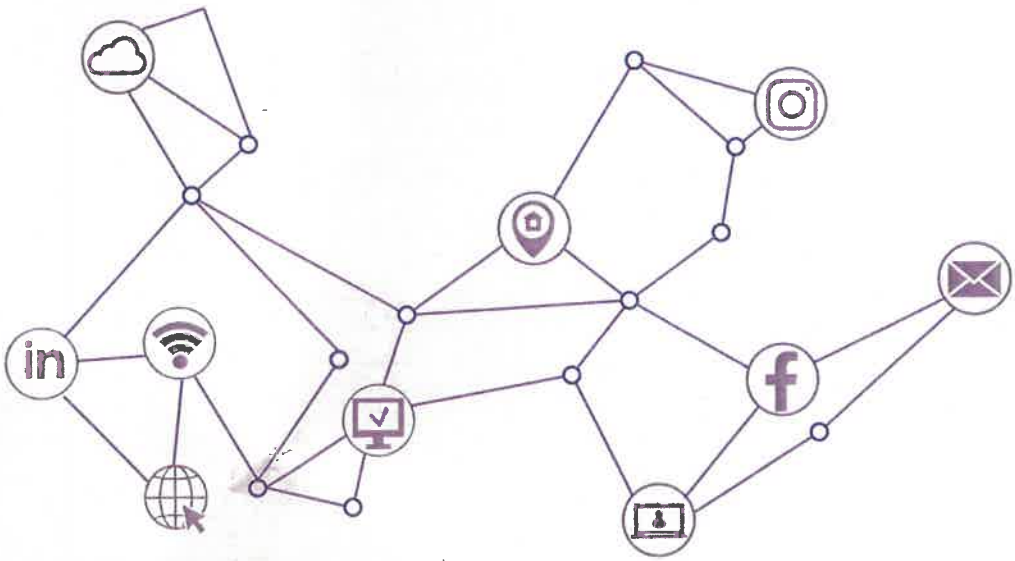
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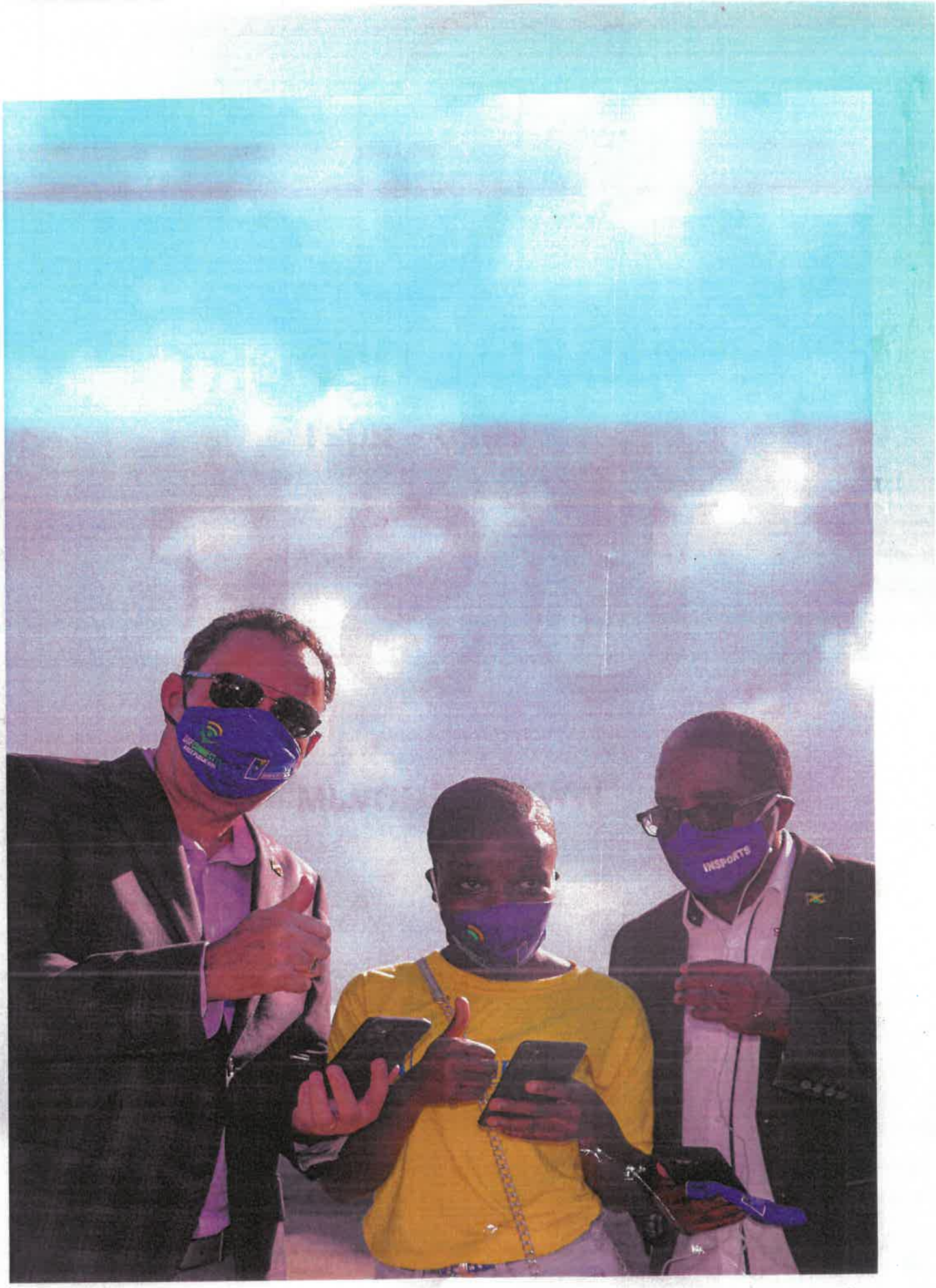
2020 – 2021

USF

WWW.USF.GOV.JM



Bridging the Information Gap.
Internet Access for Everyone


INSPORTS

UNIVERSAL
SERVICE FUND

CORE VALUES

TEAM WORK
Various arms of the organization working together to achieve common objectives.

ACCOUNTABILITY
Taking ownership of, being answerable for and facing the consquences for failing to achieve objectives set and activities assigned.

RESPECT
Treating others equally while being mindful of others' time, effort and feelings.

INTEGRITY
Being truthful in actions, words, deeds and intent.

KINDNESS
Being unselfish in one's words, thoughts and actions. Giving love and care to each other while being compassionate to the needs of others.



UNIVERSAL
SERVICE FUND

OUR MISSION

To positively impact Jamaica's socio-economic development by enabling a knowledge-based society through universal access to the Internet and digital inclusion.

OUR VISION

The Universal Service Fund, a purpose-driven and solutions-oriented employer of choice, has enabled a knowledge-based society with universal access to the Internet and digital inclusion, thereby fueling rapid socio-economic growth and development for Jamaica.



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CORPORATE Profile

The Universal Service Fund (USF), is an Agency of the Ministry of Science, Energy and Technology, mandated to ensure access to information and communication tools to further Jamaica's plans towards development. In 2005, the USF began operations as the Universal Access Company Limited, following a Ministerial Order which posited that all domestic telecommunications providers are obligated to collect a universal service levy on all inbound telephone calls. This levy has been imposed on all international calls terminating on local networks. Calls terminating on fixed lines, incur a levy of US$0.03 and US$0.02 on mobile lines.

Since 2005, the USF has worked tirelessly towards fulfilling its mandate of providing universal access to all Jamaicans regardless of age, class, or geographic location. The USF is committed to ensuring that one of the greatest developmental tools in the world is available to all Jamaicans to create a complete knowledge-based society.

On June 1, 2012, the USF was ushered in through the passing of the Telecommunications (Amendment) Act 2012 replacing the former 2005 Universal Access Fund Company Limited. The amendments made to the Act resulted in an expansion of the mandate of the entity to serve Jamaica in a more wholesome way.

The Telecommunications Act as amended, states that "the objectives of the fund shall be to support the implementation of the obligation to provide universal service, as approved by the Minister, in accordance with the principles set out in section 39 (2) and the use specified in section 42A"; this objective provides the driving force behind the Universal Service Fund as we contribute daily towards building a better Jamaica.

In keeping with this overall mandate, the USF undertakes its core functions to provide the Fund with the requisite guidance that it needs to function daily. These functions include:

- Collecting the universal telecommunications services obligations levy from telecommunications companies;
- Analyzing projects which are within our mandate and making the necessary recommendations for the approval of funding;
- Disbursing funds for the implementation of approved initiatives;
- Monitoring the implementation of projects;
- Managing and accounting for funds collected and disbursed; and
- Providing an islandwide broadband network that will allow public access to the information super-highway through high schools, public libraries, post offices, and any other institutions approved by the Board of Directors.

CORPORATE INFORMATION



REGISTERED OFFICE

Universal Service Fund
4th Floor, PCJ Building
36 Trafalgar Road, Kingston 10
Jamaica, W.I.
Tel: 876-926-1727
Telefax: 876-960-8981
Email: info@usf.com
Website: www.usf.gov.jm

AUDITORS

CR HYLTON & COMPANY
9 Millsborough Crescent
Kingston 6, Jamaica W.I.

ACTING CORPORATE SECRETARY

Latona Stewart
(Legal Officer)

BANKERS

Bank of Nova Scotia
82-84 Half Way Tree Road
Kingston 10

National Commercial Bank
1 Knutsford Blvd
Kingston 5

First Global Bank
2 St. Lucia Avenue
Kingston 5

Jamaica Money Market Brokers
11 Knutsford Blvd
Kingston 5

SENIOR OFFICERS

Daniel Dawes
Chief Executive Officer

Kwan Wilson
Director of Projects

Doranie Sergeant
Financial Controller

Shanique Cornwall
Human Resource and
Administration Manager



CORPORATE GOVERNANCE

The Board of Management remains resolute in its duty of maintaining good corporate governance, in its management of the USF. The Board's charter continues to stand as a reminder to the Board, of its guiding principles, which ensures: transparency in all its duties, the upholding of the integrity of the Board, and the re-affirmation of its high ethical standards.

The Board and Management work relentlessly to ensure that the USF continues to fulfill its mandate of providing universal access, while also fulfilling its corporate social responsibility to the nation. In carrying out these responsibilities, the Board considers its primary functions to include the following:

- **Management planning and oversight** - Selecting, evaluating, and compensating the Managing Director and planning for CEO succession; providing counsel and oversight in the selection, evaluation and compensation of, and succession planning for, other members of senior management; and approving the appointment and compensation of executive officers.

- **Strategic and operational planning** - Reviewing, understanding, and approving long–term strategic plans and annual operating plans, and monitoring the implementation and execution of those plans.

- **Major corporate actions** - Reviewing, understanding, and approving significant financial and business transactions and other major corporate actions.

- **Financial reporting** - Reviewing, understanding, and approving financial statements and reports, and overseeing the establishment and maintenance of controls, processes, and procedures to ensure accuracy, integrity, and clarity in financial and other disclosures.

- **Governance, compliance, and risk management** - Establishing and maintaining governance and compliance processes and procedures to ensure that USF is managed with the highest standards of responsibility, ethics, and integrity.

- **General advice to management** - Providing general advice and counsel to the Chairman, the Chief Executive Officer, and senior management in connection with issues arising during managing USF's business.

BOARD SIZE AND COMPOSITION

During the 2020/21 financial year, the entity saw the resignation of its eleven (11) member Board of Management in November 2020. On November 16, 2020, Cabinet appointed an eleven (11) member Board comprised of former and new members, who continued to provide oversight with respect to the development, execution, and monitoring of the organization's strategic goals. Since the commencement of its operations in January 2021, the Board of Management has been committed to fulfilling its mandate, as determined by the Telecommunications (Amendment) Act 2012.

In addition to the four (4) committees which the Board has maintained, a Broadband Negotiation Committee was established to lead the entity's negotiation of the terms of a broadband contract with the carriers. The Board performs its advisory and oversight functions through these committees, which are responsible for the closer monitoring of functional areas within the agency. The minutes of all committees are circulated for review and consideration of all members. In addition, reports of each meeting of the committees are provided by the respective Committee

Chairpersons to the full Board of Management at its monthly Board meeting.

The committees as of March 31, 2021, are as follows:

- Audit Committee
- Finance Committee
- Projects Committee
- Strategic Planning & Corporate Governance Committee
- Broadband Negotiation Committee

Audit Committee

Charged with the responsibility to assist the Board regarding the integrity of the entity's financial statements and other financial documents, the Audit Committee aims to enhance the confidence in the entity's financial reporting and collaborates with the Finance Committee to ensure that the annual audited financial statements are properly prepared and accurately reflect the financial standing of the entity. The Committee also provides oversight in relation to the organization's internal control processes, risk management systems, and legal requirements with respect to ethical considerations.

Audit Committee Members:

- Ms. Nyasha Garraway – Chairperson
- Ms. Marcelle Smart°
- Ms. Joy Lowe
- Mrs. Simone Ramsay-Knight (Co-opt)

°resigned from the Board November 16, 2020

Finance Committee

The Finance Committee is responsible for the overall governing of the finances of the USF. The Committee's main focus surrounds the recommendation of financial policies, goals, and budgets that support the mandate of the USF. One of its core functions includes overseeing the corporate finances of the organization through reviewing the preparation of the annual budget and financial statements of the entity. While the Committee acts somewhat as an independent agent, all its undertakings must be vetted and approved by the Board of Management. The Finance Committee joins with the Audit Committee to ensure that the annual audited statements are properly prepared and accurately reflect the financial standings of the entity.

Finance Committee Members:

- Mr. Patrick Ellis – Chairman
- Mr. Karl Williams
- Mr. Daniel Dawes (CEO, USF)
- Cecil McCain
- Ms. Joy Lowe

Project Committee

The Projects Committee has been delegated the responsibility by the Board to assist in the fulfillment of USF's project management goals. The committee's vision is to create an effective, efficient, and customer-focused Public Body, that is guided by a policy framework, which provides for its effective oversight in order to ensure that the USF operates at the highest level of competence, transparency, and governance for optimum performance across the public sector.

Projects Committee Members:

- Ms. Saffrey Brown – Chairperson
- Mr. Justin Morin (Board Chairman)
- Mr. Maurice Barnes (Board Deputy Chairman)
- Mr. Daniel Dawes (CEO, USF) fuy
- Mr. Michael Saunderson
- Mr. Cecil McCain
- Ms. Gabrielle Grant
- Mr. Edward Taylor°
- Ms. Joy Lowe
- Mr. Andrew Foreman°
- Ms. Sola Hines°
- Mr. Craig Perue (Co-opt)°
- Mrs. Dianne Miller Hall (Co-opt)°

Strategic Planning & Corporate Governance Committee Members

The Strategic Planning & Corporate Governance Committee of the Board has been charged with assisting the Board in fulfilling its responsibilities for evaluating and monitoring the Fund's long and short-term strategic goals, as presented by management to the Board. Additionally, the Committee serves as a catalyst for the evaluation, monitoring, and implementation of the Fund's business strategies.

