

BGLC

BETTING GAMING
& LOTTERIES COMMISSION

Annual Report 2019-2020



Betting, Gaming & Lotteries Commission

ANNUAL REPORT 2019 - 2020

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The Betting Gaming and Lotteries Commission is pleased to present the 44th Annual Report and Statements of Revenue and Expenditure for the period April 1, 2019 to March 31, 2020.

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 periods used to capture data in the Financial Statements, as compared with licensees' reporting periods.

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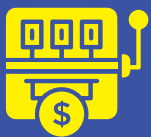
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About the Commission

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

VISION

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

In developing our Corporate Governance Framework, the Board considers international best practices, the Corporate Governance Framework (CGF) for Public Sector Bodies 2012, the Public Bodies Management & Accountability Act (PBMAA) and other applicable legislation. Effective corporate governance forms an essential part of the operations of the Betting, Gaming and Lotteries Commission ('the Commission') and in the supervision of the Commission by its Board of Commissioners.

The Board of Commissioners

The role of the Board is to represent all stakeholders and to promote and protect the interests of the Commission to ensure that it continues to operate successfully. The Board is ultimately responsible for providing leadership, promoting good governance and setting the strategic direction; working with management to shape the Commission's corporate strategy, including overseeing management's implementation of strategic objectives; and overseeing the risk management framework and setting the Commission's risk appetite.

Our Board currently comprises six Commissioners who are appointed by the Minister of Finance and the Public Service (Portfolio Minister). The current members are:

Clovis Metcalfe, C.D., O.D. (Chairman)

Wayne Chen, (Deputy Chairman)

Paul East

Charles Heholt

Christopher Reckord

Madge Ramsay

Attendance at Meetings of the Board

In each financial year, the Board sets 11 regular meetings and 9 of these were held in the 2019-2020 period. In addition, Board members participated in the annual Strategic Management Two-Day Retreat in September 2019 as well as attended the International Association of Gaming Regulators Conference held September 2019.

Names of Commissioners	Meetings Attended
Clovis Metcalfe, C.D., O.D. (Chairman)	8/9
Wayne Chen, (Deputy Chairman)	8/9
Paul East	8/9
Charles Heholt	5/9
Christopher Reckord	6/9
Madge Ramsay	9/9

Board Committees

Five permanent Committees are established by the Board to help carry out its responsibilities. These are Audit & Risk, Governance & Strategy, Human Resource, Licensing & Registration and Major Projects. Each Committee works within its Board-approved Terms of Reference, which sets out, inter alia, its objectives, responsibilities,

membership requirements and meeting procedures. In addition to these Committees, there are two ad hoc Committees in place to address important areas of focus not directly covered by either of the five Committees.

A summary of the objectives, membership, number of meetings held in the year and attendance at meetings is provided in the tables below. The Licensing & Registration and Governance & Strategy Committees meet quarterly while the remaining three Committees meet every two months.

AUDIT & RISK

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Oversee the development and implementation of risk management systems in line with the risk appetite set by the Board	Paul East, Chair Wayne Chen Madge Ramsay	5/5 4/5 2/5
Review the effectiveness of risk management framework (including financial and non-financial risk)	Co-opted Ian Scarlett	
Oversee the preparation of financial reports and review the results of external audits	Kirby Clarke Diyal Fernando	
Monitor and review the independence and performance of the external auditor		
Approve the external auditor's fees		
Oversee the effectiveness, independence and objectivity of the internal audit function including the implications of internal audit findings		
Approve the appointment, terms of engagement and removal of the Internal Auditor		
Consider, approve and oversee matters pertaining to capital structure		

HUMAN RESOURCE

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
The 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.	Wayne Chen, Chair Madge Ramsay	4/4 4/4

GOVERNANCE & STRATEGY

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Advise the Board on its corporate governance responsibilities	Wayne Chen, Chair Christopher Reckord	The Committee is scheduled to have its first meeting in May 2020.
Ensure that appropriate governance principles, structures, and procedures are in place to allow the Board to function effectively.		
Review the governance framework at least annually and advise the Board on changes, best practices and current issues		
Review the terms of reference for each Committee at least every two years to ensure consistency, appropriateness, and to ensure that the scope of the Board's responsibilities is addressed		
Monitor changes to legislation, government policies and/or strategic direction that affect the duties and responsibilities of the Board		

LICENSING & REGISTRATION

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Review all matters relating to applicants for licensing and renewal, applicants' eligibility for approval including establishing the conditions and requirements for licensing	Madge Ramsay, Chair Paul East	3/3 3/3
Grant registration, including reinstatement and registration renewal to qualified individuals		
Consider and make recommendations to the Board on licence applications/licences to be granted, material special investigation (including money laundering and illegal gambling activities), compliance matters – revocation, suspension and cancellation of licences, and gambling revenue audit matters.		
Monitor compliance with licence conditions		
Develop policies and requirements with respect to the registration of new, renewing and reinstating licensees.		

MAJOR PROJECTS

Committee Responsibilities	Membership	No. of Meetings Held & Attendance
Oversee and monitor the capital budget and expenditure policy	Charles Heholt, Chair Madge Ramsay Co-opted Ian Scarlett	3/5 2/5
Review the procurement of contracts at a specific level and relevant management reports		
Review and evaluate major project plans as they relate to capital works, operations, asset replacement and maintenance to achieve prudence and efficiency of project delivery within budget and agreed timeframes		
Ensure the implementation of major projects is in a manner consistent with the Commission's strategy		
Monitor compliance with the Public Procurement Act, Government Procurement Policies, Ministry Circulars and other relevant guidelines.		

Board Performance Evaluation

The performance evaluation of the Board, Committees and Board members for the financial year is scheduled to take place in May 2020. The questionnaires developed by the portfolio Ministry will be used to test a wide range of issues pertaining to the effectiveness of the Board's governance structure and to determine what areas require improvement.

The Board ensures that the provisions of the Corporate Governance Manual, Code of Conduct, Conflict of Interest Policy, and Meetings Administration Procedures are adhered to as best as possible and takes steps to review these documents from time to time.

Anna Young, LL.B. (Hons.), FCIS
 Company Secretary | March 31, 2020



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 year's 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 has gained extensive knowledge in the administration of public sector companies and statutory bodies. She is currently a member of the Executive of ICSA Jamaica chapter.

Audit & Risk Committee Report

Our Audit & Risk Committee is responsible to, inter alia, oversee the Commission's financial reporting processes and systems; advise the Board on the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the Commission; review the performance of the internal auditor and annual audit plans; oversee the external audit process; review key risk exposures and management's actions in monitoring and controlling these exposures including the risk assessment and risk management policies.

The committee has adopted appropriate terms of reference which include the relevant provisions of the Public Bodies Management & Accountability Act (PBMAA) and international best practices.

Internal Audit

We are satisfied that the internal audit function is working efficiently and that it is adequately addressing the risks pertinent to the Commission. The Committee is also satisfied with the content and quality of the bi-monthly audit reports prepared and issued by the internal auditor during the year under review. The majority of the work outlined in the Board approved internal audit risk assessment and plan for the 2019-2020 year were addressed.

Internal Controls

We can report that the internal audit provides the Committee and management with assurance that the internal control systems are appropriate and effective. This is achieved by the risk management process as well as identifying corrective actions and recommending enhancements to the controls and processes.

External Audit

The Committee ensures that the independence of the external auditors is maintained. At the end of each financial year, a meeting is held with the auditors to discuss the audit planning process to ensure its consistency with the scope of the engagement. The Committee is required to review any representation letter(s) requested by the external auditor before they are signed by management as well as to review the management letter and management's response to the auditor's findings and recommendations.

The work of the Committee during the financial year was focused on the following matters:

- Revision of the finance and accounting policy manual
- Human resource practices and adherence to internal policies and procedures
- BGLC Tertiary Education Grant and adherence to the terms of reference
- Revision of the internal audit risk assessment and plan 2019-2021
- Review fixed assets and use of the fixed assets register
- Compliance and regulatory reporting
- Special audits



Paul East
Commissioner

Committee Chairman | March 31, 2020

Compensation for Board of Commissioners & Sub-Committee Members

For Financial Year Ended March 31, 2020

Name and Position of Director	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Clovis Metcalfe, Chairman	292,300.00	34,291.20	-	-	326,591.00
Wayne Chen, Deputy Chairman	222,450.00	38,135.80	-	-	260,586.00
Charles Heholt, Commissioner	147,000.00	21,375.60	-	-	168,376.00
Paul East, Commissioner	191,200.00	29,741.40	-	-	220,941.00
Christopher Recford, Commissioner	110,000.00	18,339.40	-	-	128,339.00
Madge Ramsay, Commissioner	235,200.00	34,263.00	-	-	269,463.00
TOTAL	1,198,150.00	176,146.00			1,374,296.00

Name of Sub-Committee Member	Fees (\$)	Motor Vehicle Upkeep/Travelling or Value of Assignment of Motor Vehicle (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Ian Scarlett	44,200.00	15,340.80	-	-	59,541.00
Diyal Fernando	5,550.00	564.00	-	-	6,114.00
Kirby Clarke	16,650.00	3,910.40	-	-	20,560.00
TOTAL	66,400.00	19,815.00			86,215.00

Notes:

Commissioners & Sub-Committee Members are paid fees as stipulated by guidelines from the Ministry of Finance and the Public Service.

Board of Commissioners



Clovis Metcalfe, C.D., O.D.

Chairman

Commissioner Metcalfe is a veteran banker who served as Managing Director of CIBC FirstCaribbean International Bank (Jamaica) Limited and as a Director of CIBC FirstCaribbean International Bank Securities Company (Jamaica) Limited. In 2019 he was conferred with the National Honour of Order of Distinction, Commander Class, for outstanding contribution to Banking.

In 2018 Mr. Metcalfe 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. Earlier in 2013, Mr. Metcalfe received the 'Monsignor Gladstone Wilson Award' from the St. George's College Old Boys Association in recognition for 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.

Christopher Reckord

Christopher Reckord is currently Chief Operating Officer of tTech Limited, a company which is listed on the Jamaica Stock Exchange Junior Market. He has over 30 years' experience in the area of information technology and data communications. He also serves as Vice President and 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 The eLearning Jamaica Company. He is presently a member of the Commission's Enforcement & Security Committee.



Paul East

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



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 Program, and the National Gallery of Jamaica.

He currently serves as President of the Caribbean Employers' Confederation (CEC), a regional association representing 19 national employers' organizations, and as a member of the CARICOM Human Resource Development Commission.

Mr. Chen was the Jamaica Observer's 1998 Business Leader of the Year.

He chairs the Commission's Human Resource Committee and is a member of the Audit & Risk and Governance & Strategy Committees.

Madge Ramsay

Madge 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 representing tax policy matters, including being part of the Secretariat for the Incentives Working Group. Commissioner Ramsay is on the Tax Reform Working Group established by the Minister of Finance and the Public Service to advise on tax reform.

As a civic minded individual, she has been a member of the Optimist International Caribbean District since 1998 and has risen to the level of Lieutenant Governor. She has also served multiple citizens' associations. Ms. Ramsay is the Chairman of the Commission's Licensing & Registration Committee and a member of the Human Resources, Audit & Risk and Major Projects Committees.



Charles Heholt

Commissioner Heholt holds a Bachelor's Degree in Engineering and currently serves the IGL Group. He chairs the Enforcement & Security Committee and is a member of the Special Projects Committee.



Senior Management Team



**Vitus
Evans**

Executive Director

**Carole
Martinez-Johnson**

Director,
Information &
Communication
Technology

**Lorraine
Thompson-Barnett**

Director,
Finance & Accounts

**Laurie
Wiggan**

Director,
Compliance &
Regulatory

**Jeanette
Lewis**

Manager,
Corporate Affairs &
Communication



Winston Jackson

Internal Auditor

Sandra Antonio

Director,
Human Resources
& Administration

Maurice Thompson

Director,
Licensing &
Registration

Karla Small Dwyer

Director,
Legal Services

Noel Bacquie

Director,
Enforcement

Chairman's Statement



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Our priority in the coming year is to expand our efforts toward organizational efficiency and effectiveness as we pursue our strategic goals and ensure merger readiness.

”

Clovis Metcalfe, C.D., O.D.

CHAIRMAN

My fellow Commissioners and I commend the management and staff of the BGLC for the sustained effort and commitment demonstrated throughout the 2019/20 financial year. The collective achievements, even in the midst of operational challenges, have resulted in a more compliant gaming industry and the continued growth of industry generated revenue for the Government of Jamaica. For the period under review, proceeds from the industry yielded over \$2.1 billion in CHASE Fund contributions to support social development initiatives across the island and more than \$4.5 billion was deposited to the Consolidated Fund.

Improving Organizational Effectiveness

The sustainable development of Jamaica's gaming industry and the integrity of the regulatory framework remains our highest priority. To that end, work was sustained during the year to streamline key internal processes through a comprehensive Business Process Review/Reengineering (BPR) Project. This is the first of many steps toward organizational effectiveness, efficiency and continuous improvement, in line with our 2025 vision and strategy.

The project is also integral to the planned transformation of the operating model and key organizational processes that will come into effect when the merger with the Jamaica Racing Commission (JRC) and Casino Gaming Commission (CGC) materializes. Having obtained Cabinet approval for the merger during the last quarter of the year, we are hopeful that the nearly decade-long journey towards consolidation will finally conclude within the next 18 – 30 months. The Merger Steering Committee and relevant (functional) subcommittees will be reconstituted in the coming year to lead the merger preparations.

Besides the obvious operational benefits, the merger also provides opportunity for an extensive overhaul of the legislative framework in order to expand the scope of our regulatory oversight to keep pace with fast-moving industry developments such as iGaming, Cryptocurrency Gaming, Mobile and Multi-platform Gaming, to name a few. In that regard, we expect to resume work to review and refine drafting instructions for the preparation of a draft Jamaica Gaming & Racing Commission (JGRC) Bill.

As a complement to the BPR, we are also keen to strengthen the Commission's governance framework with greater emphasis on strategic and risk management. These are essential business practices to ensure effectiveness and sustainability. The current organizational structure does not support the execution of these critical functions, which has been a major deficiency over the years. However, with the aid of external consultants, we have begun to develop internal systems and processes as well as training to effectively monitor and manage enterprise risk, organizational strategy and performance optimization (including how objectives are set and achieved). A Governance and Strategy Board Subcommittee has also been established to guide these and other related corporate governance interests. The Subcommittee's inaugural meeting will be held at the beginning of the 2020/21 financial year.

Strengthening Partnerships and Inter-agency Coordination

Over the years, the BGLC has forged many partnerships and collaborated with government and non-governmental agencies to achieve mutual outcomes. Formal and informal arrangements are in place with several local and overseas organizations, including the Jamaica Constabulary Force (JCF); the International Association of Gaming Regulators (IAGR); Crime Stop; Financial Investigations Division (FID); Bank of Jamaica (BoJ); and civil society organization, RISE Life Management Services, to name a few. Through the sharing of resources and exchange of information, these enduring partnerships have been an enabling force that continues to strengthen our capacity to regulate the local gaming industry, reduce illegal activity and execute our mandate.

Monitoring and Enforcement

In keeping with our strategy to strengthen monitoring and enforcement, we initiated a campaign at the beginning of the year to sensitize the senior ranks of the JCF about the gaming industry; our efforts to tackle illegal gambling; and the criminal provisions and penalties outlined in the Betting Gaming & Lotteries Act. The first round of sensitization sessions was held with members of the JCF's hierarchy in the western region of the island, with future engagements to follow in other regions. With probable links between the illegal gambling trade

and money laundering, we are also reviewing the existing Memorandum of Understanding with the JCF with a view to tightening the level of collaboration and support in regard to financial crimes as defined by Anti Money Laundering/Counter Financing of Terrorism (AML/CFT) legislation.

The BoJ and FID are also indispensable allies in supporting our efforts to enhance the BGLC's AML/CFT oversight of the gaming industry. Both entities continue to provide guidance and training for members of staff and industry operators who are classified as Designated Non Financial Institutions (DNFI). Inter-agency interactions are more seamless and the overall level of AML/CFT awareness and compliance within the industry has improved, especially since the launch of the FID's *goAML* Portal last year. Through *goAML*, the BGLC can register and approve gaming lounge operators, view data on Suspicious Transaction Reports/Suspicious Activity Reports (STR/SAR) and communicate directly with the FID in real time.

Taking a page from the FID's *goAML* Portal, we acquired and are currently testing new screening software to support pre-licensing investigations in relation to AML/CFT. The new software allows our Enforcement team to identify and assess the risk of licence applicants, including Political Exposed Persons (PEP), via watch list and sanctions screening as well as ongoing monitoring of negative media reports globally. The tool facilitates an important step in fortifying our due diligence procedures in order to minimize the potential for gaming providers to commit financial crimes.

Betting on Local Sports

A joint delegation from the BGLC and the Ministry of Culture, Gender, Entertainment and Sport (MCGES) attended the 2019 United Nations Convention against Corruption in Sports, in Vienna Austria. Betting on local sports represents a potential growth area for Bookmakers and would also provide additional revenues to local sporting organizations through revenue sharing and/or rights agreements.

The Commission has been fielding enquiries from local sporting bodies about the possibility of allowing Bookmakers to accept betting on various sporting events from as early as 2008. However, there is a high risk of manipulation of sports competitions, which could undermine sports integrity and attract criminal activities such as organized crime and money laundering.

These and other complex issues would have to be thoroughly ventilated and appropriate control measures agreed and constituted by all stakeholders before the BGLC can contemplate approval. In that regard, we intend to initiate further dialogue with the MCGES and other key stakeholders in the coming year. In the interim, the Commission has submitted a comprehensive report with recommendations to the Minister of Culture, Gender, Entertainment and Sport, which was also shared with all local sporting bodies.

Responsible Gaming

The protection of vulnerable groups and the promotion of responsible gaming are top priorities for the BGLC. Through a longstanding partnership with RISE Life Management Services, we continue to facilitate ongoing training of gaming lounge operators and their staff as well as problem gambling interventions such as outpatient counselling and the Voluntary Self Exclusion Programme which are all administered by RISE. Responsible gaming compliance has significantly improved as a result of these and other initiatives.

This year we increased our annual subvention to RISE Life by 12% to \$13.8 million, which funded mainstay prevention and rehabilitation programmes, research and newer initiatives such as the school-based prevention, education and training programme for primary and high school students, parents and Guidance Councillors.

IAGR Conference

The successful staging of the 2019 International Association of Gaming Regulators (IAGR) Conference in Montego Bay has solidified our relationship with IAGR and created new pathways for establishing stronger ties with other international regulators and gaming industry experts. The four-day event consisted of keynote addresses,

presentations and panel discussions on a range of industry topics, including sports betting; artificial intelligence; and the impact of crypto currency. Over 200 delegates from 25 countries attended. The conference, which the BGLC jointly hosted with the Casino Gaming Commission (CGC), was a first for the Caribbean and received positive reviews for content, logistics and hospitality.

Prospects

Jamaica’s gaming industry has grown significantly in the past decade and is poised for future growth. The new social distancing paradigm ushered in by the COVID-19 pandemic will no doubt hasten the migration to Interactive/Online and Mobile Gaming. The Gaming and Lottery sectors are also expected to see further growth in the coming years, as evidenced by the increased number of licence applications and expressions of interest. However, the extent to which the pandemic will affect the growth trajectory of the industry and the overall impact on Jamaica’s economy, remains to be seen. Be that as it may, the BGLC remains committed to our role as regulator, policy advisor and stewards of a multi-billion dollar industry.

Our priority in the coming year is to expand on our efforts toward organizational efficiency and effectiveness as we pursue our strategic goals and ensure merger readiness. We expect to encounter new challenges as Jamaica and the rest of the world contend with new modes of operating, such a social distancing and remote work. However, we also look forward to the new opportunities that will emerge as we continue to embody our slogan of not only “regulating”, but also “facilitating” and “enabling” the sustainable development of all sectors that make up Jamaica’s gaming industry.

On behalf of the Board of Commissioners, I wish to thank the executive leadership and staff of the BGLC for their efforts and accomplishments over the last year and express our appreciation to our partners and stakeholders for the ongoing support.



Clovis Metcalfe, C.D., O.D.
Chairman



The delegation from Macao attending the IAGR Conference presented a gift of appreciation to the Betting Gaming and Lotteries Commission (BGLC) and Casino Gaming Commission (CGC).

Executive Director's Overview



“

The BGLC is committed to facilitating the vibrancy of the gaming industry which adds significant value to the national economy.

”

Vitus Evans

EXECUTIVE DIRECTOR

Bouyed by our mission to enable a viable and reputable gaming industry, the BGLC ended the 2019/20 financial year with another worthy performance. Through the unwavering commitment of our team and greater focus on alignment of strategic and operational objectives, further advances were made toward reducing illegal gambling activity and increasing industry compliance. Our efforts ultimately resulted in an 8.56% growth in government revenue, which is creditable (albeit lower than projected) considering the economic shock prompted by the coronavirus (COVID-19) pandemic in the last quarter of the financial year.

Financial & Industry Highlights

Total revenue increased by 9.8% to \$1.52 billion, with after tax profit increasing by 23.3% to \$565.4 million. Accumulated surplus increased by 14.5% to \$1.9 billion and total assets increased by 7.6% to \$2.4 billion.

Industry performance remained steady for three quarters of the year, with a substantial dip during the last quarter due to the island-wide closure of gaming establishments in order to contain the spread of COVID-19. Notwithstanding fourth quarter industry losses, a total of \$8.195 billion in government revenue was generated for the year. CHASE Fund contributions also increased to \$2.107 billion or 6.96% over last year.

Relative to last year's performance, overall gaming industry sales grew by 5.78% to reach \$181.8 billion, of which \$119 billion or 65% was generated by the Gaming Machine sector, \$50.3 billion or roughly 28% from Lottery sales and \$12.58 billion or 7% from sales in the Betting sector. Although the vast majority of industry sales (96%) was generated from the Gaming Machine sector, the majority of government revenue continues to be derived from the Lottery sector, which represents approximately 88% of total government revenue or more than \$7 billion. The Gaming, Betting and Prize Promotions & Bingo sectors accounted for 7.82%, 3.794% and 0.21% of total government revenue respectively.

Summary of Government Earning by Sector FY 2019/20

Lottery	\$7.225 billion
Gaming	\$0.642 billion
Betting	\$0.311 billion
Prize Promotions & Bingo	\$0.017 billion
TOTAL	\$8.195 billion

Operational Review

Moderate progress was made in narrowing the performance gap for strategic targets when compared to the previous year. We surpassed targets in relation to industry compliance, employee performance and our financial position. However, achievements for due diligence, licensing, illegal machine seizures and government collections were impacted by the suspension of operations in the fourth quarter due to COVID-19-related restrictions.

Performance Summary FY 2018/19 – 2019/20 (Mission-driven Indicators and Targets)

Key Performance Indicator	2019/20 Target	2019/20 Actual	2018/19 Target	2018/19 Actual
% Providers in compliance with all regulations	65	75.4	65	70
% Illegal machines identified that have been seized	25	20.2	25	4
Total government collection (\$B)	8.250	8.195	7.202	7.546
% Due diligence investigations completed in standard time	80	70.2	80	61
% New licence applications processed in standard time	55*	30	70	20
% Licences renewed in standard time	70	66	70	66
% Staff scoring 80% or above on performance measurement system	30	84	30	83
Surplus before capital distribution (\$M)	268.3	498.9	450	458

*Target adjusted mid-year due to backlog of applications from the amnesty

New Licensing Regime:

Building on last year's initiative to bring local manufacturers of gaming machines into the formal gaming industry as licensed suppliers, we introduced a new licensing regime this year for first-time applicants wanting to license gaming establishments with locally made machines. Under the new regime, such applicants must provide proof of purchase from a local gaming machine manufacturer approved by the BGLC as part of the eligibility criteria for obtaining a gaming operator's licence.

These two initiatives form part of a multi-pronged approach to address the high incidence of illegal gaming machines operating in Jamaica. Last year we introduced measures to evaluate and legitimize local gaming machine manufacturers, referred to as Technical Service Providers (TSP), by establishing specific eligibility criteria, including minimum technical standards for the manufacture of gaming machines. Ongoing monitoring and engagement of approved TSPs is being done to further improve the technical standards for the sector in keeping with developments in the gaming sector.

AML/CFT:

As we continue to strengthen Anti Money Laundering/Counter Financing of Terrorism (AML/CFT) oversight of the gaming industry, this year we rolled out a risk-based (rather than rules-based) approach to monitoring the Gaming Lounge sector. This ensures that Gaming Lounge operations are monitored according to the level of risk they pose to the industry.

In that regard, a comprehensive risk assessment of the sector was completed and a risk profile developed for each Gaming Lounge as part of requirements to meet Caribbean Financial Action Task Force (CFATF) Immediate Outcome #3 and Financial Action Task Force (FATF) Recommendation #28 for risk-based supervision.

Further work was also completed during the year to update the BGLC's AML Guidance Notes for Gaming Lounge Operators, which was gazetted in 2016 in fulfilment of CFATF Immediate Outcome #4. That effort included consultations with operators to gather and document feedback; completion of the de minimis domestic market assessment as a precursor to seeking approval of the Draft De minimis Order for US\$3,000 (i.e. customer identification requirements for transactions greater than US\$3,000); and submission of the market assessment report and recommendations to the Ministry of National Security for final approval of the draft Order.

