,600,000
Jamaica Amateur Basketball Assn	6,483,000	3,817,869
Jamaica Amateur Gymnastics Assn	2,740,000	1,867,500
Jamaica Amateur Softball Assn	1,290,000	1,290,000
Assn of Sports Medicine	1,308,224	1,962,397
Jamaica Badminton Assn	1,870,500	2,020,500
Jamaica Bobsleigh & Skeleton Federation	3,650,000	650,000
Amateur Bodybuilding Assn	1,801,648	2,328,888
Boxing Board of Control	1,806,000	2,426,000
Jamaica Chess Federation	1,250,004	1,250,004
Jamaica Cricket Association	13,200,000	13,200,000
Jamaica Cycling Federation	3,806,000	1,806,000
Jamaica Darts Association	650,000	650,000
Jamaica Football Federation	42,000,000	46,314,217
Jamaica Golf Association	3,935,000	3,935,000
Jamaica Hockey Federation	2,484,000	2,064,000
Jamaica Netball Association	12,680,850	9,680,850
Jamaica Paralympic Association	2,000,088	2,000,088
Jamaica Rifle Association	-	650,000
Jamaica Rugby Union	2,290,000	1,790,000
Jamaica Rugby League	1,000,044	1,000,044
Jamaica Skeet Club	-	1,000,000
Jamaica Ski Federation	-	-
Jamaica Visually Impaired Cricket	1,400,004	1,600,004
Jamaica Surfing Association	1,700,000	1,500,000
Jamaica Squash Association	1,806,000	2,806,000
Jamaica Table Tennis Association	5,812,500	-
Taekwon Do Association and Federation	1,800,000	1,800,000
Jamaica Triathlon Association	650,000	650,000
Jamaica Volleyball Association	2,064,000	2,064,000
National Domino Bodies	880,000	880,000
Special Olympics Jamaica	3,508,800	3,508,800
Tennis Jamaica	3,999,000	3,999,000
Seido Karate Association	600,000	600,000
Multicare Foundation	2,838,000	2,838,000
World Bridge Federation	210,000	-
Jamaica Cricket Umpire Assn	-	-
Jamaica Deaf Sports Association	1,290,000	1,290,000
Jamaica Rowing Federation	1,000,000	1,000,000
Jamaica Weightlifting Association	1,748,250	-
Jamaica National Powerlifting Association	500,000	-
Jamaica Wrestling Association	98,961	-
Jamaica Tackle Football Association	1,700,000	-
Jamaica Canoeing Federation	-	1,445,000
TOTAL	196,670,873	158,014,161

Appendix 3

Grants to Government Agencies 2021 and 2020 (\$J)

Agency	Amount (2021)	Amount (2021)
G.C. Foster College		335,984
Institute of Sports including camp	12,083,585	21,000,000
Independence Park Ltd	17,113,800	17,113,800
TOTAL	29,197,385	38,449,784

Appendix 4

Directors Compensation 2021 (\$J)

Position of Director	Gross Fees	Travelling	Honoraria	All other Compensation cash and non-cash	Total
George Soutar	396,800	-	-	84,000	480,800
Newton Amos	139,500	2,268	-	-	141,768
Donovan Bennett	-	-	-	5,000	5,000
Mexine Bisasor	-	-	-	5,000	5,000
Michael Fennell	292,500	18,648	-	55,000	366,148
Annmarie Heron	331,500	24,570	-	18,000	374,070
Lloyd Pommells	383,300	28,665	-	86,000	497,965
Lillian Reid	276,000	1,008	-	55,000	332,008
Molly Rhone	461,000	10,206	-	60,000	531,206
Compton Rodney	258,300	17,388	-	20,000	295,688
Alexander Shaw	172,000	13,356	-	55,000	240,356
David Shirley	-	-	-	1,500	1,500
TOTAL	2,710,900	116,109	-	444,500	3,271,509

In 2020, a new board was appointed December 14, 2020. Prior to that new board appointment, Directors Mrs. Mexine Bisasor, Mr. David Shirley, and Dr. Donovan Bennett were paid a total of \$11,500 for reimbursable expenses for the period January 1-22, 2021 as the Foundation was advised on January 22, 2021 of the appointment of a new Board of Directors. Mrs. Bisasor, Mr. Davis Shirley, and Dr. Bennett were not reappointed on December 14, 2020.

