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THE BETTING GAMING AND LOTTERIES COMMISSION

VISION

To be a world class gaming facilitator providing timely and equitable quality service to all stakeholders.

MISSION

To ensure the highest standards of probity and integrity within the betting, gaming and lottery sectors, in order to engender a high level of public confidence in gaming activities, thereby facilitating the orderly growth of the sectors and ensuring that government revenue is protected. This will be accomplished by satisfying the needs of internal and external stakeholders, ensuring responsiveness to, and equity throughout the industry with a motivated professional staff.

Message from the Chairman

If good fortune is when preparation meets opportunity, then the Betting Gaming and Lotteries Commission is creating that platform for businesses in the Gaming Industry in Jamaica. The Commission has achieved great strides over the past year in preparing and structuring all sectors within the Gaming Industry for new products, and enabling smart entrepreneurs to take advantage of the opportunities that the industry now affords.

The year under review brought about many changes in the industry, which had a positive impact on the Commission and the country. This was evidenced by the rapid growth of innovative gaming initiatives introduced following the 2010 Amendments. In particular, in the Sports Betting Sector, sales increased some 400% between the first and second year of introduction and 130% between 2011 and 2012, followed by a 52% increase between 2012 and 2013. This year, one bookmaker reported the largest increase of 551% on sports betting with sales progressing from $6M for FYE 2012 to $42M over the review period. These gains are a testament to the fact that the country was more than ready for new entertainment options.

These shifts in the Gaming Industry were further reinforced with the advent of telephone and text betting, which will augment the portfolio of betting options, and help to counteract the annual losses due to illegal CashPot sales.

To facilitate the expansion of the industry, the Commission has been busy drafting additional amendments for submission to the Chief Parliamentary Counsel for sign off and ultimate approval by Cabinet. Continuing on its growth trajectory, lottery sales were introduced for Sundays and Public Holidays – excluding Christmas Day and Good Friday; and hours of operation for the betting shops were extended. These initiatives have brought about increased sales with a commensurate increase in taxes and levies, benefitting the Consolidated and CHASE funds. Previously, 50% of unclaimed winnings were retained by Supreme Ventures Limited, now Prime Sports Limited. This is now paid over to the Government. Licensee contributions to the CHASE Fund, in 2011 – 2012 were at $1.3 billion up from $1.16 billion in 2010-2011. Contributions to the Consolidated Fund held firm at $1.9 billion during the same period. For the period 2012 – 2013, contributions to the CHASE Fund amounted to $1.3 billion and to the Consolidated Fund totaled $1.6 billion

While focusing on growing the industry, equal attention had to be given to capacity building to manage and monitor emerging and sophisticated technologies in protecting, not only revenues, but also minors (under 18 yrs), vulnerable persons and problem gamers.

To meet the challenges of the future, the Commission is forced to change with the times and as a consequence, some necessary internal restructuring identified for fast-tracking, came back on the "drawing board" for execution. The most noticeable change is the transformation of the Betting, Gaming and Lotteries divisions to the impending establishment of both a Licensing and Registration Division; and an Audit and Compliance Division. Through subsequent cross-training of staff, these changes will enhance productivity, efficiency and customer service, as we strategically balance our regulatory functions with those of facilitation.

To support and buttress the restructuring process, we need updated in-house technology. In this regard, efforts are underway to identify a modern and comprehensive Gaming Management System to cover all our activity in enabling online connectivity, thus preserving revenue and preventing licensee reporting errors. This will be linked to modern accounting software for a seamless online platform.

The year under review brought about many changes in the industry, which had a positive impact on the Commission and the country. This was evidenced by the introduction of innovative gaming initiatives demonstrating brisk growth.

During the year, the Commission was visited by members of the Public Accountability Inspectorate Division who conducted a staff survey and a review of our operations and corporate governance structure. Arising from the visit, several recommendations were made to ensure conformity with governing guidelines; implementation of certain policy initiatives identified by us; and the early engagement of certain key staff in the areas of Communications and Research, Corporate Planning, Internal Audit, ICT and Risk Management. A follow-up visit is scheduled in the early part of the new fiscal year, but we anticipate that we shall come out with "flying colours", based on our approach toward the recommendations.

To achieve these objectives, efforts have been made to expand the work force to attain the approved complement at both clerical and managerial levels. Already added to the BGLC Team are new Directors in the areas of Human Resources, ICT and Enforcement. Joining the team also, is Mr. Andral "Jack" Shirley, who assumed the post of Executive Director following the retirement of Mr. Derek Peart, who served the Commission for 10 years. While welcoming Mr. Shirley, I would like to take the opportunity in thanking Mr. Peart for his valuable contribution and years of dedicated service.

With the announcement of a merger between the BGLC and the Jamaica Racing Commission by the Hon. Minister of Finance and Planning during his Budget Presentation, it will be all the more important and urgent for refurbishing now underway at the new location at Hagley Park Road, to be completed within the upcoming fiscal period. This will enable us to house the two entities and serve all customers and staff comfortably.

Our revitalised team at the Commission has a slew of training seminars ahead to bring the staff up to speed on the significant Industry changes, not the least of which is the observance of the Proceeds of Crime Act 2007 (POCA). The application of this Anti-Money Laundering Act must become one of our monitoring activities. Full compliance by our licensees is expected by October 2013, which is the implementation time frame Jamaica has agreed to, as a subscriber to the Caribbean Financial Action Task Force (CFATF) requirements. Through training and sensitizing sessions, licensees will be able to detect breaches and learn how to respond and report accordingly.

This past year has been a time of hotly paced evolution in Jamaica’s gaming history. To manage this, there has been a heavy infusion of new minds and new energy in the Commission. The Commission is proudly poised to commandeer the wave upon us and steer the Gaming industry with a healthy balance of control and facilitation. I commend my fellow Commissioners, Mrs. Monique Harrison-Beckford, Messrs T.V. Allen, Leacroft Forden, Gilroy English and Peter Reid, along with our new Executive Director, Mr. Andral “Jack” Shirley, for their verve, their forthright approach, and for their unfailing support during these exciting times. On behalf of my fellow Commissioners I thank the management and staff for their steadfast service through the challenges faced. We are here to support you in your continued dedication in the execution of your duties.

Gary Peart

Message from the Executive Director

It is indeed my pleasure, as the new Executive Director for The Betting, Gaming and Lotteries Commission to report on our activities over the fiscal year, 2012 - 2013. The Commission, with a revitalized team of professionals, is leading the fray into as yet uncharted waters with the recent rapid evolution of the Gaming Industry. Our Vision refers to the BGLC as being a world class gaming facilitator, and this is guiding our steps along this path to achieving this objective.

The 2010 Amendments to the BGLA and the accessibility to updated technology have opened the door to unprecedented advances in the industry, allowing us to truly facilitate the gaming business in Jamaica like never before. The domino effect over the last three years created by these Amendments has been swift, with additional amendments and regulations succeeding the 2010 slate, as the local Industry plays catch-up with the global trends in gaming options.

Although lagging somewhat in our monitoring activities, from a financial perspective, the Commission experienced another commendable year's performance through our combined regulation and facilitation approaches. Assets increased from $669m to $793m, an 18.5% increase from last year. Gross income saw a 24% increase moving from $468m to $580m.

Overall expenses were reduced from $345m to $315m (9.5%) thus allowing us to record a net profit after tax of $240m and when compared with $119m for the previous year, a 101% increase. This is even more remarkable when taking into account a contribution of $27m to the Consolidated Fund and a loss of $33m that was sustained owing to the Commission's participation in the GOJ NDX initiative. The Commission remains solvent and very liquid.

Contributions to the BGLC totalled $579 million: Licensing Fees received for the 2012 -2013 period were comprised of $253 Million from the Lotteries sector – a 3 % decline from last year's $262 million; $27 million from Gaming machine applications and licensing fees; $75 million from Gaming Lounges; $13 million in Prize Promotion fees; and $211 million in fees from Betting sector as a whole.

We also effected necessary changes to our fee structure, including the long overdue increase in BGLC fees and the introduction of new fees for costly services that were traditionally complimentary, such as the processing of prize promotion applications and the costs of due diligence investigations. Increases in Gross Profit Tax (GPT) rates for lottery operators have also been introduced, along with a change from fixed annual fees for locally manufactured gaming machines, to imposing GPT rates.

During the year we have continued processing the lone new lottery licence applicant, and have encouraged fit and proper persons with Gaming operation aspirations to do their research carefully and make that bold entrepreneurial step, as the Commission is here to enable and facilitate, as well as regulate.

Achieving a balance in any industry between optimum financial growth and social responsibility is always a challenge and the Gaming Industry is no different. The Commission places these concerns high on its list of priorities as a part of its mandate for regulation and protection of the public. We have a long history of adopting a sensitive and proactive approach to assessing and providing for the vulnerable groups in our society – such as minors and compulsive gamblers, and we also encourage our Licensees to monitor their needs as well, in practicing responsible gaming. This is manifested in the on-going partnership with RISE Life Management.

RISE Life Management (RLM), formerly Addiction Alert (an NGO formed in 1989 to counteract addictive disorders), has been a beneficiary of our charitable funding for 8 years now. RISE Life provides excellent support through its Self-Exclusion Programme, established to allow persons with a gambling problem to voluntarily exclude themselves from gaming activities. We applaud those licensees who have installed monitoring systems that provide early identification of those persons requiring assistance. Gaming patterns of all visitors to participating lounges so outfitted are electronically monitored so that problem gamblers and soon, anti-money laundering activities, may be identified within the system. Once a determination is made, individuals are not permitted re-entry. The addicted gambler is barred for a prescribed period of time allowing for treatment and rehabilitation through RISE Life.

We have a long history of adopting a sensitive and proactive approach to assessing and providing for the vulnerable groups in our society – such as minors and compulsive gamblers, and we also encourage our Licensees to monitor their needs as well, in practicing responsible gaming.

In our continuing efforts to introduce modern and best practices, the Commission is now making strides toward establishing and maintaining online connectivity to its licensees. We currently have connectivity with the island's lottery provider and also with the Racing Promoter and Bookmakers. We envision read-only, real-time, remote monitoring of all licensees' gaming, betting and lottery systems to be instituted over the next few years. The initial expense for training staff and implementing the more modern technology is well worth the many long term benefits to the Government, the Commission and Licensees alike. Online connectivity will eliminate the need for monthly manual Gross Profit Tax readings of internationally manufactured Gaming Machines in the country, thereby reducing the potential for human error.