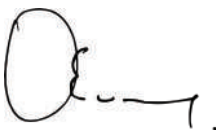
Additional updates to the Guidance Notes will continue in the coming year, to focus primarily on the 2019 amendments to the Proceeds of Crime Act (PoCA), the Terrorism Prevention Act (TPA) and the United Nations Security Council Resolutions Implementation Act (UNSCRIA) and Regulations.

Outlook

The global and local gaming industries are in a perpetual state of flux due to continuous changes in technology and new, more sophisticated gaming products. We expect to see a greater push by local operators to provide online gaming opportunities to their customers as Jamaica continues to grapple with the highly contagious COVID-19.

We approach the year ahead fully aware of the challenges and opportunities that face our nation as the Government seeks to manage the economy and the coronavirus outbreak. We are committed to facilitating the vibrancy of the gaming industry, which is a significant source of revenue for the Government.

I am both honoured and humbled to lead a hard-working team who, despite difficulties, have remained steadfast. On behalf of the management and staff I also thank our stakeholders and partners for the continued cooperation and support.



Vitus Evans
Executive Director



EDUCATION FUND

The BGLC Tertiary Education Grant provides tuition assistance for full time, undergraduate students attending any tertiary institution in Jamaica. Since 2014, the programme has provided support for almost 900 students.

Each year, the Commission hosts an event to provide an opportunity for the students to meet and network with BGLC executives. The Honourable Floyd Green, Minister of State in the Ministry of Industry, Commerce & Fisheries delivered the keynote address.

Motivational Speaker Dr. Terri-Karelle Reid delivered an impassioned exhortation to the students with the challenge "Don't Play Small."



599
Applications received



\$12.5M
distributed to
250 students
representing
26 tertiary institutions





For 5 days in September 2019, Jamaica hosted over 200 delegates from 26 countries for the 19th annual meeting of the International Association of Gaming Regulators.

As co-host jurisdictions, the BGLC and Casino Gaming Commission worked with the IAGR team to plan and execute a compelling conference programme complemented by the best of Jamaica's hospitality and culture.

DELEGATES



CONFERENCE SESSIONS





#IAGR2019



“ IAGR’s 2019 conference themed *Regulating the Game*, delivered a compelling program which provoked thinking and debate on contemporary regulatory policy and known and emerging challenges. The conference has been widely recognised as delivering unrivalled content, impactful speakers and a calculated mix of topics designed to communicate new information and insights and introduce emerging thinking and practices that challenge existing ways of working and help advance efficient and effective gambling regulation globally. The warmth, hospitality and vibrancy of IAGR2019 was inarguably the high watermark for an IAGR event, helped build connections and enduring relationships and was a tremendous advertisement for the professionalism of the BGLC, the Casino Gaming Commission and the marvel that is Jamaica. ”

Paul Newson
President, IAGR

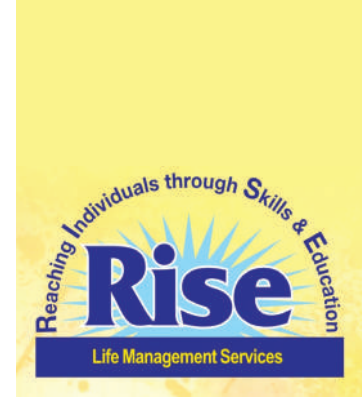


GALA BANQUET



BGLC and RISE Life Management:

Working together to address gambling harm prevention and treatment in Jamaica



The BGLC and RISE Life Management have collaborated to deliver Jamaica's Responsible Gaming Programme since 2005. Since then, each year RISE receives a subvention from BGLC to fund the activities that comprise the programme.

The goal of the Responsible Gaming programme is to protect consumers, minors and vulnerable persons from the potential harms of gambling. The initiatives that comprise the programme are designed to enable players to gamble responsibly, limit the risk of gambling addiction and to identify and support those who are at risk.

Training for Gaming Lounge Staff

BGLC's Responsible Gaming Code of Conduct and a condition of license for gaming lounges requires that employees must receive Responsible Gaming training. RISE trained 600 gaming lounge staff during 2019-2020. Almost 90% of the participants had attended at least 1 previous session and so the trainings were able focus on more advanced, evidenced-based Responsible Gaming techniques and data.

School Based Prevention Education

Guidance Counsellors and Peer Educators receive training to equip them with gambling prevention information and techniques. Students are identified to be trained as peer educators to ensure they are able to intervene with their peers in regard to gambling related issues and have the knowledge to advocate to prevent gambling activity in schools.

The main tool used to educate school based youth about the ills of underage gambling is a 45 min sensitization session. During 2019-2020 the RISE team visited primary and high schools in 11 parishes meeting with more than 26,000 students over the course of the year. To complement the sessions with students, the team also engaged with 3,100 parents of these students in order to help them to understand their own gambling as well as underage gambling behaviour.



Mr. St. Andish Williams Underage Gambling Prevention Officer engages with students of the Jose Marti High School.

This year, RISE conducted training for 70 Guidance and Peer Counsellors in Manchester and St Elizabeth and 50 Peer Counsellors in Kingston and St Andrew. Guidance Counsellors were enlightened on both prevention and treatment issues related to youth gambling.

Voluntary Self Exclusion Programme (VSEP)

Voluntary Self Exclusion Programmes are a standard Responsible Gaming intervention for jurisdictions across the globe. The VSEP is a dynamic way of assisting persons who may have a gambling disorder (regardless of severity) by providing them with an opportunity to self-exclude themselves from gambling venues for a definite

or indefinite period. The VSEP is not treatment in and of itself, rather, an adjunct to the treatment process. The Voluntary Self Exclusion Programme provides much needed and requested support to persons who believe they may have a gambling related issue and would like to be refused entry to the gaming venue. All gaming lounge staff, through training, are given the requisite knowledge and skills to refer customers to the VSEP should they request help. Between April 2019 and March 2020, 50 requests were made to the VSEP. Currently, there are 56 persons enrolled with bans that are effective island wide.



A group of parents engaged in our underage gambling & responsible gaming session

Treatment for Gambling Related Issues

RISE provides an outpatient counselling programme as treatment for persons with gambling related issues. The counselling can be conducted in group or individual sessions. RISE is able to deliver counselling via telephone, online and social media platforms. Between April 2019 and March 2020 115 adults and 17 adolescents were engaged in counselling.

IAGR 2019

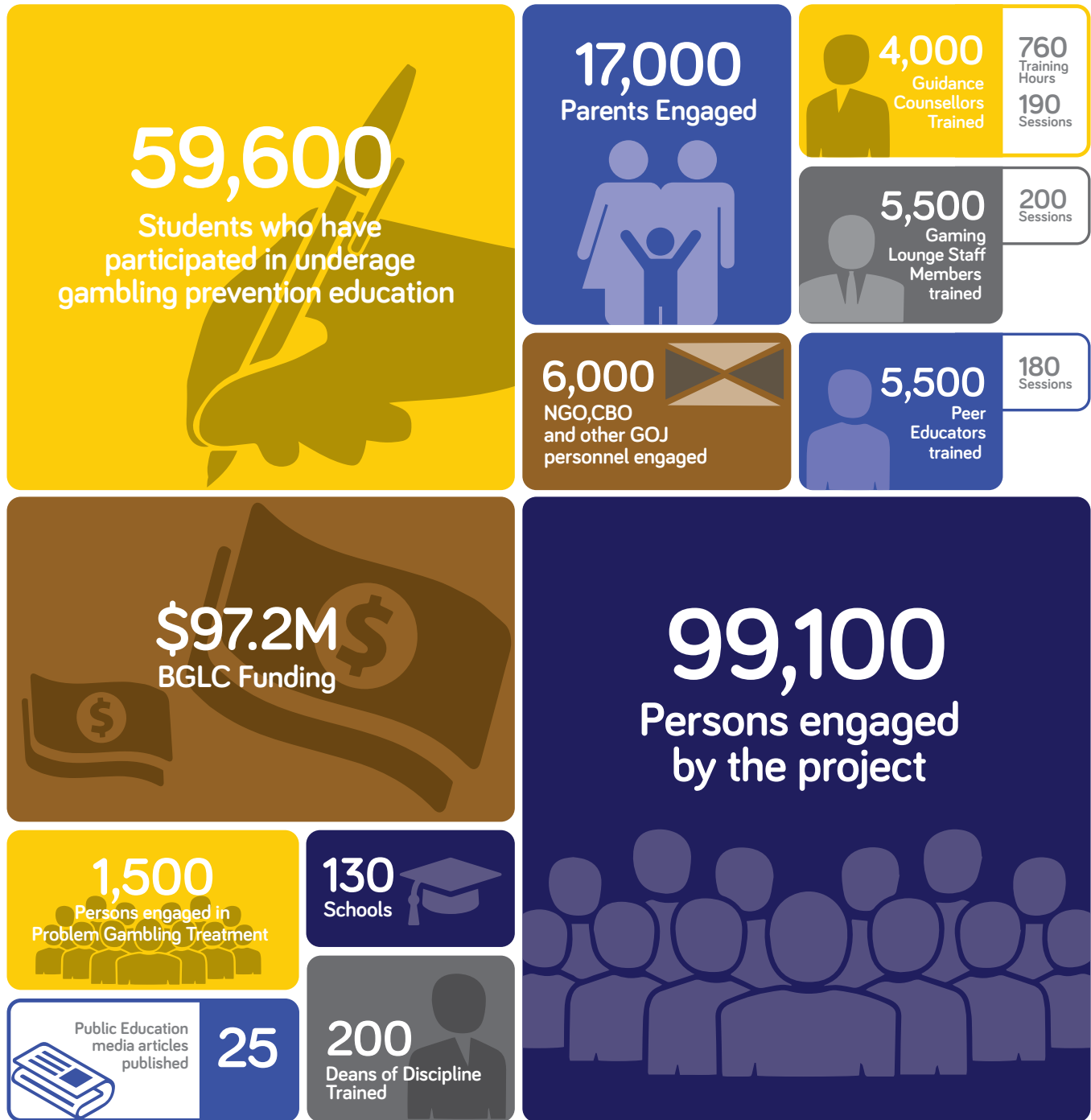
Regulator-led responsible gaming programmes are becoming more popular, whether managed in-house or as an outsourced programmes such as in Jamaica. The Jamaica model was shared with delegates at the IAGR 2019 conference in a presentation titled “Regulator Driven Responsible Gaming”. The presentation highlighted the process of developing and sustaining a Responsible Gaming programme initiated and funded by the regulator.



Richard Henry, programme manager, RISE Life Management delivers presentation on Jamaica's responsible gaming programme at IAGR 2019

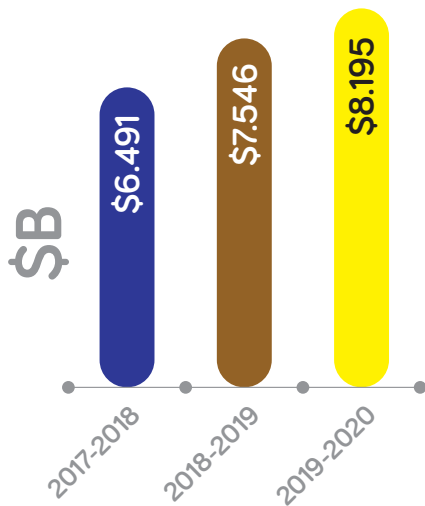
BGLC/RISE Responsible Gaming Programme

By The Numbers: 2005 to 2019

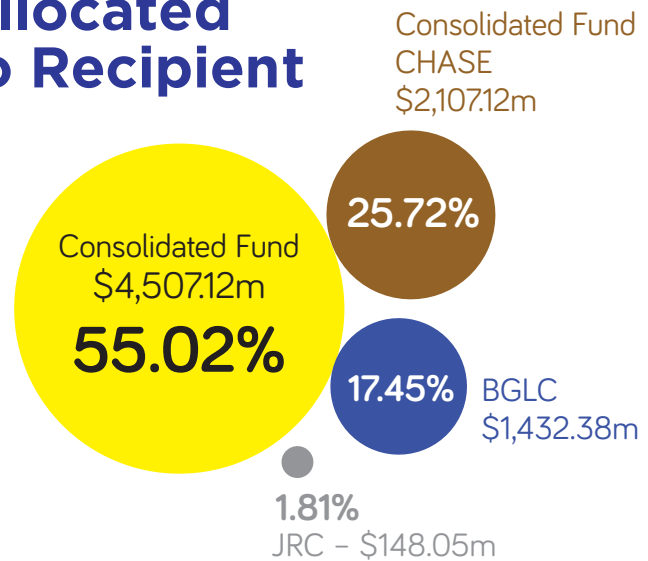


2019-2020 Revenue

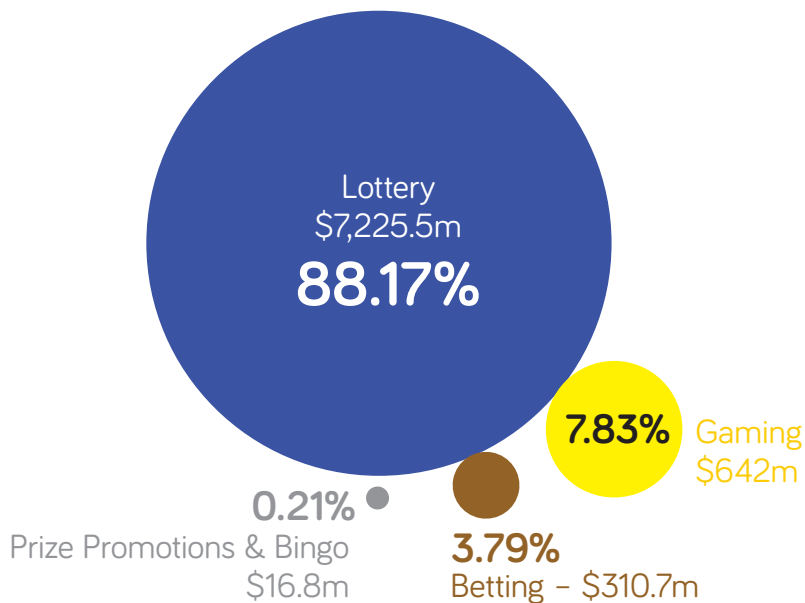
3-Year Trend



Revenue Allocated to Recipient



Revenue by Sector



Snapshot of The Gaming Industry

Sector	Operator Category	Operating Activity Regulated	# of Operators	Government Revenue Registered
Betting Sector	Bookmakers	• Local & simulcast horseracing	7 Bookmakers ¹	Revenue: \$177,781,324
		• Sports Betting inclusive of online Casino games	145 Betting Locations	Licence Fees: \$4,798,575
		• Betting Revenue Assurance		TOTAL \$182,579,899
		• AML-CFT - Operators offering player account wagering		
	Racing Promoter	• On & Off Course Track Betting	1 Racing Promoter	Revenue: \$124,315,984
		• Racing Revenue Assurance		Licence Fees: \$3,821,000
				TOTAL \$128,136,984
Lottery Sector	Lottery Promoter	• Lottery Games	2 Lottery Promoters ²	Revenue: \$7,173,535,791
		• Lottery Draw Procedures		Licence Fees: \$51,919,750
		• Lottery Revenue Assurance		TOTAL \$7,225,455,541
Gaming Sector	Slot Machine Operators - Gaming Lounges & Under 19s Locally Made Gaming Machine Operators	• Operation of slot machines including monitoring meter readings	34 Operators with an aggregate of 2811 gaming seats:	Gaming lounges: \$477,502,171
		• Gaming Machine Revenue Assurance	• 12 Gaming Lounges Operators of gaming machines - slots with 22 locations	Non-Gaming lounges: Revenue: \$32,388,632
		• AML-CFT: DNFI - Operators of 20 or more gaming machines	• 22 Non-Gaming lounges (NGL) - Under 19 Operators of gaming machines - slots with 70 locations	TOTAL \$509,890,803
		• Operation of locally made gaming machines - Not under Gross Profit Tax Regime- contributed 91% of licence fees	• 11,544 local machines in non-gaming lounges	Licence Fees \$126,863,200 GRAND TOTAL \$636,754,003
Prize Competition	Prize Competition Promoters	Prize Competition Draws	• 235 competitions	\$16,741,830
Charitable Bingo	Charities & Non-Profit Organisations (NGOs)	-	6 applications approved for Charitable Bingo	\$60,000
Technical Service Providers	Technical Service Providers - Manufacturers of locally made gaming machines	-	• 13 Technical Service providers	\$2,250,000

¹ Revenue does not include bookmaker Olympic Sports Data Services which operated only up to May 1, 2019 and was located in the Special Economic Zone (formerly Montego Bay Free Zone), therefore not subject to betting taxes

² Goodwill Gaming Enterprises Limited did not operate during the period 2019 - 2020

Government Revenue Payable & Collected

	TAJ		BGLC	JRC	TOTAL
	Consolidated Fund	CHASE			
	\$000	\$000			
BETTING SECTOR					
Bookmakers					
Local & Simulcast Racing	8,840	-	14,692	73,462	96,995
Sports	54,586	7,798	18,402	-	80,786
Unclaimed Winnings	-	-	-	-	0
Bookmakers Permit & License Fees	-	-	4,799	-	4,799
Racing Promoter					
Racing Promoter License Fees	-	-	3,821	-	3,821
Local & Simulcast Horseracing Taxes	33,151	-	16,575	74,590	124,316
Total - Betting Payable	96,577	7,798	58,290	148,052	310,717
Betting Levies/Taxes Paid	98,562	8,003	39,892	150,698	297,154
Unclaimed Winnings	-	-	10,604	-	10,604
Racing Promoter License Fees	-	-	3,821	-	3,821
Bookmakers License Fees	-	-	4,799	-	4,799
Total - Betting Collected	98,562	8,003	59,116	150,698	316,378
LOTTERY SECTOR					
Lottery Taxes	3,630,227	1,853,761	914,184	-	6,398,172
Lottery Tax Winnings Levy	386,214	-	-	-	386,214
Unclaimed Winnings	-	194,575	194,575	-	389,149
Lottery Licence Fees	3,325	-	48,595	-	51,920
Total - Lottery Payable	4,019,767	2,048,336	1,157,353	-	7,225,456
Lottery Taxes	3,696,490	1,882,327	912,939	-	6,491,755
Lottery Tax Winnings Levy	360,402	-	-	-	360,402
Unclaimed Winnings	-	185,804	189,197	-	375,002
Lottery Licence Fees	3,325	-	48,595	-	51,920
Total - Lottery Collected	4,060,217	2,068,131	1,150,731	-	7,279,079
GAMING SECTOR					
Gaming Machine Levies & Fees	59,352	-	70,214	-	129,565
Technical Service Providers Fees	-	-	2,250	-	2,250
Gross Profit Levy & Contributions	331,429	50,989	127,473	-	509,891
Total - Gaming Payable	390,781	50,989	197,234	-	639,004
Gaming Machine Levies & Fees	59,352	-	67,512	-	126,863
Technical Service Providers Fees (TSP)	-	-	2,250	-	2,250
Gross Profit Levy & Contributions	321,679	49,542	133,789	-	505,010
Total - Gaming Collected	381,031	49,542	203,550	-	634,123
Charitable Lottery - Bingo	-	-	60	-	60
PRIZE PROMOTIONS					
Prize Competition Fees	-	-	16,742	-	16,742
GRAND TOTAL - PAYABLE	4,507,125	2,107,123	1,432,381	148,052	8,194,681
GRAND TOTAL - COLLECTED	4,539,810	2,125,676	1,432,901	150,698	8,249,084

3 Year Review - Government Revenue Payable & Collected 2017 - 2018 to 2019 - 2020

GOVERNMENT REVENUE PAYABLE & COLLECTED	Consolidated Fund		TAJ		CHASE		BGLC		JRC		GRAND TOTAL				
	\$M		\$M		\$M		\$M		\$M		\$M				
	2019/2020	2018/2019	2017/2018	2019/2020	2018/2019	2017/2018	2019/2020	2018/2019	2017/2018	2019/2020	2018/2019	2017/2018	2019/2020		
BETTING SECTOR															
Bookmakers															
Local & Simulcast Racing	8.8	10.1	10.1	-	-	-	14.7	16.8	16.6	73.5	84.2	83.2	97.0	111.2	109.9
Sport Betting	54.6	48.6	35.8	7.8	6.9	5.1	18.4	6.9	5.1	-	-	-	80.8	62.4	46.0
Unclaimed Winnings	-	-	-	-	-	-	0.0	11.6	7.6	-	-	-	0.0	11.6	7.6
Bookmakers Permit & Licence Fees	-	-	-	-	-	-	4.8	4.9	7.3	-	-	-	4.8	4.9	7.3
Racing Promoter Licence Fees	-	-	-	-	-	-	3.8	3.9	2.7	-	-	-	3.8	3.9	2.7
Racing Promoter - Taxes	33.2	27.5	24.7	-	-	-	16.6	13.7	12.0	74.6	61.8	54.9	124.3	103.0	91.7
Total - Betting Payable	96.6	86.2	70.6	7.8	6.9	5.1	58.3	57.9	51.4	148.1	146.0	138.1	310.7	297.0	265.2
Total - Betting Collected	98.6	82.5	76.8	8.0	6.5	4.9	59.1	56.6	51.1	150.7	139.4	136.4	316.4	285.1	269.2
LOTTERY SECTOR															
Lottery Taxes & Lottery Tax Winnings Levy	4,016.4	3,561.6	3,076.1	1,853.8	1,715.4	1,488.4	914.2	846.0	734.0	-	-	-	6,784.4	6,123.0	5,298.5
Unclaimed Winnings	-	-	-	194.6	189.5	157.9	194.6	189.5	157.9	-	-	-	389.1	379.0	315.9
Lottery Licence Fees	3.3	3.9	-	-	-	-	48.6	48.6	48.1	-	-	-	51.9	52.5	48.1
Total - Lottery Payable	4,019.8	3,565.5	3,076.1	2,048.3	1,904.9	1,646.3	1,157.4	1,084.1	940.0	-	-	-	7,225.5	6,554.4	5,662.5
Lottery Taxes - Collected	3,696.5	3,112.3	2,727.6	1,882.3	1,729.7	1,484.4	912.9	835.1	744.4	-	-	-	6,491.8	5,677.2	4,956.4
Lottery Winnings Levy Collected	360.4	316.0	350.5	-	-	-	-	-	-	-	-	-	360.4	316.0	350.5
Unclaimed Winnings - Collected	-	-	-	185.8	183.7	158.5	189.2	189.2	160.0	-	-	-	375.0	372.9	318.5
Lottery Games Licence Fees - Collected	-	3.9	-	-	-	-	48.6	48.6	48.1	-	-	-	48.6	52.5	48.1
Total - Lottery - Collected	4,060.2	3,432.2	3,078.1	2,068.1	1,913.4	1,642.9	1,150.7	1,073.0	952.5	-	-	-	7,279.1	6,418.5	5,673.5
GAMING SECTOR															
Gaming Machine Levies & Fees	59.4	39.5	27.0	-	-	-	70.2	54.9	38.7	-	-	-	129.6	94.3	65.7
Technical Service Providers (TSP)	-	-	-	-	-	-	2.3	2.8	-	-	-	-	2.3	2.8	0.0
Levies, Gross Profit Taxes & Contribution, to Good Causes	331.4	377.6	313.8	51.0	58.1	48.3	127.5	145.2	120.7	-	-	-	509.9	580.9	482.7
Total - Gaming - Payable	390.8	417.1	340.8	51.0	58.1	48.3	199.9	202.9	159.4	-	-	-	641.7	678.0	548.4
Total - Gaming - Collected	381.0	351.0	343.9	49.5	47.5	48.2	206.3	176.5	162.0	-	-	-	636.8	575.0	554.1
Charitable Lottery - Bingo	-	-	-	-	-	-	0.1	0.1	0.1	-	-	-	0.1	0.1	0.1
Prize Promotions															
Prize Competition Fees	-	-	-	-	-	-	16.7	16.0	14.7	-	-	-	16.7	16.0	14.7
GRAND TOTAL - PAYABLE	4,507.1	4,068.7	3,487.5	2,107.1	1,969.9	1,699.7	1,432.4	1,361.0	1,165.6	148.1	146.0	138.1	8,194.7	7,545.6	6,490.9
GRAND TOTAL - COLLECTED	4,539.8	3,865.7	3,498.7	2,125.7	1,967.4	1,696.0	1,432.9	1,322.2	1,180.4	150.7	139.4	136.4	8,249.1	7,294.7	6,511.6

Jamaica's 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 \$24.6bn as reported by operators licensed and regulated by the Commission. The gambling industry demonstrates continued growth in all sectors, excepting the gaming machine sector. The revenue realized during the last quarter (January to March 2020), was significantly impacted by the novel Corona Virus (COVID-19), which caused the closure of all sectors from March 18th and the Racing Promoter closing on March 21, 2020.

Sector Performance Review

During the period April 2019 to March 2020, the regulated Jamaica gambling industry generated Government revenue of \$8.195bn, an 8.6% increase compared with the year prior. Gaming lounges continue to record the highest sales with an average of 96% of the money played returned to gamblers as winnings. The average payout for the betting sector is 76% while the average payout ratio for the lottery sector is 67%.