Appendix 5

Compensation

Senior Management's Emoluments 2021 (\$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	5,358,942	626,500	1,697,148		-	-	7,682,590
Charmaine Hanson Financial Controller	4,359,895	206,821	1,697,148	193,049	-	-	6,456,913
Terry Montaque Chief Engineer	3,646,744	-	1,697,148	170,789	-	-	5,514,681
TOTAL	13,365,581	833,321	5,091,444	363,838	-	-	19,654,184

All emoluments are stated before tax.



Sports Development Foundation
(A Company Limited by Guarantee)

Financial Statements
31 December 2021

Sports Development Foundation

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31 December 2021

Auditor's Report to the Members

Financial Statements

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Independent auditor's report

To the Members of Sports Development Foundation

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sports Development Foundation (the Foundation) as at 31 December 2021, 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 2021;
- 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.

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.



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.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers
Chartered Accountants
23 February 2022
Kingston, Jamaica

Sports Development Foundation
Statement of Comprehensive Income
Year ended 31 December 2021
 (expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
Contributions through the CHASE Fund	5	566,370	600,439
Investment income		5,491	5,170
Other income		8,283	16,903
		<u>580,144</u>	<u>622,512</u>
Less: Project expenditure and grants	6	(447,118)	(453,538)
Administration expenses	7	(113,943)	(98,700)
Withholding tax written off	16	-	(10,483)
Surplus for Year, being Total Comprehensive Income		<u><u>19,083</u></u>	<u><u>59,791</u></u>

Sports Development Foundation


Statement of Financial Position

Year ended 31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2021 \$'000	2020 \$'000
Non-Current Assets			
Intangible assets	9	233	195
Property, plant and equipment	10	51,312	56,656
Investment securities	11	48,928	46,086
		<u>100,473</u>	<u>102,937</u>
Current Assets			
Receivables	12	6,469	8,143
Cash and cash equivalents	13	273,556	264,080
		<u>280,025</u>	<u>272,223</u>
Current Liabilities			
Payables and accrued charges		16,059	18,440
Current portion of managed funds	14	14,233	25,645
		<u>30,292</u>	<u>44,085</u>
		<u>249,733</u>	<u>228,138</u>
Net Current Assets		<u>350,206</u>	<u>331,075</u>
Equity			
Sports Development Fund		348,335	329,252
Non-Current Liabilities			
Long term portion of managed funds	14	1,871	1,823
		<u>350,206</u>	<u>331,075</u>

Approved for issue by the Board of Directors on February 23, 2022 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 2021

(expressed in Jamaican dollars unless otherwise indicated)

	Sport Development Fund
	\$'000
Balance as at 1 January 2020	269,461
Surplus for year, being total comprehensive income	59,791
Balance at 31 December 2020	329,252
Surplus for year, being total comprehensive income	19,083
Balance at 31 December 2021	348,335

Sports Development Foundation
Statement of Cash Flows
Year ended 31 December 2021
(expressed in Jamaican dollars unless otherwise indicated)

	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities		
Surplus for year	19,083	59,791
Adjustments:		
Investment income	(5,491)	(5,170)
Depreciation and amortization	8,248	4,640
Exchange and translation gains on foreign balances	(6,041)	(8,698)
	<u>15,799</u>	<u>50,563</u>
Changes in operating assets and liabilities:		
Receivables	1,674	325
Payables and accrued charges	(13,793)	4,040
	<u>3,680</u>	<u>54,928</u>
Tax withheld at source	-	10,483
Cash provided by operating activities	<u>3,680</u>	<u>65,411</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(2,178)	(5,331)
Purchase of intangible assets	(763)	(541)
Investment income received	5,491	5,170
Cash provided by/(used in) investing activities	<u>2,550</u>	<u>(702)</u>
Exchange and translation gains on cash and cash equivalents	<u>3,246</u>	<u>2,958</u>
Increase in cash and cash equivalents	9,476	67,667
Cash and cash equivalents at beginning of year	264,080	196,413
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)	<u>273,556</u>	<u>264,080</u>

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Activity

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

Source of funding

The Culture Health Arts Sports and Education Fund (CHASE Fund) 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.

