

# ANNUAL REPORT 2007



**Sports  
Development  
Foundation**

*Developing the Nation through Sports*





## MISSION STATEMENT

Recognizing the power of sports to provide recreation as well as to build careers and national pride, the Sports Development Foundation (funded by the Gaming Industry) contributes to Jamaica's development by:

- Providing sports facilities throughout the island.
- Funding 38 National Associations that govern sports, such as Jamaica Football Federation (JFF), Jamaica Netball Association (JNA) and Jamaica Amateur Athletic Association (JAAA).
- Providing assistance for the development and welfare of Athletes coaches and officials.
- Funding government Institutions including the Institute of Sports and GC Foster College of Physical Education & Sport and Social Development Commission (SDC).





Mona Hockey Field - St. Andrew



Anderson Town Centre Complex  
Multipurpose Court - Clarendon



Barbican Playing field - St. Andrew



Palmers Cross Multipurpose Court  
- Clarendon



Westmoreland Oval Multipurpose Court  
- St. Mary



Ebony Grove High - Handing-Over court  
- Clarendon



Buckfield, Ocho Rios fenced complex  
- St. Ann



Vauxhall High School Handing-Over  
Ceremony - Kingston



Swallowfield Primary & Junior High  
Multipurpose court - St. Andrew



Mona Primary School playing field  
- St. Andrew



Greenwich Primary & All Age, Kingston  
Multipurpose Court - St. Andrew







Coming up this season...

## More **Exciting** Sports Events in 2008 (by SDF supported Associations)



### **FOOTBALL (JFF)** *World Cup Qualifiers*

June 15: JAMAICA VS. BAHAMAS  
National Stadium  
June 18: BAHAMAS VS. JAMAICA  
Trelawny Stadium



### **TRACK & FIELD (JAAA)**

National Senior Champs

(to select teams for Beijing Olympics:  
CAC champs and NACAC champs)  
June 27, 28, 29: National Stadium



### **TABLE TENNIS (JTТА)**

Latin American Junior Champs  
in Colombia - June 13 - 17  
50th Anniversary Caribbean  
Table Tennis Champs  
December 8: National Indoor Arena



### **BADMINTON (JBA)**

Junior Badminton Classic

August 15-17: National Indoor Arena



### **SURFING**

Makka ProSurf Regional Contest

July 18 - 20:  
Southaven Yallahs, St. Thomas



### **SWIMMING (ASAJ)**

Caribbean Islands  
Swimming Champs

July 16 - 23:  
National Stadium Pool



- 30 Multipurpose Courts  
- 14 in Communities - 15 in Schools - 1 in an Institution for challenged youngsters
- Constructing/Upgrading 9 playfields
- Fencing 11 facilities
- Constructing changing rooms at community complexes.
- Lighting at Drax Hall Complex



*It is the objective of the SDF that every parish should have a sport facility of sufficient quality to host major parish finals; and every county should have a facility capable of hosting international competitions.*



**Developing the Nation through Sports**



# SPORTS DEVELOPMENT FOUNDATION CORPORATE PLAN 2008 – 2010

## Executive Summary

### Our Mission

Our mission is to develop physical infrastructure and human capital for sports at community, national and international standards throughout Jamaica.

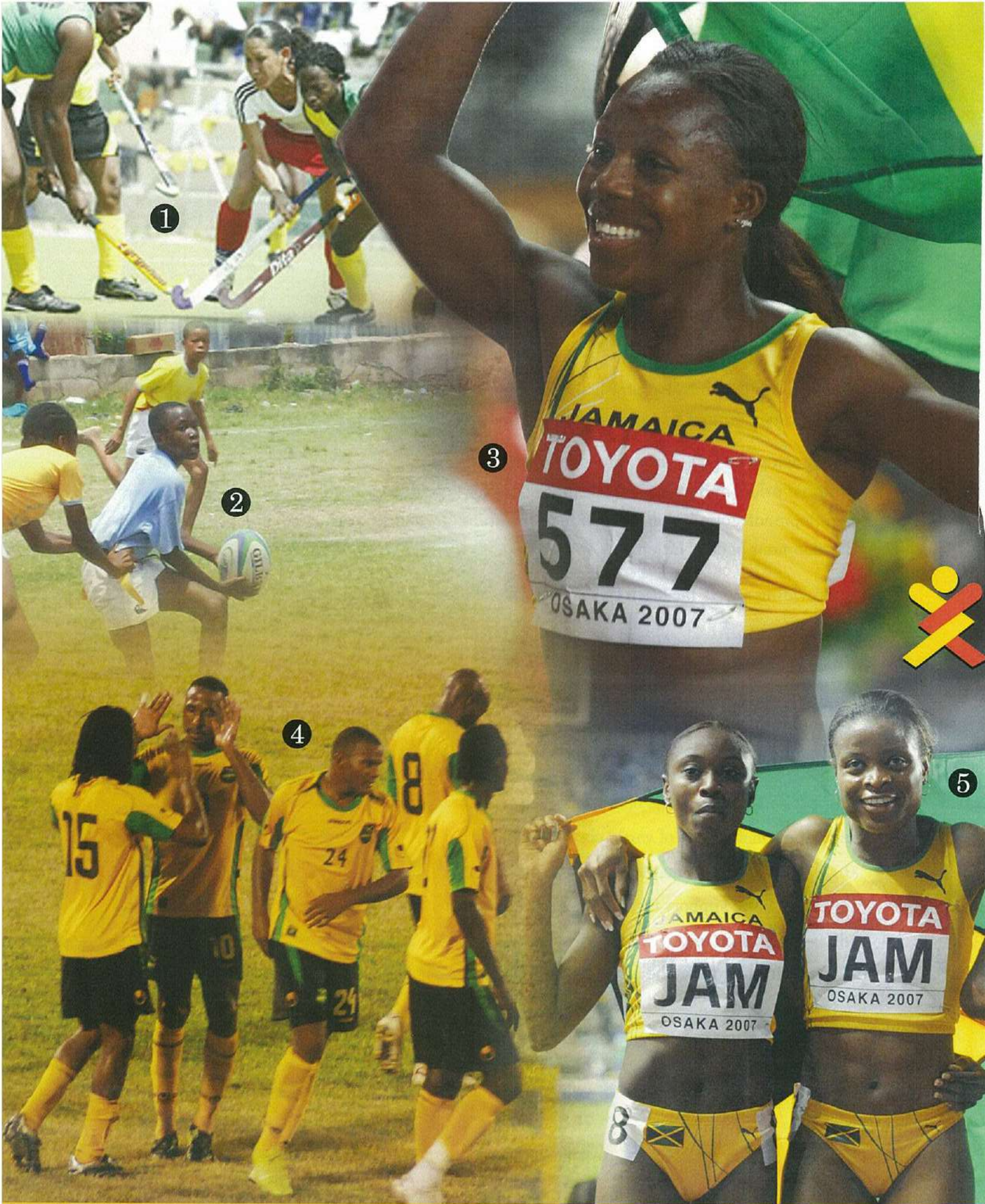
Recognizing the power and impact of sports in providing pleasure, building careers and national pride, and given its potential influence on crime reduction, the Sports Development Foundation (funded by the Gaming Industry) contributes to the development of our Nation by:-