It is against this backdrop that we deepen our engagement with the international community of Gaming Regulatory bodies and service providers, in particular the International Association of Gaming Regulators (IAGR), to advise, guide and partner with us. We achieved a significant milestone when the Commission proposed to the IAGR, the development of a Multi-Jurisdictional Corporate History Disclosure Form for use by the international community. In October 2012, the IAGR approved this suggestion. This form will complement the current Multi-Jurisdictional Personal History Disclosure Form used for due diligence investigations.

Looking ahead, the design of old style token and coin operated gaming machines has long been replaced in other countries in favour of loadable and readable cards for a cashless system and sophisticated computer controlled machines. Licensees who resist the upgrading process and lag behind the technology, will miss out on the opportunities that will surely come with this calibre of partnerships, to elevate us to the next platform.

The Board of Commissioners and my Team at the BGLC are here equally for members of the public, for licensees and stakeholders alike. We stand ready to hear your concerns, to serve your needs, and to protect the best interests of the highest good for all concerned, with professionalism, integrity and expertise. Call us today and come talk to our representatives. We are here for you. Your Gaming Industry solution providers.

Andral “Jack” Shirley

CHAPTER ONE
OVERVIEW

1.1 Introduction

This marks the thirty-eighth Annual Report of the Betting, Gaming and Lotteries Commission since its establishment in 1975. The report examines developments in the Betting, Gaming and Lottery sectors for the period April 01, 2012 to March 31, 2013. Wherever possible, actual figures including totals in most tables have been rounded to the nearest million. Some corresponding percentages will reflect changes due to this rounding.

Note that income figures in the Sector reports produced will not necessarily be the same as those reflected in the Financial Statements because of differences in the periods used to capture data in the Financial Statements as compared to the Division reporting period.

1.2 The Commission

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

1. regulates and controls the operation of betting and gaming, and the conduct of lotteries in the island;

2. grants permits, licences and approvals to persons or entities considered fit and proper to conduct betting, gaming and lotteries activities;

3. examines, in consultation with such organizations and persons as it considers appropriate, problems relating to the operation of betting and gaming and the conduct of lotteries in the island;

4. furnishes information and advice and makes recommendations to the Minister of Finance and the Public Service with respect to the exercise of his function under the Act;

5. conducts investigations, studies and surveys for the purpose of obtaining information for use in the exercise of its functions;

6. advises the Minister of Finance and the Public Service and recommends legislative amendments pertaining to the Act, Regulations and Orders to ensure an orderly development of the industry.

1.3 Board of Commissioners

As at March 31, 2013, the Board comprised of Chairman Gary Peart, Commissioners Messrs. Terrence V. Allen, Leacroft Forden, Gilroy English, Peter Reid and Mrs. Monique Harrison-Beckford.

Composition of Board Sub-Committees

Audit
Mr. Terrence V. Allen (Chairman)
Mrs. Monique Harrison-Beckford
Mr. Gilroy English

Finance
Mr. Peter Reid (Chairman)
Mr. Leacroft Forden

Legal & Regulatory
Mrs. Monique Harrison-Beckford

Special Projects
Mr. Terrence V. Allen
Mr. Gilroy English

Human Resources
Mr. T.V. Allen
Mr Gary Peart

Procurement
Mrs. Monique Harrison-Beckford

The Executive Director attends meetings of each Sub-Committee, the Director of Finance attends the Finance Sub-Committee, and the Legal Consultant attends meetings of the Legal & Regulatory Sub-Committee, and the Special Projects Sub Committee, along with performing duties of Company Secretary.

1.4 STATISTICAL HIGHLIGHTS – 2012/2013 vs 2011/2012

BETTING SECTOR	2012-2013	2011-2012
Promoter: Caymanas Track Ltd	63 off track betting parlours	63 off track betting parlours
	307 simulcast race days	346 simulcast race days
Bookmakers	10 bookmakers	10 bookmakers
	339/166 licensed betting offices/lounges	272 licensed betting offices
	80 local race days	83 local race days
	52 weeks of overseas races	52 weeks of overseas races
Sales	$7.3 B (Prom $4.16B; Bkm $3.14B)	$7.7 B (Prom $4.3B; Bkm $3.4B)
Total Levies & Duties Payable	$211 M (Prom $42M; Bkm $169M)	$225.2 M (Prom $61.5M; Bkm $163.7M)
Total Levies & Duties Paid	$188M (Prom $21M; Bkm $167M)	$218.6M (Prom $30.7M; Bk $187.9M)
CHASE Contribution Paid	$1.7M	$1.4M
JRC Contribution Paid	$58.9M (Prom $16M; Bk $42.9M)	$67.9M (Prom $18.5M; Bkm $49.4M)
BGLC Contrib & Fees Payable	$35.7M (Prom $5.6M; Bk $30M)	$43M (Prom $7M; Bkm $36M)
BGLC Contrib & Fees Paid	$31.4M (Prom $1.8M; Bk $29.6M)	$40M (Prom $4M; Bkm $36M)
LOTTERIES SECTOR		
Sales	$25B	$26 billion
Prize Payouts	$17B	$18.5 billion
Levy Payments	$1.6B	$1.5 billion
CHASE Fund Contributions	$1.3B	$1.2 billion
Unclaimed Winnings (50% to CHASE)	$188M	$117 million
BGLC Contrib & Fees paid	$278.7M (Contrib.: $253M + Fees: $25.7M	$292M (Contrib: $262M + Fees: $30M)
Lottery Draws	1218	816
GAMING SECTOR		
Gaming Lounge: GPT to Consol. Fund	$196M	$197 million
Other Gaming Machines Levy	$26 M	$30 million
Gaming Lounge - CHASE Contribution	$30M	$30 million
BGLC Gaming Machines Contribution	$75M	$95 million
Inspections	973	1,150 locations
PRIZE PROMOTIONS		
Prize Competition Fees	$16M	$1.6 million
Applications Received	305	279
Applications Processed	449	247
ENFORCEMENT		
Operations	72	105
Arrests	22	26 persons
Convictions	12	26 persons
Gaming Machines Seized	288	434
Fines & Forfeitures (paid to courts)	$497,000	$1.07 million
Reports	85	105

CHAPTER TWO
BETTING SECTOR

2.1 Introduction

Information on the performance of the racing promoter, Caymanas Track Limited and nine of the ten bookmakers that make up the betting sector is contained in this report. The tenth bookmaker, Olympic Sports Data Services Limited, operates within the Montego Bay Free Zone and as such is not liable for the payment of gross profit tax and contributions.

The year was an eventful one. Importantly, the Commission confirmed five persons to the post of Inspectors who will begin training on May 1. Also, the Commission conducted a remote renewal of licences for the convenience of all our Licensees outside of Kingston. For two to three days, we established a temporary office at each of the Internal Revenue Department offices in the St. Ann's Bay, Mandeville, Savanna La Mar, and Montego Bay.

2.2 Fee Increases

There were fee increases across the sector for services that had been long overdue, and also fees were introduced for services that had previously been free of cost to the licensee, although these services were costly to the Commission:

- The Betting Lounge License fee is now $15,000 per year.
- A licensee will pay a penalty of $20,000 per additional visit necessary by an Inspector, if the scheduled final inspection has already been conducted.
- The Location License Fee has increased from $400 to $10,000.
- A Terminal Operator License in a Betting Office or Lounge is now $4,000 per year.
- A Bookmaker's Betting Agent Permit has moved from $400 per annum to $10,000 per annum.
- A Bookmaker's Permit has increased from $100,000 to $200,000.
- Due Diligence Service for new applicants is now $5,000. $50,000. and US $10,000. Depending on the type of investigation required.

A most welcome reward has been the extension of opening hours for these establishments. We are working towards having full online connectivity with all our licensees and will be better able to monitor their operations through this medium.

Sports Betting has performed consistently well since its inception, with the Prime Sports Ltd. Just Bet brand raking in 80% of the sales in sports betting, the remainder coming through Markham, Champion and Track Price Plus Bookmakers.

Table 1 provides a summary of the sales generated by Caymanas Track Ltd. (CTL), the Racing Promoter, over the review period and four preceding years 2009 to 2012. The company generated sales of $4.1B, some 3.64% less than that of the previous year. The total was made up of $2.3B from the sales on local horse racing and a $1.8B from the sales on overseas horse racing.

TABLE 1
SUMMARY OF RACING PROMOTER SALES
FISCAL YEARS APRIL 2009 - MARCH 2013

	Y/E MAR. 2009	Y/E MAR. 2010	% Change	Y/E MAR. 2011	% CHANGE	Y/E MAR. 2012	% Change	Y/E MAR. 2013	% Change
RACING PROMOTER									
LOCAL	**2,755,324,306**	**2,519,662,384**	-8.55%	**2,505,132,448**	-0.58%	**2,529,587,408**	0.98%	**2,358,390,652**	-6.77%
NO. OF RACE DAYS	82	80		85		83		80	
AVG. SALES	33,601,516	31,495,780	-6.27%	29,472,146	-6.27%	30,476,957	3..41%	29,479,883	-3.27%
SIMULCAST	**2,065,403,295**	**2,236,844,614**	8.30%	**1,782,794,261**	-20.30%	**1,789,793,123**	0.39%	**1,803,924,754**	0.79%
NO. OF RACE DAYS	310	312		324		346		307	
AVG. SALES	6,662,591	7,169,374	7.61%	5,502,451	23.25%	5,172,812	-5.99%	5,875,976	13.59%
TOTAL	**4,820,727,601**	**4,756,506,998**	**-1.33%**	**4,287,926,709**	**-9.85%**	**4,319,380,531**	**0.73%**	**4,162,315,406**	**-3.64%**

Table 2 and **Figure 1** detail the sales performance of bookmakers over the review period and the four preceding years, 2009 – 2012. Just over $3B in sales was reported, 9% less than that of the previous year. The total was made up of $2B from the sales on local horse racing, $1B from the sales on overseas horse racing and $342M from the sales on sports betting. There was a reduction of 13.6% in sales on local horse racing when compared to that of the previous year and a 11.52% decline in that reported on overseas horse racing. On the converse sales on sports betting were 52% more than that of the previous year.