Lottery continues to be the largest contributor to Government revenue (88%), recording \$7.2bn or \$16.529bn in gross gaming profit.

Gaming on slot machines, a popular entertainment activity in Jamaica, especially in gaming lounges registered \$509.891m in Government revenue, a 12.2% decrease compared to prior year. The gaming lounge segment recorded a decrease in declared gross profit by 13.46% while non-gaming lounges, majority of which is located inside of the Kingston Metropolitan Area (KMR), recorded an increase of 19.44%. Although, three (3) gaming lounges in St. Andrew recorded reduction in sales and corresponding Government Revenue when compared to 2018/19, there was an overall increase of 11.15% in sales.

The protracted Enhanced Security Measures that was implemented in St. James continue to negatively impact the performance of gaming lounges in the parish with a 5.91% decrease in sales. In addition, with the closure in mid-March 2020 due to COVID-19, the customary 95% Government revenue from gaming lounges was negatively impacted.

Betting on Local and simulcast horseracing and sporting events, including online casino games, recorded \$310.78m in Government revenue, a 4.43% increase compared to prior year. Simulcast horseracing continues to be the main contributor to Gross Revenue with an average payout ratio of 64%, with 86% of simulcast revenue being generated by the Racing Promoter. The payout ratio for local and sporting events both averaging 82.26% and 80.93% respectively.

Sales

In 2019-2020 punters wagered J\$181.83bn, which equates to more than J\$89,980.19 per adult (18 and older)³.

- Bookmaker's sales on local and simulcast horseracing decreased by 15% and 3% 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 (3% and 16% respectively).
- Sports betting sales increased by 10% stimulated by major international sporting events. Seasonal sporting events, NBA, NFL, Premier League, World Cup Cricket, UEFA Champions League, Women's World Cup and US Golf Open contributed to the increase in sales. In addition, younger players are gambling on esports and other skills-based competitive games.
- Sales on lottery games increased by 7%, with promotions in Cash Pot and Money Time stimulating the market as well as the Lotto and Super Lotto jackpots.
- In comparison to 2018/19, sales registered on slot machines recorded a 5% increase during 2019/20 driven by sales in gaming lounges.
- Sales in the non-gaming lounge category recorded a 26% increase, with ICE Jamaica being the major contributor. Although there was a reduction in the number of locations by 14 (209 in 2018/2019 to 195 in 2019/2020) operated by ICE Jamaica, they contributed 83% of the sales generated in this category.
- Overall Sales for all types of gambling rose 5.78% during 2019/20 and the industry continues to contribute to the local economy.

Declared Gross Profit

Overall declared gross profit rose by 2.48% in 2019/20. Weekly gross revenue from lottery increased by 6.52% and contributed 88% of the total revenue earned by the Government of Jamaica (GOJ).

Declared gross profit from non-gaming lounges increased by 10%, while gaming lounges recorded a decrease of 13%. The increase in non-gaming lounges gross profit could be attributed to the improved performance by some ICE Jamaica locations and the opening of Vegas Mandeville (formerly Christelle's Gaming) and Vegas Manor Park by Everglades Farms in December 2019.

³ Source: Statistical Institute of Jamaica - 2018 Population by age & sex (18 & over) - 2,020,778

2 Year Sector Performance

	SALES			PAYOUT/PRIZE LIABILITY			DECLARED PROFIT			Payout as a % of Sales		
	2019/2020	2018/2019	% CHANGE	2019/2020	2018/2019	% CHANGE	2019/2020	2018/2019	% CHANGE	2019/2020	2018/2019	% CHANGE
	\$	\$	%	\$	\$	%	\$	\$	%	\$	\$	%
Bookmakers												
Local Horseracing	1,012,214,641	1,192,348,564	-15.11	626,086,989	728,716,518	-14.08	386,127,653	463,632,046	-16.72	62	62	69
Simulcast Racing	628,991,861	646,399,960	-2.69	437,801,499	446,707,477	-1.99	191,190,362	199,692,483	-4.26	70	70	69
Sports Betting	4,087,308,354	3,714,763,105	10.03	3,307,979,960	3,044,515,818	8.65	779,328,394	670,247,287	16.27	81	81	82
Sub-total	5,728,514,857	5,553,511,629	3.15	4,371,868,448	4,219,939,813	3.60	1,356,646,409	1,333,571,816	1.73	76	76	76
Racing Promoter												
Local Horseracing	3,550,857,644	3,431,785,545	3.47	3,127,369,021	3,042,346,226	2.79	423,488,623	389,439,319	8.74	88	88	89
Simulcast Racing	3,301,073,725	2,843,130,983	16.11	2,085,407,638	1,868,918,150	11.58	1,215,666,087	974,212,833	24.78	63	63	66
Sub-total	6,851,931,369	6,274,916,528	9.20	5,212,776,659	4,911,264,376	6.14	1,639,154,710	1,363,652,152	20.20	76	76	78
TOTAL BETTING	12,580,446,226	11,828,428,157	6.36	9,584,645,107	9,131,204,189	4.97	2,995,801,119	2,697,223,968	11.07	76	76	77
LOTTERY	50,317,450,150	46,995,192,650	7.07	33,788,551,437	31,477,777,156	7.34	16,528,898,713	15,517,415,494	6.52	67	67	67
Gaming												
Gaming Lounges	109,968,861,075	105,924,027,929	3.82	105,194,489,856	100,407,205,036	4.77	4,774,371,219	5,516,822,893	-13.46	96	96	95
Non-Gaming Lounges	8,962,708,195	7,139,791,537	25.53	8,641,412,587	6,847,500,608	26.20	321,295,608	292,290,929	9.92	96	96	96
Sub-total	118,931,569,270	113,063,819,465	5.19	113,835,902,442	107,254,705,644	6.14	5,095,666,827	5,809,113,822	-12.28	96	96	95
GRAND TOTAL	181,829,465,646	171,887,440,273	5.78%	157,209,098,986	147,863,686,989	6.32%	24,620,366,660	24,023,753,284	2.48%	86%	86%	86%

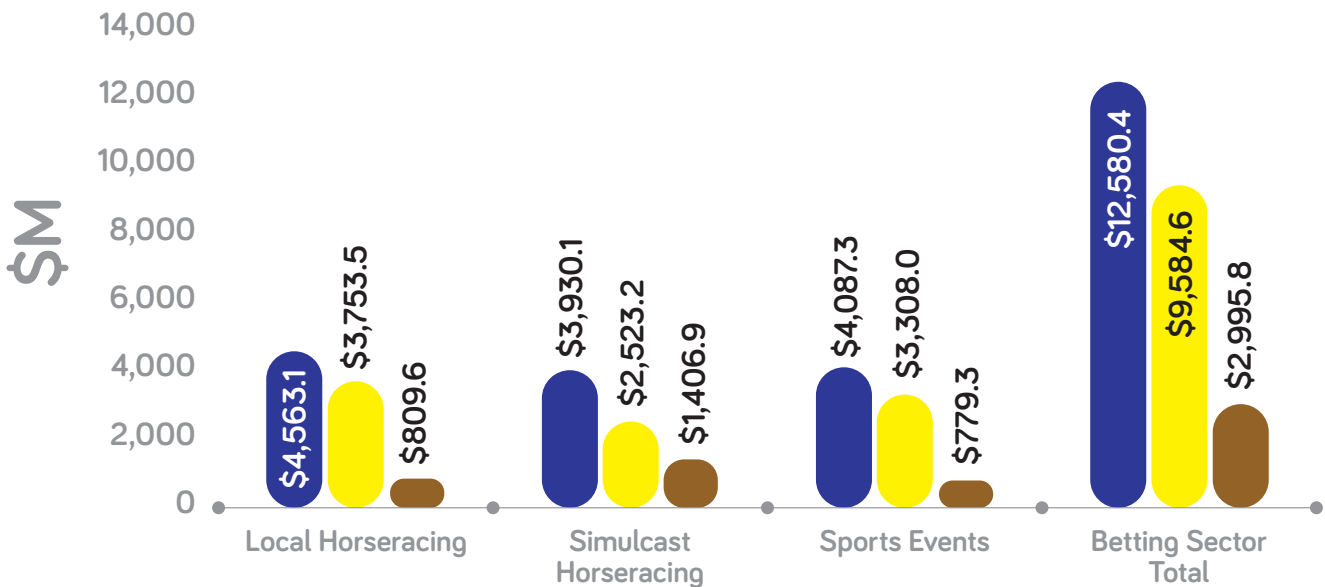
Betting Sector

Betting includes bookmaking and pari-mutuel wagering on horseracing (local and simulcast) and other sports events inclusive of online casino games. Sales on wagering totalled \$12.580bn in 2019/20, generating gross gaming profit of \$2.996bn with a payout of 76% to punters. This represented a 1% increase over the 2018/19 fiscal year.

The Racing Promoter, Supreme Ventures Racing & Entertainment Limited (SVREL), accounted for 54% of total sales with the remaining 46% from bookmakers. Horseracing, being the dominant component of the betting market with \$2.216bn in declared gross profit, is controlled by Supreme Ventures Racing and Entertainment Limited with the dominant bookmaker being Post to Post Betting Limited. Supreme Ventures Limited acquired 51% of the issued share capital of Post to Post Betting Limited in July 2019 and made significant changes to the composition of the board and management of Post to Post Betting Limited. Consequently, that company became a subsidiary of the SVL Group.

Bookmakers contributed 45% of the total gross profit in the betting sector available for Government levies while the Racing Promoter accounted for 55%. One bookmaker, Olympic Sports Data Services Limited, which operated within the Special Economic Zone (SEZ) offering sports betting, closed in May 2019.

Summary of Betting Sector Sales

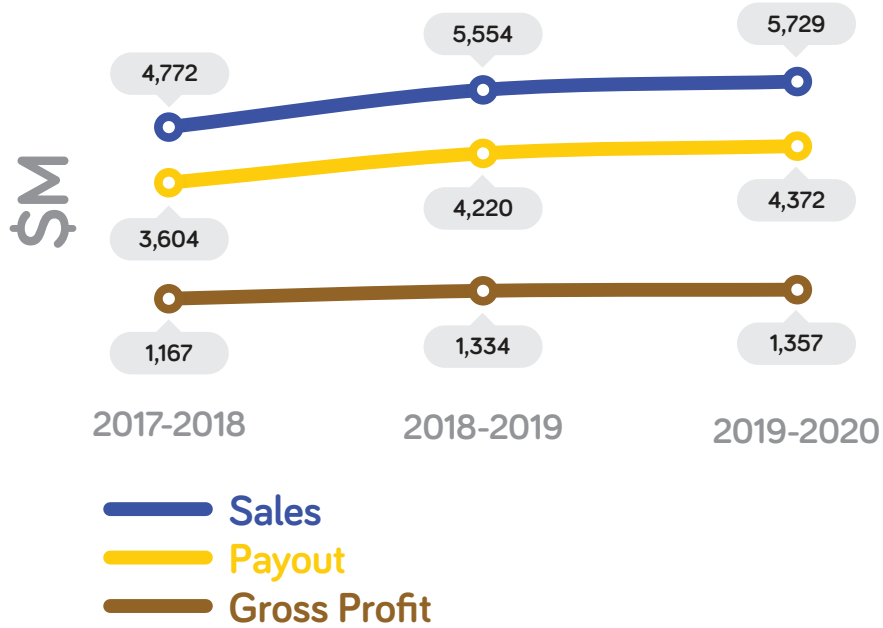


● SALES	4,563,072,286	3,930,065,586	4,087,308,354	12,580,446,226
● PAYOUT	3,753,456,010	2,523,209,137	3,307,979,960	9,584,645,107
● GROSS PROFIT	809,616,276	1,406,856,449	779,328,394	2,995,801,119

Trends in Betting Sector Performance



Trends in Bookmakers' Performance



Trends in Racing Promoter Performance



Performance of Bookmakers

Sales increased by 3.15% while gross profit recorded a 1.73% increase year over year. Post to Post Betting Limited accounted for 58% of sales from the Betting sector followed by Prime Sports Jamaica Limited, 25%.

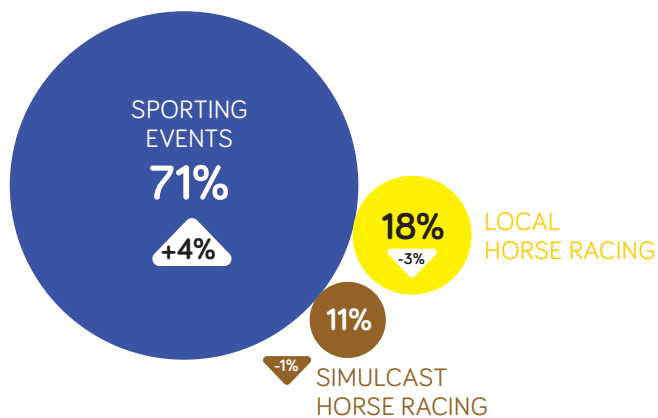
Post to Post Betting Limited, t/a Anybet continues to be the top performer for local betting followed by Ideal Betting Company Limited, then Capital Betting & Wagering Limited.

Post to Post Betting Limited continues to be the leading contributor of Government revenue for the Betting sector. The bookmaker had 32 locations island-wide.

During the year, Island Sizzling Tech. Ja. Limited t/a Islandbet offered bets on sporting events and online casino games, Prime Sports (Jamaica) Limited (through its flagship brand “JustBet”), only offered sports betting, while Jamozzie (t/a BetCris Jamaica) offered betting on local and simulcast horseracing and sports betting.

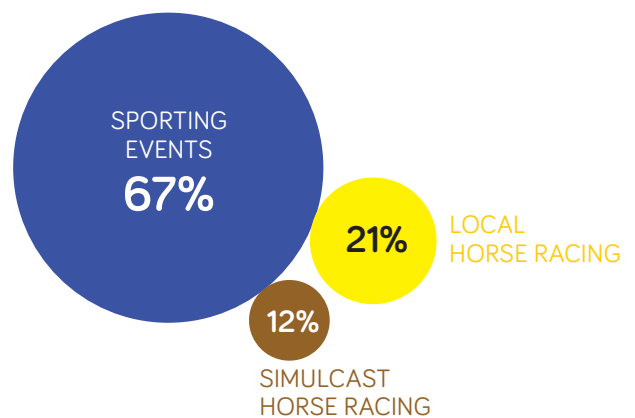
Sales 2019 - 2020

Performance of Bookmakers



Sales 2018 - 2019

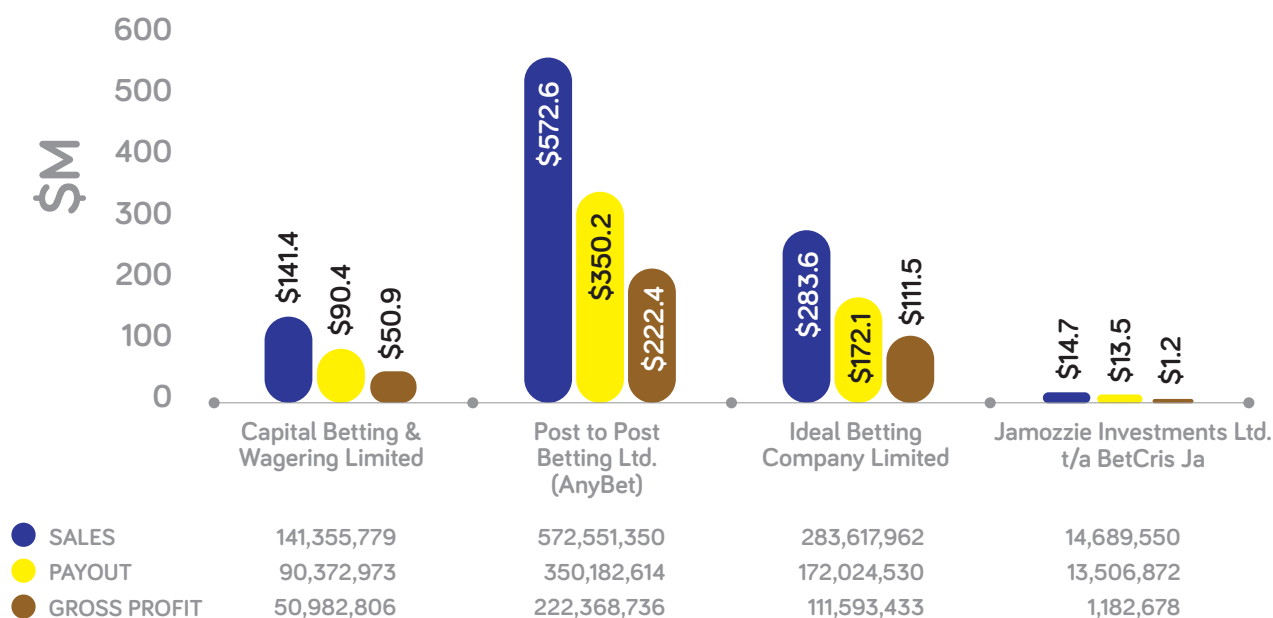
Performance of Bookmakers



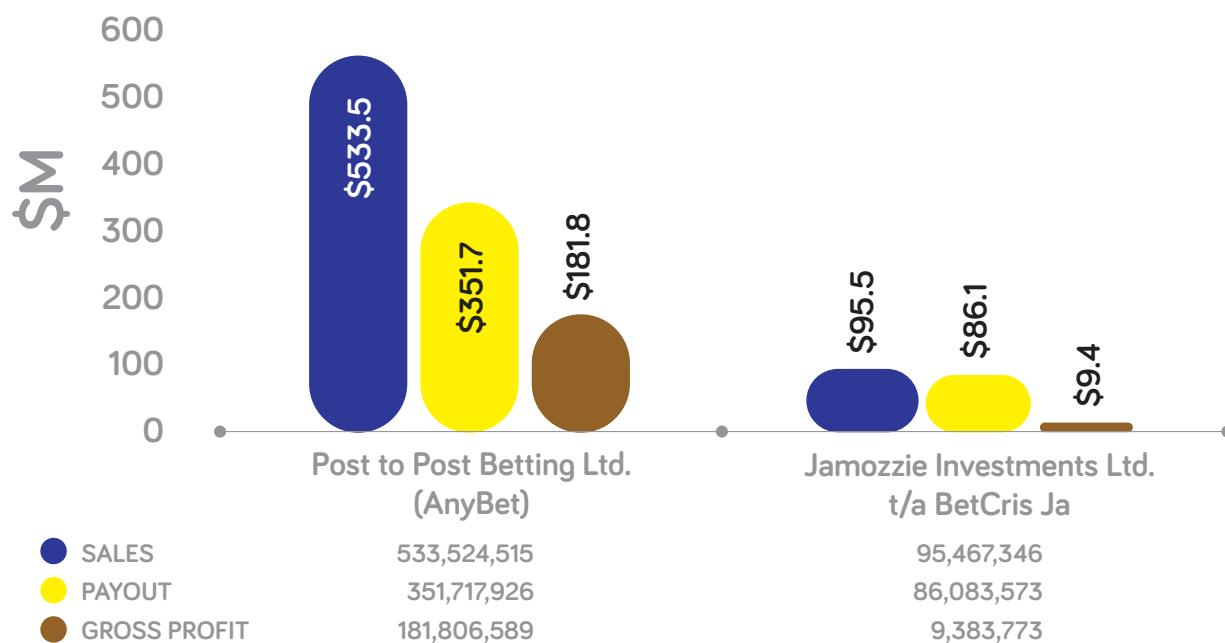
Comparative Summary of Bookmakers' Sales, Payout & Gross Profit

BOOKMAKERS	2019-2020			2018-2019			% CHANGE		
	SALES (\$)	PAYOUT (\$)	GROSS PROFIT (\$)	SALES (\$)	PAYOUT (\$)	GROSS PROFIT (\$)	SALES %	PAYOUTS %	GROSS PROFIT %
Capital Betting & Wagering Limited	141,355,779	90,372,973	50,982,806	203,891,305	136,238,469	67,652,836	-31	-34	-25
Ideal Betting Company Limited	283,617,962	172,024,530	111,593,433	311,564,787	187,009,944	124,554,843	-9	-8	-10
Island Sizzling t/a Island Bet	285,708,294	246,522,763	39,185,530	209,249,615	185,788,787	23,460,828	37	33	67
Jamozzie Investments Limited t/a BetCris	270,618,675	253,160,533	17,458,142	363,376,473	345,138,546	18,237,928	-26	-27	-4
Post to Post Betting Limited (AnyBet)	3,313,646,902	2,504,481,977	809,164,925	3,305,259,829	2,469,598,654	835,661,175	0	1	-3
Prime Sports Jamaica Limited (JustBet)	1,433,567,246	1,105,305,673	328,261,573	1,160,169,620	896,165,413	264,004,207	24	23	24
TOTAL	5,728,514,857	4,371,868,448	1,356,646,409	5,553,511,629	4,219,939,813	1,333,571,816	3%	4%	2%

Sales, Payout & Gross Profit Local Horse Racing 2019 - 2020



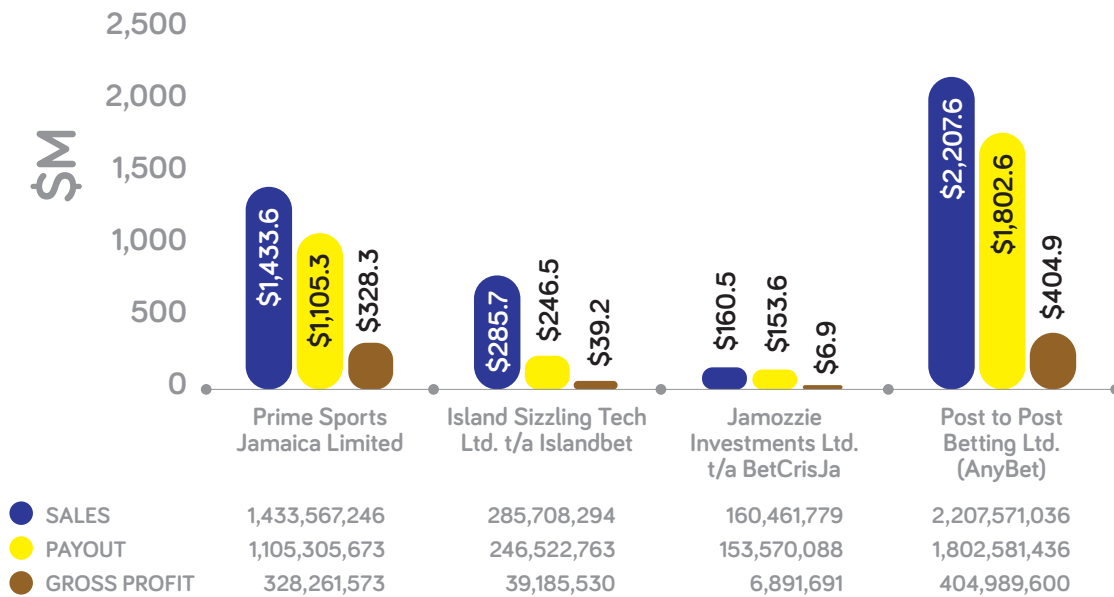
Sales, Payout & Gross Profit Simulcast Horse Racing 2019 - 2020



Sports Betting

The Sports Betting brand “AnyBet” dominated the sporting events category representing 54% of total bookmaker sport betting sales, while the “Justbet” brand accounted for 35% 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 Greece company. During the year Prime Sports Jamaica Limited (Justbet) changed its sports betting provider to Altnar Sportsbook and introduced Justbet Mobile which enhanced the company’s ability to offer bets across multiple devices.

Sales, Payout & Gross Profit Sports Events 2019 - 2020



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 74% 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. This is primarily because there is a higher payout on local horseracing together with purses being a deductible thereby reducing the intake to Government revenue from local horseracing.

Performance of Racing Promoter 2019 - 2020



Betting Sector Taxes, Duties and Levies

Total government revenue earned from the betting industry amounted to J\$310.78m with J\$316.44 collected.

Government Revenue Earned from Betting Sector

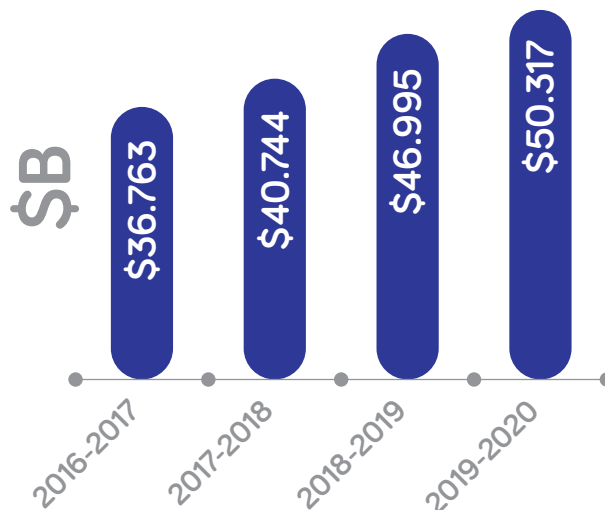
LEVIES	2019/2020		2018/2019	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)
Consolidated Fund	96,577,141	98,561,727	86,184,388	82,519,685
CHASE	7,798,028	8,002,741	6,938,550	6,487,462
BGLC	39,065,966	39,891,583	37,494,935	36,259,484
JRC	148,051,955	150,697,815	145,999,479	139,434,818
sub-total	291,493,091	297,153,867	276,617,352	264,701,449
BGLC - Unclaimed Winnings	10,604,217	10,604,217	11,563,021	11,563,021
BGLC - Permit & Licence Fees	8,683,000	8,683,000	8,824,000	8,824,000
TOTAL	310,780,308	316,441,084	297,004,373	285,088,470

Lottery Sector

Government Revenue from the Lottery Sector was generated by Prime Sports (Jamaica) Limited (Supreme Ventures). The other Lottery Promoter, Goodwill Gaming Enterprises Limited did not operate.