- Providing sports facilities throughout the island;
- Funding the development programmes of the national governing bodies for sports;
- Providing assistance for the development and welfare of athletes, coaches and officials.

During its 12 1/2 years of operations, the foundation focused on:

- (a) the construction of world class facilities,
- (b) providing specialist training and other human resource development programmes,
- (c) providing support for national teams participating in international events, as well
- (d) preparation and sponsorship of athletes thereby providing a nurturing environment for the advancement of sports.





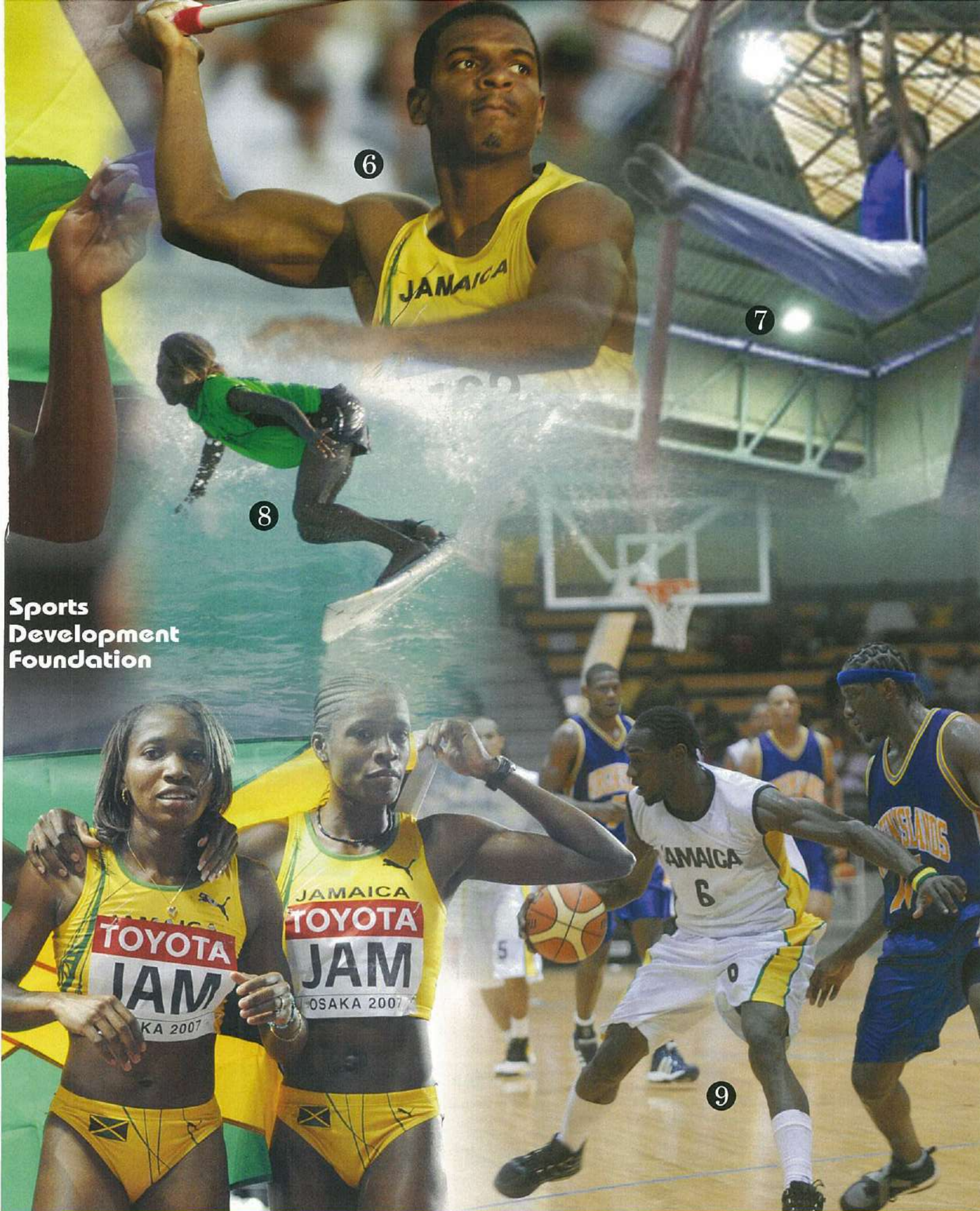
**Hockey 1** Jamaica vs. Trinidad & Tobago in the finals of the 2007 Caribbean Hockey Championships in Trinidad

**Rugby 2** Rugby at the Community level

**Athletics 3** Veronica Campbell-Brown: 100 metres - World Championship 2007  
**4** Jamaica's 4x400 relay team Osaka, Japan  
**5** Maurice Smith prepares to throw the javelin

Foc





Sports  
Development  
Foundation

Football 4 Jamaica's "Reggae Boyz" in action at the Office - Photo by Don Stroebe

Gymnastics 7 A gymnast on the rings

Surfing 8 A female surfer rides the waves

Basketball 9 Jamaica vs. the Virgin Islands in the Caribbean Basketball Championship. Jamaica won gold





## **David Mais - Chairman**

David's commitment and service to the administration and management of sports in Jamaica spans over 30 years. He has held key positions in swimming, motor racing, and both amateur and professional golf. He is probably better known for his expertise as a Tournament Director in golf and his skills in organizing golf events such as the SANTA and the

Hilton KIDS tournaments that help to sustain many inner city programmes each year.

