

ANNUAL REPORT 2018-2019

Betting, Gaming & Lotteries Commission Annual Report 2018 - 2019

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Betting, Gaming & Lotteries Commission 78cef Hagley Park Road Kingston 10 Jamaica, West Indies

876 630 1353 info@bglc.gov.jm www.bglc.gov.jm The Betting Gaming and Lotteries Commission is pleased to present the 43rd Annual Report and Statements of Revenue and Expenditure for the period April 1, 2018 to March 31, 2019.

Actual figures, including totals in most tables and charts, have been rounded to the nearest (\$) million. As a result, some corresponding percentages will reflect changes due to this rounding.

Note: Income figures contained in the sector reports will not necessarily correspond with those reflected in the Financial Statements due to differences in the period used to capture data in the Financial Statements, as compared with licensees' reporting periods.

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ABOUT THE COMMISSION

Who We Are

The Betting, Gaming and Lotteries Commission is an independent statutory body established in 1975 under the provisions of the Betting, Gaming and Lotteries Act of 1965. The Commission licenses, regulates and monitors the local gaming industry, facilitates its growth and development, and protects the public from unfair, unscrupulous and illegal activities.

What We Do



• Regulates and controls the operation of betting, gaming and the conduct of lotteries in Jamaica;



• Grants permits, licences and approvals to persons or entities considered fit and proper to conduct betting, gaming and lottery activities;



• Examines, in consultation with such organisations and persons as it considers appropriate, problems relating to the operation of betting, gaming and lotteries;



• Conducts investigations, studies and surveys for the purpose of obtaining information for use in the exercise of its functions;



• Furnishes information and advice to the Minister of Finance in accordance with the exercise of the Minister's function under the Act and recommends legislative amendments pertaining to the Act, Regulations and Orders to ensure orderly development of the industry.



WHAT WE ASPIRE TO BE



Jamaica's gaming industry is the best regionally in compliance, public confidence and profitability; regulated, facilitated and enabled by an innovative, technology-driven employer of choice.

OUR PURPOSE

MISSION

To enable a viable and reputable gaming industry by balancing the interests of Providers, Consumers, the General Public and Government.

HOW WE PERFORM

CORE VALUES

Symbolized by the acronym **TRAIT**, our core values are the principles that guide us and express how we treat our stakeholders and each other.

TEAMWORK RESPECT ACCOUNTABILITY INTEGRITY TRANSPARENCY

CORPORATE GOVERNANCE STATEMENT

The Board of Commissioners of the Betting, Gaming and Lotteries Commission ('the Commission') continues its dedication to the achievement and maintenance of a high standard of good governance. In this regard, there is full support of the Public Bodies Management & Accountability (PBMA) Act, the Corporate Governance Framework (CGF) for Public Sector Bodies 2012 and international best practices on corporate governance as far as these are applicable and appropriate to the Commission's operations.

The Board of Commissioners

One of the primary responsibilities of the Board is to ensure that appropriate measures are in place for the efficient and effective management of the Commission's resources to enable the continued success of the Commission for the benefit of all stakeholders. With this objective in mind, the Minister of Finance and the Public Service selects and appoints the Board members for a term of three years. The members of the current Board are:

Clovis Metcalfe, OD, Chairman Wayne Chen, Deputy Chairman Paul East Charles Heholt Christopher Reckord Madge Ramsay

During the year, Commissioner Ian Scarlett, having retired from the portfolio Ministry, resigned from the Board effective April 30, 2018. Commissioner Solomon Sharpe also tendered his resignation with effect from December 31, 2018, in light of the conflict recognized when he assumed the position of Board Chairman of Supreme Ventures Racing and Entertainment Limited which is regulated by the Commission.

In addition to the above resignations, Commissioner Wayne Chen was appointed by the Minister as Deputy Chairman in place of Commissioner Anthony Shoucair who resigned in October 2017. Commissioner lan Scarlett was also replaced with Commissioner Madge Ramsay as the Ministry's representative on the Board. Both these appointments are effective from October 1, 2018 to April 5, 2019.

Attendance at Meetings of the Board

There are 11 scheduled meetings in the year of which eight were held.

Names of Commissioners	Meetings Attended
Clovis Metcalfe, OD, Chairman	8/8
Wayne Chen, Deputy Chairman	3/8
Paul East	6/8
Charles Heholt	5/8
Christopher Reckord	6/8
Madge Ramsay	3/8
lan Scarlett	1/8
Solomon Sharpe	3/8

Board members also attended the Strategic Planning retreat held during September 5-7, 2018. Representatives from the management and Board of the Casino Gaming Commission and the Jamaica Racing Commission were also invited to the retreat and participated in the planning process which focused on developing Operational and Strategic Plans for each Commission, as well as an overall plan for the three Commissions in anticipation of the early finalization of the merger.

Subcommittees of the Board

All subcommittees are required to report to the full Board on any actions or proposed actions to be taken as well as to present any recommendations made at their respective meetings for the Board's approval.

AUDIT & RISK

Commissioners Wayne Chen and Madge Ramsay were appointed to the Committee on January 25, 2019. The Committee meets bi-monthly and all meetings were held in the reporting year:

Members	Meetings Attended
Paul East, Chairman	4/6
Ian Scarlett	5/6
Kirby Clarke	4/6
Diyal Fernando	6/6
Wayne Chen	1/6
Madge Ramsay	0/6

The responsibilities and work of the Committee are detailed in the Audit & Risk Committee Report.

COMPLIANCE & MONITORING

Quarterly meetings of the Compliance & Monitoring Committee are scheduled in the year. One meeting was held at which both members of the Committee, Commissioners Solomon Sharpe and Paul East, were in attendance. Given Commissioner Sharpe's resignation from the Board, Commissioner Madge Ramsay was appointed on January 25, 2019 to chair this Committee.

ENFORCEMENT & SECURITY

The Enforcement & Security Committee has oversight of the activities carried out by the Enforcement division of the Commission. The Committee meets on a quarterly basis and three of the four meetings were held:

Members	Meetings Attended
Charles Heholt, Chairman	3/3
Christopher Reckord	1/3
Sherene Golding-Campbell	1/3
Legal Services Director	2/3
Executive Director	2/3
Enforcement Director	3/3

HUMAN RESOURCE

The Human Resource Committee engages in the annual review of the corporate goals and objectives of senior management and their compensation as well as in the review of changes to the Human Resource Policy and Procedures manual. Other responsibilities of the Committee include reviewing claims from the union and management's responses, and the recommendations of the Disciplinary Committee. Meetings are scheduled every two months:

Members	Meetings Attended
Solomon Sharpe, former Chairman	2/5
lan Scarlett	2/5
Wayne Chen, new Chairman	0/5
Madge Ramsay	0/5

Commissioners Wayne Chen and Madge Ramsay were appointed to the Committee on January 25, 2019.

SPECIAL PROJECTS

The mandate of the Special Projects Committee is to oversee and monitor the capital budget and expenditure policy and the two properties owned by the Commission, namely 78cef Hagley Park Road and 10 Winchester Road. The Committee is also responsible for reviewing the procurement of contracts at a specific level and relevant reports from the Procurement unit in the Human Resource and Administration division. The six meetings scheduled in the year were held:

Members	Meetings Attended
Charles Heholt, Chairman	6/6
lan Scarlett	6/6
Madge Ramsay	0/6

Commissioner Ramsay joined the Committee's membership on January 25, 2019.

SPECIAL IT

During the year, the Board formally established a Special IT Committee which is tasked with oversight of the completion of the Gaming Management and Information Systems (GMIS) project and to monitor the efficiencies of the Commission's hardware and software used in its daily operations. Monthly meetings are scheduled commencing February 2019.

Members	Meetings Attended
Paul East	1/2
Wayne Chen	1/2

Changes to the Name, Role and Responsibilities of Board Committees

In line with the new strategic direction of the Commission, the Board on February 22, 2019 agreed to restructure its subcommittees which resulted in the liquidation of the Enforcement & Security Committee mentioned earlier, the creation of a Governance & Strategy Committee and changes to the names of the Special Projects (Ad Hoc) Committee and the Compliance & Monitoring Committee. Work is currently in progress to review the membership and update the mandate of each Committee, as well as to develop a charter for the new committee and to formalize the Special Projects Committee (now Major Projects).

Board Performance Evaluation

A performance evaluation of the Board and its members is carried out each year. With respect to the reporting year, the Commission was selected to participate in the pilot project using the Board Performance Evaluation Instruments developed by the Portfolio Ministry.

Code of Conduct and Corporate Governance Manual

The Board is also guided by its Corporate Governance Manual, Code of Conduct, Conflict of Interest Policy, and procedures for the administration of its meetings and those of its subcommittees.

Anna Young, LL.B. (Hons.), FCIS Company Secretary | March 31, 2019



Anna Young is a Fellow of ICSA The Governance Institute, United Kingdom, the certifying body for Chartered Secretaries/Governance Professionals worldwide. She is also a graduate of the University of London with a Bachelor of Law degree. Ms. Young has over 20 years' practical experience as a Company Secretary in both the public and private sectors, including publicly listed companies. She has served as Group Company Secretary of the Urban Development Corporation and its subsidiaries and affiliated companies where she gained extensive knowledge in the administration of public sector companies and statutory bodies. She is currently a member of the Executive of ICSA Jamaica branch. The Audit & Risk Committee provides oversight of the Commission's financial reporting process and advises the Board on the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the Commission, as well as the level of compliance with relevant laws, regulations and guidelines. Its responsibilities also include reviewing the performance of the Internal Auditor and audit plans and overseeing the Commission's relationship with the external auditors. The Internal Auditor is invited to attend all meetings of the Committee.

Other responsibilities of the Committee include:

- Review the key risk exposures and management's actions in monitoring and controlling these exposures including the risk assessment and risk management policies.
- Review the processes in place for whistle blowing and fraud.
- Review the plans, activities, staffing and organizational structure of the Internal Audit department and any recommended changes thereto.
- Meet with the external auditors to discuss their proposed audit planning, scope, staffing and timetable for completion of the audited financial statements.
- Report to the Board on a regularly basis.

Internal Audit

The Committee examined nine audit reports during the year and is satisfied that the internal audit function is working efficiently and that the risks associated with the Commission's operations are addressed in the audits. The Internal Audit department achieved over 90% completion of the 2018-2019 Audit Plan approved by the Board. During the year, the Committee approved additional human resource for the department to ensure that its work was carried out at the maximum efficiency level. The Committee reports regularly to the Board on its activities and ensures that matters requiring the specific attention of the Board are brought for discussion at Board meetings.

Internal Controls

The systems of internal control employed by the Commission to financial and risk management aretransparent, efficient and effective.

External Audit

The Committee met with the auditors to review and discuss the specific matters referred to in its management letter and control memorandum and management was directed to immediately address these matters. For the current year, an audit planning meeting was convened in February 2019 with the external auditors to discuss the audit scope and expectations for completion of the audit to meet the regulatory filing requirements.

Commissioner Paul East Committee Chairman March 31, 2019

Compensation For Commissioners For Financial Year Ended March 31, 2019

Name Position		Fees	Travelling Allowance	Total
		(\$)	(\$)	(\$)
Clovis Metcalfe, OD	Chairman	266,400.00	23,641.00	290,041
Charles Heholt	Commissioner	165,800.00	10,405.80	176,206
Paul East	Commissioner	152,850.00	13,630.00	166,480
Christopher Reckord	Commissioner	115,750.00	14,983.60	130,734
Solomon Sharpe	Commissioner	84,600.00	5,583.60	90,184
Wayne Chen	Deputy Chairman	60,750.00	2,707.20	63,457
Madge Ramsay	Commissioner	47,800.00	2,397.00	50,197
Total		893,950.00	73,348.20	967,298.20

Notes:

- 1. Commissioners are paid fees as stipulated by the Ministry of Finance and the Public Service guidelines.
- 2. Commissioner Solomon Sharpe resigned during the year ended March 31, 2019.

PHOTO HIGHLIGHTS OF EVENTS & ACTIVITIES



BGLC's Management team met with executives from the Gaming Board for the Bahamas to exchange regulatory insights and best practices



The Honourable Fayval Williams (2nd left) joined Chairman Metcalfe and Executive Director Evans to present the Diamond Mile championship trophy to the winning connection for Will In Charge



Noel Bacquie, Director of Enforcement welcomed Adrian Sands, Special Projects Executive, Gaming Board For The Bahamas to the Commission's office.



Chairman Metcalfe and Commissioners for BGLC and JRC at Diamond Mile Race Day

BOARD OF COMMISSIONERS

CHARLES HEHOLT 2. CHRISTOPHER RECKORD

3. CLOVIS METCALFE, OD - CHAIRMAN

WAYNE CHEN - DEPUTY CHAIRMAN 5. MADGE RAMSAY

6. PAUL EAST

CLOVIS METCALFE, OD \\ Chairman

Commissioner Metcalfe is a veteran banker who served as Managing Director of CIBC First Caribbean International Bank (Jamaica) Limited and as a Director of CIBC First Caribbean International Bank Securities Company (Jamaica) Limited. He was conferred with the National Honour of Order of Distinction, Officer Class, in 2014 for outstanding services to the Public Service and Banking.

In 2013 Mr. Metcalfe received the 'Monsignor Gladstone Wilson Award' from the St. George's College Old Boys Association in recognition of the outstanding contribution to his alma mater, dedicated service to the Old Boys Association and excellence in the field of International Banking and Community Service.

On September 29, 2018 he was inducted into the St. George's College Hall of Fame as an influential and internationally recognized corporate banker extraordinaire, committed to community spirit and the well-rounded development of St. George's College.

WAYNE CHEN \\ Deputy Chairman

Commissioner Chen is the Chairman of Super Plus Food Stores, CVM Television, and the Southern Regional Health Authority. He is a past Chairman of NCB Insurance Company, NCB Cayman, West Indies Trust Company, the Urban Development Corporation, National Land Agency, Land Administration and Management Programme, and the National Gallery of Jamaica. He currently serves as President of the Caribbean Employers Confederation, a regional association representing 19 national employers' organizations, and as a member of the CARICOM Human Resource Development Commission. He was the Jamaica Observer's 1998 Business Leader of the Year. Mr. Chen chairs the Commission's Human Resource Committee and is a member of the Audit & Risk and Governance & Strategy Committees.

CHRISTOPHER RECKORD \\ Commissioner

Commissioner Reckord is the Chief Executive Officer of tTech Limited, a company which is listed on the Jamaica Stock Exchange Junior Market. He has over 31 years experience in information technology and data communications. He serves as Council Member of the Jamaica Computer Society; Council Member of the Private Sector Organisation of Jamaica and Chairman of their membership committee. Commissioner Reckord is Chairman of the Board of eLearning Jamaica Company Limited. He is a member of the Commission's Governance & Strategy Committee.

PAUL EAST \\ Commissioner

Commissioner East holds a Master's Degree (Honours) in Business and a Bachelor's Degree in Finance and Information Systems. He has been the driving force behind Neveast Supplies Limited for the past 20 years. Commissioner East serves as Chairman of the Commission's Audit & Risk Committee and is a member of the Licensing & Registration Committee.

CHARLES HEHOLT \\ Commissioner

Commissioner Heholt holds a Bachelor's Degree in Engineering from McMaster University, Canada. He is the Operations Manager at IGL Limited and serves as Chairman of the Commission's Major Projects Committee.

MADGE RAMSAY \\ Commissioner

Commissioner Ramsay is the Acting Director Policy Review and Development in the Ministry of Finance and the Public Service, where she has been employed in the Taxation Policy Division since 2001. At the Ministry, she has served on many committees and sub-committees representing tax policy matters, including being a part of the Secretariat for the Incentives Working Group. Commissioner Ramsay is on the Tax Reform Working Group established by the Minister of Finance & the Public Service to advise on tax reform. As a civic-minded individual, she has been a member of Optimist International Caribbean District since 1998 and has risen to the level of Lieutenant Governor. She has also served multiple citizens' associations. Commissioner Ramsay is the Chairman of the Commission's Licensing & Registration Committee and a member of the Audit & Risk and Major Projects Committees.

PHOTO HIGHLIGHTS OF EVENTS & ACTIVITIES



Sponsors of Diamond Mile 2018 were recognized with special awards presented by Carole Martinez-Johnson, Director of ICT (3rd right) at the event launch



Team members celebrated the opening of The BGLC Fitness Centre by Dr.The Honourable Nigel Clarke, Minister of Finance and the Public Service



BGLC Team Members enjoyed a day of team building activities at Good Hope in Trelawny



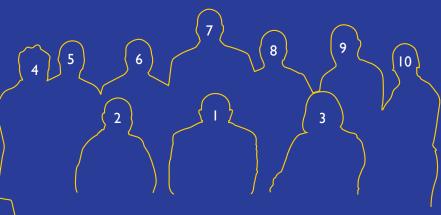
BGLC Star Awards were given to team members who worked tirelessly during the 2018 Licensing Amnesty and Blitz to ensure gaming establishments across the island where given information about gaming license requirements



Vitus Evans, Executive Director with the Commission's Administrative Professionals.

SENIOR MANAGEMENT TEAM





- Vitus Evans Executive Director
- 2 Carole Martinez-Johnson Director - Information & Communication Technology
- 3 Lorraine Thompson-Barnett Director - Finance & Accounts
- 4 Laurie Wiggan Director - Compliance & Regulatory

- 5 Jeanette Lewis Manager, Corporate Affairs & Communication
- 6 Winston Jackson Internal Auditor
- 7 Maurice Thompson Director - Licensing & Registration
- 8 Karla Small Dwyer Director - Legal Services

- 9 Noel Bacquie Director - Enforcemen
- 10 Sandra Antonio Director - Human Resources & Administration

CHAIRMAN'S STATEMENT

Clovis Metcalfe, OD

CHAIRMAN

The impact of changes in the global gaming landscape and the speed with which technological forces are driving new forms of gambling as well as new online gambling platforms, presents the BGLC with new and more complex challenges. am very pleased to report that we had another year of strong financial performance and again exceeded annual targets in relation to our financial position as well as revenue intake from the gaming industry. We closed the year with \$1.38 billion in BGLC earnings, after tax profit of \$458.5 million and an accumulated surplus of \$1.66 billion. Government revenue collected from industry sales totalled \$7.546 billion, proving that the gaming industry continues to add substantial value to the national economy.

The Commission also made noteworthy strides in increasing overall industry compliance and employee performance thanks first and foremost to our very committed and hard-working team, coupled with a more purposeful approach to strategy execution and the implementation of a comprehensive culture transformation process. We set the bar quite high for ourselves in 2017 when we crafted a new 2025 Vision for the Commission and challenged ourselves to embark on a new strategic path that is—in large part—contingent on completion of the merger with the Jamaica Racing Commission (JRC) and the Casino Gaming Commission (CGC).

Merger Preparations

Work continued in earnest during the year with the roll-out of several initiatives in keeping with the merger integration and execution plan, as ratified by the Merger Steering Committee. These include commencement of a Change Management & Culture Transformation Programme along with a Leadership Development Programme. Both programmes were simultaneously implemented across the three entities (BGLC, JRC, CGC) and will continue for the foreseeable future until the merger has been successfully concluded.

The following key deliverables were also completed during the review period:

- Preparation of a Draft Jamaica Gaming & Racing Commission (JGRC) Bill
- Preparation of an Organizational Structure Design & Implementation Plan
- Development of a Talent Strategy & Compensation Design
- Implementation of a harmonized Performance Management System
- Preparation of Strategic Business Plan for the merged entity

A significant disappointment however, is the fact that despite our best efforts to ready ourselves for the merger, we again encountered further setbacks, which we hope can be resolved during the next fiscal year.

As a consequence of the continued delay in completing the merger, much of the organisational adjustments needed

to operationalise our strategy could not be implemented, resulting in some strategic targets for FY 2018-2019 not being met. Chief among the needed adjustments is the build out of a more suitable organisational structure with the requisite staffing to properly regulate this evolving industry in order to ensure it achieves its full potential as a viable and sustainable source of revenue for the government.

As we seek to transform the BGLC to become more purpose-driven and to establish a regulatory framework that is scalable, it is imperative that we focus equal attention on building our internal capacity and ensuring that we have the right structure, systems and resources in place to appropriately manage and monitor the everchanging gaming landscape, which is being driven now more than ever by technology. This is the only way that this Commission can truly exercise its mandate, which is to assure compliance; promote responsible gaming; protect the public and those who are most vulnerable to underage and/or problem gambling; and maximize government revenue by facilitating the orderly growth of the industry through effective and sustainable regulation.

The impact of changes in the global gaming landscape and the speed with which technological forces are driving new forms of gambling as well as new online gambling platforms, presents the BGLC with new and more complex challenges. These realities require greater organisational and legislative agility and a more dynamic approach to regulatory oversight to deal with the anticipated explosion of popular industry trends such as iGaming; mobile and multi-platform gaming as well as issues such as fraud prevention, Anti Money Laundering (AML) and under-age gambling within this new digital paradigm.

Industry Support

In keeping with our mantra of facilitating and enabling growth and development of the local gaming industry, the Commission initiated a stimulus plan in 2015 to reinvigorate the floundering horseracing industry and elevate its appeal to a more youthful market. That effort became known as The Diamond Mile: an elite race day that offers the richest purse in the English-speaking Caribbean and an exclusive in-field experience akin to Britain's Royal Ascot. The results has been exceptional over the past 4 years with sales figures ranging from \$60 - \$70 million for the day. Over the past 4-years the Diamond Mile has yielded over \$265 million in combined sales.

With the proven success of the Diamond Mile, the sales boost in pari-mutuel betting on local horseracing and the divestment of Caymans Track, the Commission will become less involved in the staging of the Diamond Mile going forward. We will continue to fund the purse for the event and provide sponsorship for other race day events. The Commission will also continue to support The Diamond Mile Jockey Scholarship which provides funding for a resident of the community surrounding Caymanas Park to attend in the Jamaica Racing Commission Jockey School. The Diamond Mile Jockey Scholarship was introduced for the 2018 staging of the Diamond Mile.

Corporate Social Responsibility

The Commission's Corporate Social Responsibility efforts were sustained throughout the year with an increased allocation of \$12 million to finance the BGLC's Tertiary Education Fund. The Fund, which was established in 2014, provides merit-based education grants to assist students from across Jamaica with tuition expenses.

The Commission also continued to work very closely with RISE Life Management Services which offers the Caribbean's only gambling prevention, treatment and research programme. BGLC funds the agency's research, treatment and prevention programs and has also partnered with RISE to conduct responsible gaming training programmes for our licensees.

IAGR Conference

The BGLC received further international recognition this year by way of a successful bid submission (in collaboration with the Casino Gaming Commission) to the International Association of Gaming Regulators (IAGR) to host its 2019 Annual Conference at the Half Moon Hotel in Montego Bay. The IAGR Conference, which is being held in the Caribbean for the first time, will provide a unique opportunity for networking and knowledge sharing among global industry experts and regulators.

It is anticipated that representatives from gaming jurisdictions on every continent will visit Jamaica for this 4 day event. Discussion topics will include Anti Money Laundering (AML), crypto currency and impact of technology on the gaming industry, Cybercrime, among others.

Challenges notwithstanding, the progress made during this year would not have been realised without the collective efforts of each and every employee. On behalf of Board of Commissioners, I convey our collective appreciation and commend the Executive Director and the BGLC team at large for their commitment and for the hard-won achievements over this past year. I wish to extend special thanks to our partners and stakeholders for the continued support and cooperation as the BGLC strives to lift the standard of gaming practices in Jamaica and facilitate the orderly growth and development of the Industry.

Clovis Metcalfe, OD Chairman



Chairman Metcalfe and Executive Director Evans with Diamond Mile 2018 Style Ambassadors Terri-Karelle Reid and Garfene Grandison.



A special toast from Chairman Metcalfe for Jockey Robert Halledeen who rode Will In Charge to win the championship trophy at Diamond Mile 2018

PHOTO HIGHLIGHTS OF EVENTS & ACTIVITIES



The Corporate Affairs & Communications Department collaborated with Licensing & Registration to share information on license renewals at the 2019 Remote Licensing exercise



Special recognition was given to the children of Commission team members who were successful in the GSAT examinations



Team members of Licensing & Registration and Compliance & Regulatory divisions dressed in national colours to observe Jamaica Day.



Staff of the Commission took time out from regulating Jamaica's gaming industry to form the Pink Ribbon, the symbol of Breast Cancer Awareness, to pay tribute to all those among us who are affected by Breast Cancer.



International Womens Day 2019 was the perfect occasion for the ladies of the Commission to spend time creating vision boards to depict their intentions for personal and professional success



Staff of all 3 gaming commissions - BGLC, JRC and CGC - represented well at the 2019 Sagicor Sigma Corporate Run

EXECUTIVE DIRECTOR'S OVERVIEW

Vitus Evans

EXECUTIVE DIRECTOR

We redefined our approach to compliance monitoring this year and concentrated most of our efforts toward persuasion (60%) versus enforcement (40%). he BGLC performed creditably during the 2018-2019 fiscal year (FY). We achieved another year of solid financial performance, which I ascribe entirely to our dedicated and hard-working team. Our strategic focus on strengthening industry compliance through greater levels of stakeholder engagement and benchmarking global industry standards and best practices continued to make in-roads in reducing the incidence of illegal gambling activity in Jamaica as well as improving government revenue across all sectors of the gaming industry.

However the primary challenge the Commission faced during the year related to the lingering incertitude surrounding the proposed merger with the Jamaica Racing Commission and the Casino Gaming Commission. The protracted delay in completing the merger continued to impact this Commission's ability to function at optimal levels due to long-standing human resource constraints and our inability to effect necessary enhancements to our organizational and operational structures until the merger has been approved. We missed some targets as a result, but look forward to these being fully realised in the new fiscal year with the introduction of recovery measures.

Financial & Industry Highlights

The Commission recorded revenue of \$1.38 billion, a 12.5% increase over the previous year, with after tax profit increasing by 9.6% to \$458.5 million. The BGLC's solvency position remains positive with accumulated surplus of \$1.66 billion, an increase over last year of 13.7%. Total assets increased by 18.8% to \$2.23 billion, moving from \$1.9 billion for 2017/2018.