Total sales generated amounted to \$50.317bn, a 7% increase over 2018-2019 contributing \$7.225bn in Government Revenue. For the financial year, 2 games recorded a decline in sales compared to 2018-2019, primarily Pick 2 and Pick 3. Sales for Cash Pot recorded a 6.4% increase while Money Time reflected 12% increase. Lotto, being the 5th ranking in sales, recorded 31% increase in sales compared to 2018-2019.

Trend in Lottery Sales

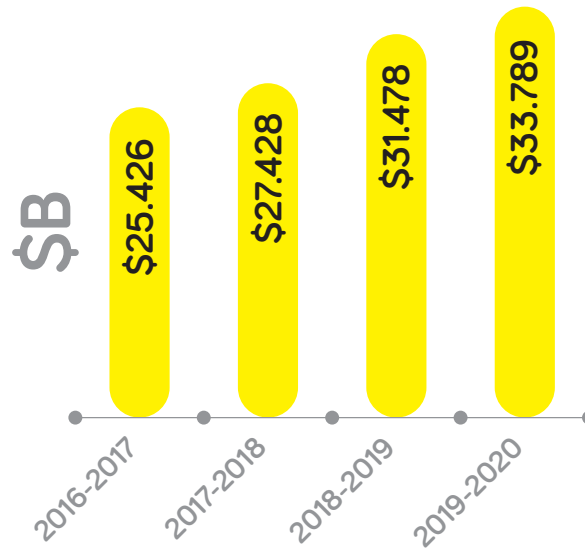


Betting Sector Taxes, Duties & Levies – Bookmakers 2019 - 2020

	LOCAL RACING		SIMULCAST RACING		SPORTING EVENTS		TOTAL	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Consolidated Fund	5,876,462	5,896,837	2,963,552	3,027,399	54,586,198	55,625,139	63,426,212	64,549,374
CHASE	-	-	-	-	7,798,028	8,002,741	7,798,028	8,002,741
BGLC	9,753,220	9,793,804	4,939,253	5,046,420	18,402,246	18,648,399	33,094,719	33,488,624
JRC	48,766,100	48,939,144	24,696,265	25,230,877	-	-	73,462,365	74,170,021
Total for Bookmakers	64,395,782	64,629,785	32,599,070	33,304,696	80,786,472	82,276,279	177,781,324	180,210,760
RACING PROMOTER - 2019/2020								
	LOCAL RACING		SIMULCAST RACING				TOTAL	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED	PAYABLE	COLLECTED
Consolidated Fund	8,837,607	8,712,550	24,313,322	25,299,804			33,150,929	34,012,353
CHASE	-	-	-	-			-	-
BGLC	4,418,804	4,399,156	12,156,661	12,608,021			16,575,465	17,007,177
JRC	19,884,617	19,791,699	54,704,974	56,736,095			74,589,591	76,527,794
Total for Racing Promoter	33,141,028	32,903,405	91,174,957	94,643,919			124,315,984	127,547,324
INDUSTRY TOTAL	97,536,810	97,533,190	123,774,026	127,948,615	80,786,472	82,276,279	302,097,308	307,758,084

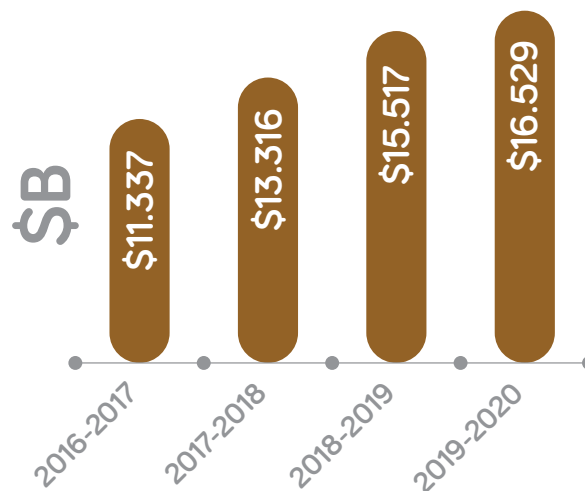
Total prize liability was J\$33.788bn, an increase of 6.8% over 2018/19 and represented 67% of sales. The Cash Pot game recorded the largest payout of J\$23.9bn, followed by Money Time (\$5.1bn) and Pick 4 (\$1.5bn).

Trend in Prize Liability



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.

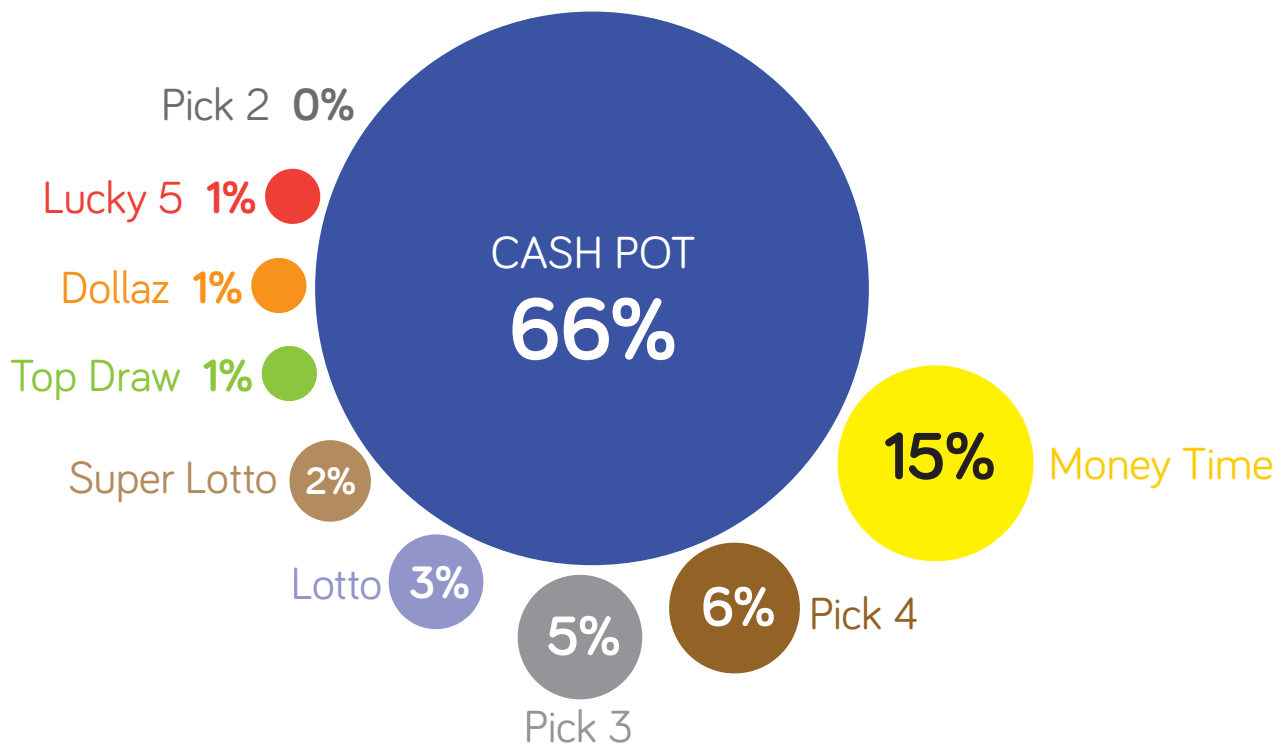
Trend in Weekly Gross Revenue



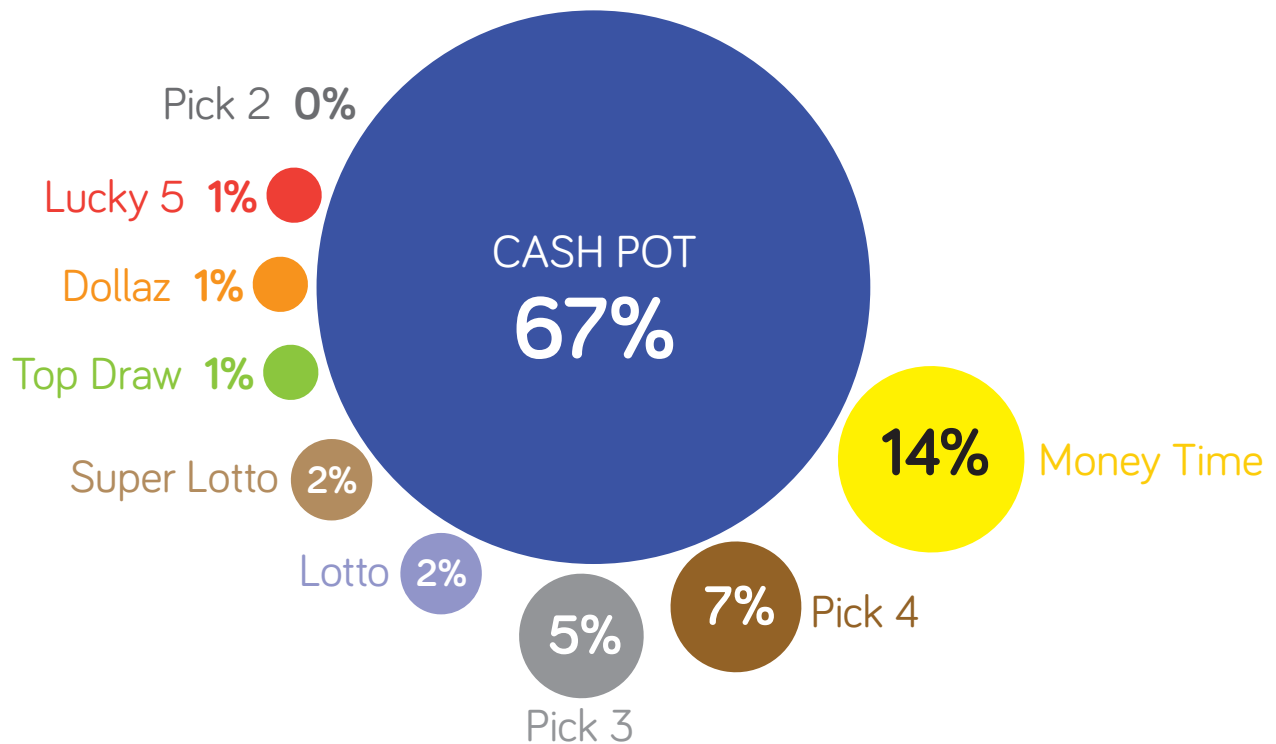
Lottery Game Sales

The Cash Pot lottery game continues to be the market leader, contributing 66% of total sales followed by Money Time (23%), Pick 3 and Pick 4 (5% and 6% respectively), Lotto (3%), Top Draw (1%) and Super Lotto (2%).

Lottery Sales by Game % Share 2019 - 2020



Lottery Sales by Game % Share 2018 - 2019



Government Levy and Lottery Tax

Lottery taxes and lottery winnings levy amounted to J\$3.630bn and J\$386m respectively. Lottery taxes increased by 12.6% and lottery winnings levy decreased by 14.5%. During the year there were two Super Lotto jackpot winners (Jamaica) of \$152.4m and \$225.5m, while the Lotto jackpot was won three times during the year, with jackpots of \$277m, \$45m and \$79m.

Government Levy and Lottery Tax

GAMES	Lottery Tax Rates	2019-2020		2018-2019	
		PAYABLE	COLLECTED	PAYABLE	COLLECTED
	%	(\$)	(\$)	(\$)	(\$)
Cash Pot	20	1,938,356,500.00	1,971,566,158.00	1,785,819,510	1,730,564,958
Lucky 5	20	30,664,728.60	31,851,151.20	29,085,550	28,313,279
Pick 2	20	17,565,576.00	17,729,180.00	17,873,212	17,507,624
Pick 3	20	186,615,342.00	189,177,850.00	172,480,954	167,210,782
Pick 4	20	337,350,906.00	341,561,244.00	299,542,640	290,551,726
Super Lotto	25	179,525,013.00	185,793,092.00	169,028,926	158,144,051
Dollaz	25	39,325,721.75	39,929,983.50	38,280,866	37,118,199
Lotto	25	344,454,571.00	354,367,024.75	223,035,587	206,122,683
Money Time	20	499,768,740.00	506,259,886.00	432,735,933	423,090,270
Top Draw	20	56,600,395.20	58,254,298.20	56,419,853	53,707,513
Sub-total		3,630,227,494	3,696,489,868	3,224,303,031	3,112,331,085
Lottery Winnings Levy (on winnings over \$15,000)		386,214,204	360,402,048	337,344,628	315,982,564
Licence Fees		3,325,000	3,325,000	3,852,500	3,852,500
TOTAL		4,019,766,698	4,060,216,915	3,565,500,159	3,432,166,150

Contributions to Good Causes

Contributions from all games amounted to J\$1.853bn, an increase of 8.07% compared to the previous year.

Contributions to Good Causes - Chase Fund

GAMES	2019-2020		2018-2019	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)
Cash Pot	1,226,842,590	1,244,527,910	1,147,945,012	1,158,087,900
Lucky 5	10,349,225	10,500,762	10,028,401	10,158,526
Pick 2	7,763,659	7,903,612	8,213,444	8,324,606
Pick 3	84,195,342	85,771,103	84,504,436	85,180,935
Pick 4	117,041,321	118,783,464	112,176,369	113,279,714
Super Lotto	34,295,135	34,976,105	32,272,702	32,287,663
Dollaz	12,626,311	12,761,047	12,079,765	12,226,892
Lotto	57,929,398	59,304,868	39,574,771	39,463,483
Money Time	276,723,972	281,365,010	242,827,551	244,646,956
Top Draw	25,994,095	26,432,866	25,755,638	26,054,982
TOTAL	1,853,761,048	1,882,326,747	1,715,378,089	1,729,711,658
Unclaimed Prizes	194,574,660	185,804,246	189,491,249	183,688,508
GRAND TOTAL	2,048,335,708	2,068,130,993	1,904,869,338	1,913,400,166

Lottery Game Fees Payable to BGLC

Total fees payable to BGLC increased by 6.33% compared to prior year. Licensing fees recorded a marginal decrease of 0.04%. Total amount collected increased by 7.2% compared to prior year.

BGLC fees

GAMES	2019-2020		2018-2019	
	PAYABLE	COLLECTED	PAYABLE	COLLECTED
	(\$)	(\$)	(\$)	(\$)
Cash Pot	605,018,262	603,146,969	566,109,869	558,906,105
Lucky 5	5,103,726	5,086,718	4,945,513	4,911,842
Pick 2	3,828,856	3,841,808	4,050,466	4,030,415
Pick 3	41,520,993	41,601,224	41,673,420	41,211,721
Pick 4	57,719,006	57,518,112	55,319,853	54,807,471
Super Lotto	16,912,668	17,027,831	15,915,305	15,564,339
Dollaz	6,226,670	6,155,231	5,957,145	5,911,746
Lotto	28,567,922	29,091,069	19,516,326	18,953,839
Money Time	136,466,620	136,625,260	119,750,574	118,256,025
Top Draw	12,819,002	12,844,345	12,736,471	12,579,729
TOTAL	914,183,725	912,938,567	845,974,942	835,133,231
Unclaimed Prizes	194,574,660	189,197,408	189,491,249	189,491,249
Licence Fees	48,594,750	48,594,750	48,613,100	48,613,100
GRAND TOTAL	1,157,353,135	1,150,730,725	1,084,079,291	1,073,237,580

Gaming Sector

Gaming Lounges & Non-gaming Lounges⁴

Gaming lounges and non-gaming lounges generated \$118.931bn in sales representing a 5.19% increase over 2018/19 with a declared gross profit of \$5.096bn. Total Government revenue earned amounted to \$639.0m, an increase of 0.8% compared to prior year. Gross Profit Tax decreased by 13.96%.

Sales totalling \$109.9bn were generated by 12 gaming lounge operators (22 locations island-wide) with a declared gross profit of \$4.8bn, while sales of \$8.963bn was generated by 22 non-gaming lounge operators (70 locations island-wide) with a declared gross profit of \$321.296m. Gaming lounges average payout was 95.66%, while non-gaming lounges average payout of 96.42%.

The declared gross profit contributed by these lounges varies depending on the average payout. Macau Gaming ranked the highest in sales and total government revenue, followed by Everglades Farm - Monte Carlo and Sizzling Slots Limited - Vault.

Revenue from gaming machines is driven by the number and type of gaming machines. As at year end, a total of 14,355 gaming machines were registered with 20% slot machines and 80% locally-made gaming machines:

TYPE OF LOUNGE	NO. OF MACHINES		TOTAL
	SLOTS	LOCAL	
Gaming Lounges	2,257	-	2,257
Non-Gaming Lounges (19 & Under)	554	11,544	12,098
TOTAL	2,811	11,544	14,355

Of the total licence fees of \$129.565m from the gaming sector, local machines account for 91% while slot machines represent 9%.

Government revenue from Gross Profit Tax totaling \$509.891m is from slot machines and was earned primarily in the parish of St. Andrew (63.58%), followed by St. James (26.65%) and St. Ann (6.04%).

⁴ Revenue 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
	(\$)	(\$)	(\$)
2019/2020	109,968,861,075	8,962,708,195	118,931,569,270
2018/2019	105,924,027,929	7,139,791,537	113,063,819,466
2017/2018	106,562,995,900	3,898,923,787	110,461,919,687

PAYOUTS	Gaming Lounges	Non- Gaming Lounges	TOTAL PAYOUTS
	(\$)	(\$)	(\$)
2019/2020	105,194,489,856	8,641,412,587	113,835,902,442
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

GROSS PROFIT	Gaming Lounges	Non- Gaming Lounges	TOTAL GROSS PROFIT
	(\$)	(\$)	(\$)
2019/2020	4,774,371,219	321,295,608	5,095,666,827
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

Gaming Lounges Within & Outside Hotels in The EGA 2019 - 2020

GAMING LOUNGES IN THE EXCLUSIVE GEOGRAPHICAL AREA (EGA) OUTSIDE HOTELS			
LICENSEE	PARISHES	GAMING LOUNGES	# of Seats
EVERGLADES FARM	St. James	Vegas - Bogue	85
YAHMAN TECHNOLOGY	St. James	Treasure Hunt - Whitter Village	216
SMWS GAMES LIMITED	St. James	Mosino	165
ISLAND ENTERTAINMENT	St. James	Coral Cliff	149
PREMIUM LANDMARK	St. Ann	Reno Gaming	142

GAMING LOUNGES IN THE EXCLUSIVE GEOGRAPHICAL AREA (EGA) IN HOTELS			
LICENSEE	PARISHES	GAMING LOUNGES	# of Seats
ONISAC GAMING LIMITED	St. Ann	Bahia Principe	46
	St. James	Riu Club - Montego Bay	34
	St. James	Sunscape Splash	39
	Hanover	Grand Palladium	60

WORLDWIDE CONCEPTS	St. Ann	Riu Ocho Rios	40
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JAYVEGAS LIMITED	St. James	Holiday Inn	21
	St. James	Iberostar Suite Resort	26
	St. James	Iberostar Beach Resort	22
	St. James	Secrets	33

Top Ten (10) Ranking Of Gaming Lounges Based on Sales

#	GAMING LOUNGES	# OF SLOT MACHINES	SALES	PAYOUTS	DECLARED GROSS PROFIT	Payout as a % of Sales	TAJ		BGLC	TOTAL GOVERNMENT REVENUE
							CONSOLIDATED FUND	CHASE		
1	Macau Gaming	207	20,565,668,360	19,669,329,582	896,338,777	95.64%	58,262,021	8,963,388	22,408,469	89,633,878
2	Treasure Hunt - Whitter Village	215	15,479,422,983	14,951,817,536	527,605,447	96.59%	34,294,354	5,276,054	13,190,136	52,760,545
3	"100" Vault Gaming Lounge	146	14,912,916,768	14,360,613,629	552,303,139	96.30%	35,899,704	5,523,031	13,807,578	55,230,314
4	Monte Carlo	223	14,402,338,896	13,542,851,442	859,487,455	94.03%	55,866,685	8,594,875	21,487,186	85,948,745
5	Treasure Hunt - Kingston	125	9,903,030,334	9,638,557,364	264,472,970	97.33%	17,190,743	2,644,730	6,611,824	26,447,297
6	Acropolis Barbican	201	9,629,881,180	9,197,977,631	431,903,549	95.51%	28,073,731	4,319,035	10,797,589	43,190,355
7	Reno Gaming	142	6,905,558,463	6,645,573,627	259,984,836	96.24%	16,899,014	2,599,848	6,499,621	25,998,484
8	Mosino	165	5,272,817,777	5,083,281,123	189,536,654	96.41%	12,319,882	1,895,367	4,738,416	18,953,665
9	Coral Cliff	149	5,066,734,564	4,785,117,292	281,617,272	94.44%	18,305,123	2,816,173	7,040,432	28,161,727
10	Vegas - Bogue	85	3,025,705,096	2,893,288,311	132,416,784	95.62%	8,607,091	1,324,168	3,310,420	13,241,678

Summary of Gaming Sector Gross Profit, Levy, Contributions & Fees 2019 - 2020

	TAJ									
	CONSOLIDATED FUND		CHASE		BGLC		TOTAL			
	Payable	Paid	Payable	Paid	Payable	Paid	Payable	Paid	Payable	Paid
(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Gross Profit Levy	6.50%					2.50%				
Gaming Lounges	310,376,411	300,385,813	47,750,217	46,261,365	119,375,543	125,545,811	472,192,988			
Under 19 Machine Operators	21,052,610	21,293,513	3,238,863	3,280,604	8,097,158	8,242,919	32,817,035			
TOTAL	331,429,022	321,679,326	50,989,080	49,541,969	127,472,701	133,788,730	505,010,024			
Gaming Machine Levies & Fees	59,351,700	59,351,700	-	-	70,213,500	70,213,500	129,565,200			
Technical Service Providers (TSP) Fees	-	-	-	-	2,250,000	2,250,000	2,250,000			
GRAND TOTAL	390,780,722	381,031,026	50,989,080	49,541,969	199,936,201	206,252,230	636,825,224			

Summary of Revenue by Parish from Slot Machines

Rank	PARISHES	GAMING LOUNGES				NON - GAMING LOUNGES				GRAND 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 %	# of Gaming Machines/ Seats	DECLARED GROSS PROFIT (\$)	TOTAL GOVERNMENT REVENUE (\$)	Share of Total %
1	St. Andrew	991	3,101,415,158	310,141,516	64.95	178	140,246,396	14,037,072	43.34	1169	3,241,661,554	324,178,588	63.58
2	St. James	789	1,317,911,136	131,791,114	27.60	49	40,654,011	4,074,616	12.58	838	1,358,565,147	135,865,729	26.65
3	St. Ann	228	288,641,369	28,929,186	6.06	15	18,738,592	1,873,859	5.79	243	307,379,961	30,803,045	6.04
4	Hanover	60	52,871,480	5,287,148	1.11	55	20,775,896	2,296,577	7.09	115	73,647,376	7,583,725	1.49
5	Manchester	46	13,532,076	1,353,208		0	0	0	0.00	46	13,532,076	1,353,208	0.27
6	St. Catherine					63	24,894,709	2,495,469	7.70	63	24,894,709	2,495,469	0.49
7	Westmoreland					67	18,980,487	1,910,487	5.90	67	18,980,487	1,910,487	0.37
8	St. Mary					27	9,724,250	972,425	3.00	27	9,724,250	972,425	0.19
9	Portland					5	1,288,630	128,863	0.40	5	1,288,630	128,863	0.03
10	Kingston					37	31,691,479	3,169,148	9.78	37	31,691,479	3,169,148	0.62
11	St. Thomas					5	2,407,503	240,750	0.74	5	2,407,503	240,750	0.05
12	Trelwary					5	11,893,655	1,189,366	3.67	5	11,893,655	1,189,366	0.23
	TOTAL	2,114	4,774,371,219	477,502,171	99.72%	506	321,295,608	32,388,632	100.00%	2,620	5,095,666,827	509,890,803	100.00%