Though golf remains his passion, he serves as an advisor to motor racing focusing on the security and safety of spectators and drivers at the Dover race circuit.

He firmly believes that the spirit of volunteerism and self help must be

kept alive as they are among the most important factors helping the development of sport in Jamaica. A long serving Justice of the Peace, David's interests also include listening to music, dominos and bridge. He also serves as Deputy Chairman of the G C Foster College of Physical Education and Sports located at Angels St. Catherine.

A Sports Administrator, he is best known for his contribution to sports in the inner city of West Kingston. This former national representative in Sporting Clay Shooting is the Manager of the Tivoli Gardens football team. He brings his sporting

## **Saleem Lazarus, JP**

background to the Board of the Sports Development Foundation and serves on the Allocations/Projects Committee. He is a Director of Dealaz Manufacturing Company, a company engaged in paper processing.



## **Arthur Ziadie**

A retired Marketing Executive of Red Stripe/Desnoes & Geddes Limited, he has been associated with sports development having served as President of the Jamaica Golf Association and the Caribbean Golf Association for several years.

A Government Senator during the period 1980 – 1989, he is now engaged in orchid farming and possesses a wide range of skills in business and sporting management.

## **Lloyd Pommells**

A former Corporate Banker, he is Chairman of the Social Development Commission, Vice Chairman of the Sports Development Foundation (SDF) and a Director of the G. C. Foster College of Physical Education & Sports, where he chairs the Development Committee.

He is also the Chairman of the SDF's Allocations/Projects Committee. He has a passion for sports, particularly in the area of Tennis, which he still plays competitively at the Police Officers' Tennis Club, where he is Past President and current Executive Committee member.



## **Compton Rodney**

A Chartered Accountant, he is the Honourary Treasurer of the Jamaica Olympic Association and the Deputy Chairman of the Multicare Foundation. He also serves as the Registrar of the Public Accountancy Board and as Secretary/Treasurer of the American Chamber of Commerce.

## **Emile Spence**

A Senior Executive in the Building Society sector, he has been associated with sports development for many years as an administrator and corporate sponsor. A member of the Jamaica Amateur Athletic Association's Finance Committee during the

Road to Atlanta Olympic Campaign, he is the Vice President of the Kingston Cricket Club and a former Vice President of the Jamaica Men's Hockey Association. He is a Director of Sabina Park Holding Limited.







### Howard Aris, OD

He is the Immediate Past Chairman of the Sports Development Foundation and a former Executive Director of the National Council on Sports where he was actively involved with the formulation of sports policy at the National level.

He is the recipient of the Carreras Foundation Award and the International Association of Athletics Federation's (IAAF) veteran's pin for long and meritorious service.

With 30 years experience in sports administration and development, he is a founding member of the Jamaica Association of Sports Medicine, a former Chairman of the Institute of Sports, a Director of the Jamaica Olympic Association and the IAAF High Performance Centre, as well as the President of the Jamaica Amateur Athletic Association Limited.

An Information Technology professional, she is best known for her contribution to netball. The former national Vice-Captain served as President of the Jamaica Netball Association for 10 years, during which she guided the development of the Jamaica Netball Team and the work of the Association, promoting national recognition of the sport.

### Molly Rhone, OD

A Director of the Jamaica Olympic Association and the G.C. Foster College of Physical Education and Sport, she is also President of the Americas Federation of Netball Associations. In 2003, she was elected President of the International Federation of Netball Associations, a position she still holds.



### Ann Marie Spence-Heron

A successful community development officer/practitioner and sports administrator, she is best known for her contribution to Western Kingston for several years.

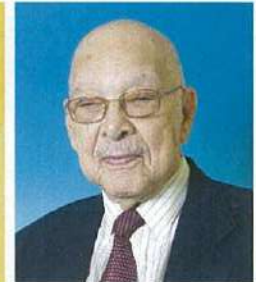
As a Sports Administrator with the Institute of Sports since 1980, this has enabled and equipped her to gain wide knowledge-base and application of sporting principles throughout Jamaica and in the community of West Kingston. In 2003 she initiated, and currently

coordinates the Western Union sponsored inner-city Basketball and Netball Community League, which has been a success and keeps growing each year. Her community development is however not limited to sports, as her goodwill involvement in Kingston's inner-city communities resulted in her being awarded a special award and citation by the Arnett Gardens Football Club in 1999. She is a Director of CHASE, Institute of Sports and Independence Park Limited.

### Keith Shervington, OD, JP

A well-recognized sports administrator, he is a life member of the Jamaica Olympic Association which he has served for more than 60 years, holding the post of Secretary General for some 27 of those years. He has accompanied many Jamaican teams to the Olympics and many other international games as Manager and Head of Delegation. A former wrestler and weightlifter,

he was the first person in Jamaica to be awarded the Olympic Order (Silver Grace) by the IOC, which has been conferred on only one other Jamaican. He was Chairman of the Sports Committee of the Commonwealth Games held in Jamaica in 1966, with responsibility for the nine sports.



### John Jackson

John Jackson is a Chartered Accountant by profession and the founding partner of the Chartered Accounting firm, Jackson Burnett, now Crooks, Jackson Burnett. He is also the publisher, of the successful Investor's Choice magazine.

He is Chairman of the Executive Committee of the Strata Corporation of PSP 401 ( SandCastles) and has served as an Executive Member from 1990- 97 and again from 2000 to present. He is a former Chairman and

Executive Member of The Strata Corporation PSP 452 (SeaCastles) and PSP 461 Point Village. He has been a major contributor in the local media on financial and economic matters.

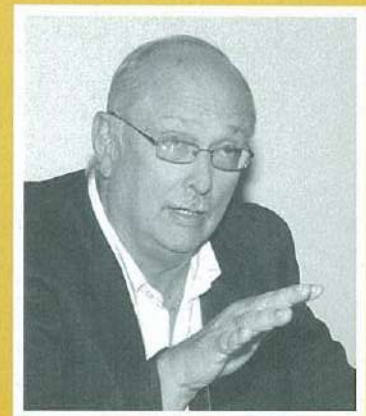
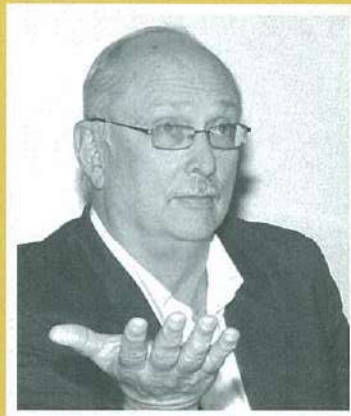
Through his Investment Seminar Series, Jackson has stimulated much interest in the Jamaican Stock Market. Jackson and his brainchild, The INVESTMENT SEMINAR SERIES, are credited by many, for much of the interest in the stock market today.