Industry performance remained strong during the year, yielding \$7.546 billion in government revenue which represents a 7% increase over projected industry revenue and 16.3% more than total government revenue collected during FY 2017-2018. CHASE Fund contributions also increased this year to \$1.9 billion or 16.5% over last year.

When compared to FY 2017-2018, gaming industry sales grew by a modest 6% to reach \$171.8 billion. In terms of distribution, just over \$113 billion or 66% of sales was generated by the Gaming Machine sector, while \$47 billion or roughly 27% came from Lottery sales and \$11.8 billion or 7% from sales in the Betting sector.

Although more than half (66%) of industry sales was generated from the Gaming Machine sector, the majority of government revenue continues to be derived from the Lottery sector, representing some 87% of total government revenue or more than \$6.5 billion. The Gaming, Betting and Prize Promotions sectors accounted for 8.99%, 3.94% and 0.21% of total government revenue respectively.

Summary of Government Earning by Sector:

Prize Promotions	\$0.016 \$7.546	
Gaming Betting	\$0.678 \$0.297	
Lottery	\$6.554	

Operational Highlights

The Commission surpassed performance targets for four (4) critical indicators in respect of industry compliance, government collections, employee performance and financial management. Progress in meeting other key strategic targets for FY 2018-2019 was generally slow however due largely to operational and human resource constraints. A strategy review will be conducted in Q1 of FY 2019-2020 to develop further initiatives to help close the performance gaps.

Key Performance Indicator	Target	Actual
% Providers in Compliance with all Regulations	65	65%
Total Government Collection (\$B)	7.2	7.546
% Staff Scoring 80% or above on Performance Measurement System	30	83
Surplus before Capital Distribution (\$M)	450	458

Compliance Monitoring & Engagement

In keeping with our strategic focus on improving industry compliance, we redefined our approach to compliance monitoring this year and concentrated most of our efforts toward persuasion (60%) versus enforcement (40%).

As a starting point, we ramped up engagement with several key industry stakeholders, in particular Technical Service Providers (i.e. local manufacturers of gaming machines). We developed a licensing regime for that group and established minimum technical standards for locally-made machines. Our aim is to significantly reduce the proliferation of illegal, locally-manufactured machines by: (1) streamlining and empowering legitimate local manufacturers; and (2) ensuring that operators of gaming establishments purchase locally-made machines from only those suppliers who are duly licensed by the BGLC.

To complement that effort, we also embarked on an island-wide Licensing Amnesty & Compliance Blitz where our Licensing Division and Compliance Division pooled resources in a concerted and sustained effort over a 4 month period to seek out, directly engage and persuade illegal operators to become legal.

Not only did this approach allow us to take our compliance message directly to major towns and communities where intelligence pointed to high levels of illegal gaming activity, our teams also identified a number of unlicensed machines and gaming establishments that had been operating under our radar for years. By the end of the campaign, we recorded a 64% increase in the number of newly licensed gaming machines.

AML/CFT

Efforts to strengthen the Commission's Anti Money Laundering (AML)/Countering Financing of Terrorism (CFT) oversight were sustained throughout the year to ensure that we implement the necessary internal policies and control systems for comprehensive AML/CFT compliance monitoring.

This year we worked closely with the Financial Investigations Division (FID) to facilitate further training for members of our Compliance Division as well as gaming lounges operators in the use of the FID's goAML Portal.

As the Competent Authority for gaming lounges (i.e. gaming establishments with 20 or more gaming machine stations), the BGLC has supervisory-level access to the goAML Portal and can now register and approve gaming lounge operators, view data on Suspicious Transaction Reports (STR)/Suspicious Activity Reports (SAR) and communicate directly with the FID in real time via the Portal.

On the policy side, the Commission was invited in December 2018 to join the delegation of Ministries, Departments and Agencies (MDA) undertaking legislative and institutional reforms in order to strengthen Jamaica's AML/CFT framework. Members of the BGLC Compliance Division will participate in a series of legislative and operational meetings spearheaded by the Ministry of Finance and the Public Service (MFPS) in preparation for Jamaica's re-rating by the Caribbean Financial Action Task Force (CFATF) and Mutual Evaluation Reporting at the CFATF May 2020 Plenary.



Vitus Evans, Executive Director, welcomed Dr. The Honourable Nigel Clarke, Minister of Finance and the Public Service to the BGLCs Wellness Day and Farmers Market

2019 IAGR Conference

The International Association of Gaming Regulators (IAGR) confirmed acceptance of our invitation to host its 2019 Annual Conference in Jamaica. A first for the Caribbean, the decision was announced in September 2018 following the BGLC's successful bid submission to the IAGR Board of Trustees.



Trude Felde, President of the International Association of Gaming Regulators (IAGR) accepted a token from Jamaica from Vitus Evans, Executive Director and Audrey Robinson, Secretary/Manager - Casino Gaming Commission, to signify that Jamaica will welcome the IAGR Conference to Jamaica in October 2019

Preparation of the bid submission, including production of a promotional video that showcased Jamaica and the work of the BGLC, was spearheaded by our very capable Corporate Affairs & Communications Department whose team members worked tirelessly to secure this acclaim for Jamaica and the Caribbean.

The IAGR Annual Conference is a prime calendar event for gaming regulators, industry experts and stakeholders from across the globe and provides a forum for industry leaders to share knowledge and insights regarding regulatory policy, emerging industry trends and issues of mutual interest.

As we look forward to building on our successes and surmounting known and unknown challenges in the coming years, I am mindful that we can only do so through the strengths and combined efforts of our very dedicated and talented professionals. I therefore use this opportunity to express my immense gratitude to the entire BGLC team, our partners and stakeholders, and affirm our continued commitment to regulating, facilitating and enabling "a vibrant and reputable gaming industry".

Vitus Evans Executive Director



EDUCATION FUND



The top 6 students who received the 2018 BGLC Education Grant were I-r Katryce Stephens, Ranaldo Campbell, Demali Forte, Janique Dawkins, Antonio Johnson and Shenel Graham



Dr. The Honourable Nigel Clarke captured the attention of I-r Executive Director Evans, Chairman Metcalfe, Janique Dawkins and Naomi Garrick.



2018 BGLC Education Grant recipients with executives of the Betting Gaming and Lotteries Commission

220 TERTIARY STUDENTS BENEFIT FROM BGLC TERTIARY EDUCATION GRANT

For the academic year 2018-2019 the BGLC allocated just over \$11 million dollars to assist students with tuition fees for their tertiary education. 220 students representing 18 tertiary institutions across the island received the award.

"The BGLC Tertiary Education Grant served as a beacon of hope for my family and I as it helped to ease the burden of paying the full amount of my tuition," said Renaldo Campbell, a student at UWI studying towards a degree in Geology.

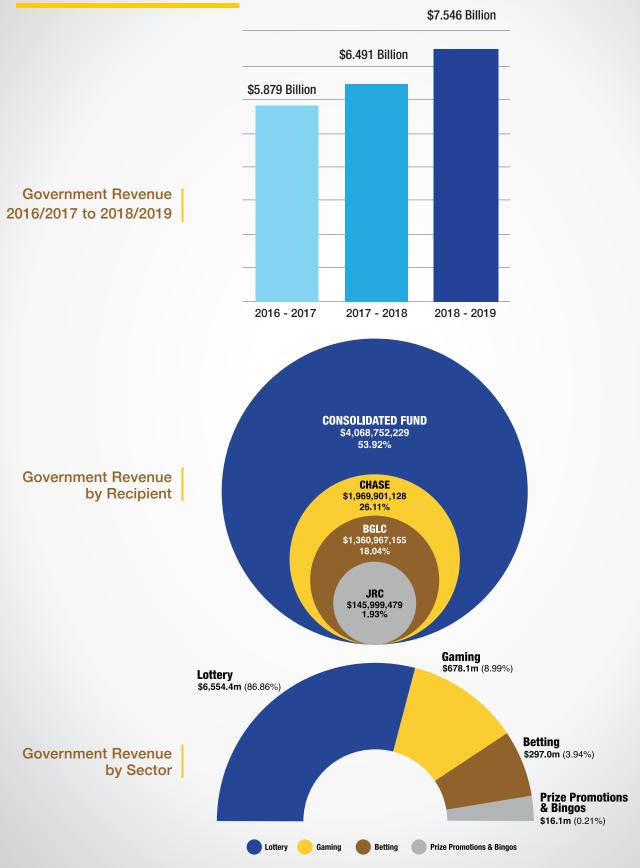
This sentiment was shared by many other students and their parents who attended the BGLC Education Grant 'Meet & Greet' at Mona Visitor's Lodge. The event is hosted by the Commission each year to provide an opportunity for the BGLC team members to meet the students who have received the tuition assistance. Dr. The Honourable Nigel Clarke, Minister of Finance & the Public Service was the keynote speaker at the event and Naomi Garrick, personal branding coach delivered a motivational talk titled "Being Responsible For Your Reputation."

Speaking on behalf of the BGLC Education Grant recipients, Janique Dawkins, who had emerged as the top applicant, thanked the BGLC for recognizing the challenge that students face in meeting their

> tuition expenses and following through with a commitment to assist.

The BGLC implemented the Education Fund in August 2014. Since then the Commission has invested more than \$40M to assist 628 students with their tertiary education tuition fees.

STATISTICAL HIGHLIGHTS



SNAPSHOT OF THE GAMING INDUSTRY

Sector	Operator Category	Operating Activity Regulated	# of Operators	Government Reven	ue Registered
Betting Sector	Bookmakers	 Local & simulcast horseracing Sports Betting inclusive of online Casino games Betting Revenue Assurance AML-CFT - Operators offering player account wagering 	7 Bookmakers ¹	Revenue: Licence Fees: TOTAL	\$185,202,517 \$4,920,000 \$190,122,517
	Racing Promoter	On & Off Course Track BettingRacing Revenue Assurance	1 Racing Promoter	Revenue: Licence Fees: TOTAL	\$102,977,855 \$3,904,000 \$106,881,855
Lottery Sector	Lottery Promoter	Lottery GamesLottery Draw ProceduresLottery Revenue Assurance	1 Lottery Promoter	Revenue: Licence Fees: TOTAL	\$6,501,983,188 \$52,465,600 \$6,554,448,788
Gaming Sector	Slot Machine Operators - Gaming Lounges & Under 19s Locally Made Gaming Machine Operators	 Operation of slot machines including monitoring meter readings Gaming Machine Revenue Assurance AML-CFT : DNFIs - Operators of 20 or more gaming machines Operation of locally made gaming machines - Not under Gross Profit Tax Regime 	 31 Operators with an aggregate of 2626 gaming seats: 12 Gaming Lounge Operators of gaming machines - slots with 22 locations island-wide 19 Non-Gaming lounges Under 19 Operators of gaming machines - slots with 66 locations island-wide 	Total Gaming Sector I Gaming Lounges: Non-Gaming Lounge License Fees: TOTAL	\$551,682,289
Technical Service Providers	Manufacturers of locally made gaming machines	-	14 Technical Service providers island-wide		\$2,800,000
Prize Competition	Prize Competition Promoters	Prize Competition Draws			\$16,033,750
Charitable Bingo	Charities & Non-Profit Organisations (NGOs)	-			\$60,000

1. Revenue for 1 Bookmaker is not included in the statistics. Olympic Sports Data Services located in the Special Economic Zone, formerly Montego Bay Free Zone, is not subject to betting taxes.

GOVERNMENT REVENUE PAYABLE AND COLLECTED

2018 - 2019

	TA Consolidated Fund	LJ CHASE	BGLC	JRC	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
BETTING SECTOR					
Bookmakers					
Local & Simulcast Racing	10,149	-	16,841	84,203	111,193
Sports	48,570	6,939	6,939	-	62,447
Unclaimed Winnings	-	-	11,563	-	11,563
Bookmakers Permit & License Fees	-	-	4,920	-	4,920
Racing Promoter					
Racing Promoter License Fees	-	-	3,904	-	3,904
Local & Simulcast Horseracing Taxes	27,465		13,716	61,797	102,978
Total - Betting Payable	86,184	6,939	57,882	145,999	297,004
Betting Levies/Taxes Paid	82,520	6,487	36,259	139,435	264,701
Unclaimed Winnings	-	-	11,563	-	11,563
Racing Promoter License Fees	-	-	3,904	-	3,904
Bookmakers License Fees	-	-	4,920	-	4,920
Total - Betting Collected	82,520	6,487	56,647	139,435	285,088
LOTTERY SECTOR					
Lottery Taxes	3,224,303	1,715,378	845,975	-	5,785,656
Lottery Tax Winnings Levy	337,345	-	-	-	337,345
Unclaimed Winnings	-	189,491	189,491	-	378,982
Lottery Licence Fees	3,853	-	48,613	-	52,466
Total - Lottery Payable	3,565,500	1,904,869	1,084,079	-	6,554,449
Lottery Taxes	3,112,331	1,729,712	835,133	-	5,677,176
Lottery Tax Winnings Levy	315,983	-	-	-	315,983
Unclaimed Winnings	-	183,689	189,211	-	372,899
Lottery Licence Fees	3,853		48,613	-	52,466
Total - Lottery Collected	3,432,166	1,913,400	1,072,957	-	6,418,523
GAMING SECTOR					
Gaming Machine Levies & Fees	39,462	-	54,880	-	94,342
Technical Service Providers Fees			2,800	-	2,800
Gross Profit Levy & Contributions	377,606	58,093	145,232	-	580,931
Total - Gaming Payable	417,068	58,093	202,912	-	678,073
Gaming Machine Levies & Fees	39,462	-	54,880	-	94,342
Technical Service Providers Fees (TSP)	-	-	2,800		2,800
Gross Profit Levy & Contributions	311,545	47,484	118,850	-	477,880
Total - Gaming Collected	351,007	47,484	176,530	-	575,022
Charitable Lottery - Bingo	-	-	60	-	60
PRIZE PROMOTIONS					
Prize Competition Fees	-	-	16,034	-	16,034
GRAND TOTAL - PAYABLE	4,068,752	1,969,901	1,360,967	145,999	7,545,620
GRAND TOTAL - COLLECTED	3,865,692	1,967,372	1,322,227	139,435	7,294,727

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GOVERNMENT REVENUE PAYABLE AND COLLECTED

GOVERNMENT REVENUE				TAJ				BGLC			JRC		B	GRAND TOTAL	-
PAYABLE &	Cons	Consolidated Fund			GHASE										
COLLECTED		\$M			\$M			\$M			\$M			\$M	
	2018/2019	2017/2018	2016/2017	2018/2019	2017/2018	2016/2017	2018/2019	2017/2018	2016/2017	2018/2019	2017/2018	2016/2017	2018/2019	2017/2018	2016/2017
BETTING SECTOR															
Bookmakers															
Local & Simulcast Racing	10.1	10.1	12.5	ı	ı	ı	16.8	16.6	21.1	84.2	83.2	105.2	111.2	109.9	138.9
Sport Betting	48.6	35.8	25.2	6.9	5.1	3.6	6.9	5.1	3.8	·	ı	ı	62.4	46.0	32.6
Unclaimed Winnings		·	ı	,		,	11.6	7.6	6.1		ı		11.6	7.6	6.1
Bookmakers Permit & Licence Fees	ı	ı	ı	ı	ı	ı	4.9	7.3	6.8		·		4.9	7.3	6.8
Racing Promoter Licence Fees			ı	,		,	3.9	2.7	,		ı		3.9	2.7	
Racing Promoter - Taxes	27.5	24.7	22.6	ı	ı	ı	13.7	12.0	11.3	61.8	54.9	50.8	103.0	91.7	84.7
Total - Betting Payable	86.2	70.6	60.4	6.9	5.1	3.6	57.9	51.4	49.1	146.0	138.1	156.0	297.0	265.2	269.1
Total - Betting Collected	82.5	76.8	34.7	6.5	4.9	3.5	56.6	51.1	71.9	139.4	136.4	197.0	285.1	269.2	307.1
LOTTERY SECTOR															
Lottery Taxes & Lottery Tax Winnings Levy	3,561.6	3,076.1	2,617.6	1,715.4	1,488.4	1,341.9	846.0	734.0	661.8		ı		6,123.0	5,298.5	4,621.3
Unclaimed Winnings	ı	ı	ı	189.5	157.9	176.4	189.5	157.9	176.4	ı	ı	ı	379.0	315.9	352.8
Lottery Licence Fees	3.9		ı				48.6	48.1	46.5	·	ı	ı	52.5	48.1	46.5
Total - Lottery Payable	3,565.5	3,076.1	2,617.6	1,904.9	1,646.3	1,518.3	1,084.1	940.0	884.7				6,554.4	5,662.5	5,020.5
Lottery Taxes - Collected	3,112.3	2,727.6	2,319.6	1,729.7	1,484.4	1,491.7	835.1	744.4	649.4				5,677.2	4,956.4	4,460.6
Lottery Winnings Levy Collected	316.0	350.5	311.0	ı	ı	ı		ı	ı		ı	ı	316.0	350.5	311.0
Unclaimed Winnings - Collected	ı		ı	183.7	158.5		189.2	160.0	175.7		ı	ı	372.9	318.5	175.7
Lottery Games Licence Fees - Collected	3.9	ï	ı				48.6	48.1	46.5	ï	ı	ı	52.5	48.1	46.5
Total - Lottery - Collected	3,432.2	3,078.1	2,630.6	1913.4	1,642.9	1,491.7	1,073.0	952.5	871.6				6,418.5	5,673.5	4,993.8
GAMING SECTOR															
Gaming Machine Levies & Fees	39.5	27.0	25.6	ı	ı	ı	54.9	38.7	36.4	,	ı	ı	94.3	65.7	62.1
Technical Service Providers (TSP)							2.8						2.8		ı
Levies, Gross Profit Taxes & Contribution to Good Causes	377.6	313.8	330.6	58.1	48.3	50.8	145.2	120.7	127.1	,			580.9	482.7	508.5
Total - Gaming - Payable	417.1	340.8	356.2	58.1	48.3	50.8	202.9	159.4	163.5		ī		678.1	548.4	570.6
Total - Gaming - Collected	351.0	343.9	317.5	47.5	48.2	44.2	176.5	162.0	141.7			·	575.0	554.1	503.3
Charitable Lottery - Bingo	ı		ı	ı	ı	ı	0.1	0.1			ı	ı	0.1	0.1	0.0
Prize Promotions															
Prize Competition Fees			,				16.0	14.7	18.6		,		16.0	14.7	18.6
GRAND TOTAL - PAYABLE	4,068.8	3,487.5	3,034.2	1,969.9	1,699.7	1,572.7	1,361.0	1,165.6	1,116.0	146.0	138.1	156.0	7,545.6	6,490.9	5,878.8
GRAND TOTAL - COLLECTED	3,865.7	3,498.7	2,982.8	1,967.4	1,696.0	1,539.3	1,322.2	1,180.4	1,103.8	139.4	136.4	197.0	7,294.7	6,511.6	5,822.9

THE JAMAICAN GAMING INDUSTRY: AN OVERVIEW OF PERFORMANCE

Industry statistics provide analysis of the gambling industry in Jamaica. Aggregated information is presented by sector, which includes data on: betting and wagering on local and simulcast horseracing, sports betting (virtual games, online casino games, live sports), gaming on slot machines and locally made gaming machines, lottery games, charitable bingo and prize competitions.

This report provides data on sales (the total amount wagered); gross gaming revenues/profit (the amount wagered minus the amount returned to players as winnings); and gaming taxes and levies, which is the amount levied and collected from legal gambling. Gross gaming revenues/Declared Gross Profit represent net spending by consumers on legal gambling.

The Declared Gross Profit for the industry was \$24.0bn as reported by operators licensed and regulated by the Commission. The gambling industry demonstrates continued growth in all sectors.

Sector Performance Review

During the period April 2018 to March 2019, the regulated Jamaica gambling industry generated Government revenue of \$7.546bn, a 16.3% increase compared with the year prior. Gaming lounges recorded the highest sales with an average of 95% of the money played returned to gamblers as winnings. The average payout for the betting sector is 77% while the average payout ratio for the lottery sector is 67%. Lottery continues to be the largest contributor to Government revenue (87%), recording \$6.5bn or \$15.517bn in gross gaming profit. Gaming on slot machines, a popular entertainment activity in Jamaica, especially in gaming lounges registered \$551.7m in Government revenue, a 19.3% increase compared to prior year. The gaming lounge segment showed an increase in declared gross profit by 19.10% while non-gaming lounges, majority of which is located inside of the Kingston Metropolitan Area (KMR), a shift from the previous year recorded an increase of 50.08%. Some gaming lounges in St. Andrew recorded reduction in sales and corresponding Government Revenue when compared to 2017/18.Additionally, although there was a 5.16% increase in sales in St. James, the performance was affected by the protracted length of the Enhanced Security Measures.

During the year Rajmaville Gaming remained closed, while Island Entertainment (Coral Cliff) commenced operations in July of 2018, which resulted in an increase in the number of seats in the parish of St. James. Gaming lounges continues to contribute 96% of revenue from the gaming sector.

Betting on Local and simulcast horseracing and sporting events including online casino games recorded \$288.2m in Government revenue, a 18.8% increase compared to prior year. Simulcast horseracing continues to be the main contributor to Gross Revenue with an average payout ratio of 66%, with 81% of simulcast revenue being generated by the Racing Promoter. The payout ratio for local and sporting events both averaging 82%.

Sales

In 2018/19 punters wagered J\$171.887bn, which equates to more than J\$89,772 per adult (18 and older)¹.

- Bookmaker's sales on local and simulcast horseracing decreased by 13% and 2% respectively. However, the converse is reflected in pari-mutuel wagering sales reported for the Racing promoter which reflected increases in both local and simulcast horseracing (7% and 8% respectively).
- Sports betting sales increased by 36% stimulated by major international sporting events. Seasonal sporting events, World Cup Football, NBA, NFL, Premier League, Baseball World Series and Rugby World Cup contributed to the increase in sales.

1. Source: Statistical Institute of Jamaica - 2018 Population by age & sex (18 & over) - 1,914,702

- Sales on lottery games increased by 15%, with promotions in Cash Pot and Money Time stimulating the market as well as the lotto and super lotto jackpots.
- In comparison to 2017/18, sales registered on slot machines recorded a marginal decline of 0.06% during 2018/19 driven by sales in gaming lounges.
- Sales in the non-gaming lounge category recorded a significant 83% increase, with ICE Jamaica being the major contributor, rolling out an additional 74 slot machines resulting in sales moving from \$2.2m to \$5.6m.

Overall Sales for all types of gambling rose 6% during 2018/19 and the industry continues to contribute to the local economy.

		SALES		PAYO	UT/PRIZE LIABILITY		DE	CLARED PROFIT		Payout as a	% of Sales
	2018/2019	2017/2018	CHANGE	2018/2019	2017/2018	CHANGE	2018/2019	2017/2018	CHANGE	2018/2019	2017/2018
	s	\$	%	\$	s	%	\$	\$	%	%	%
Bookmakers											
Local Horseracing	1,192,348,564	1,372,511,084	-13.13%	728,716,518	931,082,617	-21.73%	463,632,046	441,428,467	5.03	61	69
Simulcast Racing	646,399,960	662,336,360	-2.41%	446,707,477	454,643,012	-1.75%	199,692,483	207,917,076	-3.96	69	69
Sports Betting	3,714,763,105	2,736,657,102	35.74%	3,044,515,818	2,218,355,652	37.24%	670,247,287	503,269,973	33.18	82	81
Sub-total	5,553,511,629	4,771,504,546	16.39%	4,219,939,813	3,604,081,281	17.09%	1,333,571,816	1,152,615,516	15.70	76	76
Racing Promoter											
Local Horseracing	3,431,785,545	3,219,993,732	6.58%	3,042,346,226	2,880,999,411	5.60%	389,439,319	338,994,321	14.88	89	89
Simulcast Racing	2,843,130,983	2,636,902,417	7.82%	1,868,918,150	1,735,988,911	7.66%	974,212,833	900,913,506	8.14	66	6
Sub-total	6,274,916,528	5,856,896,149	7.14%	4,911,264,376	4,616,988,322	6.37%	1,363,652,152	1,239,907,827	9.98	78	79
TOTAL BETTING	11,828,428,157	10,628,400,695	11.29%	9,131,204,189	8,221,069,603	11.07%	2,697,223,968	2,392,523,342	12.74	77	77
LOTTERY	46,995,192,650	40,744,013,923	15.34%	31,477,777,156	27,427,559,149	14.77%	15,517,415,494	13,316,454,774	16.53	67	67
Gaming											
Gaming Lounges	105,924,027,929	106,562,995,900	-0.60%	100,407,205,036	101,930,745,352	-1.49%	5,516,822,893	4,632,250,548	19.10	95	96
Non-Gaming Lounges	7,139,791,537	3,898,923,787	83.12%	6,847,500,608	3,704,214,546	84.86%	292,290,929	194,709,241	50.12	96	95
Sub-total	113,063,819,465	110,461,919,687	2.36%	107,254,705,644	105,634,959,898	1.53%	5,809,113,822	4,826,959,789	20.35	95	96
GRAND TOTAL	171,887,440,273	161,834,334,305	6.21%	147,863,686,989	141,283,588,650	4.66%	24,023,753,284	20,535,937,906	16.98	86	87

2 YEAR SECTOR PERFORMANCE

Declared Gross Profit

Overall declared gross profit rose by 17% in 2018/19.Weekly gross revenue from lottery increased by 16.5%, and contributed 87% of the total revenue earned by the Government of Jamaica (GOJ). Declared gross profit from non-gaming lounges increased by 50%, while gaming lounges had an increase of 19.1%. The increase in non-gaming lounges gross profit could be attributed to the increase in the number of locations now operated by ICE Jamaica Limited (21 locations - 2017/2018) and (34 locations - 2018/2019).