Strategic Planning & Corporate Governance Committee Members:

- Mr. Justin Morin – Chairman
- Mr. Daniel Dawes (CEO, USF)
- Mr. Karl Williams
- Mr. Cecil McCain
- Ms. Gabrielle Grant
- Ms. Saffery Brown
- Dr. Gunjan Mansingh°
- Ms. Sola Hines
- Ms. Marcelle Smart°
- Mr. Edward Taylor°
- Mr. Andrew Foreman°

°resigned from the Board November 16, 2020

Broadband Negotiation Committee Members:

- Mr. Trevor Forrest – Chairman (Co-opt)
- Mr. Justin Morin
- Mr. Daniel Dawes (CEO, USF)
- Mr. Maurice Barnes
- Mr. Cecil McCain
- Mr. Michael Saunderson
- Ms. Sherine Grant*
- Mr. Edward Taylor*
- Ms. Rakesh Goswami*

*resigned from the Board November 16, 2020

Below are the details of attendance for the meetings of the Board and its Committees.

Directors	Board	Projects	Audit	Strategic Planning	Finance	Broadband Negotiation Committee
	10 Meetings	6 Meetings	4 Meetings	7 Meetings	7 Meetings	17 Meetings
Mr. Justin Morin	3	1		2		
Mr. Maurice Barnes	3	1				
Mr. Daniel Dawes	10	6		7	7	15
Ms. Gabrielle Grant	3	1		2		
Ms. Saffrey Brown	3	1		1		
Mr. Patrick Ellis	3				1	
Mr. Michael Saunderson	3	1				
Ms. Gunjan Mansingh *	7			5		
Mr. Karl Williams	8			6	7	
Mr. Edward Taylor*	7	5		5		10
Ms. Sola Hines*	7	5		4		
Mr. Cecil McCain	10	1		2	7	14
Mr. Marcelle Smart*	7		4	4		

Directors	Board	Projects	Audit	Strategic Planning	Finance	Broadband Negotiation Committee
	10 Meetings	6 Meetings	4 Meetings	7 Meetings	7 Meetings	17 Meetings
Andrew Foreman*	4	1		3		
Nyasha Garraway	9		4			
Sherine Grant*	7					13
Joy Lowe	6	4			5	
Trishann Brown Russell (Acting Corporate Secretary)**	6	5	3	5	6	5
Latona Stewart (Acting Corporate Secretary)	3	1		2	1	2

*Resigned from the Board November 16, 2020

**Trishann Brown Russell – Separated from the entity August 2020



Message from
THE HONOURABLE MINISTER

I am pleased to present the Universal Service Fund's Annual Report for the 2020/21 Financial Year – a period characterized by record performance as the agency successfully executed its mandate to bridge the information and communication technology divide.

It was a period fraught with the usual financial and human resource constraints and even further compounded by the onset of the COVID-19 pandemic. Despite these hurdles, the USF was able to increase its activities aimed at meeting the need for meaningful internet connectivity among some of Jamaica's most vulnerable and the organizations that serve these communities.

As the nation grappled with the pandemic and sought to adhere to the social distancing protocols proven to fight the spread, the need to be connected even while apart was brought into sharp focus. Remote working, online schooling, and virtual socializing became commonplace resulting in an uptick in demand for reliable, high-speed, and cost-effective internet access.

Recognizing this critical need, the Ministry of Science, Energy, and Technology through the Universal Service Fund was able to provide technological support to key entities in the fight against the COVID-19 pandemic. The USF provided $17.5 million to the Ministry of Health and Wellness to ensure consistent internet connectivity among health facilities and offices as they managed the country's COVID-19 response. The USF also provided $805 million to the Ministry of Education, Youth and Information (MOEYI) to finance the Tablets for Teachers initiative as well as $700 million to procure tablets for students.

The USF further supported the Government's thrust to increase internet connectivity by launching five public Wi-Fi hotspots, thereby increasing its network of locations islandwide to 13. The USF also completed seven new Computer Labs under its Community Access Point programme. These information and communication technology for development (ICT4D) projects have had a profound impact on the lives of Jamaicans. Last year 54,000 individuals accessed a USF computer lab in their community while over 34,000 individuals accessed the Agency's Public Wi-Fi Hotspots.

These statistics indicate that inroads are being made as Jamaica increases its momentum towards universal access to the internet. The time however is now to further accelerate our universal connectivity strategy.

During the 2021/22 Financial Year, the USF will be playing a critical role in the continued build-out of the Government's National Broadband Network being spearheaded by the National Information and Communication Technology Advisory Council (NICTAC). The first phase of the project will connect Government institutions ensuring reliable service at a reduced cost in response to the immediate and short-term needs of the public sector spurred by the pandemic.

The initiative will eventually be expanded to include all communities across Jamaica in a bid to achieve universal access by 2025. This move will also include the community Wi-Fi initiative which will see the USF establishing hotspots in 189 residential communities across the length and breadth of the island. This project will also be made possible in part by the National Broadband initiative.

The move to establish a National Communication Backbone is arguably the biggest/largest economic enabler during the pandemic and will be key to Jamaica's post-pandemic recovery. When fully implemented, the national broadband backbone will contribute approximately J$800 million annually to the economy.

Through the USF's execution of its effective existing projects and bold new initiatives, we are moving with lightning speed towards a brighter, better, and more connected future. We remain steadfast in our mission to create a technology-enabled, knowledge-based society in which no one is left behind.

Again, my heartiest congratulations to the USF, and I wish you the best of luck as you continue to bridge the information and communication technology divide.

Honourable Daryl Vaz, MP
Minister of Science, Energy and Technology



BOARD CHAIRMAN'S REPORT

I am pleased to present a review on the operations of the USF for the 2020/21 financial year. The 2020/21 financial year saw the resignation of the previous Board and the appointment of the current Board by Cabinet on November 16, 2020, with a tenure of two (2) years. On behalf of the current Board, I would like to thank the members of the outgoing Board for their invaluable insight and counsel in maintaining oversight of the entity and acknowledge their resilience in handling the challenges faced throughout the period of service.

The year in review was also marked by the COVID-19 pandemic and, like many other organizations, the USF had to grapple with the impact of the pandemic on the entity's business processes, operations, and the execution of projects planned.

In addition, the pandemic further highlighted the pressing demand for reliable internet access across the island where remote schooling and work-from-home became the new norm. This demand also fuelled the notion that internet access is a vital social and economic instrument underpinning Jamaica's ability to remain resilient in the face of challenges brought on by the pandemic. Recognizing this, the strategies and objectives of the USF were aligned to meet the social and environmental changes.

As a result, in the 2020/21 financial year a total of $3.1b was spent on projects, including (but not limited to): The continued expansion of the islandwide Broadband Programme;

i. Deployment of five (5) new Connect Jamaica Wi-Fi locations in Ochi Rios, May Pen, Annotto Bay, Chapelton, and Port Antonio;
ii. Upgrading of bandwidth allocated to health facilities to the tune of $17M;
iii. Provision of $1.5B to e-Learning Jamaica Company Limited (e-LJam) for the purchase of tablets under the Tablets in Schools and Tablets for Teachers Programmes; and
iv. The Commissioning of seven (7) new Community Access Points (CAPs).

The Board acknowledges that it has assumed the responsibility of steering the USF at a critical time, recognizing the decline in the levy inflows and the Government's thrust to accelerate the deployment of broadband access across Jamaica. In looking ahead, the Board is committed to refocusing the priorities of the entity by under-taking several key initiatives, which include:

1. Providing funding support towards the National Broadband Initiative;
2. Increasing the deployment of internet access via Wi-Fi services through the Connect Jamaica and Community Access Programmes;
3. Pursuing alternative levy framework to address the sustainability of the Fund;
4. Improving the relationship with the ISPs to support frequent levy collections; and
5. Creating strategic partnerships to reduce costs of project implementation and increase project impact.

In closing, I would like to thank the USF team being led by Chief Executive Officer, Mr. Daniel Dawes for working assiduously in executing the entity's plans and strategies for the 2020/21 financial year. I also wish to express sincere gratitude to the stakeholders for their ongoing support, which has not only invigorated long-standing relationships but also fostered the mandate of the USF in providing universal access to the internet to everyone.

Mr. Justin Morin
Chairman
Universal Service Fund Board of Management



CHIEF EXECUTIVE OFFICER'S MESSAGE

Since 2005 the Universal Service Fund has been steadfast in its efforts to fulfill the Government of Jamaica's Universal Service obligation through the execution of projects designed to touch the lives of the most vulnerable Jamaicans through technology. Over the last 15 years, we have made an indelible mark on Jamaica's social fabric and can proudly say that our commitment to improving the lives of Jamaicans and the country's ICT infrastructure is stronger than ever. The 2020/21 financial year was undoubtedly one of our most challenging as we sought to navigate the new normal brought about by the COVID-19 pandemic and continue fulfilling our mandate to bridge the digital divide. Our work in connecting the unconnected was especially important during the last 12 months with the heavier reliance on ICT to facilitate work, school, and socializing.

It has been a great honour to lead the operations of the Universal Service Fund, especially during the pandemic as we craft solutions to help individuals and institutions cope during these tumultuous times.

I am proud of the work of our team which has spanned the implementation of projects aimed at improving Jamaica's ICT infrastructure, providing internet access to those who need it most, and developing Jamaica's human capital through ICT.

Under our Technology Advancement Programme, we have trained and certified 509 young persons aged 18-35 in Information Communication Technology. These young persons from across the length and breadth of the country have been certified by both the HEART/NSTA Trust and the Caribbean Maritime University. TAP participants also received invaluable work experience and a stipend to cover transportation costs. More importantly, these young men and women have been equipped with marketable skills that can lay the foundation for a career in the field of ICT.

I am also proud of our efforts to impact the lives of our citizens within the formal educational system. We awarded scholarships to the top-performing boy and girl in the PEP examination from each parish. We established a scholarship programme for students on PATH seeking to pursue tertiary studies in ICT. To date, one scholarship has been awarded under this programme to a young lady seeking to realize her dream of completing a degree in IT and Education at the Church Teachers College in Manchester. The Agency has also allocated $15 million to facilitate ICT research by tertiary institutions through its University ICT Research Grant programme.

While we have moved into this new frontier in the execution of our mandate, we have also refined our flagship projects to make them more impactful. We have designed a management framework for our community access points (CAPs) that will provide administrators with much-needed support and improve their viability. A system has also been developed for the monitoring and management of our Public Wi-Fi hotspots which now total 13 across 10 parishes. By March 2022 that number should be increased to 18 with five new hotspots to be established. The USF will also continue to finance the Tablets in Schools project being executed by eLearning Jamaica Ltd. and to provide information and communication technology support to the various ministries, departments, and agencies of Government.

These activities are not being done in a vacuum but are strategically designed to support the Government of Jamaica's overall thrust to create a digital society where no one is left behind. I would like to extend heartfelt thanks to the dedicated team at the USF. It is through your effort, commitment, and creativity that we have been able to achieve success.

As we look to the future, we remain committed to deepening community impact and improving the country's ICT infrastructure. We recognize that there will be greater needs and we stand ready to serve the Jamaican people and ensure that we become a knowledge-based society where all citizens have the opportunity to maximize their potential through ICT.



Mr. Daniel Dawes, JP
CEO, Universal Service Fund

UNIVERSAL SERVICE FUND

BOAR
MANAGE



Chairman
Justin Morin



Deputy Chairman
Maurice Barnes



Director
Saffrey Brown



Director
Cecil McCain



Director
Gabrielle Grant



Director
Patrick Ellis



Director
Michael Saunderson



Director
Joy Lowe



Director
Nyasha Garraway



Acting Corporate Secretary
Latona Stewart

CORPORATE PERFORMANCE



Director of Projects
Kwan Wilson

Overview

At the core of the Universal Service Fund is the mandate laid down in the Telecommunications (Amendment) Act 2012, which is to accelerate the discharge of the Government of Jamaica's (GOJ) Universal Service Obligation (USO) - to ensure that all Jamaican residents have access to the internet. For the Financial Year 2020/2021, the USF employed creative strategies in navigating the COVID-19 pandemic to deliver on its projects to the Jamaican people.

Community Access Points (CAPs)

CAPs are internet service facilities established in Director of Projects Kwan Wilson collaboration with community organizations particularly in underserved areas and funded by the USF.

Computers and associated equipment along with internet access are provided to allow Jamaican residents access to the World Wide Web and ICT devices at a low or no cost. These community computer labs are established in underserved areas to facilitate research, bill payments, educational development, communication, business marketing, and social networking.

The Financial Year 2020/21 saw the Universal Service Fund continuing to extend access to the internet across Jamaica through its projects and initiatives. The Community Access Point (CAP) Programme saw an increase to its cadre of seven (7) new sites at a cost of $23,661,836.25 for the period. The USF took a holistic approach to increase interest in and access to its CAPs islandwide; in doing so, the organization commissioned an extensive evaluation of these facilities to ascertain the true nature of their functionality, as well as their sustainability and operational.

These sites are there for use by the communities to access the internet and promote individual growth and development. practices. The Agency also continued to pursue renewable energy solutions for some existing CAPs through the solarization of CAPs. Under this project, the USF applied for and received nine (9) new net billing licenses for the period which will allow those CAPs to be outfitted with solar equipment to drive sustainability and reduce electricity costs.

Community Access Points Completed April 1, 2020 – March 31, 2021			
	Name of Project	Parish	Cost J$
1	Spicy Grove Youth Centre	St.Mary	$3,245,602.00
2	Three Hills Farmers Association	St.Mary	$2,907,487.75
3	Beeston Street New Testament	Kingston	$2,837,936.94
	Red Ridge Bank Resource Centre	St. Elizabeth	$7,410,276.48
5	Flankers Primary and Junior High	St.James	$6,078,445.62
6	Montego Bay Boys and Girls Club	St.James	$430,000.00
7	Rock Valley	St. Andrew	
	Total		$23,661,836.25

USF Connect JA (Public Wi-Fi)

In furtherance of its mandate, the USF added five (5) new Connect Jamaica Wi-fi locations in Annotto Bay, St. Mary; Ocho Rios, St. Ann; Chapleton-Clarendon; Port Antonio Portland and May Pen-Clarendon at a cost of $43,878,053.49. These sites bring the total number of Wi-fi hotspot locations to thirteen (13) and by the end of FY 2021/2022, the USF expects to cover the remaining parishes.