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

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

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest rate benchmark reform – Phase 2** (effective for annual periods beginning on or after 1 January 2021). The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform. The amendment did not have a significant impact on the foundation.
- **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 coronavirus (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. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such 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 concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. There was no impact to the Foundation on adoption of this amendment.

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 Extension of the practical expedient**, (effective for annual periods beginning on or after 1 April 2021). On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such 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 concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs. There will be no impact to the Foundation on adoption of this amendment.

Sports Development Foundation

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Notes to the Financial Statements

31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

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 (continued)

- ***Amendments to IAS 1, Presentation of financial statements on classification of liabilities, (effective for annual periods beginning on or after 1 January 2022).*** These narrow-scope amendments to IAS 1, 'Presentation of financial statements', 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. The Foundation is currently assessing the impact of future adoption of the new standard on its financial statements.
- ***A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16, (effective for annual periods beginning on or after 1 January 2022).*** Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'. The Foundation is currently assessing the impact of future adoption of the new standard on its financial statements.
- ***Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8, (effective for annual periods beginning on or after 1 January 2023).*** The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. There will be no impact to the Foundation on adoption of this amendment.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Foundation.

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

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 statement of comprehensive income.

(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 17 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.

Sports Development Foundation

(a company limited by guarantee)

Notes to the Financial Statements

31 December 2021

(expressed in Jamaican dollars unless otherwise indicated)

2. Significant Accounting Policies (Continued)

(d) Financial instruments (continued)

(i) Financial assets measured at amortized cost

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

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

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

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

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).

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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%
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.

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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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3. Financial Risk Management

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

The Foundation's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Foundation regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

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

(a) Credit risk

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

Credit review process

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

(i) Investment securities

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

(ii) Long term and current receivables

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

(iii) Cash and cash equivalents

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

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3. Financial Risk Management (Continued)

(b) Liquidity risk

Liquidity risk is the risk that the Foundation is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The Foundation's liquidity management process includes:

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

The maturity profile of the Foundation's financial liabilities at year end based on contractual undiscounted payments was as follows:

	2021				
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables and accrued charges	2,124	2,902	11,033	-	16,059
Managed funds	-	-	14,233	1,871	16,104
	2,124	2,902	25,266	1,871	32,163
	2020				
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables and accrued charges	6,786	3,441	8,213	-	18,440
Managed funds	-	-	25,645	1,823	27,468
	6,786	3,441	33,858	1,823	45,908

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

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3. Financial Risk Management (Continued)

(c) Market risk

The Foundation takes on exposure to market risks, which is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Foundation's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign exchange risk arising from currency exposure with respect to the US dollar. The statement of financial position at 31 December 2021 includes aggregate net foreign assets of approximately \$88,718,000 (2020 – \$82,550,000) in respect of such transactions.

(i) Sensitivity arising from currency risk

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.

The effect of a further 8% (2020 - 6%) depreciation and a 2% (2020 - 2%) appreciation in the Jamaican dollar (JMD) relative to the United States dollar (USD) at the year end is considered in the following tables:

	2021			2020		
	Balances Denominated in USD	Effect of a 8% Depreciation at 31 December 2021	Effect of a 2% Appreciation at 31 December 2021	Balances Denominated in USD	Effect of a 6% Depreciation at 31 December 2020	Effect of a 2% Appreciation at 31 December 2020
Statement of financial position:	\$	\$	\$	\$	\$	\$
Net position	88,718,000	7,097,000	(1,774,000)	82,550,000	4,953,000	(1,851,000)

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. However, this exposure is not significant as the balance is short term in nature.

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3. Financial Risk Management (Continued)

(d) Fair values of financial instruments

The fair value of financial instruments traded in an active market is based on quoted market prices at the 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.