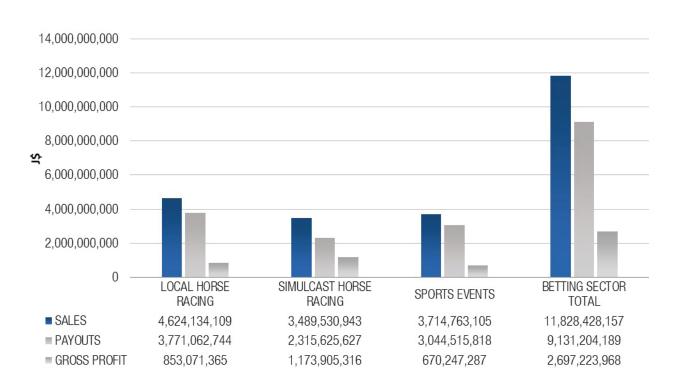
Betting Sector

Betting includes bookmaking and pari-mutuel wagering on horseracing (local and simulcast) and other sports events. Sales on wagering totalled \$11.828bn in 2018/19, generating gross gaming profit of \$2.697bn with a payout of 77% to punters. This represented a 12.03% increase over the 2017/18 fiscal year.

The Racing Promoter, Supreme Ventures Racing & Entertainment Limited (SVREL), accounted for 53% of total sales with the remaining 47% from bookmakers. Horseracing, being the dominant component of the betting market with \$2.027bn in declared gross profit, is controlled by Supreme Ventures Racing and Entertainment Limited with the dominant bookmaker being Post to Post Betting Limited.

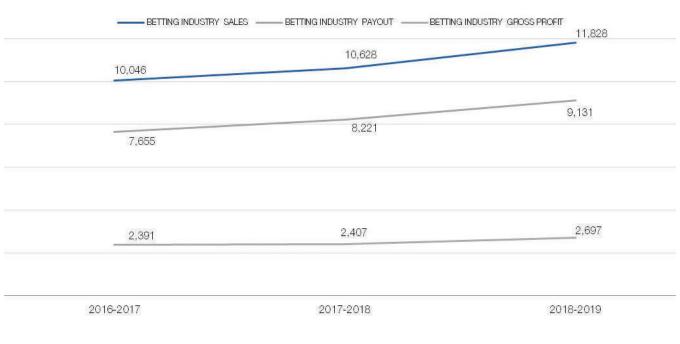
Bookmakers contributed 49% of the total Gross Profit in the betting sector available for Government levies while the Racing Promoter accounted for 51%. One bookmaker, Olympic Data Services Limited, which operates within the Special

Economic Zone (SEZ) formerly Montego Bay Free Zone (offering sports betting) is not liable for payment of sports betting taxes and contributions and is not included in the Betting Industry highlights. The company will fall under the new SEZ regime by December 31, 2019.



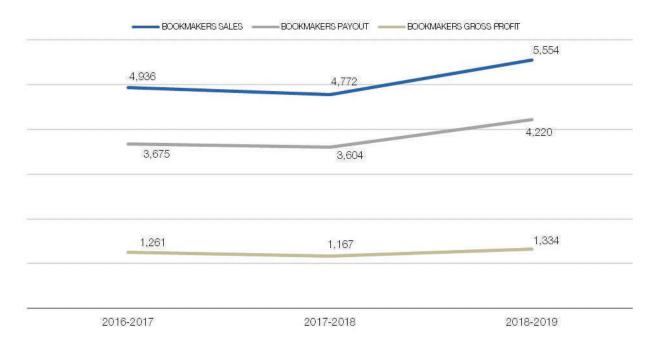
SUMMARY OF BETTING SECTOR PAYOUT AND GROSS PROFIT 2018-2019

Trends in Betting Sector Sales, Payout and Gross Profit

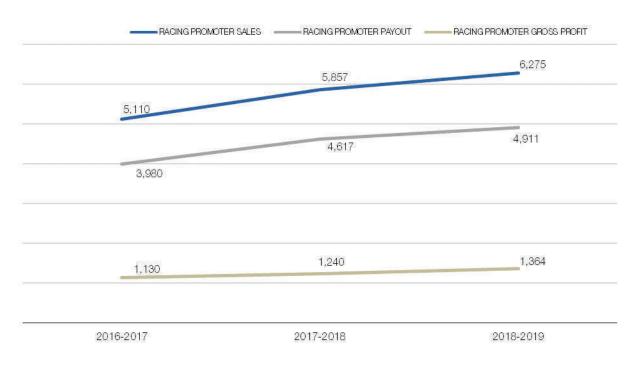


TREND IN BETTING SECTOR PERFORMANCE

TREND IN BOOKMAKER'S PERFORMANCE



TREND IN RACING PROMOTER PERFORMANCE



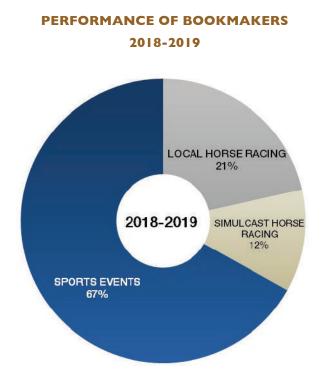
Performance of Bookmakers

Sales increased by 16.4% while gross profit recorded a 14.3% increase year over year. Post to Post Betting Limited accounted for 60% of sales from the Betting sector followed by Prime Sports Jamaica Limited, 21%.

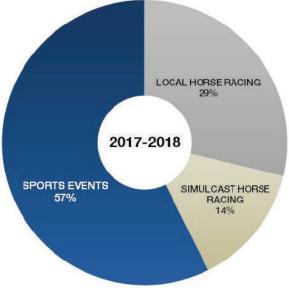
Post to Post Betting Limited, t/a Anybet continues to be the top performer for local betting followed by Ideal Betting Company Limited then Capital Betting & Wagering Limited.

Post to Post Betting Limited continues to be the leading contributor of Government revenue for the Betting sector. The bookmaker had 36 locations island-wide.

During the year, Island Sizzling Tech. Ja. Limited T/A Islandbet and Prime Sports (Jamaica) Limited (through its flagship brand "JustBet"), only offered sports betting, while Jamozzie (t/a BetCris Jamaica) offered betting on local, simulcast and sports betting.

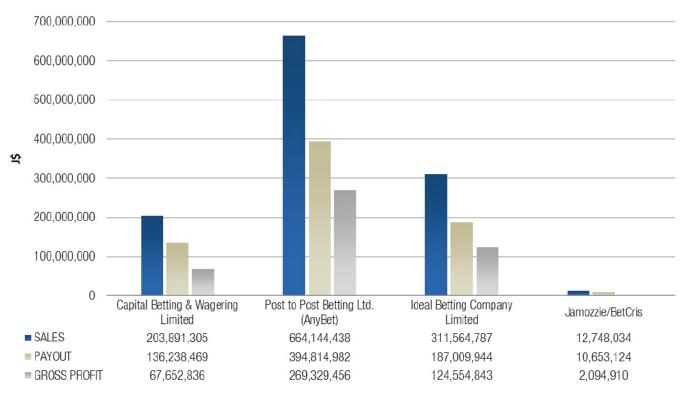


PERFORMANCE OF BOOKMAKERS 2017-2018



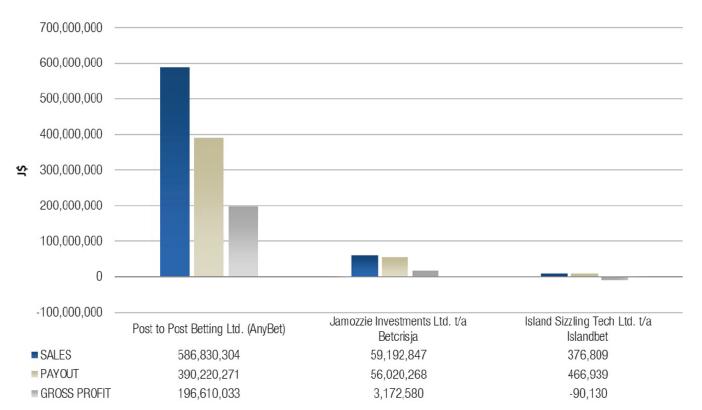
		2018-2019			2017-2018			% CHANGE	NGE
DUUNINALENS	SALES	PAYOUT	GROSS PROFIT	SALES	PAYOUT	GROSS PROFIT	SALES	PAYOUTS	GROSS PROFIT
	(\$)	(\$)	(\$)	(S)	(\$)	(\$)	%	%	%
Capital Betting & Wagering Limited	203,891,305	136,238,469	67,652,836	171,656,439	120,991,202	50,665,237	19	13	34
Ideal Betting Company Limited	311,564,787	187,009,944	124,554,843	274,792,912	174,586,998	100,205,914	13	7	24
Island Sizzling t/a Island Bet	209,249,615	185,788,787	23,460,828	174,470,312	159,662,563	14,807,749	20	16	58
Jamozzie Investments Limited t/a BetOris	363,376,473	345,138,546	18,237,928	205,222,180	191,611,811	13,610,369	77	80	34
Post to Post Betting Limited (AnyBet)	3,305,259,829	2,469,598,654	835,661,175	3,117,306,913	2,314,799,940	802,506,973	Q	7	4
Prime Sports Jamaica Limited (JustBet)	1,160,169,620	896,165,413	264,004,207	828,055,790	642,428,768	185,627,022	40	30	42
TOTAL	5,553,511,629	4,219,939,813	1,333,571,816	4,771,504,546	3,604,081,281	1,167,423,265	16%	17%	14%

COMPARATIVE SUMMARY OF BOOKMAKERS SALES, PAYOUT & GROSS PROFIT



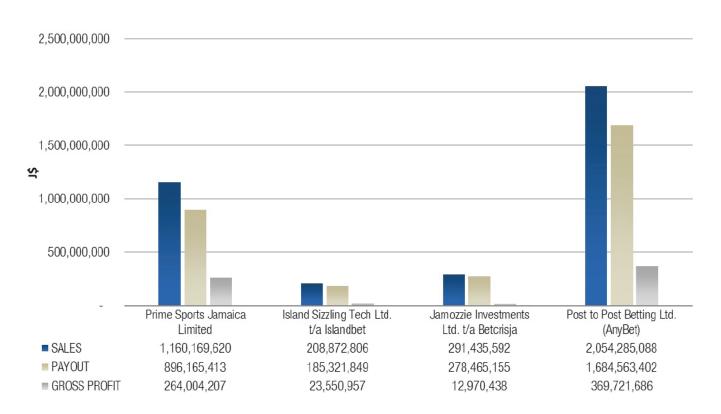
SALES PAYOUT AND GROSS PROFIT LOCAL HORSE RACING 2018-2019

SALES PAYOUT AND GROSS PROFIT SIMULCAST HORSE RACING 2018-2019



Sports Betting

The Sports Betting brand – "Anybet" dominated the sporting events category representing 55% of total bookmaker sport betting sales while the "Justbet" brand accounted for 31% of the sports betting market. The dominance of the "Anybet" brand could be attributed to competitive fixed odds (originating from signal broadcast from the UK via Satellite Information Service (SIS) compared to Intralot, a Greek company.



SALES PAYOUT AND GROSS PROFIT SPORT EVENTS 2018-2019

Performance of the Racing Promoter – Supreme Ventures Racing & Entertainment Limited (SVREL)

Local horseracing contributed 55% to earnings within the sector while simulcast races contributed 45%. However, simulcast racing accounted for 71% of the total (taxable) gross profit primarily due to lower payout ratios in comparison to local horseracing.

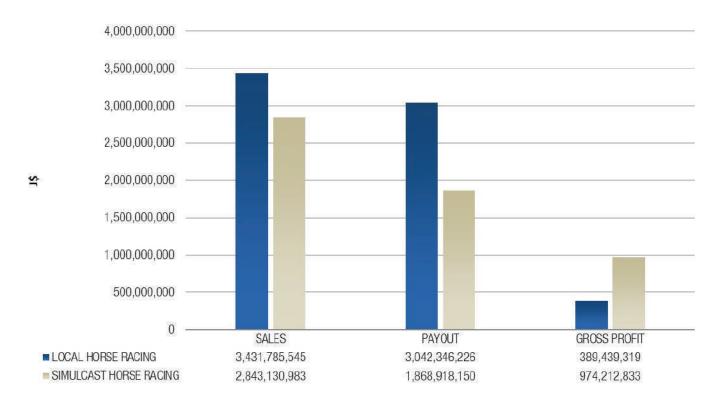
Revenue trends have shown that more declared gross profit is being earned from simulcast horseracing when compared to local horseracing. While more sales is generated from local horseracing when compared to simulcast horseracing, there is a higher payout on local horseracing.

Factors impacting performance and Government revenue earned:

I. Local Horseracing:

- a) The number of field sizes horses per race as well as the number of races have been reduced. Usually, there are 11 races per day. This has been reduced to between 9 to 10 races per day.
- b) Purses, a critical component in the payment obligation reduces the net amount available for government revenue. On average, over \$8m per race is paid out in purses per race day. This is not applicable to simulcast horseracing, hence more revenue earned from simulcast.
- 2. Simulcast horseracing: An impact on revenue from this category is the liability obligation of 5% of sales payable for overseas rights fees.

- 3. For local horseracing the average payout to winners ranges from 67% 68% while for simulcast horseracing, the average payout ranges from 64% 65%.
- 4. Less revenue earned based on the current tax structure i.e. purses are deductible and the tax rate is 7.5% vs. bookmakers 16.5%.



PERFORMANCE OF THE RACING PROMOTER 2018-2019

Betting Sector Taxes, Duties and Levies

Total government revenue earned from the betting industry amounted to J\$297.004m with J\$285.088m collected.

GOVERNMENT REVENUE EARNED FROM BETTING SECTOR

	2018/	2019	2017	/2018
LEVIES	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)
Consolidated Fund	86,184,388	82,519,685	70,599,933	76,751,017
CHASE	6,938,550	6,487,462	5,112,745	4,936,462
BGLC	37,494,935	36,259,484	33,779,392	33,489,614
JRC	145,999,479	139,434,818	138,074,892	136,378,325
sub-total	276,617,351	264,701,449	247,566,962	251,555,417
BGLC - Unclaimed Winnings	11,563,021	11,563,021	7,640,062	7,640,062
BGLC - Permit & Licence Fees	8,824,000	8,824,000	9,941,475	9,941,475
TOTAL	297,004,372	285,088,469	265,148,499	269,136,955

BETTING SECTOR TAXES, DUTIES & LEVIES BOOKMAKERS 2018-2019

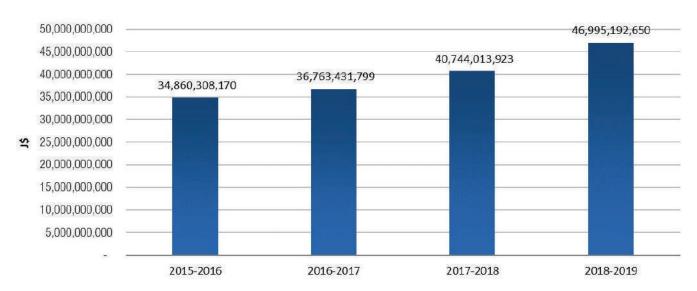
	LOCAL RACING	CING	SIMULCAST RAGING	AGING	SPORTIN	SPORTING EVENTS	TOTAL	AL
	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(S)
Consolidated Fund	7,029,122	6,695,520	3,120,181	3,032,757	48,569,850	46,202,625	58,719,153	55,930,901
CHASE	I	I	I	ı	6,938,550	6,487,462	6,938,550	6,487,462
BGLC	11,640,239	11,195,434	5,200,301	5,054,403	6,938,550	6,306,275	23,779,091	22,556,113
JRC	58,201,196	55,905,110	26,001,506	25,201,634	I	I	84,202,702	81,106,745
Total for Bookmakers	76,870,557	73,796,064	34,321,988	33,288,795	62,446,951	58,996,362	173,639,496	166,081,221
		RAC	RACING PROMOTER - 2018/2019	8/2019				
	LOCAL RACING	CING	SIMULCAST RACING	ACING			TOTAL	AL
	PAYABLE	COLLECTED	PAYABLE	COLLECTED			PAYABLE	COLLECTED
Consolidated Fund	7,980,978	7,772,904	19,484,257	18,815,880			27,465,234	26,588,783
CHASE	I	I	I	1			1	1
BGLC	3,973,716	4,023,234	9,742,128	9,680,136			13,715,844	13,703,370
JRC	17,957,199	16,423,579	43,839,577	41,904,495			61,796,777	58,328,074
Total for Racing Promoter	21,930,915	28,219,717	73,065,962	70,400,511			102,977,855	98,620,228
INDUSTRY TOTAL	98,801,472	102,015,781	107,387,951	103,689,305	62,446,951	58,996,362	276,617,351	264,701,449

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Lottery Sector

Government Revenue from the Lottery Sector was generated by Prime Sports (Jamaica) Limited (Supreme Ventures).

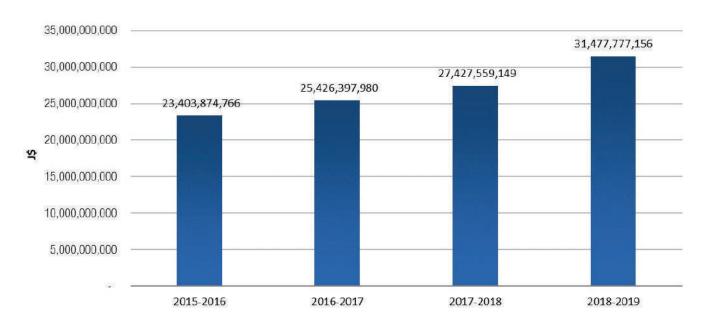
Total sales generated amounted to \$46.995bn, a 15.34% increase over 2017-2018 contributing \$6.501bn in Government Revenue. All games recorded an increase in revenue.



TREND IN LOTTERY SALES FYE 2015-2016 TO 2018-2019

Total prize liability was J\$31.478bn, an increase of 14.8% over 2017/18 and represented 67% of sales (2017/18:67% of sales). The Cash Pot game recorded the largest payout of J\$22.5bn, followed by Money Time (\$4.5bn) and Pick 4 (\$1.6bn).

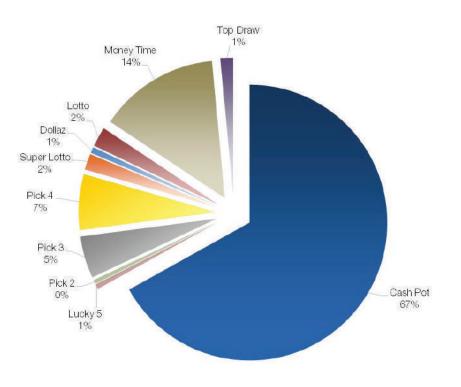
TREND IN WEEKLY GROSS REVENUE FYE 2015-2016 TO 2018-2019



Weekly Gross Revenue increased by 16.5% when compared to the previous year primarily due to an increase in the ratio of sales to prize liabilities.

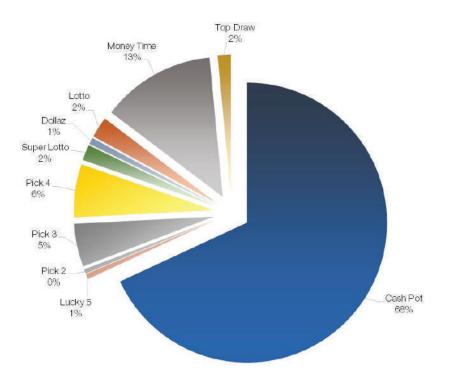
Lottery Game Sales

The Cash Pot lottery game continues to be the market leader, contributing 67% of total sales followed by Money Time (14%), Pick 3 and Pick 4 (5% and 7%) respectively, Lotto & Top Draw (2%) and Super Lotto (2%).



SHARE OF LOTTERY SALES BY GAME 2018-2019

SHARE OF LOTTERY SALES BY GAME 2017-2018



Government Levy and Lottery Tax

Lottery taxes and lottery winnings levy amounted to J\$3.224bn and J\$337m respectively. Lottery taxes increased by 18.29% and lottery winnings levy decreased by 3.72%. During the year there were two Super Lotto jackpot winners (Jamaica) of \$180m and \$158.4m, while the Lotto jackpot was won three times during the year, with jackpots of \$85m, \$77m and \$35m.

041450	Lottery Tax	2018-	2019	2017-	-2018
GAMES	Rates	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	%	(\$)	(\$)	(\$)	(\$)
Cash Pot	20	1,785,819,510.00	1,730,564,958.00	1,657,327,124	1,662,025,111
Lucky 5	20	29,085,549.80	28,313,279.00	24,215,665	24,069,140
Pick 2	20	17,873,212.00	17,507,624.00	16,935,500	17,031,672
Pick 3	20	172,480,954.00	167,210,782.00	166,218,232	166,082,610
Pick 4	20	299,542,640.00	290,551,726.00	226,998,980	226,718,228
Super Lotto	25	169,028,925.50	158,144,051.00	92,751,689	93,560,917
Dollaz	25	38,280,866.25	37,118,199.25	35,118,455	35,192,201
Lotto	25	223,035,586.80	206,122,682.75	118,227,168	117,514,716
Money Time	20	432,735,933.00	423,090,270.00	343,723,664	341,086,366
Top Draw	20	56,419,853.20	53,707,513.40	44,227,798	44,338,791
	Sub-total	3,224,303,031	3,112,331,085	2,725,744,275	2,727,619,752
Lottery Winnings Levy (on winnings over \$15,000)		337,344,628	315,982,564	350,381,027	350,468,815
TOTAL		3,561,647,659	3,428,313,650	3,076,125,302	3,078,088,567

GOVERNMENT LEVY & LOTTERY TAX

Contributions to Good Causes

Contributions from all games amounted to J\$1.715bn, an increase of 15.25% compared to the previous year.

CONTRIBUTIONS TO GOOD CAUSES - CHASE FUND

CAMES		2018	-2019	2017-	-2018
GAMES		PAYABLE	COLLECTED	PAYABLE	COLLECTED
		(\$)	(\$)	(\$)	(\$)
Cash Pot		1,147,945,012	1,158,087,900	1,012,665,703	1,011,689,420
Lucky 5		10,028,401	10,158,526	9,001,006	8,936,277
Pick 2		8,213,444	8,324,606	7,511,584	7,565,257
Pick 3		84,504,436	85,180,935	74,170,160	74,383,096
Pick 4		112,176,369	113,279,714	91,347,571	90,696,064
Super Lotto		32,272,702	32,287,663	27,083,491	27,154,542
Dollaz		12,079,765	12,226,892	11,315,764	11,342,436
Lotto		39,574,771	39,463,483	35,960,766	36,403,614
Money Time		242,827,551	244,646,956	196,651,580	193,505,583
Top Draw		25,755,638	26,054,982	22,683,366	22,691,884
	TOTAL	1,715,378,089	1,729,711,658	1,488,390,991	1,484,368,173
Unclaimed Prizes		189,491,249	183,688,508	157,929,265	158,545,805
GRAND TOTAL		1,904,869,338	1,913,400,166	1,646,320,256	1,642,913,978

Lottery Game Fees Payable to BGLC

Total fees payable to BGLC increased by 15.32% compared to prior year. Licensing Fees increased by 1%. Total amount collected increased by 12.67% compared to prior year.

CAMES	2018	-2019	2017-	·2018
GAMES	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)
Cash Pot	566,109,869	558,906,105	499,396,784	508,462,044
Lucky 5	4,945,513	4,911,842	4,438,846	4,486,490
Pick 2	4,050,466	4,030,415	3,704,342	3,802,176
Pick 3	41,673,420	41,211,721	36,577,063	37,367,547
Pick 4	55,319,853	54,807,471	45,048,115	45,520,609
Super Lotto	15,915,305	15,564,339	13,356,239	13,642,600
Dollaz	5,957,145	5,911,746	5,580,379	5,705,966
Lotto	19,516,326	18,953,839	17,734,078	18,265,861
Money Time	119,750,574	118,256,025	96,978,859	95,761,726
Top Draw	12,736,471	12,579,729	11,186,321	11,406,226
TOTAL	845,974,942	835,133,231	734,001,026	744,421,245
Unclaimed Prizes	189,491,249	189,491,249	157,929,266	159,966,699
Licence Fees	48,613,100	48,613,100	48,122,900	48,122,900
GRAND TOTAL	1,084,079,291	1,073,237,580	940,053,192	952,510,844

BGLC FEES

Gaming Sector

Gaming Lounges & Non-gaming Lounges²

Gaming lounges and non-gaming lounges generated \$113.064bn in sales representing a 2.35% increase over 2017/18 with a declared gross profit of \$5.809bn. Total Government revenue earned amounted to \$580.931m, an increase of 22.5%.

Sales totalling \$105.9bn was generated by 12 gaming lounge operators (22 locations island wide) with a declared gross profit of \$5.5bn, while sales of \$7.140bn was generated by 19 non-gaming lounge operators with a declared gross profit of \$292.3m. Gaming lounges average payout was 95%, while non-gaming lounges average payout of 96%.

The declared gross profit contributed by these lounges varies depending on the average payout. Although Macau Gaming ranked the highest in sales, Everglades Farm - Monte Carlo continues to contribute the highest in government revenue followed by Reno Gaming and Macau.

²Revenue from gaming machines/seats is based on slot machine soft meter readings. Slot machines imported in Jamaica which are certified by an International Gaming Laboratory are monitored monthly for such readings in gaming lounges and non-gaming lounges (under 19s).

TREND IN SALES, PAYOUT AND GROSS PROFITS

SALES	Gaming Lounges	Non- Gaming Lounges	TOTAL SALES
	(\$)	(\$)	(\$)
2018/2019	105,924,027,929	7,139,791,537	113,063,819,465
2017/2018	106,562,995,900	3,898,923,787	110,461,919,687
2016/2017	108,488,715,020	2,829,585,671	111,318,300,691
PAYOUTS	Gaming Lounges	Non- Gaming Lounges	TOTAL PAYOUTS
	(\$)	(\$)	(\$)
2018/2019	100,407,205,036	6,847,500,608	107,254,705,644
2017/2018	101,930,745,352	3,704,214,546	105,634,959,898
2016/2017	103,568,406,050	2,663,148,949	106,231,554,999
GROSS PROFIT	Gaming Lounges	Non- Gaming Lounges	TOTAL GROSS PROFIT
	(\$)	(\$)	(\$)
2018/2019	5,516,822,893	292,290,929	5,809,113,822
2017/2018	4,632,250,548	194,709,241	4,826,959,789
2016/2017	4,920,308,970	166,436,722	5,086,745,692

Government revenue totaling \$580.9m was earned primarily in the parish of St. Andrew (49.49%), followed by St. James (30.66%) and St. Ann (16.33%).