The Agency also continued to focus on its major foundational project initiatives such as deploying fixed and wireless broadband services, and Special (Information and Communication Technology (ICT) Development) projects. The advent of COVID-19 during this financial year highlighted further gaps in ICT infrastructure which the USF has positioned itself to tackle through its islandwide broadband programme where approximately 461 public institutions inclusive of schools, libraries, police stations, and post offices are connected to the internet and which the USF continues to fund to provide access to this facility.

Technology Advancement Programme (TAP)

During the period, the USF also ran the Technology Advancement Programme (TAP), where the USF targeted 600 young persons aged 18 to 35 islandwide to equip them with skills to enable them to participate in the global digital economy during the previous financial year. The programme concluded in September 2021 with another set/cohort of young people to add to the cadre of trained persons and bringing the total number of persons trained under this programme to approximately 1500 young persons.

Information and Communication Technology (Special) Projects

These projects target and promote the development of the local Information and Communication Technology infrastructure in both the private and public sectors. The USF partners with the beneficiaries of funding with the view of:

- Transforming Jamaica and Jamaicans from being mere consumers of technology to actual innovators;
- Promoting content development;
- Facilitating lifelong learning; and
- Utilizing new and emerging technologies in both the local and global arena.

For the 2020/21 Financial Year, the Universal Service Fund financed the upgrade of the bandwidth allocated to the Health Facilities to the tune of J$17 million to assist with the Ministry of Health and Wellness response to the COVID-19 pandemic in March 2020.

The Universal Service Fund also provided ICT support to the following entities:

1. Western Regional Health Authority's Improving patient health and information documentation project.
2. The Jamaica Fire Brigade to assist with its operations
3. Project ICE

The USF remained committed to ensuring that all Jamaicans are included in the provision and access to the internet and as such, there was a focus on providing support to special groups within the society for the

For the Financial Year 2020/2021, the USF initiated projects with nine (9) institutions that fall under the umbrella of providing education to persons with disabilities. Of the nine (9), the USF completed in ICT support to two entities, Genesis Academy and the Jamaica Council for Persons with Disabilities, at a cost of $25,834,243.95. The support for the remaining entities will be completed in the upcoming financial year.

USF Scholarships Grants and Educational Research Programme

Recognizing the need for support in areas of education, the USF relaunched this Programme in the financial year and provided 28 PEP bursaries for the top boy and girl of each parish at a total value of J$1.2 million; awarded one (1) tertiary scholarship for the life of the Programme to a PATH beneficiary to pursue higher education in Information Technology.

The USF also initiated the University Research Project where it will offer a grant award of approximately J$4 million for research and innovation in ICT to University Groups. The Project will be further advanced in the upcoming financial year.

eLearning

The USF continues to meet its obligation to the eLearning Jamaica Limited with the provision of $700 million in the financial year for the financing of 40,000 Tablets under the Tablets in School Programme. For this year the USF provided J$805 million for the purchase of Tablets for Teachers under the Tablets for Teachers Programme. This brings the total financial support from the USF to the eLearning for the period to approximately J$1.5 billion.

FINANCIAL MANAGEMENT



Financial Controller
Doranie Marlando Sergeant

The Financial Year 2020/21 was challenging and unique for the Fund, and by extension, for the Finance Team.

Let me first acknowledge the hard-working finance team who worked tirelessly to accomplish set targets.

The finance department started the year as a new team and was tasked to transform the function of the Fund with the primary goal still remain steadfast such as;

- Increase Levy collection,
- Timely financial reporting,
- Timely budget preparation,
- Effective Management of the Fund's resources,
- Maximizing Returns on Investment,
- Timely processing of payables/receivables

'or the preceding financial year some of the tasks set nd accomplished were:

Redesign of the chart of accounts.
Redesign of the accounting filing structure.
Maximisation on every dollar spent by way of taking advantage of the Forex Market.
Improved relationship with local Internet Service Providers (ISP) and local carriers.
Automation of the accounting process.

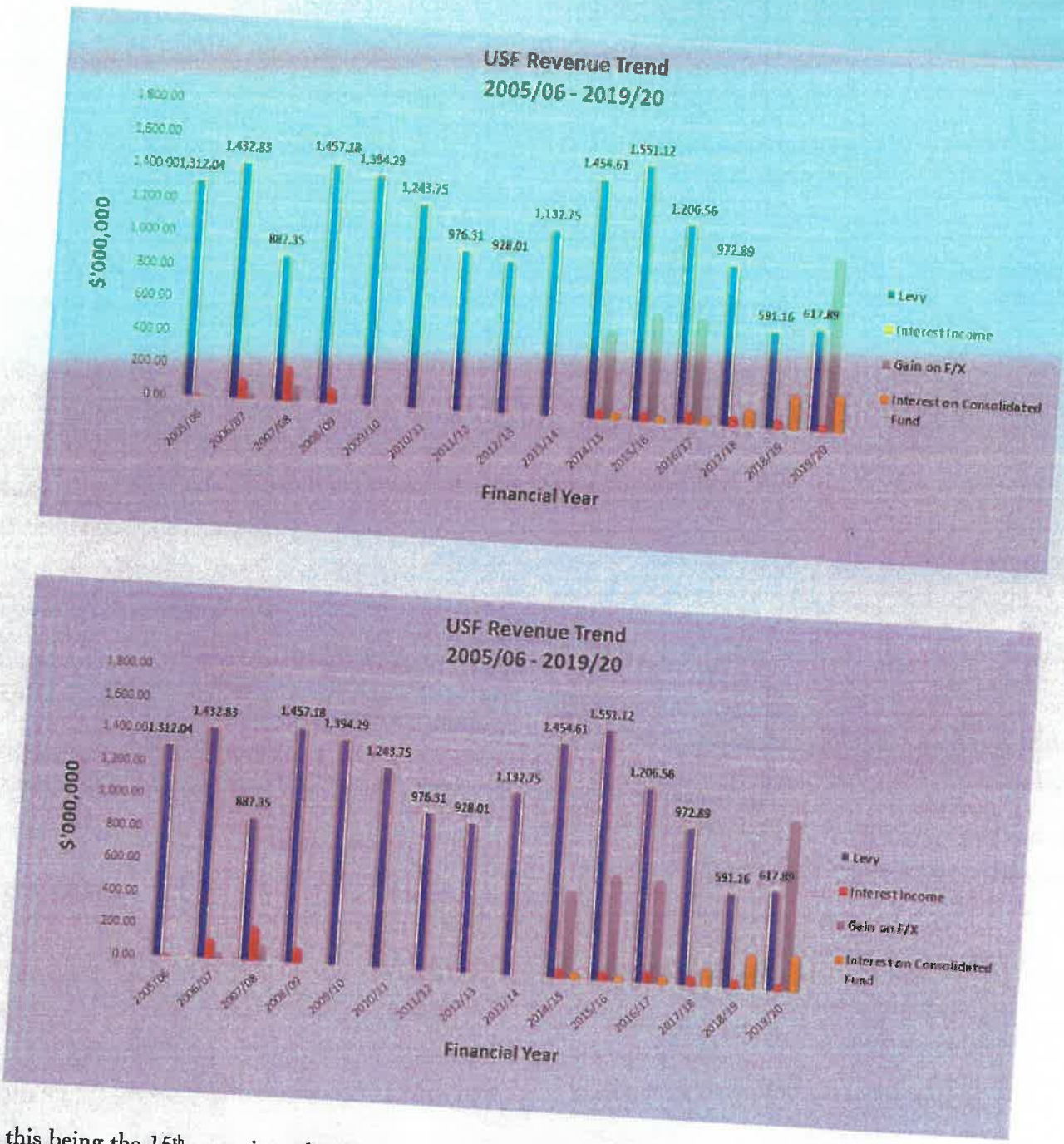
FINANCIALS HIGHLIGHTS

The Fund continues to experience a downward trend in levy earned over the years. As shown in Figure 1 below the levy earned is coming from an annual high of 1.551B to 565M which is resultant of decreasing minutes and increasing Voice Over Internet Protocols (VOIPs) such as WhatsApp, Skype, Facebook video chats, etc., which are being utilized more to make calls across international borders.

Despite this decline in revenue, the Fund is pleased to note that internet access is becoming more proliferated because of USF's continued investment in bridging the internet gap for underserved and unserved communities.

This realization positioned the fund to embark on research and development for new revenue streams to sustain its cause which is now ongoing.

Figure 1



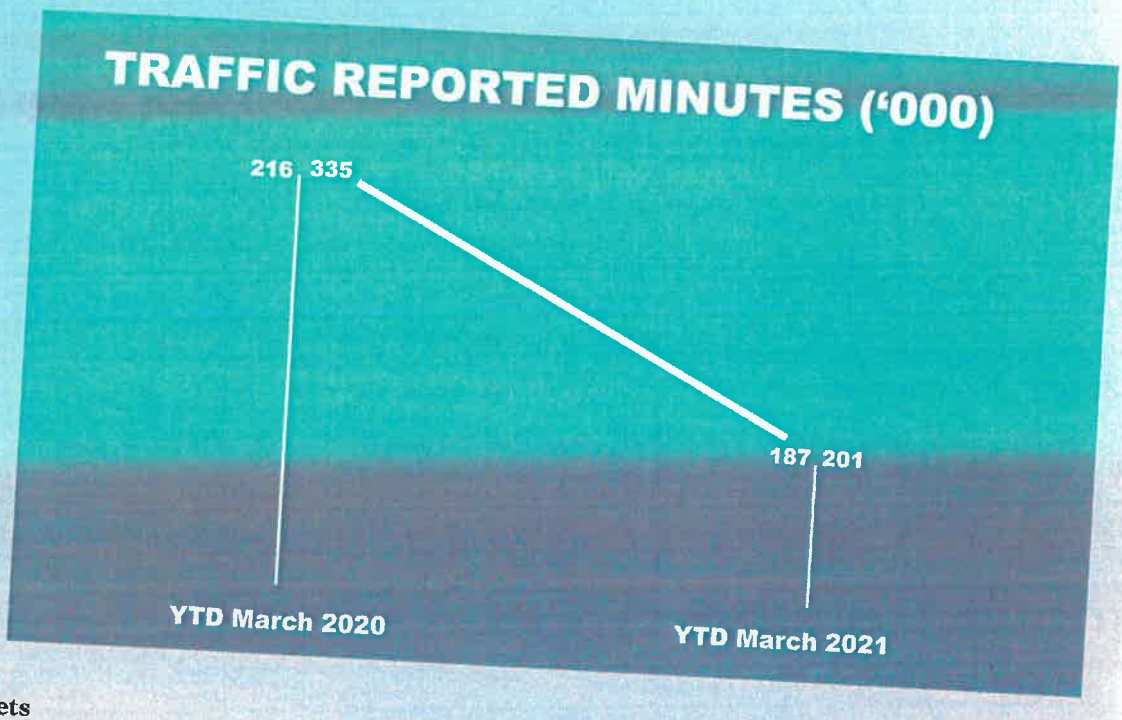
With this being the 15th year since the inauguration of the Universal Service Fund, the same came with a mixture of challenges and opportunities.

The main challenges are:

1. Decline in calling minutes
2. No interest being accumulated on funds held at the Accountant General's Department as follows;
   a. JMD account balance of $1,404,935,276.13, interest stopped accruing since September 2019
   b. USD account balance of US$82,308,809.45, interest stopped accruing since April 2020

The cessation of interest on this account negatively impacts the funds.

However, if allowed to invest this money in the market an additional $500M per month can be realized and thus allowing the Fund to continue the internet penetration within the underserved communities.



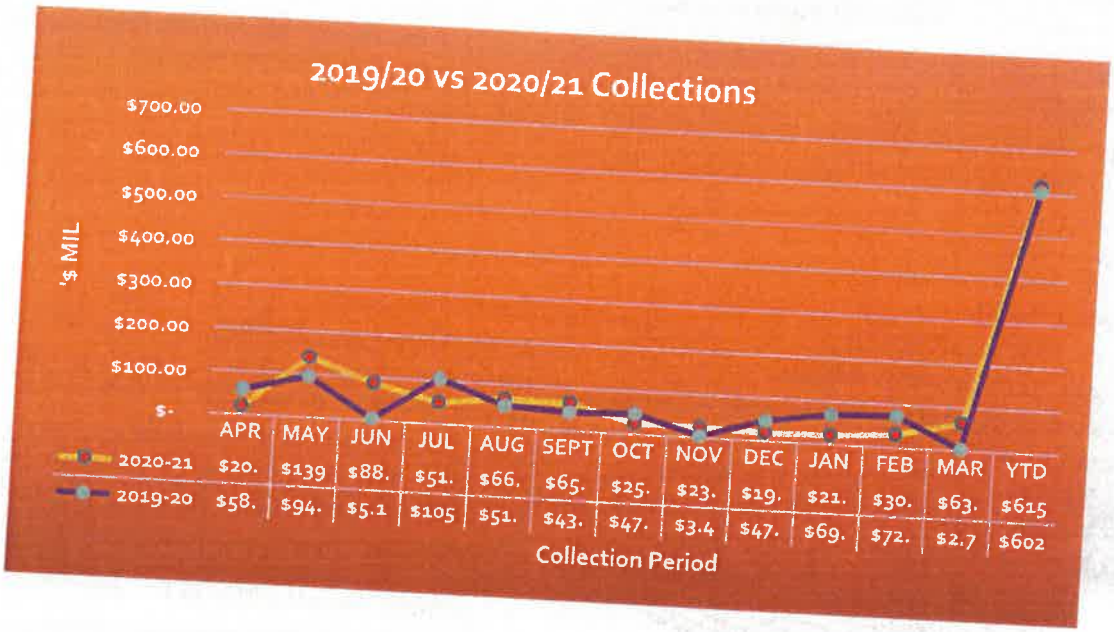
Fixed Assets

As at March 31, 2021, the Fund invested in a total of $2.65 million worth of fixed assets. These included:

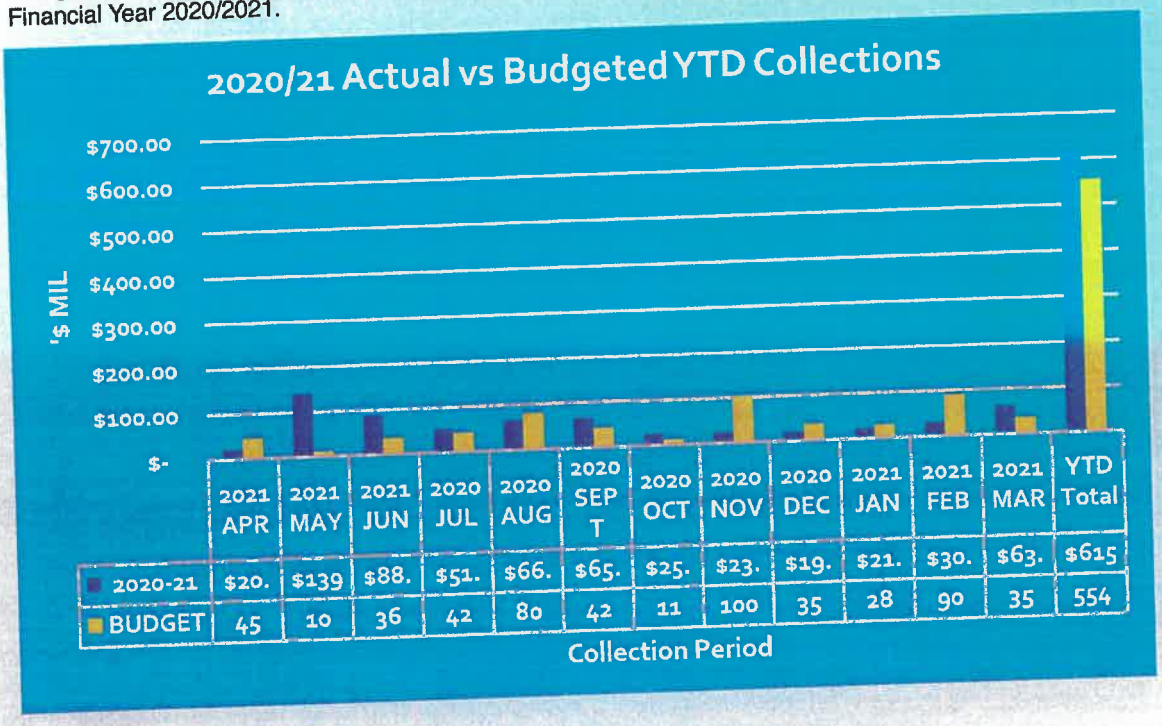
1. Computers (laptops) $1.41 million
2. Office equipment $1.00 million
3. Furniture & fixtures $0.24 million

Revenue Collection

During the Financial Year 2020/2021, the Fund had experienced a slight increase in its receipts from the universal service levy as compared to 2019/2020. There has been a 2% increase with an actual collection of $616 million compared to $603 million during the previous financial year.