Performance by Gaming Lounges - by Parish 2019 - 2020

						GROSS PROFIT LEVY & CONTRIBUTION				
GAMING LOUNGES	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % OF SALES	TAJ PAYABLE		BGLC	TOTAL GOVERNMENT REVENUE	
						Consolidated Fund	CHASE			
		(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)	
						6.50%	1.00%	2.50%	10.00%	
ST. ANDREW										
1	Christelles	43	430,841,185	405,751,733	25,089,452	94.18%	1,630,814	250,895	627,236	2,508,945
2	Monte Carlo	223	14,402,338,896	13,542,851,442	859,487,455	94.03%	55,866,685	8,594,875	21,487,186	85,948,745
3	Vegas - Kgn	46	928,096,748	856,276,933	71,819,815	92.26%	4,668,288	718,198	1,795,495	7,181,982
4	Macau Gaming	207	20,565,668,360	19,669,329,582	896,338,777	95.64%	58,262,021	8,963,388	22,408,469	89,633,878
5	Acropolis Barbican	201	9,629,881,180	9,197,977,631	431,903,549	95.51%	28,073,731	4,319,035	10,797,589	43,190,355
6	Treasure Hunt - Kgn	125	9,903,030,334	9,638,557,364	264,472,970	97.33%	17,190,743	2,644,730	6,611,824	26,447,297
7	"100" Vault Gaming	146	14,912,916,768	14,360,613,629	552,303,139	96.30%	35,899,704	5,523,031	13,807,578	55,230,314
	TOTAL	991	70,772,773,471	67,671,358,314	3,101,415,158	95.62%	201,591,985	31,014,152	77,535,379	310,141,516
ST. ANN										
8	Reno Gaming	142	6,905,558,463	6,645,573,627	259,984,836	96.24%	16,899,014	2,599,848	6,499,621	25,998,484
9	Bahia Principe	46	339,499,556	310,192,530	29,307,026	91.37%	1,904,957	293,070	732,676	2,930,703
10	Riu Ocho Rios	40	21,319,786	21,970,278	-650,493	103.05%	0	0	0	0
	TOTAL	228	7,266,377,805	6,977,736,435	288,641,369	96.03%	18,803,971	2,892,919	7,232,297	28,929,186
ST. JAMES										
11	Vegas - Bogue	85	3,025,705,096	2,893,288,311	132,416,784	95.62%	8,607,091	1,324,168	3,310,420	13,241,678
12	Treasure Hunt - Whitter Village	215	15,479,422,983	14,951,817,536	527,605,447	96.59%	34,294,354	5,276,054	13,190,136	52,760,545
13	Mosino	165	5,272,817,777	5,083,281,123	189,536,654	96.41%	12,319,882	1,895,367	4,738,416	18,953,665
14	Riu Club - Montego Bay	34	406,412,803	370,353,789	36,059,015	91.13%	2,343,836	360,590	901,475	3,605,901
15	Sunscape Splash	39	346,947,666	319,360,338	27,587,328	92.05%	1,793,176	275,873	689,683	2,758,733
16	Holiday Inn	21	248,174,265	225,612,217	22,562,048	90.91%	1,466,533	225,620	564,051	2,256,205
17	Iberostar Suite Resort	26	492,555,253	453,131,312	39,423,941	92.00%	2,562,556	394,239	985,599	3,942,394
18	Iberostar Beach Resort	22	97,250,848	88,101,532	9,149,315	90.59%	594,705	91,493	228,733	914,932
19	Secrets	33	669,600,599	617,647,267	51,953,332	92.24%	3,376,967	519,533	1,298,833	5,195,333
20	Coral Cliff	149	5,066,734,564	4,785,117,292	281,617,272	94.44%	18,305,123	2,816,173	7,040,432	28,161,727
	TOTAL	789	31,105,621,854	29,787,710,718	1,317,911,136	95.76%	85,664,224	13,179,111	32,947,778	131,791,114
HANOVER										
21	Grand Palladium	60	579,206,094	526,334,614	52,871,480	90.87%	3,436,646	528,715	1,321,787	5,287,148
	TOTAL	60	579,206,094	526,334,614	52,871,480	90.87%	3,436,646	528,715	1,321,787	5,287,148
MANDEVILLE										
22	Vegas Mandeville	46	244,881,851	231,349,775	13,532,076	94.47%	879,585	135,321	338,302	1,353,208
	TOTAL	46	244,881,851	231,349,775	13,532,076	94.47%	879,585	135,321	338,302	1,353,208
GRAND TOTAL		2114	109,968,861,075	105,194,489,856	4,774,371,219	95.66%	310,376,411	47,750,217	119,375,543	477,502,171

Performance of Non-Gaming Lounges - by Parish 2019 - 2020

PERFORMANCE OF NON - GAMING LOUNGES 2019-2020						GROSS PROFIT LEVY & CONTRIBUTION				
						TAJ		BGLC	TOTAL GOVERNMENT REVENUE	
NON-GAMING LOUNGES	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % OF SALES	Consolidated Fund	CHASE			
		(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)	
						6.50%	1.00%	2.50%	10.00%	
ST. ANDREW										
1	Lotto Super Store	9	68,870,840	60,004,550	8,866,290	87.13%	576,309	88,663	221,657	886,629
2	Guinness Basement Pub	7	15,142,940	13,329,880	1,813,060	88.03%	117,849	18,131	45,327	181,306
3	Uptown Pub	14	51,194,940	46,062,910	5,132,030	89.98%	333,582	51,320	128,301	513,203
4	Games Room & Lounge	14	128,139,190	116,200,620	11,938,570	90.68%	776,007	119,386	298,464	1,193,857
5	Ice Jamaica - Sispet Sports Betting	9	637,186,691	620,477,275	16,709,416	97.38%	1,086,112	167,094	417,735	1,670,942
6	Ice Jamaica Limited - Acropolis Cross Roads	18	2,745,329,076	2,698,570,646	46,758,430	98.30%	3,039,298	467,584	1,168,961	4,675,843
7	Silver Top Tavern - Soltau	5	18,778,100	16,529,410	2,248,690	88.02%	146,165	22,487	56,217	224,869
8	Silver Top Tavern - Sudeene	2	9,128,990	8,119,690	1,009,300	88.94%	65,605	10,093	25,233	100,930
9	Ramdeen's Bar	7	17,760,580	15,289,020	2,471,560	86.08%	160,651	24,716	61,789	247,156
10	Ice Jamaica - Yap's Wholesale-Barbican	5	64,095,878	62,108,818	1,987,060	96.90%	129,159	19,871	49,677	198,706
11	Ice Jamaica - Uncle John's Caledonia Place	5	246,707,365	238,668,594	8,038,771	96.74%	522,520	80,388	200,969	803,877
12	Ice Jamaica - Uncle John 2 Windward Road	5	89,005,246	86,788,352	2,216,894	97.51%	147,971	22,765	56,912	227,648
13	Ice Jamaica - Windward Road OTB	6	89,083,002	86,532,741	2,550,261	97.14%	165,894	25,522	63,805	255,221
14	Acropolis Cross Roads	10	5,068,273	2,821,076	2,247,197	55.66%	146,068	22,472	56,180	224,720
15	Ice Jamaica - Mango Tree Site- Regent Street	5	278,467,511	270,208,509	8,259,002	97.03%	536,835	82,590	206,475	825,900
16	Ice Jamaica - Excba Wholesale Cavaliers Dist; Stony Hill	5	4,927,257	4,778,516	148,741	96.98%	11,965	1,841	4,602	18,407
17	Ice Jamaica - Bourbon House; Windward Rd	5	1,185,020	1,128,895	56,125	95.26%	3,648	561	1,403	5,613
18	HQ Gaming - Basmed	19	17,963,658	16,939,424	1,024,235	94.30%	68,359	10,517	26,292	105,168
19	Ice Jamaica - Nuvo Dental	5	2,908,639	2,885,754	22,885	99.21%	1,488	229	572	2,289
20	Everglades Farms Vegas Manor Park formerly Christelle's	19	198,549,152	181,879,742	16,669,410	91.60%	1,083,512	166,694	416,735	1,666,941
21	Ice Jamaica - Silver Power	4	2,066,766	1,988,296	78,470	96.20%	5,101	785	1,962	7,847
	TOTAL	178	4,691,559,115	4,551,312,718	140,246,396	97.01%	9,124,097	1,403,707	3,509,268	14,037,072
ST. CATHERINE										
22	Super Gaming Store	6	6,994,960	6,014,620	980,340	85.99%	63,722	9,803	24,509	98,034
23	Ice Jamaica - Regional Office Spanish Town	6	295,047,246	286,142,157	8,905,089	96.98%	578,831	89,051	222,627	890,509
24	Ice Jamaica - Goodie Promotions, Portmore Lane	5	57,870,437	55,255,919	2,614,518	95.48%	169,944	26,145	65,363	261,452
25	Ice Jamaica - Willowdene Bar, Spanish Town	5	115,751,094	112,089,463	3,661,631	96.84%	241,016	37,079	92,698	370,793
26	Ice Jamaica - JJ Mobile & Phone Co. Spanish Town	4	154,943,329	150,510,591	4,432,738	97.14%	288,128	44,327	110,818	443,274
27	Ice Jamaica - Gutter's Lotto, Gutters's Square	5	1,111,643	1,037,829	73,814	93.36%	4,832	743	1,858	7,433
28	Ice Jamaica - Pathfinder Bar West Port Henderson aBlvd	5	254,489	256,677	-2,188	100.86%	59	9	23	90
29	Ice Jamaica - Horseshoe SVREL - Caymanas	5	2,559,540	2,441,555	117,985	95.39%	8,286	1,275	3,187	12,748
30	Ice Jamaica - Shell Old Harbour	5	72,513,691	70,123,251	2,390,440	96.70%	155,416	23,910	59,775	239,101
31	Ice Jamaica - Edibles Central Village	5	52,206,336	50,718,926	1,487,410	97.15%	96,682	14,874	37,185	148,741
32	Ice Jamaica - Elvas Lotto, Gregory Park (New)	5	6,131,711	6,022,167	109,544	98.21%	7,120	1,095	2,739	10,954
33	Ice Jamaica - KP Lotto	5	269,134	234,856	34,278	87.26%	2,228	343	857	3,428
34	Jazat Lounge (Sydenham Commercial Complex)	2	492,480	403,370	89,110	81.91%	5,792	891	2,228	8,911
	TOTAL	63	766,146,090	741,251,381	24,894,709	96.75%	1,622,055	249,547	623,867	2,495,469
TRELAWNY										
35	Ice Jamaica - Royal Remittance	5	423,879,596	411,985,941	11,893,655	97.19%	773,088	118,937	297,341	1,189,366
	TOTAL	5	423,879,596	411,985,941	11,893,655	97.19%	773,088	118,937	297,341	1,189,366
ST. THOMAS										
36	Ice Jamaica - Poorman's Lotto	5	76,742,127	74,334,624	2,407,503	96.86%	156,488	24,075	60,188	240,750
	TOTAL	5	76,742,127	74,334,624	2,407,503	96.86%	156,488	24,075	60,188	240,750
PORTLAND										
37	Irie Vibes Sports Bar	5	14,360,270	13,071,640	1,288,630	91.03%	83,761	12,886	32,216	128,863
	TOTAL	5	14,360,270	13,071,640	1,288,630	91.03%	83,761	12,886	32,216	128,863

Performance of Non-Gaming Lounges - by Parish 2019 - 2020 (Cont'd)

PERFORMANCE OF NON - GAMING LOUNGES 2019-2020						GROSS PROFIT LEVY & CONTRIBUTION				
						TAJ		BGLC	TOTAL GOVERNMENT REVENUE	
NON-GAMING LOUNGES	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	PAYOUT AS A % OF SALES	Consolidated Fund	CHASE			
		(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)	
						6.50%	1.00%	2.50%	10.00%	
ST. JAMES										
38	B-Games & Bar	4	40,803,206	35,028,515	5,774,691	85.85%	375,355	57,747	144,367	577,469
39	T & B Games Room	3	22,697,940	19,404,305	3,293,635	85.49%	214,086	32,936	82,341	329,364
40	Game Time	19	340,340,350	319,145,140	21,195,210	93.77%	1,377,689	211,952	529,880	2,119,521
41	I.C.E - Acropolis Regional Office Montego Bay	5	199,655,025	193,998,692	5,656,333	97.17%	367,662	56,563	141,408	565,633
42	Ice Jamaica - MK Samms Barnett St	5	7,187,348	6,969,911	217,437	96.97%	14,157	2,178	5,445	21,780
43	Working Man Pub	2	55,730	53,810	1,920	96.55%	189	29	73	290
44	Player's Lucky Spot	4	40,989,010	38,065,040	2,923,970	92.87%	190,058	29,240	73,099	292,397
45	Frontline Sports Bar	2	2,155,500	1,823,565	331,935	84.60%	21,580	3,320	8,300	33,200
46	My Type Sports Bar	3	6,934,660	5,752,410	1,182,250	82.95%	76,846	11,823	29,556	118,225
47	RE Bar formerly Working Man Pub	2	1,478,730	1,402,100	76,630	94.82%	10,879	1,674	4,184	16,737
	TOTAL	49	662,297,499	621,643,488	40,654,011	93.86%	2,648,500	407,462	1,018,654	4,074,616
HANOVER										
48	Lava Lounge	13	72,086,486	64,409,488	7,676,998	89.35%	499,005	76,770	191,925	767,700
49	Lucky 8 Games Room	16	115,484,831	107,296,481	8,188,350	92.91%	653,990	100,614	251,534	1,006,138
50	Evan's Bar	5	2,237,670	1,965,420	272,250	87.83%	20,511	3,156	7,889	31,555
51	Central Gaming & Bar	5	21,460,240	19,396,640	2,063,600	90.38%	134,134	20,636	51,590	206,360
52	Frontline	5	8,235,448	7,192,648	1,042,800	87.34%	67,782	10,428	26,070	104,280
53	Courtyard Games & Bar	5	12,616,950	11,209,820	1,407,130	88.85%	91,463	14,071	35,178	140,713
54	The Game Shack	5	2,022,560	2,047,240	-24,680	101.22%	16,177	2,489	6,222	24,887
55	Winners Game Den & Bar	1	1,160,608	1,011,160	149,448	87.12%	9,714	1,494	3,736	14,945
	TOTAL	55	235,304,793	214,528,897	20,775,896	91.17%	1,492,775	229,658	574,144	2,296,577
WESTMORELAND										
56	Paradise Gaming	19	5,378,864	4,791,508	587,356	89.08%	38,178	5,874	14,684	58,736
57	P & M Sports Bar	6	124,167,950	116,105,300	8,062,650	93.51%	524,072	80,627	201,566	806,265
58	Ice Jamaica - Prime Sports Regional Office - Sav	8	66,145,589	64,203,279	1,942,310	97.06%	131,223	20,188	50,470	201,881
59	Ice Jamaica - Funnatic (Sav/Bar)	4	19,146,847	18,447,073	699,774	96.35%	45,590	7,014	17,535	70,138
60	Ice Jamaica - Funnatic Lotteries	4	55,210,255	53,879,941	1,330,314	97.59%	89,478	13,766	34,415	137,659
61	Couples Negril	8	35,914,073	32,069,789	3,844,283	89.30%	249,878	38,443	96,107	384,428
62	Couples Swept Away	18	37,507,258	34,993,459	2,513,800	93.30%	163,397	25,138	62,845	251,380
	TOTAL	67	343,470,836	324,490,349	18,980,487	94.47%	1,241,817	191,049	477,622	1,910,487
ST. ANN										
63	Ice Jamaica - A & M Mini Mart :Alexandria	5	323,931	307,784	16,147	95.02%	1,050	161	404	1,615
64	Ice Jamaica- Ocho Rios	10	572,649,043	553,926,598	18,722,445	96.73%	1,216,959	187,224	468,061	1,872,245
	TOTAL	15	572,972,974	554,234,382	18,738,592	96.73%	1,218,008	187,386	468,465	1,873,859
ST. MARY										
65	Las Vegas	14	53,342,010	48,585,320	4,756,690	91.08%	309,185	47,567	118,917	475,669
66	Purple Rock Gaming	13	62,215,760	57,248,200	4,967,560	92.02%	322,891	49,676	124,189	496,756
	TOTAL	27	115,557,770	105,833,520	9,724,250	91.58%	632,076	97,243	243,106	972,425
KINGSTON										
67	Turkey's Hang Out	9	1,510,105	1,370,650	139,455	90.77%	9,065	1,395	3,486	13,946
68	Ice Jamaica - Tower Gaming	10	854,572,403	829,087,071	25,485,332	97.02%	1,656,547	254,853	637,133	2,548,533
69	Ice Jamaica - Just Kool Games Upper King Street	7	204,021,295	197,979,923	6,041,372	97.04%	392,689	60,414	151,034	604,137
70	Irie Slots- Basmed	11	313,322	288,002	25,320	91.92%	1,646	253	633	2,532
	TOTAL	37	1,060,417,125	1,028,725,646	31,691,479	97.01%	2,059,946	316,915	792,287	3,169,148
GRAND TOTAL		506	8,962,708,195	8,641,412,587	321,295,608	96.42%	21,052,610	3,238,863	8,097,158	32,388,632

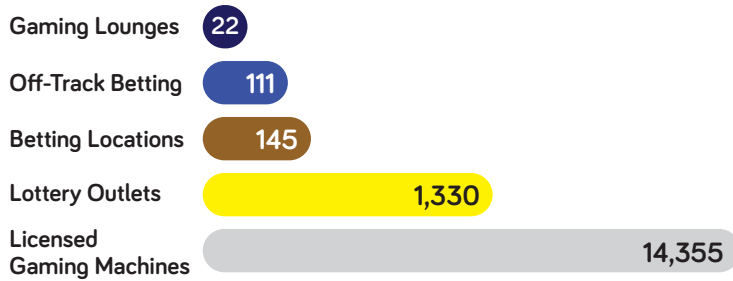
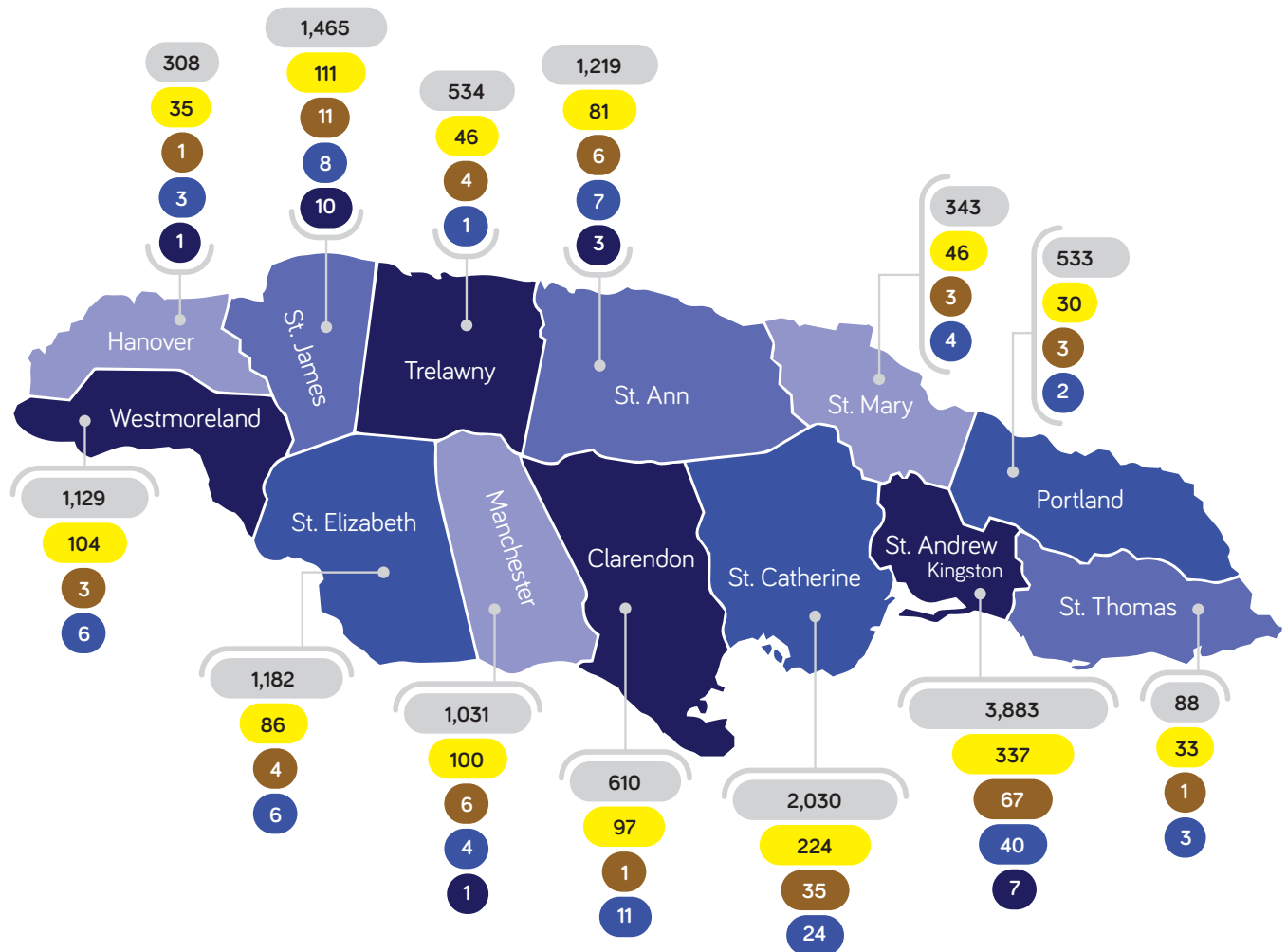
Performance of Gaming Lounge Operators – by Licensee 2019 - 2020

	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 island-wide									
1	Everglades Farm Limited	443	19,031,863,777	17,929,518,194	1,102,345,583	94.21	71,652,463	11,023,456	27,558,640	110,234,558
2	Liguanea Lane Pharmacy	125	9,903,030,334	9,638,557,364	264,472,970	97.33	17,190,743	2,644,730	6,611,824	26,447,297
3	SMWS Games Limited - Mosino	165	5,272,817,777	5,083,281,123	189,536,654	96.41	12,319,882	1,895,367	4,738,416	18,953,665
4	Macau Enterprises Limited - Macau	207	20,565,668,360	19,669,329,582	896,338,777	95.64	58,262,021	8,963,388	22,408,469	89,633,878
5	Premium Landmarks Limited - Reno Gaming	142	6,905,558,463	6,645,573,627	259,984,836	96.24	16,899,014	2,599,848	6,499,621	25,998,484
6	Worldwide Concepts International Limited	40	21,319,786	21,970,278	-650,493	103.05	0	0	0	0
7	Onisac Gaming Limited	179	1,672,066,119	1,526,241,271	145,824,849	91.28	9,478,615	1,458,248	3,645,621	14,582,485
8	Jay Vegas Limited	102	1,507,580,965	1,384,492,329	123,088,636	91.84	8,000,761	1,230,886	3,077,216	12,308,864
9	Sizzling Slots Limited - "100" Vault Gaming	146	14,912,916,788	14,360,613,629	552,303,139	96.30	35,899,704	5,523,031	13,807,578	55,230,314
10	Prime Sports Jamaica Limited - Acropolis Barbican	201	9,629,881,180	9,197,977,631	431,903,549	95.51	28,073,731	4,319,035	10,797,589	43,190,355
11	Yahman Technology Limited	215	15,479,422,983	14,951,817,536	527,605,447	96.59	34,294,354	5,276,054	13,190,136	52,760,545
12	Island Entertainment Limited - Coral Cliff	149	5,066,734,564	4,785,117,292	281,617,272	94.44	18,305,123	2,816,173	7,040,432	28,161,727
	TOTAL	2,114	109,968,861,075	105,194,489,856	4,774,371,219	95.66%	310,376,411	47,750,217	119,375,543	477,502,171

Performance of Non-Gaming Lounge Operators – by Licensee 2019 - 2020

LICENSEE	# OF SLOT MACHINES OPERATED	SALES	PAYOUTS	DECLARED GROSS PROFIT	Payout as a % of Sales	Consolidated Fund	CHASE	BGLC	TOTAL GOVERNMENT REVENUE
		(\$)	(\$)	(\$)	%	(\$)	(\$)	(\$)	(\$)
22 Gaming Machine Operators with 70 Gaming Lounge locations island-wide									
1	ICE Jamaica Limited	7,399,154,560	7,214,090,624	185,063,936	97.50	12,047,459	1,853,455	4,633,638	18,534,553
2	Patrick's Vending - Cornel Davis	195,187,851	178,462,897	16,724,954	91.43	1,211,683	186,413	466,032	1,864,128
3	Barrington Fray	340,340,350	319,145,140	21,195,210	93.77	1,377,689	211,952	529,880	2,119,521
4	Barbara Barrett	40,803,206	35,028,515	5,774,691	85.85	375,355	57,747	144,367	577,469
5	Trevor Martin	22,697,940	19,404,305	3,293,635	85.49	214,086	32,936	82,341	329,364
6	Billy's Games & Entertainment Enterprise Limited	90,226,070	79,090,810	11,135,260	87.66	723,792	111,353	278,382	1,113,526
7	Peter Wright	194,477,070	175,593,410	18,883,660	90.29	1,227,438	188,837	472,092	1,888,366
8	Andrew Davis	115,557,770	105,833,520	9,724,250	91.58	632,076	97,243	243,106	972,425
9	Prime Sports (Jamaica) Limited	5,068,273	2,821,076	2,247,197	55.66	146,068	22,472	56,180	224,720
10	Christopher Frazer	45,495,806	40,857,508	4,638,298	89.80	319,270	49,118	122,796	491,185
11	Silver Top Tavern - Soltau	18,778,100	16,529,410	2,248,690	88.02	146,165	22,487	56,217	224,869
12	Silver Top Tavern - Sudeene	9,128,990	8,119,690	1,009,300	88.94	65,605	10,093	25,233	100,930
13	Milton Ramdeen	17,760,580	15,289,020	2,471,560	86.08	160,651	24,716	61,789	247,156
14	Christopher Hoo Kim	1,510,105	1,370,650	139,455	90.77	9,065	1,395	3,486	13,946
15	Couples Negril - The Negril Hotel Operating Co. Ltd.	35,914,073	32,069,789	3,844,283	89.30	249,878	38,443	96,107	384,428
16	Bay Negril Operating Ltd.	37,507,258	34,993,459	2,513,800	93.30	163,397	25,138	62,845	251,380
17	Bazmed Gaming Limited	18,276,980	17,227,426	1,049,555	94.26	70,005	10,770	26,925	107,700
18	Paul Carty	124,167,950	116,105,300	8,062,650	93.51	524,072	80,627	201,566	806,265
19	Jazat Lounge	492,480	403,370	89,110	81.91	5,792	891	2,228	8,911
20	Alesha Atkinson	1,534,460	1,455,910	78,550	94.88	11,068	1,703	4,257	17,027
21	Kenardo Dixon	50,079,170	45,641,015	4,438,155	91.14	288,484	44,382	110,956	443,822
22	Everglades Farms- Vegas Manor Park	198,549,152	181,879,742	16,669,410	91.60	1,083,512	166,694	416,735	1,666,941
TOTAL		8,962,708,195	8,641,412,587	321,295,608	96.42%	21,052,610	3,238,863	8,097,158	32,388,632

Gambling Typologies by Parish



Building a vibrant and reputable gaming industry in Jamaica

The Licensing & Registration Division (L&R Division) is the unit responsible for the issuing of licences, permits and approvals and is therefore a core business unit within the organization. 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.