## **Chairman's Report**



**David Mais** - Chairman



Firstly, I am deeply honoured to serve as Chairman of the Sports Development Foundation (SDF), an agency of the Government of Jamaica in the portfolio grouping of the Ministry of Information Culture Youth and Sport.

It has been only a matter of months since the election of a new administration and a matter of weeks since my selection to head up a new Board. These events have brought about change. It is appropriate at this time to thank the former Board members who volunteered their time, energy and wisdom to serve their country so well.

We can be proud of the composition of the new Board, and I look forward to working with them, remembering at all times that this is sports and we are a development foundation

**Our success at the SDF  
will depend on our  
ability to invest wisely  
in projects, programmes  
and people...**

Our country's new leadership will have to confront many obstacles in order to deliver on the campaign promises of change. In turn they challenge us to assist in that process through individual and collective effort. We must reduce criminality and, through our schools, produce greater numbers of better trained and smarter thinking youth.

Through sports, both recreational and competitive, communities and individuals are offered opportunities for economic development and life style health benefits. Our success at the SDF will depend on our ability to invest wisely in projects, programmes and people, the combination of which must touch and transform as many lives as we can.

Thus my message to all the stakeholders in sports is to be assured that we will listen, benefit and act upon your advice, and together we will move forward the development of our nation through sports.

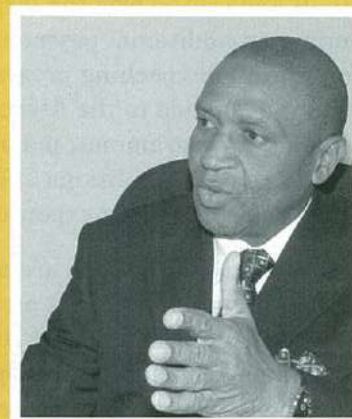
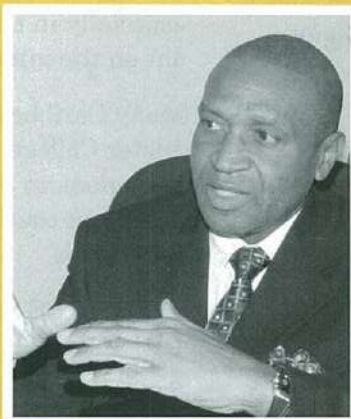




## **General Manager's Report**



**Ludlow Watts - General Manager**



**The Sports Development Foundation (SDF) continues to play an integral role in guiding the advancement of Sports in Jamaica and providing the context for recognition of our country as a world power in Sports.**

The year in review saw the Foundation making significant contributions towards fulfilling our mandate to contribute to the development of our Nation, through Sport.

#### **OUR ACHIEVEMENT (INFRASTRUCTURAL)**

Despite constraints, a result of our receiving only 35 – 40% of our development needs, and sustained rainfall for some eight weeks, the Foundation was able in 2007 to fund the construction of 26 multipurpose courts, providing fencing in 10 locations, partial/completion of fields in 10 locations and upgrading of clubhouses in two locations. We also erected SDF branded signs in several locations and provided goal posts for football fields.

#### **SELECTION OF PROJECTS**

As is customary, projects were selected on the bases of requests and on our own needs assessments, while ensuring that there was equitable distribution of benefits throughout the country. This is to ensure that every parish is provided with a combination of

community based and at least one major project to host major competitions. While we have not yet provided all the major parish projects, we have made significant impact on all parishes throughout the country. Fourteen facilities, including 12 multipurpose courts were constructed in Kingston & St. Andrew, eight in St. Catherine, five in Clarendon, five in Portland, two in Manchester, three in St. Ann, and one each in Trelawny, St. Elizabeth and Westmoreland. In addition, we erected SDF signs in some 14 locations. At the end of the year in review, work was in progress on five fields in Trelawny, Westmoreland, St. Mary and Kingston. A total of \$63.7m was expended on the various infrastructural projects enumerated above. We did not achieve our goals during the period as there was dislocation in our activities arising from sustained rainfall during September and October, and difficulty in securing good quality contractors.



## **General Manager's Report** *Contd*

### **NATIONAL ASSOCIATIONS**

In 2007, 36 national Associations received funding to the extent of \$115.4m, significantly in excess of the budgeted sum. The Jamaica Football Federation was the largest beneficiary including an additional payment arising from changes in their coaching programme. The contributions made to the Associations included development programmes, participation in championships/competitions and to assist in meeting their operating expenses.

Allocations to Associations are apportioned on the bases of national impact on the Sport, broad-based support amongst the general public, growth in development of the Sport and achievement/success. The other three major beneficiaries were, Jamaica Cricket Association, Jamaica Netball Association and the Jamaica Amateur Athletic Association

### **GRANTS TO GOVERNMENT AGENCIES/INSTITUTIONAL PARTNERS**

In 2007, the SDF disbursed \$61.89m to Government Agencies. Community-based programmes funded through the SDF grants to the Government Agencies and special projects, are geared towards nurturing the development of all sports people to compete at all levels.

The Institute of Sports, which promotes nationwide coaching programmes, and is engaged in organizing and funding Primary/All Age Schools competitions, received a grant of \$50.5m.

The Social Development Commission, the Government agency which focuses mainly on inner-city community sports, received contributions totalling \$5.3m.

The G. C. Foster College of Physical Education & Sport received contributions totalling \$6.03m. This institution is perhaps the largest source of Jamaica's success, especially in Track & Field Athletics over the past two decades. It is from this reservoir that has produced the coaches in schools, communities and clubs across the country.

The consistent and quantum leap in the competitiveness of the rural athletes who

participate in basketball, track & field, football and cricket, is evidence to support the contribution that these trained sports personnel are adding to Jamaica's sporting landscape. The G. C. Foster College trained coaches, especially in track & field, are actively sought out on the international level.

Many Caribbean islands benefit from the G. C. Foster College through training of their Sports Personnel, in addition to the fact that several Jamaican coaches are engaged in those territories.