Table 2 also shows that sales across the industry were $7B or 6% less than the $8B of the previous year. It should be noted that despite the increased opening hours of betting outlets by bookmakers and the 52% improvement in sales on sports betting, the reported sales of bookmakers continue to be less than that of the promoter.

TABLE 2
SUMMARY OF BOOKMAKERS' SALES
FISCAL YEARS APRIL 2009 - MARCH 2013

	Y/E MAR. 2009	Y/E MAR. 2010	% CHANGE	Y/E MAR. 2011	% CHANGE	Y/E MAR. 2012	% CHANGE	Y/E MAR. 2013	% CHANGE
BOOKMAKERS									
NO. OF RACE DAYS	82	80		85		83		80	
AVG. SALES	22,414,444	23,562,430	5.12%	20,766,174	-11.87%	24,197,621	16.25%	21,690,941	-10.36%
OVERSEAS	**889,483,998**	**1,086,401,423**	22.14%	**1,073,533,180**	-1.18%	**1,209,128,724**	12.63%	**1,069,789,761**	-11.52%
NO. OF RACE WEEKS	52	52		52		53		52	
AVG. SALES	17,105,462	20,892,335	22.14%	20,644,869	-1.18%	22,813,750	10.51%	20,572,880	-9.82%
OTHER SPORTING EVENTS	**3,615,499**	**2,697,391**	-25.39%	**119,597,243**	4333.81%	**224,929,543**	88.07%	**342,331,160**	52.19%
NO. OF RACE WEEKS	**52**	**52**		**52**		**53**		**52**	
AVG. SALES	69,529	51,873	-25.39%	2,299,947	4333.31%	4,243,954	84.52%	6,583,292	55.12%
TOTAL FOR OVERSEAS	**893,099,497**	**1,089,098,814**	21.95%	**1,193,130,423**	**9.55%**	**1,434,058,267**	**20.19%**	**1,412,120,921**	**-1.53%**
TOTAL FOR BOOKMAKERS	**2,731,083,915**	**2,974,093,227**	**8.90%**	**2,958,255,237**	**-0.53%**	**3,442,460,841**	**16.37%**	**3,147,396,165**	**-8.57%**
TOTAL FOR RACING PROMOTER	**4,820,727,601**	**4,756,506,998**	**-1.33%**	**4,287,926,709**	**10.93%**	**4,319,380,531**	**0.73%**	**4,162,315,400**	**-3.64%**
INDUSTRY TOTAL	**7,551,811,516**	**7,730,600,225**	**2.37%**	**7,246,181,946**	**-6.27%**	**7,761,841,372**	**7.12%**	**7,309,711,565**	**-5.83%**

FIGURE 1
SALES TREND FOR APRIL 2009 - MARCH 2013

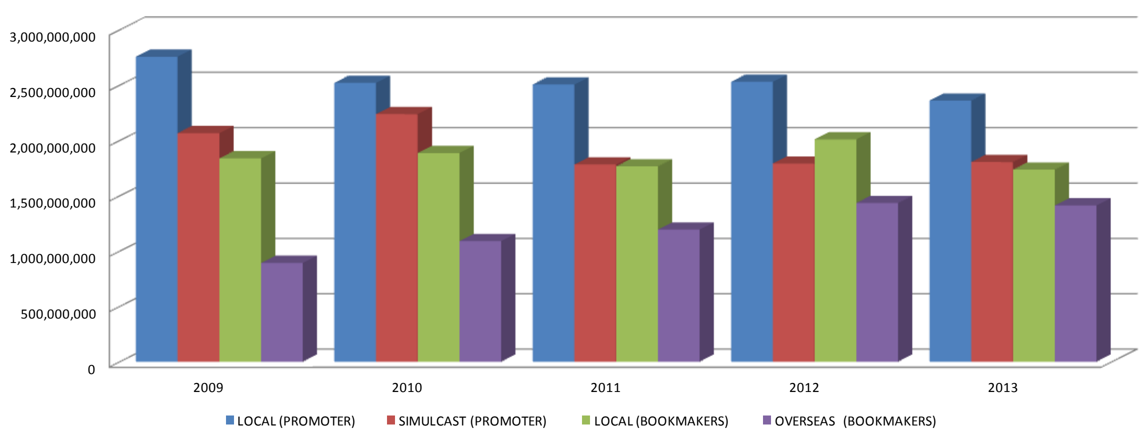


Figure 2 provides a graphic overview of the promoter's performance in terms of the sales generated across the industry. The promoter was responsible for 57% of the reported sales while bookmakers were responsible for the remaining 43%.

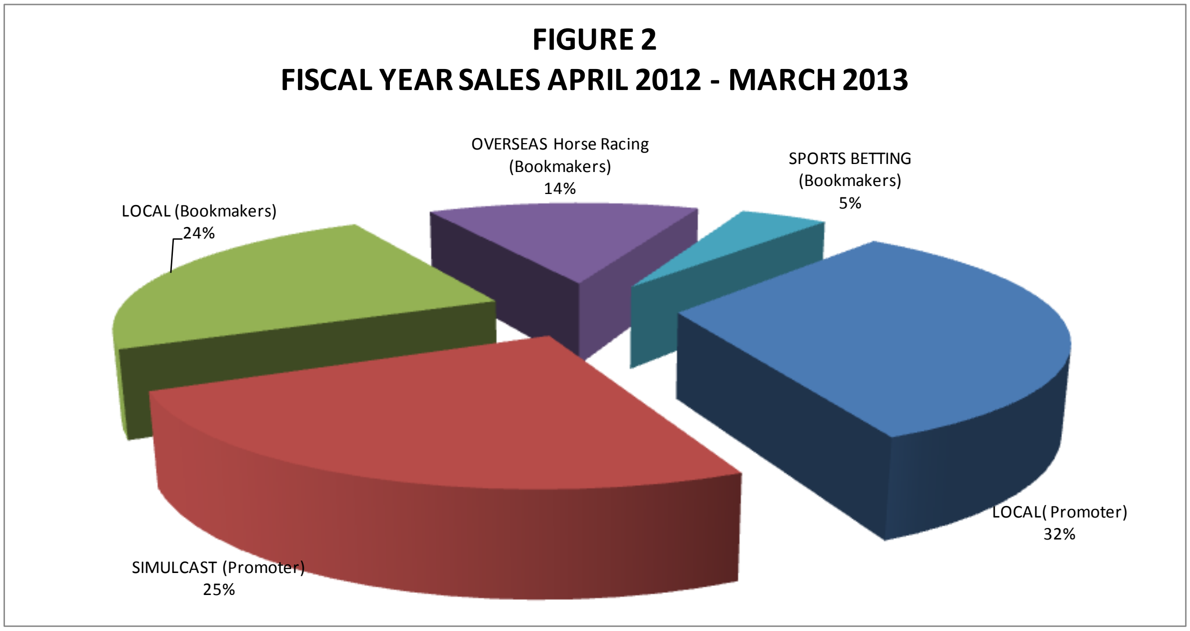


Table 3 details the sales performance of each bookmaker over the review period. Champion Betting Co. Limited with sales of $1.2B remains our leading bookmaker. The company was followed by Track Price Plus Limited with $831M and Markham Betting Co. Limited with $537M. The three companies were responsible for $2.561B or 81% of the $3B in sales reported by bookmakers.

On the converse, Post to Post Betting Limited was responsible for $1M in sales and Summit Betting Co. Limited $324K from the single outlet operated by each company.

TABLE 3
BOOKMAKERS SALES LOCAL & OVERSEAS
FISCAL YEAR APRIL 2012 - MARCH 2013

	LOCAL RACING		OVERSEAS RACING		OTHER SPORTING EVENTS	
	$	NO. OF BETTING LOUNGES OPERATED	$	NO. OF BETTING LOUNGES OPERATED	$	NO. OF BETTING LOUNGES OPERATED
BIG "A" TRACK 2003 LIMITED	N/A	N/A	N/A	N/A	253,078,980	36 / 38
CAPITAL BETTING & WAGERING LIMITED	72,316,046	13	N/A	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	98,603,080	11	N/A	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	621,231,951	52 / 21	529,973,037	44 / 17	4,204,368	8
IDEAL BETTING COMPANY LIMITED	107,088,834	24	53,518,503	16	N/A	N/A
MARKHAM BETTING COMPANY LIMITED	343,721,874	26 / 25	147,589,304	Dec-22	45,446,173	5
POST TO POST BETTING LIMITED	1,087,194	1	N/A	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	323,956	1	N/A	N/A	N/A	N/A
TRACK PRICE PLUS LIMITED	490,902,339	45 / 22	338,708,917	36 / 21	1,591,634	9
TOTAL	**1,735,275,274**	173 / 68	**1,069,789,761**	108 / 60	**304,321,155**	58 / 38

Provided at **Table 4** is a comparison of the reported sales of each bookmaker over the review period and that of the previous year. Of the bookmakers that operated multiple locations, Champion Betting Co. Limited reported the largest increase of 551% on sports betting with sales progressing from $6M for the year ended March 2012 to $42M over the review period. This increase may be attributed to the increase in the number of the company’s outlets that accepted wagers on sports other than horse racing and also the increased use of their sports betting system provided by Meridian Gaming.

Notwithstanding an 82% reduction in sales on sports betting by Track Price Plus Limited, sales on such events by bookmakers increased by 52%, as the leading bookmaker with respect to sports betting, Big ‘A’ Track 2003 Limited reported a 91% increase in sales moving from $132M in fiscal year 2012 to $253M over the review period. Wagering on sports was the only area that showed increased sales as there was a reduction in sales on local horse racing and on overseas horse racing, as previously mentioned.

Among bookmakers that accepted wagers on local horse racing, Ideal Betting Co. Limited reported the largest decline of 44.68%. The company failed to operate since December of 2012, having experienced a fire at its head office that destroyed the building and computer equipment used in their bookmaking business. The company is currently in discussion with another computer service provider to restart business.