The graph below depicts the comparison of actual Service Fees billed versus budgeted Service Fees for the Financial Year 2020/2021.



The actual collection during the years 2019/20 and 2020/21 is depicted in the line graph above:

Actual vs Budgeted Collection

Service fees collected as at March 31, 2021, totaled $564 million, representing 6% below the budgeted amount of $600 million

Bank and Cash

The Fund's cash and bank balances as at March 31 2021, were $407 million, 78% lower than the $1.78 billion recorded for the corresponding period of the previous financial year.

Accounts Receivable

Total receivables as at March 31, 2021 was $171.61 million and is summarized as follows:

- Service Levy Receivables (Net) $163.97 million
- Staff loan $ 0.80 million
- Deposits $ 1.53 million
- Prepayments $ 2.94 million
- Other receivables $ 2.37 million

$171.61 million

A provision for bad debt of $147.47 million was made for Service Levy receivables over ninety (90) days past due. As such, the Fund recorded net service levy receivables of $163.97 million. The finance department will continue to have constant dialogue with carriers through written and oral communication to reiterate the

Exchange Gain/Loss

As at March 2021, the Fund recorded an exchange gain of $1.026 billion. This was realized from US Dollar investments at the following institutions:

- Accountant General's Department,
- Barita Investments,
- Jamaica Money Market Brokers,

USF Projects

Total project expenditure was $339.34 million, 38% o the budgeted amount of $902.54 million.

- NCB Capital Market, and
- First Global Bank.

Interest Income

Interest income (mainly interest on investment performed above projection, recording a total of $6.2 million, which is 87% or $38.95 million lower than th prior year amount of $45.23 million. Since April 202 the Fund has not received any interest on the US consolidated account held at the Accountant General Department.

e-Learning Jamaica Limited

In 2017/18 there was a cabinet decision to fund Learning Tablets in School project **$7.9B** over a perio of **11 years** which equates to 700M per annum. For th financial year, a total of **$1.505B** was transferred e-Learning towards Tablets for Teachers and Tablet School initiative.

Tablet for Teachers	805M
TIIPS	700M

To date, total disbursement in the TIIPS programme amounts to **$2.1B**, of which **$5.8B** remains committed towards this cabinet decision.

However, a provision was made for the disbursement of **$700M**. The first disbursement is projected for the first quarter of the 2020/21 financial year.

This expenditure included:

• Islandwide Broadband	100.00 million
• TAP	119.00 million
• Public Wi-Fi	54.44 million
• CAP Project/Wi-Fi	50.31 million
• ICT Special Projects	9.00 million
• Disabled Community	5.47 million
• Scholarship	1.12 million
• **Total**	**339.34 million**

USF Projects

1. The Technology Advancement Programme (TAP) accounted for 35% or $119 million of project-related expenses for the year ending March 31, 2021.

   During the fiscal year, 600 unattached youths were engaged and provided with a stipend of $10,600 per week.

2. The expansion of the islandwide broadband network accounted for 29% or $100 million of total projects expenditure.

3. The launching of Public Wi-Fi accounted for 16% or $54.44million of the total project expenditure.

4. The remaining 20% or $64.72 million was expended on recurring expenses such as ICT Special Projects, Disabled Community projects, Scholarship, CAP sites internet bills, and other expenses.

5. The Agency was unable to meet specific targets in relation to the execution of its projects due to inadequate human resources in the projects department. This understaffing and incompletion of projects also correlate to underspending by the projects department.

Further details are provided in the table below:

	NAME OF PROJECT	BUDGET $M	AMT. SPENT $M	DIFFERENCE $M
1.	Islandwide Broadband	200	100	100
2.	Connect Jamaica	110	54.44	55.56
3.	Community Access Point (CAPs)	110	50.31	59.69
4.	Technology Advancement Progamme (TAP)	433	119	314
5.	ICT Special Project	130	9	121
6.	Disabled Community	30	5.47	24.53
7.	Scholarship Programme	32	1.12	30.88
8.	Research Grant	45	-	45
9.	E-Learning Jamaica	700	700	0
	Total	**1,790**	**1,039.34**	**750.66**
9(a)	E-Learning Jamaica (Prior year payment)		**805**	

Salaries and Wages

The agency recorded $156.44 million for salaries and related costs for the period, which is $102.14 million less than the budgeted amount. This variance in expenditure is attributed to budgeted proposed salary revisions still pending approval from the Ministry of Finance and the Public Service.

DIRECTORS COMPENSATION (2020/2021)

Position of Director	Fees ($)	Motor Vehicle Upkeep/ Travelling or Value of Assigned Motor Vehicle ($)	Honoraria ($)	All Other Compensation including Non-Cash Benefits as applicable ($)	Total ($)
Justin Morin - Chairman	42,600	NIL	NIL	NIL	42,600
Maurice Barnes - Director	24,000	NIL	NIL	NIL	24,000
Gabrielle Grant - Director	24,000	NIL	NIL	NIL	24,000
Saffrey Brown - Director	24,000	NIL	NIL	NIL	24,000
Patrick Ellis - Director	24,000	NIL	NIL	NIL	24,000
Michael Saunderson - Director	24,000	NIL	NIL	NIL	24,000
Gunjan Mansingh - Chairman *	208,700	NIL	NIL	NIL	208,700
Karl Williams - Director	171,400	NIL	NIL	NIL	171,400
Karl Williams - Director	171,400	NIL	NIL	NIL	171,400
Edward Taylor - Director *	171,400	NIL	NIL	NIL	171,400
Sola Hines - Director *	133,050	NIL	NIL	NIL	133,050
Cecil McCain - Director	210,700	NIL	NIL	NIL	210,700
Marcelle Smart - Director *	150,000	NIL	NIL	NIL	150,000
Andrew Foreman - Director *	74,000	NIL	NIL	NIL	74,000
Nyasha Garraway - Director	139,500	NIL	NIL	NIL	139,500
Sherine Grant - Director *	163,000	NIL	NIL	NIL	163,000
Joy Lowe - Director	106,150				106,150
TOTAL	1,726,650				1,726,650

SENIOR EXECUTIVES COMPENSATION (2020/2021)

Position of Senior Executive	Year	Salary $	Gratuity or Performance Incentive ($)	Travelling Allowance or Value of Assigned Motor Vehicle ($)	Pension or Other Retirement Benefits ($)	Other Allowances (Meal Allowance) ($)	Non-Cash Benefits ($)	Total ($)
Chief Executive Officer – Daniel Dawes	2020/2021	9,057,335.85	4,078,060.11	180,000.00	NIL	859,406.52	NIL	14,174,802.48
Director of Projects - Kwan Wilson	2020/2021	4,469,832.12	2,158,359.35	2,105,512.00	NIL	585,767.28	NIL	9,319,470.75
Financial Controller – Doranie Sergeant	2020/2021	4,469,832.12	NIL	1,728,588.02	NIL	210,246.00	NIL	6,408,666.14
Director of Procurement - Melissa Taylor	2020/2021	4,469,832.12	NIL	1,697,046.08	NIL	213,246.00	NIL	6,380,124.20
Human Resource/ Administrator Manager - Shanique Cornwall	2020/2021	3,472,769.04	NIL	1,699,160.38	NIL	213,246.00	NIL	5,385,175.42
TOTAL		**25,939,601.25**	**6,236,419.46**	**7,410,306.48**		**2,081,911.80**		**41,668,238.99**

HUMAN RESOURCE MANAGEMENT



Human Resource and Administration Manager, **Miss Shanique Cornwall**

The Human Resource Management and Administration portfolio has responsibility for general administration, managing and developing the human resources, as well as the training and employee relations functions of the USF by ensuring that best practices are implemented to achieve organizational efficiency and effectiveness in accordance with the Fund's mandate. The department also provides guidance, advice, and support to the management team on all human resources-related matters. The objective of the department is to build upon the existing organization and human resource capacity to improve innovation, flexibility, and the Agency's overall performance.

The Fund's Human Resource Management and Administration portfolio sought to improve its service and state of readiness to effect its functions/tasks seamlessly thereby contributing to the achievement of the organization's strategic goals and objectives for the 2020/2021 Financial Year, within the context of the COVI9-19 pandemic.

The COVID-19 pandemic led to the emergence of a complex and challenging environment for the management of the Fund which required ingenious solutions to execute the Fund's mandate and to help employees cope with the challenges of this unprecedented situation. Maintaining morale, exploring ways for employees to keep in contact, handling individual challenges while navigating the nuances of the pandemic tested the Fund's ability to adapt, stay strong and execute.

The main priority areas during the financial year centered on:

- *Achieving optimum allocation and management of the Fund's human resources, including the creation of a remote work environment to guarantee high of productivity, recruiting and training employees in the required competencies and skills needed to achieve the organization's mandate.*
- Instituting and monitoring infection control mechanisms in the workplace to ensure the health and wellbeing of staff.
- Ensuring the maintenance, preservation, and security of facilities including property, building, motor vehicle, and equipment; and
- Overseeing the implementation of the second iteration of the Technology Advancement Programme.

The highlights in respect of these key activities are indicated below:

Organizational Framework

The Fund continued to operate across eight functional areas, Projects, Finance, Audit, Human Resource Management & Administration, Public Relations/ Marketing, Procurement, Legal and Information Tech-nology, under the day-to-day management of the Chief Executive Officer with oversight and support by the Board of Management. These functions are operated across two office facilities, which continue to be maintained by the Fund.

#	PERMANENT (Established Positions)
1	Chief Executive Officer
2	Director of Projects
3	Financial Controller
4	Human Resource/Administration Manager
5	Marketing/PR Manager
6	Internal Auditor
7	Project Manager ***(vacant)***
8	Procurement Officer
9	Project Officer
10	Project Officer
11	Project Officer
12	Project Officer,
13	Systems/Security Administrator
14	Project Accountant
15	Project Administrator
16	Accounting Clerk
17	Receptionist
18	Director, Public Procurement
19	Public Procurement Officer

#	TEMPORARY
1	Executive Assistant (CEO)
2	Project Coordinator
3	Legal Officer
4	Administrative Assistant
5	Assistant Internal Auditor
6	Administrative Clerk
7	Administrative Clerk
8	Office Attendant
9	Assistant Project Coordinator ***(vacant)***
10	Assistant Project Coordinator
11	Driver/Bearer
12	Corporate Planner
13	Human Resource Officer
14	Communications Officer ***(vacant)***

Table 1: **Temporary & Permanent Posts in Operation as at 2021 March 31**

Staffing

The Fund's approved structure consists of nineteen (19) posts, with an additional fourteen (14) temporary posts in operation, as indicated in Table 1, above:

During the year, the Fund continued the operation of permanent and temporary posts in the execution of its corporate mandate, in keeping with the requisite approvals from the Ministry of Finance and the Public Service.

As at March 31, 2021, the staff complement of the Universal Service Fund was thirty-two (32) comprising eighteen (18) permanent staff, eleven (11) temporary employees, and three (3) TAP interns. There were four (4) vacancies- Project Manager, Project Manager, Assistant Project Coordinator, and Communications Officer; with the recruitment process to conclude in the 2021/2022 Financial Year.

Strategic Staffing Transformation

The organizational structure is a significant supporting pillar for the USF's strategic focus. The approved structure in its present form, however, does not optimally support the strategic objectives of the Fund prima because of gaps in human resources at key levels wi the organization. To this end, the USF concluded 2020/2021 Financial Year with the submission o organizational restructure request to the Ministr Finance and the Public Service with the requi justifications to strengthen the organizational struc of the Fund.

Human Resource Planning

Human resource development planning is the met by which the USF designs a coherent framewor human capital policies, programmes, and practice achieve a shared vision integrated with the strat plan. The human resource planning activities for 2020/2021 Financial Year were in keeping with Fund's Strategic HRM Plan and the cha necessitated by the COVID-19 pandemic.

The effective implementation of the strategic hu resource plan is a key step in ongoing efforts to bu highly effective, performance-based USF by recrui

acquiring, motivating, training, retaining, and rewarding a high-performing, top-quality workforce. The implementation of this plan commenced in the 2020/2021 financial year, driven by the Human Resource Management function aimed at transforming the culture and operations of the organization. This saw the (i) revision of the human resource policy, (ii) revision of the Fund's recruitment and selection procedures, (iii) identification of a human resource management information system, (iv) streamlining of employee records, (v) development and implementation of a Grievance/ Disciplinary Policy, (vi) development and implementation of the Fund's Disaster Preparedness and Emergency Management Plan, (vii) renovation of the Fund's offices (viii) revision of the performance management system and human capital programmes and initiatives to bring the Fund one step closer towards becoming an employer of choice.