### **ATHLETES WELFARE & PREPARATION GRANTS**

Several National senior, former and current, sportsmen and women have received support and assistance under the Athlete's Welfare Programme, including expenses for training for major events such as the World Championships and the Olympic Games. Medical expenses and preparation grants were some of the areas in which funding was provided.

### **YOUTH DEVELOPMENT**

In addition to supporting youth development by way of funding to the Institute of Sports, Social Development Commission and National Associations, the Foundation provided direct contribution to junior cricket and track & field development programmes. The successful All Island Primary & Junior High Cricket League benefited from a grant of \$1.750m to stage the 2007 competition.

### **SOME OF OUR PROJECTS** **Courts**

#### **Merl Grove High Schools**

This comprised renovation of two adjoining multipurpose courts (basketball/netball/volleyball) at a cost of \$2.5m.

#### **Vauxhall High School**

This comprised resurfacing two multipurpose courts at a cost of \$1.6m.

#### **Little London High School Playfield**

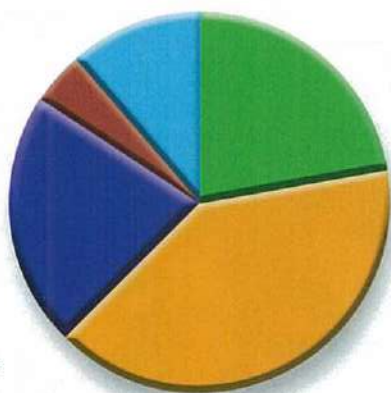
At the end of 2007, \$2.58m was expended on this complex, the overall cost of which should exceed some \$4.9m.



**Total Expenditure for 2007** (see breakdown)  
Our total expenditure of \$286,370,000.00 comprised:

Projects	\$ 63,783,000.00
National Associations	\$115,431,000.00
Government Agencies	\$ 61,890,000.00
Athlete Welfare & Other Grants	\$ 13,373,000.00
Special Projects	\$ 31,893,000.00
<b>Total</b>	<b>\$286,370,000.00</b>

- Projects
- National Associations
- Government Agencies
- Athlete Welfare & Other Grants
- Special Projects



## STAFF

The Sports Development Foundation's staff complement of 13 is organized to function effectively in four operational divisions:

### • The Office of the General Manager

This comprises the General Manager and the Administrative Assistant. Reporting directly to the Board of Directors, his role is to ensure that the Projects, Accounting and Administration divisions co-ordinate the various activities to ensure efficient delivery of services/facilities.

### • Accounting & Administration

This comprises a staff complement of six persons to manage the daily operations of the Foundation.

## • Projects

The Project Department comprises a Project Manager, two Project Officers and a Secretary. Two additional Project Officers are to be added to meet our complement.

The Project Officers and Project Manager assess project proposal requests, and with the assistance of Engineers (where required), they determine the suitability of facilities and to establish construction costs. In addition, they monitor work-in-progress and conduct ongoing visits after construction to determine whether facilities are being properly maintained.

## • Association Services

Although Sports Associations are provided with monthly allocations, the Foundation recognizes that very few have adequate facilities or personnel to conduct meetings and special assignments.

It is on this basis that the Foundation provides facilities for Sports Associations to conduct meetings and assists them in aspects of their planning activities. In addition, our Officer analyzes the Annual Development Plans of the Associations, which are submitted to the Foundation at the end of the year.

## THE FUTURE

As we go forward, the priority areas for the Foundation are to increase the number of projects implemented and to complete and handover new facilities in an even more timely manner than obtained in the past. Major parish projects are to be introduced at an increased pace.

To achieve these, we will have to find the means to introduce additional contractors into the pool of professionals to undertake field construction/upgrading. Our area of sports development is specialized, and there is no adequate category on the National Contracts Commission listing for sports related projects. We will seek to obtain the necessary concessions to facilitate a wider range of practitioners who have the requisite skills to meet the demands of our country.

In the past, projects were deferred/denied as a result of inadequate funding, or based on the magnitude of the proposed operations. We shall seek to increase our level of funding to redress this.





## Our Staff



**Front Row, L-R:** Milton Scott, Accounting Officer; Delores Thomas, Office Attendant; Shahitha Ahamed, Project Manager; Joy Davis, Receptionist  
**Second Row, L-R:** Andrea Williams, Secretary; Corinne Clarke, Association Services Officer; Ludlow Watts, General Manager; Marion Russell, Administrative Assistant to General Manager; Ewan Fowler, Caretaker.  
**Back Row, L-R:** Donald McNaughton, Project Officer; Devon Raffington, Bearer/Driver; Charmaine Hanson, Financial Controller; Andrew Pearson, Project Officer.





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

**Financial Statements**  
**31 December 2007**



## **Independent Auditors' Report**

To the Members of  
Sports Development Foundation

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sport Development Foundation, set out on pages 22 to 40, which comprise the balance sheet as of 31 December 2007 and the statement of changes in Sport Development Fund, statement of changes in fund and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



**Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Foundation as of 31 December 2007 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

**Report on Other Legal and Regulatory Requirements**

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

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

*PricewaterhouseCoopers*

Chartered Accountants

10 July 2008  
Kingston, Jamaica



# **Sports Development Foundation**

(a company limited by guarantee)

## **Statement of Changes in Sports Development Fund**

**Year ended 31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

	<b>Note</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Contributions from CHASE Fund for the year		315,920	312,823
Additional contributions from CHASE Fund	12	-	99,144
Income from Jamaica International Track Meet		-	40
Investment income		9,759	10,600
Other income		419	1,926
		<u>326,098</u>	<u>424,533</u>
Less: Project Expenditure and Grants	5	(286,370)	(246,738)
Administration Expenses		<u>(40,887)</u>	<u>(41,104)</u>
<b>(DEFICIT)/SURPLUS FOR YEAR</b>		<u><u>(1,159)</u></u>	<u><u>136,691</u></u>



# Sports Development Foundation

(a company limited by guarantee)