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 \$566,370,000 in 2021 (2020 - \$600,439,200). These contributions were recognized at a point in time.

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6. Project Expenditure and Grants

	2021	2020
	\$'000	\$'000
Infrastructure Projects	137,243	180,531
Grants to National Associations	196,671	158,014
Grants to Government Agencies	29,197	38,450
Grant to Special Projects	11,757	540
Special Allocation Fund	61,176	55,373
Grants – others	11,074	20,630
	<u>447,118</u>	<u>453,538</u>

7. Expenses by Nature

Total disbursements and administration expenses:

	2021	2020
	\$'000	\$'000
Advertising and promotion	6,545	5,105
Audit fees		
Prior year (over)/under accrual	(372)	367
Current	2,118	2,118
Depreciation and amortization	8,248	4,641
Directors' fees	3,272	3,979
Insurance	1,647	1,649
Legal and professional fees	776	1,686
Motor vehicle expense	4,017	2,089
Repairs and maintenance	9,648	5,842
Security	2,283	2,450
Staff costs (Note 8)	59,241	54,578
Utilities	6,664	5,738
Other expenses	9,856	8,458
Withholding tax written off	-	10,483
	<u>113,943</u>	<u>109,183</u>
Project expenditure and grants (Note 6)	<u>447,118</u>	<u>435,538</u>
	<u>561,061</u>	<u>562,721</u>

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8. Staff Costs

	2021 \$'000	2020 \$'000
Salaries and wages	32,091	30,400
Accrued leave and gratuity costs	2,676	1,924
Payroll taxes – employer's portion	3,617	3,469
Pension contributions (Note 17)	992	989
Other (Health, Travelling, Uniform and Welfare)	19,865	17,796
	<u>59,241</u>	<u>54,578</u>

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

	2021 No.	2020 No.
Full-time	<u>14</u>	<u>14</u>

9. Intangible Assets

	Computer Software \$'000
At Cost -	
1 January 2020	<u>2,732</u>
Additions	<u>541</u>
31 December 2020	<u>3,273</u>
Additions	<u>763</u>
31 December 2021	<u>4,063</u>
Amortisation -	
1 January 2020	<u>2,564</u>
Amortisation for the year	<u>514</u>
31 December 2020	<u>3,078</u>
Amortisation for the year	<u>726</u>
31 December 2021	<u>3,803</u>
Net Book Value -	
31 December 2021	<u>233</u>
31 December 2020	<u>195</u>

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10. Property, Plant and Equipment

	Computers \$'000	Office Furniture & Equipment \$'000	Motor Vehicles \$'000	Buildings \$'000	Land \$'000	Leasehold Property \$'000	Total \$'000
Cost:							
1 January 2020	5,342	14,545	20,205	16,436	32,072	19,174	107,774
Additions	4,057	1,274	-	-	-	-	5,331
31 December 2020	9,399	15,819	20,205	16,436	32,072	19,174	113,105
Additions	1,397	781					2,178
At 31 December 2021	10,796	16,600	20,205	16,436	32,072	19,174	115,283
Depreciation:							
At 1 January 2020	4,740	9,887	17,636	8,869	-	11,188	52,320
Charge for the year	489	1,386	-	411	-	1,843	4,129
31 December 2020	5,229	11,273	17,636	9,280	-	13,031	56,449
Charge for the year	1,204	1,497	2,568	411	-	1,843	7,522
31 December 2021	6,433	12,770	20,204	9,691	-	14,874	63,971
Net Book Value:							
December 31, 2021	4,363	3,830	1	6,745	32,072	4,300	51,312
December 31, 2020	4,170	4,546	2,569	7,156	32,072	6,143	56,656

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

	2021 \$'000	2020 \$'000
Financial assets at amortised costs -		
Government of Jamaica	13,141	12,290
Corporate bonds	35,787	33,796
	<u>48,928</u>	<u>46,086</u>

The weighted average effective interest rate on investments was 7.8% (2020 – 8.5%). The investments have a maturity date of November 10, 2024 and July 9, 2025.