The COVID-19 pandemic led to the development and implementation of a full policy that included an action plan to keep the workforce safe and protect mission-critical functions for business continuity. This resulted in a work-from-home arrangement along with other contingency plans and the management of remote work teams during the year. The wearing of a mask, the constant use of hand sanitizers, initiating deep cleaning activities, and social distancing strategies were also instituted to mitigate the risk of COVID-19 within the offices of the Fund. In an effort to aid employees with adjusting to life with COVID-19, information sessions were also held, and testing support was provided to employees.

Compensation

In keeping with the Heads of Agreement for the Contract Period April 1, 2017, to March 31, 2021, basic salaries for staff were increased by 5% effective April 01, 2020. Similarly, adjustments were also made to the lunch allowance payable to staff in keeping, correspondence with Ref No: C56/251/2 from the Ministry of Finance and the Public Service.

Learning & Growth through enhanced Training and Development

The training and development of employees during the year were concentrated on areas critical to the operations of the Fund. This included courses Enterprise Risk Management and Supervisory Management Training.

The Fund also conducted its training needs analysis as a precursor to the implementation of its Strategic Training and Development Plan in the 2021/2022 financial year.

Staff Welfare

The staff welfare activities are severely constrained by the Ministry of Finance & the Public Service (MOFPS) Circular restricting discretionary expenditure for staff functions, awards, and staff welfare to a maximum of $5,000.00 per employee per annum. Notwithstanding, the USF continues its efforts to identify any low or no-cost welfare activities to contribute to a wholesome work-life for all our employees.

Staff engagement activities were held during the year in keeping with the thrust to improve staff morale and build comradery and social engagement among staff guided by the provisions of the Disaster Risk Management Act. The Fund also assisted employees in meeting personal demands through its employee assistance programme.

The Fund continues to assist with its employee's welfare needs within the parameters available.

Technology Advancement Programme

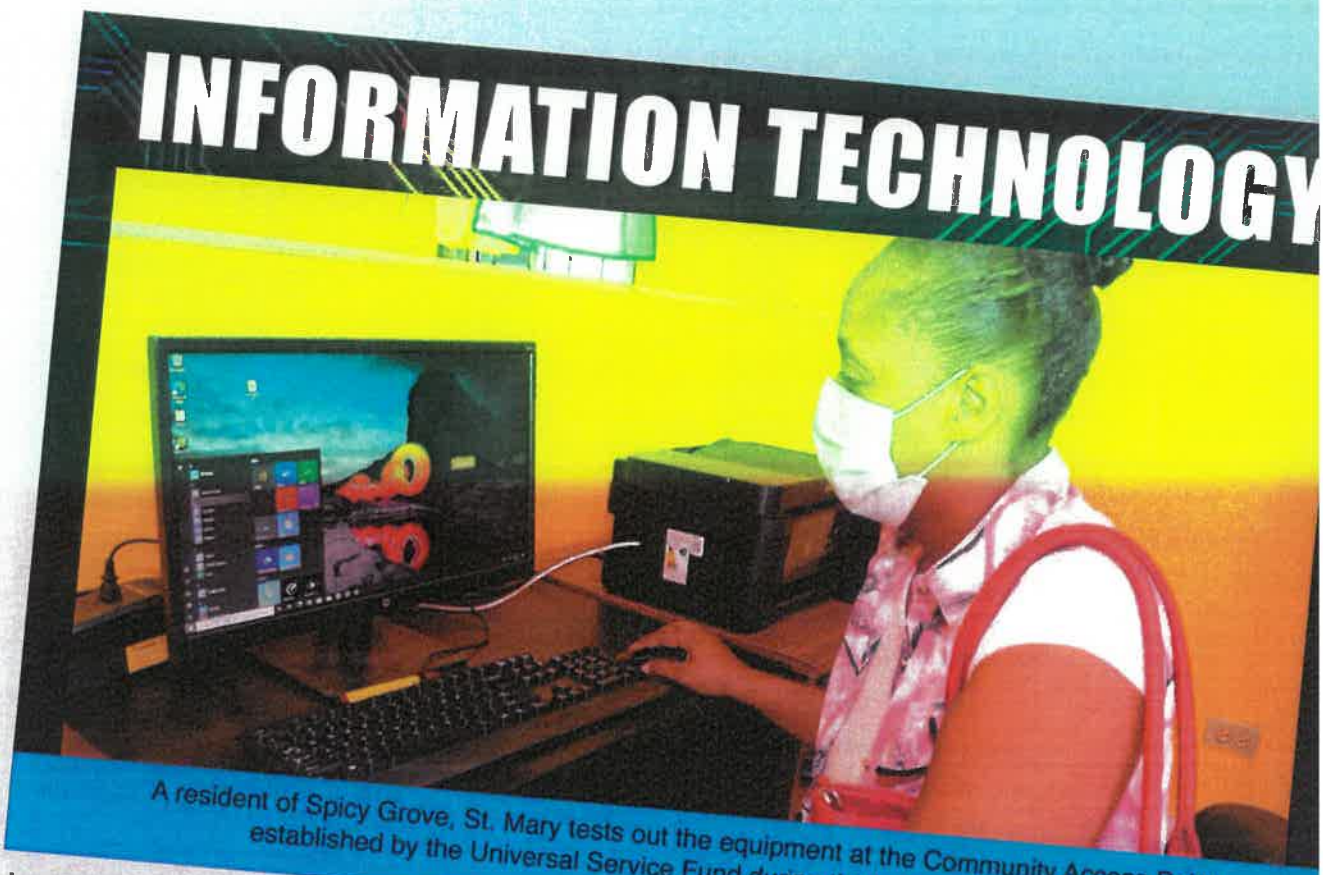
The Technology Advancement Programme (TAP) is an initiative implemented and managed by the Fund which engages approximately attached youth aged 18-35 over twelve (12) months in training covering core skills, computer repairs, computer administration, and digitization facilitated by the Caribbean Maritime University and the HEART/NSTA Trust, over two (2) phases.

The Fund's second iteration of the programme which commenced on September 2, 2019, formally came to an end on September 30, 2020, with Four Hundred and Eighty-two (482) participants across the fourteen (14) parishes of Jamaica.

The Universal Service Fund is on a drive to empower Jamaicans from all walks of life through information and communication technology. To achieve this mission, the Agency ensures that not only its projects but the tools provided to its staff are cutting edge.

The USF during the 2020/21 Financial Year set a target of digitizing its documents and the internal process by the end of 2022. During the just-concluded financial year, the Agency completed its online portal for the storage of critical information on its approved projects. The scope of the portal will continue to be expanded to facilitate the digitization of processes across all departments

INFORMATION TECHNOLOGY



A resident of Spicy Grove, St. Mary tests out the equipment at the Community Access Point established by the Universal Service Fund during the launch of the facility.

Another key factor in project sustainability is the monitoring of projects. Consequently, the Agency is implementing remote monitoring facilities where it can have real-time access to the operation of its' Public Wi-Fi Hotspots. The seamless management of the Agency's Public Wi-Fi hotspots will be further enhanced with the migration of all Public Wi-Fi hotspots to the Govnet Network managed by eGov. The USF is also implementing GIS mapping of its Community Access Points. This information will be readily available to the public through the agency's website – usf.gov.jm - to stimulate increased use of these facilities.

In seeking to fulfill its mandate to connect Jamaica, the USF must ensure that it is readily accessible to the public. To this end, the Agency in the 2020/21 financial year completed the process of deploying an IP-based telephone system to allow seamless communication between the public and members of staff, whether the officers are in the field or at the office. The Agency also began deployment of its access control system at its Ardenne Road and PCJ Offices. The process is to be completed in the 2021/22 Financial Year.

The Universal Service Fund is deeply committed to providing meaningful internet connectivity solutions at low or no cost for Jamaicans from all walks of life, with special emphasis on young people, the elderly, individual with special needs, and the financially challenged.

The Agency, therefore, places very special focus on the meticulous completion of its projects but also the design and execution of robust marketing and public relations campaigns to sensitize the public about its offerings.

Despite the COVID-19 pandemic, the USF during the 2020/21 Financial Year was able to inform its various publics about its work and how the transformative power of Information and Communication Technology can be harnessed. This communication was facilitated through creativity, ingenuity, strategic partnerships, and the use of traditional and new media.

In addition to the execution of its flagship connectivity projects such as the establishment of Community Access Points and Public Wi-Fi Hotspots, the USF responded to the increased need for information and communication technology devices and internet access spurred by the pandemic. Initiatives by the USF aimed at supporting efforts to combat COVID-19 included upgrading the Ministry of Health and Wellness' internet service to facilitate faster, more efficient communication among its facilities and financing the Tablets for Teachers programme of the Ministry of Education Youth and Information

MARKETING AND PUBLIC RELATIONS



Presentation of ICT Equipment to the Jamaica Fire Brigade by the USF and the Ministry of Science, Energy, and Technology.

The Marketing and Public Relations arm of the USF provided communication support for these new activities while executing the promotion of the Agency's routine initiatives. Due to the COVID-19 pandemic and the social distancing protocols, it was critical that the Agency adjust its modus operandi so it could continue to inform the public while being safe. As such, outside broadcasts on national radio and Facebook live streaming were integrated into Agency events to ensure persons while at home could still experience the excitement and get critical information remotely. The Agency also added branded face masks to its cache of promotional items and distributed these along with important information on handwashing and the Agency's projects and programmes at each event.

Other Marketing and Public Relations highlights for the year included:

1. The launch of Five (5) Public Wi-Fi Hotpots in May Pen and Chapelton in Clarendon; Port Antonio, Portland; Ocho Rios, St. Ann; and Annotto Bay, St. Mary.
2. The Commissioning of Six (6) Community Access Points in Three Hills and Spicy Grove St. Mary and at the Flankers Primary, Goodwill Primary and Infant and Barracks Road Primary Schools as well as the Montego Bay Boys and Girls Club in St. James.
3. Coordinating the Livestream of the ceremonial cheque handover to e-Learning Jamaica and the Ministry of Education in support of the

Tablets for Teachers initiative.

4. Supporting Information and Communication Technology events and calendar days, specifically Girls in ICT Day, World Information Society Day, National Science and Technology Month, and Cyber Security Awareness Month.
5. Engaging the media by facilitating interviews, and issuing captioned photos, media releases, and advisories.
6. Producing the Agency's first jingle and airing the same on 18 national radio stations and the Agency's social media pages.
7. Arranging speaking opportunities for senior management and preparing speaking notes for these events.
8. Monitoring the rhetoric surrounding the agency and its officers in the public sphere and responding as needed.
9. Engaging the agency's various publics through its social media platforms.

Cumulatively, the Marketing and Public Relations department hosted 21 events including launches, handovers, and presentation ceremonies. The Agency also prepared and distributed 16 press releases, including a joint press release with FLOW in promotion of its Public Wi-Fi launch in Ocho Rios which was powered by the telecommunications company.

These efforts bore fruit as evidenced by earned public relations valued at approximately $1,730,000 through articles, news stories, radio and television interviews, and photo releases.

Additionally, the Agency's Facebook audience increased by 15% during the 12 months from 11,424 to 13,138. The rebranding and repositioning of the Universal Service Fund continued in 2020/21 with the installation of signage featuring the USF's new logo at its Public Wi-Fi Hot Spots and Community Access Points as well as a refresh of the Agency's website.

For the 2021/22 Financial Year, the Agency will continue to find new ways to sensitize its target audience while getting meaningful feedback. Activities slated for the year include a 12-part radio series – 'Connecting Jamaica' as well as regional Town Hall Meetings and activations at its 13 Public Wi-Fi Hotspots islandwide while adhering to COVID-19 social distancing protocols.

The Agency will also be seeking to further increase awareness of its brand through innovative activities that will employ greater use of technology. These will include live streaming of events, advertisements, and live chats on social media, and increased radio and television features.

Not for us alone are we born; our country, our friends, have a share in us — **Marcus Tullius Cicero**

The Universal Service Fund believes in providing service from the heart by not just executing projects that improve the country's ICT infrastructure but also having a positive social impact on Jamaicans. As such, acts of philanthropy are in keeping with the core values of the Agency.

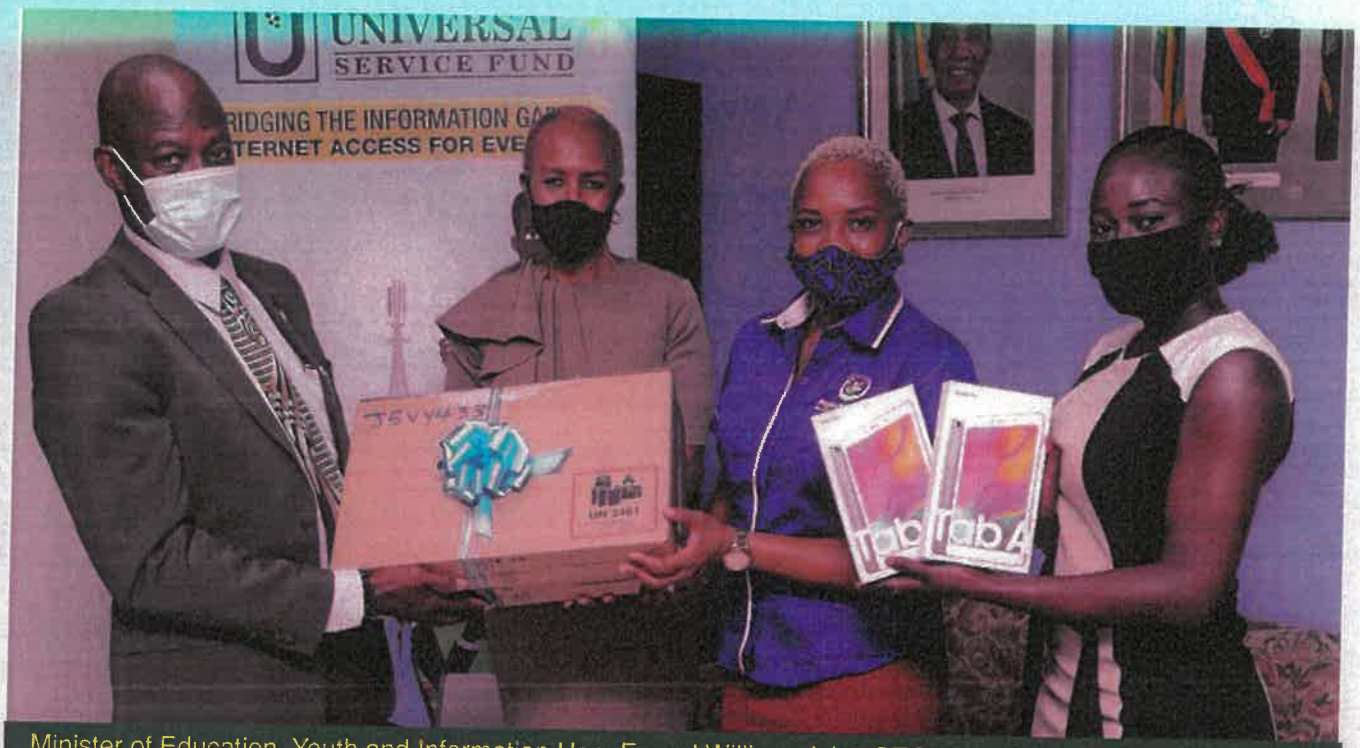
For the 2020/21 Financial Year, the USF set the target of having a greater impact on the educational sector through the provision of financial support to young Jamaicans to assist in offsetting costs associated with their academic pursuits. This target not only aligns with the Agency's CSR thrust but with its wider mandate to ensure Jamaica becomes a knowledge-based society. To this end, the Agency provided twenty-eight (28) grants each amounting to $40,000 to the top-performing boy and girl in the Primary Exit Profile (PEP) Examination from each parish. The Agency also partnered with the Ministry of Labour and Social Security, to launch a scholarship for students on the Programme of Advancement through Health and Education (PATH) who have matriculated to read for a first degree in Information and Communication Technology at a University within Jamaica. One scholarship was awarded during the Financial Year.