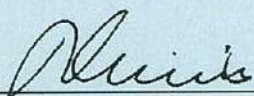
## Balance Sheet

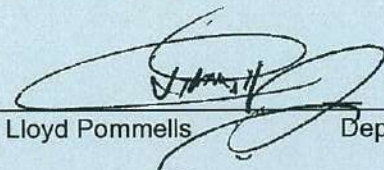
**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2007 \$'000	2006 \$'000
<b>Non-Current Assets</b>			
Intangible assets	8	85	178
Property, plant and equipment	9	50,603	27,987
Investment securities	10	-	5,414
Long term receivable	11	-	16,000
<b>Current Assets</b>			
Receivables	12	86,747	116,119
Current portion of long term receivable	11	16,000	-
Taxation recoverable		5,177	4,139
Investment securities	10	27,553	11,346
Cash and cash equivalents	13	79,302	86,284
		214,779	217,888
<b>Current Liabilities</b>			
Payables and accrued charges		5,306	6,147
<b>Net Current Assets</b>		209,473	211,741
		260,161	261,320
<b>Financed By</b>			
Sports Development Fund	15	260,161	261,320

Approved for issue by the Board of Directors on 10 July 2008 and signed on its behalf by:

  
David Mais Chairman

  
Lloyd Pommells Deputy Chairman



# **Sports Development Foundation**

(a company limited by guarantee)

## **Statement of Changes in Funds**

**Year ended 31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

	<b>Sport Development Fund \$'000</b>	<b>Total \$'000</b>
Balance as at 1 January 2006	124,629	124,629
Surplus for year	136,691	136,691
<b>Balance at 31 December 2006</b>	<b>261,320</b>	<b>261,320</b>
Deficit for year	(1,159)	(1,159)
<b>Balance at 31 December 2007</b>	<b>260,161</b>	<b>260,161</b>



# Sports Development Foundation

(a company limited by guarantee)

## Statement of Cash Flows

**Year ended 31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities</b>		
(Deficit)/Surplus for year	(1,159)	136,691
Adjustments:		
Investment income	(9,759)	(10,600)
Exchange gain on foreign balances	(39)	(10)
Gain on sale of fixed assets	-	(677)
Depreciation and amortisation	2,173	2,247
	<u>(8,784)</u>	<u>127,651</u>
Changes in operating assets and liabilities:		
Receivables	29,372	(113,779)
Taxation recoverable	(1,038)	(1,592)
Payables and accrued charges	(841)	(1,117)
Cash provided by operating activities	<u>18,709</u>	<u>11,163</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of property, plant and equipment	-	677
Purchase of property, plant and equipment	(24,696)	(3,377)
Purchase of intangible assets	-	(17)
Investment income received	8,818	10,967
Investment securities (net)	(9,852)	2,804
Cash (used in)/provided by investing activities	<u>(25,730)</u>	<u>11,054</u>
(Decrease)/Increase in cash and cash equivalents	(7,021)	22,217
Effects of exchange rate changes on cash and cash equivalents	39	10
Cash and cash equivalents at beginning of year	<u>86,284</u>	<u>64,057</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 13)</b>	<u><u>79,302</u></u>	<u><u>86,284</u></u>



# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

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### 1. Identification and Activity

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

#### **Source of funding**

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

### 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 (IFRS) and have been prepared under the historical cost convention.

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

#### **Standards, interpretations and amendments to published accounting standards effective in 2007**

Certain 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 the following new interpretations and amendments, and has adopted the following IFRS, which are relevant to its operations. The 2006 comparative have amended as required, in accordance with the relevant requirements.

#### **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures**

IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces disclosure requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The amendment to IAS 1 introduces disclosures about the level of an entity's capital. The Foundation assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk.

The adoption of IFRS 7 and amendment to IAS 1 did not result in substantial changes to the Foundation's accounting policies.



# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

### 2. Significant Accounting Policies (Continued)

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

##### *Standards, interpretations and amendments to published standards effective in 2007 (continued)*

##### **IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (continued)**

There was no impact on opening retained earnings at 1 January 2007 from the adoption of the above-mentioned standard.

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

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which were not yet effective at balance sheet date, and which the Foundation has not early adopted. The Foundation has assessed the relevance of all such new standards, interpretations and amendments and has determined that none is relevant to its operations.

#### (b) Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate.

Exchange differences resulting from the settlement of transactions at rates differing from those at the dates of the transactions, and unrealised foreign differences on unsettled foreign currency monetary assets and liabilities are recognised in the Sports Development Fund.

#### (c) Sports Development Fund

Contributions received from the Culture Health Arts Sports and Education Fund (CHASE Fund) and investment income earned thereon are credited directly to the Sports Development Fund account. Transfers are made to fund approved projects and administrative expenditure.

#### (d) Employee benefits

##### (i) Pension obligations

The Foundation operates a defined contribution pension plan whereby it pays contributions to a trustee-administered fund. 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 balance sheet date.



# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (e) Financial instruments

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

##### **Financial assets**

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

##### **Loans and receivables**

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

##### **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. These assets are classified as investment securities and cash and cash equivalents and are included in non-current assets and current assets, respectively, on the balance sheet.

Available-for-sale financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Changes in the fair value of financial assets classified as available-for-sale are recognised in equity. Loans and receivables are carried at amortised cost using the effective interest method.

The Foundation assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement.

##### **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 included in current liabilities on the balance sheet.

#### (f) Intangible assets

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



# **Sports Development Foundation**

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## **Notes to the Financial Statements**

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### **2. Significant Accounting Policies (Continued)**

#### **(g) Property, plant and equipment and depreciation**

All property, plant and equipment are stated at cost less accumulated depreciation.

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%

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.

The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Foundation. Major renovations are depreciated over the remaining useful life of the related asset. Repairs and renewals are charged to the Sports Development Fund when the expenditure is incurred.

#### **(h) 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.

#### **(i) Investment securities**

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

#### **(j) Long term receivable**

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



# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

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### 2. Significant Accounting Policies (Continued)

#### (k) Receivables

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

#### (l) Cash and cash equivalents

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

#### (m) Payables and accrued charges

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

#### (n) Comparative information

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

### 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.



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

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### 3. Financial Risk Management (Continued)

#### (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 the most 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 has 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 their credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties.