During the period November 2018 and March 2019, the Commission undertook and island-wide drive otherwise referred to the "The Blitz", in which illegal operators were targeted and granted amnesty to regularize their status without being penalized. This exercise contributed to a 30% increase in licensing fees (2017/2018 - \$38,723,250) (2018/2019 - \$50,403,600).

GAMING LOUNGES WITHIN & OUTSIDE HOTELS IN THE EGA

20	8	- 2	20	9

EXCLUSIVE GEO	GRAPHICAL AREA (EGA) OUTSI	DE HOTELS
PARISHES	GAMING LOUNGES	# of Seats
St. James	Vegas - Bogue	79
St. James	Treasure Hunt - Whitter Village	202
St. James	Mosino	171
St. Ann	Reno Gaming	149
	PARISHES St. James St. James St. James	St. James Vegas - Bogue St. James Treasure Hunt - Whitter Village St. James Mosino

GAMING LOUNGES IN T	IE EXCLUSIVE	GEOGRAPHICAL AREA (EGA) IN I	HOTELS
LICENSEE	PARISHES	GAMING LOUNGES	# of Seats
	St. Ann	Bahia Principe	46
ONISAC GAMING LIMITED	St. James	Riu Club - Montego Bay	40
(Christopher Bowen)	St. James	Sunscape Splash	39
	Hanover	Grand Palladium	55
WORLDWIDE CONCEPTS	St. Ann	Riu Ocho Rios	40
(Christopher Bowen)	Hanover	Riu Tropical Bay	21
	St. James	Holiday Inn	21
JAYVEGAS LIMITED	St. James	Iberostar Suite Resort	26
JAYVEGAS LIMITED	St. James	Iberostar Beach Resort	21
	St. James	Secrets	33
Island Entertainment Limited	St. James	Coral Cliff	149

						Payout	TAJ			TOTAL
*	GAMING LOUNGES	# UF SLUI MACHINES	SALES	PAYOUTS	UEGLAKED GROSS PROFIT	as a % of Sales	CONSOLIDATED FUND	CHASE	BGLC	GOVERNMENT REVENUE
-	Macau Gaming	206	18,285,805,119	17,576,188,280	709,616,839	96.12	46,125,095	7,096,168	17,740,421	70,961,684
N	Treasure Hunt- Montego Bay	202	17,782,160,823	17,179,511,436	602,649,387	96.61	39,172,210	6,026,494	15,066,235	60,264,939
ო	Monte Carlo	224	14,560,799,103	13,646,489,609	914,309,494	93.72	59,430,117	9,143,095	22,857,737	91,430,949
4	"100" Vault Gaming Lounge	150	12,355,446,906	11,943,166,664	412,280,242	96.66	26,798,216	4,122,802	10,307,006	41,228,024
Q	Treasure Hunt - Kingston	132	8,590,623,265	8,331,525,695	259,097,570	96.98	16,841,342	2,590,976	6,477,439	25,909,757
9	Acropolis Barbican	199	8,167,631,075	7,825,149,059	342,482,016	95.81	22,261,331	3,424,820	8,562,050	34,248,202
2	Reno Gaming	149	7,768,053,304	6,878,519,212	889,534,091	88.55	57,819,716	8,895,341	22,238,352	88,953,409
00	Mosino	171	5,529,701,774	4,909,960,274	619,741,500	88.79	40,283,197	6,197,415	15,493,537	61,974,150
໑	Vegas - Bogue	62	4,251,208,688	4,089,723,094	161,485,593	96.20	10,496,564	1,614,856	4,037,140	16,148,559
10	10 Coral Cliff	149	3,119,824,598	2,949,826,061	169,998,538	94.55	11,049,905	1,699,985	4,249,963	16,999,854

TOP TEN (10) GAMING LOUNGES

		TAJ						
	CONSOLIDA	dated fund	CHASE		BGLC	5	TOTAL	H.
	Payable	Paid	Payable	Paid	Payable	Paid	Payable	Paid
	(\$)	(\$)	(\$)	(\$)	(S)	(\$)	(\$)	(\$)
Gross Profit Levy	6.50%		1%		2.50%			
Gaming Lounges	358,593,488	294,376,337	55,168,229	44,843,888	137,920,572	112,279,074	551,682,289	451,499,299
Under 19 Machine Operators	19,012,570	17,168,938	2,925,011	2,640,572	7,311,417	6,570,970	29,248,997	26,380,479
TOTAL	377,606,058	311,545,275	58,093,240	47,484,460	145,231,989	118,850,043	580,931,287	477,879,778
Gaming Machine Levies & Fees	39,461,625	39,461,625	,	1	54,880,169	54,880,169	94,341,794	94,341,794
Technical Service Providers (TSP) Fees	I	I	I	I	2,800,000	2,800,000	2,800,000	2,800,000
GRAND TOTAL	417,067,683	351,006,900	58,093,240	47,484,460	202,912,158	176,530,212	678,073,081	575,021,572

SUMMARY OF GAMING SECTOR GROSS PROFIT, LEVY, CONTRIBUTIONS & FEES

2018 - 2019

			GAMING LOUNGES	OUNGES			NON - GAMI	non - Gaming Lounges			GRAND	GRAND TOTAL	
PARISHES		# of Gaming Machines/ Seats	DECLARED GROSS PROFIT	TOTAL Government Revenue	Share of Total	# of Gaming Machines/ Seats	DECLARED GROSS PROFIT	TOTAL Government Revenue	Share of Total	# of Gaming Machines/ Seats	DECLARED GROSS PROFIT	TOTAL Government Revenue	Share of Total
			(\$)	(S)	%		(\$)	(8)	%		(S)	(S)	%
St. Andrew		1,000	2,757,535,468	275,753,547	49.98	160	117,423,685	11,744,880	40.15	1,160	2,874,959,153	287,498,426	49.49
St. James		775	1,743,560,272	174,356,027	31.60	45	37,406,926	3,749,918	12.82	820	1,780,967,198	178,105,946	30.66
		235	947,621,775	94,762,177	17.18	10	839,228	83,923	0.29	245	948,461,003	94,846,100	16.33
Hanover		76	68,105,379	6,810,538	1.23	72	27,600,145	2,760,014	9.44	148	95,705,524	9,570,552	1.65
ā	St. Catherine					74	32,530,490	3,254,533	11.13	74	32,530,490	3,254,533	0.56
e	Westmoreland					93	32,463,069	3,246,307	11.10	93	32,463,069	3,246,307	0.56
St. Mary						30	8,991,899	899,190	3.07	30	8,991,899	899,190	0.15
Portland						5	982,460	98,246	0.34	Q	982,460	98,246	0.02
Kingston						41	25,143,723	2,520,941	8.62	41	25,143,723	2,520,941	0.43
ë	St. Thomas					5	634,493	63,564	0.22	5	634,493	63,564	0.01
Trelawny						5	8,274,811	827,481	2.83	5	8,274,811	827,481	0.14
10	Total	2,086	5,516,822,893	551,682,289	100	540	292,290,929	29,248,997	100	2,626	5,809,113,822	580,931,287	100

SUMMARY OF REVENUE BY PARISH

PERFORMANCE OF GAMING LOUNGES - BY PARISH

2018 - 2019

								& CONTRIBUTI	DN
GAMING LOUNGES	# OF SLOT MACHINES	SALES	PAYOUTS	DECLARED GROSS	PAYOUT As a %	TAJ PAYAE Consolidated Fund	BLE CHASE	BGLC	TOTAL GOVERNMEN' REVENUE
LUUNGES	OPERATED			PROFIT	OF SALES	Funa			
		(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)
						6.50%	1.00%	2.50%	10.00%
ST. ANDREW									
Christelles	43	648,267,039	603,565,175	44,701,864	93.10	2,905,621	447,019	1,117,547	4,470,18
Monte Carlo	224 46	14,560,799,103	13,646,489,609	914,309,494	93.72 92.94	59,430,117	9,143,095 750,474	22,857,737	91,430,94
Vegas - Kgn Macau Gaming	206	1,063,388,002 18,285,805,119	988,340,558 17,576,188,280	75,047,444	92.94	4,878,084 46,125,095	7,096,168	1,876,186 17,740,421	7,504,74
Acropolis Barbican	199	8,167,631,075	7,825,149,059	342,482,016	95.81	22,261,331	3,424,820	8,562,050	34,248,20
Treasure Hunt - Kgn	132	8,590,623,265	8,331,525,695	259,097,570	96.98	16,841,342	2,590,976	6,477,439	25,909,7
"100" Vault Gaming	150	12,355,446,906	11,943,166,664	412,280,242	96.66	26,798,216	4,122,802	10,307,006	41,228,03
TOTAL	1,000	63,671,960,509	60,914,425,041	2,757,535,468	95.67	179,239,805	27,575,355	68,938,387	275,753,5
ST. ANN									
Reno Gaming	149	7,768,053,304	6,878,519,212	889,534,091	88.55	57,819,716	8,895,341	22,238,352	88,953,4
Bahia Principe	46	342,842,189	310,793,716	32,048,473	90.65	2,083,151	320,485	801,212	3,204,8
Riu Ocho Rios	40	270,491,761	244,452,551	26,039,210	90.37	1,692,549	260,392	650,980	2,603,9
TOTAL	235	8,381,387,254	7,433,765,479	947,621,775	88.69	61,595,415	9,476,218	23,690,544	94,762,1
ST. JAMES									
Vegas - Bogue	79	4,251,208,688	4,089,723,094	161,485,593	96.20	10,496,564	1,614,856	4,037,140	16,148,5
Treasure Hunt - Whitter Village	202	17,782,160,823	17,179,511,436	602,649,387	96.61	39,172,210	6,026,494	15,066,235	60,264,9
Mosino	171	5,529,701,774	4,909,960,274	619,741,500	88.79	40,283,197	6,197,415	15,493,537	61,974,1
Riu Club - Montego Bay	34	441,692,151	401,713,466	39,978,685	90.95	2,598,615	399,787	999,467	3,997,8
Sunscape Splash	39	433,036,304	394,988,281	38,048,023	91.21	2,473,121	380,480	951,201	3,804,8
Holiday Inn	21	259,109,089	232,985,852	26,123,237	89.92	1,698,010	261,232	653,081	2,612,3
lberostar Suite Resort	26	452,956,658	423,197,642	29,759,016	93.43	1,934,336	297,590	743,975	2,975,9
lberostar Beach Resort	21	104,811,392	94,511,371	10,300,022	90.17	669,501	103,000	257,501	1,030,0
Secrets	33	685,841,802	640,365,530	45,476,272	93.37	2,955,958	454,763	1,136,907	4,547,6
Coral Cliff	149	3,119,824,598	2,949,826,061	169,998,538	94.55	11,049,905	1,699,985	4,249,963	16,999,8
TOTAL	775	33,060,343,279	31,316,783,008	1,743,560,272	94.73	113,331,418	17,435,603	43,589,007	174,356,0
HANOVER									
Riu Tropical Bay	21	27,297,112	24,607,447	2,689,666	90.15	174,828	26,897	67,242	268,9
	55	783,039,774	717,624,060	65,415,714	91.65	4,252,021	654,157	1,635,393	6,541,5
Grand Palladium									
	76	810,336,886	742,231,507	68,105,379	91.60	4,426,850	681,054	1,702,634	6,810,5

PERFORMANCE OF NON-GAMING LOUNGES - BY PARISH

2018 - 2019

							GR	DSS PROFIT LEVY	& CONTRIBUT	ION
	PERFOR	MANCE OF NON -	GAMING LOUNGES	5 2018-2019			TA	J		70741
	NON-GAMING LOUNGES	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % Of sales	Consolidated Fund	CHASE	BGLC	TOTAL GOVERNMENT REVENUE
			(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)
							6.50%	1.00%	2.50%	10.00%
	ST. ANDREW									
1	Lotto Super Store	19	93,663,720	84,080,050	9,583,670	89.77	622,939	95,837	239,592	958,367
2	Guiness Basement Pub	7	23,114,320	21,201,460	1,912,860	91.72	125,307	19,278	48,195	192,780
3	Uptown Pub	14	54,202,130	49,015,700	5,186,430	90.43	337,118	51,864	129,661	518,643
4	Games Room & Lounge	14	20,346,240	18,981,390	1,364,850	93.29	88,715	13,649	34,121	136,485
5	Ice Jamaica - Sispet Sports Betting	7	491,330,551	476,741,832	14,588,719	97.03	948,267	145,887	364,718	1,458,872
6	Ice Jamaica Limited - Acropolis Cross Roads	18	1,984,665,487	1,932,119,559	52,545,928	97.35	3,415,485	525,459	1,313,648	5,254,593
7	Silver Top Tavern - Soltau	7	22,825,715	19,738,575	3,087,140	86.48	200,664	30,871	77,179	308,714
	Silver Top Tavern - Sudeene	2	6,604,565	5,927,655	676,910	89.75	43,999	6,769	16,923	67,691
в	Ramdeen's Bar	7	42,658,010	38,749,720	3,908,290	90.84	254,039	39,083	97,707	390,829
9	Ice Jamaica - Calyspo Hide Out Harbour View	5	4,779,590	4,595,311	184,279	96.14	12,523	1,927	4,817	19,266
10	Ice Jamaica - Yap's Wholesale-Barbican	9	62,503,736	60,480,748	2,022,988	96.76	131,494	20,230	50,575	202,299
11	Ice Jamaica - P & G One Stop	5	1,082,445	1,028,230	54,215	94.99	3,565	548	1,371	5,484
12	Ice Jamaica - Uncle John's Caledonia Place	5	110,235,605	106,852,583	3,383,022	96.93	219,896	33,830	84,576	338,302
13	Ice Jamaica - Uncle John 2 Windward Road	5	23,047,793	22,390,088	657,705	97.15	42,751	6,577	16,443	65,771
14	Ice Jamaica - Windward Road OTB	6	153,331,844	148,625,491	4,706,353	96.93	305,913	47,064	117,659	470,635
15	Acropolis Cross Roads	10	31,806,044	24,841,112	6,964,932	78.10	452,721	69,649	174,123	696,493
16	Ice Jamaica - Mango Tree Site- Regent Street	5	218,507,126	212,513,495	5,993,631	97.26	389,586	59,936	149,841	599,363
17	Ice Jamaica - Excba Wholesale Cavaliers Dist;Stony Hill	5	9,056,719	8,725,288	331,431	96.34	21,543	3,314	8,286	33,143
18	Ice Jamaica - Fabian Sales; Mall Road	5	538,042	514,979	23,063	95.71	1,574	242	606	2,422
19	Ice Jamaica - Bourbon House; Windward Rd	5	7,982,034	7,734,765	247,269	96.90	16,072	2,473	6,182	24,727
	TOTAL	160	3,362,281,716	3,244,858,031	117,423,685	96.51	7,634,172	1,174,488	2,936,220	11,744,880

	ST. CATHERINE									
20	Super Gaming Store	11	15,220,320	13,398,910	1,821,410	88.03	118,392	18,214	45,535	182,141
21	Ice Jamaica - Regional Office Spanish Town	6	272,381,069	263,484,791	8,896,278	96.73	578,258	88,963	222,407	889,628
22	Ice Jamaica - Goodie Promotions, Portmore Lane	5	78,716,427	75,795,969	2,920,458	96.29	189,830	29,205	73,011	292,046
23	Ice Jamaica - Willowdene Bar, Spanish Town	5	76,155,666	73,832,876	2,322,790	96.95	150,981	23,228	58,070	232,279
24	Ice Jamaica - JJ Moblie & Phone Co. Spanish Town	5	347,234,686	337,873,626	9,361,060	97.30	608,469	93,611	234,027	936,106
25	Ice Jamaica - Gutter's Lotto, Gutters's Square	5	27,501,098	26,557,777	943,321	96.57	61,316	9,433	23,583	94,332
26	Ice Jamaica - Pathfinder Bar West Port Henderson Blvd	5	64,888,724	62,615,524	2,273,200	96.50	147,758	22,732	56,830	227,320
27	Ice Jamaica - Horseshoe SVREL - Caymanas	16	8,469,270	8,131,897	337,373	96.02	23,399	3,600	9,000	35,999
28	Ice Jamaica - Shell Old Harbour	5	69,797,275	67,697,519	2,099,756	96.99	136,484	20,998	52,494	209,976
29	Ice Jamaica - Edibles Central Village	5	38,777,005	37,686,583	1,090,422	97.19	70,877	10,904	26,151	107,932
30	Ice Jamaica - Elvas Lotto, Gregory Park (New)	5	13,350,885	13,001,083	349,802	97.38	22,953	3,531	8,828	35,312
31	Jazat Lounge (Sydenham Commercial Complex)	1	1,109,710	995,090	114,620	89.67	7,450	1,146	2,866	11,462
	TOTAL	74	1,013,602,135	981,071,645	32,530,490	96.79	2,116,168	325,564	812,801	3,254,533

	ST. JAMES									
32	B-Games & Bar	6	65,257,514	57,006,560	8,250,954	87.36	536,312	82,510	206,274	825,095
33	T & B Games Room	5	26,991,580	23,578,444	3,413,136	87.35	221,854	34,131	85,328	341,314
34	Game Time	19	356,414,680	334,852,520	21,562,160	93.95	1,401,540	215,622	539,054	2,156,216
35	I.C.E - Acropolis Regional Office Montego Bay	5	196,893,183	192,828,153	4,065,030	97.94	267,959	41,224	103,061	412,245
36	Ice Jamaica - Guinep Tree Granville Montego Bay	5	1,587,920	1,543,477	44,443	97.20	2,889	444	1,111	4,444
37	Ice Jamaica - MK Samms Barnett St	5	3,951,171	3,879,968	71,203	98.20	6,893	1,060	2,651	10,605
	TOTAL	45	651,096,048	613,689,122	37,406,926	94.25	2,437,447	374,992	937,480	3,749,918

PERFORMANCE OF NON-GAMING LOUNGES - BY PARISH

2018 - 2019 (CONT'D)

	PERFORMA	NCE OF NON - G	AMING LOUNGES 2	018-2019			TA	DSS PROFIT LEVY J		TOTAL
NON-GAMING LOUNGES		# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % Of sales	Consolidated Fund	CHASE	BGLC	GOVERNMI
			(\$)	(S)	(\$)	%	(\$)	(\$)	(S)	(S)
							6.50%	1.00%	2.50%	10.00%
HANOVER										
lava Lounge		14	71,991,663	63,516,807	8,474,857	88.23	550,866	84,749	211,871	847
ucky 8 Games Room		16	122,837,299	110,794,221	12,043,078	90.20	782,800	120,431	301,077	1,204
Shauna's		12	2,385,850	2,074,350	311,500	86.94	20,248	3,115	7,788	31
Evan's Bar		5	8,390,810	7,265,830	1,124,980	86.59	73,124	11,250	28,125	112
Central Gaming & Bar		5	15,623,680	13,307,510	2,316,170	85.18	150,551	23,162	57,904	231
Jpper Deck Games Hall		5	210,410	191,490	18,920	91.01	1,230	189	473	
Frontline		5	19,027,220	16,713,990	2,313,230	87.84	150,360	23,132	57,831	23
Courtyard Games & Bar formerly Game Cage		5	8,099,270	7,181,040	918,230	88.66	59,685	9,182	22,956	9.
The Game Shack	TOTAL	5 72	498,170 249,064,372	418,990 221,464,228	79,180 27,600,145	84.11 88.92	5,147	792 276,001	1,980 690,004	2,760
	TOTAL	72	249,064,372	221,464,228	27,600,145	88.92	1,794,009	276,001	690,004	2,760
VESTMORELAND										
Paradise Gaming		17	52,623,824	46,905,254	5,718,570	89.13	371,707	57,186	142,964	57
^o & M Sports Bar		10	219,562,340	207,864,830	11,697,510	94.67	760,338	116,975	292,438	1,169
Krazy 8		15	51,821,620	49,215,030	2,606,590	94.97	169,428	26,066	65,165	260
ce Jamaica - Prime Sports Regional Office - Sav		8	133,470,409	129,630,441	3,839,968	97.12	249,598	38,400	95,999	383
ce Jamaica - Funnatic (Sav)		8	37,307,234	35,974,219	1,333,015	96.43	86,646	13,330	33,325	13
Skimpy Events		9	1,224,740	1,084,182	140,558	88.52	9,136	1,406	3,514	1-
Couples Negril		8	39,954,054	35,982,890	3,971,164	90.06	258,126	39,712	99,279	39
Couples Swept Away		18	39,051,643	35,895,948	3,155,694	91.92	205,120	31,557	78,892	31
	TOTAL	93	575,015,864	542,552,794	32,463,069	94.35	2,110,099	324,631	811,577	3,24
ST. MARY										
Las Vegas		14	49,142,270	44,905,595	4,236,675	91.38	275,384	42,367	105,917	42
Purple Rock Gaming		16	60,495,360	55,740,136	4,755,224	92.14	309,090	47,552	118,881	47
	TOTAL	30	109,637,630	100,645,731	8,991,899	91.80	584,473	89,919	224,797	89
PORTLAND										
rie Vibes Sports Bar		5	8,123,460	7,141,000	982,460	87.91	63,860	9,825	24,562	9
le vides aports dai	TOTAL	5	8,123,460	7,141,000	982,460	87.91	63,860	9,825	24,562	9
	TOTAL	5	0,120,400	7,141,000	302,400	07.01	00,000	3,023	24,002	5
KINGSTON										
「urkey's Hang Out		9	10,044,600	8,906,315	1,138,285	88.67	73,989	11,383	28,457	11
ce Jamaica - Tower Gaming		6	661,496,317	642,999,407	18,496,910	97.20	1,202,299	184,969	462,423	1,849
ce Jamaica - Just Kool Games Upper King Street		5	161,601,902	157,067,802	4,534,100	97.19	294,717	45,341	113,353	45
ce Jamaica - Prince Financial		5	5,470,456	5,408,932	61,524	98.88	8,269	1,272	3,180	12
rie Slots- Basmed		16	5,134,183	4,221,279	912,904	82.22	59,339	9,129	22,823	9
	TOTAL	41	843,747,458	818,603,735	25,143,723	97.02	1,638,612	252,094	630,235	2,52
ST. THOMAS										
ce Jamaica - Poorman's Lotto		5	34,877,883	34,243,390	634,493	98.18	41,317	6,356	15,891	6
	TOTAL	5	34,877,883	34,243,390	634,493	98.18	41,317	6,356	15,891	6
RELAWNY ce Jamaica - Royal Remittance		5	272,824,280	264,549,469	8,274,811	96.97	537,863	82,748	206,870	82
oo oomaloo moyarnomidilloo	TOTAL	5	272,824,280	264,549,469	8,274,811	96.97	537,863	82,748	206,870	82
ST. ANN										
en Jamaian A 9 MAMini Mast Alexandria		5	12,705,938	12,208,426	497,512	96.08	32,338	4,975	12,438	49
ce Jamaica - A & M Mini Mart :Alexandria		-	0.011.750	0 170 007	341,716	94.99	22,212	3,417	8,543	34
ce Jamaica - A & M Mini Mart Alexandra		5	6,814,753	6,473,037		34.33				
	TOTAL	5 10	6,814,753	18,681,463	839,228	95.70	54,550	8,392	20,981	8

PERFORMANCE OF GAMING LOUNGE OPERATORS - BY LICENSEE

2018 - 2019

	LICENSEE	# OF SLOT Machines Operated	SALES	PAYOUTS	DECLARED GROSS PROFIT	Payout as a % of Sales	Consolidated Fund	CHASE	BGLC	TOTAL Government Revenue
	12 Gaming Machine Operators with 22 Gaming Lounge locations islandwide		(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)
-	Everglades Farm Limited	392	20,523,662,832	19,328,118,437	1,195,544,395	94.17	77,710,386	11,955,444	29,888,610	119,554,439
N	Liguanea Lane Pharmacy	132	8,590,623,265	8,331,525,695	259,097,570	96.98	16,841,342	2,590,976	6,477,439	25,909,757
ო	SMWS Games Limited - Mosino	171	5,529,701,774	4,909,960,274	619,741,500	88.79	40,283,197	6,197,415	15,493,537	61,974,150
4	Macau Enterprises Limited - Macau	206	18,285,805,119	17,576,188,280	709,616,839	96.12	46,125,095	7,096,168	17,740,421	70,961,684
Ŋ	Premium Landmarks Limited - Reno Gaming	149	7,768,053,304	6,878,519,212	889,534,091	88.55	57,819,716	8,895,341	22,238,352	88,953,409
9	Worldwide Concepts International Limited	61	297,788,874	269,059,998	28,728,876	90.35	1,867,377	287,289	718,222	2,872,888
2	Onisac Gaming Limited	174	2,000,610,418	1,825,119,523	175,490,895	91.23	11,406,908	1,754,909	4,387,272	17,549,089
œ	Jay Vegas Limited	101	1,502,718,941	1,391,060,395	111,658,546	92.57	7,257,805	1,116,585	2,791,464	11,165,855
0	Sizzling Slots Limited - "100" Vault Gaming	150	12,355,446,906	11,943,166,664	412,280,242	96.66	26,798,216	4,122,802	10,307,006	41,228,024
10	Prime Sports Jamaica Limited - Acropolis Barbican	199	8, 167, 631, 075	7,825,149,059	342,482,016	95.81	22,261,331	3,424,820	8,562,050	34,248,202
÷	11 Yahman Technology Limited	202	17,782,160,823	17,179,511,436	602,649,387	96.61	39,172,210	6,026,494	15,066,235	60,264,939
12	12 Island Entertainment Limited - Coral Cliff	149	3,119,824,598	2,949,826,061	169,998,538	94.55	11,049,905	1,699,985	4,249,963	16,999,854
	TOTAL	2,086	105,924,027,929	100,407,205,036	5,516,822,893	94.79	358,593,488	55,168,229	137,920,572	551,682,289

PERFORMANCE OF NON-GAMING LOUNGE OPERATORS - BY LICENSEE

2018 - 2019

	LICENSEE	# OF SLOT Machines Operated	SALES	PAYOUTS	DECLARED GROSS PROFIT	Payout as a % of Sales	Consolidated Fund	CHASE	BGLC	TOTAL Government Revenue
	19 Gaming Machine Operators with 66 Gaming Lounge locations islandwide		(2)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)
-	ICE Jamaica Limited	209	5,593,334,523	5,435,806,735	157,527,788	97.18	10,251,995	1,577,230	3,941,965	15,771,189
N	Patrick's Vending - Cornel Davis	88	311,275,806	280,855,674	30,420,132	90.23	1,977,309	304,201	760,503	3,042,013
ო	Barrington Fray	19	356,414,680	334,852,520	21,562,160	93.95	1,401,540	215,622	539,054	2,156,216
4	Barbara Barrett	0	65,257,514	57,006,560	8,250,954	87.36	536,312	82,510	206,274	825,095
Ŋ	Trevor Martin	Ŋ	26,991,580	23,578,444	3,413,136	87.35	221,854	34,131	85,328	341,314
9	Billy's Games & Entertainment Enterprise Limited	35	117,007,500	104,619,960	12,387,540	89.41	805,190	123,875	309,689	1,238,754
2	Peter Wright	35	97,662,690	89,198,550	8,464,140	91.33	551,140	84,791	211,977	847,908
00	Andrew Davis	30	109,637,630	100,645,731	8,991,899	91.80	584,473	89,919	224,797	899,190
ი	Prime Sports (Jamaica) Limited.	10	31,806,044	24,841,112	6,964,932	78.10	452,721	69,649	174,123	696,493
10	Christopher Frazer	25	43,458,750	37,813,020	5,645,730	87.01	366,972	56,457	141,143	564,573
÷	Silver Top Tavern - Soltau	7	22,825,715	19,738,575	3,087,140	86.48	200,664	30,871	77,179	308,714
42	Silver Top Tavern - Sudeene	CI	6,604,565	5,927,655	676,910	89.75	43,999	6,769	16,923	67,691
1 0	Milton Ramdeen	7	42,658,010	38,749,720	3,908,290	90.84	254,039	39,083	97,707	390,829
4	Christopher Hoo Kim	Ø	10,044,600	8,906,315	1,138,285	88.67	73,989	11,383	28,457	113,829
15	Couples Negril-The Negril Hotel Operating Co. Ltd.	00	39,954,054	35,982,890	3,971,164	90.06	258,126	39,712	99,279	397,116
16	Bay Negril Operating Ltd.	18	39,051,643	35,895,948	3,155,694	91.92	205,120	31,557	78,892	315,569
17	Bazmed Gaming Limited.	16	5,134,183	4,221,279	912,904	82.22	59,339	9,129	22,823	91,290
1 0	Paul Carty	10	219,562,340	207,864,830	11,697,510	94.67	760,338	116,975	292,438	1,169,751
19	Jazat Investment Limited.	-	1,109,710	995,090	114,620	89.67	7,450	1,146	2,866	11,462
	TOTAL	540	7,139,791,537	6,847,500,608	292,290,929	95.91	19,012,570	2,925,011	7,311,417	29,248,997

BGLC/RISE LIFE MANAGEMENT RESPONSIBLE GAMING PROGRAMME



Working Together to Address Gambling Harm Prevention and Treatment in Jamaica

The Betting Gaming and Lotteries Commission provides an annual subvention to fund RISE Life Management for its gambling harm prevention and treatment programmes. This year, RISE has implemented a number of initiatives that continue to increase responsible gaming awareness among key target audiences.