Highlights of 2019 - 2020

Results of Licensing Amnesty

Activities to follow up the licensing amnesty that started in November 2018 continued into the 2019-2020 financial year. The primary outcomes were:

- 4,243 previously unlicensed gaming machines were subsequently licensed.
- Fees and levies totalling \$40,732,625 were collected. Table 1 gives a breakdown of the fees collected

**Table 1:
Fees and levies collected as a result of Licensing Amnesty**

PERIOD	NO. OF GAMING MACHINES	BGLC			TAJ		
		MACHINE FEE	PREMISES FEE	TOTAL	MACHINE LEVY	PREMISES LEVY	TOTAL
2018/2019 (November 2018 - January 15, 2019)	2,256	6,847,000	131,750	6,978,750	5,643,000	805,000	6,448,000
2019/2020 (As at September 2019)	1,987	12,474,000	758,750	13,232,750	12,182,500	1,890,625	14,073,125
TOTAL	4,243	19,321,000	890,500	20,211,500	17,825,500	2,695,625	20,521,125

Technical Service Providers (TSP)

Technical Standards for route operation machines (locally manufactured gaming machines) were issued effective April 1, 2019 with the requirement that all gaming machines being licensed for the first time must be acquired from a local licensed TSP. This approach is essential to address the scourge of unlicensed gaming machines operating in Jamaica and lead to a more organized and compliant sector.

Importation of Gaming Machines

In July 2019, the Trade Board advised that a permit would no longer be required to import gaming machines and/or gaming machine parts to Jamaica. This is a cause of concern as the import permit requirement played a critical role in reducing the number of illegal machines in the industry and also preventing those machines not authorized for this jurisdiction from entering the country.

De-licensing of gaming machines by The Trade Board threatened to exacerbate the issue of illegal gaming machines and reverse the gains made from the recently implemented licensing regime for Technical Service Providers and the 2018 Licensing Amnesty exercise. The local gaming machine market has huge growth potential for Jamaica's gaming industry hence this decision can adversely affect the Commission's and GoJ revenues in the absence of a suitable solution.

As an example of inter-agency co-operation, consultations with both the Trade Board and the Jamaica Customs Agency have resulted in measures being effected to ensure that the Commission receives information from Customs in regard to gaming machines and gaming machine parts being imported into the island.

Strengthening Strategic Partnerships Against Unauthorised Gambling

In keeping with our on-going efforts to increase awareness and understanding of the Commission's work and increase the collaboration with key relevant stakeholders, the Commission engaged the hierarchy of the Jamaica Constabulary Force in western Jamaica in April 2019.

The presentations and discussions with 50 senior officers representing various regions and divisions of the Constabulary covered aspects of the Betting Gaming & Lotteries Act, with focus on the criminal provisions. Similar sessions will continue as we endeavour to establish and strengthen partnerships in the fight against illegal gambling in all its forms.

Betting on Local Sports

In September 2019, a delegation from the Commission joined representatives of the Ministry of Culture, Gender, Entertainment and Sports to attend 2019 United Nations Convention against Corruption in Sports, in Vienna Austria.

The Commission continues to receive enquiries from local sporting bodies in regard to allowing Bookmakers to accept betting on various sporting events under their purview. In its role as Jamaica's gambling regulator, the Commission stands as a vanguard for sporting integrity as it is primarily through betting trends that sports integrity issues may be revealed. The Commission must have a germane role to play if betting on local sports is to be permitted.

A comprehensive report, with pointed recommendations on this matter has been prepared and shared with the Ministry of Culture, Gender, Entertainment and Sports and representatives of all local sporting bodies, including the Premier League Clubs Association (PLCA).

Admittedly, betting on local sports represents a potential growth area for local Bookmakers and would provide additional revenue streams for local sporting organizations, through revenue sharing and/or rights fee agreements with local sporting bodies. We must proceed with greatest caution in this regard since the manipulation of sports competition can threaten the integrity of sports and its links to other criminal activities such as corruption, organized crime and money laundering. When viewed against the background of Jamaica's social and economic

situation, this clearly suggests the need for significant work to be done by all stakeholders before the Commission can move to consider granting permission for local sporting bodies to allow Bookmakers to accept bets on their respective events.

The not so “Golden Ticket”

On August 3, 2018, the Commission granted permission for a property owner to conduct a Prize Promotion offering a prize of 28 acres of land with buildings located in Free Hill, St. Ann. The draw was slated to be held on January 13, 2019. Later, The Promoter sought and was granted permission to defer the draw date to September 4, 2019. Prior to that date, communication was received from the Promoter advising that the promotion was cancelled. This in effect was a breach of conditions of the authorization which requires permission from the Commission to change any aspect of the promotion. Consumers who entered the promotion continue to contact the Commission to file complaints in regard to the sudden cancellation and their right to a refund for the tickets purchased. The matter has been referred for the appropriate action to be taken under the provisions of the Betting Gaming & Lotteries Act (BGLA).

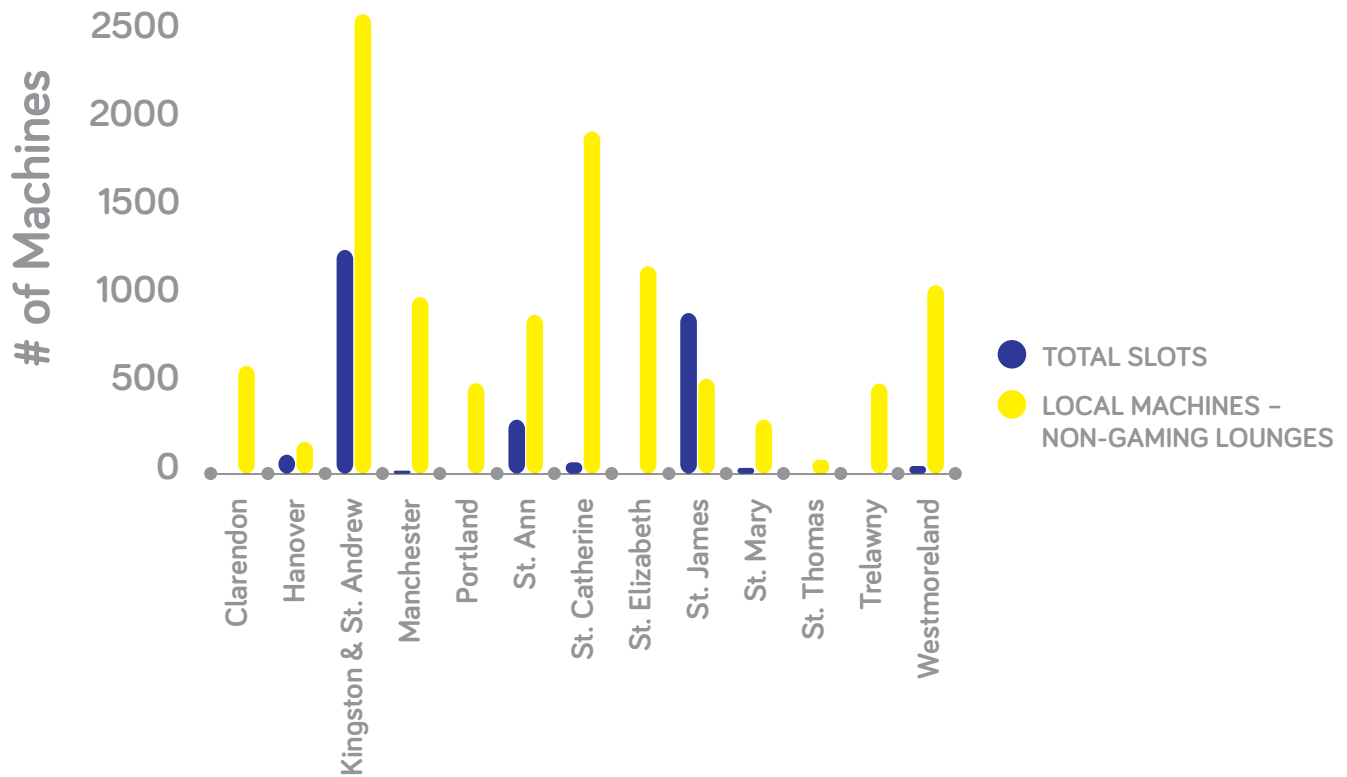
Gaming Sector

A total of 14,355 gaming machines were licensed during the period. This represents an approximate 31.7% increase over the 10,903 gaming machines that were licensed during the 2018/19 period. Twelve Thousand and Ninety Eight (12,098) or 16% of the machines were licensed in the local non-gaming lounge category while the remainder of 2,257 (20%) were licensed in the gaming lounges. The Kingston & St. Andrew region again accounted for the greatest number of machines licensed during the period with 27%, while St. Thomas accounted for the least with just 1%. Table 2 and Figure 2 show a breakdown of the number of machines licensed by parish and the types of machines licensed for the 2019/20 period.

**Table 2:
Gaming Machines Licensed by Parish - 2019 - 2020**

Parish	Slots		Total Slots	Local Machines Non-Gaming Lounges	Grand Total	%
	Gaming Lounges	Non-Gaming Lounges				
Clarendon	0	0	0	610	610	4
Hanover	60	54	114	194	308	2
Kingston & St. Andrew	1,015	262	1,277	2,606	3,883	27
Manchester	18	0	18	1,013	1,031	7
Portland	0	5	5	528	533	4
St. Ann	297	15	312	907	1,219	8
St. Catherine	0	74	74	1,956	2,030	14
St. Elizabeth	0	0	0	1,182	1,182	8
St. James	859	60	919	546	1,465	10
St. Mary	0	32	32	311	343	2
St. Thomas	0	5	5	83	88	1
Trelawny	0	9	9	525	534	4
Westmoreland	8	38	46	1,083	1,129	8
TOTAL	2,257	554	2,811	11,544	14,355	100%
Percentage of Total	16%	4%	20%	80%		

**Figure 2:
Types of Gaming Machines Licensed by Parish**



Fees & Levies

Total fees and levies paid by gaming machine operators was \$129.57M, a 43.4% increase over the \$90.34M collected during the corresponding period last year. Of this amount, \$59.35M was paid to the Inland Revenue Department, while the remaining \$70.21M was paid to the Commission. Table 3 outlines the Gaming Machine Fees & Levies collected for the current period.

**Table 3:
Gaming Machine Fees & Levies Collected - 2019 - 2020**

Type of Lounge	No. of Machines		BGLC		TAJ			Total Revenue
	Slots	Local	Gaming Machine Fee Disc Fee	Prescribed Premises Fee	Gaming Machine Levy	Prescribed Premises Levy	Penalty	
			(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Gaming Lounges	2,257	-	11,129,000.00	23,750.00	-	57,500.00	-	11,210,250.00
Non-Gaming Lounges (19 & Under)	554	11,544	56,744,000.00	2,316,750.00	53,268,500.00	5,732,950.00	292,750.00	118,354,950.00
TOTAL	2,811	11,544	67,873,000.00	2,340,500.00	53,268,500.00	5,790,450.00	292,750.00	129,565,200.00

Technical Service Providers

A total of 13 TSPs were approved for the 2019/2020 fiscal year; this represents a 1% decline when compared to the 14 approved the prior year. Licensing fees collected totaled \$2,250,000, a 25% decline when compared to the \$3M received for 2018/2019. Table 4 gives a breakdown of the TSP applications approved for the period.

**Table 4: Gaming Machine Fees & Levies Collected
2019 - 2020**

APPROVED TECHNICAL SERVICE PROVIDERS	
Beswick Entertainment & Gaming Limited	G. Roy Gaming Enterprise Limited
Captain Euro Technology Ltd.	Herbies's Electronic Games Jamaica Ltd.
Champion Gaming Limited	Prime Sports (Jamaica) Limited
Danny's Gaming & Ent. Co. Ltd.	Stewarts' Betting & Gaming Entertainment Ltd.
D & W Electronics Sales & Services Limited	Technologies Ltd.
Eclipse Enterprise Co. Ltd. (formerly Patrick's Amusement Co. Ltd.)	Unlimited Amusement
Funnattic Limited	

Betting Sector

Betting on Local Sports

Eight (8) Bookmakers submitted applications to renew permits and associated licences for 2019-2020: 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. The last subsequently ceased operations on May 1, 2019. \$4.8M in fees was collected from this segment, a 34% decline when compared to the \$7.25M collected during the previous fiscal year. 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.

**Table 5A: Bookmaker Licensing Fees Collected
2019 - 2020**

Bookmakers	Permit Fee Paid	Agency Fee Paid	Betting Office Fee Paid	Betting Lounge Fees Paid	Betwriter/ Terminal Operator Fees	**Sports Betting Outlet Fees Paid	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Capital Betting & Wagering Ltd.	200,000	120,000	150,000	-	68,000	-	538,000
Ideal Betting Co. Ltd.	200,000	110,000	-	110,000	32,000	-	452,000
Island Bet	200,000	30,000	10,000	60,000	20,000	1,075	321,075
Jamozzie	200,000	-	-	60,000	28,000	-	288,000
Post to Post Betting Ltd	200,000	145,000	20,000	522,500	680,000	-	1,567,500
Prime Sports (Jamaica) Limited	200,000	455,000	50,000	255,000	204,000	-	1,164,000
Olympic Sports Data Services Ltd.	200,000	10,000	10,000	-	48,000	-	268,000
Summit Betting Co. Limited	200,000	-	-	-	-	-	200,000
Total	1,600,000	870,000	240,000	1,007,500	1,080,000	1,075	4,798,575

Kingston & St. Andrew and St. Catherine continue to boast the highest concentration of betting locations, with the fewest found in St. Thomas, Clarendon and Hanover.

**Table 5B:
Betting Locations by Parish - 2019 - 2020**

Parish	Capital Betting & Wagering Ltd.	Ideal 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.	Total
Kingston & St. Andrew	6	3	2	1		37	18	67
Clarendon						0	1	1
Hanover						1		1
Manchester						2	4	6
Portland	1					2		3
St. Ann		3				3		6
St. Catherine	6	5		1		13	10	35
St. Elizabeth						4		4
St. James			1	1	1	4	4	11
St. Mary						3		3
St. Thomas						1		1
Trelawny	1					3		4
Westmoreland	1					2		3
TOTAL	15	11	3	3	1	75	37	145

Racing Promoter

Supreme Ventures Racing & Entertainment Limited (SVREL) paid fees totaling \$3.821million, a 42% increase over the \$2.69million that was paid the previous year.

119 Off Track Betting Parlors were open during the review period, a 65% increase when compared to the 72 OTBs that were operated during the previous year.

**Table 5B:
Racing Promoter fees collected**

FEES	AMOUNT
Track Betting Licence	500,000
Racing Promoter Terminal Operator Fee	96,000
OTB Parlour Licence Fee	1,665,000
OTB Operator Licence Fee	1,000,000
OTB Terminal Operator Licence Fee	560,000
Total Amount	3,821,000

**Table 5C:
Breakdown of OTBs by Parish**

Parish	No. of Locations
Kingston & St. Andrew	40
Clarendon	11
Hanover	3
Manchester	4
Portland	2
St. Ann	7
St. Catherine	24
St. Elizabeth	6
St. James	8
St. Mary	4
St. Thomas	3
Trelawny	1
Westmoreland	6
Total	119

Lottery Sector

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

Licensing fees collected for the conduct of 18 lottery games totaled \$42M, a 2.9% increase over the \$40.8M which was collected for 2018/19. This increase is attributed to SVL's application for a new game, approval of which is yet to be granted. Total licensing fees collected for this sector was \$48.59M.

A new lottery provider, Mahoe Gaming Enterprise Limited, has applied for a licence. While all application requirements have been satisfied, a Court injunction emanating from SVL has put the process on hold.

**Table 6A:
Breakdown of fees for Lottery Sector**

Name of Lottery Company	No. of Games	Licence Fee (\$)	No. of Lottery Agents	Lottery Agents Fee (\$)	# of Lottery Sales Outlets	Lottery Sales Outlets Fee (\$)	Total Revenue (\$)	TAJ Premises Levy (\$)
Supreme Ventures Limited	14	33,600,000.00	1,033	5,165,000.00	1,330	1,429,750.00	40,194,750	3,325,000.00
New Game (SVL)	1	1,200,000.00	-	-	-	-	1,200,000	-
Goodwill Gaming Limited*	3	7,200,000.00	-	-	-	-	7,200,000	-
TOTAL	18	42,000,000.00	1,033	5,165,000.00	1,330	1,429,750.00	48,594,750	3,325,000.00

*did not operate

**Table 6B:
Lottery Sales Outlets by Parish**

Parish	No. of Locations
Kingston & St. Andrew	337
Clarendon	97
Hanover	35
Manchester	100
Portland	30
St. Ann	81
St. Catherine	224
St. Elizabeth	86
St. James	111
St. Mary	46
St. Thomas	33
Trelawny	46
Westmoreland	104
TOTAL	1,330

Charitable Lottery

Only 6 applications were received and approved for charitable lotteries during the period - This represents a 33.3% decline from 2018/2019. These generated \$66K in fees.

The Commission commenced processing applications to conduct Charitable Lotteries in 2018. The requirement for this category of license to be approved by the Minister of Finance does present challenges to applicants in regard to the protracted period for approvals. Having recognized this, the Commission has recommended amendments to the process which are expected to be reflected in new gambling legislation.

Prize Competitions

The number of applications for prize competitions remains constant with 235 applications received in this period as compared to 234 for the prior year. This resulted in a marginal 4% increase in revenue to \$16.74M, from \$16.09M earned last year.

The value of prizes offered by promoters decreased from \$439M to \$422M when compared to the previous fiscal year.

**Table 7A:
Prize Competition Activities
2019 - 2020**

Period	# of applications received	Application and monitoring	Express	Late	Incomplete	Modification	Extension	Overpayment	Administrative	Refund	Total	Prize Value (\$M)
April	17	890,000.00	200,000	-	15,000			55,000			1,160,000	27.82
May	21	1,450,000	200,000	30,000	30,000			5,000			1,715,000	38.00
June	17	750,000	200,000	45,000	-	45,000		80,330		5,000	1,115,330	19.98
Q1	55	3,090,000	600,000	75,000	45,000	45,000	-	140,330	-	5,000	3,990,330	85.80
July	28	1,540,000.00	275,000	45,000	30,000	30,000	-	56,500		55,000	1,921,500	62.55
Aug.	17	790,000	125,000	45,000	-	75,000	-	-	-	50,000	985,000	13.24
Sept.	20	1,180,000	150,000	30,000	60,000	60,000	-	5,000		-	1,485,000	42.39
Q2	65	3,510,000	550,000	120,000	90,000	165,000	-	61,500	-	105,000	4,391,500	118.18
Oct.	30	1,760,000.00	400,000	15,000	45,000	45,000	-	50,000		5,000	2,310,000	59.70
Nov.	34	1,730,000	625,000	120,000	30,000	30,000	-	100,000		50,000	2,585,000	70.33
Dec.	8	250,000	75,000	15,000	-	45,000	15,000	140,000		75,000	465,000	3.32
Q3	72	3,740,000	1,100,000	150,000	75,000	120,000	15,000	290,000	-	130,000	5,360,000.000	133.35
Jan.	11	550,000.00	150,000	15,000	-	15,000	-	-	-	-	730,000	26.08
Feb.	22	1,350,000	300,000	30,000	-	15,000	-	5,000	-	100,000	1,600,000	37.50
Mar.	10	510,000	125,000		-	15,000	-	25,000	-	5,000	670,000	21.57
Q4	43	2,410,000	575,000	45,000	-	45,000	-	30,000	-	105,000	3,000,000	85.15
GRAND TOTAL	235	12,750,000	2,825,000	390,000	210,000	375,000	15,000	521,830	0	345,000	16,741,830	422.48

**Table 7B:
Year on Year Comparison**

	NUMBER OF APPLICATIONS			TOTAL REVENUE (\$M)			PRIZE VALUE (\$)		
	2019/2020	2018/2019	VARIANCE (%)	2019/2020	2018/2019	VARIANCE (%)	2019/2020	2018/2019	VARIANCE (%)
Q1	55	59	-6.78	3.99	3.75	6.02	78.8	85.80	-50.2
Q2	65	63	3.17	4.39	4.49	-2.28	132.7	118.18	-16.4
Q3	72	73	-1.37	5.36	5.31	0.93	167.08	133.35	51.4
Q4	43	39	10.26	3.00	2.49	17.00	60.85	85.15	-42.8
TOTAL	235	234	5.28	16.74	14.70	21.67	439.43	422.48	-17.7

The view ahead for 2020/21

The 2020/21 fiscal year will be dominated by the effects of the COVID-19 pandemic as sporting events and public gathering will be restricted for the foreseeable future. The outbreak will no doubt hasten the push by Bookmakers, the Horse Racing Promoter and Lottery Promoters to provide online betting opportunities to their customers. Bookmakers who offer sports betting have and will continue to find it relatively easier to drive their businesses online as the younger demographic of punters find this medium more attractive and convenient. The horse racing and lottery promoters may face challenges due to the older demographic that participates in horse racing and the nature of the average lottery punter, who prefer to buy and win relatively small amounts on a consistent basis. We expect however that all Bookmakers, Lottery Promoters and the Horse Racing Promoter will increase their presence online during the 2020/21 licensing period.

With a moratorium on the granting of gaming lounge licences in place, an expected increase in the number of licensed TSPs and the Commission policy of only licensing local gaming machines purchased from licensed TSPs, it is expected that growth in the local gaming machine sector will continue. The pandemic may curtail that growth during the first six (6) months of the fiscal year, but if there is no severe global outbreak in the winter of 2020/21, marginal growth during the second half of the year is anticipated

Predicting the outlook for the various sectors for the 2020/21 fiscal year will be particularly challenging, as the contraction in the local and global economy coupled with any prolonged COVID-19 related protocols and restrictions could bring about retrenchment in the industry. The level of economic fallout, the speed at which the global and local economy return to some sort of normalcy and the extent to which the spread of the virus is curtailed, are key determinants as to the direction of the gaming industry for 2020/21.

The Division's Major Objectives for the 2020/21 fiscal year includes:

- Increased stakeholder engagement among TSPs with the aim to introduce improved technical standards;
- Increased automation of the licensing process to facilitate greater efficiency;
- Full integration of the updated Business Process Review findings and recommendations in the Division's work flow;
- Complete the standardization of requirements for all categories of premises and workers within the Industry; and
- Develop licensing standards for commercial bingo and various premises.

Fostering a Culture of Regulatory Compliance

Monitoring & Supervisory Programme

The Compliance & Regulatory Division is responsible for inspecting, educating, monitoring, and enforcing compliance with the betting, gaming & lotteries legislation.

The Division is committed to ensuring that licensed individuals and entities operate in accordance with the applicable obligations mandated by law and the relevant licence conditions, with specific focus on encouraging a compliance culture amongst its licenses.

During 2019-2020, the Division performed reviews and ad hoc checks among licensees in line with its monitoring programme and sought to continue to improve the efficiency and effectiveness of procedures. Reviews of licensed entities is a key function which may be carried out at various stages throughout the validity period of a licence. Checks include adherence to general conditions to licence, standard operating procedure, gaming system integrity assessment and new/enhanced product evaluation prior to roll-out. It is vital for the Commission to verify that a licensee is operating in line with the licence held.

While the general compliance supervision programme is rules-based, the Anti-money Laundering/Counter Financing of Terrorism (AML/CFT) supervision programme is transitioning from rules-based to a risk-based approach as required under Financial Action Task Force (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. Implementation of the risk-based supervision commenced in the last quarter of the financial year.

During the year, compliance inspectors and AML officers visited licensed premises across the island to inspect, examine and assess licensees' operations as well as gather intelligence on illegal gaming machines.