#### (iii) Cash and cash equivalents

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



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (a) Credit risk (continued)

##### **Maximum exposure to credit risk**

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

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Investment securities	27,553	16,760
Long term receivables	-	16,000
Receivables	86,747	116,119
Current portion of long term receivables	16,000	-
Taxation recoverable	5,177	4,139
Cash and cash equivalents	79,302	86,284
	<u>214,779</u>	<u>239,302</u>

##### **Exposure to credit risk for investment securities.**

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

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Government of Jamaica Securities	5,342	16,396
Reverse repurchase agreements	22,211	364
	<u>27,553</u>	<u>16,760</u>

#### (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;



# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (b) Liquidity risk (continued)

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

(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	Total \$'000
<b>2007</b>				
Payables and accrued charges	1,687	1,737	1,882	5,306
	1,687	1,737	1,882	5,306
<b>2006</b>				
Payables and accrued charges	727	282	5,138	6147
	727	282	5,138	6147

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

#### (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 of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign exchange risk arising from currency exposure with respect to the US dollar. The balance sheet at 31 December 2007 include aggregate net foreign assets of approximately US\$13,016 (2006 – US\$10,643) 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.



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (c) Market risk (continued)

##### **Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of 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 following table summarises the Foundation's exposure to interest rate risk. It includes the Foundation's financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	2007					Total \$'000
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	
<b>Assets</b>						
Long term receivables	-	-	-	-	-	-
Investment securities	-	-	26,246	-	1,307	27,553
Receivables	-	-	-	-	86,747	86,747
Current portion of long term receivables					16,000	16,000
Taxation recoverable	-	-	-	-	5,177	5,177
Cash and cash equivalents	56,070	-	-	-	23,232	79,302
<b>Total financial assets</b>	<b>56,070</b>	<b>-</b>	<b>26,246</b>	<b>-</b>	<b>132,463</b>	<b>214,779</b>
<b>Liabilities</b>						
Payables and accrued charges	-	-	-	-	(5,306)	(5,306)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,306)</b>	<b>(5,306)</b>
<b>Total interest repricing gap</b>	<b>56,070</b>	<b>-</b>	<b>26,246</b>	<b>-</b>	<b>127,157</b>	<b>209,473</b>



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

(c) **Market risk (continued)**  
**Interest rate risk (continued)**

	2006					
	Within 1 Month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000	Non- Interest Bearing \$'000	Total \$'000
<b>Assets</b>						
Long term receivables	-	-	-	-	16,000	16,000
Investment securities	-	-	11,054	5,342	364	16,760
Receivables	-	-	-	-	116,119	116,119
Current portion of long term receivables	-	-	-	-	-	-
Taxation recoverable	-	-	-	-	4,139	4,139
Cash and cash equivalents	20,444	42,108	-	-	23,732	86,284
<b>Total financial assets</b>	<b>20,444</b>	<b>42,108</b>	<b>11,054</b>	<b>5,342</b>	<b>160,354</b>	<b>239,302</b>
<b>Liabilities</b>						
Payables and accrued charges	-	-	-	-	(6,147)	(6,147)
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,147)</b>	<b>(6,147)</b>
<b>Total interest repricing gap</b>	<b>20,444</b>	<b>42,108</b>	<b>11,054</b>	<b>5,342</b>	<b>154,200</b>	<b>233,155</b>

(d) **Fair value estimation**

Fair value represents estimates of "arms length" consideration that would be currently agreed between knowledgeable, willing parties who are under no compulsion to act and is best evidenced by a quoted market price, if one exists.

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



# Sports Development Foundation

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## Notes to the Financial Statements

31 December 2007

(expressed in Jamaican dollars unless otherwise indicated)

### 3. Financial Risk Management (Continued)

#### (d) Fair value estimation (Continued)

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

	2007		2006	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$'000	\$'000	\$'000	\$'000
Long term receivable	-	-	16,000	12,846

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

Fair values were estimated as follows:

Long term receivable

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

### 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.



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 5. Project Expenditure and Grants

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Infrastructure Projects	63,783	82,532
Grants to National Associations	115,431	65,720
Grants to Government Agencies	61,890	55,641
Grant for Special Projects	31,893	32,554
Grants - others	13,373	10,291
	<u>286,370</u>	<u>246,738</u>

### 6. Expenses by Nature

Total disbursements and administration expenses:

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Advertising and promotion	607	1,898
Audit fees	900	750
Depreciation and amortisation	2,173	2,247
Directors' fees	1,517	938
Foreign travel	3,188	2,086
Insurance	1,043	736
Legal and professional fees	669	1,127
Motor vehicle expense	637	723
Other expenses	3,407	1,389
Project expenditure and grants (Note 5)	286,370	246,738
Repairs and maintenance	1,505	1,465
Security	1,495	1,297
Staff costs (Note 7)	22,214	24,960
Utilities	1,532	1,488
	<u>327,257</u>	<u>287,842</u>



# Sports Development Foundation

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Notes to the Financial Statements

**31 December 2007**

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## 7. Staff Costs

	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Salaries and wages	14,971	12,567
Payroll taxes – employer's portion	1,400	1,227
Pension contributions (Note 17)	519	7,294
Others (Health, Uniform and Welfare)	5,324	3,872
	<u>22,214</u>	<u>24,960</u>

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

	<b>2007 No.</b>	<b>2006 No.</b>
Full-time	<u>13</u>	<u>12</u>

## 8. Intangible assets

	<b>Computer Software \$'000</b>
At Cost -	
1 January 2006	447
Additions	<u>17</u>
31 December 2006	464
Additions	<u>-</u>
31 December 2007	<u>464</u>
Amortisation -	
1 January 2006	193
Amortisation for the year	<u>93</u>
31 December 2006	286
Amortisation for the year	<u>93</u>
31 December 2007	<u>379</u>
Net Book Value -	
31 December 2007	<u>85</u>
31 December 2006	<u>178</u>



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 9. Property, Plant and Equipment

	Computers \$'000	Office Furniture and Equipment \$'000	Motor Vehicles \$'000	Buildings \$'000	Land \$'000	Total \$'000
<b>At Cost -</b>						
At 1 January 2006	1,362	6,559	5,235	14,265	10,572	37,993
Additions	38	925	2,414	-	-	3,377
Disposals	(19)	-	(2,746)	-	-	(2,765)
At 31 December 2006	1,381	7,484	4,903	14,265	10,572	38,605
Additions	609	575	5	2,007	21,500	24,696
At 31 December 2007	1,990	8,059	4,908	16,272	32,072	63,301
<b>Depreciation -</b>						
At 1 January 2006	745	4,173	3,097	3,214	-	11,229
Charge for the year	209	689	899	357	-	2,154
Relieved on disposals	(19)	-	(2,746)	-	-	(2,765)
At 31 December 2006	935	4,862	1,250	3,571	-	10,618
Charge for the year	261	444	985	390	-	2,080
At 31 December 2007	1,196	5,306	2,235	3,961	-	12,698
<b>Net Book Value -</b>						
31 December 2007	794	2,753	2,673	12,311	32,072	50,603
31 December 2006	446	2,622	3,653	10,694	10,572	27,987



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 10. Investment Securities

Investment securities comprise repurchase agreements, which are collateralised by Government of Jamaica securities.