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12. Receivables

	2021	2020
	\$'000	\$'000
Prepayment	883	1,215
Other	5,586	6,927
	<u>6,469</u>	<u>8,142</u>

13. Cash and Cash Equivalents

	2021	2020
	\$'000	\$'000
Cash at bank and in hand	223,323	215,040
Cash equivalents	50,233	49,040
	<u>273,556</u>	<u>264,080</u>

Cash equivalents represent securities with original maturities of three months or less and include interest receivable of \$911,000 (2020 – \$693,000). The weighted average effective interest rate on JMD short term deposits was 2.62% (2020 – 2.38%).

Cash at bank and in hand includes funds held under management of \$13,250,000 (2020 - \$29,500,000).

14. Managed Funds

	2021	2020
	\$'000	\$'000
Constituency Development Fund	2,961	2,157
Tourism Product Development Fund	2,226	1,086
Ministry of Agriculture & Fisheries	9,046	22,351
Sports Museum	1,871	1,823
Beckwith International Leadership Development (BILD) Fund	-	51
	<u>16,104</u>	<u>27,468</u>
Current portion	(14,233)	(25,645)
	<u>1,871</u>	<u>1,823</u>

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14. Managed Funds (Continued)

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

The Constituency Development Fund Programme (CDFP) was developed out of a 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 2021 the Foundation received funding from the CDFP to undertake a project in the parish of St. James.

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 and the Government of Jamaica.

Constituency Development Fund & Other Entities

	2021 \$'000	2020 \$'000
Funds at the beginning of the year	2,157	301
Allocations during the year	2,100	2,000
Project disbursements	(1,296)	(144)
Funds at the end of the year	<u>2,961</u>	<u>2,157</u>

Tourism Product Development Co. Ltd

	2021 \$'000	2020 \$'000
Funds at the beginning of the year	1,086	1,086
Allocations during the year	1,552	3,503
Project disbursements	(412)	(3,503)
Funds at the end of the year	<u>2,226</u>	<u>1,086</u>

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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 by the Foundation for the implementation of sporting facilities in selected high schools located in sugar dependent areas throughout the island.

	2021 \$'000	2020 \$'000
Funds at the beginning of the year	22,351	26,301
Interest earned	64	-
Allocation	-	84
Bank charges	(6)	3
Project disbursements	<u>(13,363)</u>	<u>(4,031)</u>
Funds at the end of the year	<u>9,046</u>	<u>22,351</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.

	2021 \$'000	2020 \$'000
Funds at the beginning of the year	1,823	1,750
Interest earned	<u>48</u>	<u>73</u>
Funds at the end of the year	<u>1,871</u>	<u>1,823</u>

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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 representing expenses due were paid out during the year.

	2021 \$'000	2020 \$'000
Funds at the beginning of the year	51	51
Project disbursements	(51)	-
Funds at the end of the year	-	51

15. Related Party Transactions

	2021 \$'000	2020 \$'000
<i>Key management compensation -</i>		
Salaries and other short-term employee benefits	13,366	12,906
Gratuity	833	3,180
Payroll taxes – employer's portion	1,551	1,621
Pension	363	363
	<u>16,113</u>	<u>18,070</u>

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.

Tax recoverable of \$10,483,000 which was due from the Ministry of Finance and the Public Service was written off during 2020 as the Ministry of Finance indicated that this amount was no longer recoverable.

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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 \$992,000 (2020 - \$989,000) in the current year.

18. Impact of Covid-19

In 2020, the WHO declared the Coronavirus to be a global pandemic. The pandemic has had a significant negative impact on the global economy owing to the cancellation or suspension of revenue and profit generating industries such as entertainment and sport. With the manufacture and distribution of vaccines, the global economy is slowly trying to return to pre-covid 19 activities.