The USF made several donations of technological devices to individuals and organizations in need, to help them bridge the information divide. These include the donation of ICT equipment to the Western Regional Health Authority and to the Jamaica Council for Persons with Disabilities to boost efficiency within these organizations. The Agency also granted requests for tablets, smartphones, laptops, and desktop computers from a handful of Jamaicans in need.


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@USFJAMAICA



CORPORATE SOCIAL RESPONSIBILITY



Minister of Education, Youth and Information Hon. Fayval Williams joins CEO of the USF Mr. Daniel Dawes in presenting ICT equipment to the Administrators of Project ICE, a community empowerment initiative aimed at equipping residents of Clarendon with computer literacy skills.

With statistics indicating that more Jamaican women are being diagnosed with breast cancer each year and at a younger age, the USF in 2017 thought it important to sensitize Jamaica about the importance of early detection in the fight against the disease. From this need the event 'Positively Pink' was born – a midday par focused on disseminating information on the management and treatment of breast cancer.

Due to the COVID-19 pandemic, Positively Pink 2020 was held virtually rather than in its usual venue of the PCJ Auditorium. Despite being online, the event was just as impactful as previous executions as it featured a keynote address from portfolio Minister Hon. Daryl Vaz, and presentations from Breast Cancer Survivor and Member of Parliament Dr. Saphire Longmore as well as head of the Jamaica Cancer Society Mr. Michael Leslie. The event was broadcast live on the Agency's Facebook Page and engaged dozens of Jamaican women and men from across the country.

Finally, each year the USF through its 'Tech Love' arm celebrates Valentine's Day by partnering with the National Blood Transfusion Service to host its annual blood drive and pre-Valentine's Day soiree. Titled 'Are you my Type', the Agency in 2019 received significant support with 60 persons registering to donate blood – surpassing the target of 50 set by the NBTS. Of this

amount, 34 were successful in their bid to donate blood. While the Agency was unable to host the annual blood drive in its usual fashion this year it instead partnered with the NBTS by providing branded USF promotional items and brochures for the first 25 blood donors at the NBTS Slipe Pen Road location during February. The Agency has also made contact with the World Health Organization/PAHO Jamaica office to participate in its World Blood Donor Day celebrations to be held in the upcoming fiscal year (June).

For the 2021/22 year, the Agency will continue to embark on discrete activities aimed at positively impacting the lives of its stakeholders while fulfilling its mandate. Special focus will continue to be placed on providing the country's most vulnerable with ICT devices especially as the country continues to grapple with the increased need for these tools considering virtual education and work due to the pandemic. The Agency also continues to await the Government's CSR framework which will guide such activities in all Ministries Departments and Agencies.

QUOTATION

DC STATIONERY DEPOT
3 Beechwood Avenue Shop# 12B
Kingston 5

JAMAICA

Voice: 929-3564
Fax: 968-9541

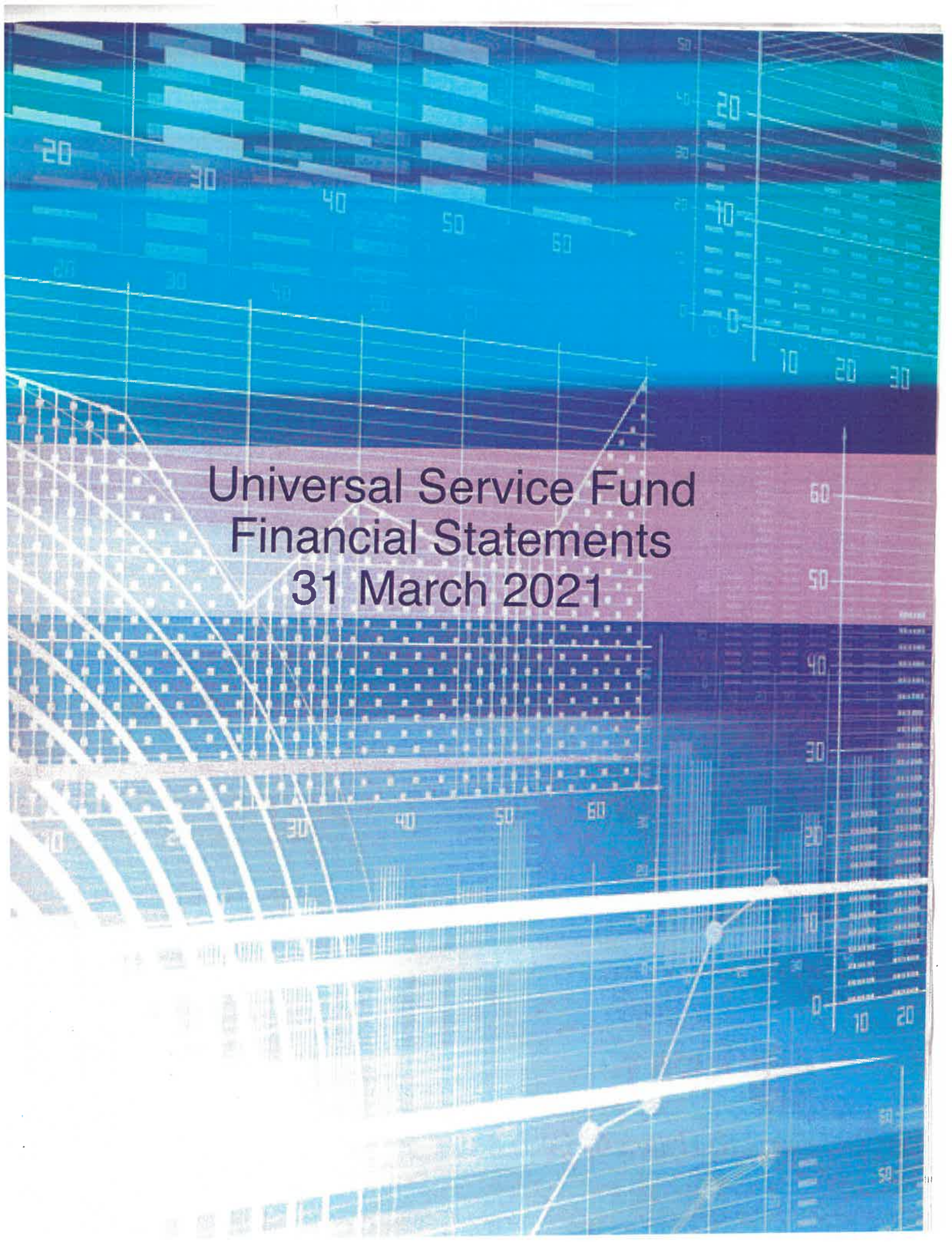
Quote Number: 112438
Quote Date: Oct 14, 2026
Page: 1

Quoted To:

UNIVERSAL SERVICE FUND
4TH FLOOR PCJ RESOURCE BUILDIN
36 TRAFALGAR ROAD
Kingston 10
JAMAICA

Customer ID	Good Thru	Payment Terms	Sales Rep
USF	11/13/26	Net 14 Days	

Quantity	Item	Description	Unit Price	Amount
		TRN#: 000-487-015		
1.00	000	IPAD PRO 13 WIFI 512GB with standard glass - Space Black	381,420.00	381,420.00
1.00	000	APPLE PENCIL PRO-AME Attention: Senior Procurement Officer	42,803.80	42,803.80
			Subtotal	424,223.80
			Sales Tax	63,633.57
			TOTAL	**487,857.37**



Universal Service Fund
Financial Statements
31 March 2021

Universal Service Fund

Financial Statements

31 March 2021

SFAI JAMAICA

C.R. Hylton & Co.

Universal Service Fund
Financial Statements
31 March 2021

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SFAI
JAMAICA

INDEPENDENT AUDITORS' REPORT

To the Directors of Universal Service Fund

Report on the Audit of the Financial Statements Opinion

Opinion
We have audited the financial statements of Universal Service Fund ("the Fund"), which comprise the statement of financial position as at 31 March 2021, and the statements of income and expenditure and other comprehensive income, changes in reserves and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Telecommunications Act 2000 and its Amendment 2012 and the Public Bodies Management and Accountability (Amendment) Act 2014.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Material Uncertainty Related to Going Concern

We draw attention to note 3(a) in the financial statements, which indicates that the Fund has sustained declining levels of revenue over recent years with the level of the service levy declining from $1.551 Billion for the year ended 31 March 2016 to $565 Million for 31 March 2021.

As stated in note 3(a), these events or conditions, along with other matters as set forth in Note 3(a), indicate that a material uncertainty exists that may cast significant doubt on the Fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the Telecommunications Act 2000 and its Amendment 2012 and the Public Bodies Management and Accountability (Amendment) Act 2014, 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 Fund'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 Fund or to cease operations, or has no realistic alternative but to do so.

The Board of Management is res[illegible]

To the Directors of Universal Service Fund

Report on the Audit of the Financial Statements Opinion

Auditors' 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 auditors' 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 skepticism 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Fund 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.

Other Matter

The financial statements of the Fund for the financial year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on 15 July 2020.

We communicate with the Board of Management 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

To the Directors of Universal Service Fund

Report on the Audit of the Financial Statements Opinion

Report on additional matters as required by the Telecommunications Act and the Public Bodies Management and Accountability 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 financial statements, which are in agreement therewith, give the information required by the Telecommunications Act 2000 and its Amendment 2012 and the Public Bodies Management and Accountability (Amendment) Act 2014 in the manner required.

Chartered Accountants
July 29, 2021

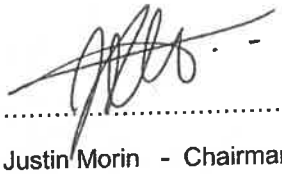
Universal Service Fund
Statement of Income and Expenditure and Other Comprehensive Income
Year Ended 31 March 2021

	Note	2021 $'000	2020 $'000
REVENUE	6	565,336	617,893
Project costs			
- Universal service projects		(220,341)	(178,126)
- E-Learning projects		(700,000)	(700,000)
- Technology Advancement Programme		(119,009)	(235,949)
		(1,039,350)	(1,114,075)
Net deficit after project costs		(474,014)	(496,182)
Other operating income	7	1,032,939	1,317,982
Administrative expenses	8	(285,900)	(260,139)
Surplus before taxation		273,025	561,661
Taxation	9	744	1,834
Net Surplus, being total comprehensive income		273,769	563,495

Universal Service Fund
Statement of Financial Position
31 March 2021

	Note	2021 $'000	2020 $'000
ASSETS			
NON-CURRENT ASSETS:			
Property, plant and equipment	10	30,191	45,287
Right of Use Asset	19	6,480	-
Funds held by Accountant General	11	13,353,878	12,481,232
		13,390,549	12,526,519
CURRENT ASSETS:			
Receivables	12	171,610	240,571
Cash and cash equivalents	13	407,532	1,780,733
		579,142	2,021,304
		13,969,691	14,547,823
RESERVES AND LIABILITIES			
RESERVES:			
Capital contribution	14	9,570,709	9,570,709
Accumulated surplus		4,182,946	3,909,177
		13,753,655	13,479,886
LONG TERM LIABILITIES:			
Lease liability	19	987	-
Deferred tax liabilities	15	-	744
		987	744
CURRENT LIABILITIES:			
Payables	16	209,365	1,067,193
Lease liability	19	5,684	-
		215,049	1,067,193
		13,969,691	14,547,823

The financial statements were approved for issue by the board of directors on July 29, 2021 and signed on its behalf by:



.....

Justin Morin - Chairman



.....

Daniel Dawes - Chief Executive Officer

Universal Service Fund
Statement of Changes in Reserve
Year Ended 31 March 2021

	Capital Contribution $'000	Accumulated Surplus $'000	Total $'000
Balance at 1 April 2019	9,570,709	3,345,682	12,916,391
Total Comprehensive Income			
Net surplus	-	563,495	563,495
Balance at 31 March 2020	9,570,709	3,909,177	13,479,886
Total Comprehensive Income			
Net surplus	-	273,769	273,769
Balance at 31 March 2021	9,570,709	4,182,946	13,753,655

Universal Service Fund
Statement of Cash Flows
Year Ended 31 March 2021

	2021 $'000	2020 $'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net surplus	273,769	563,495
Items not affecting cash resources;		
Depreciation (Notes 10 & 19)	22,374	21,884
Interest income	(6,286)	(266,355)
Taxation expense	(744)	(1,834)
Foreign exchange difference on foreign balances	(1,026,653)	(1,051,627)
Loss on sale of property, plant & equipment	-	83
	(737,540)	(734,354)
Change in operating assets and liabilities:		
Receivables	68,961	125,716
Payables	(857,828)	631,808
Cash (used in) provided by operating activities	(1,526,407)	23,170
CASH FLOWS FROM INVESTING ACTIVITIES:		
Additions to property, plant and equipment (Note 10)	(2,649)	(3,679)
Interest received	6,286	260,694
Cash provided by investing activities	3,637	257,015
CASH FLOWS FROM FINANCING ACTIVITIES:		
Lease expense (Note 19)	(4,438)	-
Cash used in financing activities	(4,438)	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,527,208)	280,185
Exchange Gain (loss) on foreign cash balances	154,007	(93,697)
Cash and cash equivalents at beginning of year	1,780,733	1,594,245
CASH AND CASH EQUIVALENTS AT END OF YEAR	407,532	1,780,733

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES:

Universal Service Fund ("Fund") was established by the Government of Jamaica under the Telecommunications Act (Universal Service Fund) (Commencement of Provisions) Order, 2012 dated 31 May 2012 issued by the Minister of Science, Technology, Energy and Mining pursuant to Section 24 of the Telecommunications (Amendment) Act, 2012 which amended the Telecommunication Act 2000 ("principal Act"). The principal Act levied a fixed universal service charge ("service levy") per minute on all international incoming calls terminating on networks of local carriers which is to be managed by the Fund. The Fund is domiciled in Jamaica and its principal place of business is located at 36 Trafalgar Road, Kingston 10.