#### (i) Long term

This comprised of:

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Pan Caribbean Financial Services Limited -		
July 2007 – 13.25%	-	11,053
May 2008 – 12.98%	5,342	5,342
Accrued interest	72	353
	<u>5,414</u>	<u>16,748</u>
Less: amounts reclassified to short term	<u>5,414</u>	<u>11,334</u>
	<u>-</u>	<u>5,414</u>

#### (ii) Short term

This comprised of:

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Pan Caribbean Financial Services Limited -		
Government of Jamaica instruments – 12% - 13% (2006 – 12% - 14%)		
- Original maturity of less than 90 days	30,474	26,811
- Original maturity of greater than 90 days	20,904	-
- Reclassified from long term investment	5,414	11,334
JN Fund Managers Limited -		
Government of Jamaica instruments – 12% (2006 – 12%)		
- Original maturity of less than 90 days	25,596	35,742
Accrued Interest	<u>2,184</u>	<u>392</u>
	<u>84,572</u>	<u>74,279</u>
Transferred to cash and cash equivalents (Note 13)	<u>(57,019)</u>	<u>(62,933)</u>
	<u>27,553</u>	<u>11,346</u>



# Sports Development Foundation

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## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 11. Long Term Receivable

This represents a loan to the Jamaica Cricket Association to assist in funding the Jamaican portion of Cricket World Cup 2007. This amount is repayable on the 31 December 2008 and is interest free if repaid by the specified period.

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Long term receivable	16,000	16,000
Less: current portion	(16,000)	-
	<u>-</u>	<u>16,000</u>

### 12. Receivables

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
CHASE Fund	66,103	110,828
Deposit on property, plant and equipment	-	4,523
Prepayment	333	294
Other	311	474
	<u>86,747</u>	<u>116,119</u>

Included in the prior year amount of \$110,828,000 due from CHASE Fund is \$99,144,000 unpaid by the CHASE Fund for the period January 2003 to December 31, 2006. This entire amount was reflected in the Statement of Changes in Sports Development Fund as additional contributions from CHASE Fund in the prior year.

### 13. Cash and Cash Equivalents

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank and in hand	22,283	23,351
Short term investment securities (Note 10)	57,019	62,933
	<u>79,302</u>	<u>86,284</u>

Short term investment securities represent securities with original maturities of three months or less and included interest receivable of \$949,000 (2006 – 380,000).



# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 14. Sports Development Fund

In accordance with the provisions of its memorandum of association, the Foundation administers a Sports Development Fund. All amounts received from the CHASE Fund (Note 1) together with investment and other incomes are credited directly to the fund. The fund is used to finance projects and administrative activities in executing the Foundation's mandate.

### 15. Related Party Transactions

The following transactions were carried out with related parties:

#### Key management compensation

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and other short-term employee benefits	5,158	4,540
Payroll taxes – employer's portion	482	429
Pension	115	1,672
	<u>5,755</u>	<u>6,641</u>
Directors' emoluments -		
Fees	<u>1,517</u>	<u>938</u>

### 16. Taxation

The Foundation is exempt from Income Tax under Section 12 (I) of the Income Tax Act.

### 17. Pension Scheme

The Foundation operates a defined contribution pension plan, which commenced operation in 2003. Members contribute 5% of pensionable emoluments with an option to contribute an additional amount, not exceeding 5%. The Foundation contributes 5% of member's pensionable emoluments and this amounted to \$519,000 (2006 - \$7,294,000) in the current year.

As the pension scheme became operational after the majority of the current employees joined the Foundation, in prior year, the Board of Directors of the Foundation took a decision to include the prior service of these employees as pensionable service. The additional contributions in respect of this prior service, which amounted to \$6,854,000, were made to the fund during 2006.



# Sports Development Foundation

(a company limited by guarantee)

## Notes to the Financial Statements

**31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

### 18. Commitments

#### (a) Capital Commitment

Capital expenditure contracted for at the balance sheet date, but not recognised in these financial statements, is as follows:

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchase of property	<u>-</u>	<u>18,000</u>

#### (b) Other Commitment

In the normal course of business, the Foundation approved projects which at year end were authorised but not disbursed. These commitments that have not been recognised in the financial statements are:

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Projects	<u>52,061</u>	<u>62,099</u>

### 19. Subsequent Event

Subsequent to the year end, in settlement of \$16,000,000 mentioned in note 11, the Foundation entered into an agreement with the Jamaica Cricket Association to:

- Lease spectator boxes at the Sabina Park Complex for a period of ten years commencing May 2008, for a consideration of \$9,940,000 (US\$140,000).
- The payment of 10 years maintenance valued at \$3,035,032 (\$303,503 per annum) and
- The payment of legal fees and stamp duty at a cost of \$243,150.

The balance of this loan (\$2,778,818) is to be paid interest free over a 24 month period commencing January 2009.





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

**Supplementary Information**  
**31 December 2007**



# **Sports Development Foundation**

(a company limited by guarantee)

## **Administration Expenses**

**Year ended 31 December 2007**

(expressed in Jamaican dollars unless otherwise indicated)

	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Advertising and promotion	607	1,898
Amortisation	93	93
Audit fees	900	750
Audit	107	-
Bank charges	54	56
Courier services	11	13
Depreciation	2,080	2,154
Directors' expenses	1,517	938
Donations and subscriptions	55	26
Electricity	667	664
Foreign travel	3,188	2,086
Insurance	1,043	736
Legal and professional fees	669	1,127
Meetings and seminars	369	403
Motor vehicle	637	723
Project expense	-	11
Rates and taxes	55	78
Repairs and maintenance	1,505	1,465
Salaries and related costs	22,214	24,960
Security	1,495	1,297
Stationery and office supplies	2,614	802
Telephone and other communications	830	727
Disaster planning	142	-
Water	35	97
	<u>40,887</u>	<u>41,104</u>



## Notes