All four companies that accepted wagers on overseas horse racing reported decreased sales over the review period when compared to the previous year. As was the case with local horse racing, Ideal Betting Co. Limited reported the largest decline of 42% as sales moved from $93M in 2012 to $53.519M over the review period.

TABLE 4
BOOKMAKERS' COMPARATIVE SALES
FISCAL YEAR ENDED MARCH 2012 AND MARCH 2013

BOOKMAKERS	LOCAL 2012	LOCAL 2013	% CHANGE	OVERSEAS 2012	OVERSEAS 2013	% CHANGE	OTHER SPORTING EVENTS 2012	OTHER SPORTING EVENTS 2013	% CHANGE
CAPITAL BETTING & WAGERING LIMITED	119,954,298	72,316,046	-39.71%	N/A	N/A	N/A	N/A	N/A	N/A
CARIBBEAN TURF SERVICE LIMITED	119,871,702	98,603,050	-17.74%	N/A	N/A	N/A	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	643,209,678	621,231,951	-3.42%	586,908,091	529,973,037	-9.70%	6,469,445	42,104,368	550.82%
IDEAL BETTING COMPANY LIMITED	193,582,528	107,088,834	-44.68%	92,864,483	53,518,503	-42.37%	N/A	N/A	N/A
MARKHAM BETTING COMPANY LIMITED	411,051,548	343,721,874	-16.38%	177,692,285	147,589,304	-16.94%	77,267,217	45,556,173	-41.04%
POST TO POST BETTING LIMITED	498,612	1,087,194	118.04%	N/A	N/A	N/A	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	454,305	323,956	-28.69%	N/A	N/A	N/A	N/A	N/A	N/A
TRACK PRICE PLUS LIMITED	519,779,903	490,902,339	-5.56%	351,663,865	338,708,917	-3.68%	9,045,607	1,591,639	-82.40%
TOTAL	**20,008,402,514**	**1,735,275,244**	**-91.33%**	**1,209,128,724**	**1,069,789,761**	**-11.52%**	**225,215,269**	**342,331,160**	**52.00%**

Information on the reported payouts by bookmakers over the review period is at **Table 5**. The $1B paid out on local horse racing was 14% less than that of the previous year. Of the bookmakers that operated multiple locations and operated for the entire year, Capital Betting and Wagering Limited reported the largest decline of 36.5% with payouts moving from $76M in 2012 to $48M. This decline may be attributed to a decrease in the number of outlets that the company operated from 34 in May of 2012 to 13 in May of 2013.

Payouts on overseas horse racing declined by 13% moving from $790.591M in 2012 to $692M over the review period. This decline may primarily be attributed to the 42% loss of sales by Ideal Betting Co. Limited. This resulted in a corresponding reduction in payouts from $691.7M in fiscal year 2012 to $34.769M, a reduction of 42.98%.

In contrast to the payouts on local and overseas horse racing that showed a decline, the payouts on sports betting showed an increase of 33% moving from $182.746M for fiscal year 2012 to $243.575M over the review period. Champion Betting Co. Limited reported the largest increase of 268.32% moving from $8.154M to $30.03M over the review period.

TABLE 5
BOOKMAKERS' COMPARATIVE PAYOUTS
FISCAL YEAR ENDED MARCH 2012 AND MARCH 2013

BOOKMAKERS	LOCAL 2012	LOCAL 2013	% CHANGE	OVERSEAS 2012	OVERSEAS 2013	% CHANGE	OTHER SPORTING EVENTS 2012	OTHER SPORTING EVENTS 2013	% CHANGE
BIG 'A' TRACK (2003) LIMITED	N/A	N/A	N/A	N/A	N/A	N/A	86,562,100	165,368,486	91.04%
CARIBBEAN TURF SERVICE LIMITED	77,003,336	62,192,089	-19.23%	N/A	N/A	N/A	N/A	N/A	N/A
CHAMPION BETTING COMPANY LIMITED	418,351,317	402,982,316	-3.67%	385,786,110	342,217,904	-11.29%	8,154,557	30,034,598	268.32%
IDEAL BETTING COMPANY LIMITED	133,279,081	74,302,625	-44.25%	60,976,670	34,769,280	-42.98%	N/A	N/A	N/A
MARKHAM BETTING COMPANY LIMITED	281,436,709	226,195,482	-19.63%	115,549,796	95,372,697	-17.46%	78,405,543	46,267,364	-40.99%
POST TO POST BETTING LIMITED	429,897	641,707	49.27%	N/A	N/A	N/A	N/A	N/A	N/A
SUMMIT BETTING COMPANY LIMITED	240,550	206,881	-14.00%	N/A	N/A	N/A	N/A	N/A	N/A
TRACK PRICE PLUS LIMITED	347,993,781	326,582,506	-6.15%	228,278,842	219,386,665	-3.90%	9,624,089	1,904,848	-80.21%
TOTAL	**1,334,955,412**	**1,141,506,715**	**-14.49%**	**790,591,418**	**691,746,546**	**-12.50%**	**182,746,289**	**243,575,296**	**33.29%**

The gross profits recorded by bookmakers over the review period are at **Table 6**. From sales of $3.147B and payouts of $2.077B bookmakers reported a gross profit of $1.071B to record gross profit as a percentage of sales of 34%. Champion Betting Co. Limited reported the largest gross profit of $418.075M from sales of $1.193B and payouts of $77.2355M or payouts as a percentage of sales of 64.97%. This was within the industry average of 66% reported by all bookmakers. Among bookmakers that operated multiple locations, Markham Betting Co. Limited reported the largest payouts as a percentage of sales of 68.52%.

TABLE 6
INDIVIDUAL BOOKMAKERS GROSS PROFIT
FISCAL YEAR APRIL 2012 - MARCH 2013

BOOKMAKERS	SALES	PAYOUTS	PAYOUT AS A % OF SALES	GROSS PROFIT	GROSS PROFIT AS % OF SALES
BIG "A" TRACK 2003 LIMITED	253,078,980	165,368,486	65.34%	87,710,494	34.66%
CAPITAL BETTING & WAGERING LIMITED	72,316,046	48,403,109	66.93%	23,912,937	33.07%
CARIBBEAN TURF SERVICE LIMITED	98,603,050	62,192,089	63.07%	36,410,961	36.93%
CHAMPION BETTIG COMPANY LIMITED	1,193,309,356	775,234,818	64.97%	418,074,538	35.03%
IDEAL BETTING COMPANY LIMITED	160,607,337	109,071,905	67.91%	51,535,432	32.09%
MARKHAM BETTING COMPANY LIMITED	536,867,351	367,835,543	68.52%	169,031,808	31.48%
POST TO POST BETTING LIMITED	1,087,194	641,707	59.02%	445,487	40.98%
SUMMIT BETTING COMPANY LIMITED	323,956	206,881	63.86%	117,075	36.14%
TRACK PRICE PLUS LIMITED	831,202,895	547,874,019	65.91%	283,328,876	34.09%
TOTAL	**3,147,396,165**	**2,076,828,557**	**65.99%**	**1,070,567,608**	**34.01%**

Details of the average sales, payouts and gross profit realized by each bookmaker are at **Table 7**. Average gross profits per betting office was $3.399M from average sales of $9.9920M and average payouts of $6.593M. Champion Betting Co. Limited reported the largest average gross profit of $5.727M and was followed by Track Price Plus with average gross profit of $4.229M.

TABLE 7
INDIVIDUAL BOOKMAKERS AVERAGE
SALES, PAYOUTS & GROSS PROFIT
FISCAL YEAR APRIL 2012 - MARCH 2013

BOOKMAKERS	BETTING	TOTAL SALES	AVERAGE SALES	TOTAL PAYOUTS	AVERAGE PAYOUTS	GROSS PROFIT	AVERAGE GROSS PROFIT
BIG "A" TRACK (2003) LIMITED	74	253,078,980	3,419,986	165,368,486	2,234,709	87,710,494	1,185,277
CAPITAL BETTING & WAGERING LIMITED	13	72,316,046	5,562,773	48,403,109	3,723,316	23,912,937	1,839,457
CARIBBEAN TURF SERVICE LIMITED	11	9,860,305	896,391	62,192,089	5,653,826	-52,331,784	-4,757,435
CHAMPION BETTING COMPANY LIMITED	73	1,193,309,356	16,346,704	775,234,819	10,619,655	418,074,537	5,727,048
IDEAL BETTING COMPANY LIMITED	24	160,607,337	6,691,972	109,071,905	4,544,663	51,535,432	2,147,310
MARKHAM BETTING COMPANY LIMITED	51	536,867,351	10,526,811	367,835,543	7,212,462	169,031,808	3,314,349
POST TO POST BETTING LIMITED	1	1,087,194	1,087,194	641,707	641,707	445,487	445,487
SUMMIT BETTING COMPANY LIMITED	1	323,956	323,956	206,881	206,881	117,075	117,075
TRACK PRICE PLUS LIMITED	67	831,202,895	12,406,013	547,874,019	8,177,224	283,328,876	4,228,789
TOTAL	**315**	**3,058,653,420**	**9,710,011**	**2,076,828,558**	**6,593,107**	**981,824,862**	**3,116,904**

Details of the taxes, duties and levies payable and paid are at **Table 8**. Some $188.919M of the $211.465M payable was liquidated and of this total bookmakers were responsible for $167.281M and the promoter the remaining $21.637M. The bookmakers total was made up of $96.512M from the profits on local horse racing and $70.769M from the profits on overseas horse racing and sports betting. The promoter on the other hand paid $7.036M from the profits on local horse racing and $14.602M from the profits on simulcast horse racing.