Training for Gaming Lounge Staff

All gaming lounges are required to train team members in Responsible Gaming as a condition of license and in fulfillment of the Responsible Gaming Code of Conduct. Sessions enable gaming lounge workers to understanding gambling disorders and responsible gaming principles such as signs of problem gambling and measures that can be taken to provide assistance for problem gamblers within the gaming lounge environment.

School Based Prevention Education and Training

Guidance Counsellors and Peer Educators participate in training to equip them with gambling prevention information and techniques. The RISE team trains about the content and implementation of the Adolescent Gambling Prevention Lesson Plans. Peer educators are given the skills to intervene with their peers with regard to gambling related issues, as well as the knowledge to promote the prevention of gambling activity in schools.

During the period April 2018 to March 2019, workshops were held with schools in Kingston and St Andrew, Manchester and Portland with 104 Guidance Counsellors and 146 Peer Educators being trained.

School Based Prevention Education

This initiative is the premier prevention programme initiated with school based youth, with its goal being to ensure that Jamaican youth under 18 years old remain gambling free. 15,500 students and 2,500 parents in Kingston and St. Andrew, Manchester, St. Catherine, Clarendon, St. Thomas and St. Elizabeth engaged in dynamic and informative sessions led by the RISE Life Management Team.



The Honourable Alando Terrelonge, State Minister in the Ministry of Education, Youth and Information presents the trophy to Mount Peto Primary for winning 3rd place in the Adolescent Gambling All Island Jingle Competition.



RISE Life Management's Under Age Gambling Prevention Officer St. Andish Williams met with students and parents of John Mills Primary and Junior High School to discuss issues related to underage gambling

Adolescent Gambling All Island Jingle Competition

The annual competition to reinforce the underage gambling prevention message was implemented this year as the Adolescent Gambling Prevention All Island Jingle Competition with the theme "Underage Gambling Will Lead To Disaster, Focus On Education And Be Your Own Master." From 32 entries received from schools across the island, the best 10 were selected to receive awards. Of these, the top 2 jingles which provided very clear antiunderage gambling messages and encouragement to focus on more appropriate and meaningful goals, were recorded professionally for use on broadcast and digital media.

Voluntary Self Exclusion Programme - VSEP

Modelled on similar programmes that are standard in other more advanced gaming jurisdictions, the BGLC/ RISE Responsible Gaming initiative incorporates the Voluntary Self Exclusion Programme (VSEP) which enables gamblers to ban themselves from gaming facilities as a selfmanagement tool.VSEP is not a treatment protocol, rather an adjunct to the problem gambling treatment programme. Jamaica now has a national registry for persons who have voluntarily banned themselves from entering gaming lounges across the island. Gaming Lounge staff are trained to assist patrons with referrals to the VSEP. Patrons may request to ban themselves from gaming establishments for periods ranging from three months to a lifetime. During April 2018 – March 2019 46 requests for exclusion were made to VSEP.

Treatment for Gambling Related Issues

RISE Life Mangement offers individual and group counselling and intervention services for adults and group therapy for adolescents with gambling related problems. For the project year 48 adults and 6 adolescents sought gambling harm intervention services from RISE. A telephone lifeline also offers counselling 24 hrs per day, 7days per week.



Vitus Evans, Executive Director BGLC, with the 1st and 2nd place winners of the Adolescent Gambling Jingle Competition. Centre is 1st place winner Malique Brown of Holy Family Primary School.At left is Jaheem Jackson of Gaynstead High School who placed 2nd

PHOTO HIGHLIGHTS OF EVENTS & ACTIVITIES



A toast to the winner of the feature race and cutting of the cake are the traditional end to an exciting day of thoroughbred horseracing for the BGLC's Emancipation Race Day.



Executive Director Vitus Evans had a compelling yet entertaining message for the attendees at the awards ceremony for the Adolescent Gambling All Island Jingle Competition.



Site visits to gaming locations are routine for BGLC Inspectors. Executive Director Evans and a team representing the Compliance and Licensing Divisions accompanied representatives of Gaming Laboratories International (GLI) to introduce them to features of Jamaica's gaming industry.



Team members participated in 4 days of intensive training conducted by Gaming Laboratories International (GLI) University



Left to Right are Susan Watson Bonner, Acting Director of the Financial Intelligence Unit of the Financial Investigation Division (FID) of the Ministry of Finance and the Public Service, Marcia Robinson, Senior Inspector – POCA/AML for BGLC, Laurie Wiggan, Director Compliance & Regulatory, BGLC and Alan Johnston, Technical Consultant to the FID

DIVISION REPORTS

LICENSING & REGISTRATION

The Licensing & Registration Division (L&R Division) represents the primary point of contact for customers visiting the Betting Gaming & Lotteries Commission and this is the primary driving force behind members of the division consistently displaying a commitment to providing friendly and efficient service to our customers. The primary functions of the division include:

- Accepting, assessing and determining applications in accordance with the Betting Gaming & Lotteries Act and Regulations;
- Developing and implementing licensing policies consistent with Government of Jamaica's objectives;
- Providing recommendations for legislative changes to enhance the mandate of the Commission;
- Liaising with the Compliance & Regulatory, Enforcement and Legal Services Divisions on matters that impact all 3 divisions; and
- Maintaining international links with Gaming Regulators globally to enable exchange of information on betting, gaming and lotteries trends.

Having developed a licensing regime for Technical Service Providers (i.e.: manufacturers of locally gaming machines) during the previous fiscal year, the division's primary objective during the 2018/19 fiscal year, was to consolidate on the gains made by the introduction of a licensing regime. Against this background, the Commission not only continued its engagements with Technical Service Providers but also embarked on a licensing amnesty initiative executed during the period November 2018 to March 2019. The activities entailed face to face engagement with operators of unlicensed machines and premises across the 14 parishes, to provide details of the requirements in order to regularize their status as licensed gaming operators.

These operators were not only encouraged to license their machines and premises before the March 31, 2019 deadline, but were also alerted that machines not licensed during the amnesty period will not be licensed going forward. This approach has been a resounding success as the number of local machines licensed increased by 64% when compared to the corresponding period last year.

Effective April 2019, only new local gaming machines that are purchased from a licensed Technical Service Provider (TSP) will be licensed by the Commission. Those machines that are seized which are not purchased from licensed TSP, will be forfeited and destroyed. We are optimistic that this approach will positively address the scourge of unlicensed machines operating in Jamaica and lead to a more organized compliant sector.

Gaming Sector

A total of 10,903 gaming machines were licensed during the period, this represents an approximate 41.6% increase over the 7,798 gaming machines that were licensed during the 2017/18 fiscal year. Eight Thousand one hundred and thirty one (8,131) local machines and 559 slots were licensed in the non-gaming lounge category while the remainder of 2,213 slots were licensed in the gaming lounges. The 64% increase in the licensing of local machines is directly related to the amnesty. During this year, 8,131 machines were licensed in this category compared to 4,955 that were licensed during the corresponding period last year. There was only a 1% increase in the number of slot machines licensed at gaming lounges, and a 7% increase in machines licensed at non-gaming lounges. Local gaming machines now represent 75% of the market, while slots at gaming lounges represent 20% and slots at non-gaming lounges represent 5%. During the corresponding period last year, local machines represented 64%, slots at gaming lounges 29% and slots at non-gaming lounges 7%.

With the licensing regime for Technical Service Providers now completed, the next critical step is to introduce updated Technical Standards and Conditions of Licence for TSPs. It is expected that these Standards and Conditions, which will be

introduced as of April 2019, will result in a level playing field for all categories of gaming machine operators in terms of taxation.

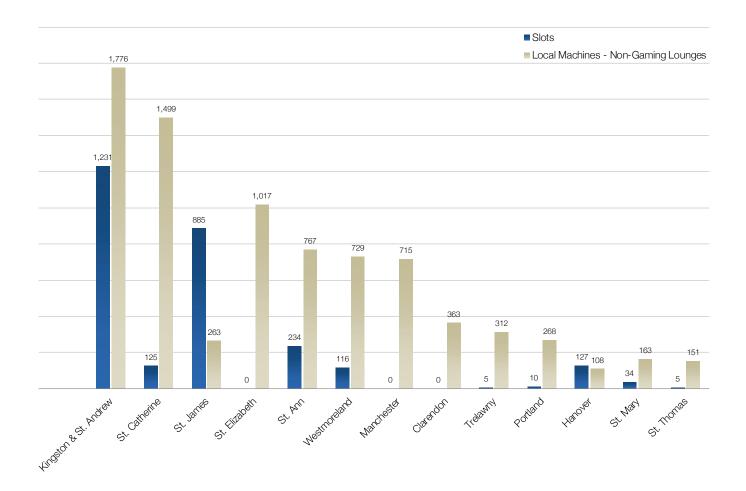
In order to improve service delivery for licensees and improve efficiencies in the licensing process, systems were implemented to enable accepting payments via debit and credit cards. This was welcomed by the licenses and resulted in a 103% increase in revenues collected and customers served during the Remote Licensing exercise. The Division aims to enable licensees to make payments via third party bill payment entities for the next licensing period.

Kingston & St. Andrew continues to account for the greatest number of gaming machines licensed during the period (28%) while only 1% of gaming machines are found in St. Thomas. **Tables IA** and **IB** provide a breakdown of the number and type of gaming machines licensed by parish for the 2018-2019 period. The increase in licenses issued for gaming machines has resulted in a shift in terms of ranking with St. Catherine now recording the 2nd highest number of gaming machines licensed, pushing St. James to a close 3rd.

Table IA - Gaming Machines Licensed by Parish 2018-2019

	SLO	TS				
Parish	Gaming Lounges	Non-Gaming Lounges	Total Slots	Local Machines Non-Gaming Lounges	Grand Total	%
Kingston & St. Andrew	1,019	212	1,231	1,776	3,007	28
St. Catherine	46	79	125	1,499	1,624	15
St. James	838	47	885	263	1,148	11
St. Elizabeth	0	0	0	1,017	1,017	9
St. Ann	229	5	234	767	1,001	9
Westmoreland	21	95	116	729	845	8
Manchester	0	0	0	715	715	7
Clarendon	0	0	0	363	363	3
Trelawny	0	5	5	312	317	3
Portland	0	10	10	268	278	3
Hanover	60	67	127	108	235	2
St. Mary	0	34	34	163	197	2
St. Thomas	0	5	5	151	156	1
Total	2,213	559	2,772	8,131	10,903	100
Percentage of Total	20%	5%	25%	75%		





Fees & Levies

Total fees and levies paid by gaming machine operators was \$90.34M, a 37% increase over the \$65.75M collected during the corresponding period last year. Of this amount, \$39.46M was paid to the Tax Administration of Jamaica, while the remaining \$50.88M was paid to the Commission. **Table 2** outlines the Gaming Machine Fees & Levies collected for the current period.

Table 2 - Gaming Machine Fees & Levies Collected 2018-2019

	No. of M	achines	BGL	C		TAJ		
Type of Lounge	Slots	Local	Gaming Machine Fee Disc Fee	Prescribed Premises Fee	Gaming Machine Levy	Prescribed Premises Levy	Penalty	Total Revenue
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Gaming Lounges	2,213	-	11,044,000.00	24,000.00	-	52,500.00	-	11,120,500.00
Non-Gaming Lounges (19 & Under)	559	8,131	38,491,000.00	1,324,600.00	34,590,500.00	3,293,125.00	1,525,500.00	79,224,725.00
TOTAL	2,772	8,131	49,535,000.00	1,348,600.00	34,590,500.00	3,345,625.00	1,525,500.00	90,345,225.00

Betting Sector

Bookmakers

Applications for renewal of permits and associated licences for the 2018/2019 fiscal year were submitted by eight (8) Bookmakers; namely: Prime Sports Jamaica Limited, Post to Post Betting Limited, Jamozzie Investments Limited (T/A BetChris), Ideal Betting Company Limited, Island Sizzling Tech (Ja.) Limited (T/A Island Bet,), Summit Betting Company, Capital Betting & Wagering Limited and Olympic Sports Data Services.

Total fees collected from the Bookmakers was \$4.91M, a 32% decline when compared to the \$7.25M collected during the previous fiscal year. **Table 3** gives a clear breakdown of the Bookmakers' licensing fees collected during the period. This significant decline is primarily due to the reduction in Agency, Betting Office and Betting Lounge fees, which have declined by 68%, 71% and 34% respectively.

Bookmakers	Permit Fee Paid	No. of Agents	Agency Fee Paid	No. of Betting Offices	Betting Office Fee Paid	No. of Betting Lounge	Betting Lounge Fees Paid	No. Of Betwriter/ Terminal Operator	Betwriter/ Terminal Operator Fees	**No. of Sport Betting Outlet	Total
	(\$)		(\$)		(\$)		(\$)		(\$)		(\$)
Capital Betting & Wagering Ltd	200,000	12	120,000	14	140,000	-	-	16	36,000		496,000
Ideal Betting Co. Ltd.	200,000	12	120,000	1	10,000	11	165,000	8	32,000		527,000
Island Bet	200,000	3	10,000	-	-	3	45,000	3	12,000		257,000
Jamozzie	200,000	-	-	-	-	3	45,000	4	16,000		261,000
Post to Post Betting Ltd	200,000	13	130,000	1	10,000	33	495,000	127	508,000		1,343,000
Prime Sports (Jamaica) Limited	200,000	20	200,000	7	70,000	21	315,000	51	204,000	63	989,000
Olympic Sports Data Services Ltd.	200,000	1	10,000	1	10,000	-	-	12	48,000		268,000
*Summit Betting Co. Limited	200,000	-	-	-	-	15	225,000	86	344,000		769,000
Total	1,600,000	59	590,000	24	240,000	88	1,290,000	307	1,200,000	63	4,920,000

Table 3 - Bookmaker Licensing Fees Collected - 2018-2019

* did not operate

The data for FY 2017/18 showed the highest concentration of betting locations in the parishes of Kingston & St. Andrew and St. Catherine. This trend continues to hold true for the 2018/19 period. St. Thomas, St. Mary and Hanover continue to have the fewest number of locations; **Table 4** below illustrates the betting locations by parish.

Table 4 - Betting Locations by Parish - 2018-2019

Parish	Capital Betting & Wagering Ltd.	ldeal Betting Co. Ltd.	Island Sizzling Tech (Ja.) Ltd.	Jamozzie Investments Ltd.	Olympic Sports Data Services Ltd.	Prime Sports (Ja.) Ltd.	Post To Post Betting Ltd.	*Summit Betting Company Ltd.	Total
Kingston & St. Andrew	6	4		1		48	18	9	86
Clarendon			1			1	1	1	4
Hanover						2			2
Manchester						2	5	1	8
Portland	1					2		1	4
St. Ann		3				4		1	8
St. Catherine	4	5		1		13	8	4	35
St. Elizabeth						1		1	2
St. James			1	1	1	3	4	1	11
St. Mary						2			2
St. Thomas						2			2
Trelawny	1		1			3			5
Westmoreland	1					1		1	3
TOTAL	13	12	3	3	1	84	36	20	172

* did not operate

Note. The locations operated by Island Sizziling Tech (Ja.) Ltd. were granted temporary approval.

Racing Promoter

With the divestment of the track now completed, the new Promoter, Supreme Ventures Racing & Entertainment Limited (SVREL) paid fees totaling \$3,904,000 during the period, a 45% increase over the \$2,690,00 that was paid for 2017-2018.

SVREL operated a total of 113 OffTrack Betting Parlors (OTBs) during the review. A 57% increase when compared to the 72 OTBs that were operated during the previous year. **Table 5** gives a breakdown of the Promoter's fees while **Table 6** illustrates the number of OTBs in each parish.

Table 5 - Racing Promoter Fees Collected

Company	Track Betting Licence Fee	# of Racing Promoter Terminal Operator	Racing Promoter Terminal Operator Fee	# of OTB Parlour	OTB Parlour Licence Fee	# of OTB Operators	OTB Operator Licence Fee	# of OTB Terminal Operator	OTB Terminal Operator Licence Fee	Total Amount
	(\$)		(\$)		(\$)		(\$)		(\$)	(\$)
Supreme Ventures Racing & Entertainment Limited	500,000.00	42	168,000.00	71	1,020,000.00	62	620,000.00	68	272,000.00	2,580,000.00
Additional applications				42	630,000.00	41	410,000.00	71	284,000.00	1,324,000.00
TOTAL		42		113	1,650,000.00	103	1,030,000.00	139	556,000.00	3,904,000.00

Parish	# of locations
Kingston & St. Andrew	38
Clarendon	11
Hanover	3
Manchester	4
Portland	2
St. Ann	6
St. Catherine	21
St. Elizabeth	5
St. James	8
St. Mary	3
St. Thomas	3
Trelawny	3
Westmoreland	6
TOTAL	113

Table 6 - OTBs by Parish

Lottery Sector

This sector continues to operate with only two licensed entities - Supreme Ventures Limited and Goodwill Gaming Enterprises Limited (GGEL), with the latter not yet operational.

Licensing fees collected for the conduct of seventeen (17) lottery games totaled \$40.8M, which is the same amount collected for the conduct of a similar number of games during 2017-2018.

Fees totaling \$6.01M were collected from 1,612 agents, which is a 8% increase over \$5.58M collected from 1,116 agents during the corresponding period last year. Fees for the 1,668 lottery sales outlets amounted to \$1.79M, a 3% increase over the \$1.73M collected for 1,137 lottery sales outlets recorded for 2017-2018.

Table 7 gives a breakdown of fees collected from this sector, while **Table 8** illustrates the number of lottery outlets in each parish.

Table 7 - Breakdown of Fees for Lottery Sector

Name of Lottery Company	No. of Games	Licence Fee	No. of Lottery Agents		# of Lottery Sales Outlets	Lottery Sales Outlets Fee	Total Revenue	TAJ Premises Levy
		(\$)		(\$)		(\$)	(\$)	(\$)
Supreme Ventures Limited	14	33,600,000.00	1,014	5,070,000.00	1,240	1,333,000.00	40,003,000	2,960,000.00
Goodwill Gaming Limited*	3	7,200,000.00	188	940,000.00	428	460,100.00	8,610,100	892,500.00
TOTAL	17	40,800,000.00	1,202	6,010,000.00	1,668	1,793,100.00	48,613,100	3,852,500.00

Parish	SVL	*GGEL	TOTAL
Kingston & St. Andrew	312	139	451
Clarendon	92	40	132
Hanover	36	6	42
Manchester	92	32	124
Portland	31	7	38
St. Ann	75	13	88
St. Catherine	227	57	284
St. Elizabeth	77	53	130
St. James	104	32	136
St. Mary	44	9	53
St. Thomas	35	6	41
Trelawny	47	6	53
Westmoreland	95	28	123
TOTAL	1,267	428	1,695

Table 8 - Lottery Outlets by Parish

* did not operate

Charitable Lottery

The Commission received 9 applications during the period with 6 being approved. Fees totaling \$60,000 was collected from the 6 approved Charitable Lotteries.

Technical Service Providers (TSPs)

The Commission received 15 applications for TSP Licences during the review period and 14 were approved. Fees totaling \$3M was collected from the 15 applicants.

Prize Competitions

During 2018-2019 there was a 2 % increase in the number of applications for prize competitions as compared to 2017-2018. 234 applications were received during period versus 230 for the prior year. Revenues generated from this activity also increased by 9% to \$16.03M, compared to \$14.69M earned in 2017-2018.

The value of prizes being offered by promoters decreased by 29% from \$620M to \$439M. This decrease is primarily due to one particular prize promotion during 2017-2018 that offered a property valued at \$200M as its main prize. The last quarter of the fiscal year continues to be the least active for prize promotions. **Table 9** provides a quarterly breakdown of prize competition activities for 2018-2019

Table 9 - Prize Competition Activities - 2018-2019

Month	Number of applications received	Application fees	Incomplete fees	Late fees	Expresss fees	Modification fees	Extension fees	Overpayment	Refund	Total Revenue	Prize Values
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
April	17	780,000	75,000	15,000	100,000	0		45,000	80,000	935,000	14.90
May	20	1,080,000	15,000	15,000	225,000	30,000				1,365,000	34.51
June	22	1,170,000	0	45,000	225,000	15,000		10,000	15,000	1,450,000	29.39
Q1	59	3,030,000	90,000	75,000	550,000	45,000	-	55,000	95,000	3,750,000	78.80
July	27	1,320,000	15,000	90,000	225,000	90,000	30,000	35,000	50,000	1,755,000	52.42
August	11	785,000	15,000	30,000	175,000	30,000	0	0	25,000	1,010,000	19.78
September	25	1,360,000	15,000	60,000	295,000	0	0	40,000	50,000	1,720,000	60.50
Q2	63	3,465,000	45,000	180,000	695,000	120,000	30,000	75,000	125,000	4,485,000	132.70
October	37	1,970,000	60,000	45,000	575,000	15,000	0	50,000	15,000	2,700,000	76.67
November	28	1,520,000	15,000	45,000	450,000	0	0	15,000	40,000	2,005,000	75.21
December	8	430,000	0	15,000	125,000	0	15,000	15,000	0	600,000	15.20
Q3	73	3,920,000	75,000	105,000	1,150,000	15,000	15,000	80,000	55,000	5,305,000	167.08
January	14	600,000	0	15,000	100,000	0	15,000	5,000	53,750	681,250	14.97
February	11	572,500	30,000	0	150,000	0	0	0	0	752,500	16.52
March	14	880,000	15,000	30,000	125,000	0	0	10,000	0	1,060,000	29.36
Q4	39	2,052,500	45,000	45,000	375,000	0	15,000	15,000	53,750	2,493,750	60.85
TOTAL	234	12,467,500	255,000	405,000	2,770,000	180,000	60,000	225,000	328,750	16,033,750	439.43

Year on Year Comparison

	Numb	er of applica	tions	Total Revenue				Prize Value	
	2018/2019	2017/2018	Variance	2018/2019	2017/2018	Variance	2018/2019	2017/2018	Variance
			(%)	(\$M)	(\$M)	(%)	(\$M)	(\$M)	(%)
Q1	59	66	-10.6	3.75	3.74	0.3	78.80	56.62	39.2
Q2	63	57	10.5	4.49	3.96	13.4	132.70	93.84	41.4
Q3	73	76	-3.9	5.31	4.78	11.1	167.08	97.94	70.6
Q4	39	31	25.8	2.49	2.22	12.2	60.85	371.57	-83.6
TOTAL	234	230	1.7	16.04	14.70	9.1	439.43	619.97	-29.1

The Division's major objectives for 2019-2020 include:

- Increased stakeholder engagement, especially with the Jamaica Constabulary Force and Technical Service Providers.
- Implement updated Technical Standards and Conditions of Licence for Technical Service Providers
- Full integration of the licensing process in the Gaming Management Information System
- · 100% renewal completed for major licensees within deadline
- 70% renewal completed for 19 & Under licensees within deadline
- Standardized Conditions of Licence for all License categories.
- · Licensing regime established for Lottery Sales Outlets and Lottery Agents.