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

Double Tennis Court - Wolmer's Boys' School, Kingston



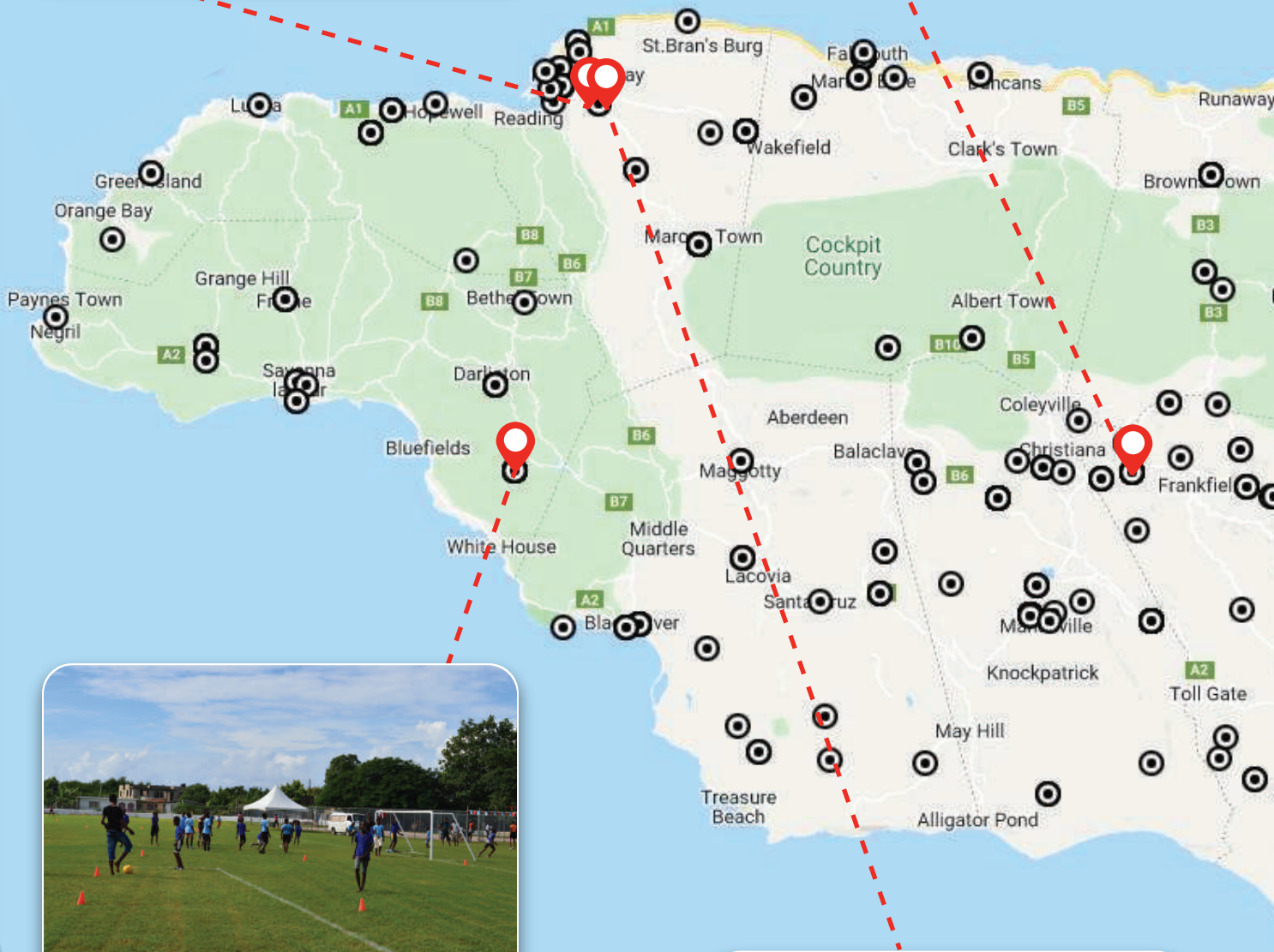
Multipurpose Court & Fencing - May Day High School, Manchester



Fencing – Farm Heights, St. James



Multipurpose Court – Alphansus Davis High School (formerly Spalding High School), Clarendon



Field - New Market Oval, Westmoreland



Seating – Farm Heights, St. James

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