TABLE 8
TAXES, DUTIES & LEVIES
PAYABLE AND PAID
FISCAL YEAR APRIL 2012 TO MARCH 2013

BETTING MODE	TAXES, DUTIES & LEVIES	PAYABLE	PAID
BOOKMAKERS			
	3% CONTRIBUTION TO BGLC	0	17,538,906
	4.5% CONTRIBUTION TO JRC	0	26,309,739
	$80 SPECIFIC LEVY	45,760	46,640
	TOTAL	**45,760**	**96,512,168**
OVERSEAS RACING	9% GROSS PROFIT TAX	0	33,241,091
	3% CONTRIBUTION TO BGLC	0	11,080,358
	4.5% CONTRIBUTION TO JRC	0	16,620,653
SPORTS EVENTS	7% GROSS PROFIT TAX	0	7,072,392
	1% CONTRIBUTIONS TO BGLC	0	1,004,331
	1% CONTRIBUTIONS TO CHASE FUND	0	1,750,469
	TOTAL	**0**	**70,769,294**
	TOTAL FOR BOOKMAKERS	**45,760**	**167,281,462**
- **RACING PROMOTER**			
LOCAL RACING	2% GROSS PROFIT TAX	0	1,214,850
	1% CONTRIBUTION TO BGLC	0	607,455
	4.5% CONTRIBUTION TO JRC	0	5,213,960
	TOTAL	**0**	**7,036,265**
SIMULCAST RACING	2% GROSS PROFIT TAX	0	2,523,786
	1% CONTRIBUTION TO BGLC	0	1,261,893
	4.5% CONTRIBUTION TO JRC	0	10,815,919
-	**TOTAL**	**0**	**14,601,598**
	TOTAL FOR RACING PROMOTER	**0**	**21,637,863**
	TOTAL FOR INDUSTRY	**45,760**	**188,919,325**

2.3 Conclusion

The sales performance across the industry was by and large anemic as after a 7% increase in the 2011-2012 licensing year, the review period saw a decline of 6%, this in actuality wiped out the gains of the previous year. The downturn in sales may be attributed to a reduction in the number of local race days from 83 in 2012 to 80 over the review period and a reduction in the number overseas race weeks from 53 in 2012 to 52. The failure of CTL to make levy payments continues to be of concern as only $21.6M of the $42M payable over the review period was liquidated.

CHAPTER THREE
LOTTERIES SECTOR

It should be noted that during the course of the year, the operations of Supreme Ventures Lotteries Limited were amalgamated into a new parent company, Prime Sports (Jamaica) Limited.

3.1 Lottery Sales

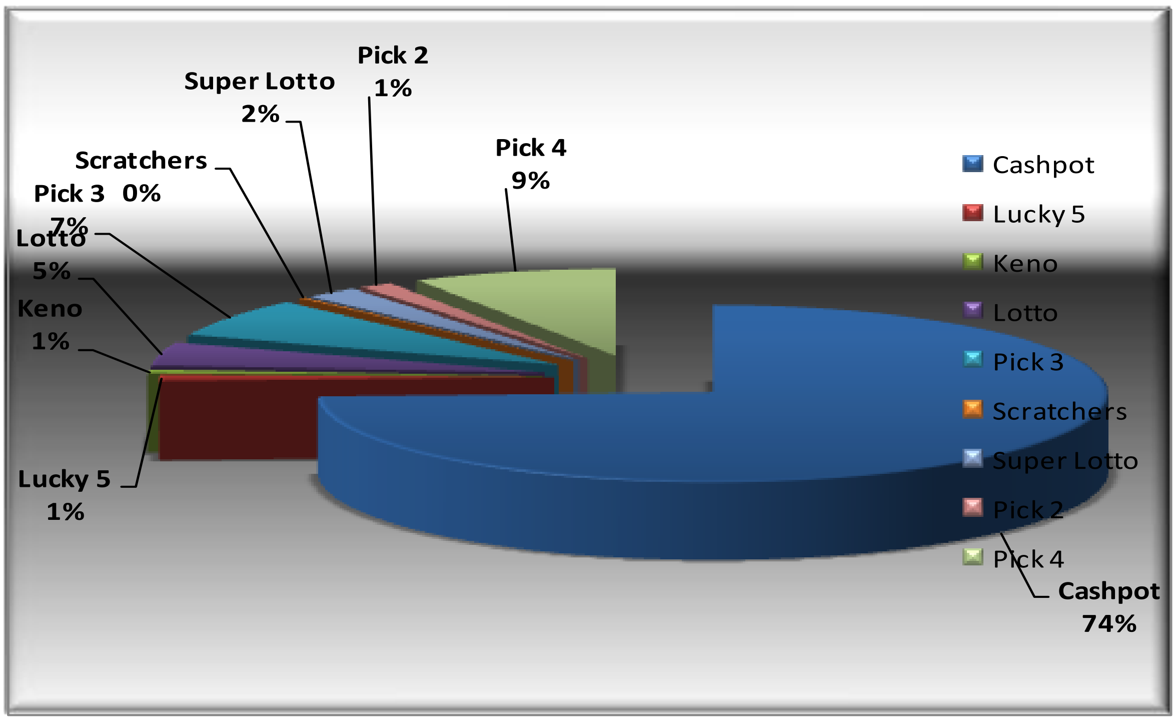
Table 1 provides a summary of the sales generated by Prime Sports (Jamaica) Limited over the review period. The company generated total sales of $25B, a 3% decline when compared to the previous year of $26.1B. **Table I** also provides a comparative view of the sales generated for each game offered by the company over the review period and that of the previous year. Sales on the Pick 4 game doubled, moving from $1B to just over $2B, while sales on the Pick 2 game recorded the largest decline of 50% with reported sales of $349M. The company's most popular game, CashPot recorded sales of $18.8B, a 4% decrease against that of the previous fiscal year of $19.5B.

TABLE I
COMPARATIVE LOTTERY SALES
FISCAL Y/E 2013 v 2012

GAMES	FISCAL Y/E 2013	FISCAL Y/E 2012	%
Cashpot	18,785,733,805	19,541,559,270	-3.87%
Lucky 5	298,271,700	359,063,214	-16.93%
Keno	185,491,020	209,620,880	-11.51%
Lotto	1,108,682,656	1,032,762,010	7.35%
Pick 3	1,819,844,200	2,767,517,870	-34.24%
Scratchers	43,859,000	57,174,500	-23.29%
Super Lotto	566,843,020	486,090,550	16.61%
Pick 2	346,505,434	696,728,113	-50.27%
Pick 4	2,133,626,390	1,008,994,310	111.46%
TOTAL	**25,288,857,225**	**26,159,510,717**	**-3.33%**

Figure 1 provides a graphic overview of the games offered by Prime Sports (Jamaica) Limited and shows the dominance of the CashPot game in capturing 74% of all sales generated by the company. At the same time, the reported sales on the Scratch and Win game totaled only $44M.

FIGURE I
SHARE OF LOTTERY SALES BY GAME



3.2 Lottery Prize Liability

Table II details the prize liability of all games offered by Prime Sports (Jamaica) Limited over the review period. Total Prize liabilities were $17B or 66.72% of sales. The CashPot game recorded the largest payout of $13B while the lowest was recorded by the Scratchers game with payouts of $25M. The largest deviation from the expected liability was recorded by the Super Lotto game with payouts of $478.6M, some 34% above the expected liability of 50%.

TABLE II
LOTTERY PRIZE LIABILITY
FISCAL Y/E 2013

GAMES	LOTTERY SALES	PRIZE LIABILITY	ACTUAL LIABILITY	EXPECTED LIABILITY
Cashpot	18,785,733,805	13,262,529,540	70.60%	72.00%
Lucky 5	298,271,700	121,227,737	40.64%	50.90%
Keno	185,491,020	99,557,735	53.67%	54.80%
Lotto	1,108,682,656	514,551,573	46.41%	52.00%
Pick 3	1,819,844,200	1,104,264,000	60.68%	60.00%
Scratchers	43,859,000	25,453,550	58.03%	N/A
Super Lotto	566,843,020	478,649,053	84.44%	50.00%
Pick 2	348,601,534	211,529,400	60.68%	57.87%
Pick 4	2,133,626,390	1,055,134,600	49.45%	57.90%
TOTAL	**25,290,953,325**	**16,872,897,188**	**66.72%**	67.97%

3.3 Government Levy and Lottery Tax (BWT)

Provided at **Table III** is a comparison of the Government Levy and Lottery Tax (BWT) payable for the review period and that of the previous fiscal year. Levy and BWT payable over the review period totaled $1.57B, a 1% increase when compared with fiscal year 2012.

It should be noted that notwithstanding the 2.6% decline in government Levy recorded for all games, there were significant increases in BWT paid over the period. Bet Winning Taxes paid were $248M, 31% in excess of the $189M paid over the previous year. This increase may be attributed to the increased payment of taxes on winnings from 15% to 20% implemented in June 2012.

TABLE III
GOVERNMENT LEVY PAYABLE
FISCAL Y/E 2013 vs. 2012

GAMES	FISCAL Y/E 2013	FISCAL Y/E 2012	%
Cashpot	938,944,725	844,799,005	11.14%
Lucky 5	30,097,474	34,271,151	-12.18%
Keno	19,764,656	21,702,289	-8.93%
Lotto	122,398,565	114,016,926	7.35%
Pick 3	121,648,634	182,963,668	-33.51%
Scratchers	3,128,927	3,998,508	-21.75%
Super Lotto	65,814,135	55,900,413	17.73%
Pick 2	22,945,926	48,252,088	-52.45%
Pick 4	183,343,604	54,765,553	100.00%
Sub-Total	**1,324,743,041**	**1,360,669,601**	**-2.64%**
BWT PAID	**248,281,519**	**189,273,672**	**31.18%**
TOTAL	**1,573,024,560**	**1,549,943,273**	**1.49%**

3.4 Contributions to Good Causes

Table IV details the contributions made to the CHASE Fund from the games offered by Prime Sports (Jamaica) Limited for the review period. Contributions from all games totaled $1.3B, an increase of 12.5% over that of the previous year. The increase may be attributed to the $88M in unclaimed prizes for the Super Lotto game as well as $27M for the Pick 4 Game, an increase of 100%.