COMPLIANCE & REGULATORY

Monitoring & Supervisory Programme

The Compliance & Regulatory Division is responsible for inspecting, educating, monitoring, and enforcing compliance with the Betting, Gaming & Lotteries legislation. While our general compliance supervision programme is rules-based, our AML/CFT supervision programme is transitioning from rules-based to a risk-based approach as required under FATF Recommendations and Guidance on effective supervision. The AML/CFT risk-based approach is designed to ensure gaming lounge operators are appropriately regulated according to the level of risk they pose to the industry. Full implementation of the Risk-based supervision is slated for the next financial year.

Compliance Inspectors visit licensed premises across the island to check that licensees understand and comply with their legislative obligations. Our newest category of operators, Technical Service Providers - Manufacturers have just been approved. The Compliance team commenced field visit with a view to gather information on the operational environment, assess practicability of Technical Standards and Conditions to Licence which will guide recommendations for improvement of the Minimum Standards. The process is ongoing.

Strategic Engagements, Partnerships & Relationships

During the year, the Division engaged and partnered with the following entities on its supervisory programme:

- Tax Administration Jamaica (TAJ): operational issues relating to filing of returns and payments using TAJ's Revenue Administration System (RAiS) as well as distribution of payments.
- Financial Investigation Division (FID): industry and BGLC staff training in respect of AML/CFT
- Rise Life Management Services: on the Code of Conduct

Responsible Gaming

The Division continues to coordinates with local partner RISE Life Management Services Limited to provide training, education materials, and prevention programs to persons with gambling disorders.

For the review period, gaming lounge operators were compliant with the Responsible Gaming Code of Conduct. Periodic alerts issued when customers are registered in the RISE Life Management Services Limited's national database registry signals the effective implementation of the voluntary self-exclusion program at the gaming lounges.

Anti-Money Laundering & Counter Financing of Terrorism (AML-CFT)

As the Competent Authority for gaming operators with 20 or more gaming machines, the Compliance AML/CFT Unit ensures that gaming lounge operators are compliant with respect to their anti-money laundering (AML) and counter-financing of terrorism (CFT) requirements under prescribed legislation. The unit is responsible for coordinating and executing the AML/CFT super¬visory functions of the BGLC including representing the BGLC on the CFATF - Operational Committee and the National Anti-money Laundering Commit¬tee; liaising with local stakeholders and part¬ners; communicating with licensees; providing guid¬ance and training to licensees and conduct¬ing AML/CFT examinations.

- AML-CFT Compliance Examinations
 During the period, two (2) AML/CFT onsite examinations were conducted. While there was general AML/
 CFT compliance, improvements are required in the effectiveness of risk identification, evaluation and risk
 monitoring.
- Gaming Lounge sector Risked-based Approach to ML/TF Risks Gaming lounge operators collect customer identification documents and key information such as source of funds is obtained verbally. However, the industry has not yet implemented a risk-based approach in accordance

with FATF Recommendations. The Commission is in the process of developing the Risk-based supervisory framework as well as Industry Guidelines for Risk-based approach.

3. STRs & SARs Reporting Obligation - FID goAML Reporting Portal

The FID trained members of BGLC Compliance team as well as all gaming lounges on the use of the goAML portal. The BGLC is currently registered as a supervisory body with the ability to register supervisory staff, register and approve reporting entities - gaming lounge operators, view statistics on reporting entities' filings and communicate real time via message board to the FID on AML/CFT matters.

4. Terrorism Prevention Reporting (listed entities)

Gaming lounge operators are currently subjected to supervision under the Terrorism Prevention Act and the Terrorism Prevention (Reporting Entities) Regulations which took effect on June 1, 2018. To date, all twelve (12) Gaming Machine Operators (gaming lounges) have met their reporting obligations under the TPA by reporting under the FID prescribed period for DNFIs. The AML/CFT Unit continues to support the licensees by providing and advising on the Consolidated List for Reporting Entities as advised by the DPP and the Ministry of Foreign Affairs and Foreign Trade.

5. Customer Due Diligence (CDD) threshold - US\$3000

Gaming lounge operators have substantially complied with the customer due diligence requirements (identification and verification procedures) which was augmented by the implementation of an electronic system.

In December 2018, the Commission was advised by FID that in order for the Ministry of National Security to approve the draft De minimis Order of US\$3000, a risk assessment on the domestic market is required for submission and consideration. On that basis, the FID requested that the Commission conduct a domestic risk assessment to support the De minimis amount of US\$3000. The US\$3000 was adopted by BGLC based on the Financial Action Task Force (FATF) recommendation for Casinos and is currently stated in the Guidance Notes. Consequently, questionnaires were sent to all the gaming lounges to assist with the domestic assessment.

Industry Compliance

During the year, the inspectorate team carried out on-site field visits to licensees in the betting, gaming and lottery sectors as well as monitored prize competition draws.

As customary, the Compliance team reported on illegal gaming activities observed during on-site visits, reviewed patron's complaints and recorded slot machine readings (commissioning, de-commissioning, instant repairs, bi-monthly meter readings for Gross Profit Tax verification purposes).

Key Performance Indicator	Target	Actual	Variance
% Providers in compliance with Regulations	65%	70%	7.7%

Most licensees were compliant with their respective licence obligations. However, the most frequent deficiency noted related to licence and prohibition signs not displayed, primarily in establishments licensed under the Spirit Licence Act. This year one hundred and seven (107) letters of deficiency relating to contraventions of legislation and conditions to licence was issued and is slated for periodic follow-up. The Compliance follow-up and scheduled on-site visits were abated as the team was re-assigned to participate in the BGLC's gaming machine amnesty (Blitz) which took place during November 2018 through March 2019.

Customer Complaints

All licensees are expected to offer a dispute resolution process should a punter feel aggrieved by some aspect of their interaction with the licensee. Where satisfaction has not been achieved, a punter has the option to put their grievance to the BGLC. The BGLC through the Compliance and Regulatory Division will investigate the dispute acting as an impartial arbitrator.

Key Performance Indicator	Target	Actual	# of Complaints received	# of Complaints resolved
% Complaints reported to BGLC resolved within standard time	TBD	20 working days	27	22

The Division is in the process of establishing a standard turnaround time for the resolution of complaints. Some factors impacting the achievement includes: Incomplete/insufficient information provided by the complainant and or licensee/ promoter as well as response times to our request for clarification, information and investigation, some due to licensee's own detailed review and of its IT system, documentation, dialogue with the complainant.

Complaints Transitional Process Project

During the year, the Compliance Division commenced a Complaints project with a view to streamline the BGLC's complaints process. The project now spearheaded by ICT seeks to establish standards and efficiency in complaints registration, investigation and follow-up as well as utilize an automated solution. All contact-points are expected to be examined (complaints received via website, walk-in or via email).

Government Revenue Collection

The Division conducted reviews throughout the year to provide revenue verification across all gambling products as part of its responsibilities. During the year, the Division worked with two key partners, Tax Administration Jamaica (TAJ), and The Jamaica Racing Commission to ensure collections.

Key Performance Indicator	Target	Actual	Variance
Total Government Collection (Billions)	\$7.2bn	\$7.546bn	Excess of \$0.48bn

A total amount of \$7.546 billion has been validated and verified from betting, gaming and lotteries operations as well as to the Tax Administration Jamaica (TAJ) RAIS for the fiscal year in relation to gambling taxes and contributions payable. Through the process of direct deposits, inter-agency distributions and cash, the BGLC, TAJ (inclusive of CHASE contributions) and JRC has successfully collected 99% of taxes and contributions payable from the betting, gaming and lotteries sectors.

The revenue verification extends to validation of data through the operator's back-end system and annual financial statement assessment (applicable to Bookmakers and Lottery Promoter).

CFATF- Mutual Evaluation Report - Jamaica (MEVAL)

In a letter to the BGLC dated December 18, 2018 from the MOFPS, Minister Williams outlined Cabinet's Mandate for Ministry/Agencies such as the BGLC engaged in legislative reforms or institutional measures pertinent to strengthening Jamaica's Anti-Money Laundering and Countering Financing of Terrorism framework as per recommendations in the Jamaica Mutual Evaluation Report to attend legislative and operational meetings. Compliance team members' participation in these meetings enables us to be part of the delegation addressing these deficiencies and preparing Jamaica for re-rating in May 2020 Plenary. Furthermore, the BGLC reports to CFATF through the FID, updates on its supervisory programme. Our reports are incorporated along with other Ministry/Agencies for presentation at the CFATF Plenary.

Priority Actions Applicable to BGLC

- Jamaica should complete its National Risk Assessment (NRA) NRA2 so it can fully identify, assess, understand and mitigate its ML/TF risks and the results should be shared with financial institutions, DNFIs/DNFBPs and other relevant stakeholders.
- 2. Upon completion of the NRA, mechanisms should be developed to periodically review the results of this assessment, ensure that all relevant public and private sector stakeholders are sufficiently engaged in the process and that results of these reviews are shared with the private sector (FIs and DNFIs/DNFBPs).

- 3. Jamaica should identify, and assess, its ML/TF risks associated with its financial, DNFIs/DNFBPs and NPO sectors, the use of legal persons and arrangements, cross-border activities, tax evasion and PF, and put measures in place to mitigate these risks.
- 4. Jamaica should formulate national policies and strategies related to ML/TF/PF, including processes for monitoring effectiveness based on identified and assessed risks.

BGLC ACTION: The BGLC signed an MOU with BOJ to facilitate this process with the NRA Secretariat. We are currently engaged with BOJ in completing the World Bank Assessment tool - Module 7.

- 5. Jamaica should ensure that financial intelligence is better utilized for ML and TF investigations. <u>BGLC ACTION</u>: FID rolled out its goAML Portal. BGLC has been registered as a Supervisory Body and All BGLC licensees have been registered as Reporting Entities and now their STR reporting capabilities have been enhanced.
- 6. Jamaica should establish policies and mechanisms to implement all UN targeted financial sanctions to combat TF and the financing of proliferation without delay and monitor the reporting of entities for compliance with the targeted financial sanction.

<u>BGLC ACTION</u>: We await the Ministry of Foreign Affairs issuance of Policies, guidelines and mechanism to support UNSCRIA once amendments are made.

7. Jamaica should take measures to assess the risks of ML/TF posed by the misuse of legal persons and legal arrangements. Jamaica should also take measures to ensure that beneficial ownership information for legal persons is maintained and available. Obligations and associated sanctions should be imposed on trustees in relation to the keeping and maintenance of information on trustees, settlers, beneficiaries and protector (if any).

BGLC ACTION: Obtain amendments to the Companies Act once enacted. Revisit our internal policies to support due diligence of beneficial owners and to have beneficial owners' information reported periodically

8. Jamaica should impose sanctions that are effective, proportionate and dissuasive against natural and legal persons following convictions for ML offences

<u>BGLC ACTION:</u> Our legislation does not give powers under POCA. Breaches are dealt with under conditions of licence and exercise powers to suspend, revoke or cancel licence.

9. Jamaica should bring all DNFIs/DNFBPs under the AML/CFT regime and ensure that both supervisors and DNFIs/DNFBPs understand the ML/TF risk posed by this sector.

<u>BGLC ACTION:</u> Gaming lounges were designated under TPA and they have commenced reporting. All gaming lounges are compliant with this requirement.

Gazette Guidance Notes are to be updated with this requirement.

- 10. Jamaica should ensure proper supervision of DNFIs/DNFBPs based on a risk based approach and ensure all DNFIs/DNFBPs are effectively implementing their AML/CFT obligations and risk mitigating measures. BGLC ACTION: Technical assistance is being sought to design approach to risk based supervision. It is recommended that BGLC conducts an assessment that supports the de minimis value to US\$250. Our Guidance Notes refer to US\$3000 however, FID has asked that we conduct a domestic assessment to support the amount as the recommended FATF amount is not acceptable - the document note the number transactions done for less than this amount and the number of reports to FID. BGLC is to engage other jurisdictions through IAGR.
- 11. The TPA should be extended to all DNFIs/DNFBPs. BGLC ACTION: See item #9.

ENFORCEMENT

The primary functions of the law enforcement arm of the Betting Gaming and Lotteries Commission include:

- 1. Gathering intelligence on organized criminal groups involved in illegal betting and gaming activities.
- 2. Conducting criminal and regulatory investigations on individuals and groups involved in illegal betting and gaming activities.
- 3. Conducting due diligence investigations on all applicants for licenses as well as employees within the gaming industry.
- 4. Making recommendations on the fit and proper status on all applicants and employees in the gaming industry.

Investigations and Operations

During the review period the Enforcement Division carried out a total of 41 operations involving criminal activity which is a 20% decrease over the corresponding period the year before. Of the 41 operations 32 involved Illegal Cash Pot and 9 involved illegal gaming machines.

• Illegal Cash Pot

Of the 32 operations that were carried out involving illegal cash pot 29 persons were arrested. Additionally, cash seized from the 29 arrests totaled \$519,271.00. That is a 51% decrease in the amount of cash that was seized last year.

• Gaming Machines

We conducted 9 gaming machine operations which resulted in 44 gaming machines being seized. Of the 44 machines that were seized only 11 have been returned to the owners. The remainder are in storage. While this is a 26% increase of the activity last year it is still far below the historical activity of these types of operations of the Commission. This was mainly due to an amnesty that was extended to the public that were operating unlicensed gaming machines.

Due Diligence

During the year the Enforcement team completed 479 due diligence investigations which is a 4% increase of the corresponding period last year.

Reports Received

We received 31 reports from Crime Stop regarding illegal activity this year which is a 74% decrease in the number of reports received from the previous year. With the success that we encountered in 2016 with the signing of a Memorandum of Understanding with Crime Stop we felt that we could reduce our advertising expenses regarding illegal gambling. However, with the significant drop in reports received, comparing year over year, we will be working very closely with our Communications team to develop new strategies on how to achieve the best possible returns on the Commission's advertising dollars.

Court and Tribunal Activities

Based on information from the Counter Terrorism & Organized Crime Investigative Branch, of the 29 persons who were arrested during the fiscal year, there are currently 13 matters before the courts. Of the 13 matters 7 persons plead guilty and the fines associated with those guilty pleas totaled \$590,000.00. There are 6 matters still before the courts and 16 matters yet to be called.

Projects

In 2018 the Enforcement Division implemented "Perspective", which is a Case Management Software designed to streamline the operations of the department. The benefits of software are:

- I. It will provide a holistic view of the risks associated with illegal gambling.
- 2. We can easily open, manage and analyze investigations and cases.
- 3. It will enable Investigators to work faster and more efficiently.

As this is a very new approach to records management for the Commission there was a slight learning curve that had to be managed. However, the team has all accepted the value it brings, performing at an acceptable level and we look forward to analyzing the data involving illegal activities in a more strategic manner within the gaming sector.

Statistics Summary

Major Activities	2017/18	2018/19	% Change
Arrests	54	29	-46%
Cash Seized from illegal operators	\$1,017,907.00	\$519,271.00	-51%
Court Fines	\$349,500.00	\$590,000.00	69
Reports Received	120	31	-74%
Operations	63	41	-34%
Gaming Machines Seized	35	44	26%
Operations	35	11	-31%
Due Diligence Investigations	459	479	4%

LEGAL SERVICES

The work of the Legal Services Department has been concentrated on spearheading the Commission's reform initiatives to be included in Regulations which will accompany the legislation for the merger of the three Commissions.

The reforms will include the following:

- Modernizing and updating the requirements for licences and approvals including a more rigorous due diligence and fit and proper requirements for the companies and persons who operate in the industry.
- · Creating a licensing regime for interactive (online) gaming
- · Establishing IT requirements for platforms offering sports betting, lotteries and player accounts
- Requiring establishment of responsible gaming safeguards to protect minor and vulnerable persons
- The implementation of measures to prevent money laundering and terrorism financing in keeping with the requirements of CFATF

Legal along with the Enforcement Division sought guidance from the Director of Public Prosecutions on legal approaches available to prosecute persons who have breached the provisions of the Act. Legal has also assisted in updating and renewing the memorandum of understanding between the Jamaica Constabulary Force and the Commission.



Executives of the International Association of Gaming Regulators (IAGR) with members of the Jamaica delegation to the IAGR 2018 Copenhagen Conference where it was announced that Jamaica would host the IAGR 2019 Conference. The Conference will be held at Half Moon from September 29 to October 3, 2019.

In the photo left to right are: Dale Fuga, Trustee and Immediate Past President of IAGR, Audrey Robinson, Secretary/Manager – Casino Gaming Commission; Karla Small Dwyer, Director-Legal Services, Betting Gaming and Lotteries Commission; Trude Feld, President, IAGR; Vitus Evans, Executive Director, Betting Gaming & Lotteries Commission

INFORMATION & COMMUNICATION TECHNOLOGY

The Information and Communications Technology (ICT) Division continues to be an agent of change in delivering sustainable technology enhancements to the Commission and its stakeholders. The division plans, manages, maintains and supports the Commission's ICT infrastructure and protects it from a range of threats and disasters. Along with providing day-to-day support to the business through the service desk, the division delivers improvements to the organization by transforming services and providing technological solutions. This includes the modernization of applications, fusion of cloud technology and improving data analytics through business intelligence tools.

The Division has successfully underpinned the Commission's Business strategy with the ICT Strategy, thereby resulting in the smooth transition of planned initiatives. The Team

- was instrumental in soliciting technical training for staff in the areas of Gaming Machine technology and development.
- participated in the review of the current Gaming Legislation especially the roll out of the Interactive Gaming platform to Licensees
- continued with the testing, advice and inspection of new gaming technology put forward by our Licensees and stakeholders.
- Carried out extensive work in the Operational divisions in terms of reviewing their workflows in order to streamline their business processes for more efficiency.

Work continued on our major projects,

- implementation of a Gaming Management Information System
- · implementation of a Business Intelligence solution to assist with analysis and reporting
- implementation of an edu-portal which is designed to automate internal learning processes as well as to disseminate information to licensees.
- rationalization of the back office functions, systems and services in preparation for the merger of the BGLC with the Casino Gaming Commission and the Jamaica Racing Commission

The Division will be implementing a Gaming Laboratory to carry out testing on locally assembled gaming machines and will also provide a hands-on training ground for our field officers.

The ICT Division remains committed to keeping the Commission on the cutting edge of technology.



BGLC Team members met with representatives of Gaming Laboratories International (GLI) to discuss and develop technical standards for locally made gaming machines

Cultural Integration And Staff Engagement

In continuation of the cultural integration, the success was exemplified by increased collaboration of all three (3) Commissions. The Social Activity Planning Committee, under the leadership of the HRA Department, worked as a team to influence the work culture by promoting joy, work-life balance and overall wellbeing.

On May 3rd 2018, team members of the Betting Gaming and Lotteries Commission (BGLC), Casino Gaming Commission (CGC) and Jamaica Racing Commission (JRC) participated in a Staff Away Day at Chukka Good Hope in Trelawny. This was a culmination of a series of activities which were designed to develop a strong sense of unity and integration among the staff of the 3 entities in preparation for the merger.

Change Management

Progress towards the merger of the BGLC, JRC and CGC was undertaken along two parallel pathways – Legislative and Change Management. The Legislative path involved facilitating development and implementation of the required legislative changes to establish the Merged Entity, while the Change Management path involved facilitating the development and implementation of the organizational changes required to ensure a successful merger.

The scope of the Change Management intervention included: Planning, Organizational Structure Design and Implementation, Talent Strategy and Compensation Design, Talent Strategy Implementation, Business Process Re-Engineering, Performance System Design and Implementation, Leadership Development, Strategy Review and Budget Preparation, Culture Alignment Design and Implementation, Performance Monitoring, Final Report and Support.

Talent Engagement And Development

To strengthen the organisational structure, six (6) key positions were filled during the period, namely Investigating Officers (4), Senior Investigator (1) and Senior Secretary (1). We continue to also engage the services of contract officers where necessary to fill critical positions that are not on the approved organisation chart

Or efforts relating to staff development were intensified during the year in keeping with the Commission's Training and Development Plan. A total of thirty-four training courses were conducted for the period with a combined total of 368 participants. The Staff Rotation Program continued during the year with the first set of rotation ending in August 2018. Other rotations will be done in the next financial year.

Health & Wellness

Our focus on health and wellness kicked off with the hosting of a Farmers Market and Wellness Fair as well as the launch and official opening of the Fitness Centre by Dr. The Honourable Nigel Clarke Minister of Finance, on May 18, 2018.

The Fitness Centre offers diverse opportunities that cater to the varying needs of individuals. Amongst the offerings is on-going personal training tailored to individuals that wanted the motivation of a trainer on a regular basis to help them achieve their fitness goals. Persons who were lacking internal motivation to exercise also benefitted from this service. Additionally, individuals who have specific goals and need continuous guidance found this service to be helpful.

Healthy Work Environment

We continued to enhance the physical environment in which our employees operate by creating a safer, more comfortable and energy-efficient facility. The projects undertaken during the period were as follows:

a) Occupational Safety & Health

The detailed workplace audit was completed and the report received. The implementation of the OSH programme is slated for the second quarter of 2019/20.

A presentation was made to the staff outlining the findings of an environmental audit also completed during the period.

b) Capital Works

A number of capital works projects were completed during the year, including:

- · Installation of new central air conditioning system and enclosures
- · Relocation and refurbishing of the Nurse's Station
- Automation of the Main Entrance Gate
- Procurement of the elevator
- · Installation of motion sensors in major areas to reduce electricity consumption

Projects currently underway to be completed by year end 2019 are as follows:

- Elevator Shaft build out
- Installation of the elevator
- Renovation of the Annex
- Renovation of the Commissioners' Box at Caymanas Park
- Solar Energy Project
- Water-proofing of the roof
- Space renovation to facilitate relocation of JRC personnel



HRA Team all dressed up for Jamaica Day.



Dr. The Honourable Nigel Clarke tried out some equipment at the official opening of the Fitness Centre, closely monitored by Vitus Evans, Executive Director and Sandra Antonio, Director of Human Resources & Administration

Senior Executives' Compensation For Financial Year Ended March 31, 2019

Position	Note	Salary	Gratuity paid and/ or Performance Incentive	Travelling Allowance/Upkeep or value of assignment of motor vehicle	Other Allowances	Gratuity Accrued	Total
		(\$)	(S)	(\$)	(2)	(\$)	(\$)
Vitus Evans, Executive Director	-	8,364,465.40	805,173.68	1,127,597.03	1,173,001.16	2,091,116.41	13,561,353.68
Lorraine Thompson-Barnett, Director of Finance		5,083,347.84	1,664,433.51	1,839,761.75	1,459,930.38	1,270,836.93	11,318,310.41
Laurie Wiggan, Director of Compliance & Regulatory		5,083,347.84	1,658,706.77	1,839,761.75	1,626,510.18	1,270,836.93	11,479,163.47
Carole Martinez-Johnson, Director of ICT	2	5,083,347.84	1,662,957.66	1,839,761.75	1,570,392.57	1,288,653.60	11,445,113.42
Maurice Thompson, Director of Licensing & Registration		5,083,347.84	405,339.92	1,839,761.75	1,031,806.34	1,270,836.93	9,631,092.78
Noel Bacquie, Director of Enforcement		5,083,347.77	2,960,904.92	1,839,761.75	1,002,170.74	1,372,583.94	12,258,769.12
Sandra Antonio, Director of Human Resources & Administration		4,640,368.75	402,700.59	1,839,761.75	935,200.42	1,160,092.18	8,978,123.69
Karla Small Dwyer, Director of Legal Services		5,083,347.84	1,658,208.81	1,839,761.75	1,642,901.82	1,270,836.93	11,495,057.15
TOTAL		43,504,921.12	11,218,425.86	14,005,929.28	10,441,913.61	10,995,793.85	90,166,983.72

Notes:

1. Performance Incentive paid in May, June, July & December 2018

2. Pay in lieu - C. Martinez-Johnson in April 2018

3. Retroactive salary & allowances paid in December 2018.

4. Figures exclude employer's statutory obligations and employee pension contribution.

5. Garment/Uniform allowance paid in January 2019

CORPORATE AFFAIRS & COMMUNICATION

The activities of the Corporate Affairs and Communications (CA&C) team are guided by the mission to expand, enhance and maintain the reputation of the gaming industry via public education and communication initiatives. Key themes to inform activities were:

- · Engagement, timely communications and networking opportunities
- Public Education and timely query resolution
- Promoting Responsible Gaming
- Publications, Internal Communications, Research and Events Management

Enhancing Public Education By Leveraging Digital Channels

Recognizing the importance of digital channels as being the most effective and cost efficient media and complementing traditional media channels, this year saw increased use of social media to communicate with stakeholders and inform the public about the work and activities of the BGLC. We are leveraging our owned digital channels to disseminate key messages to the public – the BGLC web site and social media platforms, Facebook and Twitter. We have also been able to reach wider audiences by placing sponsored posts on Instagram.

Content placed on our digital channels includes visuals generated from events (live posts as well as post-event content) and information related to ongoing messaging platforms related to illegal gambling and responsible gaming. We have achieved an over 200% increase in following on BGLC's Facebook page and an improved engagement rate is evidenced by increases in followers' comments, shares and likes.

We will continue to work on increasing our following and generating more engaging and informative video content to communicate our key messages.

Improved Internal Communications Leads To Greater Team Engagement

The Corporate Affairs and Communications Team made concerted efforts to collaborate with Human Resources in order to improve internal communication and enhance employee engagement. Communication has been a key success factor for many of the team building and wellness themed engagement initiatives such as the Staff Away Day, the Wellness Day and opening of the Fitness Centre. In addition to the annual Emancipation Race Day - which has been the long-standing employee engagement event - we also created new initiatives and activities based on calendared awareness days, specifically Breast Cancer Awareness and International Women's Day.