The Fund took over the operations of the previous company, 'Universal Access Fund Company Limited, and commenced operations on 1 June 2012.

The objectives of the Fund shall be to support the implementation of the obligation to provide universal access to telecommunications services, as approved by the Minister, in accordance with the principles set out in section 39(2) and the use specified in section 42A of the Telecommunications (Amendment) Act 2012.

The principal activities of the Fund are:

(i) the collection of the universal telecommunications services obligations levy ("service levy") from telecommunications companies;
(ii) the analysis and evaluation of projects of a universal service obligation nature and recommendation to Cabinet for approval of Funding; and
(iii) the disbursement and accountability for Funds allocated to approved initiatives.

2. SUMMARY OF 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 the years presented, unless otherwise stated. Where necessary, prior year comparatives have been restated and reclassified to conform to current year presentation.

(a) Statement of compliance
These financial statements have been prepared in accordance and comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of preparation
These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of consideration given in exchange for assets.

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 Fund's accounting policies. Although these estimates are based on management's best knowledge of current events and actions, 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 5.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

(b) Basis of preparation (continued)

Going concern

The preparation of the financial statements in accordance with IFRS assumes that the Fund will continue in operational existence for the foreseeable future. This means, inter alia, that the statement of financial position and the statement of profit or loss and other comprehensive income assume no intention or necessity to liquidate the Fund. This is commonly referred to as the going concern basis.

The revenue of the Fund is derived principally from the collection of the universal telecommunications services obligations levy ("service levy") from telecommunications companies. The service levy is received by the Fund on inbound international telephone calls, those are, international calls terminating in Jamaica. In recent years the Fund has experienced significant decline in receipts from the service levy due to the various changes in the technological landscape impacting international communication. The level of service levy has declined from $1.551 Billion for the year ended 31 March 2016 to $565 Million for the year ended 31 March 2021. Additionally, the Fund sustained deficit on its operation of $761.323 Million (excluding exchange gain and interest income) for the year ended 31 March 2021 and $756.321 Million for the previous year, accumulated surplus however, increased as a result of the foreign exchange gain. During the current year a surplus was realized due to volatility in the exchange rate. If the trend continues, in all probability, the Fund will continue to experience a declining revenue stream and the impact of that on the operations would be unfavorable. Continuation as a going concern is dependent on the policy makers and those charged with governance pursuing policy and practice changes which will ensure revenue streams to support the operations.

Substantial doubt about an entity's ability to continue as a going concern is considered to exist when aggregate conditions and events indicate that it is probable that the entity will be unable to meet obligations when due within one year of the date that the financial statements are issued or are available to be issued.

Currently, the Fund has been meeting its obligations as they become due, however, management would need to identify other revenue sources to sustain the Fund's level of operations.

Based on the strategies being pursued to sustain the operations, the directors have maintained the going concern assumption in the preparation of these financial statements. This basis of preparation assumes that the Fund will be able to realize its assets and discharge its liabilities in the ordinary course of business, and thus these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Fund be unable to continue as a going concern.

(c) Reporting currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates (the functional currency). These financial statements are presented in Jamaican dollars, which is considered the Fund's functional and presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.1 Amendments to IFRS that are mandatorily effective for the current year

In the current year the Fund has applied a number of amendments to IFRS issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting period that begins on or after 1 January 2020.

The application of these amendments has not had any impact on the amounts reported or the presentation and disclosures in these financial statements but may impact the accounting for future transactions and arrangements.

		Effective for annual periods beginning on or after
Amendments to Standards		
IAS 1, 8	Presentation of Financial Statements; Accounting Policies, Changes in Accounting Estimates and Errors	
	- Amendments regarding the definition of Material	January 1, 2020
IAS 41	Agriculture	
	- Amendments arising from 2018 – 2020 Annual Improvements to IFRS : Taxation in fair value measurements	January 1, 2020
IFRS 3	Business Combinations	
	- Amendments to clarify the definition of a business	January 1, 2020
IFRS 7, 9, IAS 39	Financial Instruments: Disclosures; Financial Instruments; Financial Instruments: Recognition and Measurement	
	- Amendments regarding pre-placement issues in the context of the IBOR reform	January 1, 2020
Conceptual Framework of Financial Reporting 2018		
	Amendments to References to the Conceptual Framework in IFRS Standards – amendments to IFRS 2, 3, 6 and 14 and IAS 8, 34, 37, 38 and IFRIC 12,19,20 and 22	January 1, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.1 Amendments to IFRS that are mandatorily effective for the current year (continued)

The following are considered relevant to the Fund.

- **Amendments to IAS 1 and IAS 8 Definition of Material**
  The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Fund.

- **Conceptual Framework for Financial Reporting**
  The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the financial statements of the Fund.

2.2 New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards, Interpretations and amendments thereto were in issue but were not effective or early adopted for the financial period being reported on:

		Effective for annual periods beginning on or after
New Standards		
IFRS 17	Insurance Contracts	1 January 2023
	Amendments to address concerns and implementation challenges that were identified after IFRS 17 was published	1 January 2023
Revised Standards		
IFRS 3	Business Combinations - Amendments updating a reference to the *Conceptual Framework*	1 January 2022
IFRS 4, 7, 9,16, IAS 39	- Amendments regarding replacement issues in the context of the IBOR reform	1 January 2021

DC STATIONERY DEPOT

3 Beechwood Avenue Shop# 12B
Kingston 5

JAMAICA

Voice: 929-3564
Fax: 968-9541

QUOTATION

Quote Number: 112438
Quote Date: Oct 14, 2026
Page: 1

Quoted To:

UNIVERSAL SERVICE FUND
4TH FLOOR PCJ RESOURCE BUILDIN
36 TRAFALGAR ROAD
Kingston 10
JAMAICA

Customer ID	Good Thru	Payment Terms	Sales Rep
USF	11/13/26	Net 14 Days	

Quantity	Item	Description	Unit Price	Amount
1.00	000	***TRN#: 000-487-015*** IPAD PRO 13 WIFI 512GB with standard glass - Space Black	381,420.00	381,420.00
1.00	000	APPLE PENCIL PRO-AME Attention: Senior Procurement Officer	42,803.80	42,803.80

Subtotal	424,223.80
Sales Tax	63,633.57
TOTAL	**487,857.37**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.2 New and revised IFRS in issue but not yet effective (continued)

		Effective for annual periods beginning on or after
IFRS 1, 9	- Amendments arising from 2018 – 2020 Annual Improvements to IFRS : Subsidiary as a first-time adopter; Fees in the 10% test for derecognition of a financial liability	
IFRS 4	Insurance Contracts - Fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 now revised to:	1 January 2023
IFRS 16	Leases - Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	1 June 2020
	- Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification	1 April 2021
IAS 1	Presentation of Financial statements - Amendments regarding the classification of liabilities and the disclosure of Accounting policies	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of accounting estimate	1 January 2023
IAS 16	Property, Plant and Equipment - Amendment prohibiting deducting from cost of PP&E, amounts received from selling items produced while the entity is preparing the asset for its intended use	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent - Amendments regarding the cost to include when assessing whether a contract is onerous	1 January 2022

The Fund has assessed the relevance of all such new standards, interpretations and amendments, and has determined that the following may be relevant to its operations, and has concluded as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.2 New and revised IFRS in issue but not yet effective (continued)

- **Amendments to IFRS 16 Covid-19 Related Rent Concessions**
  On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment applies to annual reporting periods beginning on or after June 1, 2020. Earlier application is permitted. This amendment is not expected to impact on the financial statements of the Fund.

- **Amendments to IAS 1: *Classification of Liabilities as Current or Non-current***
  In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. This amendment is not expected to impact on the financial statements of the Fund.

- **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**
  In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have an impact on the Fund.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.2 New and revised IFRS in issue but not yet effective (continued)

- **Amendments to IAS 8: *definition of accounting estimated***
  The changes to IAS 8 focus entirely on accounting estimates and clarify the following:
  - The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
  - Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
  - Clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
  - A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

  The amendments are effective for annual periods beginning on or after 1 January 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

  The Fund does not expect any significant impact on its financial statements on implementing the amendments on the effective date.

- **Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**
  In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Fund will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.3 Income taxes

The Fund is exempt from taxation on normal operating activities.

Deferred taxation is not recognised in these financial statements as a result of the Fund's exemption from taxation on normal operating activities and no significant temporary differences in respect of income subject to taxation.

2.4 Income recognition

2.4.1 Revenue is recognised as performance obligations are satisfied, that is, over time or at a point in time. Where a customer contract contains multiple performance obligations, the transaction price is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services being provided to the customer. A contract liability, representing amounts payable to customers, is recognised for advance consideration for which the related performance obligation has not yet been satisfied.

(i) Service levy

Revenue is derived from the collection of the universal telecommunications services obligations levy ("service levy") from telecommunications companies. The service levy is received by the Fund on inbound international telephone calls and is recognized on the accrual basis. The Fund is dependent on information provided by local carriers for the determination of service levy to be recognized for the year. The international carriers remit service levy indirectly to the Fund, through local carriers. The timing of remittances by the carriers involved are not predictable. The monthly accruals for service levy is measured based on the average of the previous actual collections and the telecom traffic reports provided to the Fund periodically. The monthly accruals based on estimates are adjusted when the actual service levy for the respective months is received. The adjustment is recorded in the month in which the remittance of the actual service levy is received and this is generally within two months of the end of the month to which the service levy relates. At the end of each reporting period and at the statement of financial position date, tests are done to ensure the fairness of the amount accrued for service levy and any adjustment to estimated service levy considered appropriate is immediately recognized in surplus or deficit as an adjustment to the accumulated service levy and correspondingly, accounts receivable.

(ii) Interest income

Interest income is recognized in the statement of comprehensive income for all interest bearing instruments on an accrual basis unless collectability is doubtful.

2.5 Property, plant and equipment

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

Depreciation is calculated on the straight-line basis at rates estimated to write off the carrying value of property, plant and equipment over the period of their expected useful lives. The expected useful lives are as follows:

Furniture and fixtures	10 years
Computers and equipment	3 years
Office equipment	5 years
Motor vehicles	5 years

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.5 Property, plant and equipment (continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. 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 Fund. Major renovations are depreciated over the remaining useful life of the related asset.

2.6 Leases

As Lessee
Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Fund.

Assets and liabilities arising from a tease are initially measured on a present value basis. lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- payments of penalties for terminating the lease, if the lease term reflects the Fund exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2.7 Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses 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 greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with maturity dates of less than 365 days from the dates of acquisition including cash at bank and in hand and deposits held at call with banks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.9 Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non- current liabilities. Trade payables are recognised initially at fair value and are subsequently measured at amortised cost.

2.10 Provisions

Provisions are recognised when the Fund has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

2.11 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 Fund's financial assets comprise cash and cash equivalents, long-term receivables, related party balances and other receivables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial liabilities

The Fund's financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method. Financial liability on the statement of financial position comprise trade and other payables.

(i) **Classification**

Classification of the Fund's financial assets depends on the Fund's business model for managing such assets and the contractual terms of the cash flows. Subsequent to initial recognition the Fund classifies its financial assets as:

- those measured at fair value (either through other comprehensive income or profit and loss); and
- those measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt securities, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Fund has made an irrevocable election at the time of Initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Fund commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Fund has transferred substantially all the risks and rewards of ownership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.11 Financial instruments (continued)

Financial liabilities (continued)

(iii) **Measurement**

At initial recognition, the Fund measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of the debt instruments depends on the business model for managing the assets and the cash flow characteristics of the assets. There are three measurement categories for classifying debt instruments:

- Amortised cost - Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other operating income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of comprehensive income.

- Fair value through other comprehensive income (FVOCI) - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other operating Income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as separate line item in the statement of profit or loss.

- Fair value through profit and loss - Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

- As at the 31 March, all financial assets are classified as amortised cost as the Fund holds the assets to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(iv) **Impairment**

The Fund assesses on a forward-looking basis the expected credit loss associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant Increase in credit risk.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

2.11 Financial instruments (continued)

Financial liabilities (continued)

(iv) **Impairment (continued)**

The assessment of credit risk of cash and cash equivalents, long-term receivables, related party balances and receivables requires estimations as to the likelihood of defaults occurring, of the associated loss ratios and of defaults correlations between counterparties. The Fund measures credit risk using Probability of Default (PO), Exposure at Default (EAD) and Loss Given Default (LGD).

3. FINANCIAL RISK MANAGEMENT:

The Fund is exposed through its operations to the following financial risks:

Credit risk
Fair value or cash flow interest rate risk
Foreign exchange risk
Other market price, and
Liquidity risk

In common with all other businesses, the Fund is exposed to risks that arise from its use of financial instruments. This note describes the Fund's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Fund's exposure to financial instrument risks, its objectives, policies and processes for managing those. risks or the methods used to measure them from previous periods unless otherwise stated in this note.

a) Principal financial instruments

The principal financial instruments used by the Fund, from which financial instrument risk arises, are as follows:

Receivables
Cash and cash equivalents
Payables

3. FINANCIAL RISK MANAGEMENT (Continued):

b) Financial instruments by category

Financial assets

	Amortised cost	
	2021 $'000	**2020 $'000**
Cash and cash equivalents	407,532	1,780,733
Service levy receivables	163,973	236,738
Total financial assets	571,505	2,017,471

Financial liabilities

	Financial liabilities at amortised cost	
	2021 $'000	**2020 $'000**
Payables	209,365	1,067,193
Total financial liabilities	209,365	1,067,193

c) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, receivables and payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, receivables and payables approximates their fair value.

d) Financial risk factors

The Board of Directors has overall responsibility for the determination of the Fund's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Fund's finance function. The Board receives monthly reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Fund's internal auditors also review the risk management policies and processes and report the findings to the Audit Committee.

3. FINANCIAL RISK MANAGEMENT (Continued):

d) Financial risk factors (cont'd)

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Fund's competitiveness and flexibility. Further details regarding these policies are set out below:

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fall to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables and cash and bank balances.

Cash and bank balances
Cash and bank balances are held in financial institutions which management regards as strong. These financial institutions are kept under review by the Board of Management.

Accounts receivables
The management of credit risk in respect of accounts receivable is executed by the management of the Fund. The Audit Committee is given the responsibility for the oversight of the Fund's credit risk and the development of credit policies.

The Fund does not hold collateral against its accounts receivable.

Maximum exposure to credit risk
The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables and cash and cash equivalents in the statement of financial position.

ii) Market risk

Market risk arises from the Fund's use of interest bearing, tradeable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from US dollar bank balances. The Fund manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Fund further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

Concentration of currency risk
The Fund is exposed to foreign currency risk in respect of US dollar bank balances amounting to $13,725,117,889 (2020 - $13,880,412,407).