TABLE IV

CONTRIBUTIONS TO THE CHASE FUND

GAMES	FISCAL Y/E MARCH 2013			FISCAL Y/E MARCH 2012			
	From Sales	From U/C Prizes	Total	From Sales	From U/C Prizes	Total	%?
Cashpot	828,480,640	33,493,718	861,974,358	745,410,887	33,912,236	779,323,123	10.6%
Lucky 5	22,370,378	3,613,028	25,983,406	26,929,741	3,427,405	30,357,146	-14.4%
Keno	13,911,827	3,572,690	17,484,517	15,721,566	4,306,489	20,028,055	-12.7%
Lotto	83,151,199	10,069,900	93,221,099	77,457,151	34,816,647	112,273,798	-17.0%
Pick 3	75,887,503	12,955,850	88,843,353	115,405,495	16,557,555	131,963,050	-32.7%
Scratchers	3,289,425	N/A	3,289,425	4,288,088	N/A	4,288,088	-23.3%
Super Lotto	42,513,227	88,243,679	130,756,906	36,456,791	6,770,562	43,227,353	202.5%
Pick 2	14,536,684	9,164,842	23,701,526	29,053,562	17,404,494	46,458,056	-49.0%
Pick 4	88,972,220	27,418,576	116,390,796	42,075,063	-	42,075,063	176.6%
TOTAL	**1,173,113,102**	**188,532,283**	**1,361,645,385**	**1,092,798,344**	**117,195,388**	**1,209,993,732**	**12.5%**

3.5 Prime Sports Game Fees

Table V provides information on the fees payable by games offered by Prime Sports (Jamaica) Limited to the Commission. A total of $253M was deemed payable, a 3% decline when compared against the $261.595M payable for the 2012 fiscal year. Contributions from six of nine games declined over the review period. On the converse, the vastly improved sales performance on the Pick 4 game also manifested itself in contributions to the Commission with payments of $21M, a 100% increase over the amount for the previous year.

TABLE V

BGLC 1% FEE PAYABLE BY GAME

GAMES	FISCAL Y/E 2013	FISCAL Y/E 2012	%
Cashpot	187,857,338	195,415,593	-3.87%
Lucky 5	2,982,717	3,590,632	-16.93%
Keno	1,854,910	2,096,209	-11.51%
Lotto	11,086,827	10,327,620	7.35%
Pick 3	18,198,442	27,675,179	-34.24%
Scratchers	438,590	571,745	-23.29%
Super Lotto	5,668,430	4,860,906	16.61%
Pick 2	3,486,015	6,967,281	-49.97%
Pick 4	21,336,264	10,089,943	100.00%
TOTAL	**252,909,533**	**261,595,108**	**-3.32%**

CHAPTER FOUR
GAMING SECTOR

4.1 Gaming Machine Applications and Licensing Fees

Details of gaming machine applications and licensing fees for the review period are shown at **Table I**. A total of 7,355 gaming machines were licensed over the review period which represents a 21% decline against the 9,329 licensed during the 2011-12 licensing year. Notwithstanding the decline in the number of machines licensed, there was a 5% increase in the fees collected by the Commission from this exercise, moving from $17M for fiscal year 2012 to $27M over the review period. There was a 37% increase in the number of machines licensed in March 2013 when compared to the corresponding month of the previous year. This may be directly attributed to the remote licensing exercise initiated during the month, where the Commission deployed our staff to the Internal Revenue Department offices in Savannah La Mar, St. Ann's Bay, Mandeville and Montego Bay for the convenience of Licensees residing across the island. Some 3,977 gaming machines were licensed with associated fees collected totaling just over $33M.

TABLE I
GAMING MACHINE APPLICATION AND LICENSING FEE

PERIOD	NO. GAMING MACHINES			APPLICATION FEE $'000			LICENSING FEE $'000		
	2013	2012	Variance	2013	2012	Variance	2013	2012	Variance
April	889	1156	-23.1%	2,444.0	2,654.5	-7.9%	4,456.0	4,415.5	0.9%
May	417	1137	-63.3%	1,126.0	1,615.0	-30.3%	1,866.2	3,283.0	-43.2%
June	366	794	-53.9%	698.0	1,697.0	-58.9%	1,174.0	3,200.0	-63.3%
July	105	470	-77.7%	315.5	911.0	-65.4%	526.0	1,564.0	-66.4%
August	145	456	-68.2%	227.5	962.5	-76.4%	327.0	1,684.0	-80.6%
September	47	337	-86.1%	88.0	490.0	-82.0%	199.0	796.0	-75.0%
October	82	131	-37.4%	80.0	188.0	-57.4%	67.0	290.0	-76.9%
November	125	328	-61.9%	264.0	526.0	-49.8%	469.2	851.0	-44.9%
December	104	637	-83.7%	157.0	682.0	-77.0%	247.5	996.0	-75.2%
January	546	121	351.2%	743.0	209.4	254.8%	1,449.0	360.0	297.2%
February	552	864	-36.1%	1,172.0	1,407.0	-16.7%	1,763.0	3,029.0	-41.8%
March	3977	2898	37.2%	19,736.0	6,005.0	228.7%	13,229.0	9,956.0	32.9%
TOTAL	**7355**	**9329**	**-21.16%**	**27,051.0**	**17,347.4**	**55.94%**	**25,753.9**	**30,424.5**	**-15.35%**

4.2 Gaming Lounges

Table II details the declared gross profit of the gaming lounges that operated during the review period. Declared profit of $3B was generated by the 28 gaming lounges that operated for the financial year 2012-13. The largest amount was generated by the four gaming lounges owned by Everglades Farms with total gross profit of $1.3B or 46% of total gross profit. They were followed by the five lounges operated by Prime Sports Jamaica Limited with profit of $590M or 20% of total declared gross profit.

Table III provides information on revenues payable to the Government, the CHASE Fund and the Commission by gaming lounges over the review period. Total revenues to these three entities generated were $301.67M, the same total generated for the previous fiscal year.

TABLE II

GAMING LOUNGE GROSS PROFIT

GAMING LOUNGES DECLARED PROFIT FOR THE PERIOD APRIL 2012 - MARCH 2013

		Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	TOTAL
PRIME SPORTS														
1	ACROPOLIS - Barbican	30,196,275	48,301,042	40,363,554	27,035,726	39,472,305	28,454,873	29,544,710	27,517,934	29,024,810	27,696,324	25,475,849	23,462,294	376,545,696
2	ACROPOLIS - Cross Roads	1,656,054	1,361,894	1,221,970	642,692	1,403,293	1,269,945	2,640,833	1,883,414	2,873,982	2,012,103	3,026,107	2,175,354	22,167,640
3	CORAL CLIFF	10,952,018	16,544,977	16,472,316	16,716,206	16,437,144	13,289,225	11,007,782	9,077,395	0	0	0	12,479,608	122,976,670
4	ACROPOLIS - Portmore	5,362,159	5,008,454	4,415,162	4,803,864	6,503,128	6,521,347	5,614,660	6,043,348	6,203,719	201,838	0	0	50,677,678
5	ODYSSEY GAMING- Market Place	0	0	0	0	0	0	0	0	0	0	9,095,175	8,988,616	18,083,791
TOTAL		**48,166,506**	**71,216,367**	**62,473,002**	**49,198,488**	**63,815,870**	**49,535,389**	**48,807,985**	**44,522,091**	**38,102,510**	**29,910,265**	**37,597,131**	**47,105,872**	***590,451,474***
VILLAGE RESORTS														
6	HEDONISM 11	202,175	147,140	364,420	0	0	5,415	194,683	0	0	0	0	0	913,832
7	BREEZES GRAND	188,761	362,321	131,117	211,370	85,049	182,595	40,904	26,206	216,240	104,171	674,218	253,332	2,476,285
8	BREEZES TRELAWNY	526,741	-638,600	0	0	0	0	0	0	0	0	0	0	-111,860
9	Breezes Runaway Bay	373,479	-13,862	0	0	0	0	0	0	0	0	0	0	359,617
10	HEDONISM 111/Superfun	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL		**1,291,156**	**-143,002**	**495,536**	**211,370**	**85,049**	**188,011**	**235,586**	**26,206**	**216,240**	**104,171**	**674,218**	**253,332**	***3,637,875***
EVERGLADES FARM														
11	MONTE CARLO	89,300,348	100,040,512	103,193,870	93,526,107	80,489,924	95,085,282	91,907,816	107,880,596	101,746,688	91,051,848	73,020,461	79,946,507	1,107,189,959
12	Christelles	579,373	9,681,872	6,984,838	6,269,952	5,260,107	3,362,278	721,106	5,353,274	4,844,996	5,044,503	2,753,907	4,320,848	55,177,054
13	Vegas - Kgn	9,306,089	9,352,594	10,498,656	6,471,518	11,588,229	4,108,354	7,383,803	12,025,742	6,491,706	10,547,701	2,134,875	6,525,004	96,434,271
14	Vegas - Bogue	10,312,958	12,360,268	10,231,497	7,766,901	9,119,871	6,601,689	9,886,602	7,932,625	11,614,384	10,517,875	9,414,112	10,952,787	116,711,569
TOTAL		**109,498,768**	**131,435,246**	**130,908,861**	**114,034,478**	**106,458,131**	**109,157,603**	**109,899,327**	**133,192,237**	**124,697,774**	**117,161,927**	**87,323,355**	**101,745,146**	***1,375,512,853***
BELJAM TECHNOLOGY LIMITED														
15	TREASURE HUNT - Ocho Rios	21,646,505	21,486,525	21,203,078	20,341,184	23,740,244	19,692,288	14,873,864	17,645,602	22,379,695	24,869,461	16,652,535	23,934,878	248,465,859
16	TREASURE HUNT - Kgn	18,762,739	19,206,153	21,789,538	21,816,286	18,667,821	19,279,658	18,682,635	19,841,454	24,629,538	23,097,079	17,712,128	26,314,845	249,799,874
TOTAL		**40,409,244**	**40,692,678**	**42,992,616**	**42,157,470**	**42,408,065**	**38,971,946**	**33,556,499**	**37,487,056**	**47,009,232**	**47,966,541**	**34,364,663**	**50,249,722**	***498,265,732***
YAHMAN TECHNOLOGY														
17	Treasure Hunt - Whitter Village	19,513,536	24,040,454	22,236,577	23,816,003	20,577,316	20,015,519	15,189,548	16,921,618	27,615,819	24,418,567	24,977,580	23,951,824	***263,274,360***
WORLDWIDE CONCEPTS														
18	Riu Ocho Rios	1,494,628	1,230,703	791,200	1,359,760	876,779	700,626	1,126,269	841,867	1,206,160	1,410,725	1,268,390	1,160,980	13,468,085
19	Sunset Jamaica Grande	1,495,881	488,899	1,282,552	1,185,188	1,183,484	0	0	0	0	0	0	0	5,636,004
20	Riu Tropical Bay	113,322	84,680	101,061	145,658	134,520	68,291	70,627	153,384	252,829	266,819	94,357	283,203	1,768,752
21	Riu Negril	414,251	361,304	0	332,638	180,532	401,319	308,247	607,637	383,988	919,730	695,464	508,850	5,113,959
22	Grand Palladium	1,887,868	2,209,469	1,639,412	2,510,067	2,545,729	954,373	2,687,400	1,869,027	1,683,543	2,536,972	3,029,382	2,965,663	26,518,904
23	Riu Club - Montego Bay	1,503,904	921,209	727,047	1,019,795	815,454	982,220	767,819	474,306	1,192,856	1,306,537	890,211	951,976	11,553,334
24	Sunset Beach and Spa	1,575,417	1,161,395	463,580	1,282,905	984,607	461,237	630,744	1,074,591	1,149,483	1,273,437	1,868,352	1,653,513	13,579,262
TOTAL		**8,485,271**	**6,457,660**	**5,004,853**	**7,836,011**	**6,721,104**	**3,568,066**	**5,591,106**	**5,020,812**	**5,868,858**	**7,714,219**	**7,846,155**	**7,524,185**	**77,638,299**
ONISAC														
25	Grand Bahia Principe	299,968	255,586	251,308	129,838	270,645	425,054	295,176	281,138	888,392	1,276,193	870,933	1,247,780	***6,492,010***
WAYNE EBANKS														
26	El Rancho	150,000	0	0	0	61,624	59,641	0	40,000	60,000	30,000	0	0	***401,265***
RORY CHINN														
27	Macau Gaming	2,240,167	3,524,787	6,405,005	6,975,535	8,507,525	9,583,472	14,147,517	16,698,331	14,307,554	16,999,779	14,230,532	29,865,379	***143,485,585***
Sizzling Slot Limited														
28	The Vault Gaming Lounge	0	0	0	0	0	0	0	0	6,430,148	19,183,176	15,527,008	19,101,608	***60,241,940***
GRAND TOTAL		**230,054,616**	**277,479,777**	**270,767,759**	**244,359,192**	**248,905,329**	**231,504,700**	**227,722,744**	**254,189,489**	**265,196,527**	**264,764,838**	**223,411,574**	**281,044,848**	***3,019,401,393***