Team Members from the 3 gaming commissions - BGLC, JRC and CGC - shared in the observance of International Womens Day 2019, displaying placards reinforcing their commitment to achieving gender balance in Jamaica.

In addition to the standard e-mail and notice board channels for disseminating information to team members, up to the end of the reporting period the Commission has been trialling a new digital communication channel which is named BGLC Insider. It is based on the WhatsApp messaging platform enabling team members to have more immediate access to the Commission's business updates and general information on their mobile devices.

Diamond Mile Race Day

While retaining its status as the most prestigious day on Jamaica's thoroughbred horse racing calendar, with its eminence further confirmed by the fact that new sponsors came on board for 2018, the 4th Diamond Mile Race Day marked the start of the process to reduce BGLC's lead role as host of the infield experience. This year, consistent with the primary objective to stimulate the local horse racing industry, greater focus in the marketing of the event was placed on the impact of the Diamond Mile on the horse racing community with a smaller hospitality event hosted on the infield of Caymanas Park.

The goal of bringing horse racing to new, younger audiences was achieved by employing digital channels to communicate key messages during the weeks leading up to the event, and on the day itself. Social media influencers infused their timelines with Diamond Mile content, resulting in millions of impressions achieved across Facebook and Instagram.

New initiatives introduced for Diamond Mile 2018 were the Diamond Mile Jockey Scholarship and the Diamond Mile Award of Excellence. The Diamond Mile Jockey Scholarship provides funding for a resident of the community surrounding Caymanas Park to participate in the Jamaica Racing Commission's Jockey School. The Diamond Mile Award of Excellence was presented to Karl Angel of the Jamaica Observer for excellence in Journalism for providing consistent, in-depth and insightful coverage of the sport of horseracing that takes it off the track into the homes of all Jamaicans, thereby contributing to the growth, development and sustainability of the sport.

Corporate Social Responsibility

The Commission's direct contribution to good causes included \$12 million allocated for the BGLC Education Fund and \$14 million to RISE Life Management in support of its gambling harm prevention and treatment programmes. Donations were provided to charitable causes identified within the community surrounding our headquarters in addition to others beyond the immediate area that are supported by BGLC team members.

In August 2018, 220 students attending 18 tertiary institutions across the island were awarded the BGLC Education Grant which provided financial assistance for their tuition expenses. Greater awareness about The BGLC Education Grant was achieved by communicating information directly to Student Affairs leaders at the tertiary institutions. The Commission's team also participated at the Jamaica Tertiary Education Commission's inaugural GoHigher Conference 2018.



The teachers and students of St. Judes Primary School in Kingston, was delighted to accept a donation of \$60,000 from the Betting Gaming & Lotteries Commission (BGLC) to assist with implementing enhancements to the school's ICT education programme. Ms. Susanna Ainsworth Principal of St. Judes Primary, accepted the donation from Mrs. Tamara Myrie, Communications Assistant at the BGLC.



The BGLC team shared information about the BGLC Education Grant with students attending the GoHigher Conference 2018

Sponsorships and Donations 2018-2019

Council of Voluntary Social Services Early Achievers Learning Centre St Judes Primary St. Andrew's Old Girls Association Manchester Central Bell Foundation St. Patrick's Foundation Lion's Club of Kingston America's Federation of Netball Association St. Francis Primary Groom's Association of Jamaica Jamaica Care Council Porter Centre for Knowledge Jamaica Society for the Blind National Crime Prevention Fund Pentecostal Miracle Deliverance Center Inc. Chess Whiz Kids Heart Foundation of Jamaica Church of St. Mary the Virgin -The Mother's Union Mustard Seed Communities Missionaries of the Poor Kiwanis Club of Kingston Hagley Park Youth Club Jamaica National Children's Home Garveymeade Basic School Kiwanis - Division 23 - East Surrey South The Apostolic Church of Jamaica Wolmer's Boys School

Other Activities

Support to the Operational Divisions – CA&C provides support for the operational divisions by preparing and disseminating public advisories, developing brochures and information guides and other communications to stakeholders. During the year communications were developed for operational activities and key issues such as the licensing amnesty, the annual remote licensing exercise, introduction of a licensing regime for Technical Service Providers, the counter-financing of terrorism workshop for gaming lounges, changes to arrangements for remitting payments for CHASE contributions, a consultation on the Responsible Gaming Code of Conduct, and forfeiture notices for seized gaming machines.

Training - During the year, there were a number of opportunities to continue building the capabilities of the CA&C Team. Members of the department completed training programmes in Social Media Management, Event Management, Change Management, Graphic Design and Project Management.



Team members visited Early Achivement Learning Centre in the community of the BGLC office to read to students and make a donation to the school for Read Across Jamaica Day

AUDITOR'S REPORT & FINANCIAL STATEMENTS



Financial Statements 31 March 2019

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Independent auditor's report

To the Members of Betting, Gaming and Lotteries Commission

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Betting, Gaming and Lotteries Commission (the Commission) as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Commission's financial statements comprise:

- the statement of financial position as at 31 March 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Commission in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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



Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Pricewaterhouse Coopers

Chartered Accountants 19 July 2019 Kingston, Jamaica

Statement of Comprehensive Income

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019	2018
		\$'000	\$'000
Income	5	1,129,913	1,002,546
Other operating income	6	250,144	224,249
Administration expenses		(828,004)	(755,178)
Net impairment losses	3(a)	(49,859)	(12,416)
Grants	7	(12,277)	(10,869)
Surplus before Taxation		489,917	448,332
Taxation	10	(31,357)	(29,771)
Net Surplus		458,560	418,561
Other Comprehensive Income, net of taxes:			
Item that will not be reclassified to profit or loss -			
Re-measurement of retirement benefit asset, net of taxes	10	61,778	23,879
Total Comprehensive Income		520,338	442,440

Statement of Financial Position

31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 \$'000	2018 \$'000
Non-Current Assets			
Property, plant and equipment	11	563,367	571,971
Long term receivables	13	38,412	24,544
Investments	14	173,352	215,295
Retirement benefit asset	22	209,070	127,610
		984,201	939,420
Current Assets			
Receivables	15	209,584	142,156
Taxation recoverable		23,734	50,599
Current portion of long term receivables	13	11,235	9,679
Short term deposits	16	927,959	698,328
Cash at bank and in hand	17	77,689	40,640
		1,250,201	941,402
Current Liabilities			
Payables	19	438,353	298,740
Income tax payable		5,840	25,009
Deferred income	20	72,040	61,080
		516,233	384,829
Net Current Assets		733,968	556,573
		1,718,169	1,495,993
Equity			
Accumulated surplus		1,663,186	1,462,407
		1,663,186	1,462,407
Non-Current Liability		. <u> </u>	
Deferred tax liability	12	54,983	33,586
		54,983	33,586
		1,718,169	1,495,993

Approved for issue by the Board of Commissioners on 19 July 2019 and signed on its behalf by:

Clovis Metcalfe, O.D.

Chairman

Paul East

Commissioner

Statement of Changes in Equity Year ended 31 March 2019 (expressed in Jamaican dollars unless otherwise indicated

	Note	Accumulated Surplus	Total
		\$'000	\$'000
Balance at 31 March 2017		1,254,176	1,254,176
Total comprehensive income -			
Re-measurement of retirement benefit asset, net of taxes		23,879	23,879
Net surplus		418,561	418,561
		442,440	442,440
Transaction with owners -			
Distribution	21	(234,209)	(234,209)
Balance as at 31 March 2018		1,462,407	1,462,407
Total comprehensive income -			
Re-measurement of retirement benefit asset, net of taxes		61,778	61,778
Net surplus		458,560	458,560
		520,338	520,338
Transaction with owners -			
Distribution	21	(319,559)	(319,559)
Balance as at 31 March 2019		1,663,186	1,663,186

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Betting, Gaming and Lotteries Commission

Statement of Cash Flows

Year ended 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Net surplus		458,560	418,561
Adjustments for:			
Depreciation	11	59,438	55,497
Interest income	6	(40,746)	(44,577)
Retirement benefit asset		911	(5,777)
Effect of exchange gain on foreign currency balances		207	2,113
Taxation	10	31,357	29,771
		509,727	455,588
Changes in operating assets and liabilities:			
Receivables		(67,428)	21,247
Payables		97,542	175,837
Deferred income		10,960	526
Cash provided by operations		550,801	653,198
Tax paid		(22,857)	(23,698)
Net cash provided by operating activities		527,944	629,500
Cash flows from investing activities			
Interest received		33,774	44,651
Purchase of Investments		(199,908)	(25,674)
Proceeds from disposal and encashment of investments		68,603	-
Purchase of property, plant and equipment	11	(51,174)	(55,192)
Proceeds from sale of property, plant and equipment		340	-
Long term receivables		(15,424)	(9,156)
Net cash used in investing activities		(163,789)	(45,371)
Cash flows from financing activity			
Distribution	21	(277,488)	(234,209)
Net cash used in financing activity		(277,488)	(234,209)
Net increase in cash and cash equivalents		86,667	349,920
Effects of exchange rate changes on cash and cash equivalents		(2,914)	(2,113)
Net cash and cash equivalents at beginning of year		713,968	366,161
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	17	797,721	713,968

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

1. The Commission

Betting, Gaming and Lotteries Commission ("The Commission") was established under the Betting, Gaming and Lotteries Act. The Commission is a statutory body which regulates betting, gaming and lottery activities carried on in Jamaica. Its activities also include the investing of surplus funds. The Commission's principal place of business is 78cef Hagley Park Road, Kingston 10.

The Commissioners at the start and the end of the year were:

Mr. Clovis Metcalfe - Chairman Mr. Wayne Chen - Deputy Chairman Mr. Charles Heholt Mr. Paul East Mr. Solomon Sharpe (resigned 31 December 2018) Mr. Christopher Reckord Miss. Madge Ramsay

The Board of Commissioners was appointed for three years with effect from 6 April 2016. Pursuant to directives from the Honourable Minister of Finance & the Public Service dated 23 April 2019, the Board of Commissioners have been asked to continue their service to the Commission until further advised by the Minister.

Members of the management team at 31 March 2019 were:

Mr. Vitus Evans Mrs. Carole Martinez-Johnson	 Executive Director Director of Information, Communication & Technology
Mr. Noel Bacquie	- Director of Enforcement
Mrs. Laurie Wiggan	 Director of Compliance and Regulatory
Mrs. Lorraine Thompson–Barnett	- Director of Finance
Mr. Maurice Thompson	 Director of Licensing and Registration
Mrs. Karla Small-Dwyer	- Director of Legal Services
Mrs. Sandra Antonio	- Director of Human Resources and Administration
Ms. Jeanette Lewis	 Manager of Corporate Affairs and Communications

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.

(a) Basis of preparation

These financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Commission'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 4.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The Commission has assessed the relevance of all such new standards, interpretations and amendments and has determined that the following may be relevant to its operations:

IFRS 9, 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018). The standard introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, in order to ensure that relevant and useful information is presented to users of financial statements. It replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL). The determination of classification is made at initial recognition, and depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. A debt instrument is measured at amortized cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and b) the contractual cash flows under the instrument solely represents payments of interest and principal.

IFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model. There is a 'three stage' approach which is based on the change in credit quality of financial assets since initial recognition. In practice, the new rules mean that entities have to record an immediate loss equal to the 12-month ECL on initial recognition of financial assets that are not credit impaired (or lifetime ECL for trade receivables). Where there has been a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. The impairment model reflects past experience of losses incurred due to default on financial instruments as well as forward looking information in arriving at the impairment. The model includes operational simplifications for lease and trade receivables.

There is no expected impact on the Commission's accounting for financial liabilities, as the new requirements only impact financial liabilities that are designated at fair value through profit or loss, and the Commission does not currently have any such liabilities.

Changes in accounting policy resulting from adoption has been applied retrospectively as at 1 April 2018, but with no restatement of comparative information for prior years. See detailed discussion of the adoption of IFRS 9 and the impact on the Commission's operations in notes 2(g) and 24.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in the current year (continued)

IFRS 15, 'Revenue from Contracts with Customers', (effective for the periods beginning on or after 1 January 2018). The new standard introduces the core principle that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements. When the consideration varies for any reason, minimum amounts must be recognised if they are not at significant risk of reversal. Costs incurred to secure contracts with customers have to be capitalised and amortised over the period when the benefits of the contract are consumed. The Commission has reviewed the main types of commercial arrangements used with customers under the model and has determined that the adoption of IFRS 15 does not have a financial impact on the results or financial position based on the nature of services offered by the Commission. See note 2(b) for minor changes to the accounting policy.

IFRIC 22,' Foreign Currency Transactions and Advance Consideration', (effective for annual periods beginning on or after 1 January 2018). The interpretation clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, a date of transaction should be determined as above for each payment or receipt. The adoption of this interpretation did not have any significant impact on the operations of the Commission.

There are no other IFRS or IFRIC interpretations effective in the current year which are expected to have a significant impact on the accounting policies or financial disclosures of the Commission.

Standards, amendments and interpretation to existing standards that are not yet effective and have not been early adopted by the Commission

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued which are not effective at the date of the statement of financial position, and which the Commission has not early adopted. The Commission has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be relevant to its operations, and has concluded as follows:

IFRS 16 'Leases', (effective for annual periods beginning on or after 1 January 2019. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. It replaces the guidance in IAS 17, which made a distinction in classification between leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset (finance leases) and those that do not (operating leases). For a lessee, finance leases were recognised as an asset that was depreciated over the lease term and the amount due to the lessor recognised as borrowings while operating leases were recognised as a periodic rental payment that was treated as a current expense in the statement of comprehensive income.

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretation to existing standards that are not yet effective and have not been effective and have not been early adopted by the Commission (continued)

IFRS 16 'Leases' (continued)

IFRS 16 introduces a single lease accounting model for lessees. It requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The standard includes an optional exemption for certain short-term leases and leases of low-value assets. For lessors, the accounting remains significantly the same. The Commission is assessing the impact of future adoption of this standard.

IFRIC 23, 'Uncertainty over income tax treatments', (effective for annual period beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. The Commission does not expect any significant impact from the adoption of this interpretation.

Annual Improvements to IFRS 2015-2017 Cycle, (effective for annual periods beginning on or after 1 January 2019). The amendment to IAS 12 clarifies that all income tax consequences of dividends on financial instruments should be recognised according to where the past transactions or events that generated distribution profits were recognised. The Commission does not expect any significant impact from the adoption of this amendment.

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

(b) Income recognition

From 1 April 2018, the Commission adopted IFRS 15. There was no significant impact to accounting policies or amounts recognised in the financial statements.

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.

The Commission's income is recognised as follows:

(i) Betting, gaming and lottery activities

In come from betting activities is recognised on the accrual basis. The Commission earns income for its regulatory activities from statutory contributions based on the licensee's gross profit. The amounts accrued from bookmakers and the racing promoters are based on information provided by licensees and audits conducted by the Commission and such information is provided to the Inland Revenue Department.

2. Summary of Significant Accounting Policies (Continued)

(b) Income recognition (continued)

(ii) License fees

Income from a license is determined by payment and renewal. A license that is not paid and renewed is not considered in force and, thus, not recognised as income.

(iii) Unclaimed winnings

Unclaimed winnings are earned from 50% of lottery winnings which remain unclaimed after 21 days. These are recorded on an accrual basis.

(iv) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method. When an interest receivable balance is impaired, the Commission reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument, and continues unwinding the discount as interest income.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Commission operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is also the functional currency of the Commission.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognised in the statement of comprehensive income.

(d) Trade receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Commission holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. In calculating the loss allowance the Commission will record an immediate loss equal to the lifetime expected credited losses for trade receivables that are not credit impaired. In determining the level of impairment, the Commission will use a provisions matrix for trade receivables reflecting past experience of losses incurred due to default as well as forward looking information.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(e) Property, plant and equipment

Property, plant and equipment comprise mainly office buildings, furniture and fixtures and are stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line basis to allocate their cost to their residual values over their expected useful lives at annual rates as follows:

Freehold buildings	21⁄2%
Furniture and fixtures	20%
Computer equipment	331⁄3%
Motor vehicles	20%
Storage facility and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at year end date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in surplus before taxation in the statement of comprehensive income.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each statement of financial position date.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) 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 Commission's financial assets comprise cash and bank balances, long term receivables, receivables, investments and short term deposits. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial liabilities

The Commission'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 payables.

Accounting policy applied from 1 April 2018

(i) Classification

Classification of the Commission's financial assets depends on the Commission's business model for managing such assets and the contractual terms of the cash flows. From 1 April 2018 the Commission classifies its financial assets as:

- those subsequently measured at fair value (either through other comprehensive income or profit and loss); and
- those measure 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 Commission 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 Commission 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 Commission has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Commission 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.

2. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

(iii) Measurement (continued)

Debt securities

Subsequent measurement of the debt securities 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 securities:

- 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 represents 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.

Equity instruments

Equity instruments are measured at FVPL, unless the asset is not held for trading purposes and the Commission makes an irrevocable election to designate the asset as FVOCI. This election is made on an instrument-by-instrument basis. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends from such investments continue to be recognised in profit or loss as other operating income when the Commission's right to receive payments is established.

2. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

(iv) Impairment

From 1 April 2018, the Commission assesses on a forward looking basis the expected credit losses associated with its financial instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Commission applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. See note 3(a) for further details.

Impairment losses on trade receivables are presented as net impairment losses within operating surplus. Subsequent recoveries of amounts previously written off are credited against the same line item.

The assessment of credit risk of investments, cash and bank balances, other receivables, long term receivables and short term deposits requires estimations as to the likelihood of defaults occurring, of the associated loss ratios and of defaults correlations between counterparties. The Commission measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

(v) Financial liabilities

The Commission's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Accounting policy applied until 31 March 2018

The Commission has applied IFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Commission's previous accounting policy.

(i) Classification

Until 31 March 2018, the Commission classified its financial assets as loans and receivables and held-to-maturity. The classification depended on the purpose for which the investments were acquired. Management determined the classification of its financial assets at initial recognition and re-evaluated this designation at every reporting date. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, in which case they are classified as non-current assets.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include long term receivables, cash and bank balances, short term deposits and receivables.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, including Fixed Rate Accreting Notes (FRANs), that the Commission's management has the positive intention and ability to hold to maturity. These comprise investments on the statement of financial positon.

2. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

Accounting policy applied until 31 March 2018 (continued)

(ii) Recognition and de-recognition

Purchases and sales of financial assets are recognised on trade-date – the date on which the Commission commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the assets have expired or have been transferred and the Commission has transferred substantially all risks and rewards of ownership.

Where the Commission is required to sell other than an insignificant amount of held-to-maturity assets, the entire category would be compromised and reclassified as available-for-sale.

Special accounting for state-owned/controlled entities on exchange into the FRANs

Having regard to the FRANs, which were received at 80% of the face of previously held notes, and which were issued under the Government of Jamaica National Debt Exchange and which were mandatory for state-owned/controlled entities, exchange of Old Notes into the FRANs has been recognised as a "transaction with the owners in their capacity as owners" under IAS 1, Presentation of Financial Statements, and the loss arising on initial recognition of the FRANs in 2013 was recognised directly in equity similar to a distribution. The difference between the amounts initially recognised on the FRANs and the redemption amounts was recognised as interest income over the life of the FRANs using the effective yield method.

(iii) Measurement

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

(iv) Impairment

The Commission assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired.

Debt securities are considered impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event or events has an impact on the estimated future cash flows that can be reliably estimated. The amount of loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. For debt securities carried at amortised cost, the asset's carrying amount is reduced and the amount of loss is recognised in arriving at net profit or loss. If a loan or held-to-maturity financial asset had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's rating), the reversal of the previously recognised impairment loss was recognised in profit and loss.

2. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

Accounting policy applied until 31 March 2018 (continued)

(v) Financial liabilities

The Commission's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method.

(h) Securities purchased under agreements to resell

Securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the sale/purchase and repurchase/resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(i) Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(j) Cash and cash equivalents

Cash and cash equivalents include repurchase agreements, cash and bank balances and short term with original maturities of three months or less. These are recognised initially at fair value and subsequently measured at amortised cost.

(k) Employee benefits

The Commission participates in a defined benefit pension plan, the assets of which are generally held in a separate trustee-administered fund. The scheme is generally funded by payments from employees and the Commission taking into account the recommendations of independent qualified actuaries. A defined benefit pension plan is a plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation.

The asset or liability recognised in the statement of financial position in respect of defined benefit plans is the difference between the present value of the defined benefit obligation at the year-end date and the fair value of plan assets, adjusted for unrecognised actuarial gains/losses and past service costs. Where a pension asset arises, the amount recognised is limited to the net total of any cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reduction in future contributions to the plan. The pension plan costs are assessed using the projected unit credit method.

The current service cost of the defined benefit plan, included in staff costs in the income statement, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in staff costs in the income statement.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Employee benefits (continued)

Past-service costs are recognized immediately in expenses.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Commission recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

(I) Taxation

Taxation on the surplus for the year comprises current and deferred income taxes.

Current income tax charges are based on taxable surplus for the year, which differs from the surplus before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Commission's liability for current income tax is calculated at tax rates that have been enacted at the statement of financial position date.

Deferred income tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income or equity, in which case, deferred tax is also dealt with in other comprehensive income or equity.

Tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management

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

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

The Board of Commissioners has overall responsibility for the establishment and oversight of the Commission's risk management framework.

(a) Credit risk

The Commission takes on exposure to credit risk which is the risk of loss to the Commission arising from a counterparty to a financial instrument failing to meet its contractual obligations. Credit exposures arise principally from the Commission's receivables and treasury activities.

Accounts receivables and long term receivables

Accounts receivable mainly consist of sales income and fee receivable. These amounts are due from institutions which management regards as financially sound. The average credit period is 30 days.

Accounts receivable and long term receivables include staff loans for motor vehicles. There is a documented credit policy in place which guides the Commission's credit process for staff loans. The policy includes established procedures for the authorisation of credit and repayment terms. Liens on motor vehicles are obtained as security against motor vehicle loans.

Investment securities

The Commission limits its exposure to credit risk by investing mainly in liquid Government of Jamaica securities with counterparties that have a high credit quality. Consequently, management does not expect any counterparty to fail to meet its obligation.

The Commission has documented investment policies which guide the management of credit risk on investment securities. The Commission's exposure is continually monitored.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Cash and cash equivalents

Cash and cash equivalents are held in financial institutions which management regards as strong and there is no significant concentration. The strength of these financial institutions is constantly reviewed. Resale agreements and certificates of deposit are secured by Government of Jamaica or Bank of Jamaica securities. The collateral obtained is at least one hundred percent of the sum of the principal value plus interest to be earned.

Maximum credit risk exposure

The Commission's maximum exposure to credit risk equals the carrying amounts on the statement of financial position, of the assets which expose the Commission to credit risk. There has been no change over the prior year in the manner in which the Commission manages and measures credit risk.

Analysis of trade receivables

The Commission's trade receivables, broken down by customer sector is as follows:

	2019 \$'000	2018 \$'000
Government	28,543	12,416
Lotteries	171,740	53,864
Bookmakers	28,167	41,722
	228,450	108,002
Less: Loss allowance	(62,275)	(12,416)
	166,175	95,586

Impairment of financial assets

The Commission has two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- (i) Trade receivables; and
- (ii) Other debt instruments carried at amortised cost.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

Trade receivables

The Commission applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, the Commission first considers whether any individual customer accounts require specific provisions, considering various qualitative and quantitative factors. For all other non-specific trade receivables, the Commission applies the roll rate ECL method by calculating a 12-month forward looking probability of default (PD) for the purpose of a lifetime expected credit loss estimation. On that basis, the loss allowance at 31 March 2019 and 1 April 2018 (on adoption of IFRS 9) was determined as follows for trade receivables:

31 March 2019	Current (0- 30 days)	31-90 days past due	91-150 days past due	Over 150 days past due	Total
Expected loss rate	-	-	-	96%	
Gross carrying amount \$'000	123,653	39,924	20	64,853	228,450
Loss allowance provision \$'000	-	-	-	62,275	62,275

1 April 2018	Current (0-30 days)	31-90 days past due	91-150 days past due	Over 150 days past due	Total
Expected loss rate	-	-	-	100%	
Gross carrying amount \$'000	70,998	3,435	21,153	12,416	108,002
Loss allowance provision \$'000	-	-	-	12,416	12,416

The closing loss allowances for trade receivables as at 31 March 2018 reconcile to the opening loss allowances as follows:

	2019	2018
	\$'000	\$'000
Opening loss allowance as at 1 April 2018 – calculated under IFRS 9	12,416	12,659
Impaired receivables during the year	49,859	12,416
Amount recovered during the year		(12,659)
At 31 March 2019 (2018 amounts calculated under IAS 39)	62,275	12,416

Trade receivables are written off when there is no reasonable expectation of recovery, usually indicated by failure of the debtors to make contractual payments, among other factors.

The opening loss allowance was not adjusted as a result of the adoption of IFRS 9 as the amounts determined were not material.

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Impairment of financial assets (continued)

Previous accounting policy for impairment of trade receivables

Trade receivables were assessed individually and the Commission provided fully for all impaired receivables based on the historical experience of the Commission in relation to debtors who failed to meet their contractual payments.

Other debt instruments at amortised cost:

Other financial assets at amortised cost include long-term receivables, investment securities, short term deposits and other receivables.

All of the entity's debt instruments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period on those deemed to have low credit risk was therefore limited to the 12 month expected losses. Management considers these instruments as having low credit risk when there is a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The allowance is assessed by estimating the likelihood of default, associated loss ratio and default correlation between counterparties.

No opening loss allowances were recognised on balances for other receivables, long term receivables, short term deposits and investment securities and there were no movements during the current year, as the amounts determined were deemed immaterial.