Strategic Engagements, Partnerships & Relationships

The Compliance team partners with the following entities for its supervisory programme:

- **Tax Administration Jamaica (TAJ):** primarily to address issues reported by licensees relating to filing of returns and payments using TAJ's Revenue Administration System (RAiS) as well as distribution of payments. the Compliance Division continues to support TAJ and the licensees in regard to resolution of outstanding issues
- **Financial Investigation Division (FID):** for AML/CFT training for gaming operators and BGLC staff
- **Bank of Jamaica:** to provide data and information for the National Risk Assessment (NRA) to the NRA Secretariat. Representatives of the Commission participated in Caribbean Financial Action Task Force (CFATF) Standards Training & CFATF Operational Committee meetings and the World Bank training on Module 7 of the NRA World Bank Tool.

Responsible Gaming

RISE Life Management is funded by BGLC to implement Jamaica's Responsible Gaming programme. RISE provides training for gaming operators and treatment and prevention programmes to address problem gambling and its impacts for the general public.

Gaming lounge operators remain compliant with the Responsible Gaming Code of Conduct. The operators receive alerts when customers are registered in the Voluntary Self-Exclusion database – a clear signal of the effective implementation of this strategy to address problem gambling.

General Compliance in the Gaming Industry

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.

From these field visits, the Compliance team reports on illegal gaming activities observed, reviews patrons' complaints and records 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 inspected/examined in compliance with Regulations	65%	75.4%	16%

Inspectors visited 780 premises during 2019-2020 finding most licensees in compliance with the licence obligations. However, the most frequent deficiency noted relates to licence and prohibition signs not being displayed, primarily in establishments licensed under the Spirit Licence Act.

In addition, the team conducts analysis of audited financial statements and management accounts submitted annually by licensees to evaluate for potential risks and validation returns filed to TAJ.

Other compliance activities included suitability assessments of licensee's new products, amended standard operating procedures and IT systems.

Government Revenue Collection

The C&R Team conducted reviews throughout the year to verify revenue across all gambling products, and worked with TAJ and The Jamaica Racing Commission (JRC) to ensure collections.

Key Performance Indicator	Target	Actual	Variance
Total Government Collection (Billions)	\$8.250bn	\$8.205bn	(\$0.045) bn

For 2019-2020, \$8.205 billion has been validated and verified from betting, gaming and lotteries operations as well as to the Tax Administration Jamaica (TAJ) RAIS in relation to gambling taxes and contributions payable.

In particular for bookmakers and the lottery promoter, revenue verification extends to validation of data through the operator's back-end system and annual financial statement assessment.

BGLC, TAJ (inclusive of CHASE contributions) and JRC has successfully collected 99% of taxes and contributions payable from the betting, gaming and lotteries sectors via direct deposits, inter-agency distributions and cash payments.

Customer Complaints

All licensees are expected to offer a complaint resolution process should a punter feel aggrieved by some aspect of their interaction with the licensee. However, where satisfaction is not achieved, a punter has the option to lodge a complaint or report problems they may be experiencing to the BGLC. The Compliance and Regulatory Division investigates complaints acting as an impartial arbitrator.

Key Performance Indicator	Target	Actual	# of Complaints received	# of Complaints resolved
% Complaints reported to BGLC resolved within standard time	80%	74%	35	26

When the Commission receives a complaint from a punter it investigates the complaint and, in some circumstances, the complaint is referred to the relevant licensee for feedback. Upon conclusion, the complainant is formally advised of the resolution.

During the year, the Division implemented a standard turnaround time of 20 days for the resolution of complaints. Some factors impacting achieving full resolution include: incomplete or insufficient information provided by the complainant and/or licensee, response times to requests for clarification, information and investigation, (sometime due to licensee's own detailed review and/or its IT system), documentation, and dialogue with the complainant. While the Division achieved resolution within 20 days, 74% of complaints were fully resolved.

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 supervisory functions of the BGLC including representing the BGLC on the CFATF - Operational Committee and the National Anti-money Laundering Committee; liaising with local stakeholders and partners; communicating with licensees; providing guidance and training to licensees and conducting AML/CFT examinations.

Supervision Programme

The Division's AML Unit supervision programme is aimed at strengthening the AML-CFT compliance programme in the gaming lounges.

During the year, the Division completed a risk assessment of the gaming lounge sector as part of the requirements to meet CFATF Immediate Outcome 3 and FATF Recommendation 28 for risk-based supervision. The results of the risk assessment and the risk profile for each gaming lounge enabled the creation of risk examination cycles with priority given to gaming lounge operators in the high-risk category. The implementation of risk-based supervision commenced January 2020 and two (2) gaming lounges were examined under this regime. The Division continues to develop and implement its risk-based supervisory framework for gaming lounges.

In order to meet the requirement under Immediate Outcome 4, the Division continued the update of the 2016 Gazette BGLC AML Guidance Notes. Consultation was held with gaming lounge operators who provided responses which were evaluated. A further update is ongoing with focus on incorporating the 2019 amendments to POCA,

TPA and UNSCRIA and its respective Regulations which were gazetted in quarter 4. As part of the update, the Division completed the de minimis domestic market assessment as advised by the Financial Investigation Division (FID). The objective was to determine whether the draft Deminmis Order for US\$3000 is to be recommended for approval. The outcome of the domestic market assessment with a recommendation for approval was submitted to the Ministry of National Security.

BGLC Response to CFATF Mutual Evaluation Report - Jamaica (MEVAL)

Immediate Outcome 3 – Effective Risk-based Supervision: Continued update to risk-based methodology and application to supervisory programme.

Immediate Outcome 4 - Preventative Measures: Updating Guidance Notes and issuance of advisories.

Enforcement

The mission of the Enforcement Division is to balance the interests of all stakeholders by ensuring that all providers and licensees participating in the industry are of good repute and all violators of the Betting Gaming & Lotteries Act (BGLA) are brought to justice.

In order to achieve our objectives, focus is given to 3 core areas:

- **Pre-Licensing Investigations (Due Diligence)** ensures that all persons applying for a license to participate in the industry have no criminal history, and that applicants have no intention to engage in criminal activity.

During the year the Enforcement team completed 1,176 due diligence investigations. This is a significant increase which was as a result of the onboarding of legacy Lottery Agents who have been operating for years without the Commission having any KYC information. As a result of this increase in due diligence activity we had to utilize most of our resources in this area which impacted the number of illegal lottery investigations conducted during the period.

- **Illegal Gaming** by conducting investigations and seizure operations to remove all illegal machines from the industry.

We conducted 12 gaming machine operations which resulted in 236 unlicensed gaming machines being seized. Of the 236 machines that were seized only 43 have been returned to the owners. The remainder is in storage pending forfeiture proceedings.

The increase in illegal gaming machines seized comes from information resulting from the 2018 licensing amnesty as these operators failed to take advantage of that opportunity.

- **Illegal Lottery** working alongside the Counter Terrorism and Organised Crime Branch (CTOC) of the JCF to investigate and arrest persons that are involved in selling lottery tickets without a license.

16 operations resulted in 11 arrests and \$237,502 cash seized.

Major Activities	2018/19	2019/20
Arrests	29	11
Cash Seized from illegal operators	\$519,271.00	\$237,502.00
Reports Received	31	18
Operations	41	28
Gaming Machines Seized	44	236
Gaming Machine Released	11	43
Due Diligence Investigations	479	1176

Tacking Financial Crime

The BGLC's capabilities to tackle financial crime in the industry has been expanded with the addition of a screening software that complements the "Perspective" case management system implemented in 2018. This software is used to support pre-licensing investigations by enabling screenings in respect of Anti-Money Laundering (AML) by identifying and assessing the risk of all applicants, including Political Exposed Persons (PEP), via watch list and sanctions screening as well as ongoing monitoring of negative media reports globally. This tool will reduce the exposure of the Commission in regard to the potential of financial crimes in the gambling industry.

The increasing visibility of crime and money laundering issues in Jamaica has driven the re-evaluation of the existing Memorandum of Understanding with the Jamaica Constabulary Force which has been in place for many years. The outcome of a meeting with the Police Commissioner was an agreement to chart a new way forward with a new, more effective MoU which will be drafted and put in effect during the financial year 2020-2021

Creating a Purpose-Driven Culture to Enable High Performance and Engagement

Introduction

The Human Resources & Administration Division contributed to the execution of the Betting Gaming & Lotteries Commission's strategy and mandate by ensuring the development, safety and well-being of the Commission's most important asset, our team members.

Key among the HRA Division's activities for the year was to continue the culture transformation which commenced in the last financial year. A number of initiatives were implemented to strengthen comradery and reinforce the Commission's core values (Transparency, Respect, Accountability, Integrity and Teamwork - TRAIT).



Team members declare support for gender equality on International Women's Day

HRA Team Development

Given the critical role that the HRA Division plays in building and sustaining the organization's culture transformation, unanimity is a vital attribute of this unit. The group participated in a team building exercise aimed at invigorating individual motivation, building cohesion, developing team strengths and addressing identified weaknesses. During the day's activities the team gleaned valuable insights and practical guidance to assist with understanding the Division's key role and the profound impact on achieving the Commission's strategic objectives. A combination of theory and practical exercises focused on how to bring our individual efforts together to be an efficient and effective team working to achieve a common goal.

Training & Development

Human Resources facilitates training and development opportunities aimed at building knowledge and skill sets to enhance employees' ability to deliver services, meet strategic needs and align with the Commission's values, strategic plan and overall mission. During the year, BGLC employees attended courses covering:

- Government Procurement
- Project Management
- Business Communication
- Fire Safety
- First Aid
- Crisis Communication Planning for Business Continuity
- "Know Your Customer" Due Diligence
- Anti-Money Laundering Risk Management
- Delivering Extraordinary Customer Service
- Strategy Execution
- Enterprise Risk Management
- Corporate Governance



GLI University training at BGLC

- Occupational Health and Safety
- Digital Marketing: Customer Engagement, Social Media, Planning & Analytics

Conferences relating to various aspects of the Commission’s work also provided an opportunity for staff members to obtain insights into new developments within their respective fields and to remain current with standards and best practices. Some of the conferences/workshops attended were:

- Anti-Money Laundering/Counter Financing of Terrorism Conference
- Institute of Chartered Accountants of the Caribbean’s Conference of Accountants
- International Association of Gaming Regulators (IAGR) Annual Conference
- International Financial Reporting Standards (IFRS) Workshop
- Jamaican Bar Association Annual Weekend Conference
- United Nations Convention Against Corruption Conference (focused on corruption in sports)

Employee Recognition

The Commission’s Employee Recognition Programme was introduced on the basis that achieving BGLC’s strategic objectives requires each team member to be consummate professionals, live the values, be dedicated to duty and committed to extraordinary productivity. Accordingly, it is important to recognize high performance of these factors through these service awards.

The 2 facets to recognizing and rewarding team members at BGLC are:

- Star Awards – enables team members to recognize their colleagues for any exceptional display of the Commission’s core values and invaluable contribution to achieving a specific deliverable. This is a motivator for individuals while ensuring alignment with the Commission’s core values.
- Employee of the Quarter / Year – recognizes excellence in job performance and awarded to the employee who exceeds departmental and organization objectives and displays the core values.

Star Awards 2019



Vivian Nunes, Senior Licensing and Registration Officer, receives his Star Award from Maurice Thompson, Director Licensing and Registration

Team Member	Division	Awarded for
Omar Irving	Finance & Accounts	Teamwork
Lorraine James	Licensing & Registration	Outstanding work ethic, integrity and teamwork
Claudia Jarrett-Myers	Finance & Accounts	Diligence, respect and teamwork
Jeanette Lewis	Corporate Affairs & Communication	Outstanding teamwork for 2019 IAGR Conference
Vivian Nunes	Licensing & Registration	Accountability
Shawn Skeffrey	Human Resources & Administration	Integrity and Teamwork
Grace Ann Wilmot	Corporate Affairs & Communication	Teamwork for 2019 Corporate Retreat

Employee of the Quarter

- Q2: Lorraine James, Licensing & Registration
- Q3: Lorraine Underhill, Compliance & Regulatory

Recruiting & Onboarding Practices

A review of the recruiting process examined the number of positions to be filled, the timeframe in which they are required, the type of applicant, interests, values and diversity. The aim is to ensure that a transparent and unbiased recruitment and selection process is followed and which results in the appointment of the best candidate, based solely on merit and best-fit with the organization’s values, philosophy, and goal.

The onboarding process was revamped to improve the process' effectiveness and the recruits' level of satisfaction of being a part of the organization by creating a more structured and rounded experience for new employees. On the first day, each new hire is introduced to organisational policies, mission and values and assisted with making their first social connection with colleagues. Every Head of Division (or their designated representative) has an appointment to take time to introduce new team members to the functions of their respective Division, its impact on the Commission's objectives and to reveal how that new hire's role will intersect with the respective Division.

Culture Ambassadors

Four (4) team members have been designated as culture ambassadors. Their role is to model the behaviour of our desired culture and encourage team members to enshrine the core values in their way of life. The culture ambassadors are also the liaison between staff and management on matters affecting the culture so as to ensure that concerns are addressed timely and with engagement of relevant stakeholders.

BGLC Values Day

Timed to coincide with Civil Service Week, this was an afternoon of creativity in the form of a guided art class during which team members in groups produced art pieces depicting each of the Commission's core values. So proud are we of all the individual masterpieces, that they now hang in a place of prominence visible to all as they enter and leave the building.

Internship and Summer Holiday Employment Programs

The Commission is providing career development and professional experience for 5 interns who are each to a Division that is most closely aligned to their career interests. Their engagement at the Commission provides the young professionals with a broad view of the gaming industry and aids them in realistically assessing their future career options.

University and high school students in the fourth form or higher grades, also get the opportunity to gain work experience through our summer holiday employment programme. The sixty (60) beneficiaries of the program in 2019 were engaged in various divisions within the organisation. The program allows for BGLC personnel to mentor the youth during their time at the Commission.

In September 2019, BGLC received the Co-operative Education Employer 2018/2019 Award from UTECH School of Business Administration. The award recognizes our role in providing relevant on-the-job work experiences related to students' courses of study and career goals.



Latoya Campbell, Human Resources Officer received the award for Co-operative Education Employer from La-Cresha Gordon-Brydson, UTECH's Co-operative Education Co-Ordinator.

Labour/Employee Relations

During the period under review, the HRA collaborated with the Legal Services Division to manage and settle two (2) industrial relations cases.

Capital Works

The eminent arrival of the Jamaica Racing Commission (JRC) team as new residents of the Hagley Park Road headquarters, a tangible step towards the merger of the 3 Commissions, coupled with essential upgrades to the facility required a number of capital works projects to commence, with some completed and others carried into the next financial year.

1. Installation of an elevator to facilitate ease of movement between floors, especially for persons with physical challenges to navigate the stairways

2. Installation of Solar Panels has reduced the dependence and use of the public electricity supply resulting in savings of approximately J\$700K since commissioning into service in December 2019
3. Relocation of the Enforcement Division to a space which now includes private rooms for due diligence interviews and thus creating an area that better accommodates the JRC team.
4. Waterproofing of the roof
5. Renovation of the Commissioners' Box at Caymanas Park

Projects To Be Completed During 2020/21

- Jamaica Racing Commission relocation
- Annex renovation to become the home of the Casino Gaming Commission team
- Further waterproofing on the roof – to cover air-conditioning units
- General and perimeter painting
- Car Park renovation – to accommodate the additional cars that are the inevitable result of the increased population in the building.



Team members enjoy the convenience of the new elevator which facilitates ease of movement in the building



Safety Monitors participated in hands-on first aid training



Enthusiastic team members from BGLC, JRC and CGC participated in the 2020 Sigma Corporate Run.

Senior Executives' Compensation

For Financial Year Ended March 31, 2020

Name and Position of Senior Executive	Year	Salary	Gratuity or Performance Incentive	Travelling Allowance or Value of Assignment of Motor Vehicle	Pension or Other Retirement Benefits	Other Allowances	Non-Cash Benefits	Total
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Vitus Evans - Executive Director ¹	2019/2020	9,366,158.08	7,452,955.10	1,342,772.04	-	2,787,100.06	-	20,948,985.28
Lorraine Thompson-Barnett - Director of Finance	2019/2020	5,692,108.12	3,402,925.96	2,190,396.00	-	2,568,126.93	-	13,853,557.01
Laurie Wigan Director of Compliance & Regulatory	2019/2020	5,692,108.12	1,801,028.62	2,190,396.00	-	2,649,311.50	-	12,332,844.24
Carole Johnson - Director of ICT ²	2019/2020	5,692,108.12	3,558,215.56	2,693,321.04	-	3,509,818.12	-	15,453,462.84
Maurice Thompson - Director of Licensing & Registration	2019/2020	5,692,108.12	1,773,578.54	2,190,396.00	-	1,917,434.87	-	11,573,517.53
Noel Bacquie - Director of Enforcement	2019/2020	5,692,108.12	3,519,607.93	2,190,396.00	-	2,307,509.52	-	13,709,621.57
Sandra Antonio - Director of Human Resources & Administration	2019/2020	5,481,550.17	5,511,304.33	2,190,396.00	-	2,067,649.16	-	15,250,899.66
Karla Small-Dwyer - Director of Legal Services	2019/2020	5,692,108.12	3,104,253.77	2,190,396.00	-	2,726,025.46	-	13,712,783.35
TOTAL		49,000,356.97	30,123,869.81	17,178,469.08		20,532,975.62		116,835,671.48

Notes:

1. Performance Incentive paid April and December 2019
2. Retroactive travel allowance (taxation refund) paid April & May 2019
3. Pay in lieu of leave - Carole Martinez-Johnson paid April 2019
4. Retroactive salaries & allowances paid September 2019
5. Garment/Uniform allowance paid January 2020
6. Pay in lieu of leave - Noel Bacquie paid January 2020
7. Pay in lieu of leave - Sandra Antonio paid March 2020

Civil Service Day 2019: Building & Sustaining a Culture of Excellence

BGLC Team joined all public bodies to observe Civil Service Day on November 21 with a team building session under the theme "Building & Sustaining a Culture of Excellence".

The activities for the day were intended to reinforce the Commission's core values in an enjoyable way with a guided painting session with groups preparing artwork to depict each of the core values - **Transparency, Respect, Accountability, Integrity and Teamwork**.



Corporate Social Responsibility

DONATIONS AND SPONSORSHIPS

Aquatics Sports Association of Jamaica
 Bridgeport High School
 Church of St. Mary the Virgin - The Mother's Union
 Church of the Transfiguration - Women's Auxiliary
 Department of Corrections – Medical Services
 Early Achievers Learning Centre
 Friends of the Homeless
 Grooms Association of Jamaica
 Hagley Park all Star Club
 Hanbury Home for Children
 HCPT The Pilgrimage Trust (Jamaica)
 Holy Rosary Primary School
 Jamaica Environment Trust
 Jamaica Government Pensioners Association
 Jamaica Society for the Blind
 JCS Developmental Centre
 The Jockey School (Jamaica Racing Commission)
 Kiwanis Club of Kingston
 Kiwanis Foundation of Jamaica
 Koolites Changing Lives International
 Lions Club of Kingston
 Mustard Seed Communities
 Porter Centre for Knowledge
 St. Andrew High School PTA
 St. Catherine High School
 St. Georges College
 St. Georges College Old Boys Association
 St. Patrick's Foundation
 Stella Maris Church
 Stella Maris Church Men's Fellowship
 Sunset Optimist Club of Kingston
 The Apostolic Church of Jamaica
 The Heart Foundation of Jamaica
 Thoroughbred Owners and Breeders Association
 Unity of Jamaica
 Waterford Infant School
 Wolmers Schools



Our contribution to the Jackson Town Basic School enabled improvements to the facilities for the students and teachers.

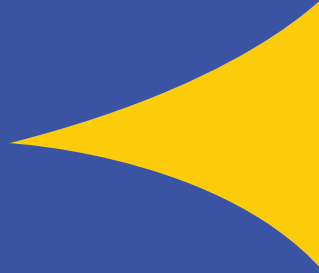


BGLC's sponsorship of the Jamaica Racing Commission Jockey School enabled training for youth from the community surrounding Caymanas Park.



BGLC donated a multi-function laser printer and toner cartridges to JCS Development Centre, a school which provides affordable education for children with special needs. The equipment enables school administrators and teachers to generate the paperwork needed to deliver lessons for the students.

Auditor's Report & Financial Statements





Betting, Gaming and Lotteries Commission

**Financial Statements
31 March 2020**

Betting, Gaming and Lotteries Commission

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31 March 2020

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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 2020, 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 2020;
 - 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

L.A. McKnight P.E. Williams B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan C.I. Bell-Wisdom G.K. Moore T.N. Smith DaSilva K.D. Powell.



Responsibilities of management 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.

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.


Chartered Accountants
Kingston, Jamaica
21 July 2020

Betting, Gaming and Lotteries Commission

Statement of Comprehensive Income

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Income	5	1,249,793	1,129,913
Other operating income	6	265,856	250,144
Administration expenses		(932,016)	(828,004)
Net impairment gains/(losses)		26,485	(49,859)
Grants	7,8	(13,768)	(12,277)
Finance cost	10	(635)	-
Surplus before Taxation		595,715	489,917
Taxation	11	(30,356)	(31,357)
Net Surplus		565,359	458,560
Other Comprehensive Income, net of taxes:			
Item that will not be reclassified to profit or loss –			
Unrealised gains on financial assets at FVOCI		1,705	-
Re-measurement of retirement benefit asset, net of taxes	11	(91,531)	61,778
Total Comprehensive Income		475,533	520,338

Betting, Gaming and Lotteries Commission

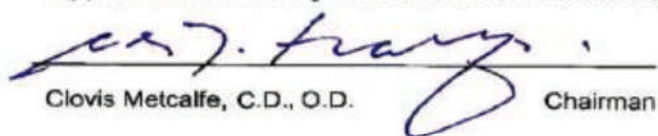
Statement of Financial Position

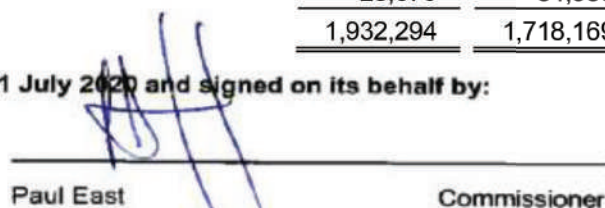
31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Non-Current Assets			
Property, plant and equipment	12	572,627	563,367
Right-of-use assets	21	9,565	-
Long-term receivables	14	68,569	38,412
Investments	15	197,758	173,352
Retirement benefit asset	24	95,376	209,070
		<u>943,895</u>	<u>984,201</u>
Current Assets			
Receivables	16	152,198	209,584
Taxation recoverable		26,973	23,734
Current portion of long-term receivables	14	31,225	11,235
Short term deposits	17	1,148,943	927,959
Cash at bank and in hand	18	100,288	77,689
		<u>1,459,627</u>	<u>1,250,201</u>
Current Liabilities			
Payables	20	431,638	438,353
Current portion of lease liabilities	21	6,449	-
Income tax payable		10,147	5,840
Deferred income	22	22,994	72,040
		<u>471,228</u>	<u>516,233</u>
Net Current Assets			
		<u>988,399</u>	<u>733,968</u>
		<u>1,932,294</u>	<u>1,718,169</u>
Equity			
Accumulated surplus		1,901,910	1,663,186
Fair value reserve		1,705	-
		<u>1,903,615</u>	<u>1,663,186</u>
Non-Current Liabilities			
Deferred tax liability	13	25,382	54,983
Lease liabilities	21	3,297	-
		<u>28,679</u>	<u>54,983</u>
		<u>1,932,294</u>	<u>1,718,169</u>

Approved for issue by the Board of Commissioners on 21 July 2020 and signed on its behalf by:


 Clovis Metcalfe, C.D., O.D. Chairman


 Paul East Commissioner

Betting, Gaming and Lotteries Commission

Statement of Changes in Equity

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Accumulated Surplus	Fair Value Reserve	Total
		\$'000	\$'000	\$'000
Balance 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	23	(319,559)	-	(319,559)
Balance as at 31 March 2019		1,663,186	-	1,663,186
Total Comprehensive Income -				
Re-measurement of retirement benefit asset, net of taxes		(91,531)	-	(91,531)
Unrealised gains on financial assets at FVOCI		-	1,705	1,705
Net surplus		565,359	-	565,359
		473,828	1,705	475,533
Transaction with owners -				
Distribution	23	(235,104)	-	(235,104)
Balance as at 31 March 2020		1,901,910	1,705	1,903,615

Betting, Gaming and Lotteries Commission

Statement of Cash Flows

Year ended 31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Net surplus		565,359	458,560
Adjustments for:			
Depreciation	12,21	53,664	59,438
Interest income	6	(48,109)	(40,746)
Retirement benefit asset		(8,347)	911
Interest expense		635	-
Effect of exchange gain on foreign currency balances		(6,225)	207
Taxation	11	30,356	31,357
		<u>587,333</u>	<u>509,727</u>
Changes in operating assets and liabilities:			
Receivables		57,386	(67,428)
Payables		(6,715)	97,542
Deferred income		(49,046)	10,960
Cash provided by operations		<u>588,958</u>	<u>550,801</u>
Tax paid		<u>(28,380)</u>	<u>(22,857)</u>
Net cash provided by operating activities		<u>560,578</u>	<u>527,944</u>
Cash flows from investing activities			
Interest received		48,694	33,774
Purchase of investments		(1,131,426)	(199,908)
Proceeds from disposal and encashment of investments		226,663	68,603
Purchase of property, plant and equipment	12	(58,512)	(51,174)
Proceeds from sale of property plant and equipment		-	340
Long term receivables		<u>(50,147)</u>	<u>(15,424)</u>
Net cash used in investing activities		<u>(964,728)</u>	<u>(163,789)</u>
Cash flows from financing activities			
Lease payments	21	(4,866)	-
Distribution	23	<u>(235,104)</u>	<u>(277,488)</u>
Net cash used in financing activities		<u>(239,970)</u>	<u>(277,488)</u>
Net (decrease)/increase in cash and cash equivalents		(644,120)	86,667
Effects of exchange rate changes on cash and cash equivalents		(5,206)	(2,914)
Net cash and cash equivalents at beginning of year		<u>797,721</u>	<u>713,968</u>
NET CASH AND CASH EQUIVALENTS AT END OF YEAR	18	<u><u>148,395</u></u>	<u><u>797,721</u></u>

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(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. 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 2020 were:

Mr. Vitus Evans	- Executive Director
Mrs. Carole Martinez-Johnson	- 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
Mr. Winston Jackson	- Internal Auditor

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 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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(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

Amendments to IFRS 9, 'Prepayment features with negative compensation', (effective for annual periods beginning on or after 1 January 2019). The narrow-scope amendments made to IFRS 9, Financial Instruments enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held a 'held to collect' business model. The adoption of the standard did not have any significant impact on the operations of the Commission.