TABLE III
GAMING LOUNGE REVENUE

REVENUE FROM GAMING LOUNGES							
LICENSEE / LOCATION		FYE MARCH 2013			FYE MARCH 2013	FYE MARCH 2012	
		LEVY	BGLC FEE	CHASE	TOTAL	TOTAL	%
PRIME SPORTS							
1	ACROPOLIS - Barbican	24,475,470.20	9,413,642.39	3,768,456.96	**37,657,569.55**	35,975,113.83	4.7%
2	ACROPOLIS - May Pen	0.00	0.00	0.00	**0.00**	1,808,718.03	-100.0%
3	ACROPOLIS - Cross Road	1,440,896.59	554,191.30	221,678.40	**2,216,766.29**		
4	CORAL CLIFF	7,993,483.53	3,074,416.59	1,229,766.71	**12,297,666.83**	21,758,376.36	-43.5%
5	ACROPOLIS - Portmore	3,294,049.05	1,266,941.94	506,776.79	**5,067,767.78**	6,114,519.00	-17.1%
6	ODYSSEY - Market Place	1,175,446.99	452,094.78	180,837.23	**1,808,379.00**		
TOTAL		**38,379,346.36**	**14,761,287.00**	**5,907,516.09**	**59,048,149.45**	**65,656,727.22**	-10.1%
VILLAGE RESORTS							
7	HEDONISM 11	22,705.56	13,735.31	5,494.13	**41,935.00**	221,775.26	-81.1%
8	BREEZES GRAND	160,958.45	60,878.53	22,699.95	**244,536.93**	163,466.56	49.6%
9	BREEZES TRELAWNY	34,238.15	13,168.52	5,267.41	**52,674.08**	447,375.18	-88.2%
10	Breezes Runaway Bay	24,276.16	9,336.99	3,734.79	**37,347.94**	262,694.88	-85.8%
11	HEDONISM 111/Superfun				-	42,612.66	-100.0%
TOTAL		**242,178.32**	**97,119.35**	**37,196.28**	**376,493.95**	**1,137,924.54**	-66.9%
EVERGLADES FARM							
12	MONTE CARLO	71,967,346.00	27,679,743.00	11,071,899.20	**110,718,988.20**	123,634,607.60	-10.4%
13	Christelles	3,586,510.00	1,379,429.00	578,555.00	**5,544,494.00**	8,070,702.84	-31.3%
14	Vegas - Kgn	6,268,228.00	2,410,857.00	964,343.00	**9,643,428.00**	12,246,775.97	-21.3%
15	Vegas - Bogue	7,586,251.00	2,917,791.00	1,140,333.00	**11,644,375.00**	12,363,946.63	-5.8%
TOTAL		**89,408,335.00**	**34,387,820.00**	**13,755,130.20**	**137,551,285.20**	**156,316,033.04**	-12.0%
BELJAM TECHNOLOGY LIMITED							
16	TREASURE HUNT - Ocho Rios	16,150,280.76	6,211,646.41	2,461,854.79	**24,823,781.96**	24,731,423.95	0.4%
17	TREASURE HUNT - Kgn	16,236,991.72	6,244,995.58	2,520,802.40	**25,002,789.70**	23,256,379.47	7.5%
TOTAL		**32,387,272.48**	**12,456,641.99**	**4,982,657.19**	**49,826,571.66**	**47,987,803.42**	3.8%
YAHMAN TECHNOLOGY							
18	Treasure Hunt - Whitter Village	17,112,832.93	6,581,858.96	2,632,743.51	**26,327,435.40**	**22,800,650.44**	15.5%
HORIZON CAR RENTL							
19	Caribbean Treasures	0.00	0.00	0.00	**0.00**	**197,657.40**	-100.0%
WORLDWIDE CONCEPTS							
20	Riu Ocho Rios	875,425.52	336,702.13	134,680.87	**1,346,808.52**	1,018,591.26	32.2%
21	Sunset Jamaica Grande	366,340.25	140,900.11	48,170.32	**555,410.68**	1,555,357.29	-64.3%
22	Riu Tropical Bay	130,412.32	50,159.29	20,063.71	**200,635.32**	144,930.57	38.4%
23	Riu Negril	333,409.52	128,234.45	51,293.78	**512,937.75**	447,876.08	14.5%
24	Grand Palladium	1,587,969.33	610,757.45	244,302.97	**2,443,029.75**	1,300,683.27	87.8%
25	Riu Club - Montego Bay	750,968.45	288,834.01	115,201.85	**1,155,004.31**	1,210,828.27	-4.6%
26	Sunset Beach and Spa	817,153.99	314,292.31	133,906.64	**1,265,352.94**	1,073,411.62	17.9%
TOTAL		**4,861,679.38**	**1,869,879.75**	**747,620.14**	**7,479,179.27**	**6,751,678.36**	10.8%
ONISAC							
27	Grand Bahia Principe	421,980.65	162,300.24	64,920.10	**649,200.99**	**332,541.66**	95.2%
WAYNE EBANKS							
28	El Rancho	26,082.24	10,032.02	4,013.41	**40,127.67**	0.00	100.0%
RORY CHINN							
29	Macau Gaming	9,326,207.16	3,587,139.63	1,434,855.16	**14,348,201.95**	**1,097,544.06**	1207.3%
SIZZLING SLOTS							
30	Vault Gaming Lounge	3,915,726.11	1,506,048.30	602,419.92	**6,024,194.33**	0.00	100.0%
GRAND TOTAL		**196,081,640.63**	**75,420,127.24**	**30,169,072.00**	**301,670,839.87**	**302,278,560.14**	-0.2%

4.3 Prize Promotions

Table IV details the revenue collected from prize promotions for the financial year 2012-13. Sixteen Million Dollars ($16M) in revenue was collected from 305 applications over the review period with the third quarter (October to December 2012) being responsible for the largest number of applications received, 89 and revenue of $4M.

TABLE IV

REVENUE FROM PRIZE PROMOTIONS

MONTHLY	No. Application received	No. Retracted	Application fee	Incomplete fee	Late fee	Extension fee	Refund	Overpayment	Total Revenue
APRIL	10	0	$ 340,000	$ 60,000	$ 45,000	$0.00	$0.00	$0.00	$ 445,000
MAY	34	0	$ 1,870,000	$ 210,000	$ 30,000	$0.00	$0.00	$0.00	$ 2,110,000
JUNE	24	0	$ 880,000	$ 150,000	$ 135,000	$ 15,000	$ (100,000)	$0.00	$ 1,080,000
1st qtr	68	0	$ 3,090,000	$ 420,000	$ 210,000	$ 15,000	$ (100,000)	$0.00	$ 3,635,000
JULY	27	0	$ 770,000	$ 195,000	$ 75,000	$ 15,000	$0.00	$0.00	$ 1,055,000
AUGUST	17	0	$ 360,000	$ 75,000	$ 45,000	$ 30,000	$0.00	$ 40,000	$ 550,000
SEPTEMBER	31	0	$ 900,000	$ 60,000	$ 135,000	$ 30,000	$0.00	$0.00	$ 1,125,000
2nd qtr	75	0	$ 2,030,000	$ 330,000	$ 255,000	$ 75,000	$0.00	$ 40,000	$ 2,730,000
OCTOBER	37	0	$ 1,015,000	$ 150,000	$ 105,000	$ 60,000	$0.00	$0.00	$ 1,330,000
NOVEMBER	36	0	$ 1,570,000	$ 210,000	$ 180,000	$ 30,000	$ (20,000)	$ 15,000	$ 1,985,000
DECEMBER	16	0	$ 490,000	$ 90,000	$ -	$ 15,000	$0.00	$0.00	$ 595,000
3rd qtr	89	0	$ 3,075,000	$ 450,000	$ 285,000	$ 105,000	$ (20,000)	$ 15,000	$ 3,910,000
JANUARY	19	0	$ 600,000	$ 90,000	$ 75,000	$ 15,000	$0.00	$0.00	$ 780,000
FEBRUARY	25	0	$ 900,000	$ 75,000	$ 60,000	$0.00	$0.00	$0.00	$ 1,035,000
MARCH	29	0	$ 980,000	$ 90,000	$ 105,000	$0.00	$0.00	$0.00	$ 1,175,000
4th qtr	73	0	$ 2,480,000	$ 255,000	$ 240,000	$ 15,000	$0.00	$0.00	$ 2,990,000
TOTAL	**305**	**0**	**$ 10,675,000**	**$ 1,455,000**	**$ 990,000**	**$ 270,000**	**$ (220,000)**	**$ 55,000**	**$ 16,045,000**

4.4 Conclusion

We are encouraged by the 31% increase in government revenue reported over the review period when compared to the previous financial year. It shall however be noted that such an increase may be attributed primarily to a 100% increase in the levy payable on the recently introduced Pick 4 game.