3. FINANCIAL RISK MANAGEMENT (Continued):

d) Financial risk factors (cont'd)

ii) Market risk (cont'd)

Foreign currency sensitivity

The following table indicates the sensitivity of surplus before taxation to changes in foreign exchange rates. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated cash and bank balances and adjusts their translation at the year-end for 6% (2020 - 6%) depreciation and a 2% (2020 - 2%) appreciation of the Jamaican dollar against the US dollar. The changes below would have no impact on other components of equity.

	% Change in Currency Rate 2021	Effect on Surplus Before tax 31 March 2021 $'000	% Change Currency Rate 2020	Effect on Surplus before Tax 31 March 2020 $'000
Currency:				
USD	-6	823,507	-6	832,825
USD	+2	(274,502)	+2	(227,608)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. As the Fund does not have a significant exposure, market price fluctuations are not expected to have a material effect on the net results or stockholders' equity.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

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

Short term deposits are the only interest bearing assets within the Fund. The Fund's short term deposits are due to mature within 3 months of the reporting date.

Interest rate sensitivity

There is no significant exposure to interest rate risk on short term deposits, as these deposits have. a short term to maturity and are constantly reinvested at current market rates.

3. FINANCIAL RISK MANAGEMENT (Continued):

d) Financial risk factors (cont'd)

iii) Liquidity risk

Liquidity risk is the risk that the Fund will be 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; and 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 Fund's liquidity management process, as carried out within the Fund and monitored by the Finance Department, includes:

(i) Monitoring future cash flows and liquidity on a regular basis.
(ii) Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
(iii) Optimising cash returns on investments.

Cash flows of financial liabilities

The maturity profile of the Funds financial liabilities, based on contractual undiscounted payments is as follows:

	Within 1 year 2021 $'000	Within 1 year 2021 $'000
31 March 2021/2020 Payables	209,365	1,067,193
Total financial liabilities (contractual dates)	209,365	1,067,193

e) Capital management

The Fund's objectives when managing capital are to safeguard the Fund's ability to continue as a going concern in order to provide benefits for its stakeholders. The Fund also maintains a strong capital base to support the development of its business.

There are no particular strategies to determine the optimal capital structure. There are also no external capital maintenance requirements to which the Fund is subject.

4. FAIR VALUE ESTIMATION:

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction.

The amounts included in the financial statements for cash and cash equivalents, other receivables and payables approximate fair values because of the short-term maturity of these instruments.

The fair value of the long-term receivables (net of impairment) approximates it's carrying value as it represents revolving loans that will again be on-lent when repaid.

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES:

(a) Critical judgements in applying accounting policies

In the process of applying the Fund's accounting policies, management has made judgements which it believes would have a significant impact on the amounts recognised in these financial statements.

(b) Key sources of estimation uncertainty

Management makes estimates and assumptions concerning the future. The estimate and assumption that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year is disclosed below.

The measurement of expected credit loss allowance for financial assets measured at amortised cost requires the use of complex models and significant assumptions about future economic conditions and credit behaviour such as the likelihood of borrowers defaulting and the resulting losses.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk
- Choosing appropriate models and assumptions for the measurement of ECL
- Establishing the number and relative weightings of forward-looking scenarios
- Service levy income

  In the absence of monitoring facilities available to the Fund, estimates are required in determining the service levy income of the Fund. The timing of remittances by carriers are not predictable hence the average of the previous two months collections as coordinated with the telecom traffic reports provided periodically is used to determine the monthly income. Where the final receipt differs from the amount previously recorded, an adjustment is made in the month of receipt.

6. REVENUE:

	2021 $'000	2020 $'000
Service levy	565,336	617,893

The amount reported includes $1.6M (2020: $2.0M) received from Island Networks Limited under a court judgement awarded on June 20, 2016. The balance receivable under the judgement is $17.7M.

7. OTHER OPERATING INCOME:

	2021 $'000	2020 $'000
Interest income	6,286	45,233
Interest from Funds held by Accountant General	-	221,122
Foreign exchange gain	1,026,653	1,051,627
	1,032,939	1,317,982

Interest from Consolidated Fund represents amount earned on funds held at the Accountant General's Department.

8. EXPENSES BY NATURE:

Total direct and administrative expenses:

	2021 $'000	2020 $'000
Direct cost on projects (1)	1,039,350	1,114,075
Administrative expenses:		
Directors and board expenses	2,208	1,245
Auditors' remuneration	1,093	910
Staff costs (note 17)	156,443	112,567
Depreciation (Note 10)	17,745	21,884
General, stationery and office expense	5,498	5,848
Motor vehicle and travelling	4,804	7,420
Repairs and maintenance	340	144
Subscription	144	112
Office lease and maintenance	7,847	13,802
Finance charge (Note 19)	443	-
Depreciation charge on right of use asset (Note19)	4,629	-
Legal and professional fees	2,356	3,340
Advertising and public relations	4,062	7,775
Software license	4,068	1,248
Corporate social responsibility	2,986	2,580
Utilities	4,394	3,281
Others	3,111	4,007
GCT Withholding Tax Expense	43,729	19,074
Increase in expected credit loss reserve	20,000	54,902
	285,900	260,139
	1,325,250	1,374,214

(1) Project costs consist primarily of expenditure on the e-Learning activities involving the Tablet in School project, the Technology Advancement Programme, Community Access Points, the establishment of Public Wi-Fi, broadband connection (DIA for school, Postal Agencies, Police Stations, Public Libraries and Health Facilities).

9. TAXATION EXPENSE:

(a) The service levy received by the Fund on inbound international telephone calls has been exempted from income tax under Section 12(i) of the Income Tax Act. All other income, including income earned on investments are taxable.

(b) Taxation is computed on the surplus for the year, adjusted for tax purposes and comprise income tax at 25%.

	2021 $'000	2020 $'000
Current taxation	-	-
Withholding tax written off	-	-
Deferred taxation (note 15)	(744)	(1,834)
	(744)	(1,834)

The tax on the surplus before taxation differs from the theoretical amount that would arise using the applicable tax rate of 25%.

	2021 $'000	2020 $'000
Surplus before taxation	273,025	561,661
Tax calculated at tax rate of 25%	(68,256)	140,415
Adjusted for the effects of:		
Non taxable revenue	68,256	-
Withholding tax written off	-	19,074
Other charges and credits	(744)	(161,323)
	(744)	(1,834)

10. PROPERTY, PLANT AND EQUIPMENT:

	Leasehold Improvements $'000	Office & Computer Equipment $'000	Furniture & Fixtures $'000	Motor Vehicles $'000	Total $'000
At cost:					
1 April 2019	12,720	45,994	6,043	38,515	103,272
Additions	1,717	1,154	808	-	3,679
Elimination	-	(271)	-	-	(271)
31 March 2020	14,437	46,877	6,851	38,515	106,680
Additions.	-	2,410	239	-	2,649
31 March 2021	14,437	49,287	7,090	38,515	109,329
Depreciation:					
1 April 2019	1,733	21,450	1,604	14,910	39,697
Charge for the year	1,870	12,901	646	6,467	21,884
Elimination	-	(188)	-	-	(188)
31 March 2020	3,603	34,163	2,250	21,377	61,393
Charge for the year	1,376	9,201	701	6,467	17,745
Elimination	-	-	-	-	-
31 March 2021	4,979	43,364	2,951	27,844	79,138
Net Book Value:					
31 March 2021	9,458	5,923	4,139	10,671	30,191
31 March 2020	10,834	12,714	4,601	17,138	45,287

11. FUNDS HELD BY ACCOUNTANT GENERAL:

	2021 $'000	2020 $'000
Opening balance	12,481,232	11,604,609
Foreign exchange gain	872,646	876,623
Closing balance	13,353,878	12,481,232

The opening balance represents service fee levy forwarded to the Accountant General's Department and placed in the Government's Special Consolidated Fund. Included in the amounts above are US dollar amount of $82,308,809 (2020 - $82,308,809). During the current year these amounts were held interest free (2020 - 3% and 1.5%) on the Jamaican and United States dollar balances respectively.

12. RECEIVABLES:

	2021 $'000	2020 $'000
Service levy receivable	311,446	364,211
Expected credit loss reserve	(147,473)	(127,473)
Financial asset other than cash and cash equivalent classified as amortized cost	163,973	236,738
Staff Loans	796	963
Deposits	1,531	1,529
Prepayments	2,939	1,241
Other receivables	2,371	100
	171,610	240,571

The Fund is dependent on information provided by local carriers for the determination of service fees to be recognized for the year, also there are international carriers who remit service fees indirectly to the Fund, through local carriers. The timing of remittances by the carriers involved are not predictable.

The Fund does not hold any collateral as security for trade receivables.
The Fund applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on credit risk and aging.

The expected loss rates are based on the Fund's historical credit losses experienced over the period prior to period end. Based on the nature of its operations, there is no history of default, hence the expected credit loss calculated is only indicative. Provision for doubtful debts represents balances not collected for over 120 days.

The aging of trade receivables is as follows:

	2021 $'000	2020 $'000
0-30 days	25,997	71,600
31-60 days	45,634	82,890
61-90 days	31,563	11,551
91 days and over	208,252	198,170
	311,446	364,211

Trade receivables that are past due but not impaired

As at 31 March 2021, trade receivables of $60,779,000 (2020 - $38,568,210) were past due but not impaired. These relate to independent telecom carriers for whom there is no recent history of default.

12. RECEIVABLES (CONT'D):

Movement analysis of allowance for expected credit losses on trade receivables

The movement on the allowance for expected credit losses for trade receivables is as follows:

	2021 $'000	2020 $'000
At 1 April	127,473	72,571
Allowance for expected credit losses recognized in year	20,000	54,902
At 31 March	147,473	127,473

The creation and release of allowance for expected credit losses have been included in expenses in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

13. CASH AND CASH EQUIVALENTS:

For the purpose of the cash flow statement, cash and cash equivalent comprise cash at bank and in hand as follows:

	2021 $'000	2020 $'000
Cash at bank an on hand	407,532	1,780,733

At 31 March 2021, the Fund had short term deposits amounting to $378,374,583 (2020 - $1,709,875,066). Interest receivable on short term investments amounted to $Nil (2020 - $8,349,463).

The weighted average interest rate on short term deposits denominated in Jamaican dollars and United States dollars was 2.2% and 3.9%, respectively (2020 – 3.04% and 2.27%, respectively) and these deposits mature within 90 days (2020 - 90 days).

14. CAPITAL CONTRIBUTION:

The capital contribution represents the net of assets .and liabilities of a predecessor entity, Universal Access Fund Company Limited, transferred to Universal Service Fund by the Government of Jamaica, on the commencement of operations of the Fund.

15. DEFERRED TAX:

Deferred tax is calculated in full on temporary differences under the liability method using a principal tax rate of 25%.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities. The amounts determined after appropriate offsetting are as follows:

15. DEFERRED TAX (CONT'D):

	2021 $'000	2020 $'000
Deferred tax liabilities	-	(744)

The movement in deferred tax account is as follows:

	2021 $'000	2020 $'000
Balance at start of year	(744)	(2,578)
Charge for the year (Note 9)	744	1,834
Balance at end of year	-	(744)

Deferred tax liability is due to the following temporary differences:

	2021 $'000	2020 $'000
Accelerated capital allowances	-	(744)

Deferred taxation asset charged to surplus and other comprehensive income comprises the following temporary differences:

	2021 $'000	2020 $'000
Accelerated capital allowances	744	1,834

16. PAYABLES:

	2021 $'000	2020 $'000
Gratuity payable	17,088	14,429
Projects	159,045	1,037,578
Other payables	33,232	15,186
	209,365	1,067,193

Projects represent accruals for approved expenditure to carry out the mandate of the Fund.

17. STAFF COSTS:

	2021 $'000	2020 $'000
Salaries	87,122	75,535
Statutory contribution	4,651	4,036
Staff welfare, training and allowances	49,371	21,509
Gratuity	15,299	11,487
	156,443	112,567

The number of persons employed at the end of the year was:

	2021 $'000	2020 $'000
Permanent	19	17
Temporary	19	14
	38	31

18. RELATED PARTY BALANCES AND TRANSACTIONS:

The following transactions were carried out with related parties.

(a) **Transaction between the Fund and related party**

During the year, the Fund disbursed of $Nil (2020 - $Nil) to E-Learning Jamaica to fund its projects.

(b) **Key management compensation**

	2021 $'000	2020 $'000
Directors' emoluments		
Fees	2,137	735
Expense	71	512
Senior Executives emoluments		
Remuneration	33,432	27,586
Gratuity/Incentive	6,236	252

19. LEASES:

Right-of use asset

	2021 $'000 Building	2020 $'000 Building
Cost		
At April 1	-	-
Addition	11,109	-
At March 31	11,109	-
Accumulated depreciation		
At April 1	-	-
Charge for the year	4,629	-
At March 21	4,629	-
Carrying amount	6,480	-

During the prior year the Fund entered into a new lease for premises used for carrying out its operations. The lease term is for five (2) years with an extension for another 2 years with the option to be exercised near the end of the lease term.

Lease Liability
Maturity analysis

	2021 $'000	2020 $'000
Year 1	5,955	-
Year 2	995	-
	6,950	-
Less unearned interest	(279)	-
	6,671	-
Analysed as:		
Non-current	987	-
Current	5,684	-
	6,671	-

The Fund does not face a significant liquidity risk with regard the lease liability. The liability is monitored by management through cash flow planning.

The fair value of the lease liability on entering into the new lease was $11.109 million which was recognised as the value of the right-of-use asset.

The weighted average lessee incremental borrowing rate applied to the lease liability recognised in the statement of financial position on is 6.61%. The leased premises is no. 7 and 9 Ardenne Road.

19. LEASES (CONT'D):

Amounts recognised in surplus (deficit)

	2021 $'000	2020 $'000
Depreciation expense on right-of-use asset	4,629	-
Interest expense on lease liability	443	-
Expense relating to short term leases	4,438	-

At 31 March 2021 the Fund is committed to $6.951 million (2020: $Nil) for long term leases.

Finance leases relate to rental of premises for carrying out its operation and are negotiated for an average of five years.

	2021 $'000	2020 $'000
Operating lease expenses recognised in the year	4,438	-

20. IMPACT OF COVID - 19:

The World Health Organization declared the novel Coronavirus (COVID-19) outbreak a pandemic on 11 March 2020 and the Government of Jamaica declared the island a disaster area on March 13, 2020. As the Global economy continues to weather the impact of Covid-19 pandemic, nations around the world have taken extraordinary steps to mitigate the impact of the dual public health and financial crises. Disruption to a number of sectors in the economy will continue.

In response to the pandemic, Management has adopted several measures specifically around improved operating efficiency, tighter fiscal management and prioritization of projects.