(b) Liquidity risk

Liquidity risk is the risk that the Commission is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Liquidity risk management process

The Commission's liquidity management process, as carried out within the Commission and monitored by the Board of Commissioners, includes:

- Monitoring future cash flows and liquidity regularly. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required.
- Optimising cash returns on investments.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(b) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities

The tables below summarise the maturity profile of the Commission's financial liabilities at 31 March based on contractual undiscounted payments at contractual maturity dates.

	Within 1 Year \$'000	1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000	
		2019			
Payables	438,353	-	-	438,353	
Total financial liabilities	438,353	-	-	438,353	
		201	3		
Payables	298,740	-	-	298,740	
Total financial liabilities	298,740	-	-	298,740	

Liabilities are usually covered by cash generated from operations in the normal course of business. Assets available to meet all liabilities and to cover financial liabilities include cash and bank balances, investments and short term deposits.

(c) Market risk

The Commission takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency rates and interest rates.

There has been no change to the Commission's exposure to market risk or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial liability will fluctuate because of changes in foreign exchange rates.

The Commission is exposed to foreign exchange risk arising from currency exposure, primarily with respect to the US dollar. Foreign exchange risk arises mainly from purchases and encashment of investments and movement on the USD bank account and short term deposits.

The Commission manages its foreign exchange risk by ensuring that the exposure in foreign assets is kept at an acceptable level by monitoring currency positions.

At the date of the statement of financial position, the Commission had a net asset exposure to the US dollar of \$120,474,000 (2018 - \$145,648,000). This exposure arose from cash and bank balances, long term investment balances and short term deposits denominated in US dollars.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following table indicates the currencies to which the Commission had significant exposure on its monetary assets and liabilities and its forecast cash flows. 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 monetary items and adjusts their translation at the year-end for a 4% revaluation and 6% devaluation (2018 - 2% revaluation and 4% devaluation) against the US dollar. The sensitivity of the profit was mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated cash and bank balances, long term investment balances and short term deposits.

	% Change in Currency Rate	Effect on Surplus before tax and Shareholders' Equity	% Change in Currency Rate	Effect on Surplus before tax and Shareholders' Equity
	2019	2019 \$'000	2018	2018 \$'000
Currency:				
USD:				
Revaluation	4%	(4,819)	2%	(2,913)
Devaluation	6%	7,228	4%	5,826

(ii) Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Commission to cash flow interest rate risk, whereas fixed interest rate instruments expose the Commission to fair value interest rate risk.

The Commission earns interest on its securities purchased under resale agreements as disclosed in Note 16. As these deposits have a short term to maturity and are constantly reinvested at current market rates, they are not significantly exposed to interest rate risk. The Commission also earns interest on its long term receivables (Note 13), investment securities (Note 14) and certain deposit and bank balances (Notes 17). These financial assets are fixed rate instruments which are carried at amortised cost, and they expose the Commission to neither cash flow nor fair value interest rate risk.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(d) Capital management

The Commission's objective when managing capital is to ensure that it will be able to pay its debts and remain financially sound. The Commission is not subject to externally imposed capital requirements.

(e) Fair values of financial instruments

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. There are no financial instruments that, subsequent to initial recognition, are measured at fair value. The following methods and assumptions have been used in determining fair values disclosed for instruments not re-measured at fair value after initial recognition.

The carrying values of the amounts included in the financial statements for cash and bank balances, receivables, short term deposits and payables reflect their approximate fair values because of the short term maturity of these instruments.

The fair values of long term receivables has been estimated at \$29,304,000 (2018 - \$18,725,000). The values were derived by discounting the contractual cash flows using the market rate of interest. The fair values of the long term investment (carried at amortised cost) was estimated at \$172,307,000 (2018 - \$211,842,000).

4. Critical Accounting Estimates and Judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Commission makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management does not consider that there are estimates and assumptions that will have a significant risk, causing a material adjustment to the carrying amounts of assets and liability within the next financial year.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

5. Income

	2019 \$'000	2018 \$'000
Lotteries	888,696	776,858
Gaming machines	177,304	161,221
Bookmakers	25,930	27,844
Racing promoter	19,020	17,084
Bingo	5,035	4,840
Prize promotions	13,928	14,699
	1,129,913	1,002,546
. Other Operating Income		
	2019 \$'000	2018 \$'000
Interest	40,746	44,577
Foreign exchange loss	(207)	(2,113)
Unclaimed winnings	205,485	165,603
Other	4,120	16,182
	250,144	224,249

7. Grants

6.

The Commission provides an annual grant for an intervention and prevention programme to Rise Life Management Services (formerly Addiction Alert Organisation) to assist in mitigating problem gaming. Total contribution during year was \$12,277,000 (2018 - \$10,869,000).

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

8. Expenses by Nature

9.

Total administration expenses and grants:

	2019 \$'000	2018 \$'000
Advertising and public relations	16,125	17,406
Audit fees	1,719	1,654
Depreciation	59,438	55,497
Donations and subscriptions	7,762	8,634
Diamond Mile expenses	62,448	70,739
Gaming machines labels	-	76
Grants	12,277	10,869
Insurance	6,227	2,170
Legal and professional	50,507	32,802
Printing and stationery	5,508	3,429
Rental	4,847	5,569
Repairs and maintenance	13,343	16,955
Security	12,327	11,144
Net impairment losses (Note 3(a))	49,859	12,416
Merger expenses	(1,358)	11,684
Special investigations	5,085	1,121
Staff costs (Note 9)	463,855	421,458
Utilities	28,439	21,424
Other	91,732	73,416
	890,140	778,463
Staff Costs		
	2019 \$'000	2018 \$'000
Salaries and wages	269,496	229,868
Payroll taxes – employer's contribution	31,066	29,488
Pension (Note 22)	8,816	1,935
Other employee related costs	154,477	160,167

463,855

421,458

Notes to the Financial Statements 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

10. Taxation

(a) The Commission is liable for taxation on income not derived from its core business of the regulation of gaming activities. Taxation is based on surplus for the year adjusted for tax purposes and comprises income tax at 25%.

	2019 \$'000	2018 \$'000
Current income tax	20,963	24,146
Prior year under accrual	9,590	-
Deferred taxation (Note 12)	804	5,625
	31,357	29,771

(b) The tax on the Commission's surplus differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2019 \$'000	2018 \$'000
Surplus before taxation	489,917	448,332
Tax calculated at 25%	122,479	112,083
Adjusted for the effects of:		
Income not taxable	(276,231)	(249,231)
Expenses not deductible for tax	181,183	165,969
Employment Tax Credit	(5,462)	(5,564)
Adjustment for prior year deferred taxes	(494)	5,918
Prior year under accrual	9,590	-
Other charges and allowances	292	596
Tax charge	31,357	29,771

The Employment Tax Credit represents a credit available against the Commission's income tax liability equivalent to the total amount of the employer's portion of statutory deductions that are paid in full and on time on a monthly basis during the year. The credit is restricted to a maximum of 30% of the income tax chargeable on income excluding non-trading income such as interest and dividend income.

(c) The tax credit relating to components of other comprehensive income is as follows:

	2019 \$'000	2018 \$'000
Other comprehensive income -		
Remeasurements on retirement benefit asset, before tax	82,371	31,838
Tax charge (Note 12)	(20,593)	(7,959)
	61,778	23,879

Notes to the Financial Statements 31 March 2019

(expressed in Jamaican dollars unless otherwise indicated)

11. Property, Plant and Equipment

	Land	Freehold Buildings	Furniture & Fixtures	Computer Equipment	Motor Vehicles	Storage Facility and Equipment	Capital Work In Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At Cost -	φ 000	ψ 000	Ψ 000	φ 000	ψ 000	Ψ 000	\$ 000	\$ 000
1 April 2017	83,204	409,622	149,735	75,519	5,700	1 404	12,972	720 156
Additions	03,204	409,022		,	,	1,404	-	738,156
	-	-	19,738	10,665	18,546	-	6,243	55,192
Adjustment	-	-	(795)		-	-	-	-
Disposals	-	-	(379)		-	-	-	(379)
31 March 2018	83,204	409,622	168,299	86,979	24,246	1,404	19,215	792,969
Additions	-	1,600	25,825	10,310	-	-	13,439	51,174
Disposals	(340)	-	-	-	(700)	-	-	(1,040)
At 31 March 2019	82,864	411,222	194,124	97,289	23,546	1,404	32,654	843,103
Depreciation -								
At 1 April 2017	-	23,984	75,400	63,802	1,290	1,404	-	165,880
Charge for the year	-	10,470	30,174	11,079	3,774	-	-	55,497
Relieved on								
disposals	-	-	(379)	-	-	-	-	(379)
31 March 2018	-	34,454	105,195	74,881	5,064	1,404	-	220,998
Charge for the year	-	10,435	35,892	8,427	4,684	-	-	59,438
Relieved on		-,	,	- ,	,			,
disposals	-	-	-	-	(700)	-	-	(700)
At 31 March 2019	-	44,889	141,087	83,308	9,048	1,404	-	279,736
Net Book Value -								
At 31 March 2019	82,864	366,333	53,037	13,981	14,498	-	32,654	563,367
At 31 March 2018	83,204	375,168	63,104	12,098	19,182	-	19,215	571,971
	-							

In May 1990, the Jamaica Society for the Prevention of Cruelty to Animals (JSPCA) was given permission by the Commission to use premises owned by the Commission costing \$1,055,000, on a temporary basis. Subsequently, the Commission made several requests that the JSPCA vacate these premises, culminating in an agreement that they would vacate the premises by 1999. However, the JSPCA has not honoured this agreement and remains in occupation despite several subsequent notices to vacate issued by the Commission. A Consent Order was granted by the Court October 7, 2014 requiring the Jamaica Society for the Prevention of Cruelty to Animals to relinquish possession of 10 Winchester Road to the Commission by November 30, 2015. As at 31 March 2019, JSPCA was still occupying the premises.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

12. Deferred Taxation

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%. The movement in the net deferred tax liability during the year is as follows:

	2019 \$'000	2018 \$'000
Net liability at beginning of year	(33,586)	(20,002)
Charged to profit or loss (Note 10)	(804)	(5,625)
Charged to other comprehensive income (Note 10)	(20,593)	(7,959)
Net Liability at end of year	(54,983)	(33,586)

Deferred income tax assets and liabilities are attributable to the following:

	2019 \$'000	2018 \$'000
Deferred income tax assets -		
Vacation leave accrual	1,677	2,222
Unrealised foreign exchange loss		545
	1,677	2,767
Deferred income tax liabilities -		
Unrealised foreign exchange gain	(672)	-
Property, plant and equipment	(526)	(2,956)
Retirement benefit asset	(52,268)	(31,903)
Interest receivable	(3,194)	(1,494)
	(56,660)	(36,353)
Net deferred tax liability	(54,983)	(33,586)

The deferred tax charged/(credited) in profit or loss and other comprehensive income comprises the following temporary differences:

	2019 \$'000	2018 \$'000
Profit or loss		
Vacation leave accrual	545	5,646
Unrealised foreign exchange gain	672	(1,323)
Property, plant and equipment	(2,430)	421
Interest receivable	1,700	(19)
Unrealised foreign exchange loss	545	(545)
Retirement benefit asset	(228)	1,445
	804	5,625
Other comprehensive income		
Retirement benefit asset	20,593	7,959

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

12. Deferred Taxation (Continued)

	2019 \$'000	2018 \$'000
Deferred income tax liabilities to be extinguished -		
After more than 12 months	(52,794)	(34,859)
13. Long Term Receivables		
	2019 \$'000	2018 \$'000
Loans to employees	49,647	34,223
Less: Current portion	(11,235)	(9,679)
	38,412	24,544

These represent loans to the Commission's employees. 79% percent (2018 - 79%) of the loans to employees are interest-free while the remainder bears interest at 3% per annum and are payable in equal monthly instalments. These include motor vehicle loans to travelling officers who are required to repay mainly over three (3) to five (5) years.

14. Investments

	3 - 12 Months 2019 \$'000	1 – 5 Years 2019	Over 5 Years 2019	Carrying Value 2019 \$'000	Carrying Value 2018 \$'000
Financial assets at amortised cost -					
Government of Jamaica securities - Debentures	-	-	149,067	149,067	194,108
Long term Certificates of Deposits	-	21,879	-	21,879	17,734
Interest receivable	2,406	-	-	2,406	3,453
	2,406	21,879	149,067	173,352	215,295

The weighted average effective interest rate on securities purchased under resale agreements were as follows:

	2019 %	2018 %
J\$	10	10
US\$	0.04	0.04

In February 2013, the Commission participated in the National Debt Exchange (NDX) transaction as part of a Government of Jamaica (GOJ) fiscal consolidation exercise, under which it exchanged its holdings of domestic debt instruments issued by the GOJ for new, longer dated debt instruments with lower coupon rates.

Specifically for public bodies, FRANs were offered with J\$80 of principal value for every J\$100 of principal value of Old Notes, whereby such principal will accrete to J\$100 of principal value by the maturity date in 2028. The Commission exchanged its existing domestic instruments for the new FRANs.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

15. Receivables

	2019 \$'000	2018 \$'000
Fees and contributions receivable	123,462	75,021
Unclaimed winnings	42,713	20,565
	166,175	95,586
Staff loans	10,838	12,059
Prepayments and other deposits	31,655	34,201
Other	916	310
	209,584	142,156

Fees and contributions receivable is stated after provision for impairment losses of \$62,275,000 (2018 - \$12,416,000).

16. Short term deposits

The Commission entered into reverse repurchase agreements and short term certificates of deposit collateralised by Government of Jamaica securities and Bank of Jamaica Certificates of Deposit, respectively. The maturities of these deposits are as follows:

	Within 3 Months 2019 \$'000	3 - 12 Months 2019	Carrying Value 2019 \$'000	Carrying Value 2018 \$'000
Securities purchased under resale agreements	717,678	199,908	917,586	670,805
Short term Certificates of Deposits	-	-	-	25,000
Interest receivable	2,354	8,019	10,373	2,523
	720,032	207,927	927,959	698,328

The weighted average effective interest rate on short term deposits were as follows:

	2019 %	2018 %
J\$	3.4	3.8

Included in cash and cash equivalents are securities purchased under resale agreements and interest thereon in the amount of \$720,032,000 (Note 17).

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

17. Cash and Cash Equivalents

	2019 \$'000	2018 \$'000
Securities purchased under resale agreements (Note 16)	720,032	673,328
Cash at bank and in hand	77,689	40,640
	797,721	713,968
	2019 \$'000	2018 \$'000
Cash at bank and in hand comprise:		
Cash at bank	77,536	40,481
Cash in hand	-	6
Special imprest	100	100
Petty cash	53	53
	77,689	40,640

18. Related Party Transactions and Balances

(a) Loans to related parties

Loans to key management personnel of the Commission -

	2019 \$'000	2018 \$'000
At start of year	5,299	7,209
Loans advanced during year	7,000	2,603
Loan repayments received	(2,652)	(4,513)
End of year	9,647	5,299

No provision was required in 2019 and 2018 for the loans made to key management personnel of the Commission.

(b) Transactions with related parties

	2019 \$'000	2018 \$'000
Distributions (Note 21)	319,559	234,209

Notes to the Financial Statements 31 March 2019 (expressed in Jamaican dollars unless otherwise indicated)

18. Related Party Transactions and Balances (Continued)

(c)	Key management compensation		
.,		2019 \$'000	2018 \$'000
	Salaries and other short-term employee benefits	54,723	51,641
	Allowances	24,448	22,991
	Gratuity accrued	10,996	11,035
	Payroll taxes – employer's contributions	7,031	6,655
		97,198	92,322
	Commissioners' emoluments		
	Fees	894	1,194
	Travel allowance	73	181
		967	1,375
(d)	Balances with related parties		
		2019 \$'000	2018 \$'000
	Distribution payable (Note 19, 21)	200,000	157,929

19. Payables

	2019 \$'000	2018 \$'000
Accruals	31,489	24,225
Distribution payable	200,000	157,929
Accrued vacation leave	26,414	37,280
Customer deposits	142,851	39,835
Other	37,599	39,471
	438,353	298,740

200,000

157,929

20. Deferred Income

This represents bookmakers, gaming machines and lottery licence fees received in respect of future periods.

21. Distributions

Pursuant to directives from the Honourable Minister of Finance & the Public Service, the Commission was required to distribute a total of \$319,559,000 (2018 - \$234,209,000) to the Consolidated Fund. At the year end, \$200,000,000 (2018 - \$157,929) of this amount was payable (Note 19).

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

22. Retirement Benefit Asset

Pension benefits

The Commission participates, jointly with Jamaica Racing Commission, in a defined benefit pension scheme which is fully funded. The scheme is open to all permanent employees of the Commission and is administered by trustees. Under the scheme, retirement benefits are based on average earnings during the three years preceding retirement. The scheme is funded by employee contributions at 5% and employer contribution of 6.6% of salary, as recommended by independent actuaries. Members may also make voluntary contributions of up to 5% of their earnings.

The assets of the scheme are held independently of the Commission's assets in a separate trustee-administered fund. The scheme is valued by independent actuaries annually using the projected unit credit method for the purposes of determining the amount to be recognised by the Commission. The latest actuarial valuation was carried out as at 31 March 2019.

Additionally, the plan is valued by independent actuaries triennially to determine the adequacy of funding. The latest such valuation being as at 30 June 2018 revealed that the scheme was adequately funded.

The defined benefit asset amounts relating to the Commission and recognised in the statement of financial position are determined as follows:

	2019 \$'000	2018 \$'000
Present value of funded obligations	584,275	578,010
Fair value of plan assets	(793,345)	(705,620)
Asset recognised in statement of financial position	(209,070)	(127,610)

The movement in the defined benefit asset recognised in the statement of financial position is as follows:

	2019 \$'000	2018 \$'000
At beginning of the year	(127,610)	(89,995)
Recognised in net surplus (Note 9)	9,383	1,935
Re-measurements recognised in other comprehensive income	(82,371)	(31,838)
Contributions paid	(8,472)	(7,712)
At end of year	(209,070)	(127,610)

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

22. Retirement Benefit Asset (Continued)

The amounts recognised in net surplus are as follows:

	2019 \$'000	2018 \$'000
Service cost	19,696	11,334
Net Interest cost:		
Interest cost on defined benefit obligations	40,715	42,798
Interest income on plan assets	(51,028)	(52,197)
	9,383	1,935

The amounts recognised in other comprehensive income are as follows:

	2019 \$'000	2018 \$'000
Re-measurements:		
Change in financial assumptions	(39,658)	(145,526)
Experience adjustments	(42,713)	113,688
	(82,371)	(31,838)

The movement in the present value of the funded obligation is as follows:

	2019 \$'000	2018 \$'000
Present value of obligation as at 1 April	578,010	483,583
Service cost	19,696	11,334
Interest cost	40,715	42,798
Contributions paid	11,662	10,582
Benefits paid	(42,275)	(11,938)
Value of annuities purchased	8,433	-
Remeasurement – Changes in financial assumptions	(41,887)	(135,814)
Remeasurement – Experience adjustments	9,921	177,465
Present value of funded obligation as at 31 March	584,275	578,010

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

22. Retirement Benefit Asset (Continued)

The movement in the fair value of plan assets for the year is as follows:

	2019 \$'000	2018 \$'000
Fair value of plan assets at 1 April	705,620	573,578
Contributions paid - total	20,134	18,294
Expected return on plan assets	51,028	52,197
Benefits paid	(42,275)	(11,938)
Value of annuities purchased	8,433	-
Remeasurement – Changes in financial assumptions	(2,229)	9,712
Remeasurement – Experience adjustments	52,634	63,777
Fair value of plan assets at 31 March	793,345	705,620

The Commission's share of plan assets consists of the following:

	2019	2019		2018	
	\$'000	%	\$'000	%	
Equity	442,077	56	341,765	49	
Mortgage and real estate	114,991	15	122,273	17	
Fixed income	3,007	-	843	-	
Money market	2,641	-	2,510	-	
Foreign currency investments	3,902	1	3,742	1	
Value of purchased annuities	124,890	16	121,924	17	
Inflation linked fund	99,165	12	110,408	16	
Other	2,672		2,155		
	793,345	100	705,620	100	

The principal actuarial assumptions used were as follows:

	2019 %	2018 %
Discount rate	7.0	7.5
Future salary increases	5.0	6.5
Future pension increases	1.0	1.5
Inflation	3.0	4.5

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

22. Retirement Benefit Asset (Continued)

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the date of the statement of financial position. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

The estimated pension contributions expected to be paid into the plan by the Commission for the next financial year is \$20,970,000 (2018 - \$18,573,000).

The actual return on plan assets was \$110,115,000 (2018 - \$132,945,000).

The average expected remaining working life of the employees is 19 years (2018 - 19 years).

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

	Impact on post-employment obligations			
	Change in assumption	Increase in assumption \$'000	Decrease in assumption \$'000	
Discount rate	1%	(60,432)	79,522	
Future salary increases	1%	37,547	(32,518)	

Risks associated with pension plans and post-employment plans

Through its defined benefit pension plans and post-employment medical plans, the Commission is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will create a deficit.

As the plan matures, the Commission intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds represent investments in Government of Jamaica securities.

The Commission believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the Commission's long term strategy to manage the plans efficiently. See below for more details on the Commission's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities. The majority of the plan's assets are either unaffected by fixed interest bonds, meaning that an increase in inflation will reduce the surplus or create a deficit.

22. Retirement Benefit Asset (Continued)

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

23. Contingencies

Claims have been made against the Commission of which the amounts and outcome are uncertain. A provision amounting to \$2,500,000 has been made in the accounts for a specific claim based on management's assessment of the outcome.

24. Adoption of New Accounting Standards

The Commission's adoption of IFRS 9 -

As explained in Note 2(a), the adoption of IFRS 9, from 1 April 2018 resulted in changes in accounting policies, however, there were no adjustments to the amounts recognised in the financial statements as the movements in the restated amounts over the previous year were considered to be immaterial by the Commission's management. The new accounting policies are set out in note 2(g) above. In accordance with the transitional provisions of IFRS 9 (7.2.15) and (7.2.26), the comparative figures have not been restated. There was no impact on the Commission's retained earnings as at 1 April 2018.

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7, 'Financial Instruments: Disclosures'.

(i) Classification and measurement

On 1 April 2018, the Commission's management assessed which business models apply to the financial assets held by the Commission at the date of initial application of IFRS 9 and has classified its financial instruments into the appropriate IFRS 9 categories. Financial assets at 31 March 2018 were classified as loans and receivables and held to maturity under IAS 39 and were therefore carried at amortised cost. At the date of initial application of IFRS 9, all financial assets are classified as amortised cost, therefore there is no impact on the measurement of these assets from the adoption of IFRS 9.

• Reclassification from held to maturity to amortised cost

Investments securities held by the Commission were reclassified from held to maturity to amortised cost (\$211,842,000 at 1 April 2018). At the date of initial application, the Commission's business model is to hold these assets to maturity to collect contractual cash flows, and the cash flows represent solely payments of principal and interest on the principal amount. There was no impact on retained earnings at 1 April 2018 and no impact to the amounts recognised for these assets as the determined loss allowance was immaterial.

Reclassification from loans and receivables to amortised cost

Receivables, cash and bank balances, short term deposits and long term receivables that would have previously been classified as loans and receivables were reclassified to amortised cost (\$895,302,000 at 1 April 2018). The Commission intends to hold the assets for the collection of contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amounts outstanding. There was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9 and there was no impact on retained earnings at 1 April 2018 as the resulting loss allowance was immaterial.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

24. Adoption of New Accounting Standards (Continued)

- (i) Classification and measurement (continued)
 - Reclassifications of financial instruments on adoption of IFRS 9
 On the date of initial application, 1 April 2018, the financial instruments of the Commission were as follows, with any reclassifications noted:

	Measurement Category		Carrying Amou		nt
	Original (IAS 39)	New (IFRS 9)	Original \$'000	New \$'000	Difference \$'000
Receivables	Amortised cost	Amortised cost	124,634	124,634	-
Investment securities	Amortised cost	Amortised cost	211,842	211,842	-
Long term receivables	Amortised cost	Amortised cost	34,223	34,223	-
Short-term deposits	Amortised cost	Amortised cost	695,805	695,805	-
Cash and bank balances	Amortised cost	Amortised cost	40,640	40,640	-
			1,107,144	1,107,144	-

(ii) Impairment of financial assets

The Commission has two types of financial assets that are subject to IFRS 9's new expected credit loss model:

- Trade receivables and
- Other debt instruments carried at amortized cost

The Commission was required to revise its impairment methodology under IFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Commission is disclosed above.

Trade receivables

The Commission applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The loss allowance at 1 April 2018 based on the adoption of IFRS 9 was not material, therefore, there was no adjustment made to retained earnings as at 1 April 2018. The loss provision recognised under IAS 39 was \$12,416,000 as a result of specific provision. Note 3(a) provides details about the calculation of the allowance.

Other debt instruments carried at amortised cost

Debt instruments at amortised costs are considered low risk, and therefore the impairment provision is determined as 12 months expected credit losses. The loss allowance as at 1 April 2018 based on adoption of IFRS 9 was immaterial, therefore, there was no adjustment made to retained earnings as at 1 April 2018. There was also no change in the loss allowance during the current reporting period.

Notes to the Financial Statements **31 March 2019** (expressed in Jamaican dollars unless otherwise indicated)

24. Adoption of New Accounting Standards (Continued)

The Commission's adoption of IFRS 15 -

The Commission has adopted IFRS 15 'Revenue from Contracts with Customers' from 1 April 2018 which replaces the provisions of IAS 18. The new accounting policies are set out in Note 2(b).

The aim of the new standard is to improve the quality and uniformity of revenue recognition and the comparability of financial statements prepared in accordance with IFRS and US accounting principles. Under the new standard, revenue recognition focuses on when performance obligations are satisfied, that is, over time or at a point in time.

The Commission assessed the revenue recognition model, as required by the new standard. Based on the analysis performed, no differences in revenue recognition were identified and consequently there was no impact on the Commission's financial results.

The Commission has applied IFRS 15 retrospectively, however, this did not result in any restatement. As mentioned above, the adoption of IFRS 15 had no effect on the opening shareholders' equity at 1 April 2018.







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