CHAPTER FIVE
ENFORCEMENT ACTIVITIES

5.1 Functions & Objectives of the Enforcement Division

The primary functions of the Law Enforcement arm of the Betting, Gaming & Lotteries Commission include:

- Conducting criminal and regulatory investigations on individuals and groups involved in illegal betting and gaming activities.
- Gathering intelligence on organized criminal groups involved in illegal betting and gaming activities.
- Conducting background investigations on applicants for licences and employees in the Industry.
- Making recommendations on applicants.

During the period, the Enforcement Division carried out 72 operations, a 32% decline when compared to the 105 operations carried out during the corresponding period last year. Of these operations, 58 involved the seizure of unlicensed gaming machines, while the other 14 involved unlawful gaming. Arising from these operations, our Investigators arrested 22 persons - a 15% decrease when compared to the 26 persons arrested during the previous fiscal year. Twelve convictions were also secured during the period, a 54% decline when compared to last year's 26 arrests.

Court Fines for the period amounted to $497,000, which represents a 54% decline when compared to the $1.07M in fines that were handed down last year. The Division received 85 reports on illegal gaming related activities during the review period. Investigations into all the reports commenced within 7 days after they were received. One Hundred and Five such reports were received last year, and 88 were investigated within 7 days.

A total of 288 unlicensed gaming machines were seized, while 178 of these machines were subsequently licensed and returned to their owners. Four Hundred and seventeen unlicensed machines were seized during the previous fiscal year, and 342 were returned to their owners. The issue of inadequate storage space is a major hurdle to be overcome, stemming from the backlog of seized gaming machines that have been in our storage spaces for up to ten years. This will be addressed as a matter of urgency in the new fiscal.

The Division completed 118 local due diligence investigations during the review period, reducing the average investigation time to 60 days.

Our Investigators made 96 visits to 11 Gaming Lounge storage facilities to facilitate release of confiscated machines. The Division's standard is to acquiesce to licensees' requests for access to their storage facilities within 48 hours of the request being made. The Division met the standards over 90% of the time, and in fact, facilitated the access within 24 hours, more than 50% of the time.

5.2 Major Goals for Next Year

- Arrest and prosecute several major illegal operators.
- To improve licensee and consumer compliance with the BGLA
- Develop a risk profile for all licensees.

CHAPTER SIX
LEGAL ACTIVITIES

During the period under review, the Legal Department was staffed by a Director of Legal Services and Company Secretary and a Paralegal Secretary.

The main focus of the Legal Department – the passage of subsidiary legislation to give full effect to the Amendments to the Betting Gaming and Lotteries Act (BGLA) – remains its greatest challenge, from the point of view of securing the full support of outside agencies in making any piece of subsidiary legislation a reality. However, some progress was made in this regard since draft of the Sports Betting Tax Regulations, Telephone and Text Betting Regulations and the Fixed Penalty Order and Amendment to the Seventh Schedule were received from the Chief Parliamentary Counsel. Drafts of the Bookmakers' Levy Scheme Orders are still awaited.

In the face of the tough economic crisis facing the government, the Legal Department brought forward some of its objectives for 2013-14, to the year under review, by drafting a Provisional Tax Order, Prescribed Fee Regulations and Amendments to the Betting Gaming and Lotteries Act, which speak to, amongst other things, the expansion of the sports betting and lottery sectors, introduction of user fees for key activities undertaken by the Commission and growth in the gaming machine industry. Taken together, these measures should have the effect of increasing and diversifying the revenue stream of the Commission, With the development of new information and communication technologies (ICT), new forms of commerce have emerged.

The Legal Department is conscious of the global changes within the industry and the implications this has for regulation. Several initiatives have been taken including the drafting of new licenses and conditions attached to licenses to take account of the changes to business processes. The Commission is investigating the possibility of legalising internet gaming in Jamaica. The Legal Department has initiated some training measures in this regard with the acquisition of legal publications on internet gaming law and the law of electronic transactions; and a member of the Department studying a masters degree in internet law and policy. The subject of internet gaming was a current topic on the agenda of the International Association of Gaming Regulators (IAGR) Conference in Singapore in October 2012, at which the Legal Department was represented, and there was a sharing of information amongst the international bodies on this and other topical issues.

Innovation in business has also reflected itself in the area of prize promotions. There has been a considerable amount of work done in further developing the rules associated with prize promotions to capture new marketing techniques and enhance the protection of the public.

Continued requests made of the Commission for financial distributions in some form or another have required the services of the Legal Department in advising the Board on the legality of certain courses of action and preparing the requisite documentation to protect the interests of the Commission and its officers.

There was a notable increase in litigious matters, however, this may be expected during this period in which the Commission develops and redefines itself. Overall, the year was productive one and laid a good foundation for the department’s objectives for 2013-14.

CHAPTER SEVEN
INFORMATION & COMMUNICATIONS TECHNOLOGY

A well-developed and effective Information and Communication Technology (ICT) Infrastructure is mission-critical for the Commission to function effectively. As such, ICT development remained one of the key business strategies. In addition to ensuring that all key functional areas received the required technical support, priority attention was given to system security and system enhancements continued on the Gaming Management Information System (GMIS).

Technical development was carried out on the existing core GMIS, to facilitate in the short term, synergy with our Operational departments and Licensees. Exploratory work is planned for the new fiscal year towards sourcing a new Gaming Management Information system, which will see the Commission leveraging more advanced technology for the regulatory function.

With the promulgation of the 2010 Amendments to the Betting Gaming and Lotteries Act (BGLA), this triggered major enhancements to the current GMIS. These included the provision for the regulation of Betting Lounges as well as modules within the GMIS system. These were amended to capture information needed for Voucher Control, Shop Sales and Returns, to fulfill reporting requirements.

To mitigate the risk of server and technology obsolescence, a full assessment was carried out of all business applications currently used by the Corporation and a project plan developed to facilitate their upgrade. In keeping with technological advances, all systems were reviewed, included the Accounting, Treasury Management, Payroll, Human Resource & Development and Records Management systems.

During the year the ICT Division facilitated the process of Remote Licensing, which allowed our rural Licensees to license their machines without having to travel to our head offices. This was well received and further enhancements are to be made to this process in the coming fiscal year to include Licensing and Registration remotely via our website.

The ICT Security Policy; department policies and procedures were all reviewed and upgraded. This project will be linked via our Human Resources Division to form a part of the Orientation process. ICT Business Recovery policies and procedures were also a major project for completion and extensive work was also carried out in this area.

In light of the planned move to our Hagley Park location, preparatory work was carried out on the planned infrastructure and extensive work was done in conjunction with the contractors to ensure that required infrastructure and capacity needs would be fulfilled.

CHAPTER EIGHT
HUMAN RESOURCES AND ADMINISTRATION

8.1 Introduction
During the period, the main focus for the department was the update of the job evaluation exercise conducted by PriceWaterhouseCoopers in 2004 with a view to implementing the recommendations and the staffing of the new BGLC organizational structure. Plans were also made to complete the draft HR Policy Manual, so as to provide staff with a framework within which to operate, and for training and orientation purposes.

8.2 Job Evaluation
Preparatory work for the Job Evaluation update took place in the last quarter of the financial year. PWC Consultants/Management reviewed the structure, developed job descriptions as required and conducted refresher training for the job evaluation team, in preparation for the evaluation sessions scheduled for the month of April. The exercise will be completed in the first quarter of 2013.

8.3 Staffing
The former Executive Director, Mr. Derek Peart, retired effective March 1, 2013, after ten years of service to the BGLC. The new Executive Director, Mr. Andral "Jack" Shirley, took up the mantle, effective March 2013.

During the year, the Commission took steps to commence staffing of the new, approved organizational structure. The following positions were filled: Director Enforcement, Director Human Resources and Administration, Internal Auditor and three Investigators.

Candidates were also selected for the positions of Director ICT and Manager Communication and Research, to assume duties in April and May 2013 respectively. In addition, five Inspectors and a Legal Officer were selected, also to assume duties in Q1 of the next financial year. The Staff complement as at end March 2013 was 63 (including 7 temporary /short term workers).

8.4 HR Policy Manual
A Consultant was engaged to complete the draft HR Policy Manual and work has commenced. The manual will be completed early in the new financial year.

COMPENSATION OF EXECUTIVE MANAGEMENT 2012-2013

Position	Basic Salary	Allowances
Executive Director	7.77	1.74
Director, Finance	7.10	1.58
Director, Gaming/Lotteries	4.97	1.54
Director, Betting	5.29	2.07
Director, Enforcement	5.12	2.49
Director, ICT	4.02	0.63
Director, Legal Services/Company Secretary	6.18	1.72
Director, Human Resources & Administration	2.75	0.50

Notes:

1. *All figures rounded to nearest million.*
2. *Incentive payment included in basic salary for all.*
3. *Uniform Garment payment is included in allowances.*
4. *Accrued gratuity for the period is included in allowances for all, except Dir. Of Betting, Dir of Gaming/Lotteries and the former Executive Director.*
5. *New Executive Director as of March 2013 is also included.*
6. *Director of Enforcement Mr. Hill deceased April 2012; Acting DOE Mr. Thompson commenced in May 2012; new DOE Mr. Daley commenced in March 2013.*
7. *Director of Human Resources & Administration commenced August 2012.*