IFRIC 23, 'Uncertainty over income tax treatments', (effective for annual periods 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 adoption of the standard did not have any significant impact on the operations of the Commission.

IFRS 16, 'Leases', (effective for annual periods beginning on or after 1 January 2019). IFRS 16 affects primarily the accounting by lessees and results in the recognition of almost all leases on the statement of financial position. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The statement of comprehensive income is also affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense is replaced with interest and depreciation, so key metrics like Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) will change. Operating cash flows is higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest continues to be presented as operating cash flows. The accounting by lessors did not significantly change. Some differences arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Commission had to change its accounting policies as a result of adopting IFRS 16. The Commission elected to adopt the new rules utilising the simplified approach under the modified retrospective approach on 1 April 2019. As such on 1 April 2019 management assessed the present value of the remaining lease payments, discounted using the incremental borrowing rate and recognised the right-of-use asset at an amount equal to the lease liability. See notes 21 and 26 for the impact of IFRS 16 on the Commission.

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 adoption of the standard did not have any significant impact on the operations of the Commission.

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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, amendments and interpretations 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, amendments and interpretations, and has determined that the following may be relevant to its operations, and has concluded as follows:

Amendments to IAS 1 and IAS 8 on the definition of material (effective for annual periods beginning or after 1 January 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this amendment is not expected to have a significant impact on the operations of the Commission.

Amendments to IFRS 9, IAS 39 and IFRS 7 (effective for annual periods beginning or after 1 January 2020) – Interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of comprehensive income. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries. The adoption of these amendments is not expected to have a significant impact on the Commission.

There are no other new or amended standards and interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Commission.

(b) Income recognition

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**
Income 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.
- (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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Income recognition (continued)

(i) 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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(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	2½%
Furniture and fixtures	20%
Computer equipment	33⅓%
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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(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 and leases.

(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. 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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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

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.

The irrevocable election to designate equity instruments as FVOCI was made by the Commission.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(g) Financial instruments (continued)

(iv) Impairment

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

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).

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 deposits 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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Employee benefits (continued)

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.

Past-service costs are recognised 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.

(l) 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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Leases

As Lessee

As at 1 April 2019:

As of the 1 April 2019, leases are recognised as right-of-use assets with the corresponding liabilities recognised at the date at which the leased assets are available for use by the Commission.

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

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

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

As at 31 March 2019:

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor were classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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.

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

3. Financial Risk Management (Continued)

(a) Credit risk (continued)

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.

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 certificate of deposits 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 of the resale agreement 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:

	2020 \$'000	2019 \$'000
Government	13,988	28,543
Lotteries	101,717	171,740
Bookmakers	28,648	28,167
	<u>144,353</u>	<u>228,450</u>
Less: Loss allowance	(31,743)	(62,275)
	<u>112,610</u>	<u>166,175</u>

Impairment of financial assets

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

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

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

31 March 2020

(expressed in Jamaican dollars unless otherwise indicated)

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 2020 and 2019 was determined as follows for trade receivables:

31 March 2020	Current (0-30 days)	31- 90 days past due	91-150 days past due	Over 150 days past due	Total
Expected loss rate	0.22%	-	0.1%	95%	
Gross carrying amount \$'000	107,613	-	3,577	33,163	144,353
Loss allowance provision \$'000	236	-	3	31,504	31,743

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	-	-	-	96.02%	
Gross carrying amount \$'000	123,653	39,924	20	64,853	228,450
Loss allowance provision \$'000	-	-	-	62,275	62,275

The closing loss allowances for trade receivables as at 31 March 2020 reconcile to the opening loss allowances as follows:

	2020 \$'000	2019 \$'000
Opening loss allowance as at 1 April 2019	62,275	12,416
Impaired receivables during the year	2,887	49,859
Amount reversed during the year	(33,419)	-
At 31 March 2020	31,743	62,275

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.

Betting, Gaming and Lotteries Commission

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3. Financial Risk Management (Continued)

(a) Credit risk (continued)

Other financial 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 loss allowances were recognised on balances for other receivables, long term receivables, short term deposits and investment securities, 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.

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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
2020				
Payables	431,638	-	-	431,638
Lease liabilities	6,449	3,297	-	9,746
Total Financial liabilities	438,087	3,297	-	441,384
2019				
Payables	438,353	-	-	438,353
Total Financial liabilities	438,353	-	-	438,353

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 or 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 \$110,419,000 (2019 - \$120,474,000). This exposure arose from cash and bank balances, long term investment balances and short term deposits denominated in US dollars.

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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 2% revaluation and 6% devaluation (2019 - 4% revaluation and 6% 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 Profit before tax and Shareholders' Equity	% Change in Currency Rate	Effect on Profit before tax and Shareholders' Equity
	2020	2020 \$'000	2019	2019 \$'000
Currency:				
USD:				
Revaluation	2%	(2,208)	4%	(4,819)
Devaluation	6%	6,625	6%	7,228

(i) Interest rate risk

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

The Commission earns interest on its securities purchased under resale agreements as disclosed in Note 17. 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 14), investment securities (Note 15) and certain deposit and bank balances (Notes 18). 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.

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3. Financial Risk Management (Continued)

(c) Market risk (continued)

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency or interest rate risk, whether those changes are caused by factors specific to the instrument or affecting all similar instruments in the market.

The Commission is exposed to equity securities price risk. To manage its price risk arising from investments in equity securities, the Commission maintains an immaterial portfolio.

The Commission's investments in equity securities are publicly traded on the Jamaica Stock Exchange (JSE). The table below summarises the impact of an increase of 5% (2019 - 10%) and a decrease of 10% (2019 - 10%) change in the JSE index, assuming that all other variables are held constant and that all the Commission's equity instruments moved in correlation with the index.

		2020 \$'000	2019 \$'000
Increase/(decrease) in equity security	5%	1,585	-
	10%	3,171	-

(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. Apart from the Commission's equity and fixed income instruments acquired during the financial year, there are no other financial instruments that, subsequent to initial recognition, are measured at fair value. The following table provides an analysis of financial instruments held as at 31 March 2020 that, subsequent to initial recognition, are measured at fair value. The financial instruments are grouped into levels 1 to 3 based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical instruments. The fair value of financial instruments traded in active markets is based on quoted market prices at the year end date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the instrument, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The fair value of financial instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2; and

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3. Financial Risk Management (Continued)

(e) Fair values of financial instruments (continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the instrument that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
	2020			
Investment securities –				
Quoted equities	6,700	-	-	6,700
Fixed income fund	-	25,005		25,005
	6,700	25,005	-	31,705

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 \$71,406,000 (2019 – \$29,304,000). 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 \$194,883,000 (2019 - \$172,307,000).

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.

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5. Income

	2020	2019
	\$'000	\$'000
Lotteries	959,388	888,696
Gaming machines	220,342	177,304
Bookmakers	25,607	25,930
Racing promoter	22,641	19,020
Bingo	4,850	5,035
Prize promotions	16,965	13,928
	<u>1,249,793</u>	<u>1,129,913</u>

6. Other Operating Income

	2020	2019
	\$'000	\$'000
Interest	48,109	40,746
Foreign exchange gains/(losses)	6,225	(207)
Unclaimed winnings	207,002	205,485
Other	4,520	4,120
	<u>265,856</u>	<u>250,144</u>

7. Grants

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 \$13,768,000 (2019 - \$12,277,000).

Betting, Gaming and Lotteries Commission

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8. Expenses by Nature

Total administration expenses and grants

	2020	2019
	\$'000	\$'000
Advertising and public relations	32,287	16,125
Audit fees	1,840	1,719
Depreciation	53,664	59,438
Donations and subscriptions	10,967	7,762
Diamond Mile expenses	32,243	62,448
Grants	13,768	12,277
Insurance	4,638	6,227
Legal and professional	36,060	50,507
Printing and stationery	5,173	5,508
Rental	-	4,847
Repairs and maintenance	17,879	13,343
Security	12,751	12,327
Net impairment (gains)/losses (Note 3(a))	(26,485)	49,859
Merger expenses	1,430	(1,358)
Special investigations	2,844	5,085
Staff costs (Note 9)	605,742	463,855
Utilities	24,902	28,439
Other	89,596	91,732
	<u>919,299</u>	<u>890,140</u>

9. Staff Costs

	2020	2019
	\$'000	\$'000
Salaries and wages	358,827	269,496
Payroll taxes – employer's contribution	37,163	31,066
Pension	2,911	9,383
Other employee related costs	206,841	153,910
	<u>605,742</u>	<u>463,855</u>

Betting, Gaming and Lotteries Commission

Notes to the Financial Statements

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10. Finance cost

	2020	2019
	\$'000	\$'000
Interest expense	<u>635</u>	<u>-</u>

11. 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%.

	2020	2019
	\$'000	\$'000
Current income tax	25,270	20,963
Prior year under accrual	4,177	9,590
Deferred taxation (Note 13)	<u>909</u>	<u>804</u>
	<u>30,356</u>	<u>31,357</u>

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

	2020	2019
	\$'000	\$'000
Surplus before taxation	<u>595,715</u>	<u>489,917</u>
Tax calculated at 25%	148,929	122,479
Adjusted for the effects of:		
Income not taxable	(302,663)	(276,231)
Expenses not deductible for tax	184,278	181,183
Employee Tax Credit	(5,201)	(5,462)
Adjustment for prior year deferred tax due to capital allowances	893	(494)
Prior year under accrual	4177	9,590
Other charges and allowances	<u>(57)</u>	<u>292</u>
Tax charge	<u>30,356</u>	<u>31,357</u>

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.

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11. Taxation (Continued)

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

	2020 \$'000	2019 \$'000
Other comprehensive income -		
Remeasurements on retirement benefit obligation, before tax	(122,041)	82,371
Tax charge (Note 13)	30,510	(20,593)
	<u>(91,531)</u>	<u>61,778</u>

12. Property, Plant and Equipment

	Land \$'000	Freehold Buildings \$'000	Furniture & Fixtures \$'000	Computer Equipment \$'000	Motor Vehicles \$'000	Storage Facility and Equipment \$'000	Capital Work In Progress \$'000	Total \$'000
At Cost -								
1 April 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)
31 March 2019	82,864	411,222	194,124	97,289	23,546	1,404	32,654	843,103
Additions	-	19,268	4,400	5,156	7,700	1,567	20,421	58,512
Transfers	-	-	19,218	-	-	-	(19,218)	-
At 31 March 2020	82,864	430,490	217,742	102,445	31,246	2,971	33,857	901,615
Depreciation -								
At 1 April 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)
31 March 2019	-	44,889	141,087	83,308	9,048	1,404	-	279,736
Charge for the year	-	10,551	23,671	9,033	5,814	183	-	49,252
At 31 March 2020	-	55,440	164,758	92,341	14,862	1,587	-	328,988
Net Book Value -								
At 31 March 2020	82,864	375,050	52,984	10,104	16,384	1,384	33,857	572,627
At 31 March 2019	82,864	366,333	53,037	13,981	14,498	-	32,654	563,367

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. In January 2020 the Board of Commissioners approved the decision to sell the property to National Health Fund.

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13. 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 asset during the year is as follows:

	2020 \$'000	2019 \$'000
Net liability at beginning of year	(54,983)	(33,586)
Charged to profit or loss (Note 11)	(909)	(804)
Credited/(charged) to other comprehensive income (Note 11)	30,510	(20,593)
Net Liability at end of year	<u>(25,382)</u>	<u>(54,983)</u>

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

	2020 \$'000	2019 \$'000
Deferred income tax asset -		
Vacation leave accrual	2,071	1,677
Unrealised foreign exchange loss	189	-
	<u>2,260</u>	<u>1,677</u>
Deferred income tax liabilities -		
Unrealised foreign exchange gain	-	(672)
Property Plant and Equipment	(632)	(526)
Retirement benefit asset	(23,844)	(52,268)
Interest receivable	(3,166)	(3,194)
	<u>(27,642)</u>	<u>(56,660)</u>
Net deferred tax liability	<u>(25,382)</u>	<u>(54,983)</u>

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

	2020 \$'000	2019 \$'000
Profit or loss		
Vacation leave accrual	(394)	545
Unrealised foreign exchange gain	(672)	672
Property, plant and equipment	106	(2,430)
Interest receivable	(28)	1,700
Unrealized foreign exchange loss	(189)	545
Retirement benefit liability	2,086	(228)
	<u>909</u>	<u>804</u>
Other comprehensive income		
Retirement benefit liability	<u>30,510</u>	<u>20,593</u>

Betting, Gaming and Lotteries Commission

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13. Deferred Taxation (Continued)

Deferred income tax liabilities to be extinguished -

After more than 12 months	(24,476)	(52,794)
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14. Long Term Receivables

	2020 \$'000	2019 \$'000
Loans to employees	99,794	49,647
Less: Current portion	(31,225)	(11,235)
	<u>68,569</u>	<u>38,412</u>

These represent loans to the Commission's employees. 79% percent (2019 - 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.

15. Investments

	3-12 Months	1-5 Years	Over 5 Years	Carrying Value	Carrying Value
	2020	2020	2020	2020	2019
	\$'000			\$'000	\$'000
Financial assets at amortised cost-					
Government of Jamaica securities - Debentures	-	-	131,472	131,472	149,067
Long term Certificates of Deposits	-	31,706	-	31,706	21,879
Financial assets at FVOCI					
Quoted equities	-	-	6,700	6,700	-
Fixed income fund	-	-	25,005	25,005	-
Interest receivable	2,875	-	-	2,875	2,406
	<u>2,875</u>	<u>31,706</u>	<u>163,177</u>	<u>197,758</u>	<u>173,352</u>

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

	2020 %	2019 %
J\$	3	10
US\$	<u>0.05</u>	<u>0.04</u>

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.

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16. Receivables

	2020 \$'000	2019 \$'000
Fees and contributions receivable	82,465	123,462
Unclaimed winnings	30,145	42,713
	112,610	166,175
Staff loans	16,881	10,838
Prepayments and other deposits	22,054	31,655
Other	653	916
	<u>152,198</u>	<u>209,584</u>

Fees and contributions receivable is stated after provision for impairment losses of \$31,743,000 (2019 – \$62,275,000).

17. 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 2020 \$'000	3 - 12 Months 2020 \$'000	Carrying Value 2020 \$'000	Carrying Value 2019 \$'000
Securities purchased under resale agreements (Note 18)	47,724	-	47,724	717,678
Securities purchased under resale agreements	-	1,091,426	1,091,431	199,908
Interest receivable	383	9,405	9,788	10,373
	<u>184,777</u>	<u>964,166</u>	<u>1,148,943</u>	<u>927,959</u>

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

	2020 %	2019 %
J\$	<u>4.06</u>	<u>3.40</u>

Included in cash and cash equivalents are securities purchased under resale agreements and interest thereon in the amount of \$48,107,000 (Note 18).

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18. Cash and Cash Equivalents

	2020	2019
	\$'000	\$'000
Securities purchased under resale agreements (Note 17)	48,107	720,032
Cash at bank and in hand	100,288	77,689
	<u>148,395</u>	<u>797,721</u>
	2020	2019
	\$'000	\$'000
Cash at bank and in hand comprise:		
Cash at bank	100,085	77,536
Cash in hand	203	153
	<u>100,288</u>	<u>77,689</u>

19. Related Party Transactions and Balances

(a) Loans to related parties

Loans to key management personnel of the Commission –

	2020	2019
	\$'000	\$'000
At start of year	9,647	5,299
Loans advanced during year	20,585	7,000
Loan repayments received	(5,260)	(2,652)
End of year	<u>24,972</u>	<u>9,647</u>

No provision has been required in 2020 and 2019 for the loans made to key management personnel of the Commission.

(b) Other balances/transactions with related parties

	2020	2019
	\$'000	\$'000
Distributions (Note 23)	<u>235,104</u>	<u>319,559</u>

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19. Related Party Transactions and Balances (Continued)

(c) Key management compensation

	2020 \$'000	2019 \$'000
Salaries and other short-term employee benefits	67,137	54,723
Allowances	37,711	24,448
Gratuity accrued	11,987	10,996
Payroll taxes – employer's contributions	8,855	7,031
	<u>125,690</u>	<u>97,198</u>
Commissioners' emoluments		
Fees	1,265	894
Travel allowance	196	73
	<u>1,461</u>	<u>967</u>

(d) Balances with related parties

	2020 \$'000	2019 \$'000
Distribution payable (Note 20,23)	200,000	200,000
	<u>200,000</u>	<u>200,000</u>

20. Payables

	2020 \$'000	2019 \$'000
Accruals	36,997	31,489
Distribution payable	200,000	200,000
Accrued vacation leave	34,202	26,414
Customer deposits	107,158	142,851
Other	53,281	37,599
	<u>431,638</u>	<u>438,353</u>

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21. Leases

This note provides information for leases where the Commission is a lessee. For adjustments recognised on adoption of IFRS 16 on 1 April 2019, please refer to Note 26.

(i) Amounts recognised in the statement of financial position

	2020 \$'000	1 April 2019 \$'000
Right-of-use assets		
Building	<u>9,565</u>	<u>8,595</u>
Lease liabilities		
Current	6,449	5,214
Non-current	<u>3,297</u>	<u>3,381</u>
	<u>9,746</u>	<u>8,595</u>

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	2020 \$'000	1 April 2019 \$'000
Depreciation charge of right-of-use asset:		
Building	<u>4,412</u>	<u>-</u>
Interest expense (Note 10)	<u>635</u>	<u>-</u>

The total cash outflow for leases in 2019 was \$4,866,000

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

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21. Leases (Continued)

	Lease liabilities \$'000
Net debt as at 31 March 2019	-
Recognised on adoption of IFRS 16	8,595
Net debt as at April 2019	<u>8,595</u>
Cash flows -	
Additions	5,382
Lease payments	(4,866)
Non-cash flows -	
Interest expense	635
Net debt as at 31 March 2020	<u><u>9,746</u></u>

The Commission's leasing activities and how these are accounted for:

The Commission leases a car park to be used only for the parking of vehicles doing business with the Commission and a warehouse to facilitate storage of gaming machines confiscated during its enforcement activities. The lease agreement for the car park has a term of one (1) year with an option to extend for an additional term of three (3) years. The agreement for the storage facility has a term of two (2) years.

Up to 31 March 2019, the leasing of the the storage facility was classified as an operating lease. From 1 April 2019, the lease is recognised as a right-of-use asset with a corresponding liability at the date at which the leased asset was available for use by the Commission. The use of the car park was leased and available to the Commission in February 2020. See further details in Notes 2 (m) and 26.

22. Deferred Income

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

23. Distributions

Pursuant to directives from the Honourable Minister of Finance & the Public Service, the Commission was required to distribute a total of \$235,104,000 (2019 - \$319,559,000) to the Consolidated Fund. At the year end, \$200,000,000 (2019 - \$200,000,000) of this amount was payable (Note 20).

Betting, Gaming and Lotteries Commission

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24. 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 2020.

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:

	2020 \$'000	2019 \$'000
Present value of funded obligations	678,389	584,275
Fair value of plan assets	<u>(773,765)</u>	<u>(793,345)</u>
Asset recognised in statement of financial position	<u>(95,376)</u>	<u>(209,070)</u>

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

	2020 \$'000	2019 \$'000
At beginning of the year	(209,070)	(127,610)
Recognised in net surplus	2,911	9,383
Re-measurements recognised in other comprehensive income	122,041	(82,371)
Contributions paid	<u>(11,258)</u>	<u>(8,472)</u>
At end of year	<u>(95,376)</u>	<u>(209,070)</u>

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24. Retirement Benefit Asset (Continued)

The amounts recognised in net surplus are as follows:

	2020 \$'000	2019 \$'000
Service Cost	18,611	19,696
Net Interest Cost:		
Interest cost on defined benefit obligations	40,501	40,715
Interest income on plan assets	(56,201)	(51,028)
	<u>2,911</u>	<u>9,383</u>

The amounts recognised in other comprehensive income are as follows:

	2020 \$'000	2019 \$'000
Re-measurements:		
Change in financial assumptions	38,283	(39,658)
Experience adjustments	83,758	(42,713)
	<u>122,041</u>	<u>(82,371)</u>

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

	2020 \$'000	2019 \$'000
Present value of obligation as at 1 April	584,275	578,010
Service cost	18,611	19,696
Interest cost	40,501	40,715
Contributions paid	18,012	11,662
Benefits paid	(11,579)	(42,275)
Value of annuities purchased	-	8,433
Remeasurement – Changes in financial assumptions	42,837	(41,887)
Remeasurement – Experience adjustments	(14,268)	9,921
Present value of funded obligation as at 31 March	<u>678,389</u>	<u>584,275</u>

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24. Retirement Benefit Asset (Continued)

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

	2020	2019
	\$'000	\$'000
Fair value of plan assets at 1 April	793,345	705,620
Contributions paid - total	29,270	20,134
Expected return on plan assets	56,201	51,028
Benefits paid	(11,579)	(42,275)
Value of annuities purchased	-	8,433
Remeasurement – Changes in financial assumptions	4,554	(2,229)
Remeasurement – Experience adjustments	(98,026)	52,634
Fair value of plan assets at 31 March	<u>773,765</u>	<u>793,345</u>

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

	2020		2019	
	\$'000	%	\$'000	%
Equity	439,120	56	445,058	56
Mortgage and real estate	110,216	14	114,991	15
Fixed income	7,544	1	3,007	-
Money market	2,828	-	2,641	-
Foreign currency investments	4,057	1	3,902	1
Value of purchased annuities	112,773	15	124,890	16
Inflation linked fund	95,562	12	96,184	12
Adjustments	1,665	1	2,672	-
	<u>773,765</u>	<u>100</u>	<u>793,345</u>	<u>100</u>

The principal actuarial assumptions used were as follows:

	2020	2019
	%	%
Discount rate	6.5	7.0
Future salary increases	4.5	5.0
Future pension increases	1.0	1.0
Inflation	<u>3.0</u>	<u>3.0</u>

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24. 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 \$28,277,000 (2019 - \$20,970,000).

The actual return on plan assets was (\$22,217,000) (2019 – \$110,115,000).

The average expected remaining working life of the employees is 19 years (2019 – 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%	(80,740)	106,170
Future salary increases	1%	47,097	(40,845)

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.

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24. 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.

25. 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.

26. Adoption of accounting policies

As indicated in Note 2(a), the Commission has adopted IFRS 16 Leases retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening statement of financial position on 1 April 2019. The new accounting policies are disclosed in Note 2(m).

On adoption of IFRS 16, the Commission recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities are measured at the present value of the remaining lease payments, discounted using the rates implicit in the lease agreement and the lessee's incremental borrowing rate as 1 April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 7%.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the Commission has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Commission has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Commission relied on its assessment made applying IAS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

	2020
	\$'000
Operating lease commitments disclosed as at 31 March 2019	9,451
Discounted using the lessee's incremental borrowing rate at the date of initial application	8,595
Lease liability recognised as at 1 April 2019	8,595
Of which are:	
Current lease liability	5,214
Non-current lease liability	3,381
	8,595

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26. Adoption of accounting policies

(iii) Measurement of right-of-use asset

The associated right-of-use assets for property leases was measured on a retrospective basis as if the new rules had always been applied.

(iv) Adjustments recognised in the statement of financial position on 1 April 2019

The change in accounting policy affected the following items in the statement of financial position on 1 April 2019:

- (i) right-of-use assets – increase by \$8,595,000.
- (ii) lease liabilities – increase by \$8,595,000.

There was no impact on opening retained earnings.

27. Subsequent Event

Impact of Covid-19

The global economy is experiencing, and may continue to experience, significant volatility resulting from the spread of the coronavirus identified as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and the gaming industry in which the Commission operates is uncertain at this point and has the potential to continue to adversely affect the business, results of operations or financial condition, the impact of which is still under assessment.

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